

# FINANCIAL REVIEW BOARD - MEETING MINUTES

FEBRUARY 2, 2010

CITY HALL – FIRST FLOOR CONFERENCE ROOM

## **Item 1. Call to Order**

The Chairman of the Board, Mr. Howard Ellingsworth called the meeting to order at 8:30 A.M.

## **Item 2. Roll call**

### **MEMBERS PRESENT:**

Howard Ellingsworth, Chairman  
Todd L'Herrou, Vice Chairman  
Christina Morrison Pearce  
Yvonne Walker  
Jack Warner  
Brenda Durden  
Robert Moore  
Rosalie Blood, Alternate

### **MEMBERS ABSENT:**

Helena Antunes-Boska, Alternate

### **STAFF PRESENT:**

Joseph Safford, Finance Director  
Barbara Flynn, Board Liaison  
Rebecca O'Connor, Treasurer  
Lisa Herrmann, Budget Officer

## **Item 3. Approval of Agenda**

*Please note: Ms. Antunes-Boska is no longer able to serve in her role as Alternate. The City Commission has on their Agenda to appoint a replacement.*

Mr. Ellingsworth asked for approval of the February 2, 2010 Agenda. They have an addition to the Agenda: Add as Agenda Item 8e – Status of Recommendation (re: Budget). Mr. Moore motioned to approve, seconded by Mr. L'Herrou. Said motion passed unanimously.

## **Item 4. Approval of Minutes**

Mr. Ellingsworth asked for approval of the Minutes of January 19, 2010.

Ms. Pearce motioned to approve, seconded by Mr. Moore. Said motion passed unanimously. Mr. Ellingsworth reminded the Alternate, Ms. Blood that technically she could not vote if there is a quorum. Ms. Blood duly noted.

## **Item 5. Public Comment**

Mr. Ellingsworth asked for public comment. Mr. James Tabeek from the Delray Beach Fire Department stated the State legislation has voted to have a fire surtax to go on referendum in August and requested to make a presentation to the Board on the March 2, 2010 meeting. Mr. Ellingsworth further explained the issue as a statewide initiative to replace a half cent sales tax, currently going to the School Board which will be sun setting the end of this year, and replace it with a Fire Surcharge going directly to the Fire Department. This money is supposed to result in a reduction of property tax. Mr. Tabeek supplied the Board with a written overview. Mr. Ellingsworth agreed to adding Mr. Tabeek's presentation (of approximately 20 minutes) to the 3/2/10 Agenda.

## **Item 6. New Handout Material**

Ms. Pearce handed out the revised rankings with the citizen's input. Mr. Safford handed out copies of the Agenda, Minutes, ranking by department, Mr. Warner's Financial Review Board Assurance Project, outstanding Budget Task Force items and the Library and CRA Budgets.

## **Item 7. Open Issues**

**a.) Outstanding or Unresolved Budget Task Force Items –** Mr. Safford described the items on the list:

- 1.) Police and Fire Retiree Health Trust- which is one of the items that will be considered in Union negotiations in the spring. HOLD
- 2.) Overtime Pay and Compensatory Time – Also scheduled in Union negotiations. Mr. Safford stated the parties involved are the Human Resources Director, H.R. Administrative Assistant, Labor Attorney, the Police & Fire Attorneys and three of the Police & Fire Pension Board members. HOLD
- 3.) Union Time Pool –This was an issue in the Fire Department where time was donated to the Union time pool for hours that were above the allowed cap of accumulation of compensatory time. The Budget Task Force has asked for the cap to be enforced and not accumulated above that.
- 4.) Investment Seminars –There are representatives from the Police & Fire Pension Board that attend investment seminars. The Budget Task Force found the Fire Department personnel had ten twenty-four hour shifts as a set limit per year. Since that time they have reduced it to five twenty- four hour shifts. The Police Department has no limit to date.
- 5.) Education Incentive Pay –The Fire Department, per State Statute receives a certain amount of money per month if they have an Associates or Bachelors Degree and the money we give the employees is reimbursed by the State. The Police Department also has a State Statute that declares they too receive money for having those degrees but the State does not reimburse the City for that money. In addition the City has their own incentive program giving the Police Department money for having degrees so they were actually paid this benefit twice. The Budget Task Force recommended taking away the State amount because the City amount was higher.

Mr. L'Herrou added the City Attorney's Office had advised the Board removing existing City benefits would have to be negotiated even if they are not part of the Union negotiations.

Ms. Pearce asked if other employees are getting benefits for education. Mr. Safford explained that there is a Tuition Reimbursement Program offered to all employees (within budget), but only Police & Fire receive additional pay on an hourly basis for having a degree. He stated they no longer offer tuition reimbursement for Masters Degrees, degrees unrelated to their jobs or to employees in the DROP Plan (Deferred Retirement Option Plans).

- 6.) Police and Fire Pension Plans –The Board was informed at the last meeting both the Police & Fire Pension Plans and the General Employees Pension Plan are being reviewed by the City Manager and an Actuary for alternatives. The results for the General Employees Pension should be available tomorrow (2/3/10) and the results for the Police/Fire Pension should be available around Monday of next week (2/8/10).
- 7.) Take Home Vehicles – Every Department was reviewed, each vehicle, calculated mileage, commuting vs. business usage and recommendations were made on every vehicle in every department. The largest one is the Police Vehicle Take Home Program. Changes have been made restricting the use; specifically “de minimis” use (lacking significance or importance).

Mr. Ellingsworth stated some of these items will come back for discussion of the Financial Review Board in future meetings. Ms. Walker asked if there was a fiscal value assigned to any of the listed items. Mr. Safford replied that they did have estimated savings on all of the items, which are in the Budget Task Force report posted on the City website (<http://mydelraybeach.com>). Ms. Walker asked if there was a review for the Executive Management Packages for non-public safety employees. Mr. Safford stated the focus seemed to be on Police & Fire due to the fact that some benefits listed are available only to those employees. The only difference in benefits between management and other employees is the 3% match program (provided for management and for key employees). There was a review of people receiving FLSA (Fair Labor Standards Act) compensation in lieu of overtime and changes implemented. Mr. Ellingsworth asked if the employees with take home vehicles were required to report their actual mileage periodically. Another implementation was - supporting the amount of use for the vehicle. Mr. Safford stated that City garage keeps monthly reports on mileage and the amount of commuting mileage.

**b) Review Actuary Study on Pension Alternatives**

Mr. Ellingsworth stated this report was unavailable at this time – add to next Agenda (2/16/10).

**c) Ranking of Functions**

Ms. Pearce prepared a spreadsheet with not only the Department Head rankings of functions, but with Mr. Warner's and the citizen's opinions added for comparison. She found all of the “D” rankings in Police & Fire Departments disturbing so she met with Fire Chief James and Police Chief Strianese. She said they were both

aware of this and they have agreed to look into what reductions in functions they can find and what they can eliminate. She noted that there was a big disparity in the ranking of economic development. According to the study we donate only \$25,000 to economic development support and it is the second most important item on the Citizen's Survey. Mr. Ellingsworth stated money goes to the Economic Development Coordinator at the CRA and there would be more discussion on the role of the CRA later. He asked for the Board to review the spreadsheet and bring questions to the next meeting.

## **Item 8. New Business**

### **a) Information on Charitable Requests**

Mr. Ellingsworth provided a handout showing the primary charitable contributions the City makes and what the CRA is contributing as well. To summarize, there doesn't appear to be any methodology used to quantify what the charitable contribution provides. The end result is that the amount funded is what the organization is requesting and what historically has been funded. He feels they need to be more analytical and have organizations supply more criteria on how much are we fund in relation to their total budget, how many visitors they get, and perhaps the economic impact. He provided the current funding for 2009-2010FY with dollar amounts from the City and from the CRA. Additionally the funding for EPOCH; the CRA provided a \$250,000.00 loan which a State Grant may refund.

The application does not currently request a 990 IRS Form which should be added. The application requests a significant amount of quantifiable information but it doesn't appear to be applied in terms of determining the amount the City funds. There should be funding guidelines, for instance, we should not be funding more that x% of their total budget, and there should be requirements that the organization raise funds outside of City and CRA which would provide an incentive for them to be self-sustaining. These are some possible recommendations Mr. Ellingsworth would like to submit and he asked the Board to review the numbers and come up with additional recommendations.

Ms. Pearce asked about the ownership of the Library. Mr. Safford stated he knows we received a \$500,000.00 Grant with a condition that we were to be the owner after a certain amount of time - he will do some research on the specifics. Ms. Pearce stated the total budget for the Library is 2.0 million dollars and it gets 1.5 million from the City and \$308,000.00 from the CRA. Ms. Pearce asked if when an amenity such as the Library, is built is there is money set aside ahead of time to carry such a project or is it put in the budget yearly. Mr. Safford explained if it is part of the County Library System they charge .55 mils which equates to 3.5 million dollars; so all of the citizens would be paying that additional millage rate on their taxes. We are saving money by keeping it private because we are contributing 1.6 million vs. 3.5 million.

Mr. Warner added to think broadly and noted that Delray Beach is one of only two cities in the State that has a publically funded, privately governed and managed Library. In addition to the options of current status and affiliations with the County, there is a potential third option which is that the Library actually becomes part of the City or part of another organization for example, Old School Square.

### **b) Revenue / Accounts Receivable Work Plan**

Mr. Warner explained he had changed the name of the project to something broader - Revenue Assurance with the same objectives; namely to ensure that the City is collecting all the revenue it is entitled to by State Statue, policy or by existing contract. His plan, includes the following (summarized):

- 1.) Identify all of the revenue streams and to prioritize them.
- 2.) Recommend actions to increase net revenue – Process improvements.
- 3.) Identify historically uncollected revenue.
- 4.) Improve existing contracts.

Mr. Warner's overview of the methodology for business process reengineering (summarized):

- 1.) Fundamentally rethinking and radical redesign of all processes.
- 2.) Modern, state of the art information technology.
- 3.) The process needs to be a team process and involve people who are currently involved. Collaborative activity working with people that know how things currently are handled as well as with people who have seen similar processes in other places. He stated the GFOA (Government Financial Officers Association) as a source of best practices in all of the areas of municipal finance. Focusing on revenues and revenue control is most important.

Mr. Warner explained the FRB Approval - involves two parallel processes;

1.) Looking at best practices (GFOA) and review what the Delray Beach auditor's financial statements published and management letter with the auditor's suggestions as well as how other municipalities address the same issues that we are dealing with.

2.) Review current City business processes – Mr. Warner met with Mr. Safford and one of his staff to assist with filling in a spreadsheet of revenues by Department to view who is billing, collecting and reconciling. He finds the more tasks done outside of the Finance Department the riskier it is due to their expertise. He also met with Mr. McNamee who questioning the Waste Management issues to learn more about his findings and his knowledge of the city's current practices. Mr. Warner recommends forming the reengineering team to make the decisions about prioritization.

Mr. Safford described what the Finance Department is doing in relation to this including building a separate spreadsheet on each fund of the City. Each fund will list by line item the revenues (hundreds of line items). He is researching law enforcement trust funds, construction funds, other trust funds, golf courses and the marina. Also he will be adding information on what governs, or the enabling legislation, for each revenue line item and how each line item is calculated. He plans to have this ready for the Board by the next meeting for their review.

Mr. Moore volunteered to take care of item 4– Improving governing contracts, laws and policies. Mr. Warner noted that due to the Sunshine Law which prevents them from working collaboratively, they need to cut the plan into parts that can be dealt with separately by different Board members. Other teams will be comprised of City employees. He stated if the Board agrees with the work plan, when they get back the information on the revenue streams from staff, he will come back with recommendation to the Board priorities. Out of those specific revenue activities determine the people on staff and outside that would be involved, for instance with the Waste Management issue WM is responsible for some of the functions under the contract such as the counting of the units.

Ms. Pearce asked if when Mr. Warner spoke with Mr. McNamee if he indicated if he felt there were other irregularities with other contracts. Mr. Warner stated to his knowledge WM has been the only thing Mr. McNamee has been focused on.

Mr. Ellingsworth confirmed the work plan adoption by the Board and he assigned Mr. Warner to be the lead.

#### **c) Information on CRA**

Mr. Ellingsworth provided material he prepared with assistance from Diana Colona, Director of the CRA. She provided him with a listing of some of the funding either charitable or otherwise for City functions. He wanted to determine what the CRA is paying for now that is usually a City responsibility, and what more the CRA can do. The CRA would need to get legal counsel opinion prior to committing to being able to take over total funding of the Library. The State Statute defines restrictions such as – property has to be within the CRA District and effectively tied to eliminating blight or economic redevelopment. The interpretation of what they fund has to fall within those guidelines.. The dilemma is, in the Statute it says if you don't spend the money or budget the money, then it needs to go back to the taxing authority it came from, in this case the County.

The CRA has to make sure they have projects that are budgeted. The CRA provided him with information on contractual City services that they City would typically have to pay for if not for the CRA. The largest amount is the Clean and Safe Program providing additional Police and cleanup for the downtown corridor. The CRA is a \$500,000.00 a year sponsor of the Tennis tournaments. The contract with the City is about 1 million dollars a year for the next twenty years, plus maintenance of the facility; so the CRA has covered about half of the cost. This may not actually fit into the framework, so we have to be cautious of that. Also he would caution about rolling the CRA into the City, as you may find the County Commissioners not as agreeable to having all of this excess money budgeted and ask that the money be returned. It could be a disservice to the City if we lost TIF revenues that otherwise would not come to the City. The CRA is probably one of the highest rated in the State in terms of what they have done and how they are run. He asked the CRA how much more of the Old School Square or Library budgets they could fund. Other ideas such as – can the CRA employees become part of the City, could the CRA buy Old School Square and the Library from the City which would make them responsible for the maintenance of the property. They have asked their attorney to review what they could do. The CRA did buy the historical home from the City that they work in for \$750,000.00. Mr. Ellingsworth stated to replace the grass each year after the Christmas tree display is \$30,000.00 to \$40,000.00, funded by the CRA.

There is a provision in the Statute that says 95% of the TIF money is supposed to go to the CRA, but it states you can reduce it down to no less than 50% which means that incremental transfer to the CRA would be 50%, however if the City decides to do that the County can do the same. Ms. O'Connor questioned the way the Statute was written (re: the 50%) it is for those CRA's that were established after Delray Beach which was 1985. She wondered if it is still 50%, or it could be all contributions. Mr. Warner stated that smart people are running both the City and the CRA so our role as a Board may be going over questions they have asked already. He suggests if they want to do anything with the CRA is that one of the Board take a two or three month look at everything about the organization of the CRA. We may be getting into a circular discussion when we say – could the CRA fund Old School Square - before we have agreed among ourselves that Old School Square is a high priority for tax payer funding. He would like to take a more comprehensive in-depth look at the things we decide to do and if CRA is one of them fine, and if the Board decides not to look at CRA that is fine also.

Mr. Ellingsworth stated the Board needs to make a determination if they believe the CRA brings a benefit to the City. He believes they all will agree it is a benefit. Fundamentally if it is believed there should not be a CRA there is 4.5 million dollars that would not be available for projects within the City. He would not recommend disbanding the CRA. Ms. Pearce agrees the idea of disbanding the CRA should be off the table. She stated not only do we get the extra money but they have the attention of the most important corridor in the City. The downtown area defines the City and they have made that corridor better. If all of those duties were rolled back into the City, that attention would not be given to this area. She agrees they could look at more what the CRA does pay for and if they could they pay for more because they do get the TIF dollars, and also could we adjust how they spend that money. Also if the City did away with the CRA the City would have to absorb their debt which is about 13 million dollars.

Ms. Pearce motioned to look into the operation, funding and expenditures of the CRA to better enhance the City but not to disband the CRA. Seconded by Mr. Warner. Discussion included Mr. L'Herrou stating it seems premature due to the fact the CRA has its own Board with a job to do, have done it reasonably well, and does this fit within the Board's activities. Before they take any action in motions involving the CRA he advises a joint meeting with the CRA Board and discuss some issues with them. Find out what their intent is, what they are looking at, how open they are to doing joint investigations rather than imposing the Financial Review Board's intent on them. Mr. Ellingsworth stated we do not really have any authority to make recommendations to the CRA since they are an independent entity. He did state we could explore where the City could get more funding from the CRA for City related services and functions. Ms. Pearce noted the CRA handles a lot of the tax dollars for the City and not recommend anything directly to the CRA but to make financial recommendations to the City Commission to improve the financial viability of the City - which the CRA is a big part of. Mr. Ellingsworth stated even though the CRA is an agency, a separate entity, the City Commission could vote to disband the CRA. He believes we should investigate how to benefit more from the CRA. Voting on the motion proceeded and was not approved with Ms. Pearce, Mr. Ellingsworth and Mr. Warner voting *for* and Ms. Durden, Mr. L'Herrou, Ms. Walker and Mr. Moore voting *against*. Not Approved 4-3.

#### **d) Waste Management Cost Study**

Mr. Safford explained he has spent about a year on this project with Mr. McNamee and it came to the City Commission resulting in a vote of "no confidence" from the Commission for Mr. Harden (City Manager), and himself. The vote of "no confidence" was specifically on this project, it was not a general vote of "no confidence". In the beginning, as of October there was a large rate increase in garbage costs. General single family homes went up as much as 75% in their rate. Some commercial accounts went up 100% to 150%. In December in the preparation of monthly reports there was an obvious variance between what we anticipated to come in from franchise fees for garbage and what we were actually collecting. Mr. McNamee noticed that and he came to the City with 18 items in questions. Complaints included paying for rear door pickup and bringing his cans curbside, Waste Management (WM) not returning containers to the back of his house, Commission awarding a five year contract without a bid, WM's authority to increase rates, etc. One of those items was the fact that the franchise fee revenue coming in did not look appropriate, in which Mr. Safford agreed and stated not only did they get a rate increase, but WM used to have the exclusive franchise on the roll-off containers for construction debris. Prior to October 1, 2009 all of the revenues came into one line item. The City Commission decided not to give an exclusive franchise so now we have multiple vendors picking up construction debris. The Community Improvement Department was in charge of setting up the procedure; collecting the fees from these multiple vendors therefore these are recorded into a different revenue line item. From a financial viewpoint, you have to

add two line items together to check your franchise fees. Since franchise fees are a percentage of the contractors' costs the cost should have also increased by the same percentage. Studying why they did not match they found the only data they had in the past was - the vendor would send a franchise fee check and a backup letter with how it was calculated. There was no customer detail or billing registers for backup. To start they got the billing registers from the contractor with rates, charges, codes, frequency of pickup, etc. for February. We really needed to compare the registers for the month before the rate change and the month after the rate increase. But, they couldn't give us billing registers for those two periods of time - only summary billing registers without all of the detail. We had prepared a forty-five page spread sheet with five months of billing registers to compare customer data across that five month period. WM found, due to a clerical error, they had removed the roll-off containers from the franchise fee list and in doing so they sent the City a check for \$20,000.00 with a customer list for each of those months. Community Improvement took three months to write the policy on the construction and debris franchises, so WM withheld their payment for October, November and December 2009 until the policy was written. Once the policy was executed they submitted a check for \$19,000.00. They did this voluntarily on their own accord. That accounts for \$39,000.00 and another \$10,000.00 came from the month preceding the rate increase where WM did not send the check for the construction and debris pickup. It has since been collected. This year of study resulted in \$52,000.00, \$39,000.00 of which was found by WM, and voluntarily submitted. If they had not submitted it - it would have been caught in our financial statements. So, there was a lot of work done by City staff and WM staff. That explains the \$52,000.00 being mentioned.

Additionally in June of last year, our people in Utility Billing dumped their master files and separated the customers into the four categories (A=Roll Out Carts B= Rear Door Pickup C=Curbside Bags and D= Multi-family) and compared that to what WM was billing us. There was a 2,000 unit shift where we found we had too much in roll-out carts and not enough in multi-family. All of the data was sent to WM and we asked them to do a field test to verify our numbers. They did a partial field test and agreed to our numbers. By agreeing to our numbers our bill dropped by about \$11,000.00 a month. In a meeting with Commissioner Fetzer, Mr. McNamee, Mr. Harden and Mr. Safford the question was raised - how far back are we going to bill WM - and Mr. Safford advised them we needed to field test those numbers first. That is when it was brought up at a Commission meeting and the figure of \$500,000.00 is being portrayed by Mr. McNamee, (which is the \$11,000 a month x 12 months x 5 years rounded off), resulting in the vote of "no confidence". This means they wanted Mr. Safford pulled off the project and they wanted to hire an external auditor. The next meeting the Commission wanted to turn the project over to the Financial Review Board of which Mr. Safford is the primary person doing the research behind the Board. He has gone back to 2001 which is when we bid out the project for solid waste. The number of units we put in that bid tied in with the Solid Waste Authority (SWA) listing of units. The SWA collects money from every resident for disposal costs. It goes on the tax bill and the assessment role comes from the Property Appraiser's files for listing of units. In 2001 our bid equaled the number of units that was on the SWA report. That is what the contractor billed, the exact number of units from this report. It stayed the same for nine years, until last June when we did the data dump. In June we were within 200 units (there are a total of 30,000 units in the City) and after the data dump we were 1081 units different from the SWA. WM was billing us 1081 units LESS than the SWA; **under billing**. WM is aware of this recent publicity and said the City needs to be careful of what is reported to the media or we could possibly end up in a legal battle. An article that came out with one of the Commissioners saying "this may be only the tip of the iceberg" upset them. It made it sound like WM was doing something fraudulently; if it taints their reputation and their business they could be prompted into legal action. So, WM at the present time is under billing us according to the SWA's figures. Mr. Safford is going to go back five years, and pull all of WM's invoices and compare that to the SWA for five years of data, to finish a spreadsheet.

The City number of units may not be equal to the SWA number of units may be due to classification problems. The Property Appraisers Office has 125 different classifications of units and the City has only four. He is sending people out in the field to find every one of our units and make sure that they are in the proper classification of ABC or D and an accurate unit count. We need to come up with a database that is reliable and in which the contractor and the City agree on the data. In the contractors that pick up garbage in the entire unincorporated area charge the exact number of units that are on the annual SWA reports. We can do that, and it can be simple and we can rely on the SWA reports, and if WM agrees there may be no arrears adjustment, and we just go forward. Mr. McNamee and Mr. Richard Reade (City Manager's Office) is going to visit the WM office for more analysis. The City Commission wants to see this resolved and this project should be closed within thirty to sixty days.

Ms. Pearce asked for synopsis on the \$500,000.00 Mr. McNamee is referring to and it represents the \$11,000.00 a month for the last four years that he feels that WM owes us for. Mr. Safford said it was \$11,000. 00. For the last 12 months multiplied by five years, rounded off. Ms. Pearce stated if you compare that with what the County has it doesn't match at all, and Mr. Safford agreed that WM doesn't owe us anything according to what the SWA shows.

Mr. Ellingsworth asked about the classification issues, and how does the SWA get from 125 classifications to match our four. Mr. Safford stated he is going to the SWA this morning to pick up a disk of the assessment role for the City of Delray Beach so we will have a customer list in Excel format that can be compared line by line with our customer database. Mr. Ellingsworth asked if Mr. McNamee's estimates are based on a specific situation where the SWA's role did not agree with to what Waste Management is currently charging, and was his data independent. Mr. Safford stated Mr. McNamee has our information, from August where WM agreed to use our number of units they changed their invoice and started billing the lower number of units, therefore the City reduced its cost by \$11,000.00 a month, so he took that information and multiplied it by 12 for one year and by sixty to total five years –rounded off. To reiterate when it all started, Mr. Safford stated Mr. Butch Carter (Regional Manager from Waste Management) came into his office and they went over what happened at the Commission meeting. Mr. Carter explained he had to hold back his home office in Texas from sending in Attorneys. Mr. Carter encourages the unit count study the City is doing because we may end up owing them money.

Mr. Ellingsworth suggested a recommendation to the City Commission to make no further public comments about this contract until all of the data is available. Mr. Moore motioned for said recommendation, seconded by Ms. Durden. Discussion included Mr. Warner asking what we intended to do in response to a request from the Commission for the Financial Review Board audit the accounts. Mr. Ellingsworth added that the Board is going to review all of the data when it is all available and confirm that it is accurate and complete prior to making a conclusion and address the request from the Commission at that time. Further discussion included mention of how the Commission is communicating with the Board. There was a motion at the Commission meeting, voting to assign the audit to the Financial Review Board; no direct instruction came from the Commission to the Board. Mr. Warner stated the Commission had related they did not have confidence in the City staff involved, and then they are going to presume that same City staff person will relate the assignment to the Board and would involve the work done by same City staff person.

Mr. Safford explained there are two subjects; the City Commission has been informed that Mr. Reade and Mr. McNamee are going to handle part of the audit and parallel to that, the City will be continuing with the unit count study. The Mayor is involved and is sending Mr. Safford a data dump of the Property Appraisers files. All of the data will be reported to the Financial Review Board. Mr. Moore suggested someone on the Board should volunteer to attend City Commission meetings so the information is first hand. Ms. Durden stated if the Commission has an assignment to the Board the information should come directly from the Commission to the Board. Ms. Blood also stated it is unusual the Commission gave the Board the assignment however the City staff is continuing to provide the data to the Board.

Mr. Ellingsworth will get information from the Commission on what the Commission wants them to do; his inclination is that Mr. McNamee is the one that needs to be provided with some assurance that the City is getting billed accurately on Franchise Fees. Mr. Warner would like to suggest if the City Commission states they are not confident the role the City staff has played, the Board needs to contact the City Commission directly. He states the allegation in the paper may have been more properly stated as - The Commission asks the Financial Review Board to do an analysis.

Mr. L'Herrou read the Agenda results from the Commission meeting: As motion to approve the Financial Review Board to review issues with the City's Waste Management contracts with Mr. Rich Reade (Sustainability Officer) serving as the coordinator between City staff, the Financial Review Board and Waste Management – Approved 5-0. However, Mr. Read has not contacted the Chairman of the Board. Mr. Ellingsworth noted due to the fact the City Commission is potentially putting the City into a liability situation; he calls for a vote on motion presented previously by Mr. Moore concerning no further public comments on the WM contract. Said motion passed unanimously. Mr. Ellingsworth will contact Mr. Reade and the Mayor for direction. In a future meeting the Board will request the presence of Mr. Reade and Mr. McNamee for their presentation.

**e) Status on Recommendation for Budget Process Change**

Mr. Ellingsworth stated a single Board member contacted the Commission as to the status of the request for a total budget planning target for the City Budget. He noted this kind of request should come from the Board as a group rather a single member. Mr. Ellingsworth suggested a motion that the Board formally communicate with the Mayor via a letter, as to the status of the recommendation. Mr. Moore motioned, seconded by Mr. Warner. Said motion passed unanimously.

The agenda items Mr. Ellingsworth would like for the next meeting are:

- 1.) Departmental Revenue Report
- 2.) Report on CRA - Ability to further fund organizations
- 3.) Direction from Mr. Reade or the Mayor – Involvement in Waste Management audit
- 4.) Review Actuarial Study

**Item 9. Adjournment**

Mr. Walker moved to adjourn the meeting. Mr. Moore seconded the motion and the vote was unanimous. The meeting adjourned at approximately 11:02 a.m.

The undersigned is the Finance Director of the City of Delray Beach. The information provided herein are the minutes of the City of Delray Beach Financial Review Board of February 2, 2010. Minutes were formally approved and adopted by the Financial Review Board on February 16, 2010.

  
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Joseph M. Safford, Director of Finance