

**070109 FINAL MINUTES
BUDGET ADVISORY BOARD
REGULAR MEETING**
City of Fort Lauderdale
100 North Andrews Avenue
8th Floor Conference Room
Fort Lauderdale, Florida, 33301
July 1, 2009 - 6:00 p.m.

Board Member	Attendance	10/2008 through 9/2009 Cumulative Attendance	
		P	A
Alan Silva, Chair	P	2	0
Keith Cobb, Vice Chair	P	2	0
Bud Bentley	P	2	0
Marc Dickerman	P	2	0
Desorae Giles-Smith	A	0	2
Sam Monroe	A	1	1
Fred Nesbitt	P	2	0
June Page	A	1	1
Anthony Timiraos	P	2	0
Ray Williams	P	2	0

Staff

Shonda Singleton-Taylor, Budget Director, Office of Management & Budget
Michael Kinneer, Finance Director, Office of Management & Budget
Norm Mason, Liaison, Office of Management & Budget
John Herbst, City Auditor
J. Scott Bayne, Trustee, Police & Fire Pension
Jennifer Picinich, Recording Secretary, Prototype, Inc.

Guests

Fort Lauderdale Mayor John P. Seiler

Communications To City Commission

Draft scope and goals documents.

PURPOSE: To Provide the City with input regarding the taxpayers' perspective in the development of the annual operating budget; to review projections and estimates from the City Manager regarding revenues and expenditures for upcoming fiscal year; to advise the City Commission on service levels and priorities and fiscal solvency; and to submit recommendations to the City Commission no later than August 15 of each year regarding a budget for the upcoming fiscal year.

1. Call to Order/Roll Call

Chair Silva called the meeting of the Budget Advisory Board to order at 6:03 p.m.

2. Review of Meeting Minutes (June 17, 2009)

Board members made corrections to the June minutes.

Motion made by Mr. Williams, seconded by Mr. Bentley, to approve the Board's June minutes as amended. In a voice vote, motion passed unanimously.

3. Review Goals and Priorities Correspondence

Scope of Budget Advisory Board

Chair Silva stated the Board should define their scope and their long and short-term goals. He distributed a document he had created describing the Board's scope. The first item on Chair Silva's document was: Budget formulation, providing taxpayers' perspectives, review of projections and estimates of both revenues and expenditures and advice on service levels and priorities. Chair Silva remarked that this definition was in keeping with the existing ordinance.

Mr. Williams asked if Chair Silva meant the Board to operate on a macro level, which he was comfortable with, or a micro level, which concerned him and which he did not believe was within the Board's purview. Chair Silva said specifics would become clear in their short-term goal discussion.

Chair Silva continued with the next item: Amendment and monitoring of the budget during the year, comparing actuals to budgeted amounts and suggesting midcourse corrections as needed. He stated it was the Board's responsibility to "raise a red flag" as soon as a problem was recognized.

The next items on Chair Silva's list was: Addressing special concerns and overarching issues during the year such as overtime controls, span of control and supervision and efficiencies of operations. Item four was: Soliciting public input on service levels and perceived priorities through citizen input, public meetings in various neighborhoods during the year.

Mr. Dickerman asked how public input would be solicited. Chair Silva explained that they would either convene a meeting or have a subcommittee meeting. Chair Silva

believed this would enable them to gauge the service levels the public expected, as well as their service priorities.

Mr. Herbst read from a document he had provided to the City Commission in 2007 that was excerpted from the GFOA's recommended budget practices: "Identify stakeholder concerns, needs and priorities... Disseminate goals and review with stakeholders." Chair Silva explained that this process was conducted to gain consensus from the general public. Mr. Williams questioned whether this was an appropriate role for the Board. He agreed such meetings should be held, but felt they should not be held by the Board. The Board agreed to remove this item.

The next two items on Chair Silva's list were: Advise on the fiscal solvency of the City and the General Financial Policies. Review, comment and advise on a) the budget proposed by the Manager; b) each budget amendment during the year and c) issues surfaced by the monthly financial reports.

Mr. Bentley believed that reviewing each budget item during the year was "overkill." He suggested this could be done in the midyear review, which was covered in item 2.

Mayor Seiler arrived at the meeting at 6:22 p.m.

Mayor Seiler said the Commission was still working to define the responsibilities of the Board this year, since it had not been utilized for some time. He requested Board members' input regarding how the City Commission should make use of the Board. Mayor Seiler recommended the Board include these suggestions in their report to the Commission.

Mayor Seiler said eventually he would like the Budget Advisory Board to become very active and take a leadership role in the budget. He said in the future he would want the Board to look at things beyond the budget, such as the funds, in order to make use of the talent on the Board.

Mayor Seiler stated the Board could start reviewing the budget earlier next year. Mr. Nesbitt said this had been one of the Board's concerns: that they had started late in the process.

Chair Silva noted that the ordinance stated that the Board's scope could not include anything that was subject to labor negotiations. Mayor Seiler said this pertained to Fire and Police contractual issues and bargaining points, but he believed costs and expenses fell within the Board's purview.

Mr. Williams understood the City had two priorities: not to raise the tax level and not to lay off staff. Mayor Seiler explained they had frozen staff and directed the City Manager not to replace people as they retired.

Mr. Williams noted how the administrative processes had grown with tiers of management and breadth of control: leverage. He believed they must fundamentally rethink how they managed and did things. Mayor Seiler said discussion regarding this was “fair game” and he felt in the past couple of years the City had grown “without any real sense that the Commission is fully aware of how it's grown.”

Mayor Seiler felt this Board would be a “work in progress” for the next couple of years and they could be called upon to review subjects other than the budget.

Mr. Williams informed the Mayor that Board members had put together ideas as to what their goals should be and what recommendations they should make to the Commission. He noted that there were 32 cities in Broward County that were struggling with the same issues Fort Lauderdale was. He asked if the Commission would consider strategic alliances for one city to provide specific services to another. Mayor Seiler reminded the Board that when he was in office in Wilton Manors, Fort Lauderdale had provided their Fire services. This had provided benefits for both municipalities, and there were “economies of scale and...efficiencies that can be realized without having to have 32 separate entities” providing the same services.

Chair Silva continued with the next item in his document defining the Board's scope: In undertaking this scope, the Board anticipated a close, collaborative relationship with staff in analyzing issues, highlighting public concern and focusing attention on reinventing/reengineering municipal services in light of the fiscal realities. The last item was: The Board understood that matters subject to labor bargaining would not be within the scope of the Board, but this would not preclude them from reviewing and advising on personnel-related costs - which comprised 75% of the budget – salaries, benefits, pensions, etc.

Chair Silva suggested that in order to keep the public informed of budgetary issues, and help solicit their input, that the Board's meetings be televised and videotaped.

Chair Silva suggested the following meeting dates for Board members to consider: July 15; August 6, 13 and 26; September 9 and 30; October 14 and 28; November 12 and 24; December 9.

Ms. Singleton-Taylor informed the Board of the significant dates regarding the budget: September 1: first public hearing; September 15: second public hearing.

Ms. Singleton-Taylor explained that the Commission had scheduled no additional meetings to discuss the budget after it was presented by the City Manager on July 21. She informed Chair Silva that the Board could get a copy of the final budget on July 17.

The Board discussed meeting dates. Chair Silva reminded the Board that they must review the revenue side before they considered the expenditures side. They must be certain of the reserves and projections for various accounts, which he believed could be done before they had the expense portion of the budget to examine.

The Board decided their next meeting would be on July 23rd at 6 p.m. Mr. Mason agreed to confirm that the room was free at that time. Mr. Silva suggested they determine whether the conference room was available for all of the dates he had recommended, and that Board members be notified of this via email.

Mr. Bentley suggested editing item 2 on Chair Silva's document to remove the first two words: "Amendment and." Chair Silva agreed.

The Board agreed to postpone their request to televise their meetings until their second year.

The Board agreed to remove "b) each budget amendment during the year" from item 5 on Chair Silva's document.

Mr. Bentley suggested they did not need to review every monthly financial report before it was presented to the Commission. He felt they should look at trends over time and advise the Commission regarding those as needed, rather than presenting a monthly report. The Board therefore agreed to remove "c) issues surfaced by the monthly financial reports" from item 5 on Chair Silva's document.

Motion made by Mr. Nesbitt, seconded by Mr. Williams, to approve Chair Silva's Scope document as amended. In a voice vote, motion passed unanimously.

Goals of Budget Advisory Board

Chair Silva distributed a document describing the Board's short and long-term goals. He explained he had included the review of the City's General Financial Policies because they might want to change this to allow the use of reserves for operating expenses.

Chair Silva stated the August 15 date for providing preliminary recommendations to the Commission was stated in the ordinance. Mr. Williams asked how the preliminary

recommendations would be prepared for the Commission. Chair Silva suggested a list of bullet points or a “mini report.” Chair Silva wanted to send the “Goals” document to the Commission as soon as the Board agreed to its content.

Mr. Dickerman did not believe there would be time to create subcommittees, as suggested in Chair Silva’s document and Mr. Nesbitt agreed. Mr. Dickerman suggested they could request approval to create subcommittees, but not act to create them until after this budget process. The Board agreed to this change. The Board also agreed to remove references to subcommittees in the next paragraph and to indicate the Board might need to meet more than once per month.

In the revenue review section, the Board agreed to change: “examine each line item of income...” to: “examine budgeted income...” Mr. Herbst informed the Board that his office performed this review every year. Chair Silva stated this had been included in the ordinance as one of the Board’s responsibilities. Mr. Herbst suggested the Board could examine his review instead of performing their own.

In the same section, the Board agreed to eliminate the item to explore the availability of state and federal stimulus money. They also agreed to move the last paragraph under short-term goals into the long-term goals section and to eliminate the reference to short-term goals.

In the next paragraph in the long-term goals section, the Board agreed to edit the first sentence, so it would read, “The Board will create subcommittees, and will be prepared to...” The next sentence would be changed to: “We will explore cost-cutting issues, and advise on actual performance against the budget during the year.” The first item listed next would be reworded: “rank order departmental expenditure priorities...”

Under “cross-cutting concerns”, the Board agreed to change the second item to: “explore outsourcing opportunities if services...” The third item was changed to: “question span of control and expand number of staff under supervisory staff.” The fifth item was changed to; “standards of performance for: response...” The sixth item was changed to: “standards of performance for supervisors...” The ninth item was changed to: “use of technology to increase efficiency and desired output.”

The Board agreed that the draft documents they approved at this meeting should be sent to the Commission in lieu of creating a list of items to report to the Commission as part of the minutes.

Mr. Herbst informed the Board that the City Commission had directed that Board Chairs provide them with updates after their meetings.

The Board agreed to change the first paragraph after the bullet points on Page 3 to: "We will advise on issues related to the long-term solvency of the City. We need to commence discussions on a five-year plan." The remainder of the paragraph would be deleted. The last paragraph on page three was deleted.

Mr. Williams suggested adding a bullet point: "explore interlocal agreements for potential consolidation of similar services." Mr. Herbst explained this model was called "managed competition" in which City departments, County departments and private enterprise put in bids for various services.

Chair Silva stated he would change the bullets to numbers in the final document. It would also be reduced to two pages.

Motion made by Mr. Nesbitt, seconded by Mr. Dickerman, to approve Chair Silva's Goals document as amended. In a voice vote, motion passed unanimously.

Chair Silva agreed he would finalize the documents

4. Status of Action Items

- Member contact list mailed to BAB Chair

Mr. Mason had already emailed this to Chair Silva, and agreed to distribute it to other Board members.

- Other requests

5. Communication to the Commission

The Board discussed this earlier.

6. Questions/Concerns

Ms. Singleton-Taylor informed Mr. Cobb that the biggest issues with the budget, were revenue shortfalls and increasing costs. She said the tax revenue figures provided by the Property Appraiser were different from their projections.

Board members requested copies of the budget prior to their next meeting.

Mr. Nesbitt wanted the Board to examine revenues first, and suggested this as an agenda item for their next meeting. Chair Silva recommended the Board go over the

City's General Financial Policy at their next meeting to determine whether they wanted to recommend changes. This dealt with the question of revenues and reserves.

Chair Silva asked Mr. Mason if, prior to their next meeting, he could provide the Board with comparisons of reserves for the past five years between Fort Lauderdale and other cities. Mr. Mason said he was not committing to providing information from other cities because he would not have time for this.

Chair Silva advised Board members to email suggestions for the agenda to Mr. Mason.

With no further business to come before the Board, the meeting was adjourned at **7:54** p.m.

Next regular meeting: July 23, 2009

[Minutes prepared by J. Opperlee, Prototype, Inc.]