

FINAL
BUDGET ADVISORY BOARD
REGULAR MEETING
City of Fort Lauderdale
100 North Andrews Avenue
1st Floor Commission Chambers
Fort Lauderdale, Florida, 33301
February 17, 2010 - 6:00 p.m.

Board Member	Attendance	10/2009 through 9/2010	
		P	A
Keith Cobb, Chair	P	4	0
June Page, Vice Chair	P	4	0
Bud Bentley	P	4	0
Marc Dickerman [until 7:34]	P	3	1
Sam Monroe [7:01]	P	3	1
Fred Nesbitt	P	4	0
Alan Silva	P	4	0
Anthony Timiraos	A	3	1
Ray Williams	A	1	3

City Staff

Norm Mason, Staff Liaison, Assistant Budget Director
Fort Lauderdale City Manager George Gretsas
John Herbst, City auditor
Shonda Singleton-Taylor, Acting Director, Office of Management & Budget
Lynda Flynn, Treasurer
Albert Ochs, City Auditor's Office
Ben Carver
Darlene Pfeiffer, Parking and Fleet Services
Jennifer Picinich, ProtoType Services

Guests

Fort Lauderdale Commissioner Charlotte Rodstrom

Communications to the City Commission

None

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 Cobb called the meeting of the Budget Advisory Board to order at 6:01 p.m.

2. Review Meeting Minutes of January 26, 2010

Not all Board members had received the minutes, and the Board agreed to defer approval until their next meeting.

3. Establish additional future meeting dates for March, April, May and June

Mr. Mason announced that the Board's next meeting was scheduled for March 17; he stated the room was not available after the 17th through the end of the month. Mr. Gretsas recommended hearing from the departments on their first meetings in the month and discussing that information at their second meeting. When the Police gave their presentation, Mr. Gretsas anticipated they would present a comprehensive list of their programs and their best guesses regarding whom the programs affected and the number of staff involved. The report would include how much revenue was taken in, what the expenses were and how many people were served by specific programs. The Board could evaluate which programs could be reduced.

[Mr. Monroe arrived at 7:01]

Ms. Page asked if the Board would get to see every department. Mr. Gretsas replied that the four departments he had scheduled to give the Board presentations represented 80% of the budget.

Mr. Herbst had asked a firefighter why the Department used such large vehicles to respond to ambulance calls and the firefighter had informed him it was more efficient, but could not define how he knew this. Mr. Herbst asked if departments had comparative information to prove that their service models were better than others. Mr. Gretsas related that there had been conversations regarding this over the years, but no one had ever wanted to take the political risk of suggesting change. He said the Board could recommend changes the City could look into and Mr. Gretsas would bring these recommendations to the City Commission, who would agree or disagree to consider those changes.

The Board agreed by consensus to meet twice per month. They discussed a meeting schedule, and agreed to meet on March 17 and 31, April 21 and 29, May 19 and 27, June 16 and 30.

[Commissioner Rodstrom left the meeting at 7:13]

4. Speaker: Chair Person of the City of Miami Beach's Budget Advisory Committee

[This Item was taken out of order]

Mark Gidney, Chair of City of Miami Beach Budget Advisory Committee, said he was aware of some of the Fort Lauderdale Budget Advisory Board's activities, and felt they were "on track."

Mr. Gidney stated the City of Miami Beach BAC had been reviewing individual departments and visiting facilities for as long as he had been on the Committee. He advised the Board to consider what they expected to come away with after visiting the departments.

Mr. Gidney explained that Miami Beach conducted resident surveys every two or three years to determine what they wanted and whether the City was performing well. Mr. Gidney stated Miami never wanted to take away from public safety when the budget must be reduced, and he personally did not want to reduce services to after school care parks. Mr. Gidney said the City graded departments, and the department heads reported areas where they could cut back.

Ms. Page asked what type of budget process they utilized, and Mr. Gidney stated the City Commission went through the budget to determine what must be cut to meet goals. Ms. Gidney explained that the Miami Beach BAC made recommendations regarding departments to the Commission or to the City Manager.

Mr. Herbst noted that many jurisdictions did not want to touch public safety, and asked Mr. Gidney what he meant when he said Miami did not want to touch public safety. Mr. Gidney explained that the City had very little choice regarding the Union contracts, which prohibited them from reducing the size of the force. He felt they could look at how they could save money regarding the pension.

Mr. Gidney informed the Board that City departments provided communication between all of the employees and the City Manager to the Commission.

Mr. Bentley asked if the Miami Beach City Commission started the budget process by establishing policies to guide the City Manager or departments. Mr. Gidney explained that in May, the Commission, the Budget Office and management went on retreat for a weekend to set dates and deadlines. Mr. Gidney said they had also hired a consultant to find additional sources of revenue.

Mr. Nesbitt asked how they identified programs to be cut when they needed to make reductions. Mr. Gidney believed this was discussed at the retreat; it was not discussed by the BAC. He thought it was the City Manager who provided the list of cuts to the City Commission.

Chair Cobb asked what value the City of Miami Beach BAC brought to the City Commission. Mr. Gidney said, "Looking to the future; seeing where we are five years from now." He said the Committee had recommended years ago that any capital improvement should include five-year cost expectations to help decide whether they wanted to budget the item.

Mr. Gidney said the Committee met every two weeks for approximately one hour. He explained that when department heads attended their meetings, they described what they were doing; the Board did not review the departments, but they could ask to look into individual programs.

Mr. Gidney stated their current millage rate was 5.91; this had increased in the past few years, but the revenue had not. He admitted there was a gap issue this year and next year would be "hell, pure and simple."

Mr. Gidney said the BAC's job was to "be an asset in any way we can." He said the Committee looked at five-year cost projections, developed ideas for the City Manager to consider, and Committee members had visited condos to discuss the budget at the behest of City Commissioners.

[The Board took a 5-minute break]

5. Old Business

Regarding the tiered reduction strategy recommendation the Board had made previously that department heads suggest where they could cut their own budgets by a certain percentages, Chair Cobb felt they had decided to move in a different direction by hearing presentations from department heads. Ms. Page thought they should hear from departments prior to making recommendations regarding reductions. Mr. Silva warned that the departments must begin thinking about some reductions, and prioritize their programs accordingly. Ms. Page suggested asking departments to prioritize programs first, without suggesting a specific reduction percentage. Mr. Silva said this discussion came back to the question of whether the Board should be identifying specific cuts or providing guidelines and avoiding micro-management.

Mr. Gretsas wanted the Board to conduct meaningful dialog regarding whether money was being well-spent in program areas; this would give the City the opportunity to begin cost-cutting discussions. Mr. Gretsas wanted feedback regarding which services were most important, which would provide direction from the community about what kind of government they wanted.

Mr. Silva still wanted department heads to suggest where tiered reductions could be made because he did not know “the guts of each one of these.” Mr. Gretsas reminded Mr. Silva that department heads were concerned about political, not operational decisions. He cited the example of minimum staffing levels, which put the fire Chief in the position of limiting cuts in order to maintain staffing levels. Mr. Gretsas suggested the Board could have a discussion about the need to adhere to minimum staffing or not and make recommendations to the City Commission accordingly. Mr. Gretsas stated “every sheet on this page here is because somebody came in and said they wanted a standard of service that is premium, not basic, and a department head is not the best person to tell you we should go down to basic service.” Mr. Cobb agreed, and remarked that he did not want to attend lengthy meetings with the department heads “for five hours of nickel and dime conversation.”

Mr. Herbst agreed they should conduct policy discussions as suggested by Mr. Gretsas. He also agreed that “somebody’s got to go out on a limb, somebody that’s not running for election, somebody who doesn’t have a vested interest in a program and say, ‘We have evaluated the programs; we don’t think there’s a cost benefit to that.’” He acknowledged that this must be done rapidly if they were to conduct thoughtful debate and avoid “an exercise in 5%, 10%, 15%, and let the department heads come up with how they’re going to do that” which would not affect substantive change in the structure of the budget and in the nature of the operations.

[Mr. Dickerman left the meeting at 7:34]

Mr. Bentley said the “proposed policy does not subscribe a particular process and it is specific on that because it is the City Manager’s purview and prerogative and responsibility to prepare a budget.” He felt the key component was whether the City Commission would establish policy. Mr. Bentley wondered if the Commission would establish budget priorities this year as they had done last year. Mr. Gretsas indicated the Board could send the Commission a recommendation asking them to reserve judgment on their priorities until the Board had the opportunity to do some work.

Mr. Bentley admitted his bias, because he agreed they should maintain as much service as possible by collecting the same property taxes as last year, which meant using the roll-up rate. Mr. Silva calculated this rate would be a 14.5% increase in the millage to

4.8704%. Mr. Gretsas wondered why the Board would want the Commission to address this before the Board determined what services they wanted and what services they did not. Chair Cobb felt raising the rate was inevitable and it was not realistic to think services could be reduced by 14%. Mr. Gretsas said it came down to how committed they were to no tax or fee increases. He reminded the Board that they might “find \$10 million, \$20 million worth of stuff in there that you don’t think we necessarily need; then I think it’s a realistic goal.”

Mr. Herbst believed the Board needed to make a philosophical choice about which approach they would take: to figure out what they wanted and then put a price on it or to see how much money they had first, and then figure out “how much car we can buy for that amount of money.”

Mr. Nesbitt wanted to provide the City Commission with some general direction; once they looked at individual departments and the budget they could give more specific recommendations.

Mr. Silva commented that they could not afford a “Cadillac” budget, which he believed they currently had. Mr. Herbst stated it was the Board’s task to determine what programs made it a “Cadillac” budget. Mr. Gretsas noted that Fort Lauderdale was near the bottom of the list regarding the tax rate, and “maybe it’s a Cadillac budget, maybe it’s not; I’m not sure you guys have weighed in on that yet.”

Mr. Bentley said Mr. Gretsas was suggesting a very rational process, but Mr. Bentley was considering the “irrational ending” of that process, the political process, when the Commission made a decision. He suggested they must look at it in a common context, instead of each person using his/her own personal frame of reference. Mr. Bentley wondered if the City Commission would “ever, by a simple majority, increase the property tax rate; will they, by simple majority, approve a roll-up?” Ms. Page felt that what the Commission had done the previous year was “totally political” and the Commissioners were fulfilling campaign promises, and she wondered if any of the Commissioners would be rational this year.

Mr. Silva remarked that the economy was worse now than it had been a year ago, and people had less ability to pay higher taxes and fees. Based on this reality, the Board should not recommend raising taxes. Ms. Page said this made no sense to her.

Chair Cobb was concerned about the level of detail that would be presented to the Board by the department heads and asked if there was a way to keep the information at a level that the Board could digest it. Mr. Gretsas said they would try to keep the presentation as short as possible, and the Board could ask questions at the depth they

felt appropriate. Chair Cobb said he was not interested in “delving down into \$10,000 items.”

Mr. Bentley asked for consensus that the Commission should hold its annual budget planning session as soon as possible to give directions to the City Management and staff in the preparation of their budgets.

The Board referred to documents Mr. Mason had provided, originally drafted by Chair Cobb and Mr. Bentley, that had been edited by Ms. Page and Mr. Silva and recommended further edits. Mr. Bentley suggested they start with Ms. Page’s version of his document and then consider Mr. Silva’s proposed changes.

Mr. Silva explained that according to his analysis, even if the millage rate stayed the same, many, if not most, of homesteaded properties would see an increase in taxes, so anything more than the millage rate would result in an even higher increase. If they went to the roll-up rate, this would result in an 18% increase, which the homeowners could not afford in the current economy. He stated the reason the City had a lower millage rate than other communities was because they had a lot of assessed value. Mr. Silva stated, “If you have had the unemployment rate go from 8% when the budget was put together to 11% now; if you have underemployment at 18.9%; if you have people who are losing their jobs, how in the world can we say that we’re going to raise taxes 17%? We’d better have our heads examined if we think of that. It is not economically viable.”

Mr. Silva felt they could justify an increase in the Fire Assessment fee because it was at 43 - 45% of where it should be and it was paying for Fire Services, which everyone understood.

Mr. Gretsas felt the Board should not lock themselves in before examining the departments. He thought they should “forget the politics for a minute and just roll up your sleeves and figure out what the right thing to do is and then adjust, adjust accordingly. And maybe the answer is, you don’t think a tax increase is the right thing right now...”

Mr. Gretsas felt it was premature for the City Commission to establish budget priorities that would lock the Board in until they did their work. He stated, “If they already set four or five things that tie your hands on 80% of this budget, what’s your purpose here, what are you doing here?”

Chair Cobb suggested an additional meeting for the Board to discuss the recommendation documents they had drafted in December.

Mr. Nesbitt requested that the Board receive the material from the department heads prior to the meeting. Mr. Mason explained that he had emailed the Board's material for this meeting the previous Friday. The Board discussed problems they experienced receiving documents prior to the meeting.

The Board agreed to meet to discuss these documents on March 3 at 1 p.m.

6. New Business

None.

7. Communication to the Commission

None.

With no further business to come before the Board, the meeting was adjourned at **8:26** p.m.

Next meeting: March 3, 2010

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