

FINAL
BUDGET ADVISORY BOARD
WORKSHOP MEETING
 City of Fort Lauderdale
 100 North Andrews Avenue
 8th Floor Conference Room
 Fort Lauderdale, Florida, 33301
 August 18, 2010 - 6:00 p.m.

Board Member	Attendance	10/2009 through 9/2010	
		Cumulative Attendance	
		P	A
Keith Cobb, Chair	A	8	2
June Page, Vice Chair	P	9	1
Bud Bentley	A	7	3
Nadine Hankerson	P	6	0
Fred Nesbitt	P	10	0
Alan Silva	P	9	1
Anthony Timiraos	A	7	3
Ray Williams	P	6	3

City Staff

Norm Mason, Staff Liaison, Assistant Budget Director
 Lynda Flynn, Interim Director of Finance
 Shonda Singleton-Taylor, Acting Director, Office of Management & Budget
 Scott Bayne, President of the Firefighters Union
 Darlene Pfeiffer, Parking Services
 J. Opperlee, ProtoType Inc.

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

Ms. Page called the meeting of the Budget Advisory Board to order at 6:17 p.m.

Mr. Dickerman, former Board member, announced that he had been appointed to the Citizens Police Review Board. He said he had been honored to work with the Budget Advisory Board and encouraged them in their future work.

2. Review of Meeting Minutes from August 4, 2010

The Board lacked a quorum and could not vote on this item.

3. New Business

Mr. Silva had attended the City Commission meeting the previous evening, and he thought it had been unclear whether action had been taken on some of the Board's recommendations. Regarding the increase in fees, the Commission believed action had been taken, but the Board had recommended that all fees be evaluated every year so that over a three to five year period, Mr. Silva said, "you would all be caught up."

Mr. Silva said he got the impression from Mayor Seiler that the surplus property recommendation had been partly acted upon. Mr. Silva asked if the inventory had been established and determinations made regarding what would be done with each property. Ms. Singleton-Taylor stated the City Auditor had completed an audit of surplus property. Mr. Nesbitt believed a staff committee had been appointed to handle this, but the committee had not reported back to the Board. Ms. Singleton-Taylor agreed to send Board members a link to the report on the City's website.

Mr. Silva stated the City Commission wanted to meet with the Board to go over their 16 points after the budget was complete. He had explained to the Commission that the Board wished to highlight that some items had never been acted upon, and they wanted to know who would be responsible for taking action on items the Commission had addressed.

Mr. Silva said Commissioner Rogers was concerned with the number of recommendations and felt the Board could prioritize them. Mayor Seiler acknowledged the recommendations, but indicated that the Commission did not need to act on all of them, or could act on them in phases, over time.

Mr. Silva had spoken with Commissioner Rogers, who advised the Board to be specific in the recommendations, such as to inform them of suitable consultants to perform a

headcount study. Mr. Silva was concerned because the City had a bidding process for hiring consultants. Mr. Silva had indicated that he felt it was crucial to decide on the type of budget process they wanted in the future and perhaps to hire a consultant to walk them through the process and create a training manual.

Mr. Silva said the Commission had requested the Manager come back with “a scenario of 5% cuts, not necessarily for each department, but a total of 5% of the total budget.” Ms. Singleton-Taylor said this was for each fund, by department, of the total \$450 million operating budget, and the cut would be “up to 5%.” If there would be service impacts, the Commission wanted to be aware of them. Mr. Silva said the Commission had acknowledged that not all departments could cut 5% but some other departments could cut more to accomplish a total of 5%. Mr. Williams said there was a difference between what Ms. Singleton-Taylor and Mr. Silva understood: Ms. Singleton-Taylor understood that each department had a target of up to 5% and Mr. Silva understood that the target for the entire operating budget was 5%. Ms. Singleton-Taylor advised Board members to listen to the end of the Commission meeting to understand the Commission’s intention.

Ms. Singleton-Taylor said when Mr. Silva had addressed the City Commission the previous evening, he had focused on zero-based budgeting as if this had been the Board’s consensus, but staff understood the Board had moved away from this. Mr. Silva said he had stated he was speaking for himself, not the Board. Ms. Singleton-Taylor said staff wanted to be clear that zero-based budgeting was not the Board’s recommendation. Mr. Nesbitt read from the Board’s recommendations, #7, which acknowledged the City could not effectively implement zero-based budgeting. The Board recommended the City Manager develop a “vigorous and open process” for budget development. Mr. Nesbitt said the Board had been very clear in its rejection of zero-based budgeting, and they supported performance-based budgeting, cost benefit analysis and implementing a quality assurance program.

Ms. Flynn said programmatic budgeting must be implemented to establish performance standards before implementing performance budgeting. Mr. Silva said he had stressed the need for a consultant to walk departments through a specific budget process, whether it was zero-base, modified or program-based.

Mr. Silva distributed a memo he had written dated August 3, 2010 regarding the budget and a graph depicting use of reserves. Mr. Silva said there should be a three to four year plan to reduce the excess reserves. He also said the 15% in reserves should be 15% of the ongoing, recurring budget, including capital outlay, debt service, pensions and transfers to CRA. Ms. Singleton-Taylor said the reserve was based on departmental operating expenditures. She explained that funds were received from the

County for the CRA, so this was a pass-through and. Ms. Flynn advised the general fund debt service should not be included because it was covered by a separate millage and was also a pass-through.

Mr. Scott Bayne, President of the Firefighters Union, brought up the previous evening's Commission meeting on his laptop so the Board could watch the portion when the Commission discussed the reserve spending and when Mr. Silva spoke. Ms. Page said Mr. Silva had made it seem that the Board had endorsed zero-based budgeting and asked him to send the Commission a memo stating the Board's recommendation and the fact that they had rejected zero-based budgeting. Mr. Silva agreed.

Mr. Williams said reorganization was critical and he wanted to discuss specifics. Ms. Page said Mr. Silva's memo listed too few departments. She said she had initiated her own study, including 16 cities that were similar to Fort Lauderdale. Ms. Page had found that most cities had 14 to 20 departments. Mr. Williams said more departments affected clarity of communication. Reducing the number of departments further, as Mr. Silva suggested, would get the City Manager closer to a couple of the more important departments: Fire and Police. Mr. Williams felt Mr. Silva's groupings made sense and he recommended they reduce to a number "much closer to six than 12; I think 12 is way too many."

Ms. Singleton-Taylor said the question was whether the City was more effective when it had fewer departments. Mr. Williams felt reducing the number of departments would improve budgeting, discipline and communication. Ms. Hankerson noted that letting staff go was the bottom line, and "whether or not you want to get rid of people is going to be the real question to be answered." If they did not get rid of people, they must consider the salary structure, because "money is the bottom line issue that you're trying to reach."

Mr. Nesbitt did not like Mr. Silva's recommendation for department consolidation. He believed this would increase City management and they would end up with five Assistant City Managers. This would not increase efficiency or communications. Mr. Nesbitt favored a mild revision to reduce the departments from 16 to 14. He pointed out that no one on the Board was equipped to create a new organizational chart. Mr. Nesbitt said a consultant was not needed; the City should create a Blue Ribbon Committee with people experienced in public administration and city government to look at the chart and the span of supervision and create a recommendation. He said some of the cost savings would be realized through a reduction of management, not employees; a reduction of employees would result in a reduction of services.

Mr. Nesbitt also proposed eliminating two Assistant City Managers and two Assistants to the City Managers, getting rid of the Office of Professional Standards and put it in Human Resources, merging the Office of Management and Budget and Finance, moving the Audit Division under the City Auditor and creating the Blue Ribbon Committee to create a reorganization plan to submit to the Commission within 180 days.

Mr. Williams said the reason for consolidating departments was that it shortened lines of communication and shortened the decision process to improve service and create efficiencies.

Ms. Page agreed with recommending that the number of departments should be reduced, but admitted that the Board was not capable of making a concrete recommendation regarding the number of departments. Mr. Nesbitt said the Board had already made a recommendation regarding this. Mr. Williams wanted to be more specific.

Mr. Silva said when he had been Acting City Manager, he had developed a reorganization plan, but the Commission had not taken action on the plan because they did not want to tie the hands of the new City Manager. Mr. Silva had gone over the plan with the new City Manager. He said the idea at the time was to have a span of control that would not require many assistants, cutting the number of people in the Manager's office. Mr. Silva said all of the divisions he had suggested under departments had become departments themselves. Mr. Silva described his rationale for consolidating the departments.

Ms. Darlene Pfeiffer, Parking Services, remarked that the reason some of the departments had been broken out was for independence. She said Fleet had not been put under Public Works because Public Works was the biggest user of Fleet Services, and the City wanted to make sure that the Public Works' interests were not the overriding factor. Fleet and Parking had been combined under the umbrella of transportation. Ms. Pfeiffer said Administrative Service had formerly had so many services that it had been difficult to manage.

Mr. Silva said his goal had been to reduce the level of management and to eliminate the Assistant City Manager layer. Ms. Page did not feel the Commission would act on reorganization until there was a new City Manager.

Mr. Williams said he had sent a proposal to Chair Cobb regarding the City Manager hiring process. His proposal indicated that the Board would recommend that the Commission should appoint a search committee to hire the City Manager, the members of which must have "extensive managerial experience" specifically with a high level of

experience in the search area and in public management. Mr. Williams suggested Tom Shea of Right Management for the search criterion and George Hanbury of Nova Southeastern University for the public management criterion. Mr. Williams said the committee should develop an extensive list of experience and characteristic requirements, to be approved by the City Commission. The committee would then work with a search firm to compile a list of people and to reduce the list to one to three people to present to the Commission for consideration. Mr. Williams would also like the committee to use the Board's recommendations as an interview tool.

Ms. Hankerson said she was concerned about the need to address the human capital issue; they would have to end the process with letting staff go. She said this was a contradiction with the political side, because she recalled the Commission indicating that no one would be let go. She thought they must have a discussion with the Mayor regarding the politics of this issue.

Mr. Silva said the person hired for City Manager must have good interpersonal communication skills because the way he/she handled the tough decisions was important to the people who would be leaving and also to the morale of the people who were staying. Mr. Williams referred to an article he had read and said they must find someone who had a good combination of task skills and people skills. He agreed to forward his proposal to Board members.

Mr. Bayne remarked on the reduced number of candidates available because in the current economy, fewer people were voluntarily leaving their jobs, and said he believed the search would take longer than they thought.

The Board watched another portion of the City Commission meeting from the previous evening on My Bayne's laptop when the Commission had discussed the budget reductions they were requesting from the departments. The Mayor had summarized that the Commission would like to see a plan for a 5% cut, but if 5% "drastically" impacted services, he would like the Commission to be notified by the acting City Manager, and he wanted an alternate plan for a 3% cut plan devised as well.

4. Communication to the Commission

None

Other Items

Ms. Page asked that Board members' attendance be confirmed before meetings to ensure they would have a quorum. Ms. Page asked that the reminder be sent out a second time, on the Monday prior to their meeting.

Ms. Singleton-Taylor informed the Board that the budget hearings would be held on 9/7 and 9/21/10 at 6 p.m.

With no further business to come before the Board, the meeting was adjourned at **8:07** p.m.

Next meeting: September 15, 2010

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