

**FINAL**  
**BUDGET ADVISORY BOARD**  
**MEETING**

City of Fort Lauderdale  
100 North Andrews Avenue  
8<sup>th</sup> Floor Conference Room  
Fort Lauderdale, Florida, 33301  
October 20, 2010 - 6:00 p.m.

<b>Board Member</b>	<b>Attendance</b>	<b>10/2010 through 9/2011</b>	
		<b>Cumulative Attendance</b>	
		<b>P</b>	<b>A</b>
June Page, Chair	P	1	0
Mark Snead	P	1	0
Ronald Goff	P	1	0
Nadine Hankerson	A	0	1
Fred Nesbitt	P	1	0
Alan Silva	P	1	0
Anthony Timiraos, Vice Chair	P	1	0
Ray Williams	A	0	1

**City Staff**

Norm Mason, Staff Liaison, Assistant Budget Director  
Lynda Flynn, Interim Director of Finance  
J. Opperee, ProtoType Inc.

**Communications to the City Commission**

**Motion** made by Mr. Nesbitt, seconded by Mr. Silva, to request the City Commission amend Ordinance C-09-05 to include the Budget Advisory Board, so that their quorum would be calculated based on total number of appointed members. In a voice vote, motion passed unanimously.

**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 6:00 p.m.

**2. Election of Officers**

Mr. Timiraos nominated Ms. Page for Chair, seconded by Mr. Goff. In a voice vote, Ms. Page was elected unanimously.

Mr. Nesbitt nominated Mr. Timiraos for Vice Chair, seconded by Mr. Silva. In a voice vote, Mr. Timiraos was elected unanimously.

Board members introduced themselves in turn.

Mr. Snead, new Board member, stated he had lived in Fort Lauderdale for seven years after working for Accenture for 20 years as a consultant. In that capacity he had managed a group of 1,000 professionals. Mr. Snead was now Chair at the non-profit Pace Center for Girls.

Mr. Goff, new Board member, said he was managing partner in a medical malpractice defense firm. He stated he had retired from a large file-sharing corporation and had lived in Fort Lauderdale 33 years.

**3. Review of Meeting Minutes from September 2010**

Board members noted correction to the September minutes.

**Motion** made by Mr. Nesbitt, seconded by Mr. Silva, to approve the minutes of the Board's September 2010 meeting as amended. In a voice vote, Board approved unanimously.

**4. Old Business**

Board Recommendations

Regarding the meeting on October 27 with the City Commission, Ms. Page said they had worked hard to create their recommendations, only one of which had been adopted. She distributed an outline of Mr. Cobb's presentation and the Board's recommendations.

Mr. Nesbitt said the Board had been frustrated by the lack of response one way or the other from the City Commission regarding their recommendations. This meeting was a way for the Board to obtain direct feedback from the Commission.

Chair Page explained to new Board members that the Commission had asked the Acting City Manager to reduce expenses in the budget by 3 to 5%, which she had done. The City Auditor had determined that the reduction had been “sort of smoke and mirrors, cost shifting from the General Fund to an internal fund” and there had been no real reduction. At the meeting when the Commission had approved the budget, they had indicated they would be working with the Budget Advisory Board, and Chair Page hoped they would now be receptive to the Board’s recommendations.

Chair Page stated the Commission had adopted as policy the Board’s recommendation that the fund Balance should be between 10 and 15%. The Commission had been interested in their Net Fund Support item but the City Manager had never responded to a question from the Mayor so this had never been resolved.

Mr. Nesbitt recalled the Board’s recommendation that fees be reviewed and adjusted every three years based on the cost of service. The Commission had begun discussing this, but had been bogged down in accounting procedures for calculating costs, because services were sometimes provided to other communities. Mr. Mason stated in August 70 – 80 fees had been adjusted and the Police and Fire Alarm Fees had been passed the previous evening, resulting in an increase from 64 to 85% of the costs. Mr. Mason estimated that all of the fee adjustments would save the City 3 – \$3.5 million. There had been no consensus on a review schedule.

Mr. Snead said the Commission had discussed surplus property at the meeting the night before and this had been one of the Board’s recommendations. Ms. Flynn stated the Commission had reviewed 80 parcels. She reminded the Board that many of the parcels had been purchased with HUD funds and therefore had restricted uses. The head of the housing program was determining whether the City could sell the properties and if they must refund the money back to HUD if the properties were sold.

Mr. Silva said the most important thing that should happen at their meeting with the Commission was once the Commission determined which recommendations they would accept, they must make the Acting City Manager responsible for implementation by a certain date. Mr. Silva thought the Board might want to utilize 15 to 20 minutes of each of their meetings to hear a staff report on progress in implementing their recommendations.

### New City Manager

Mr. Mason said on October 27 the Commission would meet to discuss the seven firms that had been used by the County in personnel searches. The Commission wanted to narrow the list to three firms to make presentations in December or January.

Chair Page said Mr. Williams had created a detailed list of search criteria. Mr. Silva stated the Board had recommended there be five members on the selection committee and the Commission had determined there would be seven. Ms. Flynn said in November, the Commission would appoint members to the selection committee. Mr. Nesbitt explained the search firm would vet the prospective City Managers and the selection committee would perform interviews and make recommendations to the City Commission.

Mr. Goff wondered why the City Commission had not begun the search for a new City Manager a year ago when they knew they would not renew Mr. Gretsas' contract. Chair Page said many people had asked this.

## **5. New Business**

Since they had already made several recommendations that had yet to be implemented, Mr. Timiraos wondered what the Board's role should be going forward. He felt one role could be to push the Commission to implement some of their existing recommendations. The Board could work with staff to determine priorities and help them achieve their objectives. Chair Page said they had identified a large number of things to be done and they needed to be very aggressive in pursuing these.

Mr. Silva said they might want to examine other funds and other departments now. He suggested they review Business Enterprises, and stated he wondered why everything in this department was not enterprise funded, such as the green facilities, the War Memorial Auditorium, and the Swimming Hall of Fame. Mr. Silva said putting these under enterprise funding would allow the City to know the amount of subsidy provided.

Chair Page explained to new Board members that the Fire Department had someone who built their budget and the Fire Chief had agreed to allow this person to educate the Board about how this was done.

Chair Page remarked that the City had no formal budget policy and the City Auditor agreed that one should be created. She thought perhaps by being more affirmative and aggressive, the Board could be more helpful this year.

Mr. Nesbitt noted that part of the problem had been lack of leadership from the City Manager. He said the City Manager had withheld information from the Board, and department heads had indicated they could only discuss cost reduction suggestions with the City Manager.

Mr. Goff said the budget was more than matching expenses and revenues, it concerned the vision City leadership had. Chair Page stated the City Auditor wanted to develop a five-year plan and she thought Mr. Cobb would focus on this during the presentation.

Mr. Timiraos said they must be very specific about the information they wanted when departments made presentations to the Board. He wanted to be aggressive and stop presenters if they were not providing the information the Board needed. Mr. Silva pointed out that the presentations they had seen had been a "data dump" that had taken an awful lot of staff time. He stated per the ordinance, the City Manager was an ex-officio member of the Budget Advisory Board; he wanted to extend an invitation to the Acting City Manager to attend their meetings. Chair Page said she had done this.

Mr. Nesbitt said the Commission had publicly stated they wanted a five-year forecast.

**Motion** made by Mr. Nesbitt, seconded by Mr. Timiraos, to invite the Acting City Manager to their November meeting to discuss how the five year plan would be put together and what role the Board would play in helping design that plan because they had been promised an active role in that design. In a voice vote, motion passed unanimously.

Mr. Snead remarked that the Board should not discuss the line items of the departments' budgets, they should advise the Commission on developing a budget policy, developing a five-year plan, directing staff to do this and monitoring and measuring it. Mr. Goff felt if this were tied into a performance program for the departments, this would incentivize them to be innovative and create ideas to fit the plan.

Mr. Timiraos wanted to request that the Commission prioritize their recommendations, and direct the staff based on those priorities. The Board could then act as watchdogs for the Commission and report to them regarding status and progress of the recommendations' implementation. He did not want the Board to be directing staff.

Chair Page wanted the Board to keep their eyes open and make additional recommendations as things evolved. Mr. Snead felt that rather than act as watchdogs, the Board could help develop performance indicators to monitor progress.

Mr. Silva said the City Commission must decide if it wanted the new City Manager to be a caretaker or someone who could manage not only day-to-day activities but also a process that would have long-term implications. Mr. Silva said the City Manager must buy into the City's vision, not be the visionary.

Chair Page asked Mr. Goff why the Budget Advisory Board had failed when he had served on it before. Mr. Goff replied the Board had not been given a purpose; they had not been informed what the Commission had wanted to accomplish or asked to help develop a navigational system and work with staff. They had just discussed issues. The Board agreed they wanted the City Commission to address each of their recommendations, to determine which to pursue, and to take action.

Mr. Nesbitt felt Board members could take individual action by speaking with their appointing Commissioners and encouraging them to keep on top of their recommendations. Mr. Timiraos thought the Board should prioritize their recommendations. Chair Page agreed, but said when she had suggested this in the past, other Board members had not agreed. Mr. Timiraos stated they must continue to push the Commission because he feared nothing would happen after their meeting.

The Board discussed prioritization. Mr. Timiraos stated #4 Employee Headcount Reduction, was a very simple one that should be adopted. Mr. Silva was concerned because in order to create a reduction target, "your budget and your personnel have got to be simultaneous." Mr. Snead stated this could be done top-down; it would be up to staff to determine where the cuts would be made.

Mr. Goff pointed out that implementing recommendation #9 Shared Administrative Services, would help to achieve #4. Mr. Timiraos said the only real way to reduce the budget was through payroll, as this represented at least 70% of the budget. Mr. Nesbitt warned that headcount could not be cut unless they also cut services. In three years, the City had cut 195 positions, and Mr. Nesbitt said they could not just arbitrarily decide to let another 5% go without determining which services would be cut. Otherwise, one assumed there were employees "sitting around doing nothing."

Mr. Timiraos believed there had to be additional efficiencies that could be found. Mr. Nesbitt brought up direct deposit and Ms. Flynn discussed the fact that direct deposit was available but not all employees wished to take advantage of it. Another suggestion was wiring payments versus cutting checks, but Ms. Flynn stated there were technical impediments to making that change. She remarked that if she were directed to reduce her budget, there was nothing in her operating budget that could be cut, "I'm down to the point of audit contract, banking contract, investment advisor contract, insurance contracts...there are no more pencils and pens to cut." She stated Procurement was

the same way; they did not have enough supplies to make multiple copies like they used to.

Mr. Mason remarked on the lack of tax revenue; there was no City or State income tax, no inheritance tax, no intangible tax, the millage rate had stayed the same since 1986 and approximately 41% of properties in Broward County underpaid property tax because of Save Our Homes. Chair Page did not see how they could go forward without raising the millage rate. Mr. Snead said the discussions of millage rate, head counts and fee structures were the kinds of things that a five-year plan would bring out.

Mr. Silva pointed out that after adjusting the fee structures, “the hit on the millage rate would be much less.” He explained that there were a lot of people who paid little or no property taxes because their properties were worth less than \$75,000. He added that when he was at the City, half of the residents in District 1 had taxable properties at less than \$100,000. Mr. Silva had suggested then that the Fire Assessment Fee be increased, but the Fire Assessment Fee had been tied to the tax bill.

The Board discussed adding a recommendation to raise the millage rate. Mr. Nesbitt felt this would be “dead on arrival” but this could be part of a five-year plan. Mr. Silva pointed out that it was difficult to justify a millage rate increase when the City had a large, unencumbered Reserve. He said the Commission should be looking at restricted reserves for items they would need in the future, so they did not have such a large unrestricted reserve. Such items included money for a Fire Station and a 911 call center. Mr. Silva said there were three areas of un-funded liability they could fund through the Reserve: the pension liability, the post-employment health benefits and Wingate.

The Board returned to discussion of prioritization. Mr. Timiraos felt the recommendations under Organizational Structure should wait for the new City Manager. Mr. Nesbitt was concerned about how long they could wait to address these items.

Ms. Flynn said consolidation into the Finance Department had eliminated the Budget Director and one Assistant position. Chair Page asked about efficiencies. Ms. Flynn said regarding the CAR reports, there had been a reduction in workload because Finance dealt only with CIP projects and the Budget person only considered the operational budget side. Ms. Singleton-Taylor also had some ideas for additional efficiencies. Mr. Mason reiterated that since such a large percent of costs were for personnel, consolidation of departments would not realize much savings other than personnel. Mr. Silva thought some departments that could not consolidate, such as Police and Fire, should reconsider their management structure. Mr. Mason stated

recommendations #4 Employee Headcount, #6 Departmental Consolidation, #7 Supervisory Leverage and #9 Shared Administrative Services all went hand in hand.

Mr. Nesbitt did not want the Board to prioritize the recommendations, and said, "We've sort of thrown the ball to the Commission...I'm not sure what we accomplish." Mr. Silva thought if the Board met with the City Manager to discuss their recommendations, "we probably could come to a conclusion even faster than the Commission would." Mr. Timiraos said they should suggest at their meeting with the Commission: that the Board meet with the Acting City Manager and discuss the best way to begin implementing the recommendations. Then they could report to the Commissioners with the Acting City Manager.

Mr. Timiraos said the Commission could direct the Acting City Manager to work with the Board at their next meeting to identify their priorities and report back to the Commission. Chair Page agreed to convey this information to Mr. Cobb.

Chair Page noted the recommendations document had been revised and agreed to email the updated version to Mr. Mason.

## **6. Communication to the City Commission**

[This item was taken out of order]

Ms. Page had asked the City Clerk about the Board's quorum requirement, which was currently based upon the total possible number of members. The City Clerk had advised her that there was an ordinance, C-09-05, that specified a board's quorum was based upon the number of appointed members, and suggested the Budget Advisory Board adopt this ordinance.

**Motion** made by Mr. Nesbitt, seconded by Mr. Silva, to request the City Commission amend Ordinance C-09-05 to include the Budget Advisory Board, so that their quorum would be calculated based on total number of appointed members. In a voice vote, motion passed unanimously.

With no further business to come before the Board, the meeting was adjourned at **8:09** p.m.

**Next meeting: November 17, 2010**