

FINAL
BUDGET ADVISORY BOARD MEETING
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA, 33301
NOVEMBER 16, 2011 – 6:00 P.M.

Board Member	Attendance	10/2011 through 9/2012	
		Cumulative Attendance Present	Absent
June Page, Chair	P	2	0
Anthony Timiraos, Vice Chair	P	2	0
AJ Cross	P	2	0
Nadine Hankerson	P	2	0
Fred Nesbitt	P	2	0
Drew Saito	P	2	0
Andrew Russo	P	2	0
Mark Snead	A	1	1

City Staff

Norm Mason, Staff Liaison, Assistant Budget Director
 Kirk Buffington, Procurement Department
 John Herbst, City Auditor
 Lee Feldman, City Manager (arrived at 6:58 left at 7:45)
 Susanne Torriente, Assistant City Manager
 Amy Knowles, Assistant City Manager
 Stanley Hawthorne, Assistant City Manager
 Nora Ostrovsky, Budget Manager
 Douglas R. Wood, Director of Finance
 Marco Hausy, Auditor's Office
 Diana Alarcon, Transportation and Mobility
 Barbara Hartmann, 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

Chair Page called the meeting of the Budget Advisory Board to order at 6:02 p.m.

2. Review of Meeting Minutes from October 2011

Mr. Hausy noted a change to the minutes.

Motion made by Mr. Saito, seconded by Mr. Cross, to approve the minutes from the October meeting as amended. In a roll call vote, motion passed 7 – 0.

New staff members introduced themselves.

3. Water & Sewer Working Capital Follow-up

Mr. Wood drew the Board's attention to a spreadsheet he had distributed. He stated they had removed from the CAFR non-current assets and liabilities components from operating and regional funds. The spreadsheet indicated average days of working capital. Mr. Wood said they had from 39 to 97 days of coverage and the recommendation from the Budget Advisory Board was a low of 45 and an average of 90 days.

4. Re-designation of BAB and ordinance amendment (redefining the roles/responsibilities)

Mr. Cross gave a Power Point presentation, a copy of which is attached to these minutes for the public record.

Mr. Russo said Mr. Cross's framework was great. He explained his experience with this in Boston, where they had been very proactive and had actually presented the budget to the town.

Mr. Saito felt that putting more information on the City's website was a great idea; it provided additional transparency and a single place for Board members and the public to turn for information.

Mr. Timiraos agreed with Mr. Russo and Mr. Saito. He wanted to make sure that the Board was seen as an independent unit, and that it was recognized that they were not responsible or accountable for the budget. Mr. Cross said he meant the Board would hold the *City* accountable for spending money properly and ethically.

Mr. Nesbitt reminded the Board that they were beholden to the City Manager for information sharing and working together. They were representing the residents of Fort Lauderdale to the Commission. He wondered if anything would have been different if this had been in place when George Gretsas had been City Manager.

Mr. Saito said using the website gave the public access to information. Chair Page felt if there had been a website and if the Board's role were clearer, things might have been different under George Gretsas. She stated this administration was bringing clarity and information to the process. She felt the website was the next step in the Board's evolution.

Mr. Herbst remarked that every organization had its own culture, which became its infrastructure, and this was difficult to change. He felt adopting Mr. Cross's ideas would influence every Board that came after this one, and it would be difficult for a new City Manager to change it.

Ms. Hankerson said it was important to her that the "language stayed in the spirit of being a volunteer." She said one of the biggest problems last year had been the timing that left the Board out of the process until it was too late. She also wanted to ensure that Board members had the skills to ask the right questions, to give an opinion and to participate in the process.

Chair Page agreed they wanted to ensure that Board members were qualified to serve. Mr. Herbst stated it was possible to specify categories for Board members, such as requiring one or more member must have banking, real estate or some other type of experience.

Mr. Hawthorne said clarifying the Board's role would be welcomed by staff. He said the last time the ordinance had been amended was 1996 so it was time for a review.

Chair Page asked Board members to review Mr. Cross's presentation and make suggestions at their December meeting. Mr. Cross suggested a workshop regarding this and Chair Page recommended the interested staff should be invited to the Board's December meeting to discuss this.

Mr. Feldman noted what a lengthy process ordinance creation could be. He suggested drafting a Memorandum of Understanding (MOU) with the City Manager's office that could be completed sooner. He said the City Commission could ratify the MOU to make it more formal. Mr. Herbst pointed out that this would not preclude an ordinance later on.

Chair Page asked about drafting the MOU and Mr. Hawthorne said Mr. Cross's presentation was a good starting point. Mr. Saito wanted to work on an ordinance as well as an MOU. Mr. Russo agreed, and suggested a timeline for accomplishing both. Ms. Hankerson noted that an MOU would continue to exist if the make-up of the City Commission changed.

Mr. Cross wanted the Board to discuss the language for the MOU at their next meeting. Mr. Hawthorne agreed to work with Mr. Cross on the language.

5. Outsourcing Opportunities (Code & Parking Enforcement, Payroll, Human Resources)

Mr. Hawthorne distributed a sheet of the areas the administration was suggesting as starting points for consideration of outsourcing: Payroll; Housing and Community Development; Building Services and in-house central services.

Regarding Payroll, Mr. Hawthorne said there were different types of RFPs. Mr. Buffington said they needed to look at the pieces of the payroll system and determine which areas were better suited to outsourcing. He recommended a performance specification that stated a desired result and invited respondents to respond with an explanation of they would accomplish that result. He said they would have something for the Board's consideration at the next joint meeting.

Mr. Hawthorne said they had removed the \$500,000 from the budget that was supplementing federal funds to pay for administrative costs in Housing and Community Development. Now they were developing an RFP for the entire operation.

Mr. Herbst said the current administration had a healthy appreciation for the benefits that strategic outsourcing could bring to the organization and he thought they were already considering these opportunities.

6. Presentation on Structural Innovation and Community Investment Plan

This item was heard out of order.

Ms. Knowles, Mr. Hawthorne and Ms. Torriente gave a Power Point presentation, a copy of which is attached to these minutes for the public record.

Mr. Russo liked the idea that performance matrices could be tracked. Ms. Knowles informed him that they were performing a spot analysis presently.

Chair Page asked Ms. Knowles to estimate how long it would be before the City experienced savings on the expense side and increases in revenue. Ms. Knowles said this would take time and when this process was completed, they would identify budget indicators to monitor.

Mr. Cross felt the City had needed this approach for a long time. He asked what steps were taken when a department scored poorly. Ms. Knowles said performance was measured on a red, yellow, green basis. When a measure turned yellow, it might be discussed and a department could be required to prepare a variance report. If

performance was continually down, the department must take action and develop a plan to bring the measure back up.

Mr. Cross said another component was training and developing staff skills, and noted that the City was not well known for that. He asked if the City would consider introducing a training and development department. Mr. Hawthorne said they had identified this deficiency. Mr. Herbst said a training position in the Human Resources Department budget had been cut a couple of years ago. He stated in Tallahassee, there had been a program that required an employee to complete 24 hours of training in order to qualify for a yearly merit increase. He felt one of the strongest things the City could do would be to revitalize the training aspect of the organization. Ms. Torriente said in Miami Dade County, they had integrated a plan like this with the budget and seen results.

Mr. Cross had met with City staff and they asked if he felt the Board would consider retraining to be a viable option for the City. The staff had wondered why the City was considering outsourcing rather than investing in their own staff and training them to have the skills outside companies had.

7. Revenue Generating Opportunities

Mr. Cross asked if they were also considering insourcing opportunities: areas where a third party vendor was performing a service and making revenue that the City could take over. He used the example of car towing. Mr. Wood said the City was adding a non-emergency fire transport function.

Mr. Hawthorne said they were considering contracting with another city to provide them IT support services. Mr. Buffington said they were also considering the P-Card rebate.

Mr. Saito said they must be careful when they discussed insourcing because if something was a big profit generator for a private provider, it should probably be bid out.

Ms. Alarcon remarked on recent problems with residents' cars being towed during a public event, and noted that if the City controlled towing, they could be attentive to the public relations side of the issue as well.

8. Update on City Commission Action regarding BAB Recommendations

This item was heard out of order.

Mr. Hawthorne said this would be a standing item on the Board's agenda. He distributed a reworked matrix showing progress/status.

Mr. Russo thought there should be a target date to complete items. Mr. Hawthorne said they would get to metrics as well.

9. Schedule of FY 2012 Quarterly Budget Workshops

This item was heard out of order.

Mr. Mason advised the Board the best dates would be February 6, May 7 and August 20.

10. Revise meeting schedule due to City Commission meetings

This item was heard out of order.

- December 21, 2011

Mr. Mason said the City Commission meeting had been moved to December 21, so the Board could meet on December 20 or 22. Mr. Mason said the HPB had the room reserved for December 15 at 5:00 pm. Chair Page said they could reserve the room for December 15 at 6:00.

The Board agreed to meet next on December 15.

- January 18, 2012

Mr. Mason said the City Commission was meeting on January 18. The room would be available January 26 and 30.

The Board agreed to meet on January 26.

Mr. Feldman left the meeting at 7:45.

11. Old Business

Chair Page asked for an update on the 911 call center. Mr. Hawthorne reported Mr. Feldman had been negotiating with the County and the Sheriff's Office to avoid any disruption of service. He said the long-term implications were that they would save money because they were no longer in the business of emergency dispatch. Mr. Hawthorne explained that the monthly price would be much higher until the regional cooperation deal was worked out.

Mr. Herbst stated 73 Sheriff's Department employees provided 911 services now from a City offices at a cost of \$440,000 per month. The Sheriff had offered to take these employees into one of his buildings and perform the service with fewer people. Mr. Herbst stated they had been considering costs of \$6 million per year, but through negotiations and changes to how they would administer the function, the City's net costs going forward would be \$1.5 million.

Mr. Herbst said it would take six months to operationalize the agreement, during which time the Sheriff wanted the City to pay the \$440,000 per month.

12. New Business

None.

13. Communication to the City Commission

None.

7. Adjournment

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

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