

FINAL
BUDGET ADVISORY BOARD MEETING
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
1ST FLOOR CITY COMMISSION CHAMBERS
FORT LAUDERDALE, FLORIDA, 33301
FEBRUARY 15, 2012 – 6:00 P.M.

Board Member	Attendance	10/2011 through 9/2012	
		Cumulative Attendance Present	Absent
June Page, Chair	A	4	1
Mark Snead, Vice Chair	P	4	1
Brady Cobb	A	2	1
AJ Cross	P	5	0
Nadine Hankerson [6:19]	P	5	0
Fred Nesbitt	P	4	1
Drew Saito	P	5	0
Anthony Timiraos	P	3	1
Andrew Russo	P	3	0

Personnel Attending

Kirk Buffington, Deputy Director of Finance
Douglas R. Wood, Director of Finance
Nora Ostrovskaya, City Manager's office
Greg Brewton, Director of Sustainable Development
Terry Burgess, Building Services Manager
Skip Margerum, Code Enforcement Supervisor
John Gossman, Code Enforcement Supervisor
Leigh A. Plotts, Public Works
Stanley Hawthorne, Assistant City Manager
Stacey Balkaran, City Manager's office
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

Mr. Snead called the meeting of the Budget Advisory Board to order at 6:00 p.m.

2. Roll Call

Ms. Hartmann called roll and determined a quorum was present.

3. Review of Meeting Minutes from January 2012

Mr. Snead noted a change to the minutes.

Motion made by Mr. Nesbitt, seconded by Mr. Cross, to approve the minutes from the February meeting. In a roll call vote, motion passed 6 – 0.

4. Code Enforcement

Mr. Snead asked about the amount of outstanding Code Enforcement fines, and what the Department's philosophy was regarding collection. Mr. Burgess explained that during foreclosures, the liens often went away because banks had superior liens. He said they used fines to encourage compliance, not to provide the City a revenue source. Mr. Burgess added that sometimes the property values were lower than the lien amounts. He stated they were considering a lien amnesty program for properties that were complied so the City could collect some money. They were also considering a foreclosure program and a registration program for banks' management companies. Mr. Burgess stated the minimum that can be accepted from owners who had fines is \$260 to cover administrative costs and they were considering increasing this.

Mr. Margerum informed the Board that last year, they had a 96 – 98% compliance rate overall. He stated there were 18 Code Enforcement Officers, four Building Inspectors, three Business Tax Inspectors and one Police Detective. He explained they gave citations for zoning, animal control and turtle lighting and they worked seven days a week. There was also a special response team to remove vagrants from abandoned homes.

Mr. Wood explained that the fines accrued daily, so if they continued for a period of time, they could become too high to be collected. He stated one problem was that the City did not have a centralized accounts receivable system.

Mr. Cross said they had heard of other cities that had a high rate of fine collection, and asked if third party collections used a different type of enforcement. Mr. Margerum stated once there was a lien on a property, the lien affected all properties for that owner in the State of Florida. He said they also issued citations, which had set fine amounts, and these were recovered through a collection agency if an owner did not pay.

Mr. Cross asked how easy it was for new businesses to open in the City, and Mr. Burgess said Laura Gambino acted as a liaison for customers prior to opening in the City or after. Mr. Brewton said Ms. Gambino walked new business owners through the process and they were training other staff to perform the same function.

Ms. Hankerson arrived at 6:19.

Mr. Snead asked what performance measures were used in Code Enforcement and Mr. Burgess stated they were considering the Florida Benchmark Consortium and the ICMA. Mr. Gossman said when they had used the Florida Benchmark in the past they had scored very high.

5. Budget/CIP Process Mapping

Ms. Ostrovskaya distributed a CIP Mapping handout to Board members. She described how the process would work, using proprietary software they had developed in-house.

Mr. Cross asked what happened if there was not sufficient funding in the budget for a project. Mr. Wood stated the individual department must ask the City Commission for additional funding. Mr. Wood explained that some items that had been identified as capital projects had actually been for maintenance and operation. Staff had performed an extensive review of projects to determine what was out there. He remarked they had discovered a project that had \$1.9 million unspent that was invalid. The money had gone back into the CIP budget to fund next year's projects.

Ms. Ostrovskaya remarked on the difficulty of manually tracking monies and projects, and the fact that this could keep occurring. She stated they were working to ensure that every project was entered into CIP software and that the software communicated with FAMIS and the engineer tracking system. This would allow them to know when the project status changed.

Ms. Ostrovskaya hoped the CIP software would also provide some historical perspective for projects and funding and allow them to assess their progress on projects already started.

Mr. Cross asked about the IT aspect, and Ms. Ostrovskaya said the City had excellent software experts writing the CIP software; no additional funding was required.

Ms. Ostrovskaya said the CIP software had connectivity with GIS software so projects could be physically mapped. She had asked for a map that could be queried by date, department or funding that would provide them historical perspective.

Mr. Wood stated three months ago when he had begun the review of the CIP, there was \$68 million in budgeted but unencumbered funds for projects that had not started yet. He was concerned about issuing more debt when they were not spending what they had already issued. He stated if they did not spend this money, it could jeopardize their tax-exempt status.

Ms. Hankerson asked what happened when a five-year project was not completed with five years. Mr. Wood said Mr. Feldman was adamant about departments creating a comprehensive plan for the future. Mr. Timiraos wondered how many of the 450 projects were old ones that had been funded but never begun. Ms. Ostrovskaya said she would try to get this information for the Board's next meeting. Mr. Wood explained that one project might have more than one funding source. Mr. Snead noted that there were tens of millions of dollars sitting in accounts doing nothing. Mr. Wood stated finding a clean starting place had been the goal of the review. Mr. Saito suggested there might be projects that were no longer relevant as well. Ms. Ostrovskaya stated this had been the goal of the review and the question was how the system could ensure that this stopped happening.

Mr. Nesbitt suggested the system should send an alert when a project was not utilizing or receiving its funding in a timely manner. Mr. Wood said the City had heretofore not had computer systems capable of doing this. Mr. Cross asked if the current system could recognize redundant projects and Ms. Ostrovskaya said it did not, but the query-able map function they were developing would help in this regard. Mr. Buffington said since he had worked at the City, the philosophy had been, "The departments do what the departments want to do" but the entire management philosophy had changed, which would ensure that redundant projects did not happen.

6. Old Business

Budget Process/Prioritization Progress

[This item was discussed out of order]

Ms. Ostrovskaya said there had been concerns that it would be burdensome if they tried to implement too many changes in any one year. It had been decided that the prioritization process would be postponed until the next budget cycle. In preparation for this, they were allowing departments to revise their program inventories and they would ensure the programs were manageable.

Ms. Ostrovskaya said the budget process would begin in April, but the technical side would start February 17 with training budget coordinators and entering data into budget

preparation software. Ms. Ostrovskaya remarked that the reorganization created technical challenges for next year.

Payroll/Timekeeping RPF

Mr. Cross had attended the payroll/timekeeping RFP committee meeting. He explained the committee had been created after the payroll outsourcing RFP that had been issued last year had not received a comprehensive response. Mr. Buffington stated they had created a task force of end users of the payroll/timekeeping system. He said the task force agreed they needed one system and they were generating ideas to address the timekeeping issue. Mr. Cross said TeleStaff was the predominant timekeeping software but not all departments used it because the City had not purchased a universal license; individual departments had purchased the system.

Mr. Cross said the way the original RFP had been written was the only way to write it in order to address the City's needs, based on how the City handled timekeeping and payroll. He said the consensus of the task force was that they should combine what they currently had that worked with the expertise they had on staff to allow departments to use the TeleStaff license before they considered outsourcing.

Mr. Buffington said the Police Department had just implemented TeleStaff. Mr. Wood stated this included automated interfacing with the payroll system. Mr. Cross said the question was whether they could purchase additional licenses so Parks and Recreation and other departments could use TeleStaff to get away from all of the paper and labor they currently needed to utilize.

Mr. Buffington stated no matter how broad the RFP, at some point vendors must be evaluated against something. With an ROI, they could ask vendors what they could do, but they could not award a contract based on it; they needed to take the next step and do this based on a competitive process. He agreed that negotiating to expand the Kronos licensing was a possibility.

Mr. Timiraos pointed out that payroll was 70% of the entire budget and he found it "terrifying" that no one had control over the largest budget item in the City. Before any decisions were made, he felt they should step back and consider what they could change internally and streamline. Then they should explore what was available in the market.

Mr. Wood said part of the problem was that the City had not elected to stay current with automated systems. He noted one item on the Board's "to-do" list was look at this. Mr. Wood stated they had kept the Kronos system current based on their needs. Mr. Cross noted that different departments used different methods to track time. Mr. Saito felt they

should state their needs and request proposals from the private sector in the form of an ROI. Mr. Buffington said this was one approach, but since vendors knew that no contract would be awarded, they sometimes did not put a lot of time into their submissions. Mr. Buffington felt the real issue was timekeeping and they should determine if there was something better than Kronos, or if they should expand the use of Kronos. Mr. Snead thought the task force could make this determination. Mr. Snead said they must find and fix flawed processes first. He believed the task force was doing this. Mr. Timiraos thought it would be worth hiring someone to design a payroll system. Mr. Wood said they were in the process of doing this for fixed assets. He stated the task force should look at timekeeping systems elsewhere to find one the City could potentially use.

Mr. Saito suggested a member of the task force provide the Board with an update.

7. New Business

Mr. Cross asked about the opt-out program and how much money it was saving the City. Mr. Wood replied that 131 employees had taken the program buyout. He could not state the savings for the current year, but said the budget should show cost savings starting this year. Ms. Ostrovskaya said the City Manager had set a goal of 50% backfill. She said every department was reviewing its organizational structure and was making critical decisions regarding positions eligible for hire and positions not eligible for hire. The major savings would come from the positions not eligible for hire.

8. Recommended Dates for Quarterly Joint Budget Workshop

- a. February 27 & August 27

Ms. Ostrovskaya said there was a problem with the February date and suggested March 26 at 7 PM. The Board agreed to this change.

- b. May 21 & December 10

9. Agenda for February Joint Budget Workshop

No discussion.

10. Communication to/from the City Commission

Memo of Understanding

Mr. Hawthorne reported the City Commission had received the Board's motion from their last meeting. He said they were pleased to see the direction the Board was going and the fact that they were working with the administration. The Commission had discussed how permanent or how flexible they should be regarding the MOU and he thought they were comfortable with reviewing the MOU annually. Mr. Hawthorne stated

the Commission did not understand the Board's wish for the agreement to be codified and he thought this would require additional discussion. Mr. Hawthorne thought the MOU would be signed at the workshop.

11. Adjournment

With no further business to come before the Board, the meeting was adjourned at 8:02 p.m.

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