

APPROVED
BUDGET ADVISORY BOARD MEETING
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8th FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA, 33301
MARCH 20, 2013 – 6:00 P.M.

Board Member	Attendance	10/2012 through 9/2013	
		Cumulative Attendance Present	Absent
June Page, Chair	P	4	0
Drew Saito, Vice Chair	P	4	0
Brady Cobb [left at 7:30]	P	2	3
Nadine Hankerson	A	2	3
James McMullen	P	1	0
Fred Nesbitt	P	4	0
Bryson Ridgway [left at 7:30]	P	4	0
Josias Dewey	P	2	0

Personnel Attending

Charmaine Eccles, Budget Department and Board Liaison
Douglas R. Wood, Director of Finance
Kirk Buffington, Deputy Director of Finance
Marco Hausy, Audit Manager
Mike Maier, Chief Technology Officer
Stanley Hawthorne, Assistant City Manager
John Herbst, City Auditor
Lee Feldman, City Manager
Laura Reece, CIP Assistant Grant Manager
Diane Lichenstein, Senior Financial Management Analyst
Emilie Smith, Budget Manager
Lisa Edmondson, 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

The meeting of the Budget Advisory Board was called to order at 6:03 p.m.

2. Roll Call

Roll was called, and it was determined a quorum was present.

New Member James McMullen stated he had spent most of his career in Washington DC at the Department of Labor. He had also worked for the Democratic National Convention as Deputy CEO for Finance and Administration. Mr. McMullen was retired and living in Fort Lauderdale.

3. Approval of Meeting Minutes

- a. February 20, 2013

Motion made by Mr. Saito, seconded by Mr. Cobb, to approve the minutes of the Board's February 20, 2013, meeting. In a voice vote, motion passed unanimously.

4. Old Business

- a. Review Estimating Conference Committee

This item was discussed out of order.

Michael E. Burton, President and Andrew Burnham, Senior Vice President from Burton & Associates, Inc. gave a 10-year Forecast Summary presentation via conference call.

Chair Page said there were questions about revenue in the "other" category. Ms. Smith explained that this included Enterprise Funds cost allocations from other departments. This added \$11.2 million to the General Fund this year. Mr. Herbst was bothered by the use of the work "other" as well, and had requested better transparency from staff. Ms. Smith informed the Board that there was also \$20 million in ROIs and PILOT revenue.

Mr. Saito wished to see a more detailed breakdown of Police and Fire reporting in the budget. Ms. Smith said index codes were used to break down the specifics into a few hundred line items and she could provide this to Board members. Ms. Smith explained that departments received requests by line item within each index code for staff to review. Once the Budget Document was presented to the City Commission, the City Auditor's Office checked the entire budget, line item by line item. Mr. Herbst said his department started from the presumption that "Whatever it is that we do today is what our Commission, our residents expect us to do." What they looked for were errors and significant variances from prior years. On the revenue side, Ms. Smith said the Revenue Estimating Conference Committee had been implemented as an additional check in the process.

Mr. Cobb and Mr. Ridgway left the meeting at 7:30.

Mr. Nesbitt asked if the Revenue Estimating Conference Committee's work would be reviewed by the Board and Chair Page informed him that it would.

The Board returned to this discussion item later in the meeting.

Chair Page reported there were four members on the Committee and they were examining all major revenue line items. She had mentioned concerns in the intergovernmental categories and she wanted to bring these to Burton's attention on April 3. Chair Page said this review was showing her "places where we can find more money from fees and fines and liens..." that would help to recover costs more. The Committee met on Wednesdays at 4 p.m.

Prior to the April 3 meeting, Chair Page said they would review the 20 largest categories and create a presentation for the joint workshop describing how comfortable the Committee was with the FY 2014 revenue estimates.

Ms. Smith informed Mr. Herbst that the Committee's meetings were public and minutes were posted on the City's website to comply with Sunshine requirements.

b. Fiscal Capacity Study Update/Presentation - Part 2

Ms. Smith reported the draft Fiscal Capacity Study was complete. The Board agreed to read the study and provide feedback at their next meeting.

c. Payroll/Time Keeping RFP, 3rd Party Service Opportunities

This item was discussed out of order.

Mr. Maier reported that the City's legal department was working on the Kronos contract and he hoped any issues would be resolved soon. Mr. Herbst explained that there were certain provisions in the Kronos standard contract that were illegal in Florida and they needed to come to terms before signing a contract.

Mr. Maier informed the Board that he hoped to hire a security officer within 60 days. He stated he had "found" money as a result of the IT consolidation because they were no longer duplicating services. He described projects in his 5-year plan he was accomplishing: rolling out PCs, replacing infrastructure such as UPS units; purchasing a software solution upgrade for the Department of Sustainability; reorganization of IT staff. Mr. Maier said Police patrols would get the latest technology for the field and they were seeking to resolve the laptop issue. He remarked that the channel 78 upgrade had been a major change. He was looking into a document imaging system for managing City records.

Mr. Maier stated a GAP analysis was being conducted to determine what software components were missing and which should be kept. Once the analysis was complete, a consultant would be hired to identify software packages to meet their needs.

Mr. Maier reported he had “blasted” Microsoft at a recent conference regarding their application pricing for different municipalities; Fort Lauderdale was paying more than twice what a city such as Pasadena was paying. As a result, Microsoft representatives were coming to visit Mr. Maier. He explained that the different ages of computers and operating systems made it impossible to buy the current release of Microsoft Outlook 2010 to standardize all City computers. He hoped when Microsoft representatives visited, they would give the City credit for software they had already purchased.

Mr. Hawthorne informed the Board that Mr. Maier had just returned from a conference of corporate and municipal CIOs and he had been invited to participate in another session for the top 50 CIOs in the country.

ADP Update

Mr. Saito had received material from Bob Woods at ADP. Mr. Saito felt the Board should hear from the top two or three payroll/timekeeping solutions vendors to discuss implementation and savings they could provide. Mr. Saito also wanted references so they could discuss the solutions with other cities that had already implemented them. Mr. McMullen said in his experience, payroll revisions were nightmares that never came in on budget and any vendor’s presentation should be “taken with a grain of salt.”

Mr. Hawthorne stated the update on Kronos might be that it would not move ahead. Chair Page felt the Board should perform a comparison such as Mr. Saito discussed. Mr. McMullen noted that there were consultants who specialized in payroll. Mr. Buffington explained that payroll, personnel and Human Resources were integrated to some extent. The current payroll system, Cyborg, served approximately 50% of the current, active workforce. The other 50% were not in any type of automated process.

Ms. Smith stated they hoped to go to a single timekeeping system for everyone. Mr. Wood said when he first came to the City, he had determined that their payroll costs were \$600,000 and automating the timekeeping could provide their biggest savings. He pointed out that payroll and timekeeping systems must be compatible. Ms. Smith reported that ADP worked with Kronos.

The Board agreed they wanted to hear from payroll/timekeeping vendors. Mr. Hawthorne recalled that the ADP representative had advised the City to have an independent group perform a cost/benefit analysis to provide perspective. Mr. McMullen remarked that some companies would also perform a needs assessment. Mr. Wood stated this was already planned.

Ms. Smith suggested the Board could hear from vendors at 5 p.m. prior to a regular meeting.

5. New Business

- a. FY 2013 Adopted Budget and FY 2013–FY 2017 Community Investment Plan

Ms. Smith distributed copies of the Budget. She remarked that one of the most important parts of the document was the City Manager's transmittal letter, which summarized everything in the budget. She advised Board members to read this first. The Budget Overview section provided an overview, the organizational chart, the calendar, the FTEs and department highlights. The next section was the financials, which provided a forecast for every operating fund. In the Department Budget section, the core services, performance measures and objectives were broken down. Mr. Saito asked why charter offices did not report on performance measures and Mr. Herbst explained that as independent charter offices, they did not share the operational platform with the City Manager's Office.

Ms. Smith informed the Board that the City's budget had won the Government Finance Officers' Association award for excellence in budgeting for the past 28 years.

After the department documents, Ms. Smith pointed out the Community Investment Plan. They had introduced "cylinders" this year, indicating areas of focus such as public places, business development, infrastructure, neighborhood enhancement, internal support and public safety.

Ms. Smith confirmed for Mr. Saito that the facilities engineering study was being developed. Mr. Saito asked why Parks and Recreation was responsible for facilities buildings in the City. Mr. Feldman stated they had found that most City buildings were Parks and Recreation buildings and so had made that department responsible instead of Public Works. They had also consolidated trash collection operations.

Ms. Smith said statistical information could be found in the appendix. She pointed out the glossary of acronyms in this section.

In the CIP document, Ms. Smith drew the Board's attention to the new alphabetical listing of the projects requested in the budget. Mr. Saito inquired about the Police gun range replacement listed on page 125 and Ms. Smith stated this had been requested first in 2011 and there was not enough LETF money to fund the project so they had requested it again out of the general fund. Mr. Saito wondered about spending \$1 million for this when they intended to remodel this entire wing in two or three years. Ms. Reece explained that the Police had requested both the rehabilitation of the indoor range and a new offsite outdoor range.

Ms. Smith recalled that last year, the Police Department had put in a CIP request to relocate the Police Headquarters and alternative requests for rehabilitation projects. Mr. Saito felt it was important to concentrate on an engineering study to understand the needs. Ms. Smith said they had allocated \$200,000 for the Facilities Condition Assessment, which should give them detail. Mr. Saito suggested segregating Police Department facilities for an engineering study.

Mr. Nesbitt requested a budget status report for the Board's next meeting and Ms. Smith agreed to provide it.

6. Joint Commission Budget Workshop Meeting Dates:

- Tuesday, April 30, 2013
 - Set Agenda

Ms. Page advised Board members to consider items they would like to present to the City Commission at the joint meeting.

Mr. Hawthorne indicated that by the time of the joint meeting, the Revenue Estimating Conference Committee would be comfortable with the model and assumptions and the Burton team would have time to make adjustments to the model, so they would know the revenue gap. The Commission would discuss the forecasts, as well as the revenue sources over which they had some control, such as millage rate and Fire Rescue fees. Mr. Hawthorne said the Board would be included in the process of departments stating what they would need to do in order to meet the budget gap. He hoped to provide the Board a preview of the forecast model at their April 17 meeting.

Mr. Hawthorne agreed to advise Board member when the best time would be to attend the April meetings of the Revenue Estimating Conference Committee.

- Monday, August 26, 2013

No discussion.

7. Communications to/from the City Commission

None.

Other Discussion

Mr. Buffington provided an update on the FPL contract. The negotiated agreement had been sent to the contractor and he anticipated it would be returned within the next few days. This was primarily a review of the franchise fees. Mr. Hawthorne stated Mr. Feldman had called for the RFP to determine what had caused the City to lose millions.

8. Adjourn

Upon motion duly made and seconded, the meeting was adjourned at 8:04 p.m.

Documents:

Budget Book sections from Ms. Smith

Fiscal Capacity Update - Part 2 PowerPoint presentation from Mr. Hawthorne

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