

APPROVED
BUDGET ADVISORY BOARD MEETING
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8th FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA, 33301
OCTOBER 16, 2013 – 6:00 P.M.

Board Member	Attendance	10/2013 through 9/2014	
		Cumulative Attendance Present	Absent
June Page, Chair	P	1	0
Drew Saito, Vice Chair	A	0	1
Peg Buchan	P	1	0
Chip Burpee	P	1	0
Josias Dewey	A	0	1
Nadine Hankerson	A	0	1
James McMullen	A	0	1
Fred Nesbitt	P	1	0
Robert Oelke	P	1	0
Bryson Ridgway	P	1	0

Personnel Attending

Stanley Hawthorne, Assistant City Manager
 Doug Wood, Director of Finance
 Kirk Buffington, Deputy Director of Finance
 Emilie Smith, Budget Manager
 Diane Lichenstein, Senior Financial Management Analyst
 Marcos Nichols, Senior Management Fellow
 Charmaine Eccles, Budget Department and Board Liaison
 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 6:00 p.m.

2. Roll Call

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

3. Approval of Meeting Minutes

A. September, 2013 Regular Meeting

Motion made by Mr. Oelke, seconded by Mr. Nesbitt, to approve the minutes of the Board's September, 2013, meeting. In a voice vote, motion passed unanimously.

4. Old Business

A. Citywide Spending on Homelessness Discussion Update

Ms. Smith said they had compiled an Estimated Expenses Related to Homelessness describing costs attributable to homeless issues from all departments. The City had hired a part-time Homeless Coordinator who would start work within three weeks. This new employee would work under Cate McCaffrey, Assistant Director of Parks and Recreation. There were already two Police officers assigned full-time to homelessness issues.

Mr. Nesbitt asked about the cost estimate from the Fire/Rescue Department and Ms. Smith agreed to request specifics.

Ms. Smith informed Mr. Oelke that the City had recently received a \$140,000 grant for homeless services but she did not know what this would fund. Mr. Hawthorne said homelessness had been discussed at the Commission's strategic planning sessions and Mr. Feldman was taking a personal role in a particular project.

B. FY 2014 Workplan Discussion Update

Mr. Hawthorne said the Workplan had been revised based on some of the Board's input. He described the typical workload to new Board members. He suggested that he, Chair Page and Ms. Smith meet to discuss the long-term Strategic Plan map in order to make recommendations for adjustments.

Ms. Smith stated someone was scheduled to address the Board in December regarding pensions. Mr. Nesbitt said he objected strongly to the person Ms. Smith had invited to speak. He said this person was "going across the State of Florida bashing public pension plans, telling cities how to destroy, how to undermine pension plans for firefighters, police officers and public employees. He uses refutable data; I've been able to challenge him several times and he's certainly not representative of a pension

attorney. He has his own personal agenda and I object to him coming in. If you want a pension attorney, let's bring a pension attorney in; let's not bring somebody in who has an ax to grind." Ms. Smith stated this was the pension attorney that the City usually used.

Mr. Nesbitt agreed to find an attorney who served several pension boards to speak to the Board and provide an unbiased opinion. Mr. Oelke agreed that they did not need to hear from someone who advocated getting rid of all defined benefit plans, but neither did he want a "cheerleader" who might gloss over possible alternatives. Ms. Buchan wanted to hear from the person who advised the City and would welcome Mr. Nesbitt's comments as well. Mr. Ridgway said he had mixed feelings because he respected Mr. Nesbitt, but wanted to hear the information this person was providing the City. Ms. Smith said Assistant City Attorney Bob Dunckel was also very well versed in pensions and he could address the Board as well. Chair Page suggested hearing from Mr. Dunckel first; if the Board wanted additional information they could invite someone else to speak. Ms. Smith agreed to contact Mr. Dunckel.

5. New Business

A. Capital Projects Funding Alternatives

Mr. Nesbitt suggested the Board be provided information on bond options. Mr. Buffington suggested Ed Stahl, the City's Financial Advisor and Ms. Smith agreed to ask him.

Ms. Smith distributed the Alternative Funding Sources for Citywide Infrastructure Improvements document and explained that the Tourist Development Tax, the Infrastructure Sales Tax and General Obligation Bonds would not impact the City's general revenues. She informed Mr. Oelke that the Tourist Development Tax [the "Bed Tax"] was self-reported. Certain percentages were designated for specific uses.

Mr. Hawthorne recalled the Board had questioned how serious the City Commission was about addressing the infrastructure needs, possibly using some of these alternative sources. He said the Commission had not discussed this recently but they acknowledged the need and intended to address it. He felt this had been contingent on passing the increase in the Fire Assessment.

Mr. Hawthorne said the Commission wanted the BAB to recommend how the infrastructure improvements could be funded.

Chair Page asked about the Police Department plan and Mr. Hawthorne stated the RFP for assessment of all City facilities was out. The Mayor and City Manager had attended a forum in Jacksonville with other mayors from Florida and Ms. Smith had prepared a white paper on the Tourist Development Tax.

Later in the meeting, Mr. Buffington reported that the RFP for the facilities assessment was closed and they had received 10 responses. He agreed to provide the Board an update at their next meeting.

Mr. Wood reported that there was a change proposed in the ordinance defining who was responsible for utility bills, shifting responsibility from the tenant to the landlord. Mr. Hawthorne said Mr. Feldman wished the BAB's input on this.

6. Joint Commission Budget Workshop: November 12, 2013

A. Set Agenda

Chair Page did not feel the Board had enough discussion material for a workshop. Board members agreed to cancel the November workshop .

7. Communications to the City Commission

None.

Other Discussion Items and Announcements

Ms. Smith asked if new Board members wished to have a separate workshop to discuss the Board's activities and responsibilities. She agreed to send out some available dates.

Mr. Oelke wished to discuss revenue equity. He had studied the budgets over time and noted that the City was generating a lot of revenue from sources other than the ad valorem taxes, which was having greater impact on lower-income residents. He also wanted to see more benchmarks comparing Fort Lauderdale to other similar-sized cities in Florida regarding revenues, expenses and how much they spent per capital. Mr. Oelke said according to the State auditor's database, Fort Lauderdale received 17-18% in intergovernmental revenues compared to 25 - 30% for other cities. He wanted to see if there was something they could do to change the revenue mix to make it more equitable.

Mr. Nesbitt said the Revenue Estimating Conference tied into these questions. Mr. Ridgway felt the City could use a cost benefit analysis, which the Commission could use to make a decision about whether or not to raise taxes. Chair Page felt this would be a "tremendous tool if we could figure out how to develop it." Mr. Ridgway said he had felt himself in a difficult position when the Board was considering a recommendation for increasing the Fire Assessment because he did not know what the City would cut if they did not raise it.

Chair Page asked if staff discussed discretionary and non-discretionary funds with the Commission. Ms. Smith explained that the capital improvement projects were all ranked based on criteria to which the City Commission assigned weights. She added that this year, one of the Commissioners had requested staff present options for next year. This year, the Commission had adopted an annual action plan prioritizing their

needs for the year. If they did not raise the Fire Assessment, things would be removed from the list.

Mr. Ridgway wondered if the Board should discuss reserves. Ms. Smith said Mr. Feldman had directed staff to perform a risk analysis on the City's reserves to determine what they should have. Mr. Hawthorne was certain Mr. Feldman would bring the risk assessment to the Board when it was prepared. Ms. Smith informed the Board that the City Auditor also performed an annual risk report and his comments would be included in staff's report.

Mr. Oelke had spoken with Martin Kurtz, Chair of the Audit Advisory Board (AAB), and he wanted to know if the BAB felt it would be valuable to meet with the AAB. Chair Page agreed to speak with Mr. Kurtz to discuss it.

8. Adjourn

Upon motion duly made and seconded, the meeting was adjourned at 7:06 p.m.

Documents Attached:

City of Fort Lauderdale Estimated Expenses Related to Homelessness
Budget Advisory Board Draft FY 2014 Work Plan
Alternative Funding Sources for Citywide Infrastructure Improvements

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