

**MEETING OF THE CITY COUNCIL
PRIORITY BASED BUDGETING WORKSHOP
PLANTATION, FLORIDA**

June 25, 2013

The meeting was called to order by Councilwoman Lynn Stoner, President Pro Tem of the City Council.

1. Roll Call by City Clerk:

Councilmember:	Jerry Fadgen Ron Jacobs by telephone Lynn Stoner Chris P. Zimmerman
Mayor:	Diane Veltri Bendekovic
City Attorney:	Donald Lunny, Jr.
Absent:	Robert A. Levy

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1. Informational Workshop concerning Priority Based Budgeting.

Kristi Caravella, Finance Director, advised that this will be a live webinar. There are scorecards and policy questions that will be discussed with Chris Fabian and John on the line.

John provided an overview of the process and how it works.

Ms. Caravella reviewed the four policy questions as follows:

- Partnership:

These can be anything from a non-profit to a private sector to another governmental organization. The filtering tool has the costs and different filters can be put in. For this question we set the filter at lines on the City to provide services less than three and when looking at the scorecard it shows that this specific program is offered by at least one other agency. A filter was also set for cost recovery of less than four and in looking at the scorecard, it means that the program is recovering anywhere from 1% to 75% of its costs; therefore, it is generating some revenue.

We know there are other service providers providing the service and we know we are using general government resources to provide these programs because the program is 100% self sufficient. If we still feel the program is very high priority then we should investigate whether we should partner with another organization; a public or private sector, perhaps to find efficiencies in providing a program. If we feel the program is not a priority then we might consider turning it over to another agency, which could be private or another government agency.

- Policy Question No. 1:

Are we truly competing with the private sector by providing this program? Are we offering these programs because they meet the needs of our citizens who may have special needs? If we agree that the City should still provide the service should we at least make them self sufficient?

- Policy Question No. 2:

Charging higher fees for those services. It is perfectly acceptable for a City to keep charges at a low level and subsidize the cost of a program but this process is an intentional decision. Are we deliberately choosing to have a program that can be provided by another agency that is not fully recovering its costs? A lot of this was done in 2013. We set the criteria that cost recovery is greater than one so we are looking for programs that at least charge something for their service. Number one on the scorecard means they are charging at least 1% to 25% of their program costs. The basic question is if we are already charging for a service can we recover more of our costs? For some program it may be the case that the City intends to cover 100% of the costs and maybe there has not been a rate study. We looked at the rate schedule and made comparisons to other cities. In other programs we may see a statutory limit or a cap on fees that are charges. The last option is that maybe residents would be willing to pay a higher fee for the programs. This might be for things like recreation programs. We may be on the low end of the market but we know our citizens would not pay an extra \$20 to send their children to camp or to use the Equestrian Center. Those are some things to consider when looking at the program list for policy question #2. The reason this was included is because there could potentially be some programs that were missed and not considered in our charges for services.

- Policy Question No. 3:

Self imposed mandates. The scorecard shows the filter as the programs for one in the mandated category. That means that the only thing requiring the City to do that program is our own charter or our own past practices. It is not required by State Statute, a Federal mandate or by the County. We have to ask if we change our rules and regulations if we will still be able to provide this program or would we still want to provide a program. If we answer yes then that is a priority program, we feel it is a value to the community and we still choose to provide that program even if it costs money. If the answer is no or we are unsure there is an opportunity to change our City rules and regulations. Perhaps it is just an outdated policy that is requiring us to perform the program. Maybe the City still wants to offer the program but maybe the self imposed mandates are dictating the service level in a certain way and perhaps they can be modified to save money or reallocate dollars to a different program and achieve the desired outcome.

- Policy Question No. 4:

Several criteria were put in place so that means this program was low mandated. It is not required to be provided by any other agency other than our own regulations. It also has a low cost recovery and it is not generating all of its expenses through revenues. The third criteria is that there is a low reliance on the City. That was our first question; is there another provider in the community that can provide that same service whether it be a private sector, another government agency or a non-profit organization. The policy question is, "Are we sure we want to remain in the business of providing these services"? It appears that someone else is doing them; we are not required to do them and they require subsidization. We have to be sure that these programs are really critical to our organization; to our citizens; if we are still going to continue to provide those services. Should the City continue to offer those programs at all, especially those of low importance or relevance to the community regardless of our fiscal condition overall? Should we reallocate the resources to

another program; maybe there is something else we want to do instead; a new program? At the point where we are at in our budget we know we don't have any money for new programs. The only way for us to be able to fund a new program would be to eliminate something. Some of these programs might be highly relevant in which case we will keep doing it. If the City chooses to remain in these businesses perhaps an increase in fee would be appropriate. That is why the three filters were put on the last policy question.

This filtering tool is very powerful and now that we know all of our programs and how much they cost we can ask any question. We came up with four very important questions that every government should be asking themselves during these fiscal conditions. The list was provided for each policy question along with the costs. As we move through the Budget Workshops they would like Council to come back with some feedback as to what you would like staff to explore.

Mr. Fabian showed the filtering document and noted that there are some opportunities to look at private partnerships.

Ms. Caravella advised that the tools and their importance have been shown. This discussion is from pencils and erasers to the cost of full programs so we can start making some important decisions about how we do business in the City of Plantation, which is the point of Priority Based Budgeting. This is an Excel based tool and if there is some particular policy question you need filtered the data can easily be pulled.

Councilman Fadgen mentioned Policy question #1 and noted that scoring fell into the range discussed. These are identifiable and he questioned if the costs directly associated with them are in the proposed budget or in the prior budget.

Ms. Caravella indicated that this is for the fiscal year 2014 proposed budget.

Councilman Fadgen questioned if the first group would all be mandated by the State, Federal Government or by our own.

Ms. Caravella stated that the only filter put on partnerships was whether there is another agency out there that provides that service. We can add another filter to that and look at whether they are mandated and if there is an opportunity for a partnership. Policy question #4 was low mandate, low reliance on City, which means there is another provider. To answer your question would be to look at Policy question #4; that list is a little more tailored down.

Councilman Fadgen referenced Policy question #1 and mentioned the Fire Department. They are a partner because they are volunteers; is that how we are referring to them? We are partnering with a number of firefighters who are members of the community but volunteer their time to fight fires and rescue people.

Ms. Caravella indicated that these are the programs; not the partners. We know there are private companies that do fire inspections so we could potentially look at a private company to do that aspect of our fire services.

Councilman Zimmerman commented that partnership means a potential vendor.

Ms. Caravella noted that it also could be another government agency.

Councilperson Stoner mentioned that we seem to have a lot of consultants. She questioned whether the numbers compiled encompass everything including consultant fees.

Ms. Caravella stated that the costs are compiled by two things; personnel and indirect cost. Personnel was done by her staff and taken directly from work with Human Resources. It includes pension, health care costs, FICA, Workers' Compensation and salary. Those costs were brought into the program and allocated to each one of the programs and the Director allocates each position up to 100%. We then took the line items, all of the operating costs, things that are non-personnel, and those were also allocated to the program. If there is a consultant budgeted in the line item it is tied to the program and is accounted for.

Councilperson Stoner mentioned that when a program is considered either not necessary or subcontracted out, not necessarily just one employee works on that one program; they do multiple tasks in different programs. Even through a program that is being eliminated that does not really alleviate a big cost savings at the end of the day. It is not taking away the employee costs because there are other things that the employee does. She questioned how the rational is in figuring out if it is effective.

Ms. Caravella advised that for the last five years we have been in the trend of doing more with less. Almost every one of our employees are cross trained and allocated to several different programs. If there is a particular program that Council is interested in eliminating or transferring to another agency we can filter out the personnel from the other operating costs and get a better number. You would not lose a full position. The program is based on FTE, full time equivalencies, not a full time position. Just because you get rid of a program the person is still doing 85% of their time in other programs. There is also reallocation so we can put them into another program or another department, which involves restructuring and re-engineering the organization which is what we are getting at.

Councilperson Stoner has found that multi tasking is one thing within your department but when you ask an employee to multi task over various departments and different lines of expertise they are not very good; they cannot focus on one particular task.

Ms. Caravella stated that a very careful decision needs to be made when doing this and think about how things will be reallocated. If there are particular programs you feel that you want us to look further into they will do so.

Councilperson Stoner questioned what Administration has identified as possibilities.

Ms. Caravella advised that there is a budget presentation tomorrow night at which time they will be going into what their direction is for the fiscal year 2014 budget.

Mayor Bendekovic stated that will be done during the Workshop tomorrow. She could tell everyone now but would prefer to do it as a formal presentation and it will be online for the public to hear. She knows what Administration is going to recommend, what they are asking and are not doing. There are approximately 23 to 24 slides, which will be the first of four presentations. Things will change as it goes; it is very fluid because it is not until the second hearing in September that we put the final stamp on the budget. She mentioned certain programs that are minimal; however, they impact so many residents. You will have to weigh the impact of the programs, how it affects the residents and what they get in return for the cost. She finds that this supports the decisions that will be made. There will be data to support the decisions made.

Councilperson Stoner questioned how the departments liked having some of their programs on the low mandate low reliance list. Almost every department had a couple of things listed. Did they agree with how their programs were scored?

Ms. Caravella indicated that everyone scored their own programs and then they were reviewed together. They were reviewed by an objective multi disciplinary committee. She thinks she has very esteemed colleagues and they all understand the business of government. We are not naïve to the fact that there are other people who provide services that the City provides.

Councilman Fadgen questioned the total of the four pages and whether the total of the four pages would be more than the General Fund. He noticed Utilities, which would be the Enterprise Fund.

Ms. Caravella stated that no filters were put in for funds but they can easily be pulled out. She advised that the General Fund budget is \$82,241,000 and Utilities and Fire Rescue are in there. She would have to add those two to get the number.

Mayor Bendekovic commented that we still have to find additional revenue but at the same time you will see that our deficiency is mostly due to pension costs and benefits. If we did not have the increase in those areas we would have a minimal deficiency. She believes the gap is \$4.9 million. We have not been able to do impact fees or sell the property yet.

Councilman Zimmerman understands this was used to come up with part of the budget process. He questioned how this became useful.

Ms. Caravella used the tram as an example and stated that there is another agency that provides that; our cost recovery is low. We do know there is some reliance on the City because of the residents we heard from during the Council meeting. The filtering tool brought up prior years.

Councilman Zimmerman mentioned that the tram is listed in Policy question #4; low cost recovery, low reliance and low mandate.

Ms. Caravella advised that is probably part of a larger program.

Councilman Zimmerman questioned whether other policy questions were used or if these were the basic four policy questions that were used in evaluation.

Ms. Caravella indicated that these are the four most fundamental questions that every government is asking itself right now. We can get much more sophisticated with this and would like to come up with more ideas using this tool.

Councilperson Stoner requested a copy of what they were supposed to see. She also requested that it be put online.

Ms. Caravella explained that the reason for the webinar was because that is what Administration participated in along with the Directors.

In response to Councilperson Stoner, Ms. Caravella stated that the program has not cost anything yet. The cost for everything will be less than \$9,000. She feels confident that she can train everyone.

Councilperson Stoner reiterated that the City has a lot of consultants. She has talked to the Directors, staff and employees and they pretty much know their stuff. When you bring in a consultant it says that someone better needs to be brought in to show everyone how to run the show.

Ms. Caravella advised that sometimes a particular tool is needed. She feels that they have the expertise in-house.

Mayor Bendekovic mentioned the consultant that was approved for Finance with the bonds. The experts are needed in order to get the most for the money so when they go out to find financing they have the expertise to do that. Sometimes you have to go to the experts. We try to limit the consultants. She stated that all questions can be directed to Administration and Directors.

Mayor Bendekovic advised that Councilman Zimmerman has mentioned that he would like to have a discussion on Midtown, the concept. She was going to do a presentation because it took a year or two to develop that. She questioned if everyone wanted a hard copy of the Midtown concept. She was going to do it in a Workshop situation and look at the entire concept but questioned if there are certain areas that you wish to target.

Councilman Zimmerman commented that we are seeing a lot of development plans come through and are being asked to table some at a special meeting and there are certain things that are changing in the way the economics are going, which may change the way we would like to see some of the developers move and some of the things the developers might bring to the table that might help the overall plan. Mainly, there is the area between Broward Boulevard, Peters Road, and University Drive. He thought it would be a good opportunity not to expend a lot of funds; he is all right with staff. He believes it would be a good opportunity for Council to have a public meeting and discuss this at the conference table.

Mayor Bendekovic indicated that we have had meetings at the conference table and then people ended up standing around and complaining. She is more than happy to have the meeting someplace else but there will be people who want to listen.

Councilman Zimmerman stated that he would like to have more of an informal discussion with Council.

Mayor Bendekovic commented that the idea is to get a handle on the growth. She mentioned north of Broward Boulevard and stated that 321 North is coming in along with something else in another section with Quality Inn. She believes Quality Inn was sold and a purchaser was going to come in with multi family homes again. She thinks we need to get a handle on what the demand is and how many are scheduled or want to develop. Council needs to have a clear picture of all of the developments and decide if there is a demand for it and if you want it in Plantation.

Councilperson Stoner noted that the skyline is changing.

Mayor Bendekovic indicated that the skyline is at the end, which is a good place. We also need to know what the developments are in the surrounding cities because that hinges on the demand for the City. We should not be so quick to jump at everything.

Councilperson Stoner advised that there was some concern on the architectural elements and the flavor of the whole Midtown, that there is no continuity. When calling it Midtown there is nothing that really connects it; we do not have the pedestrian path we discussed.

Councilman Zimmerman stated that traffic is already an issue and maybe if there are pedestrian zones and corridors through our development people will tend to walk rather than drive a half a block.

Mayor Bendekovic questioned whether they were considering bringing the trolley back. We have six trolleys that are rented out. At one time they were going through Midtown; however, we did not have the ridership to support the trolley system.

Councilman Zimmerman indicated that people can walk and if they are going to walk will they walk to the Fountains. The question is whether we are getting developers to move in a direction that will help us improve these rights-of-ways to get pedestrians through the space.

Mayor Bendekovic commented that you are basically looking for pedestrian friendly, growth and what is on the horizon for Midtown.

Councilman Zimmerman stated that a lot of time we get involved after it has already gone through Planning and Zoning unless we have been alerted ahead of time.

Mayor Bendekovic advised that there are some other rental projects on the horizon. She questioned whether we want ownership versus rentals.

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The meeting adjourned at 8:00 p.m.

Councilman Robert A. Levy, President
City Council

ATTEST:

Susan Slattery
City Clerk

RECORD ENTRY:

I HEREBY CERTIFY that the Original of the foregoing signed Minutes was received by the Office of the City Clerk and entered into the Public Record this _____ day of _____, 2013.

Susan Slattery, City Clerk