

March 2012

Miracle at City Hall

We are skeptical of some miracles, but now we have witnessed one at our City Hall.

A few weeks back, the Sun-Sentinel described the city's budget situation as "chaos" referring to a \$3.3 million hole in the budget created when the Commission reneged on an earlier (and unanimous) pledge to balance the budget by imposing a new fire tax.

This week, it appears the budget headache has been solved with no pain, despite memos from the City Manager outlining job cuts, furloughs and other threats to our quality of life that existed only two weeks ago.

Like magic, the City Manager discovered new revenue, took money from reserves, reduced the Capital Improvement Budget to balance the books **AND** even found money to hire another city attorney and three new code enforcement officers. Amazing!

So how did we get here? And what can we learn from this exercise in manipulation, politics, fear mongering and drama?

First a little history:

During budget deliberations last summer, all five City commissioners voted to balance this year's budget by imposing a "fire tax" that they hoped would raise \$3.3 million. But when it came time to enact said tax, you the taxpayers showed up in almost unprecedented numbers and said "no". The Sun Sentinel claimed that the Friends of Delray Intelligence Report alerted readers to the issue. Maybe so. We don't really know why so many residents descended on City Hall on January 17th. We do know that our commission heeded your wishes and voted the tax down 3-1, with Mayor Nelson "Woodie" McDuffie absent.

Obviously unhappy, the City Manager soon released a doomsday scenario memo in which he outlined job cuts, service reductions and other sacrifices (leaving himself and senior staff immunized against the pain).

The memo was an artful political document which seemed to scold the commission about the need to enact the fire tax. In another telling moment, the manager informed the commission that "staff" determined that the hundreds of residents who showed up on January 17th to protest the new tax were not representative of the community and were ill-informed. (see our last issue by clicking on the "Intelligence Report" button at the top of the page)

The memo and the outcry from city workers threatened with cutbacks (we have lots of sympathy for them since they appear to be pawns in this drama) prompted some commissioners to indicate they might institute the tax after all. However, the resolve crumbled once again when they realized that

perhaps the community outcry was indeed representative of the community's feelings—oh...of course there's that pesky thing called an election coming up.

Now if you're astute (and all our readers are) you might ask how the commission could be **for** the tax before being **against** it.

Here's how it broke down:

- Commissioner Adam Frankel told the press he was OK with a flat tax on all houses in Delray, but not the tiered system put forth by the City Manager. Addressing residents at the January 17th meeting, Commissioner Frankel warned, "Should this (new tax) not pass I don't expect complaints. A lot of people come here for help with transient rentals and problems in neighborhoods. ... These will suffer if we don't make up these funds". To his credit, Frankel was the only commissioner to ask the City Manager why the millage wasn't lowered to offset the tax when he voted for the budget last summer. As reported in the IR, he was told it was too late to lower the millage by the manager even though it was discussed early in the process.
- Commissioner Jay Alperin, voted for the tax despite the outcry of the community. He described the budget situation, as dire and said politicians need to make hard decisions. Looking at the audience, he stated, "I didn't want us to lose the quality of life we have been accustomed to. If we are going to reduce the \$3.3 million by not passing the tax we are going to see that. ... Remember that when you start complaining that there is no code enforcement, no garbage pickup. It will happen if we vote down the fire fee".
Dr. Alperin also took a swipe at a previous commission that was forced to increase salaries to police and fire because of cuts made during his administration. But we digress.
- Vice Mayor Angie Gray voted for the fire tax at budget time months ago, reversed her decision when a large crowd showed up and then seemed to open the door once more before closing it again. In voting against the tax she opined, "Some of our services will be cut and some of our jobs will be lost". She is on the ballot March 13 and is at immediate risk from this situation.
- Commissioner Carney voted for the fire tax at budget time last year, then reversed his decision and has remained steadfast against the tax.
- Mayor McDuffie voted for the tax at budget time, missed the meeting with the big crowd and remained in favor of the tax. Addressing Delray residents at a subsequent workshop, he scolded residents, "If you were not aware (of the proposed tax) shame on you". The fact that 4 months into the fiscal year there was no budget seemed to be the fault of the residents.

But as we said, miracles happen. When it was clear that there would be no new tax, the City administration suddenly produced a gusher of new money available - \$2.5 million in new revenues and \$6,298,357 in prior years reserves. According to the budget numbers given out last year there was "Cash Balances Forward" of \$346,350 on October 1, 2011. But by February 21st that amount had suddenly skyrocketed to \$6,644,707. Drawing from the "newly found"

revenues and prior years reserves there was no need to reduce the quality of life after all. In fact, rather than any cutbacks the budget finally adopted on February 21st will actually increase General Fund budget expenses by \$316,647, primarily for the 4 new city employees.

Our favorite part of this story is that after being led astray by City staff the Commission heaped praise on the City Manager for solving a budget problem that never existed. We anticipate they will give themselves a pat on the back along the way.

The Intelligence Report has long opined that the city has made some poor spending decisions: too many consultants, the addition of a new senior tennis tournament (a 20-year commitment totaling over \$7 million), half-million dollar concession stands at Little League fields, too many festivals, the Waste Management overbilling...the list goes on and on.

We also have noted that the commission has not exactly embraced the recommendations made by its voluntary (i.e. pro bono) Financial Review Board.

Instead, we have seen a millage increase, overbilling of garbage fees and now an aborted fire tax.

In the future if we really need more revenue we believe it should be done through the front door (an increase in the millage rate), not through the back door (an increase in "fees").

But we would like to see the commission come up with a viable growth strategy or any strategy. They did hire yet another consultant to work with newly hired Economic Development Director Vin Nolan to look at Congress Avenue. We hope that's not wasted money. But a consultant to advise the new guy hired for his expertise?

Our sources tell us that no current elected official has attended a single meeting of the Chamber of Commerce's Economic Development Committee. That would be a good first step.

It is clear that the new tax was never needed. We believe it was simply a mechanism to create a second source of revenue that the City administration could dip into in the future without having to raise the millage rate. And one that could be raised every year as desired by City Hall.

The residents of Delray did not buy into the doomsday scenarios. Instead they expressed themselves and killed the new tax.

New Detox Center in Town

The old Delray Inn on the 200 block of Federal Highway North is in the process of getting City approvals necessary to reopen as a drug Detox Center. This will add to the number of such facilities already in

Delray. This time two blocks off Atlantic Avenue. At a recent meeting of the Site Plan Review and Appearance Board the attorneys for the owner, Weiner and Lynn, argued for approval. Most City boards seem to bend to the will of Mr. Weiner, who has been a prominent fund raiser for our elected officials. But the SPRAB Board voted not to recommend the project. Presumably, the owner will appeal the decision to the City Commission.

Previously the Downtown Development Authority voted unanimously against the project.

Town Hall meeting

One of the hallmarks of Delray's success has been citizen engagement. From Visions 2000 to the Downtown Master Plan—Delray has always reached out to its citizens.

But this year, the commission has ended the Annual Citizens Roundtable with elected officials quoted in the Sentinel as saying it was a waste of staff's time and no longer necessary because this city is run so well. (See above item.)

The face to face Roundtable will be replaced with online virtual town hall meeting. We don't know the date yet, but it appears this format cuts off a lot of public input.

First, not everyone has a computer or internet access—some by choice others by economics or lifestyle. So that cuts off a good deal of people. Now, we're sure the commission will counter by saying that people don't attend the Roundtable. To that, we say that our commission needs to work harder at engaging the public. Even if that means—getting on the phone and asking key neighborhood leaders to attend and share.

Losing this tradition—which dates to Tom Lynch's mayoral term, is a mistake. We hope the meeting is brought back.

Why not do a conventional meeting and an online one to boost participation?

Florida House in Washington DC

Most of us don't know that a foundation affiliated with the State of Florida has a house on Capitol Hill in Washington DC. It is open to all Florida residents, and is a convenient place to relax when visiting Washington. It is called "Florida's Embassy in Washington". In addition to offering refreshments (Florida orange juice is featured) and office facilities such as Fax and internet for visitors, Florida House offers a 6 week internship program for college students each summer. The program comes with a cash stipend to offset costs of staying in Washington. Many colleges give course credit for the program.

Former Commissioner Jon Levinson was recently appointed to the Board of Directors, the only representative of Palm Beach County. It is a prestigious appointment, and important recognition for Delray Beach.

If you are planning a trip to Washington, or if you have a college-age child who might be interested in spending 6 weeks learning about the federal government, check out the website:

www.floridaembassy.com

Election

There is a city election coming soon. 2 Commissioners will be elected and one ballot issue will be decided. The election is on March 13th, and we will have more to say about it in a couple of weeks. But as a hint: the ballot issue is a proposal by the current commission to extend term limits from 3 two year terms to 3 three year terms. This would allow future commissioners a total maximum of 9 years in office, a 50% increase from the 6 year maximum now in effect. We do not support the increase, and will have more to say soon.

Stay tuned.....