# TOWN OF PALM BEACH
# COMPREHENSIVE REVIEW OF TOWN OPERATIONS

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# TOWN OF PALM BEACH

**Our Town**
**Rich in history...**
**Rich in service....**
**Always exceptional!**

## MEMORANDUM

To: Mayor and Town Council

From: Peter B. Elwell, Town Manager

Date: December 21, 2007

Subject: Comprehensive Review of Town Operations

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This memorandum serves as the executive summary for the Comprehensive Review of Town Operations (CRTO) document that is transmitted herewith.

The CRTO document presents an array of options for substantially reducing the cost of Town government in Palm Beach. The document also includes extensive narrative and data regarding past actions to increase efficiency, current levels of service and staffing, and efficiencies that are already planned for the future.

This report was not required by the State or anyone else. It was prepared voluntarily by the Town as part of a rigorous effort by the Mayor, Town Council, and staff to ensure that we are providing the desired levels of service to Palm Beach residents as cost-effectively as possible. In that context, this document is extraordinary in both its scope and its potential impact. If many of the options presented in the CRTO are approved for implementation, the scale and character of Town government in Palm Beach will be dramatically changed. Although a good hard look at the efficiency of government is a healthy thing for any community, the potential for such significant changes in a community that has long taken pride in preferred levels of service and a high quality of life begs two fundamental questions:

Why did the Town undertake this Comprehensive Review of Town Operations?

Why did the Town undertake this effort now?

On June 22, 2007, the Florida State Legislature adopted a law lowering local property taxes for FY08 and capping increases in local property taxes for FY09 and beyond. To comply with the State-mandated reduction for FY08, the Town had to lower its property tax rate by almost 10% (at least 5% below the "rolled back rate").

On July 11, 2007, the Town Council gave preliminary consideration to the FY08 Town budget. At that meeting, the Council made a commitment to meet the State's FY08 requirements (rather than exercising an override option that would have required either a 4-1 or 5-0 supermajority vote) and tentatively approved a plan that led to this Comprehensive Review of Town Operations. That plan was to comply with the first year State-mandated tax reduction requirements through actions that would have as little negative impact as possible on Town levels of service and staffing, and then to conduct a thorough and intense review of all aspects of Town government to determine if, when, and how more substantial budget cuts should be made in the future.

On August 6, 2007, the Town Council approved the budget changes necessary to comply with the State's property tax reduction mandate for FY08. The Council also considered staff's detailed proposal for how to proceed with this CRTO, as set forth in my memorandum dated July 23, 2007, to the Mayor and Town Council. A substantial excerpt from that memorandum appears immediately below. It is comprised of the indented paragraphs on the next three pages. The excerpt is included in this executive summary because Town Council approved it almost entirely (with the sole exception being the establishment of a specific budget cutting target) so it describes very accurately both the context and the substance of this project. The Council's action related to the establishment of a target will be described briefly at the end of the excerpt.

> **The Goal**
>
> Staff will complete a comprehensive review of Town operations, identify potential cost savings and non-tax revenue increases, and estimate the impact of each alternative. We will provide this information to the Mayor and Town Council in a written report (which will, of course, be available to the public) and will present and review the findings of the report in a series of public meetings. The Town Council will determine which alternatives are desirable and/or necessary for implementation either during the second half of FY08 or in FY09 and beyond.
>
> **The Plan of Action**
>
> Immediately upon receiving Town Council authorization on August 6, the Town staff will undertake the phase of this review that will involve looking hard in the mirror and asking ourselves, "how can we achieve all that we currently achieve but spend less either on people or other resources?" As part of this initial phase, we will document the many creative efficiencies that already exist. It became clear during our discussion on July 11 that the Town makes far greater use of part-time, contractual, and seasonal staffing than either the elected officials or the public knows. Staff accepts responsibility for this "knowledge gap" and intends

to provide information during the comprehensive review that will ensure a more widespread understanding of these cost saving measures. Since seeking efficiencies (while still providing adopted levels of service) is something we have been doing for a long time and continue to do today, this first phase will involve an increase in the breadth and intensity of existing efforts as we identify additional ways (some of which can simply be implemented and some of which will require policy direction) to save money without reducing the quantity or quality of services we deliver.

The remainder of the cost reduction part of staff's analysis will be more challenging, as it involves an approach that we have not applied before and a goal that is harder to define. This will be the identification of options for reducing costs and staffing levels in ways that require reducing levels of service. Some people have recently commented that this is what private businesses do "all the time". With due respect for the reality businesses face of having to cut back when sales are down, businesses also have the opportunity to eliminate entire product lines, adjust quantities of products produced, change marketing techniques to increase sales, and pull out of less profitable service areas. In an extreme case, a business can completely remake itself into one that provides different services in a different manner to different customers than before the downturn required change. Governments – especially municipal governments that are providing basic daily services to a community – can not be as flexible. Our geographic service area is given. To a large degree, the range of services we provide is also given. We cannot adjust our marketing to appeal differently or better to our customers and sell more product. We do, however, make choices regarding the quantity and quality of services we provide. In Palm Beach, we have a long tradition of choosing to be on the high end of both the quantity and quality of municipal services. We have room to adjust down and still provide a level of service equal to or greater than many other communities. This part of the comprehensive review will require thoughtful decisions about what residents are willing to live without that they have become accustomed to receiving from the Town of Palm Beach.

Because your policy direction on levels of service is as much about the values of the community as it is about pragmatic business decisions, it will be helpful to staff if you identify a target for this part of the exercise. I am not suggesting that you identify specific services you think could be cut (although we will pay heed to that input if you provide it), but rather a target for the overall scope of reduction. A 5% reduction in operating costs will provide total taxpayer savings in excess of $3 million. A 10% reduction will save over $6 million. If you identify a target level of savings, we will bring you options for achieving that target. Obviously, the higher the target, the more noticeable the service reduction will be to all residents of Palm Beach. However, when we have provided you with our written report, you will be able to consider in full context the options for cost savings and the expected impacts on quality of life, so that you can make fully informed policy decisions for staff to implement. You may cut deeply, just a

bit, or not at all, but your budget cutting decisions will be made in the context of knowing both what you are choosing to live without and what other options were (are) available for reducing Town operating costs. If you choose not to provide staff with direction on the magnitude of the overall target, we will proceed to identify a prudent level of reduction that will still leave the Town in a position to provide a higher level of quality services than in an "average" municipality. However, since different people may define that "average" marker differently, I believe the quality of the overall effort will be improved if Town Council identifies a target at the outset.

The third type of tax savings alternative we will address in the comprehensive review will be increases in fees that relate directly to services consumed and penalties that relate directly to violations committed. We did some of this during our July 11 meeting and staff believes we can do more as we go through the process of reviewing levels of service and the mix of taxes and fees that support the approved service levels. If we rely more heavily upon user fees, we will become more entrepreneurial and will have a revenue system that more equitably distributes the cost of services among those who receive the services. We all should enter this effort understanding, however, that the distinctions I referenced above between the expansion and contraction of businesses and the less elastic characteristics of local government will impose some limitations on our use of this particular strategy for lowering and stabilizing property taxes.

Staff will provide the Mayor and Town Council with a written report that explicitly identifies alternative actions that would cut expenditures and/or increase non-tax revenues. We will describe the expected impacts of each alternative. We will present and review these alternatives in public meetings, engaging with the public and the Mayor and Town Council in a dynamic process of prioritizing that will help the Town Council make the ultimate decisions regarding which alternatives, if any, will be implemented in 2008 and beyond.

## The Timetable

Due to the scope and importance of this effort, I believe it is in the community's best interests to have the above described presentation, review, and decision making occur during the upcoming winter season. This will enable the maximum amount of public participation and will provide staff with four full months to complete our comprehensive analysis of Town operations and prepare a complete written report of the alternatives for action…

**Special Considerations**

Some individual Town Council members have expressed their individual intent that any reductions in staffing levels would be achieved through attrition, rather than through layoffs. I believe this also reflects at least a majority consensus opinion of the full Town Council. It would reflect both the long standing values of the Town and our relatively more secure financial situation (vis-a-vis other municipalities) to provide an official assurance of this intent at the outset of the comprehensive review. Such an official assurance also would enable me to engage every Town employee in the comprehensive review process with a wholehearted commitment to its purpose, safe from the fear that they are being asked to identify ways in which an employee whose job performance meets our expectations might be forced to leave Town employment prematurely and against their will. Therefore, I recommend that the Town Council adopt a motion at our August 6 meeting expressing the Town Council's intent to achieve potential staffing reductions by attrition rather than by layoffs.

For the same reason as the attrition decision (to maintain employee morale and to promote full commitment to the purpose of this review) and because one essential aspect of an excellent organization is to attract and retain the best available employees, I recommend the Town Council also adopt a motion on August 6 expressing the Town Council's intent to maintain a strong competitive position in our municipal marketplace. This does not mean that the Town's pay and benefits system will not be included in the comprehensive review. On the contrary, staff intends to intensely examine this major area of expense and I expect our market to show some downward movement in benefits and less rapid increase in pay as neighboring municipalities cope with implications of property tax reform. The purpose of this recommendation is to reinforce our commitment to making such changes in Palm Beach only after giving due consideration to the market and with the intent of maintaining a strong competitive position within that market, so that we achieve compensation related cost savings without compromising our standards on the quality of employees we wish to attract and retain.

Finally, for the comprehensive review to live up to its name and provide full context for future decision making, I believe we should involve all Town functions in the review. During your consideration of the alternative actions set forth in the written report, the Town's elected officials and citizens will prioritize these alternatives and attach to them labels such as *essential, necessary, desirable, and luxury*, but if you make such selections now and exclude certain functions without knowing the implications of those choices vis-a-vis other alternative actions, you may arrive at a different outcome than you would from a truly comprehensive review.

As previously noted, the Town Council approved all that was presented in the above excerpt and directed staff to proceed as outlined therein, with one exception. Council chose not to establish an overall target for cuts or parameters to define how deep cuts should be in any particular area.

Rather, by unanimous consensus, Council directed staff to thoroughly review all functional areas of Town government and present a broad and deep set of choices for reducing costs, so that the Town Council can select from among those choices in full context. Therefore, the options for cost savings presented in the CRTO go beyond what was described in the excerpt above. Staff did not identify just cuts that could be made and still preserve "above average" levels of service, we also identified cuts that would substantially lower levels of service and could, therefore, noticeably change the character of Palm Beach.

By majority consensus, the Town Council expressed its intent to consider pay and benefits decisions in the context of the Town's competitiveness in the regional municipal employment market. We have, therefore, included market information in the sections of the report that address employee pay and benefits.

By unanimous formal vote, the Town Council expressed its intention to accomplish staffing reductions by normal attrition, rather than by layoffs. Therefore, we have explicitly noted situations in which the approval of a particular option for cost savings would require one or more employees to be laid off. (In some instances, such options might still be selected for future implementation and we could avoid a layoff through delayed or phased implementation.)

**Format of the CRTO Document**

This report includes a separate section for each department, with specific reference to each functional area of Town service. The narrative information and data are presented program-by-program, using the same program labels as in the Town's annual budget document. This will help the Mayor and Town Council and the public to review the options for cost savings in context and will help all of us to efficiently incorporate Town Council's function-specific CRTO decisions into the current and future Town budgets.

The report also includes five separate sections for consideration of matters that do not fit neatly within one particular functional area. Four of these topics are Townwide in scope. The fifth addresses a major revenue question that is based on the overall equity of the Town's funding sources (rather than the level of service for that function, which is addressed within the appropriate function-specific section). These five separate sections are as follows:

Health Insurance
Pensions
Fleet Maintenance and Inventory
Energy Efficiency
Assessment for Residential Garbage

The sections on energy efficiency, fleet maintenance and inventory, and residential garbage assessments are comprised of brief memoranda that describe what we examined in each area and provide information for initial consideration of actions that may be taken to address these topics. The sections addressing health insurance and pension programs include extensive narrative and the presentation of market surveys and other data to facilitate in-depth review of these two major elements of the Town's employee benefits package. Options for costs savings are provided in the health insurance and pension sections in the same format as they are provided in each of the function-specific sections.

Each of the departmental sections of the CRTO document includes the following:

- Department Overview
- Financial and Staffing Summaries
- Options for Potential Revenue Enhancements
- Benchmarks
- Program-by-Program specifics for each budget program in that department

Each of the program-specific sections includes the following:

- Description of Function
- History
- Past Efficiencies and Cost Savings
- Planned Future Efficiencies and Cost Savings
- Financial and Staffing Summaries
- Options for Cost Savings

Narrative Background

The overview for each department, description of functions for each program, and history portion of each section all are comprised of brief narratives to provide basic scope-of-service information that adds important context to the review of potential expenditure cuts.

Revenue Enhancements

In applicable departments, we have included data about existing user fees and other sources of non-tax revenue and have provided a menu of potential enhancements. In some cases the revenue enhancement would involve raising an existing fee. In other cases, it would involve the creation of an entirely new source of revenue.

Benchmarks

The departmental benchmarks present data that compares the Town of Palm Beach with other communities both as to the scope of services provided and the efficiency with which they are provided. The benchmark information is presented on yellow sheets of paper to make it easy to find. For the seven municipalities that most frequently recur in these benchmark sections, global information is provided immediately below:

| | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Jupiter** | **Palm Beach Gardens** | **Coral Gables** | **Jupiter Island** |
|---|---|---|---|---|---|---|---|
| Population | 9,706 | 107,381 | 85,488 | 50,028 | 48,176 | 44,404 | 371 |
| General Fund Budget | $64,332,559 | $187,139,161 | $158,765,100 | $43,146,286 | $70,334,623 | $121,038,857 | $6,769,500 |
| Total FTE | 411 | 1,696 | 945 | 365 | 501 | 864 | 66 |

Past Efficiencies and Cost Savings

The past efficiencies section provides a brief narrative description of the many ways in which the Town has accomplished staffing reductions and other cost savings in prior budgets, sometimes through specific policy direction from Town Council and sometimes through staff's efforts to find more efficient ways to deliver the same level of service from year to year.

Planned Future Efficiencies and Cost Savings

In the planned future efficiencies section, we describe cost saving actions staff has identified but not yet implemented. In many cases, work on these items began before the CRTO. In others, the identification of the savings opportunity was a direct result of the breadth and intensity of this project. In all cases, these represent opportunities for the Town to perform certain functions more efficiently than in the past, thereby reducing the cost of Town government without noticeably reducing levels of service to the community. No Town Council policy direction is needed on these items. We are reporting them in the CRTO so that everyone will know what they are and can anticipate the future savings. In total, this report includes over $480,000 of annual budget savings that are definitely planned to be implemented and another $250,000 of possible savings on items that are identified as still being analyzed for possible implementation.

Note Regarding Permanency of Savings

In both the past efficiencies and future efficiencies sections, we have included only those actions that provide long term savings, allowing costs to be eliminated from future budgets. Neither section documents actions that temporarily reduced costs without reducing levels of staffing or achieving other more permanent savings. An example of such actions that have been taken routinely over the years to address specific situations requiring temporary restraints on expenditure of authorized funding is the current freeze on filling vacant staff positions. The hiring freeze has resulted in approximately $700,000 of savings in FY07 and FY08, but it has not reduced those budgets or future budgets pending the Town Council's consideration of potential long term staffing reductions through the CRTO.

Financial and Personnel Summary

A summary of expenditures and personnel complement is included just before the options for cost savings in each program so that this information is easy to reference during review of the applicable cost savings options.

Options for Cost Savings

The items labeled "Options for Cost Savings" are the ones that require formal consideration by the Town's elected officials. Some of these would have only indirect impacts on levels of service and provide relatively small cost savings. Others would cause direct and profound reductions in levels of service and provide cost savings estimated in the hundreds of thousands or even millions of dollars. The more substantial options would change the character of the community and reduce the quality of life in Palm Beach. Some of the lesser items will erode our ability to meet residents expectations for outstanding quality of service and would not provide significant budget savings. For that reason, none of the options for cost savings should be viewed as recommendations. Rather, true to the spirit of this project and Town Council's direction to staff on August 6, 2007, these options identify dozens of potential cost savings measures with comments offered on each to help the Town's elected officials and residents

determine whether the amount of cost savings in each individual option justifies the sacrifice(s) that would result from the expected impact(s) of implementing it.

The table below is provided to assist the Mayor and Town Council and the public in considering the options for cost savings (and potential revenue enhancements). It puts the individual options into a broader perspective by translating total property tax savings at various levels into the amount each individual taxpayer would save per million dollars of property value:

| **Total Property Tax Reduction** | **Percent Decrease** | **Town Taxes per Million $ of Assessed Value** | **Tax Savings per Million $ of Value** |
|---:|---:|---:|---:|
| $500,000 | 1.23% | $3,322 | $42 |
| $1,000,000 | 2.45% | $3,281 | $83 |
| $2,000,000 | 4.91% | $3,199 | $165 |
| $3,000,000 | 7.36% | $3,116 | $248 |
| $4,000,000 | 9.82% | $3,033 | $331 |
| $5,000,000 | 12.27% | $2,951 | $413 |
| $6,000,000 | 14.73% | $2,868 | $496 |

*FY08 taxes per $1,000,000 of taxable value are $3,364*
*Above calculations assume current taxable value and no homestead exemption.*

Since the options for cost savings will be the focus of policy decision making in the public meetings where the CRTO is considered, they are presented on blue sheets of paper to make them easy to find.

The options for cost savings identify the potential elimination of numerous staff positions. For items where an entire function would be eliminated, the estimated savings represent the entire FY08 budget appropriation for that function (and related costs incurred by other programs, as applicable). For those items where the function would continue but one or more positions would be eliminated, the estimated savings for each position that might be eliminated includes the mid-point of the salary range for that position and the words “plus benefits”. The benefits savings are not included because they can vary substantially from position to position and because changes the Town Council may approve for the Town’s overall benefits package will affect the amount of benefits related savings each eliminated position would produce. When initially reviewing the CRTO, it should simply be noted that for those options where positions would be eliminated, additional benefits related savings would be realized. As we proceed with the Town Council’s review, staff can refine estimates of savings for particular options that the Council wishes to consider in greater detail. In fact, in some cases we identify that two-step process as being necessary, noting that the estimated cost savings “will be calculated upon further review, if Town Council desires.”

Also included among the options for cost savings are several items for which the estimated savings is “0". Those are included to document the thorough analysis of options that either were specifically requested by Town Council or were considered by staff to be worth noting as having been reviewed for possible cost savings. Many more items of potential savings were included in the analytical phase of this project but were not included in the CRTO document because they did not result in projected cost savings and did not meet one of the two noted criteria for inclusion in the report as informational items.

**Timetable for Review of the CRTO Document**

The Town Council will hold workshops to consider the CRTO on Tuesday, January 15, 2008, and Thursday, January 31, 2008, in the Town Council Chambers beginning at 9:30 a.m. Staff will make a series of presentations, summarizing the various sections of the CRTO document. Staff also will answer questions from the Town’s elected officials and residents. Town Council will provide direction to staff regarding additional information that is needed on any particular topic before the Council gives formal policy consideration to the options for cost savings in February. To keep the workload for the two workshops relatively balanced, we plan to divide the subject matter as follows:

| January 15 | January 31 |
|---|---|
| Overview | Public Works |
| Town Manager’ Office | Human Resources |
| Finance/Clerk | Health Insurance |
| Planning, Zoning and Building | Pensions |
| Fire-Rescue | Assessment for Residential Garbage |
| Police | Energy Efficiency |
| Recreation | Fleet Maintenance and Inventory |

Special Town Council meetings are tentatively scheduled for February 26 and 28 and March 10, 2008. In January, the Town Council will confirm the schedule for the special Town Council meetings at which CRTO policy decisions are expected to be made.

PBE:
c: Thomas G. Bradford, Deputy Town Manager
Sarah E. Hannah, Assistant Town Manager
All Department Directors

# Town Manager's Office

## Department Overview

The Town Manager's Office provides oversight and direction to all Town departments to promote continuous improvement of service delivery consistent with Town Council policy. Activities of the Town Manager's Office consist of advising the Mayor and Town Council as they make policy decisions; communicating clearly and continuously with residents, elected officials, staff, and others both inside and outside the community; monitoring and managing staff progress on various Town programs and projects; budgetary and/or oversight responsibilities for the Town's legal issues, information systems, risk management, and emergency management. The TMO is also responsible for administering the General Government program.

## Department Cost Summary

| | **FY2005 Actual** | **FY2006 Actual** | **FY2007 Budget** | **FY2008 Budget** |
|---|---|---|---|---|
| Revenues | $185,537 | $102,199 | $101,128 | $135,614 |
| Expenditures | $7,833,263 | $2,908,425 | $2,690,762 | $2,869,258 |

## Total Department Staffing Levels

| | **FY2005** | **FY2006** | **FY2007** | **FY2008** |
|---|---|---|---|---|
| Total Full Time Equivalent Employees | 14 | 14 | 14 | 14 |

# Town Manager's Office Revenue Summary

| Revenues | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Wireless Telecom Lease-Town Hall | $50,041 | $52,576 | $54,587 | $56,553 |
| Wireless Telecom Lease-N. Fire Station | $24,266 | $24,887 | $25,974 | $26,883 |
| Risk Management/510 | $111,230 | $24,736 | $20,567 | $52,178 |
| TOTALS | $185,537 | $102,199 | $101,128 | $135,614 |

## Menu of Revenue Enhancements

| Revenue Enhancement | Amount | Comments |
|---|---|---|
| Issue RFP to lease Peruvian Avenue employee parking lot | | |
| Mon-Fri - 6pm to 6am (11/1 to 3/31) | $6,600 | 5 mo. X 22 days X $3 per day X 20 spaces=$6,600 |
| Sat-Sun - 24 hrs (year round) | $10,400 | $5 per day X 104 days X 20 spaces = $10,400 |
| Total Revenue Enhancement Options | $17,000 | |

## Benchmarks for the Town Manager's Office

| **Legislative** | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Jupiter** | **Palm Beach Gardens** | **Coral Gables** | **Jupiter Island** |
|---|---|---|---|---|---|---|---|
| Difference in Lobbying Services Spending from FY 07 to FY 08 | FY 07 & 08 - $41,000<br><br>0% change | FY 07 - $230,000<br>FY 08 - $250,000<br>9% increase | NR | FY 07 - $35,000<br>FY 08 - $60,000<br>71% increase | FY 07 & 08 - $55,000<br><br>0% change | FY 07 - $65,000<br>FY 08 - $32,500<br>50% decrease | NR |
| Amount budgeted in FY 08 for elected officials' operating expenses | $60,960 | $241,719 | NR | $7,000 | $93,370 | NR | $50,000 |
| Amount budgeted in FY 08 for elected officials' compensation | $0 | $278,742 | NR | $117,600 | $218,507 | NR | $0 |
| **General Government** | | | | | | | |
| % Difference in spending for Town Special Events from FY 07 to FY08 | FY 07 - $67,500<br>FY 08 – $47,500<br><br>30% decrease | FY 07 - $1,743,256<br>FY 08 - $1,553,994<br><br>11% decrease | NR | FY 07 - $166,980<br>FY 08 - $107,500<br><br>36% decrease | FY 07 - $242,688<br>FY 08 - $188,438<br><br>22% decrease | FY 07 - $65,700<br>FY 08 - $38,800<br><br>69% decrease | NR |
| Annual report | $16,000 | Could not provide $ -- not a single line item | NR | Do not produce one | Do not produce one | NR | Do not produce one |
| **Administrative Management** | | | | | | | |
| Number of Council & Special Council Meetings FY2007 | 37 | 45 | 42 | 31 | 22 | 23 | 15 |

| | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Jupiter** | **Palm Beach Gardens** | **Coral Gables** | **Jupiter Island** |
|---|---|---|---|---|---|---|---|
| Average number of pages in agenda book | 305 | 900-1,000 | NR | 1,000 | 700 pages Provided on CD | NR | 60-200 |
| Town Manager's Staff/Staff Supporting MTC | 6<br><br>1 TM<br>1 Deputy TM<br>1 Asst. TM<br>1 Exec. Asst.<br>2 Admin. Asst. | 6<br><br>1 CA<br>1 Deputy CA<br>1 Asst. CA<br>1 Exec. Asst.<br>2 Admin. Asst.<br><br>**PLUS:**<br>2 Admin. Asst. to Mayor<br>2 Admin. Asst. to Commission | 7<br><br>1 CM<br>1 Deputy CM<br>1 Asst. CM<br>1 Program Dev. Mgr.<br>1 Asst. to CM (special projects)<br>1 Exec. Asst..<br>1 Asst. to City Comm. | 6.5<br><br>1 TM<br>1 Asst. TM<br>1 Ext. Affairs<br>1 Graphic Designer<br>1 Office Mgr.<br>1.5 Admin. Asst. | 5<br><br>1 CM<br>1 Asst. CM<br>1 Admin. Projects Coord.<br>1 Public Relations Dir.<br>1 Exec. Asst. | 5<br><br>1 CM<br>1 Asst. CM<br>1 Public Affairs Mgr.<br>1 Exec. Asst.<br>1 Exec. Secy. | 3<br><br>1 TM<br>1 Asst. TM<br>1 Exec. Asst. |
| * FY2008 Budget for Town Manager | $822,837 | $2,082,047 | $1,110,300 | $901,886 | $821,056 | $996,964 | ** |
| Total FTE Municipal Staff | 411 | 1,696 | 945 | 365 | 501 | 864 | 66 |
| * The Town of Palm Beach Town Manager's office has the lowest average budgetary cost per staff person of the comparison cities calculated by dividing total staff count into total annual budget, including salaries, wages, benefits, contractual, commodities and capital expenditures.<br>** Administration budget for Jupiter Island is $464,462 not including insurance. Insurance is not broken down by department in Jupiter Island. | | | | | | | |
| **Legal** | | | | | | | |
| Hourly rate for contracted attorney | $210 | In house | NR | $225 | In house | NR | $210 |

| **Information Systems** | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Jupiter** | **Palm Beach Gardens** | **Coral Gables** | **Jupiter Island** |
|---|---|---|---|---|---|---|---|
| # of Information Systems Staff | 6 | 40 | 22 | 16 | 11 | 15 | NR |
| Ratio of Total Employees per IS Staff Member | 69/1 | 45/1 | 58/1 | 25/1 | 45/1 | 57/1 | NR |
| Information Systems Budget | $2,038,575 | $8,069,228 | $10,656,700 @ | $3,447,128 | $3,800,000 # | $4,519,777 | NR |
| Approximate # of Hardware Items Supported | 445 | 1395 | 775 | 533 | 432 | 620 | NR |
| Ratio of Hardware Items per IS Staff | 74:1 | 35:1 | 35:1 | 33:1 | 39:1 | 41:1 | NR |
| Percent of Work Performed Contractually | 10% | ? | 10% | 20% | 10% | 15% | NR |
| @ Internal Service Fund<br># Estimated to include Police & GIS | | | | | | | |
| **Risk Managment** | | | | | | | |
| Risk Operating Budget for FY2008 | $234,168 | Operating is $1,401,697 and claims is $6,453,314 | $625,000 | Unable to provide – does not have a separate budget for risk | Unable to provide – does not have a separate budget for risk | NR | Unable to provide – does not have a separate budget for risk |
| Drug free workplace credit | Yes | No | City is self insured | Yes | Yes | NR | Yes |
| Number of personnel handling Safety Program | 1 | 2 | 3 | 1 | 1 | NR | 3 and looking to increase |
| Number of personnel under the | 2 | 6 | 8 | 1 | 1 | NR | 1 |

| Risk Management Office | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Jupiter** | **Palm Beach Gardens** | **Coral Gables** | **Jupiter Island** |
| Insurance program self insured or 1st dollar | Both | Retention of $500k per incident | Both | 1st dollar – small deductible | First dollar | NR | 1st dollar |
| Total number of Claims for FY2007 | 140 | 178 | WC=150 AL, GL, PP, PO, EL=120 | 36 | 97 total reported not including file only | NR | 8 |
| Number of claims per RM staff | 70 | 30 | 34 | 36 | 97 | NR | 8 |

NR= no response

# Program 111 Legislative

## Description of Function

This program funds the Mayor and Town Council's operating expenses. Pursuant to the Town's Charter, the Mayor and Town Council are elected at large by the electors of the Town. The Town Council enacts ordinances and resolutions, reviews and adopts the annual budget, and establishes policies and other measures which promote the general welfare of the Town and protect the health and safety of its citizens. Town Council members are elected for two-year terms, two in odd numbered years and three in even numbered years. The Mayor runs in odd numbered years for a two-year term and is not a voting member of the Council, but may vote to break a tie and may veto ordinances and resolutions, subject to Town Council override. Elected officials serve without pay or benefits.

This program also includes a funding allocation for Mayor and Town Council interaction with other government related agencies. These agencies include the Palm Beach County League of Cities, the Florida League of Cities, National League of Cities, the Countywide Intergovernmental Coordination Program, and other local, State and Federal government organizations. Formal and informal interaction with other government representatives improves existing information exchange networks, and enables Town officials to provide better services to the community and protect the Town's interests in Federal, State, and County legislative and administrative matters. Finally, this program includes business travel expenses and funding for our Tallahassee lobbyist.

## History

Expenditures in the program include travel for Town business and funding for a state lobbyist. The Town pays Smith & Ballard a monthly retainer to monitor and represent the Town's interest in the state capital. The Town used to pay a lobbyist on an as-needed basis; however we found that it was more beneficial to the Town's interest to have Smith & Ballard monitoring legislative actions continually. Finally, the Mayor and Town Council's membership dues for governmental associations and their other modest operating expenses are funded through this account.

## Past Efficiencies and Cost Saving Measures

- Most governmental governing bodies receive compensation for their service. This compensation might include a salary, benefits, staff or an expense account. The Town's elected officials have never received any such compensation.

- Some communities have a separate staff for the elected officials. In Palm Beach, the Mayor and Town Council's administrative services are provided by the staff in the Town Manager's Office.

# Program 111 – Legislative

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | 0 | 0 | 0 | 0 |
| Employee Benefits | 0 | 0 | 0 | 0 |
| Contractual | $40,536 | $44,650 | $47,260 | $46,000 |
| Commodities | $5,884 | $15,436 | $13,700 | $14,400 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $46,420 | $60,086 | $60,960 | $60,400 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate lobbying services
**Cost Saving:**
$41,000
**Comments**:
Smith and Ballard are full-time representatives monitoring and protecting the Town's interests in Tallahassee.

**Option for Cost Saving:**
Decrease or eliminate memberships in governmental associations
**Cost Saving:**
$11,000
**Comments**:
The Town is currently a member in the county, state and national League of Cities, the IPARC (issues forum) and the Florida League of Mayors.

**Option for Cost Saving:**
Reduce or eliminate all travel
**Cost Saving:**
$4,500
**Comments**:
Travel expenses include trips to Tallahassee and Washington to push legislators and administrative agencies for funding or vital permits for Town projects, as well as the Florida League of Cities conference which hosts elected officials from all over the state.

# Program 113 General Government

## Description of Function

In accordance with Florida's Uniform Accounting System, this program represents the cost of general government services and activities which are not specifically or reasonably classified elsewhere within departmental program classifications of the Town's General Fund budget. The majority of the activities in this program are overseen by the Town Manager's Office.

## History

This program was created in FY2005 in an effort to make the Town budget more transparent. By putting Town-wide expenditures with no easily recognizable department classification in this general government program, residents and other users can easily find them. Expenditures in the program include: compensated absence payouts, extraordinary longevity, Townwide mailings, the annual report, PB Cats donation, citizen's academy, holiday decorations, and the July 4th celebration. In the past, expenditures relating to ad-hoc committees, the parking and traffic study, centennial celebration, compensation study and the citizen survey were paid through this program.

## Past Efficiencies and Cost Saving Measures

- Prior to FY2005, compensated absence payouts were not budgeted and were paid within the department of the terminating employee. In FY2005, the Town established a policy to fund the Reserve for Compensated Absences and annually appropriate these expenditures from this reserve. The use of this reserve reduces the impact to the taxpayer since it is not funded through the annual operating millage rate.

- For FY2007 and thereafter, The Town Council approved a vacation buyback program allowing employees to reduce their vacation accruals. Based upon Town Council direction, effective October 1, 2007, the vacation accrual caps were lowered, reducing the long-term cost of vacation payouts by 50%. The vacation buyback program saves tax dollars by paying out at the employee's current salary instead of the salary they have when they stop working for the Town.

- A modified longevity program was instituted for employees hired after October 1, 2004. This program, based on years of service and the employee's evaluation scores, will significantly reduce the cost of this benefit in years ahead.

## Planned Future Efficiencies and Cost Saving Measures

- This program has included funding for mayoral appointed committees, the Parking and Traffic

- Study, Citizens Survey and the centennial celebration, none of which is included in the FY2008 budget.
- Due to advanced paperless technology and improved ways to communicate more efficiently with all employees, staff plans to eliminate the printing of the employee newsletter from the FY2009 budget.

# Program 113 – General Government

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | 0 | 0 | 0 | 0 |
| Employee Benefits | $738,799 | $563,070 | $880,055 | $658,585 |
| Contractual | $224,776 | $304,663 | $381,625 | $177,415 |
| Commodities | 0 | 0 | 0 | 0 |
| Capital Outlay | $2,525 | $2,447 | $2,056 | $2,367 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $966,100 | $870,180 | $1,263,736 | $838,367 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate Annual Report
**Cost Saving:**
$16,000
**Comments**:
The annual report is the only publication that is sent to all businesses and residents in town, which delivers financial information and other Town service information. However, it is not a document the Town is required by law to produce.

**Option for Cost Saving:**
Eliminate or reduce funding for PB Cats, Inc.
**Cost Saving:**
$75,000
**Comments**:
Eliminating Town funding would require that PB cats acquire all their funds through fundraising and grants, which has historically been very difficult for the organization. The other alternative is elimination of a feral cat program on the island.

**Option for Cost Saving:**
Eliminate or reduce funding for holiday tree lightings and Fourth of July Celebration
**Cost Saving:**
$42,500
**Comments**:
The Town has budgeted $17,500 for the former and $25,000 for the latter. Eliminating or reducing this funding would require that these activities be funded at least partially through private means or that the program be reduced in scale or eliminated. Additional savings could be realized if Townwide special events are eliminated through labor costs associated with the events, which are not included in the line item of these accounts. The Police Department spends about $3,525 in overtime providing services during the Fourth of July and holiday tree lighting events. The Public Works Department spends about $9,500 on personnel costs for the two events. An exact amount spent by the Fire-Rescue Department on the two events could not be determined, but they spend about $16,000 in overtime for personnel for community education events, which include the two events.

**Option for Cost Saving:**
Eliminate RequestPartner

**Cost Saving:**
$4,800

**Comments**:
Eliminate RequestPartner, an online service request program for citizens, which is not widely used. Residents are able to request assistance via email or by phone or mail.

**Option for Cost Saving:**
Eliminate some or all Townwide mailings

**Cost Saving:**
$11,250

**Comments**:
Townwide mailings consist of the annual storm preparedness brochure and other public education mailings.

**Option for Cost Saving:**
Eliminate Citizens' Academy

**Cost Saving:**
$5,000

**Comments**:
The academy is a planned citizen education program for the non-public safety Town departments. The format is similar to Police and Fire academies.

# Program 121 Administrative Management

## Description of Function

The Town Manager's Office is dedicated to effectively advising the Mayor and Town Council regarding policy formation; proposing an annual Town budget to the Council; keeping the Mayor, Town Council and community informed on Town government issues of importance; and setting overall administrative direction for all operating departments. The Town manager, as the primary administrative official of the Town, provides the linkage between the policies set by the Mayor and Town Council and the operations of the Town staff. Other activities of the office include managing the underground utility conversion; managing the traffic and parking study and improvements; administering the Town's website and cable channel; issuing press releases and other public information; serving as liaisons on mayoral appointed committees; and overseeing the feral cat management program.

In addition, the Town Manager's office is responsible for oversight of the Advice and Litigation, Information Services, Risk Management, Emergency Management and General Government programs of the Town. Additionally, the Town Manager's office prepares the budget for the Legislative program.

## History

Over the past ten years, efforts have been made to reduce expenses in program 121. Compared to the FY98 budget, contractual costs decreased by over 50%, and there has been an increase of only 0.99% in the cost of commodities. Increases in personnel costs can be attributed to performance based and market driven salary increases, commensurate increases in legally required FICA/Medicare payments, and increases in the cost of pension benefits. Ninety-six percent of the cost of the Town Manager's Office is directly attributable to employee salaries and benefits.

During the past ten years the personnel complement in the Town Manager's Office has grown by a .4 FTE clerical unit. Meanwhile, the workload in the Town Manager's office has increased due to work associated with the underground utilities project, the traffic and parking improvement plan, clerical support for various committees and boards including the Strategic Planning Board, the Governmental Impact Review Panel, the Medical Care Commission, and the Four Winds committee, increased administrative assistance to the Mayor and Town Council, maintenance of a more comprehensive user-friendly website, maintenance of the Town's cable TV channel, establishment of a proactive emergency management program, and the implementation of Register@ for Town residents to sign up for the most up-to-date information from the Town. Since at least the mid-1970's, this department has had three (3) FTE management staff and two support staff. In the 1990's, the support staff was increased by .6 FTE. In the early part of this decade, support staff was increased from .6 FTE to one (1) FTE for a total of three (3) FTE support staff.

Expenditures in the 121 program include: salaries and wages, travel expenses, professional association fees, telephone charges, postage, copy machine costs, printing, office supplies, and publications/subscriptions.

## Past Efficiencies and Cost Saving Measures

- Costs related to travel, both for professional development and for Town business, were reduced in FY2008.
- Publications no longer deemed necessary were cut from the budget.
- Temporary clerical services were eliminated from the budget.

## Planned Future Efficiencies and Cost Saving Measures

The duties of the Risk Management Assistant will be absorbed by the Town Manager's Office upon completion of Town Hall renovation. This will result in a significant estimated long-term savings in excess of $65,250 per year (FY 2008 mid-range salary, plus benefits @ 50% of salary).

# Program 121 – Administrative Management

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $466,392 | $504,289 | $550,123 | $585,055 |
| Employee Benefits | $140,041 | $173,643 | $193,763 | $208,519 |
| Contractual | $22,661 | $20,967 | $26,920 | $18,550 |
| Commodities | $12,756 | $10,124 | $12,100 | $10,713 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $641,850 | $709,023 | $782,906 | $822,837 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Town Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Deputy Town Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Town Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Executive Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Assistant | 2.0 | 2.0 | 2.0 | 2.0 |
| | 6.0 | 6.0 | 6.0 | 6.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate assistant town manager position

**Cost Saving**:
$90,487 plus benefits

**Comments**:
Eliminating this position will create a substantial increase in responsibilities and workload for the town manager, deputy town manager and clerical staff. This position manages the emergency management program, serves as the primary staff intergovernmental liaison for the Town, acts as the Town's public information officer and provides a great deal of assistance to the town manager with his daily responsibilities and contact with elected officials, residents and businesses of the town. Elimination of this position will diminish the capability of the office to continue providing excellent customer service. This position is occupied and unavailable for elimination without a layoff or transfer.

**Option for Cost Saving:**
Reduce or eliminate travel associated with lobbying

**Cost Saving:**
$500

**Comments**:
The Town's lobbyists would handle all lobby efforts. There would be no travel to Tallahassee or Washington, D.C..

# Program 122 Advice and Litigation

## Description of Function

The Town attorney advises the Town's elected officials and staff regarding legal matters concerning the Town. The Town attorney represents the Town in lawsuits, hearings, and other litigation matters and prepares contracts, deeds, ordinances, resolutions and other legal instruments for the Town. He, or his designee, attends Town Council, ARCOM, Code Enforcement Board, Landmarks Preservation Commission, Planning and Zoning Commission and other Town meetings to provide legal advice and direction regarding issues related to the deliberations of the Mayor, Town Council, Boards and Commissions. The Town attorney is a contractual position serving at the pleasure of the Town Council. Also in this account are contracted legal services for union negotiations and telecom issues.

## History

To the best of our knowledge, the Town has always contracted for an attorney. Skip Randolph has been the Town's contracted attorney since 1979. Since 2001, this account has also funded legal services for collective bargaining.

## Past Efficiencies and Cost Saving Measures

The cost of a contract attorney is considerably less expensive than hiring a full-time attorney on staff. In addition to a staff attorney's salary and benefits, there are overhead expenses such as maintaining a law library and general office and operating expenses. For specialized cases, the Town would still need to hire outside counsel by contract.

# Program 122 – Advice and Litigation

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | 0 | 0 | 0 | 0 |
| Employee Benefits | 0 | 0 | 0 | 0 |
| Contractual | $315,037 | $280,481 | $321,500 | $309,000 |
| Commodities | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $315,037 | $280,481 | $321,500 | $309,000 |

## Options for Cost Savings

| |
|---|
| **Option for Cost Saving:**<br>Reduce use of contractual services with Town attorney |
| **Cost Saving:**<br>$25,000<br>**Comments**:<br>The Town's goal can be to reduce our use of the Town attorney's services by 10%. |

| |
|---|
| **Option for Cost Saving:**<br>Eliminate budgeted amount for telecom attorney |
| **Cost Saving:**<br>$10,000<br>**Comments**:<br>Because the need for these legal services is sporadic, the Town could potentially fund these contractual services from the General Fund Contingency. |

# Program 125 Information Systems

## Description of Functions

***Technical Support:*** Provide technical support for most technology related activities within the Town. This includes setup and implementation of computers, installation of software and daily help desk support.

***Software Services:*** Manage software systems and support. This covers a range of activities from personal computer desktop applications, mainframe Town wide applications, client server systems, network and telephone systems. Included is in house programming, version control for licensed software, change and service call management as well as technical expertise in all applications.

***Hardware Maintenance:*** Manage the maintenance of all Town computer hardware. This includes tracking equipment, maintenance periods, warranties and service contracts.

***GIS Systems and Infrastructure:*** Manage the Town's GIS system and infrastructure. The GIS platform is the way of the future for providing centralized access to data. The visual approach to finding and linking data is critical to providing information to the Town. Interoperability between applications, users and other agencies is one of the key goals of a quality GIS system.

***Network Management:*** Provide and manage a scalable network for a variety of functions. This includes using the Town's single network wiring system to run data, voice, video, wireless and other applications.

***Communications Systems:*** Provide a centralized and managed network based telephone system for Town wide use. This is a single managed system and network of telephone operations.

***Security Systems:*** Oversee video surveillance systems and electronic key lock systems. This also includes remote electronic access to the Town's computer systems.

## History

***Technical Support:*** Since the inception of the Office of Information System approximately 20 years ago, providing technical support and service to Town employees has been a primary focus of IS. Availability 24/7 via telephone, email and work orders for all departments has been a service that IS has always provided. In 1990, IS supported one server, about 40 terminals and a dozen personal computers. In 2007, IS supports 37 servers, 270 personal computers, 300 phones and a smart network made up of about 70 switches, routers and wireless access points. All of this growth has increased the need for support every year.

***Software Services:*** Software management, design, implementation and service have been the largest

growing operation in the Town. In 1990, the Town had a half dozen small AS/400 applications that were a mix of vendors programs running independently of each other. There was one major application from HTE that ran Public Safety operations. The management of these applications only required a programmer and hardware expertise. With the emergence of the personal computer the responsibility for computer software became huge. There where many more computers and every year, dozens of applications were added. All of this required more management and expertise in each of these applications. Over the past seven years, the addition of client server applications has increase the need for additional servers which also increased the need for expertise and management of additional software.

***Hardware Maintenance:*** Since the early 1990's, the maintenance of computer hardware has been the responsibility of the Office of Information Systems. Tracking equipment has always been done with a software system that was written in house and customized to provide the best possible tracking for these items. All equipment is given a number and information such as warranty dates, maintenance periods, costs and support vendors for tracking purposes. Maintenance contracts and tracking of service calls has been handled by IS staff. Over the years, the process has been streamlined so that only critical equipment is maintained. Many repairs are now done in house. Standardization of equipment manufacturers has allowed us to deal with a limited number of support vendors and to take advantage of discounts, spare parts, etc.

***GIS Systems and Infrastructure:*** In 2000, the Town began implementing a GIS system for Townwide use. This system started out with just some data sharing and a very basic mapping infrastructure that was part of this data sharing. Over the past several years, the Town has made the GIS databases the centralized data repository for as much information as possible. The main software systems now incorporate links to this data and take advantage of the graphic interface to the data.

***Network Management:*** During the 1990's, the Town was using an unmanaged, single purpose wire network to just run the connectivity to the computer systems. In 1998, the Town began to move to a multiple use wiring system. When the decision to implement a Town wide phone system was made in 1999, the Town used fiber optics to connect remote locations. This opportunity helped move the Town to a managed network that used a single wiring system to handle data, voice and video over a high speed system. The Town also began to implement a wireless network in 2001. This network started as a way for mobile computers to work within Town buildings. IS then branched out and implemented wireless communications for remote cameras and mobile vehicles. This network has proven to be extremely flexible and scalable. The network continues to provide the Town with the growth needed.

***Communications Systems:*** During the 1990's, the Town did not have a centralized telephone system. At one time there were seven different key systems used within the Town and all telephone service was single analog lines run over basic telephone wire. All remote locations were connected through slow frame relay circuits. All of this old technology was expensive and the monthly costs

were very high. In 1997, the responsibility for handling the telephones was centralized in the Office of Information Systems. As part of the fiber networks and the ability to use single wiring for multiple tasks, the Office of Information Systems implemented a voice over IP system for the telephones. This included removing over a hundred analog lines and implementing a digital PRI service to handle all communications outside of Town. All of these changes have allowed the Town to save money, consolidate wiring, implement redundancy and manage a flexible communications system.

***Security Systems:*** Over the past five years, security has become an additional function of the Office of Information Systems. In the past, cameras had to be stand alone single wired systems. Doors used regular key locks and security systems were completely stand alone. Now the cameras run over the managed network and are computer based. The doors have computer controlled electronic locks and security systems rely on the computers to function. During this past year, IS has helped to implement computer based camera systems for the Police vehicles. Management of data access through the Town's firewall is growing more and more as the Town provides remote access to information.

## Past Efficiencies and Cost Saving Measures

***Technical Support:***

- Prior to FY1998, all support was provided via telephone calls to individual employees phone lines. With the implementation of email within the Town, the process became streamlined so that information flowed easier and service to Town employees was tracked.

- In FY2001 and thereafter, IS began using a software system that tracked work orders and allowed service calls to be initiated by the end user via the computer. This has created a very efficient method for receiving service calls, tracking work, monitoring equipment and user history. The software provides a common place that all staff can use to access the calls and information. Any staff member can handle the call and the results create a knowledge base for future calls.

- The most time consuming responsibility of IS are the service calls and work orders. Education for IS staff and Town employees over the past years has helped to reduce the amount of support needed daily by users.

- The installation of personal computers as they are replaced is the next most time consuming activity for IS. Over the past two years, instead of replacing computers two or three at a time, we have purchased the majority of them all at once and purchased them all the same. This allows us to create a master install for the model that was purchased and automatically mass install the remaining computers. This process has cut the install time by 300%.

***Software Services:***

- The shift to use package software systems rather then older in house systems over the past

several years has created an extremely different way software is supported within IS. Issues and problems that used to have to be handled by the IS Manager in the capacity of Programmer have now shifted to software vendors. The old process would require time for the fixes of changes to be done when the IS Manager had time and usually took weeks or longer to get resolved. Now the issues are routed to the vendors and response is much faster.

- Software support is being shifted to the vendors but the Office of Information Systems has to be involved in all activities in order to monitor and manage this support. During the past five years, all software maintenance has become the sole responsibility of IS. This includes budgeting, managing contracts and licenses. By overseeing all of these functions, IS has been able to make sure that the Town receives the correct levels of support and licenses for each application. IS has also been able to eliminate some services that were redundant or too expensive to maintain. With the implementation of more software systems in the future, this scrutiny and detailed management of these applications and vendors is becoming more and more important. The centralized management of these costs will provide the Town the information and management tools needed to control software maintenance costs.

***Hardware Maintenance:***

- Over the years, the Town has worked extremely hard to control hardware maintenance. The Town has gone from maintaining almost all equipment to only maintaining specific items. The most efficient way to achieve this goal is to first determine what equipment is critical and what levels of service are needed for each. System servers are maintained on a 24/7 service level. Personnel computer hardware is purchased with a three year warranty in order to control annual maintenance costs and provide a standard replacement cycle for most computers. Computers that are taken out of service are rebuilt and re-used in other areas wherever possible. Currently, only servers, network equipment, network printers and various other major items are maintained. Personal computers and laptops are used during warranty periods and then until they break or are replaced with updated models.

- Reusing and reassigning hardware has proven over the years to save money on the cost of purchasing new computers. This practice extends the life of the existing computers and takes advantage of putting the hardware where it can be the most effective.

***GIS Systems and Infrastructure:***

- As the Town started to build a GIS system, the idea of data sharing has been a major focus for this system. Since day one, working with agencies that had information and being able to share that information has been a major cost savings. Some communities have spent hundreds of thousands of dollars to gather this data. The Town has taken a slower approach but has managed to get this information either for free or as part of interlocal agreements with other government agencies.

- Working with other agencies to gather data has also been a great way to save money in this area. When Boca Raton was planning to pay to have new aerial photos taken, we were able to piggy back with their plans and get new photos for a fraction of the price. When Palm Beach County and West Palm Beach began to do damage assessment, we where able to use the software they developed and get data at a minimum cost because of sharing agreements the Town has with those agencies.

***Network Management:***

- Because the Town's network is used for multiple applications, the Town has been able to save thousands of dollars every year on wiring costs. Whenever a phone is needed or a camera, the existing wiring system is used and no new wiring is required. Moving phones alone used to cost hundreds every time someone moved.

- Because the Town has fiber optics to all the remote locations, there have not been any infrastructure costs to the phone company since it was implemented in 2000. It is estimated that this alone has saved the Town over a hundred thousand dollars over the past seven years. This fiber network provides a much faster reliable network for no direct budget cost.

***Communications Systems:***

- The centralized voice over IP telephone system has provided the Town with a reliable communications backbone. The initial investment in this system seven years ago created a telephone infrastructure that is to this day is up to date and can continue to grow.

- The change from analog lines for each phone line to a digital PRI circuit consolidated the Town's need for service from the phone company. The estimated annual savings is around $12,000.

***Security Systems:***

- By using the Town's network to run, view and record security video, the Town has been able to save money on expensive camera monitors and equipment.

## Planned Future Efficiencies and Cost Saving Measures

- With the changes in video over IP and the ability for security cameras to be 100% computer based, the Town will able to use these inexpensive cameras to cover the existing network to handle security.

- As the new Eden software system is implemented, the need for printers and printer supplies within the Town will decrease. The move to paperless is going to make the demand for paper and filing less which will help save the Town money.

- Implementing more applications such as permit applications, payments and other functions via the web will cut down on the amount of time it takes to process some of these functions.

- Start implementing the use of VMWARE. This software allows the Town to run multiple operating systems on a single server. The ability to use a single hardware system and processor to run multiple servers will allow the Town to not have to have as much hardware. This will reduce operating costs, maintenance and license fees.

- IS is going to continue to expand upon the use of the domain infrastructure that has been developed over the past two years. IS is currently working with systems management software to push applications out to personal computers. Along with imaging, this will help to save staff time with the tedious task of personal computer software maintenance.

- As always, the Office of Information Systems will continue to evaluate on a regular basis the hardware needs of each employee and make the best use of existing equipment. Every year, IS is able to reuse equipment and extend the life by moving and reassigning hardware. This practice has been in place for over a decade and saved the Town hundreds of thousands of dollars on the purchase and maintenance of computers.

# Program 125 – Information Systems

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $369,826 | $431,775 | $445,248 | $474,934 |
| Employee Benefits | $135,343 | $155,974 | $175,046 | $186,631 |
| Contractual | $366,357 | $377,121 | $419,400 | $528,200 |
| Commodities | $101,650 | $173,690 | $132,450 | $106,710 |
| Capital Outlay | $317,796 | $444,109 | $853,000 | $744,100 |
| Other | $4,104 | 0 | 0 | 0 |
| TOTALS | $1,295,076 | $1,582,669 | $2,025,144 | $2,040,575 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Information Systems Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Systems Analyst | 1.0 | 1.0 | 1.0 | 1.0 |
| GIS Coordinator | 1.0 | 1.0 | 1.0 | 1.0 |
| Information Systems Specialist | 2.0 | 3.0 | 3.0 | 3.0 |
| Information Systems Support Specialist | 1.0 | 0 | 0 | 0 |
| | 6.0 | 6.0 | 6.0 | 6.0 |

## Options for Cost Savings

**Option for Cost Savings:**
Reduce or Eliminate Desktop Printers

**Cost Saving:**
$10,000
**Comments:**
Currently, there are numerous low end printers that are used by individuals at their desks. The Town has network printers in most of the Departments that are already accessible by most users. I am recommending that we start to phase out the desktop printers and consolidate the workload to the network machines. This will reduce consumable costs, repair and replacement costs and labor time for IS Support**.**

**Option for Cost Savings:**
Eliminate Some Hardware Maintenance

**Cost Saving:**
$15,000

**Comments:**
Currently, the only hardware that is covered under maintenance agreements are critical systems. We could eliminate maintenance on some of the non-priority servers and the few network printers that are currently covered. We could also cut back on some of the network equipment that is maintained and work on a repair as needed basis. This would mean that if these items that are not covered breakdown, the Town would have to either go without or pay repair/replacement costs.

**Option for Cost Savings:**
Reduce Software Maintenance

**Cost Saving:**
$10,000

**Comments:**
Annual Maintenance for some of the software used by the Town could be eliminated. This would mean that the Town would not receive support or future upgrades for these packages. This is based on how critical the application is and whether or not the affected user can manage with the application as it is. We have already implemented this for some of the smaller applications and have saved some money. Any further cuts would have greater affects on the end users.

# Program 501 Risk Management

## Description of Function

The Office of Risk Management exists to provide a safe and healthy work environment for all employees, and to minimize the adverse affects of accidental losses by ensuring that a comprehensive risk management program is in place that best protects the interests of the Town and its employees.

In order to meet the above mission, Risk Management's work activity includes the following:

- Identify Town exposures in order to properly purchase insurance coverage which best protects the Town's insurable assets. Monitor the insurance marketplace to determine the availability of coverages for public entities and market changes. The changes in the insurance marketplace dictate whether or not the Town chooses to be self insured or purchase large deductible first dollar policies. Current insurance policies include, Property & Casualty, Workers' Compensation, General Liability, Law Enforcement Liability, Public Officials, Employment Practices, Automobile Liability, Automobile Physical Damage, Storage Tank Pollution Liability, Marine Hull & Liability, Protection & Indemnity, Boiler and Machinery, Commercial Crime, Flood insurance, and Fiduciary liability.

- Contract and work with a third party administrator to handle liability, workers' compensation, property & casualty claims. This includes the medical bill review company and ancillary services required to investigate insurance claims.

- Obtain documentation regarding all new purchases/rentals throughout the year and add to existing insurance policies as needed.

- Pursuant to the Town's Authorized Driver's Policy conduct quarterly Motor Vehicle Report checks for all Town employees. Prepare reports and maintain signature forms in an organized manner. This process ensures all employees adhere to the Town's Authorized Driver Policy by having a valid driver's license. Notifies Department Directors should their employee(s) be in violation of this policy.

- Develop and implement the Town's Safety Manual and Safety Handbook. Continue to monitor and update the Safety Manual and Safety Handbook, as needed. Create, distribute and train all supervisory personnel on the "Supervisor's Guidelines for Risk Management". This is an easy reference notebook containing all policies and procedures relating to Risk Management.

- Periodically conduct an appraisal of all Town facilities with other insurance professionals to ensure proper insured values are in place. Annually obtain photographs of Town facilities

and place them on a shared drive to be viewed by all Town departments, as needed.

- Actively participate in the safety committee meetings with Public Works, Fire-Rescue and Police. Organize and work with departments to provide required safety training. Participate in departmental training of employees to ensure proper techniques and equipment are being provided to employees.

- Annual loss control/safety inspections are conducted of Town facilities. Re-inspections are conducted to ensure correction of any violations cited.

- Ensure monthly safety bulletin is pertinent to Town operations and includes timely material to educate all Town personnel.

- Conduct investigations and site visits for all claims whether handled in house or by a third party adjuster. Minor claims, which do not include bodily injury, are handled in house.

- Develop, implement and monitor Town's Certificate of Insurance policy for the hiring of all outside contractors. Review all Certificates of Insurance and communicate approval status to ensure Town's policy is followed.

## History

This Office of Risk Management was formed in 1985 when the Town's first full time Risk Manager was hired.

From 1991-1995 the Finance Department and Office of Risk Management shared a clerical position. From1995-1998, a full time clerical position served in Risk Management. From 2002-2004, the Town Manager's Office and Risk Management shared a clerical position.

In 2004, a full time Risk Assistant position was approved. The full time Risk Assistant position became vacant in August 2007 and remains unfilled due to the Town's hiring freeze. This position will be replaced with a part-time, no benefits position until the relocation of Risk Management upon completion of Town Hall renovation. At that time, the position will be eliminated entirely and Risk Management support services will be provided by the Town Manager's Office support staff.

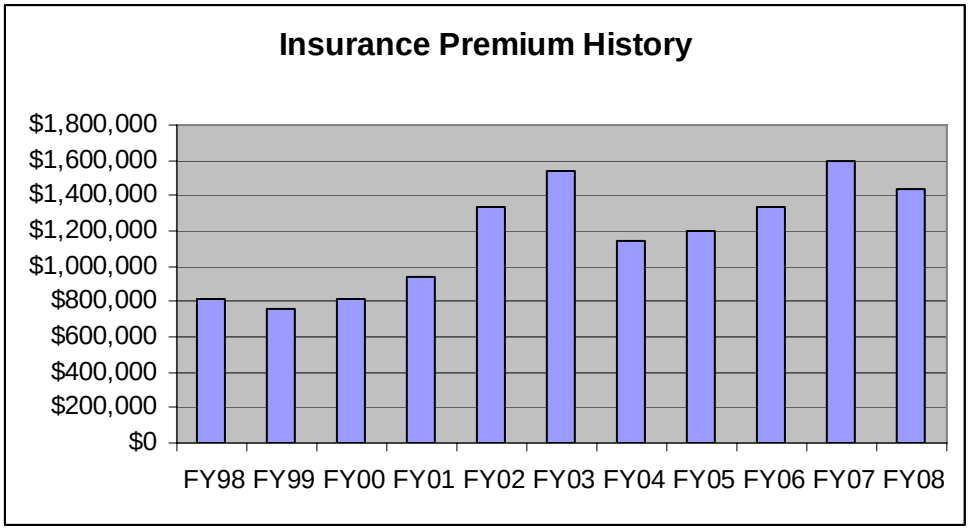
## Past Efficiencies and Cost Saving Measures

### *Function 1*: *Insurance Program*

For the FY2002 insurance program renewal premiums increased as a result of the tightening insurance market conditions. The most significant increase was due to the property insurance market offering small layers of coverage at greatly increased premiums. Despite the market conditions the

Town was able to obtain coverage for the property exposure at a competitive rate. For the FY2003 insurance program renewal, the Office of Risk Management was approached by a local insurance agent, Brian Cottrell, who provided a written quotation for the Town's insurance program. When the Town's current insurance agent learned of the informal quotation, it provided the Town negotiating power and ultimately lowering the Town's insurance premiums for FY2003 policy period. For the FY2004 insurance program renewal, the Office of Risk Management conducted a Request for Qualification and Request for Proposal for the insurance program including third party administrative claims management. Based upon the RFP, the Town switched insurance brokerage to Acordia, Inc. and coverage's with Preferred Governmental Insurance Trust. This resulted in a fixed cost savings of $412,798 and a maximum variable cost savings of $260,450 for a total savings of $673,248. As a result of the change in the Town's insurance program in FY2004, the annual renewal premiums for FY2005 – FY2007 have remained constant. For the FY2008 insurance program renewal, the Town obtained a fixed cost saving in the amount of $156,455. This was accomplished by following recommended changes determined in the Risk Retention Project.

The following is an insurance premium history from Fiscal Year 1998 to Fiscal Year 2008:

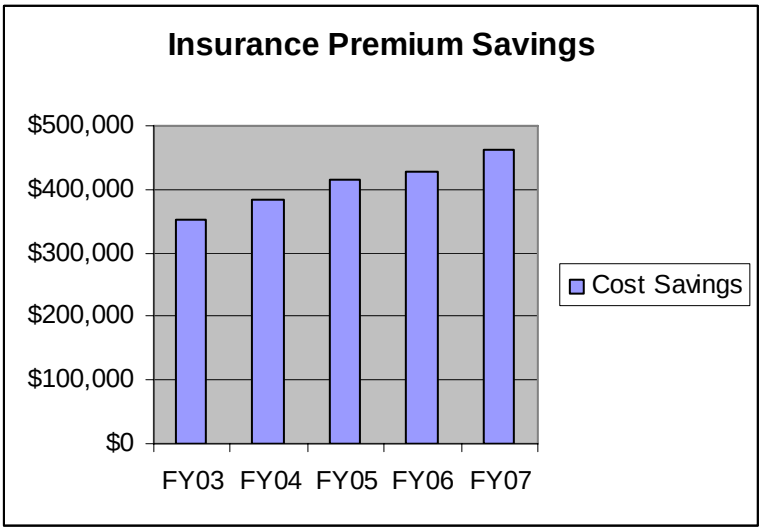



***Function 2: CRS – Community Rating System***

Community Rating System program provides a discount in flood insurance premiums to property owners in participating communities. Credit points are given under the CRS program for floodplain management activities conducted within the Town. The Town strives to continue to hold its Class 7 rating which provides residents who reside in special flood hazard areas (A or V zones) a 15% discount and residents in a non-special flood hazard area receive a 5% discount. Preferred Risk policies do not receive a CRS discount as they already receive a favorable premium. Class ratings are based upon a scale of 1-9. The lower the class rating the larger the percentage of savings. For

example, a class rate of 9 = 5% discount; class rate of 8 = 10% discount; class rate of 7 = 15% discount and so forth.

For 2007, the residents and business owners in the Town account for 7,988 flood insurance policies with an annual premium of $3,452,715. **As a result of the Town's participation and activities in the CRS program the residents and business owners together received a premium savings of $463,329. Over the past five years, the premium savings totaled $2,038,262.**




***Function 3: Experience Modification Rate for Workers' Compensation***

The experience modification rate compares the Town's loss experience to the average for its class, and is used to increase or decrease the manual rates of insurance for workers' compensation.

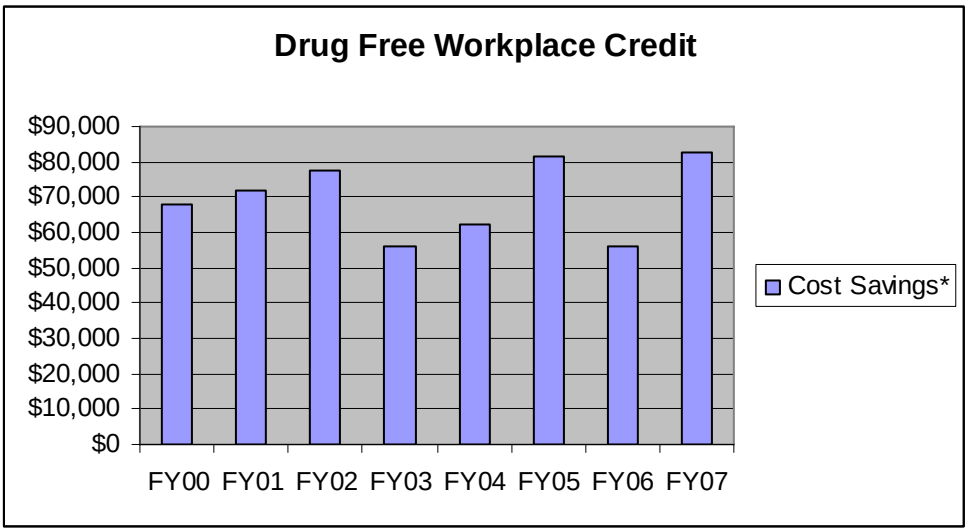
For example, if the Town has fewer, less costly accidents, it will receive a credit off the manual rate. If the Town has more frequent or expensive accidents, it will receive a surcharge on the manual rate.

**As the Town's current experience modification rate is .69, the Town is receiving a 31% credit off the manual rates for workers' compensation premiums.**

***Function 4: Drug Free Workplace Program Credit for Workers' Compensation***

The Town receives a premium credit under the Workers' Compensation for being a Drug Free Workplace.

**From fiscal year 2000 – 2007, the Town received a total premium savings of $555,484**.




*Fluctuations are a function of changes in W/C premiums

***Function 5: Safety Program premium credit under a first dollar Workers' Compensation policy.***

The Town received a premium credit under the Workers' Compensation policy for the safety program. This premium credit is only received under first dollar insurance policies. The state does not allow for a premium credit for self insured programs. **From fiscal year 2004 – 2006 the Town received a total premium savings of $81,437.**

| FY2004 | FY2005 | FY2006 |
|---|---|---|
| $25,309 | $33,214 | $22,914 |

***Function 6: Subrogation of Claims***

The Office of Risk Management pursues subrogation of claims within the self insurance retention or deductible levels when applicable. Subrogation consists of obtaining third-party information, repair cost information, police reports, and photographs, conducting site investigations and pursuing recovering through the third-party and/or their insurance carrier. When the damages appear to have been caused by the negligence or fault of third parties, the Office of Risk Management has exercised the right of subrogation to pursue claims against the alleged parties. **Over the past five years $102,144 has been recovered by the Office of Risk Management.** The Town's third party administrator also pursues subrogation of major claims on behalf of the Town. **Over the past five years $119,897 has been recovered by the Town's third party administrator.**

## Planned Future Efficiencies and Cost Saving Measures

- Elimination of Risk Assistant upon completion of Town Hall renovation.
- Creation and implementation of a Certificate of Insurance database.
- Streamline the internal reporting of claims upon implementation of the new risk software.
- Reduce printing costs by switching to online claim forms.
- Eliminate various subscriptions.

# Fund 501 – Self Insurance, Worker's Comp, Liability, Property

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $107,791 | $108,774 | $116,428 | $120,000 |
| Employee Benefits | $41,279 | $46,117 | $48,735 | $51,253 |
| Contractual | $2,238,388 | $1,770,068 | $2,676,754 | $2,860,670 |
| Commodities | $3,216 | $2,527 | $4,200 | $3,900 |
| Capital Outlay | $4,033 | $10,311 | $50,000 | 0 |
| Other | $219,669 | $10,657 | $3,000,000 | $3,000,000 |
| TOTALS | $2,614,376 | $1,948,454 | $5,896,117 | $6,035,823 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Risk Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Risk Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| | 2.0 | 2.0 | 2.0 | 2.0 |

# Program 710 Emergency Management

## Description of Function

All costs of emergency preparedness are accounted for in this program including storm emergency response planning and training, preliminary expenses for natural disasters such as for hurricanes and tropical storms anticipated to directly affect residents and property in Palm Beach. In addition, the cost of the contractual Emergency Management Coordinator position is allocated here.

This program exists to ensure the Town is at an acceptable level of readiness for response to hazards affecting Palm Beach in accordance with the federally regulated National Incident Management System (NIMS) guidelines. The activities in this program are overseen by the Town Manager's Office.

## History

A contracted emergency management coordinator position was implemented in late 2002. Prior to hiring a coordinator, management in the Town Manager's Office was responsible for fulfilling the emergency management requirements for the Town. A coordinator with the education and expertise to perform the function has allowed the Town to be better prepared for disasters and abide by federal regulations, while enabling management in the TMO to perform other tasks and responsibilities. Also, the coordinator is specially trained to teach NIMS and other emergency preparedness classes.

## Past Efficiencies and Cost Saving Measures

By having a certified NIMS trainer to teach our employees and make sure we are in compliance with federal guidelines, we have saved tax dollars by not having to send Town employees to other jurisdictions for training.

# Program 710 – Emergency Management

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | 0 | $3,868 | 0 | $1,365 |
| Employee Benefits | $8,462 | $296 | $268 | $299 |
| Contractual | $1,944,123 | $147,333 | $86,200 | $83,350 |
| Commodities | $1,819 | $17,306 | $200 | $850 |
| Capital Outlay | 0 | $5,471 | $1,501 | $1,660 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $1,954,404 | $174,274 | $88,169 | $87,524 |

## Options Cost Savings

| **Option for Cost Saving:** |
| --- |
| Reduce or eliminate funding for emergency preparedness |
| **Cost Saving:** |
| $30,000 |
| **Comments**: |
| This line item consists of funding for items that the Town may need to purchase in the case of an emergency. Such items include aerial lift rental (to hang hurricane shutters), Town-wide hurricane seminar and emergency supplies for the Town. |

| **Option for Cost Saving:** |
| --- |
| Eliminate Emergency Management Coordinator position |
| **Cost Saving:** |
| $45,200 |
| **Comments**: |
| The EMC ensures the Town's compliance with federal regulations regarding NIMS. He also teaches required NIMS courses. He ensures the Town is as prepared as possible in the case of an emergency, which has been very necessary in recent years with the increase in hurricane activity. The EMC is responsible for managing the Emergency Operations Center (EOC) when activated in the case of an emergency. |

# Human Resources Department

## Department Overview

The Human Resources Department consists of one program covering seven primary operations:

1. Recruitment, Selection, and Orientation
2. Compensation and Classification
3. Benefits Administration
4. Employee Relations
5. Legal Compliance
6. Policies and Procedures
7. Occupational Health Clinic

## Department Cost Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Revenues | $0 | $0 | $0 | $0 |
| Expenditures | $713,383 | $671,434 | $784,821 | $795,032 |

## Total Department Staffing Levels

| | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Full Time Equivalent Employees -123 | 4.9 | 4.9 | 4.9 | 4.9 |
| Full Time Equivalent Employees - Health | 1.6 | 1.6 | 1.6 | 1.6 |
| Total Full Time Equivalent Employees | 6.5 | 6.5 | 6.5 | 6.5 |

## Benchmarks for the Human Resources Department

| HR Dept. Operations | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| # HR Personnel | 6.5 | 19 | 10 | 7 | 7 | NR | NR |
| Primary HR Operations:<br>- Recruitment/ Selection<br>- Benefits Admin<br>- Compensation/ Classification<br>- Records Mgmt.<br>- Internal Investigations<br>- Adjudicate Grievances<br>- Training<br>- Policy Development<br>- Labor Relations | All Primary<br><br>**PLUS:**<br><br>1. Retirement Admin.<br><br>2. Occupational Health Clinic | All Primary | All Primary<br><br>**Excluding**:<br><br>Benefits Admin. | All Primary<br><br>**PLUS:**<br><br>1. Retirement Admin.<br><br>**Excluding:**<br><br>Grievance Hearings | All Primary<br><br>**PLUS:**<br><br>1. Retirement Admin. | NR | NR |
| HR Budget | $800,000 | $2,400,000 | $1,000,000 | $900,000 | $950,000 | NR | NR |
| Annual Turnover:<br>- 2007<br>- 2006<br>- 2005<br>- 2004 | <br><br>7.66%<br>9.27%<br>13.67%<br>7.71% | <br><br>15.08%<br>17.32%<br>14.52%<br>10.41% | <br><br>7.00%<br>(average all years) | <br><br>Unknown<br>Unknown<br>Unknown<br>Unknown | <br><br>9.00%<br>Unknown<br>Unknown<br>Unknown | <br><br>NR<br>NR<br>NR<br>NR | <br><br>NR<br>NR<br>NR<br>NR |

| Employee Events and Recognition | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| % Difference in spending for employee events/ recognition from FY 07 to FY 08 | FY 07:<br>$45,000<br><br>$Y& 08:<br>$45,000<br><br>0% Change | FY 07:<br>$87,000<br><br>FY 08:<br>$87,000<br><br>0% Change | NR | FY 07:<br>$50,150<br><br>FY 08:<br>$43,600<br><br>13% decrease | FYH 07:<br>$35,950<br><br>FY 08:<br>$6,745<br><br>81% decrease | FY 07:<br>$21,688<br><br>FY 08:<br>$17,720<br><br>18% decrease | NR |

# Program 123 Human Resources

## Description of Program

This program represents the costs related to the coordination and management of human resources. The activities in this program are administered by the Human Resources Department.

## History

In 1978, the Town's Personnel Department was created and was staffed with one Director and one clerical support position for 330 full time employees. At that time, the department's primary responsibilities included:

- payroll verifications
- file maintenance
- recruitment and selection
- employee relations

Within the first ten years of the operation, the Personnel Department developed and implemented numerous programs and projects, including: the first annual report and calendar 1978-1979; an employee personnel manual; the complement and compensation plan; a comprehensive review of pay and benefits; a pay for performance system (replacing an automatic step system which moved employee pay from the minimum to the maximum in five years); and the implementation of a computerized pay for performance system. The department also assumed responsibility for the Town's Occupational Health Clinic and provided assistance in the administering the Town of Palm Beach Employees Retirement System.

During that same period of time, as well as after, Federal regulations also impacted the operations of the department, through such regulations as non-discrimination in employment (including Americans with Disabilities, Age Discrimination in Employment Act, etc.); the Family Medical Leave Act; Health Insurance Portability and Accountability Act, and other legislation.

### *Function 1: Recruitment and Selection*

This program includes the process of attracting and encouraging potential applicants to apply for existing or anticipated job openings. During this process, efforts are made to inform the applicants fully about the qualifications required to perform the job and the career opportunities the Town can offer its employees. Whether or not a particular job vacancy will be filled by someone from within the organization or from outside will depend upon the availability and qualifications of personnel and the requirements of the job to be staffed. The recruitment process then yields a number of applicants whose qualifications must be measured against the requirements of the job. Selection is the process of administering pre-employment tests to assure

that the most qualified individuals are hired to fill existing or projected job openings. Equal employment opportunity legislation, court decisions and Uniform Guidelines also affect the recruitment and selection process. While the recruitment and selection process is the responsibility of the HR department, the department directors make the final decision about hiring people in their departments.

Recruiting and selection for qualified candidates requires that the HR Department have detailed and in-depth knowledge of every position in the Town, the job duties and responsibilities of those positions, and the level of knowledge, skills, and abilities needed to perform those duties. This information is documented in job studies and used to create and maintain job descriptions.

The recruitment process begins with the placement of advertisements in the local newspaper (required by the Equal Employment Opportunity Commission), specialized journals and publications, and the internet. It may also include participating in job fairs at a local, county, or college level.

During the pre-employment process phase, the HR Department screens applications and resumes to ensure the applicants meet the minimum requirements of the position. Following the initial screening, the selection process begins. Quality employees are selected through a process that includes a variety of tests, including the following:

- Written Exam
- Performance/Practical Exam
- Assessment Testing
- Employment Interview

Successful candidates must then proceed through a cadre of conditional-offer-of-employment tests, including:

- Professional and personal background checks
- Credit check
- Criminal background
- Driving record
- Medical exam (specific job fitness exam)
- Drug and alcohol test, including hair analysis
- Psychological testing
- Computerized Voice Stress Analysis
- Pre-employment verification
- Education verification

Legal requirements make it mandatory that the Town exert a positive effort to recruit and promote members of protected classes so that their representation at all levels within the organization will approximate their proportionate numbers in the labor market. These efforts include recruiting not

only those members who are qualified but also those who can be made qualified with reasonable training and assistance. This in-depth testing and selection process not only ensures that the most qualified employees are selected to serve the Town, but that the process is thorough, done in a timely manner, and meets all legal requirements**.**

***Function 2: Compensation and Classification***

The Town's basic compensation philosophy is to attract, retain, and motivate the best employees. This philosophy helps explain "who" the Town is and what the Town values. The compensation philosophy is linked to the Town's mission and core competencies. Because providing a high level of services to its customers is what differentiates the Town from other organizations, the Town has a history of hiring the best and most qualified staff possible and being willing to pay for them. The Town's compensation philosophy has also governed the compensation program, allowing it to be administered in a fair and equitable manner while providing consistency among departments, over time, and as the Town has grown and changed.

Elements of the town's compensation plan includes external competitiveness, internal equity, and pay for performance. The Town's compensation/classification system is a dynamic one, which causes it to be continually reviewed as to how the organization is evaluating jobs and paying employees, including consideration of market positioning of the jobs, and assessing potential variances in pay compared to the market.

Periodic adjustments to compensation are made on the basis of changes in the overall cost of living or inflation, changes in what other employers are paying for the same jobs, or changes in experience/performance/skill of employees. The equity objective focuses on designing pay systems that recognize both employee contributions (e.g., offering higher pay for greater performance or greater experience or training) and employee needs (e.g., providing a living wage as well as fair and consistent pay practices).

Internal equity is the comparisons among jobs or skill levels inside the organization. The focus is on comparing jobs and skills in terms of their relative contributions to the Town's objectives. Determining appropriate pay focuses on two dimensions:

- The relative similarities and differences in the work or the skills/competencies required;
- The relative contribution of the work or skills/competencies to the Town's objectives.

External competitiveness refers to how the Town positions its pay relative to what competitors are paying. The relevant labor market has been defined as municipalities located within Palm Beach County. In determining the Town's compensation policy, the labor market is used in conjunction with the Town's policy decisions to generate a pay structure. The Town's policy has been set at the top quartile of the labor market in order to attract the best applicants. The Town's policy regarding external competitiveness has a twofold effect on objectives: (1) to ensure that the pay rates are sufficient to attract and retain employees - if employees do not perceive their pay as

equitable in comparison to what other organizations are offering for similar work, they may be more likely to leave - and (2) to control labor costs by maintaining competitive salaries that do not exceed what the market is paying, and that establish pay ceilings for every position. This policy has been successful in attracting and retaining a highly qualified and effective team of employees.

The Town's compensation plan also includes a pay for performance program and salary increase guidelines. In addition to managing costs, these practices are intended to affect employee attitudes and behaviors, in particular the decisions to join the organization, to stay, and to perform effectively and productively. The salary increase guidelines are also designed to control costs by ensuring that the top performing employees receive higher pay opportunities.

The Town's pay for performance requires that each employee receive a formal job performance evaluation each year throughout their employment with the Town. It is through the performance evaluation that employees are recognized for their positive work behaviors and accomplishments by receiving incentive, or merit, pay increases within their respective pay ranges. The current range of the merit pay increase is 0 to 7.5%. Outstanding performers may receive up to a 7.5% merit increase, whereas a satisfactory performer may receive 3%. Those employees who fail to meet performance expectations will not receive a merit increase for that year. An employee who receives the highest scores and the corresponding highest pay increases throughout his/her career might expect to reach the maximum of that position's pay range within six years, while an employee whose work meets expectations throughout his/her career, resulting in a 3% pay increase each year, would reach the maximum of the pay range in 15 years.

A Performance Pay Chart is used to determine pay increases for all employees excluding Fire-Rescue bargaining unit employees. The size of the pay increase is based upon that employee's performance score. Reasonable distribution guidelines indicate that up to 10% of rated employees will be scored as "unsatisfactory" or "below exceptions"; approximately 40% will be scored as "meets expectations"; approximately 40% will be scored as "above expectations", and up to 10% will be scored as "clearly outstanding". This distribution guideline reflects the "3 equals 3" philosophy of the Town's Pay for Performance program: a score of 3 (meets expectations) results in a 3% merit increase (provided that this does not take the employee's pay above the maximum of the range).

When an employee's pay reaches the top (or maximum) of the pay range, no further pay increases under the performance based pay system are permitted. If an employee qualifies for a performance pay increase, and the increase would push the employee's pay over the maximum of that pay range, only that portion of the performance pay increase that takes the employee's pay to the maximum of the pay range will be authorized. For example, if the employee's performance evaluation qualifies the employee for a 5% pay increase, but a pay increase of 3% would take the employee's pay to the maximum of the pay range, the employee would receive only that portion of the pay increase that takes his/her pay to the maximum of the pay range, or in this case, a 3% increase.

The Fire-Rescue Department (bargaining unit members) utilizes a Step Plan consisting of an entry level pay plus ten pay steps, of 4% increase between each step. All employees covered by this plan are hired at the entry level pay grade, and each year thereafter, they will proceed to the next step in the pay plan, subject to a successful performance evaluation each year. Under this step plan, an employee will reach the top of their pay range in ten years.

Most municipal employers utilize Step Plans for all employees, and prior to 1986, the Town also used a Step Plan for its employees. Most Step Plans have annual 5% pay increase increments which allow employees to reach the maximum in the salary range in less than 10 years. Most Step Plans do not require that employee performance evaluations be conducted as part of the process, and the employee is allowed to advance to the next step in the pay range provided that he/she was not in serious violation of city policy during the past year.

The Town's Pay for Performance program is "mature" in that 42% of employees are at the maximum of their salary ranges. During the last 12 months, the average performance increase was slightly over 4% (excluding Fire-Rescue employees). The average annualized merit pay increase over the last 12 months, for those employees who qualified, was 4.2%. The actual annual cost to the Town for that period of time was approximately 2.1% of payroll. The reduction in cost to the Town during that 12 month period of time was due to the fact that merit increases are effective on the employees' anniversary dates, which occur every month throughout the year. The Fire-Rescue step system is similar in that the annualized pay increase is a flat 4% for all qualified employees, with an actual annual cost of approximately 2% of payroll.

***Function 3: Benefits Administration***

The broadest definition of the term "employee benefits" includes all benefits and services, other than wages for time worked, that are provided to employees in whole or in part by the employer. These include:

1. Legally required social insurance payments (social security; unemployment compensation insurance; workers' compensation insurance; temporary disability insurance)
2. Payments for private insurance and retirement plans
3. Cost of services to employees (recreation facilities/programs; wellness programs; etc.)

The objective of this program is to administer a cost effective, yet competitive, benefit plan. This objective is compatible with the Town's compensation plan, including its philosophy and policies. The chief objectives of the benefit plan are to maintain a favorable competitive position in the labor market, improve employee satisfaction, meet employee health and security requirements, attract and motivate employees, and to reduce turnover. These objectives are also considered within the framework of cost containment.

Some of the most common benefits offered by employers, both private and public sector, include:

- Health Care Benefits
- Retirement Benefits
- Personal Services Benefits
- Financial and Compensation Benefits
- Family Friendly Benefits
- Business Travel Benefits
- Preventive and Wellness Benefits
- Leave Benefits
- Other Benefits

Health Care Benefits are addressed in Program 502, Group Health.

Retirement Benefits are addressed in Program 600, Retirement System.

Personal Services Benefits range from professional development opportunities to pet health insurance (available at group rates with 100% of the cost paid by participating employees) and include professional memberships and license fees, access to legal services, uniforms or uniform services, and "casual Fridays". These benefits provide a dual advantage: employees feel the Town cares about them, and the Town gains a dedicated committed workforce.

Financial and Compensation Benefits help make monetary transactions more convenient for employees and the Town. They include direct deposit of paychecks, automatic payroll deductions, membership in a credit union; life insurances; pay allowances and incentives; educational assistance, and "retention bonuses" in the form of the Town's longevity programs. They also include Town-owned cars for employees' use in conducting Town business and, under very limited circumstances, personal use of Town-owned vehicles by certain public safety employees.

Pay allowances and incentives include clothing allowance, incentives for required licenses (i.e., building inspectors, architectural review), cell phone stipend, tool allowance, on-call incentive, education incentive (police and fire), shift differential, etc.)

Group-term life insurance program is a common benefit among employers and remains primarily employer-paid. The Town's benefit is divided into the Town-paid portion, basic group-term life insurance, and an optional, employee-paid supplemental life insurance benefit.

The Town's educational assistance program is a tax-favored, Town-sponsored educational reimbursement plan. Except for certain courses, employees may be reimbursed for educational expenses incurred and avoid taxation on the amount of the reimbursement. The Town also claims a business deduction for the amount of educational assistance provided. This program contributes to the Town's ability to attract and retain qualified employees.

Most current Town employees participate in the longevity program which provides an annual lump sum bonus based on years of service, beginning at five years of service. The new Annual Bonus program ties an employee's annual performance to the bonus that employee may receive. This program has the advantage of providing employees with more pay for exerting greater effort, while at the same time providing long term cost savings to the Town compared with the former longevity bonus program.

Family Friendly Benefits include health care for dependents, the Family and Medical Leave Act (FMLA); and childcare and flexible spending benefits.

Dependent health coverage is available to employees, with employees contributing towards the cost of the premiums. Coverages include a prescription and dental benefits.

The FMLA requires the Town to provide up to twelve weeks of unpaid, job-protected leave to eligible employees for certain family and medical reasons. It also mandates continuation of medical coverage, it prohibits loss of accrued benefits, it provides for restoration of benefits after leave, it permits substitution of paid leave and vacation during leave, and it prohibits waiver of benefits. Flexible spending accounts provide an account in an employee's name that is used to reimburse the employee for certain unreimbursed medical expenses. They are provided as a way for employees to pre-fund dependent care, medical, or dental expenses in pre-tax dollars.

Business Travel Benefits are provided to employees to make up for incidental costs and inconveniences associated with being away from home. These include reimbursement for expenses incurred while traveling and per diem for meals.

Preventive and Wellness Benefits include preventive health and wellness benefits, including employee assistance programs. These programs serve to improve and maintain the health of the employees. They also offer education classes and seminars as well as fitness programs in the Town's Fitness Center. The Town's programs focuses on the well-being of the individual employee, and promote better health habits to positively affect the employee's work life and private life. The introduction of the Town's preventive and wellness programs complements the more traditional healthcare system that treats illnesses as and after they occur. Examples of these programs include programs on smoking cessation, stress management, flu shots, physical fitness, weight control, health risk appraisals, hypertension management, and other wellness programs (such as safety and accident prevention, back care, chronic disease management, cancer prevention, and aging). Recent surveys indicate that 95% of major employees offer Preventive and Wellness benefits. According to studies, reduction in medical care costs amounts to a savings per employee of $225 annually. The savings come from reductions in hospital admissions, mental health visits and outpatient service use. In addition, there are significant reductions in health risk categories, including tobacco use, sedentary lifestyle, high blood pressure, high cholesterol, low dietary fiber intake, and poor motor vehicle safety practices.

The Town's EAP is designed to help employees whose attendance and/or job performance are adversely affected by personal problems. It is a part of the overall health promotion and wellness program. According to recent surveys, 85% of employers provide some type of EAP. The Town's EAP not only addresses drug and alcohol abuse, but also health education, prevention, and counseling issues. The objective of the EAP is to assist employees with problems relating to job, family, and social difficulties that may ultimately hamper effectiveness on the job. This helps employees overcome unresolved personal or work-related problems and frequently results in the rehabilitation of a proven employee in lieu of hiring and training a new employee, which results in a cost savings to the Town.

Under the Drug-Free Workplace Act, government employers receiving federal grants must maintain a drug-free workplace. The Town's Drug-Free Workplace Policy adheres to these federal requirements.

Leave Benefits include paid and unpaid time away from work. Pay for time not worked continues to be a high-demand benefit. Paid leaves include holidays, jury duty, bereavement, sick leave, vacation and personal time off, military leave, pay for unused vacation leave, and donated sick and vacation leave programs.

Custom, state law, and federal law play a part in the Town's decision about which days to designate as holidays. Many of the "national holidays" are observed on Mondays, pursuant to federal law, in order to encourage companies to provide employees with long weekends. The Town offers 12 paid holidays to its employees.

Time off to serve on a jury or to wait to be selected to serve on a jury is a civic obligation and required by legislation on both the federal and state levels. The Town must provide jury duty leave to employees when they have ben called by a court to join a jury panel and when they have been actually selected for service as a juror.

The Town also provides employees with paid leave to attend funerals of family members. With the Department Director's permission, employees may also use sick leave to attend the funerals of in-laws.

Sick leave benefits provide reimbursement of wages lost while an employee is unable to work due to sickness or accident that is not compensable under workers' compensation law. Employees may also use up to 40 hours of sick leave to care for eligible family members who are unable to care for themselves. Sick leave benefits are also coordinated with the Town's Family Medical Leave Act, as are all other leaves.

Vacation leave is provided to employees to help keep employees refreshed, enthusiastic, and alert. The amount of an employee's vacation time depends on the length of service. The Town offers employees paid time off for personal reasons. Personal leave is often taken for a day at a time or for part of a day. Paid personal time is utilized by employees to accomplish personal projects, to

plan for important occasions, or for many other personal reasons. Vacation and personal time off pay is considered to be income at the time it is paid to the employee, so it is deductible by the Town as compensation.

Employees who must leave their jobs to serve in the armed forces have certain rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). Reemployed service members are entitled to the seniority and all rights and benefits based on seniority that they would have attained with reasonable certainty had they remained continuously employed. The Town provides health benefit continuation coverage for employees who are absent from work to serve in the military. Employees on military leave are entitled to participate in any benefits that are not based on seniority that are available to employees having similar seniority, status, or pay who are on nonmilitary leaves of absence. In addition to providing these required benefits, the Town provides supplemental pay to employees who are called to active duty. If the employee's regular Town pay, excluding special one-time payments such as educational supplement, uniform allowance, etc., is higher than the military pay, the Town calculates the difference and pays it to the employee, minus appropriate deductions.

The Town's Donated Vacation/Sick Leave Policy allows employees to voluntarily contribute a portion of their earned vacation and/or sick leave to a qualified Town employee who continues to be absent from for a qualified reason and who has exhausted all leave otherwise available to them. This program offers employees increased flexibility in times of crisis and provides some measure of financial assistance.

Other benefits include social gatherings, employee recognition, take your child to work day, and special benefits for second and third shifts.

***Function 4: Employee Relations***

The Town's organizational culture is reflected in its employer-employee relations. This culture includes the shared values, beliefs, and traditions that exist within the organization, and which establishes workplace norms of appropriate behavior and defines roles and expectations that employees, management, and the Town residents have of each other. The culture is also defined by the Town's Vision and Values statement.

To address the many concerns and questions of employees, the Town also has an open-door communication policy that provides a positive communication link for and between employees and a source for answers to rumors and fears. Employees are exposed to the Town's culture and expectations from the beginning of their employment and are provided with continued training that reinforces what their roles and responsibilities are.

In 1982, the Town implemented a Grievance Resolution Procedure that encourages and facilitates the settlement of disputes between employees and management. This procedure utilizes formal policies and procedures that require compliance on the part of employees and the organization.

These include a chain of command in the case of specific disputes, assigning roles that various internal parties play in terms of dispute resolution, and taking subsequent remedial actions. This procedure permits employees to express their grievances to an employee panel and assists the organization in providing solutions to grievances.

A very important facet of the HR department's employee relations function is conducting investigations into employee complaints. This method of resolving intra-organizational conflict allows the HR department to have a significant impact on the prevention of litigation, employee satisfaction, and the reduction of workplace disruptions.

The Town's Grievance Resolution Procedure and employee complaint investigating process promote and maintain good will between employees and the organization by fostering communication and preventing or reducing conflict early on. Other benefits of these processes include the minimization of workplace disruption in the resolution of disputes; privacy; flexibility; and enforceability.

In addition, almost all phases of internal employee relations are affected by equal employment opportunity legislation. The intent of EEO legislation is that women and minorities should receive equal treatment, and internal employee relations must reflect this principle. This is further discussed in the following section, Legal Compliance.

The HR Department also participates in the collective bargaining process. The four major areas of contract negotiations include wages and issues that are directly related to wages; employee benefits or economic "fringe" supplements to the basic wage rate; "institutional" issues that deal with the rights and duties of employers and unions; and "administrative" clauses that treat such subjects as work rules and job tenure.

### *Function 5: Legal Compliance*

A significant external force affecting human resource management relates to federal, state, and local legislation, and the many court decisions interpreting this legislation. These legal considerations affect almost the entire spectrum of human resource policies.

The Human Resources Department's objective in this program is to maintain legally defensible policies and procedures within a constantly changing and complex legal environment. This program shields the Town from costly liabilities in areas such as sexual harassment; employment discrimination; and numerous other employment matters. Such liabilities, which can be enormous, include actual damages, compensatory, and punitive damages, as well as legal expenses.

Legal compliance also requires that periodic training be provided to employees and supervisors in harassment and discrimination, FMLA, performance evaluations, and HIPAA and other

regulations, and that information regarding these areas be posted in prominent areas throughout the Town's facilities.

***Function 6: Polices and Procedures***

This program represents the development and maintenance of personnel policies and procedures in compliance with all relevant laws and in support of efficient Town-wide operations. The primary laws governing the Town's policies and procedures are the following:

- Equal Pay Act of 1963, which requires all to provide equal pay for equal work, regardless of sex;
- Title VII of Civil Rights Act of 1964, as amended in 1972, 1991, and 1994, which prohibits discrimination in employment on the basis of race, color, religion, sex, or national origin; and which created the Equal Employment Opportunity Commission to enforce the provisions of Title VII;
- Age Discrimination in Employment Act of 1967, as amended in 1986 and 1990, which prohibits private and public employers from discriminating against persons 40 years of age or older in area of employment because of age;
- Equal Employment Opportunity Act of 1972, which amended Title VII of the Civil Rights Act and strengthened the EEOC's enforcement powers and extended coverage to government employees, faculty in higher education, and other employers and employees;
- Pregnancy Discrimination Act of 1978, which broadens the definition of sex discrimination to include pregnancy, childbirth, or related medical conditions; and prohibits employers from discriminating against pregnant women in employment benefits if they are capable of performing their job duties;
- Americans with Disabilities Act of 1990, which prohibits discrimination in employment against persons with physical or mental disabilities or the chronically ill; and enjoins employers to make reasonable accommodation to the employment needs of the disabled;
- Civil Rights Act of 1991, which provides for compensatory and punitive damages and jury trials in cases involving intentional discrimination, and requires employers to demonstrate that job practices are job-related and consistent with business necessity;
- Uniform Services Employment and Reemployment Rights Act of 1994, which protects the employment rights of individuals who enter the military for periods of service.
- Fair Labor Standards Act of 1937, as amended, is concerned with minimum wage rates, overtime payments, child labor, exemptions under the Act, and equal rights provisions.
- Family Medical Leave Act , which requires employers to provide up to twelve weeks of unpaid, job-protected leave to eligible employees for certain family and medical reasons.
- Public Records Law, which requires employers to know what materials are considered public records under the law, what agencies are subject to the law, what kinds of records are subject to the law, to what extent they may regulate or limit inspection and copying of public records, statutory exemptions from disclosure, including statutory exemptions relating to law enforcement records, what fees may be imposed for inspecting and copying public records, and the retention and disposal requirements of records.

- Drug-Free Workplace Act of 1988, which requires employers to take specific steps to ensure a drug-free work environment, including the preparation and distribution of an anti-drug policy. It also requires the Omnibus Transportation Employee Testing policy which complies with federal law and applies to all employee drivers of commercial vehicles as defined under the law.

In addition, the Human Resources Department also ensures compliance with state and local laws that bar employment discrimination. These fair employment practices are more comprehensive than the federal laws. The Human Resources Department also ensures compliance with the Uniform Guidelines on Employee Selection Procedures, which is designed to assist employers in complying with the requirements of federal laws prohibiting discrimination in employment and defines validity and adverse impact in selection procedures.

***Function 7: Occupational Health Clinic***

The Town's Occupational Health Clinic (OHC) conducts all required fitness for duty exams and all voluntary comprehensive physical exams in compliance with OSHA mandated programs and federal and state regulations. State and federal laws also require specific annual medical exams for public safety employees as well as water resources employees and employees who work with pesticides. Appropriate laboratory and screening tests based on job exposures and federal and state regulations are also performed. These include tests such as spirometry, audiometry, blood lead, visual acuity, color discrimination, testing for hepatitis A, B, and C, HIV tests, RPR, and back and chest x-rays. The OHC also provides vaccinations to protect employees from workplace hazards such as hepatitis A, hepatitis B, tetanus, and TB. The OHC also administers stress tests to be performed on public safety officers. This service has detected two cases of coronary disease, where immediate intervention was imperative, and two lives were saved as a direct result. The OHC also screens its over-age-50 employees with PSAs, which is a simple and inexpensive test. This test has resulted in the early detection of three employees with prostate cancer.

Pre-employment physicals are also conducted to determine a worker's ability to perform the essential job functions and to assess the worker's need for accommodation. This promotes safety by assisting with placement of incoming workers in positions that will not compromise their safety or the safety of their coworkers. It also establishes a baseline of impairment status from prior occupational injuries or workers compensation claims. The pre-employment physical also introduces the employee to the Town's health system and potentially identifies any previously undiagnosed health problems.

The OHC helps control health-related costs by acting as a gatekeeper for health services, employee rehabilitation, and return to work. The OHC assists both occupationally and non-occupationally ill and injured employees in selecting physicians and appropriate facilities in an effort to aid the employee with making the right choices. The OHC also administers to sick employees and triages those individuals when appropriate.

The OHC also administers the Town's Drug and Alcohol testing program. The OHC collects specimens for pre-employment drug screening and arranges for post-accident, reasonable suspicion drug and alcohol testing. The OHC conducts random testing per DOT requirements on appropriate individuals to comply with state and federal law.

The OHC is also responsible for administering the Town's FMLA program. Because managers and supervisors are individually liable for any violations of the FMLA, the OHC provides training for them to become familiar with the basic provisions. While training is provided to them about FMLA, they do not have the authority to grant or deny FMLA leave. The Occupational Health Nurse is designated as the FMLA coordinator for the Town and handles all FMLA decisions. The OHC determines whether or not a case qualifies under the FMLA program and monitors all employees' leaves under this program. The OHC coordinates the employee's leave with that employee's department and monitors the time frames for the expected return of the employee, as well as informing appropriate personnel of limitations and intermittent lost-time circumstances.

The OHC handles workers compensation cases, with the Town Physician serving as primary care physician for the injured employee, and the Occupational Health Nurse acting as the case manager. The OHC initiates the First Notice of Injury and coordinates the employee's health care services from the onset of the illness or injury to the safe return to work. The OHC selects the best specialist available for the specific injury, without regard to affiliation, and oversees the entire case. Outside specialists are monitored to prevent over-utilization or unnecessary procedures. Complex workers' compensation cases with poor case management have the potential to ignite into costly scenarios. The ability of the Town to engage its employees in its own workers' compensation program is unique and fosters personal loyalty and integrity in the employees as well as protecting the interests of the Town and resulting in untold savings.

The OHC provides employees with educational opportunities which address emergent health issues. The OHC coordinates and conducts required OSHA and Automated External Defibrilator (AED) training. The OHC also coordinates and conducts wellness programs where community physicians are invited to lunchtime lectures to address health issues of interest. These lectures have covered areas such as cholesterol education, menopause, ADD, and prostate cancer. Other wellness programs implemented by the OHC include programs on smoking cessation, stress management, flu shots, physical fitness, weight control, health risk appraisals, hypertension management, and others, such as safety and accident prevention, back care, chronic disease management, cancer prevention, and aging. Each year, the OHC arranges for a mammography van to provide screening to female employees and spouses of male employees. This program has resulted in the early detection of breast cancer.

All programs administered by the OHC are in compliance with all state and federal laws, including the Health Insurance Portability and Accountability Act (HIPAA) and the Americans with Disabilities Act (ADA). HIPAA regulations protect the privacy of individually identifiable health records. The regulations are intended to ensure the security of medical records and other

personal health information maintained by the Town. ADA regulations protect employees against discrimination because of a qualified disability.

## Report of Base Annual Salaries (Decile Ranking):

Town Council requested that the CRTO include a report of Town employee base salaries divided into deciles. The table below presents this information for all full-time employees. There are 38 employees in each decile. The data presented were accurate as of November 2007.

| Decile | Highest Salary | Lowest Salary |
|---|---|---|
| 1 | $184,529 | $91,329 |
| 2 | $91,329 | $78,653 |
| 3 | $78,651 | $74,791 |
| 4 | $74,788 | $66,815 |
| 5 | $66,768 | $58,371 |
| 6 | $58,059 | $53,847 |
| 7 | $53,847 | $48,608 |
| 8 | $48,595 | $45,011 |
| 9 | $44,803 | $39,768 |
| 10 | $39,512 | $26,976 |

## Past Efficiencies and Cost Savings Measures

- Prior to 1998, requests for applications for employment came directly to the HR department, either via the telephone or walk-in applicants. For those requests that came via the telephone, applications and job postings were printed and mailed to applicants. In FY 1998, the Town established a website that allowed interested applicants to view and print job applications and job postings for available positions, saving staff time as well as printing and postage costs.

- The Town's first Pay for Performance program was implemented in 1989. This system offers pay increases that are directly related to an employee's job performance, and which tie in to the Town's Compensation and Classification plan.

- In FY 1991, the salary ranges (the difference between minimum pay and maximum pay) for every position were expanded from 43% to 53%. This created cost savings on entry level hiring by lowering the minimum pay, but more importantly, it greatly improved effectiveness of the pay for performance program and improved the competitiveness of the pay system in the local market.

- In 2004, the Longevity and Extraordinary Longevity programs were eliminated for employees hired after September 15, 2004. The Longevity program was replaced with a

bonus pay program. Bonuses paid under this program are fixed dollar amounts as opposed to the former Longevity program, which increased annually as a percent of pay. The new program will not only reduce costs, an estimated $12 million over 20 years, but will reward high performing employees for attaining higher standards.

- Implementation of the EAP program has resulted in cost savings to the Town as a result of reductions in employee turnover and absenteeism; reduction in claims for long-term disability, workers' compensation, accidents, grievances, and theft; reductions in the number of legal actions against the Town; improvements in employee performance, productivity, morale, concentration, and relationships with co-workers; and reduction in costs of medical plans, sick leave, and training new hires. It is estimated that over time, EAPs show a payback of between $4 and $7 for each dollar invested.

- In 2006, a vacation cap policy was implemented for employees hired on or after 10/11/06. This cap limited the maximum accrual of vacation leave over time to the employee's annual accrual rate (10 days for new employees and 20 days for senior employees). For employees already employed by the Town as of 10/11/06, the vacation accrual for all employees was reduced by three days. Implementation of the new vacation accrual caps will steadily reduce the Town's long term liability for that benefit, eventually reaching the point where the liability will be cut in half from what it was prior to the change being made.

- In 2006, a Vacation Conversion Policy was implemented which allows employees to convert a certain amount of vacation hours into cash. Since the hours are paid at the employee's current hourly rate, the Town saves money as compared to the practice of paying off vacation balances only upon separation from Town employment (when most employees will be earning the highest salary of their career with the Town). The program also reduces the amount of hours being stored in employees' vacation banks, thereby reducing the Town's long term liability for these payments.

- In 1996, a Vacation Donation policy was implemented which allowed employees to donate a certain number of vacation hours to eligible employees who continued to be absent from work due to a qualified serious medical condition and whose own leave has been exhausted. In 2006, this policy was revised to include the donation of sick hours. One half of sick hours donated are forfeited by the donating employee, and one half are converted from the donating employee's hourly rate to the receiving employee's rate and credited to the receiving employee's vacation bank. This program saves the Town money in the long run due to the cumulative impact of paying for donated time at each donating employee's current hourly rate rather than at the level of their final Town salary (which is in almost all cases their highest Town salary). This also increased employee morale by allowing employees to donate their leave to assure that their fellow employees could continue to receive pay during their covered absences.

- In 1982, the Town implemented a Grievance Resolution Procedure, which provides an opportunity for Town staff to handle employee issues that might otherwise result in EEOC complaints and/or lawsuits, resulting in considerable savings to the Town.

- The Occupational Health Nurse obtained certification to collect samples for drug screening under the Town's Drug and Alcohol policy. This eliminates the need for a third party administrator fees and the costs associated with employee lost time when required to report to an outside agency for testing. This efficiency was achieved without adding additional staff.

## Planned Future Efficiencies and Cost Savings Measures

Implementation of Eden program will provide more efficient HRIS system and result in increased productivity.

# Program 123 – Human Resources

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $337,637 | $360,246 | $377,969 | $392,500 |
| Employee Benefits | $132,114 | $133,360 | $148,165 | $155,330 |
| Contractual | $213,688 | $146,652 | $224,200 | $214,500 |
| Commodities | $27,577 | $28,809 | $32,900 | $32,250 |
| Capital Outlay | $2,367 | $2,367 | $1,587 | $1,452 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $713,383 | $671,434 | $784,821 | $795,032 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Director of Human Resources | 0.8 | 0.8 | 0.8 | 0.8 |
| Assistant Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Occupational Health Nurse | 1.0 | 1.0 | 1.0 | 1.0 |
| Human Resources Analyst | 0.3 | 0.3 | 0.3 | 0.3 |
| HR Assistant | 1.3 | 1.3 | 1.3 | 1.3 |
| Secretary II/Clinic (p/t) | 0.5 | 0.5 | 0.5 | 0.5 |
| | 4.9 | 4.9 | 4.9 | 4.9 |

# Options for Cost Savings

**Option for Cost Saving:**
Simplify the recruitment/selection process utilized for hiring employees to fill high risk positions

**Cost Saving:**
Will be calculated upon further review, if the Town Council desires.

**Comments**:
The Town's standards for hiring employees to fill high risk positions, i.e., police and fire, are very stringent and comprehensive. This is due primarily to the fact that these positions' duties involve life/safety and trust issues. The Town offers employment only to those candidates who meet the highest standards of knowledge, skill, ability, and integrity. To assure that the individuals meeting these standards are hired, the Town administers one of the most comprehensive pre-employment selection processes used. Following is a summary of this process:

Screening: The application process includes employment application and a detailed employee history questionnaire and submission of education and state/national certifications. A thorough review is performed of all application packets to assure all material is submitted and minimum standards are met.

Pre-Employment Testing: Numerous written exams are administered to test job related knowledge and aptitudes. Also utilized are multi task physical agility tests, swimming tests, and other tests that measure the candidate's level of ability. A structured panel interview process is utilized to assist in reviewing candidates' attributes and job knowledge skills.

Conditional Offer of Employment Testing: Following the conditional offer of employment, candidates proceed through a thorough psychological exam which includes written and interview processes. Additionally, thorough medical examinations are conducted, including a drug screening, review of medical history, analysis of any past injury of illness to impact on the job, and a complete base line medical to protect the Town in the State heart/lung laws. Complete background/criminal checks (State, National, FBI) and thorough reference checks including personal, neighborhood, and work references are conducted. Certifications, educational achievements, and personal records are also verified.. Also administered is a Computer Voice Stress Analysis (CVSA) to review all aspects of the hiring process information, personal and criminal, including any use of illegal substances.

Initial Trial Period (Probation): All sworn/certified candidates hired in the police or fire-rescue departments serve a comprehensive one year of training and development of all aspects of the job under the close supervision and guidance of Field Training Officers and other management and training personnel.

The hiring process for police and fire positions is very extensive and time consuming, but results in the highest level of success on the job and best employees regarding knowledge, skill, ability, integrity and job performance. Elimination of this program is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Eliminate funding for retirement recognition gifts.
**Cost Saving:**
$6,000
**Comments**:
Instead of funding for retirement gifts, the Town could instead rely on the generosity of citizen donations or eliminate the program.

**Option for Cost Saving:**
Reduce Employee Training Program.
**Cost Saving:**
$20,000
**Comments**:
Eliminate Leadership and Townwide training programs for employees. Maintain sufficient funds to provide for the minimum required training.

**Option for Cost Saving:**
Reduce or eliminate contracted services specific to the Town Physician.
**Cost Saving:**
$0
**Comments**:
The Town Physician is contracted to work approximately 16 hours per month with the Town's Occupational Health Clinic. The Town Physician assists with Workers' Compensation, personal illness, and injuries of employees. With his assistance, the OHC is able to return employees to work sooner than would otherwise be possible because of his knowledge of the different jobs and their duties and responsibilities as well as the employees themselves.

The OHC conducts all required fitness for duty exams, all comprehensive physical exams in compliance with OSHA mandated programs and federal and state regulations, and all pre-employment physicals. Utilizing the Town Physician at the present level of 16 hours per month allows the OHC to provide required services at a reduced cost to the Town while continuing to provide protection to the Town in litigation concerns.

Reducing the number of hours the Town Physician works per month to 12 or 14 hours would reduce the costs associated for his contracted services; however, it would impact negatively on the OHC's efficiency of operations, including its ability to reduce the number of referrals to outside doctors, as well as resulting in increased costs for other departments due to more employee lost time from work.

**Option for Cost Saving:**
Reduce or eliminate Employee events (i.e., the Holiday Party, the Water Park Picnic) and the "You Make a Difference" General employee recognition program.
**Cost Saving:**
Up to $45,000
**Comments**:
Providing one Employee event and an employee recognition program would cost $25,000 and would continue to promote the Town's effective employer-employee relations while reducing the overall costs associated with the program.

**Option for Cost Saving:**
Eliminate Employee Assistance Program
**Cost Saving:**
$17,500
**Comments**:
Eliminating this program would not necessarily result in cost savings. These types of programs are not only a way to improve the overall health of employees, but can also be an effective means of controlling benefits costs by targeting wellness and prevention.

Health and personal problems experienced by employees have an adverse impact on job performance and productivity. Employee assistance programs (EAPs) are an effective way for employers to help employees overcome unresolved personal or work-related problems. Rehabilitation of a proven employee in lieu of hiring and training a new employee results in cost savings for employers.

The EAP also provides a tool for management to use when an employee refuses or is unable to correct unsatisfactory job performance. If a supervisor identifies a job performance problem that is not corrected with normal supervisory assistance, a management referral to the EAP provides the employee with a final opportunity to be rehabilitated and returned to the job.

In addition, the Town utilizes its EAP provider as part of its "Fitness for Duty" examinations. Elimination of this program is not recommended except under the most grave of financial circumstances.

## Options for Cost Savings

TOWN WIDE:

**Option for Cost Saving:**
Reduce external competitiveness as it relates to employee pay.
**Cost Saving:**
Will be calculated upon further review, if the Town Council desires.
**Comments**:
The Town's compensation plan is a closely managed, highly competitive plan that historically has attracted and retained the highest caliber and most talented group of employees to serve the Town of Palm Beach residents. It has been built around an organizational philosophy, established by past and current elected officials, to maintain a highly competitive compensation system within the Palm Beach County market. This philosophy for the past twenty years has been to maintain a top quartile pay position within the local market, with the exception of the position of police officer, which is to be the highest paid within Palm Beach County.

The pay for positions is designed around internal and external analysis; internal annual job studies, including reclassifications and reallocations of positions; and an external annual salary survey.

In addition, every five years an independent review of the compensation system is completed (one was completed in 2001, and another in late 2005, with the next review scheduled for 2010). This review is more comprehensive than the annual review, particularly in reference to the internal review of equity. The two completed independent reviews found that the Town was competitive in its pay and benefits, with a need for targeted increases to salaries and minor changes to the benefits packages.

**Option for Cost Saving:**
Implement buy out incentive for employees at higher pay levels.
**Cost Saving:**
Will be calculated upon further review, if the Town Council desires.
**Comments**:
Voluntary Resignation and Voluntary Retirement Programs are created and offered to employees when an organization's immediate strategy is to reduce expenses, maintain productivity, and emerge stronger as an organization.

Voluntary Resignation and Voluntary Retirement Programs are most commonly implemented as a means to avoid employee lay-offs and/or pay cuts. Emphasizing this encourages positive employee reaction to the plans, which is critical to maintaining employee morale during difficult cost-cutting times.

A Voluntary Resignation program includes a severance package commensurate with each

employee's years of service. Employees generally have several months to volunteer for these programs. Most of these programs tie severance pay to years of service with the organization. To receive severance benefits, the employee must sign a statement waiving all future claims against the organization.

One major drawback to Voluntary Resignation programs is the turnover costs relating to replacing these employees. While it is possible to eliminate some positions that have been vacated, depending upon the number of employees who elect to participate in the program, there will more than likely be positions that the organization will need to fill, just to maintain its everyday operations and to continue to provide the approved level of services to customers.

The provisions of Voluntary Retirement Plans, such as Early Retirement Incentive Plans (ERIP), provide for positive incentives that encourage the voluntary, early retirement of individuals who are earning at the highest levels of their respective salary scales. With increased stringent budget limitations, the provision of positive incentives to encourage voluntary, early retirement is a means of restructuring total salary obligations.

ERIPs provide a payout equivalent to a percentage of the employee's salary based on years of service. These plans are expected to provide a cost savings for the organization within a stated period of time. Proposed ERIPs will show the projected cost/savings that the plan will provide for the agency, the time required to achieve those savings, and confirmation of the actions that the organization will take to achieve those savings. The organization's cost/savings analysis is normally based on the elimination of positions held by retirants or by filling at a reduced cost those positions held by the retirants.

Cost savings associated with ERIPs include an immediate reduction of salary and benefit costs due to the number of senior personnel retiring who have the maximum compensation packages. However, this savings will only be temporary unless the vacated positions are eliminated from the Town's personnel complement or the value of Town benefits are substantially reduced for new employees.

**Option for Cost Saving:**
Eliminate Extraordinary Longevity Program.
**Cost Saving:**
$73,000
**Comments**:
This incentive is based on the employee's performance and requires at least 21 years of service. Eliminating this program would result in a reduction in benefits for top performing senior employees. Extraordinary Longevity is being phased out gradually as a result of the 2004 action to restructure the basic Longevity program into our annual Bonus program.

**Option for Cost Saving:**
Consider alternate benefit package for new hires.
**Cost Saving:**
Will be calculated upon further review, if the Town Council desires.
**Comments**:
In recent years, the Town revised the longevity program and vacation accrual program for new hire employees. Additional revisions could include changes to:

1. Sick leave accruals
2. Require employees to use a minimum amount of vacation time per year.
3. Eliminate personal leave
4. Reduce Education Assistance reimbursement

Providing alternative benefit packages to different employee groups frequently has a negative impact on employee morale, as the newer group of employees perceive that their "alternate benefit package" is less than that which is received by longer tenured employees. This disparity in benefits affects not only employee morale, but can also negatively impact internal employee relations. If this option is selected for further consideration, the Town should strive to identify a win/win alternative that provides desired cost savings but can reasonably be viewed by new employees as "different than" the former package rather than "less than" the former package.

It is common in public sector employment to have some differences in pay and benefits that are provided to public safety employees compared to those provided to general employees. Any reductions in benefits that are applied to all new employees, regardless of department, will have a more negative impact on the Town's competitiveness for Public Safety employees.

**Option for Cost Saving:**
Eliminate free physical examinations for employees 50+ years of age.
**Cost Saving:**
$0
**Comments**:
At the present time the OHC offers voluntary annual physical examinations to employees over 50 years of age. This physical fills in the gap between the insurance-billed once-yearly wellness physicals. The OHC does not encourage employees to utilize the OHC instead of their primary care physicians; however, it does provide an extremely useful complement to that physical. The OHC physical, with comprehensive and inexpensive blood work-up, at times provides check-up information utilized by the employee's primary care doctor. The OHC provides a comprehensive and complete examination by the Town Physician for a total of $65.00. The costs for these tests through an outside physician and laboratory would exceed $400.00. In addition, the employee receives a comprehensive and inexpensive work-up with no lost work time.

Conducting physical examinations through the Town's Occupational Health Clinic (OHC)

reflects a cost savings to the Town of approximately $30,000 (for 92 employees). The cost for providing the physical exam through the OHC is $65 per employee. The cost for utilizing outside physicians and laboratories would be $400 per employee, which the Town would pay for through its health insurance plan. Also, these physicals are typically scheduled at 7:30 a.m., when the initial work-up by the Town Nurse takes place. This is followed at 8:00 a.m. with an examination by the Town Physician. The employee is ready to be back at work by 8:30 a.m., with little or no loss of work time.

There are those cases in which the OHC is the only physical examination that an age 50 or over employee undergoes. In these cases, the OHC would be able to pick up abnormal findings and refer the employee to the appropriate specialist. The OHC readily shares all medical reports with the employee's primary care physician, if the employee so requests. The benefit of the information obtained through the examination is added to the medical base of the primary care physician, which proves very useful to all.

Many employees are required to have annual physicals. Not only is the Town able to save money by doing them in-house, but OHC has detected two cases of early prostate cancer in individuals who were totally asymptomatic, as well as a case of colon cancer, which was detected as the result of a simple inexpensive test that is performed on all employees over 50 years of age. The impact of these early detections resulted in treatments that minimized medical costs, prevented costly and painful late intervention surgeries, and most importantly, saved lives. By providing physicals for all employees over age 50, the OHC is able to promote good health, reduce greater and more expensive medical procedures by early detection, and document health issues, all of which have protected the Town in litigation concerns with future workers' compensation matters.

**Option for Cost Saving:**
Outsource the Town Occupational Health Clinic (OHC)
**Cost Saving:**
$0
**Comments**:
In the fall of 2007, the OHC requested proposals on the cost of outsourcing clinic services, including the following:

1. Services for pre-employment physicals and annual physical exams.
2. Workers' compensation evaluation and treatment.
3. Immunization Program.

The results indicated that outsourcing pre-employment physical exams and workers' compensation evaluations and treatment would cost twice as much as performing these exams through the Town's OHC. There are several reasons for the increased costs, including:

1. Costs to administer exams are more expensive through an outside vendor;
2. Overtime costs are increased as a result of utilizing an outside vendor;
3. Lost work time is increased by sending employees to an outside vendor.

The Town's Registered Nurse is licensed as an Occupational Health Nurse and the Town Physician is certified as a Medical Review Officer (MRO) for drug/alcohol testing, both of which contribute to the cost savings of providing these services in-house. Additionally, both the Town Nurse and Town Physician are knowledgeable about all job classifications and job requirements and are familiar with and available to all Town employees. In addition, they are readily available to Town management and share the Town's focus on keeping employees healthy and on the job.

# Finance Department

## Department Overview

The Finance Department consists of three programs, Records Management (Town Clerk), Financial Management, and Purchasing. Each program is responsible for the following duties:

- The Records Management program, which comprises the office of the Town Clerk has various duties. The Clerk is the official record keeper for the Town, provides election management services, issues various permits, and fulfill public records requests. The Town Clerk's position is established by Town Code and many duties of this office are outlined in the code, such as attendance of all of the meetings of the Town Council, preservation of Town Council minutes, maintain the permanent record of all original ordinances and resolutions, and the power to administer oaths.

- The Financial Management program provides central accounting, including payroll, accounts payable, accounts receivable, investment management, budgeting, and internal control. The duties of the Finance Department are outlined in the Town Code. They include: conduct all billings and collections for all fines, penalties imposed by the Town, be custodian of all town funds, prepare monthly financial reports, maintain various accounting funds, follow investment policy guidelines and work with the Investment Advisory Committee to oversee the investment of Town funds.

- The Purchasing program provides professional procurement services to the Town Departments while ensuring compliance with Florida State Statutes and Town Purchasing policies and procedures. The purchasing staff also maintains the Town warehouse inventory.

## Department Cost Summary

| | **FY2005 Actual** | **FY2006 Actual** | **FY2007 Budget** | **FY2008 Budget** |
|---|---|---|---|---|
| Revenues | $65,309 | $77,689 | $65,400 | $72,400 |
| Expenditures | $1,615,460 | $1,722,283 | $1,830,421 | $1,906,645 |

## Total Department Staffing Levels

| | **FY2005** | **FY2006** | **FY2007** | **FY2008** |
|---|---|---|---|---|
| Total Full Time Equivalent Employees | 18 | 18 | 18 | 18 |

# Finance Department's Revenue Summary

| Revenues | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Lien Search Fee | 26,610 | 25,345 | 24,000 | 20,000 |
| Charitable Solicitations Fee | 20,560 | 26,790 | 22,500 | 27,000 |
| Charitable Solicitations Advertising Fee | 16,920 | 24,079 | 18,000 | 24,000 |
| Charitable Solicitations Late Filing Fee | 452 | 825 | 300 | 800 |
| Meeting Tape Sales | 767 | 650 | 600 | 600 |
| TOTALS | 65,309 | 77,689 | 65,400 | 72,400 |

## Menu of Revenue Enhancements

| Revenue Enhancement | Amount | Comments |
|---|---|---|
| Increase Charitable Solicitations Fee- Double the fee for each size permit. - $460 for permits over $10,000 and $50 for permits under $10,000 | $27,000 in increased revenue | Current fee is $230 for permits over $10,000 and $25 for permits under $10,000. Fees were last adjusted in 2002. Past Town Councils have traditionally believed that charitable organizations should not have high permit fees imposed upon them. |
| Total Revenue Enhancement Options | $27,000 | |

| Benchmarks for the Finance Department | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Jupiter** | **Palm Beach Gardens** | **Coral Gables** | **Jupiter Island** |
| **Town Clerk** | | | | | | | |
| Clerk FTE | 3 | 8 | N/R | 7 | 6 | 8 | N/R |
| Average Length of Regular Meetings | 8 + - hrs. | 5 hrs. | N/R | 4 + hrs. | 3 hrs. | Varies. | N/R |
| Clerk's Office provides support for Council AND other boards/commissions | Only Council and Council appointed boards | City Comm. CRA Bd. Workshops & Work Sessions | N/R | Some other committees | Minutes for City Council and all advisory boards, except Police & Fire Pension | Support 15 boards and commissions | N/R |
| Does Clerk's office process any permits | Yes – a major function | No | N/R | No | No | No | N/R |
| ALL public records requests through Clerk's office | No | No | N/R | Yes | Yes | Yes | N/R |
| Does Council hear and act upon zoning/development items | Yes | N/R | N/R | Staff handles most variances | Yes | Yes | N/R |
| Utilize a records storage facility for hard copies of permanent records | Yes | Iron Mountain | N/R | N/R | Iron Mountain | Yes | N/R |
| Maintain vehicle certificate of titles | Yes | No | N/R | No | Yes | Yes | N/R |
| Codification Supplements | 1 x per yr. Moving to electronic on a monthly basis | 3-4 x per yr. | N/R | 4 x per yr. | Quarterly at a minimum | Quarterly | N/R |
| Close working relationship w/municipal atty. | Limited | Yes | N/R | Yes | Yes – have in-house atty. | Yes | N/R |
| **Finance** | | | | | | | |
| Finance FTE | 9 | 37 | 25.7 | 11 | 9 | 31 | 1 |
| Finance Budget | $1,062,398 | $3,769,259 | $2,004,800 | $981,584 | $1,170,317 | $2,247,719 | $464,462 |
| Does Finance Supervise other Programs | Yes Town Clerk Purchasing | Yes Risk Purchasing | Yes Risk Purchasing | No | Yes IS Purchasing | N/R | No |
| Billing Customers | 24,444 | N/A | 15,000 | None | None | N/R | 35 |

| | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Jupiter** | **Palm Beach Gardens** | **Coral Gables** | **Jupiter Island** |
|---|---|---|---|---|---|---|---|
| Payroll Processed | Weekly, Biweekly and Monthly | Biweekly | Biweekly | Biweekly | Biweekly | N/R | Biweekly |
| Software System | EDEN | Oracle | HTE | HTE | EDEN | N/R | N/R |
| **Purchasing** | | | | | | | |
| Purchasing FTE | 4 | 8 | 7 | N/A | 2 | N/R | N/A |
| P.O.'s Issued | 1500 | 4500 | 3100 | N/A | 987 | N/R | N/A |
| Bids Issued | 22 | 140-160 | 60 | N/A | 16 | N/R | N/A |
| Purchase Amount | $15,500,000 | $95,000,000 | $33,000,000 | N/A | $57,500,000 | N/R | N/A |
| Purchasing Card $ | $1,100,000 | $1,600,000 | $2,600,000 | N/A | $1,267,937 | N/R | N/A |
| Warehouse/Inventory | Yes | Yes | No | N/A | No | N/R | N/A |
| Inventory Value | $427,000 | $1,200,000 | 0 | N/A | N/A | N/R | N/A |

N/A = Not applicable
N/R = No response

# Program 131 Records Management

## Description of Function

This program represents the cost of the duties of the Office of the Town Clerk to maintain the official records of the Town of Palm Beach, attend and prepare minutes for all Town Council meetings, and Town Council appointed boards and commissions, oversee the codification of the Code Book, manage and coordinate the municipal elections, issue various permits, provide public records. The Town Clerk is the custodian of the Town Seal, and administers oaths.

## History

The first Town Clerk was appointed at the April 17, 1911 meeting, in order to have a proper recording of the content of the meetings held by public officials. The Clerk was designated as the Clerk/Treasurer of the town, serving also as the tax assessor of the Town. There have been ten Town Clerks up to the present time.

Through the years, the responsibilities of the Town Clerk varied, from involvement in the financial matters of the town, to providing administrative support for Town officials and for the Town Manager. The Town Clerk has always been responsible for managing Town elections.

In 2005, the Town Clerk's office ceased to be an independent department, and was assigned to function as a program within the Finance Department.

## Past Efficiencies and Cost Saving Measures

- Official records scanned; no longer necessary to manually retrieve many documents.
- Implementation of new software to track meeting schedules, agreements, public record requests, and board/commission applications.
- Implemented digitized recording of Town meetings.
- Streamlined Charitable Solicitation Application process.

## Planned Future Efficiencies and Cost Saving Measures

The following items are planned for the future:

- Electronic permitting through Eden.
- Electronic Codification in lieu of manual supplements.

- Reduce amount of paper records stored through records destruction evaluation.
- Implement an electronic document management system.
- Dedicated work station to enable customers to research documents, which would save staff time.

# Program 131 – Records Management

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $171,499 | $164,189 | $182,268 | $192,117 |
| Employee Benefits | $64,061 | $70,935 | $76,812 | $81,863 |
| Contractual | $33,867 | $37,865 | $53,375 | $52,800 |
| Commodities | $7,730 | $4,058 | $5,175 | $4,655 |
| Capital Outlay | $2,945 | $821 | $821 | $1,338 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $280,102 | $277,868 | $318,451 | $332,773 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Town Clerk | 1.0 | 1.0 | 1.0 | 1.0 |
| Deputy Town Clerk | 1.0 | 1.0 | 1.0 | 1.0 |
| Secretary III | 1.0 | 1.0 | 1.0 | 1.0 |
| | 3.0 | 3.0 | 3.0 | 3.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Change the minutes from the current detailed minutes to action only minutes

**Cost Saving:**
$42,635 plus benefits for Office Assistant III OR
FTE reallocation of Office Assistant III

**Comments**:
Currently, very detailed minutes are provided. Historically, this has been the desire of the Town Council. One of the primary purposes of this program is the official recording and publishing of the minutes, that function is very time consuming. The elimination of 1/3 of our staff would require adjustments in the workload, such as preparation of "action only" minutes, and making additional adjustments to our workload allocation. Attached are copies of minutes prepared in three different formats for an agenda item; the current method, summary minutes, and action only minutes.

Impacts of elimination of one staff member:

- If action only minutes are prepared and staffing is reduced, it is likely that the lack of detailed information in the minutes would result in additional questions from Town Council members and staff. Those desiring more detailed information or doing research would utilize the audio minutes, which are posted on the Town website. With action only minutes, there could be more frequent requests for verbatim transcripts of sections of the meetings, and reduced staff would be hard pressed to provide that service.

- Staff has a record of a prompt response time for research requests, and service to the public. Elections have been managed without error. Permits have been processed in a very lengthy manner, as dictated by ordinance. Records have been scanned and tracked in order to provide more information to the public and to increase capabilities of record search. In order to continue the expectations in this regard, it has been necessary to maintain a staff of three. Reduction in staffing would compromise office coverage. At many times, there would be one person, or even no staffing of our office. Staff would be limited in the amount of time that could be devoted to accomplishing research projects for Town staff, and could no longer provide coverage for the Finance Department at the information desk and window when Finance personnel were not available.

- Currently, given other priorities, the records management program of our office has not been given the attention that is required of an up-to-date program. Many records are still kept in paper format, and require trips to the Loftin Street warehouse in order to retrieve records. This can be very time consuming. Even though electronic scanning would save retrieval time, it would also need staff to implement the actual scanning process. Records have been kept in paper form for decades, and it will take an enormous effort to sort through them and determine what should be retained and what should be destroyed. Even with our current staff,

this is a formidable task.

- Our recent goals to increase the outreach to the public with additional information and documents available on the web would be diminished.
- The ability of staff to assume duties for additional Boards/Commissions would be substantially limited. Particular note should be given in this regard, with the recent incidence of higher frequency of meetings.

- Many of our functions are mandated functions that cannot incur reduced attention or workloads, such as election management, and public records requests.

- Also deserving of consideration is the fact that within the next 4-5 years, two of the three staff members may retire. Some thought and preparation will be required in order to provide for a smooth transition.

- This position is currently occupied and unavailable for elimination without a layoff or transfer.

OR

<u>Reallocation of FTE or sharing of staff with other departments:</u>

The acceptance of action only minutes would reduce the amount of time staff currently devotes to this function. Whether that would result in the ability to function without one full staff member remains questionable. With the change in action only minutes, staff may be available to take on additional workloads that are currently performed by other departments, such as providing assistance to the Investment Advisory Committee, or the General Retirement Board. Minutes for those boards would need to be prepared as action only minutes. One aspect of the proper preparation of minutes is related to the scope of understanding of the minute-taker. With unfamiliar subject matter, there would be a learning curve expected.

With additional duties incurred, the Charitable Solicitation Permit process may need to be greatly reduced or possibly eliminated, which would also result in a revenue decrease.

# THIS IS AN EXAMPLE OF MINUTES AS THEY ARE CURRENTLY DONE:

4. New Business- More Than 15 Minutes

a. SITE PLAN REVIEW #1-2007 WITH VARIANCES AND WAIVERS FROM ZONING IN PROGRESS The application of Philip Steinberg relative to property described as Corley Beach Estates Lots 4 & 4A; commonly known as 1640 South Ocean Boulevard; located in the R-A Zoning District. Site Plan Review to place a 100KW (3 ft.4in.W x 11 ft.8-3/16in. L x 6 ft. 6 in. H) generator on the subject property. Variances to allow the generator to be placed in the street side yard with a setback of 17.6 feet in lieu of the 35 foot minimum required; and, to allow height of the walls to screen the generator to be 12.5 feet (street side yard wall) and 10.5 feet (rear yard wall) in lieu of the 6 foot maximum allowed. Waivers from Zoning in Progress regarding the requirement for a maximum load of 75% of the load required to power the house; and, to not require the generator to be contained within a building.

Ex-parte communication was not declared by any member of the Town Council.

Attorney Maura Ziska, on behalf of the applicant, provided an overview of the application request for placement of a generator in the street side-yard setback. She advised that the plan had been presented to ARCOM last month, and they supported the variances. ARCOM further suggested that the applicant drop the generator into a pit to make it lower, which they were able to engineer. The generator would be dropped about four feet, but it would require a setback variance and a wall height variance. She noted that it would be much more hidden than originally proposed.

Attorney Ziska advised that there were two letters, placed in the file, from neighbors in support of the project.

Attorney Ziska advised that the hardship, which ran with the land, was that the configuration of the house and topography made it difficult to place the generator in any area other than the one proposed. She noted that an additional hardship was that the setback was taken 15' from the centerline of the road plus another 35'. The generator was much further from the street than what appeared as the Code dictated.

Architect Harold Smith presented photographs and a site plan to discuss the merits of the application.

Zoning Administrator Castro advised that he had visited the site several months ago, and he was not sure why the applicant was not able to place the generator in a location elsewhere, which he indicated on the site plan. He stated that the generator was a full source generator, which would power the entire house, and that was the reason the applicant was requesting a waiver from Zoning in Progress. He noted that, it was his understanding, the applicant had purchased the generator, and he then met with him prior to Zoning in Progress and that was the reason for the request for the waiver. He stated that he believed the generator was presently in storage. He explained that the applicant was also asking for a waiver to not enclose the generator within a building.

Mr. Castro advised that staff questioned the hardship relevant to the variances. He noted that ARCOM requested the applicant sink the generator further down into the property and his concern was that he did not know what the wall height was at the highest point along Via Fontana.

Mr. Smith advised that the highest point along Via Fontana would be 7.88' above the crown of the road.

Ms. Ziska explained that it was originally 12.5' and that they dropped it 4'.

Discussion ensued regarding the placement of the generator in the location suggested by Mr. Castro. Council Member Markin commented that location would be further away from all neighbors, and would not require a variance.

Mr. Castro noted that the generator would still have to be enclosed, and the applicant was requesting a waiver within a building. The full source generator would be entirely enclosed within an accessory building.

In response to Council Member Markin, who asked what was located in the space opposite of where the pool was, Mr. Castro advised that he recalled that there was a patio and grass in that area.

Attorney Ziska advised that it was the applicant's only outdoor entertaining area, because the front yard and the driveways were all unuseable space. The generator, if placed there, would be at the level of the house, almost eight to ten feet higher than if placed in a pit, and if placed into a pit outside of the setbacks would fall into the outdoor entertainment area.

In response to Council Member Brooks, Attorney Ziska responded that the 100KW generator had already been purchased. Zoning in Progress stated that generators could only power 75% of the household load, and this generator powered 100% of the household load. She commented that she did not know if that would pass Zoning in Progress or not. She explained that, in addition, there was

a section in Zoning in Progress that stated if a generator was over 60KW, it would have to be placed inside of a building, which was the other waiver of Zoning in Progress that they were requesting.

Council Member Brooks commented that once the Town Council granted a waiver for Zoning in Progress, how would other requests for Zoning in Progress waivers be handled?

Attorney Ziska responded that approvals would be granted on case by cases basis. She explained that she believed this would be determined by April during Zoning Season as to whether or not this would become a rule and an Ordinance that allowed only 75% of the load or the generator would have to be placed inside of a building. She noted that presently they were in between a change in the rules, and the generator had already been purchased.

Council Member Brooks stated that he could not support this application.

Council Member Wyett stated that he could not support the application as presented. The general rule was de minimis, and they were not using de minimis. There were several other locations on that site to place the generator without variances. He noted that if the applicant could do something without a variance, they should not be here for a variance.

President Pro Tem Kleid stated that he was trying to understand the rationale as to why the applicant believed the Town Council should waive Zoning in Progress.

Attorney Ziska explained that the applicant had purchased the generator about a year ago, which had more power than allowed by Zoning in Progress. The generator could not be returned. The applicant wanted to use it and did not realize that he would have to go through this process, which did take some time, before they were able to appear before the Town Council.

In response to Council Member Markin, Ms. Ziska reiterated that the applicant did not realize when he purchased the generator, he would have to go through the Town Council approval process.

**Motion made by Council Member Brooks, seconded by Council Member Markin, that Site Plan Review #1-2007 with Variances and Waivers from Zoning in Progress be denied for the reason that the granting of the Site Plan Review would adversely affect the public interest and that the specific requirements of Section 134-329, items 1 through 11 have not been met. On roll call, the motion carried unanimously.**

# THIS IS AN EXAMPLE OF BRIEF SUMMARY MINUTES:

4. New Business- More Than 15 Minutes

a. SITE PLAN REVIEW #1-2007 WITH VARIANCES AND WAIVERS FROM ZONING IN PROGRESS The application of Philip Steinberg relative to property described as Corley Beach Estates Lots 4 & 4A; commonly known as 1640 South Ocean Boulevard; located in the R-A Zoning District. Site Plan Review to place a 100KW (3 ft.4in.W x 11 ft.8-3/16in. L x 6 ft. 6 in. H) generator on the subject property. Variances to allow the generator to be placed in the street side yard with a setback of 17.6 feet in lieu of the 35 foot minimum required; and, to allow height of the walls to screen the generator to be 12.5 feet (street side yard wall) and 10.5 feet (rear yard wall) in lieu of the 6 foot maximum allowed. Waivers from Zoning in Progress regarding the requirement for a maximum load of 75% of the load required to power the house; and, to not require the generator to be contained within a building.

Ex-parte communication was not declared by any member of the Town Council.

Attorney Maura Ziska, on behalf of the applicant, provided an overview of the application request. Architect Harold Smith presented photographs and discussed the merits of the application.

Staff Comments:

Zoning Administrator Castro provided staff comments, which included placing the generator elsewhere on the lot, the hardship relevant to the variances, the wall height along via Fontana, and the reason for the request for waiver from Zoning in Progress.

After further discussion: **Motion made by Council Member Brooks, seconded by Council Member Markin, the Site Plan Review #1-2007 with Variances and Waivers from Zoning in Progress e denied for the reason that the granting of the Site Plan Review would adversely affect the public interest and that the specific requirements of Section 13-329, items 1 through 11 had not been met. On roll call, the motion carried unanimously.**

# THIS IS AN EXAMPLE OF ACTION ONLY MINUTES:

4. New Business- More Than 15 Minutes

a. SITE PLAN REVIEW #1-2007 WITH VARIANCES AND WAIVERS FROM ZONING IN PROGRESS The application of Philip Steinberg relative to property described as Corley Beach Estates Lots 4 & 4A; commonly known as 1640 South Ocean Boulevard; located in the R-A Zoning District. Site Plan Review to place a 100KW (3 ft.4in.W x 11 ft.8-3/16in. L x 6 ft. 6 in. H) generator on the subject property. Variances to allow the generator to be placed in the street side yard with a setback of 17.6 feet in lieu of the 35 foot minimum required; and, to allow height of the walls to screen the generator to be 12.5 feet (street side yard wall) and 10.5 feet (rear yard wall) in lieu of the 6 foot maximum allowed. Waivers from Zoning in Progress regarding the requirement for a maximum load of 75% of the load required to power the house; and, to not require the generator to be contained within a building.

**Motion made by Council Member Brooks, seconded by Council Member Markin, the Site Plan Review #1-2007 with Variances and Waivers from Zoning in Progress e denied for the reason that the granting of the Site Plan Review would adversely affect the public interest and that the specific requirements of Section 13-329, items 1 through 11 had not been met. On roll call, the motion carried unanimously.**

# Program 141 Financial Management

## Description of Function

This program provides central accounting duties, budgeting, investment management, and internal control. The accounting functions include: accounts payable, accounts receivable, cashier, payroll, general ledger maintenance, coordination of annual audit, annual budget, debt issuance, and investment transaction recording. In addition, functions within this program include: Town Hall reception and switchboard, and the administration of the Investment Advisory Committee. Banking relationships are maintained and monthly, quarterly and annual financial and investment reporting is produced through this program.

The following is a detailed breakdown of the functions performed in the finance program.

**Payroll** - Process weekly and biweekly employee payroll and a monthly retirement payroll, retirement refund checks, 1099-R's, 941 tax filings, W2's, and payroll deductions including wage garnishments, child support, insurance, credit union, deferred compensation (457) plan, flexible spending accounts, and other deductions. Preparation of quarterly and yearly tax return filings.

**Accounts Payable** - Process all payments to vendors for supplies and services. Process all invoices and checks for approval and payment, prepare 1099s for vendors, utility payments, purchasing card payment and employee travel request reimbursement.

**Accounts Receivable -** Bill for parking tickets, alarm registrations, false alarms, quarterly billing for some solid waste fees, Kruesler Park billing, marina electric invoices, seasonal and annual Marina lease billings, grant files, monitor grant receivables, and collect code enforcement fines. Monitor the monthly receivable report for collection opportunities.

**Account Reconciliation and Analysis** - Reconcile bank statements, receivable accounts, balance sheet accounts, revenue accounts, fuel expense reconciliation, quarterly fuel tax refund, letters of credit and performance bonds, petty cash, investment reconciliation, cash flow analysis, purchasing card reconciliation, fixed asset and capital project reconciliation, and the monthly sales tax return.

**Reception for Town Hall -** Route all telephone calls received by the main Town phone number, provide information to citizens and accept and process parking ticket payments.

**Cashier -** Receipting of incoming funds, including parking ticket payments received in the mail and in person, and preparing the daily deposit. Issue parking permits and garage sale permits.

**Administrative Functions**- filing, correspondence, reception, maintenance of supply inventory, obtain vendor quotes, donation reporting, typing ordinances, resolutions and reports as needed. Coordination of the meetings of the Investment Advisory Committee and transcription of the minutes of the meetings, the preparation of audit confirmation letters and retrieval of records

for annual audit.

**Reporting -** Comprehensive Annual Budget Document, Comprehensive Annual Financial Report, Long-Term Financial Plan, public hearing documents, annual report, monthly investment reports, quarterly retirement reports, monthly revenue and expenditure reports.

**Other -** Issuance of limousine and chauffeur permits, NSF and stale dated check research, lien searches, process outgoing mail, debt issuance, Finance and Logistics for EOC activation, FEMA billing and collection, monitoring internal control procedures and development of financial policies.

The FY08 finance budget totals $1,062,398, 83% of the budget is personnel costs. The remaining costs include the general fund audit expense of $55,700, banking, custody and credit card fees of $27,018, printing costs of $27,000, and postage of $17,500. The balance of $46,771 is spent for office supplies, equipment rental, copy machine charges, membership dues, travel and legal advertising.

## History

This program was created many years ago. Information is not readily available on the exact date that a Finance Department and/or Director was added. During the early years of incorporation the Town Clerk served as Treasurer. Information from the mid-eighties until the present show that the program has grown from 7 employees to 9. In 1995 an accounting assistant position was added and in 1998 an administrative assistant position was added bringing the program up to the current complement of 9.

## Past Efficiencies and Cost Saving Measures

Over the past eight years, we have implemented the following processes which have improved efficiencies, collections, customer service, and reporting:

- New parking ticket software was implemented and we contracted with a collection agency for the collection of past due parking tickets. This has allowed us to improve our collection rate, especially on out of state tickets. We have increased the collection rate from 84% in 2003 to over 90% for recent years. We survey the market regularly to determine if our parking fines and penalties are in line with the neighboring areas and consistently find that we meet or exceed market norms.

- A non ad valorem assessment process for collection of commercial solid waste disposal fees was implemented. This process allows for the fee to be placed on the property tax bill and collected through the Palm Beach County Tax Collector. This requires less staff time and ensures 100% collection.

- A purchasing card program was implemented for purchases under $1,000. The use of

purchasing cards eliminates processing requisitions, purchase orders, invoices and payments for these small purchases. Internal control is maintained through supervisor review of monthly summaries and all receipts.

- Payments for parking ticket fines can now be made via the internet. Since inception in August we have had 565 payments made via the internet amounting to $23,210. We anticipate that these payments will increase over time which will save staff time processing the payment either by phone or mail.

- As of October 1, 2007, we have initiated the ability for residents to renew their parking permits by mail.

- Many payments for payroll deductions are now made electronically which eliminates the processing of checks for child support, ICMA payments, payroll taxes and credit union payments.

- Banking processes have become much more streamlined through the use of electronic canceling of checks with batch information received from the bank, positive pay processes to deter fraud, and copies of cancelled checks are now stored on CD. We have online access to account information and are able to initiate interfund and wire transfers.

- Fifteen new financial policies have been established covering reserve levels, budgetary control, debt management, and a revenue shortfall plan.

- Financial reporting has been improved through the issuance of a comprehensive annual financial report, comprehensive budget document, an annual financial report that is distributed to all residents and businesses in Town, and the issuance of an annual Long Term Financial Plan for governmental operations and Business Plan for the enterprise fund. These reports are recommended by the Government Finance Officers Association and are looked upon favorably by the rating agencies as signs of strong financial management. Many of these reports and the financial policies that have been adopted were cited as reasons for the Town's AAA ratings.

- The FEMA reimbursement process has been improved since the storms in 2005. Changes have been made to track expenditures more efficiently for future storms.

## Planned Future Efficiencies and Cost Saving Measures

**EDEN Software Conversion**

The EDEN software conversion will continue through 2008 and will require a tremendous amount of staff time for setup, training and implementation. In addition, we are taking this opportunity to review our processes and make them more efficient.

We have implemented the General Ledger, Purchasing, Project Accounting, Cashiering modules.

Through these implementations we have made the accounts payable and purchasing approval process more efficient and less paper dependant. We now have electronic approvals of invoices and requisitions rather than routing the original paper documents through interoffice mail for approval. This not only improved the speed with which an approval can happen, but it eliminates the possibility of documents being lost or misplaced. It also allows for easy checking on the status of the approval and the level and person with which the document is currently residing. The accounts payable systems will improve payment accuracy and eliminate the potential for duplicate payments. All documents associated with the requisition are scanned when the item is requested and any contracts are scanned once they are available and the purchase is approved. Invoices are also scanned and then routed for payment approval. All documents follow a pre-established approval queue which mirrors our previous manual process. We are requesting that vendors email their invoices rather than mail allowing for quicker delivery and easy attachment. Having all these documents scanned will allow any department to be able to access these documents from their computer rather than calling other departments or going to file cabinets.

The imaging of documents will have many benefits over time. Imaging will reduce costs of faxing, copying, routing and mailing documents from one location to another. Statistics show that the average document is copied 10 times. Another benefit of imaged documents is that it reduces the Town's exposure in a disaster since many documents will reside on the computer rather than in a file. Imaging will improve the audit process and document access will be much easier for the auditors.

The finance modules that will be implemented during the next year include Fixed Assets, GASB reporting, budgeting, payroll and HR, and accounts receivable. As each module is implemented, and we study and modify our current procedures, we will experience new efficiencies, but until all modules are implemented and are in use for a period of time, we cannot determine with certainty where the efficiencies will be generated by the software.

With the implementation of the current modules we have noticed the shifting of workload and changing job responsibilities. We have only been live 3 months and staff has had to work many additional hours to accomplish all of the work required. The accounts payable position's workload has doubled and she is working many hours of overtime and other positions are pitching in to assist. We plan to reallocate some of the accounts payable duties to other finance positions to reduce the current workload. We expect the same shifting of workload to occur when some of the new modules are implemented. Although we are experiencing a heavier work load on the front end for the entry of invoices, we expect our efforts in imaging to reduce the amount of effort that is required townwide in the maintenance of records. Until all modules have been implemented, it would be very difficult to determine where the efficiencies will occur and if a position may be eliminated.

During the next 5 years there may be 2 retirements. We can reevaluate the personnel situation as staff retire and software modules are implemented to determine if there are ways to possibly eliminate a position. This winter the administrative assistant position will be vacated by a

retirement. At this time, I could not recommend the elimination of this position unless we eliminate some of the department's duties and the documents that we produce. If we were to eliminate the Long Term Financial Plan, the Annual Report, the binding of public hearing documents and do not produce a comprehensive budget document for the budget meetings in July and shift other duties, such as the recording of the minutes for the Investment Advisory Committee meetings, to other programs like the Town Clerk we may be able to reduce the workload in the department enough to consider the elimination of that position.

We are concerned that if positions are eliminated we will not be able to maintain an acceptable level of internal control and maintain timely and accurate records with an increased workload. Also, if the documents listed above are cut back or eliminated, the financial affairs of the Town will be less transparent to the public and to credit rating agencies. We would not recommend the elimination of positions in finance except under the most serious of financial circumstances.

# Program 141 – Financial Management

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $544,477 | $582,900 | $608,421 | $634,200 |
| Employee Benefits | $196,936 | $222,188 | $239,831 | $254,209 |
| Contractual | $135,866 | $144,691 | $154,247 | $158,168 |
| Commodities | $15,279 | $15,430 | $14,600 | $14,170 |
| Capital Outlay | $1,588 | $1,588 | $1,588 | $1,651 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $894,146 | $966,797 | $1,018,687 | $1,062,398 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Finance Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Finance Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Accounting Supervisor | 1.0 | 1.0 | 1.0 | 1.0 |
| Accounting Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Accounting Clerk | 4.0 | 3.0 | 3.0 | 3.0 |
| Accounting Clerk/Receptionist | 0.0 | 1.0 | 1.0 | 1.0 |
| Secretary | 1.0 | 1.0 | 1.0 | 1.0 |
| | 9.0 | 9.0 | 9.0 | 9.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Out-source Payroll

**Cost Saving:**
$8,574 plus benefits

**Comments:**
We received a quote for outsourcing payroll services. The cost would be $39,729 for the first year, and $35,729 for each year after. Staff members would still be needed to process the employee time from each department and a member of finance staff would have to review the information prior to remitting it to the company. There is currently one clerk that processes payroll in the department. This clerk is also responsible for limousine permits as well as the quarterly billing for solid waste that was not transferred to the County.

The new EDEN software may have some of the same benefits as contracting out the service and will make payroll processing and human resource duties more efficient. Compensation at the midpoint for the payroll position is $44,303 per year plus benefits.

Concerns:

- The purpose of our new software system was to achieve an integrated software system, and payroll is an important part of this integration.
- A non refundable deposit of $23,250 for the EDEN module for payroll and HR software has been paid.
- The elimination of the position would reduce our office coverage and add duties to remaining staff members.
- Staff time will still be required to work with the company to make sure the payroll information is correct and to resolve any issues that may arise between the employees and the company.
- We are concerned about not having control over our payroll records and processes and the reliability and responsiveness of an outside vendor.
- This position is occupied and unavailable for elimination without a layoff or transfer.

**Option for Cost Saving:**
Out-source parking ticket billing and collections

**Cost Saving:**
$0

**Comments:**
Concerns:

- Confusion of person's receiving a bill from California when violation is in Palm Beach.
- Customer service representatives will not have knowledge of Town and citizenry.
- Disputes regarding ticket or penalty are still directed back to the Town for resolution.

The cost for this service would be approximately $173,000 to out-source. Outsourcing this function would allow for the elimination of one position. The compensation for a position would be $40,000 plus benefits. We determined that it is much more efficient and cost effective to continue to process parking tickets in house.

**Option for Cost Saving:**
Activation of automated telephone attendant

**Cost Saving:**
A portion of a position may be eliminated.

**Comments:**
One of the duties of one of the positions in Finance is operating the switchboard and routing all calls received at the main telephone number. This position also is the cashier and handles other finance duties. If the Town implemented an automated telephone attendant, it would eliminate about 20% of her duties. A portion of the telephone calls may still be routed to an operator for assistance which would require someone to respond to these calls. If this function was automated and other functions eliminated it may be possible to eliminate this position. Down-sides would include the elimination of some service currently provided by the Finance Department staff and an impersonal computer greeting and menu of extensions for callers to 838-5400. In addition, there would be no one to greet and direct visitor to Town Hall if this position was eliminated.

**Option for Cost Saving**:
Eliminate the issuance of some financial reports, shift duties to other programs like Town Clerk and Human Resources and add workload to remaining staff.

**Cost Saving:**
$42,635 plus benefits

**Comments:**
The elimination of the Long Term Financial Plan, the annual report, the binding of public hearing documents, not producing a comprehensive budget document for the budget meetings in July and shifting duties to other positions or departments may possibly allow for the elimination of the Administrative Assistant position.

Concerns:

- Without administrative assistance within the department, these duties will shift to management and other staff members. All filing, correspondence, copying and typing will have to be accomplished by others in the department including supervisory and director positions whose time can be more effectively used performing their existing duties.
- The elimination of the financial planning documents may diminish the effectiveness of management and policy makers in making financial decisions. In addition, the financial affairs of the Town will be less transparent to the public and to credit rating agencies.
- The budget document distributed in July for the public hearings will be generic and less informative than the current document and may hamper the Town Council's decision making process.
- The elimination of the Annual Report will eliminate the only document that is distributed to all residents and businesses in the Town. The Town will not have an effective means to inform the citizens of the financial status of the Town and other relevant information contained in the document. This document also provides the citizens with a schedule of all Town meetings.
- Other programs that may experience cutbacks may not have the ability to accept additional duties and responsibilities.
- The elimination of this position is not recommended and should only be considered under the gravest financial circumstances.
- This position is occupied and unavailable for elimination without layoff or transfer.

# Program 144 Purchasing

## Description of Function

The purpose of the Purchasing Division is to purchase supplies, equipment, services, and construction services for the Town. The Division is charged with providing fair and equitable treatment of all persons involved in the purchasing process, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity. All procurement must be conducted in accordance with the Town Purchasing Manual and mandatory applicable state and federal laws and regulations.

The Purchasing Division determines the method of obtaining prices and making purchases, with the goal of streamlining such procedures and taking advantage of technological means and methods available to the Town. The Purchasing Agent serves as the central procurement officer of the Town.

Purchasing consolidates purchases of like or common items to obtain the maximum economical benefits and cost savings, and explores the possibilities of buying "in bulk" to take full advantage of quantity discounts. The Town participates in cooperative purchasing with other governmental agencies to consolidate quantities of items purchased to obtain optimum pricing.

The Purchasing Division is responsible for the Fixed Asset inventory and maintains appropriate records. This includes the sale, trade-in or other type of disposal of surplus materials, and equipment, including coordination of all auctions of Town property.

Purchasing maintains a warehouse valued at approximately $400,000 for the Town. The majority of the items in the warehouse are for the Public Works Department. Stock levels are kept in sufficient quantities to meet the needs of the Departments.

Purchasing produces a Purchasing Newsletter several times though out the year covering different procurement topics.

A daily interdepartmental mail delivery service and a daily delivery of supplies to each Department are provided. This also includes special deliveries as requested by Town Manager’s Office and other departments.

The Purchasing Agent is required to report to the Emergency Operating Center when it is activated to coordinate procurement in the event of an emergency.

The new computer system has re-distributed responsibilities but it has not reduced the workload of the Division. Work at the clerical level has decreased. However, it has increased the amount of work now being required and at a higher level of expertise and understanding of computers. The computer system has not eliminated any of the procurement processes and procedures that have to be completed. The system is providing information that was not available prior to its

implementation but now there is a shortage of manpower to use that information and to put that knowledge to use. It may be possible to eliminate the purchasing clerk position in the future and rely on the buyers to handle the clerical duties. The purchasing clerk position is currently filled with an incumbent. To eliminate the position the person would have to be reassigned to another department in the Town or be laid-off.

## History

The Division was created to centralize the procurement services for the Town and maintain procurement records. The warehouse function was transferred to Purchasing from Public Works in 1992 to centralize that function and allow all departments to utilize those services. The warehouse now includes products used by all Town Departments.

There were 5 FTE's for Purchasing from 1993 through 2001. In 2001, the Driver/Delivery person was added to the complement and the Division has maintained 6 FTE's from 2001 to the present. Two of the positions were classified as Buyers and the title of one position was changed from Buyer to Assistant Purchasing Agent upon retirement of one of the Buyers in 2006. A 33 year employee in the remaining Buyer position retired in July 2007 and the position has remained unfilled pending the outcome of the Comprehensive Review. Since that time, the retiree worked part-time and a temporary accountant (with no benefits) is now filling that position.

## Past Efficiencies and Cost Saving Measures

The Procurement process has been predominately a manual process until February of 2006. With the hiring of a new Purchasing Agent; the functions have steadily become more computerized. In September 2007, the Town converted to the new Eden software system and the entire procurement process is now computerized. It has re-distributed the workload but as is common to computerization, it eliminates redundant manual work but still requires data input and in increasing amounts. There is now information and systems capability available to set up contracts and determine the most effective means of procurement. This has resulted in the requirement of a higher level of professional expertise to take advantage of the information and use to the Town's best advantage.

- **Office Supplies** – The Town had used Gator Office Products out of Jacksonville, FL for office products for a number of years. In 2007, the Town switched to Office Depot who has a national contract with U.S. Communities Government Purchasing Alliance. This contract is set up with a percent off manufacturer price lists and provides a deep discount. Spending from the office supply vendors for 2007 versus 2006 was reduced by over 20%. Some of the reduction is related to the reduction in the cost of the product and some is related to budget cuts. In addition to the lower cost of product, it has simplified the processing of orders and invoicing with ordering completed on-line and delivery the next day.

Statistics:

| | | |
|---|---|---|
| 2006 | Gator Office Products | $55,086.78 |
| 2007 | Office Depot | $43,844.67 |

- **Procurement Card Program** – In 1998 the Town entered into a contract with Nationsbank (Bank of America) to begin the use of purchasing cards for small purchases under $500. The limit was raised to $1,000 per purchase in 2004 and at that time, purchasing cards were authorized for use in travel on official business by Town employees. The Procurement Card Program was designed to improve efficiency in processing low dollar purchases negating the requirement for issuance of purchase orders and checks when it is not cost effective to do so and allow quick turnaround for purchase of those supplies. This reduced the time spent by the Finance Department and the Purchasing Division in addition to the using Departments to process low dollar transactions.

- **Town Web Site and Demand Star** – The Purchasing Division section on the Town's internet site provides forms for Vendor Registration and the W-9 form. The Town also contracted with Demand Star to host the Bids and RFP's and provide distribution to vendors. This provides a quick and economical method to distribute the information reducing postage costs and Town personnel time. The Demand Star vendor bid file is a collective list of vendors from many participating agencies, giving the Town and each other participating agency access to many more bidders than we would have operating independently.

- **Division Revenues** - Included in the responsibilities of the Division is the disposition of surplus equipment and miscellaneous supplies and materials. The Town has conducted Auctions in the past. Over the past year, the Town has used the services of the Palm Beach County Thrift Store in lieu of an Auction. Last year's revenues were $51,565. Over the past couple months an additional source of disposal was located and next year's revenues should increase due to adding an additional auction source for specialized items such as garbage trucks and heavy equipment.

- Purchasing also provides a mechanism to dispose of metals and sell them to recycling companies. Last year's revenue was approximately $1,250. A recycling company has placed a dumpster in the Public Works storage lot for disposal of any miscellaneous scrap metal from Town projects. They will routinely pick up the dumpster and replace with an empty one. This should increase revenues next year as well.

## Planned Future Efficiencies and Cost Saving Measures

- **Computerization of the Warehouse –** Conversion of the Warehouse to the Eden computer system is scheduled for early next year. This will provide us with statistics, such as usages, history of costs, and seasonal use that are required to more precisely maintain the inventory to keep inventory levels lower and more in line with demand.

- **Annual Contracts –** Currently, we are investigating setting up an account with AutoZone for supply of frequently used automotive parts. AutoZone has a contract with U.S. Communities Government Purchasing Alliance and we are anticipating putting it into place using a similar process as used for ordering office supplies with Office Depot. This will allow for on-line ordering with next day delivery. Pricing will be based on manufacturer list price with a set percentage discount. This should provide for lower priced items as well as streamline the process used to procure the items and payment. It will enable the Town to pay monthly with one check in lieu of using multiple vendors for small dollar purchases and issuing numerous purchase orders and checks to multiple vendors.

- **Consolidation of requirements –** The State of Florida bids a number of commodities that can result in considerable savings to the Town allowing it to take advantage of the volume discounts of the State and providing contracts directly with manufacturers. With the Eden computer system and the use of commodity coding, we will be able to more readily identify the items the Town purchases that are on State Contract and set up agreements to take advantage of the lower pricing. Some of the commodities that are under consideration for town-wide contracts are copiers, electrical parts, and janitorial supplies.

- **Seminars** - Purchasing plans to conduct seminars periodically with various department personnel to aid Town personnel in gaining a better understanding of the procurement policies and procedures as established by the Procurement Manual.

- **Computerization** - In the conversion to the EDEN Software, only the core financials including the General Ledger, Purchasing and Accounts Payable have been implemented. We are in the process of adding Bid & Quote, Contracts, Inventory and Fixed Assets modules. This allows us to complete the work in a more organized manner with information available to all departments. However, use of these computerized systems requires personnel with the ability to understand, implement, use and maintain the modules. Without full complement of staff it will not be possible to take advantage of the technology now available. The computer system has the technology and operational efficiencies to provide reports to be used for management and policy decisions that will insure the Town keeps pace with the changing markets and will allow it to make fiscally responsible decisions. We are optimistic that we will gain future efficiencies through the use of the new software. Once all modules are implemented and we have worked with the system for a period of time, we may determine that it is possible to eliminate a position.

# Program 144 – Purchasing

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $313,765 | $325,403 | $327,787 | $342,380 |
| Employee Benefits | $112,579 | $132,872 | $143,244 | $138,370 |
| Contractual | $4,667 | $10,065 | $10,550 | $12,225 |
| Commodities | $8,233 | $6,574 | $9,735 | $16,050 |
| Capital Outlay | $1,968 | $2,704 | $1,967 | $2,449 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $441,212 | $477,618 | $493,283 | $511,474 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Purchasing Agent | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Purchasing Agent | 0.0 | 1.0 | 1.0 | 1.0 |
| Buyer | 2.0 | 1.0 | 1.0 | 1.0 |
| Purchasing Clerk | 1.0 | 1.0 | 1.0 | 1.0 |
| Store Clerk | 1.0 | 1.0 | 1.0 | 1.0 |
| Driver/Delivery Person | 1.0 | 1.0 | 1.0 | 1.0 |
| | 6.0 | 6.0 | 6.0 | 6.0 |

## Option for Cost Savings

**Option for Cost Saving:**
Elimination of the warehouse

**Cost Saving:**
$47,000 plus benefits for one full time position and 40% of another full time position for a complete elimination.

**Comments:**
Elimination of the warehouse would possibly allow for a reduction of 1 position – Warehouse Manager. The person currently in that position may potentially retire in 2 years. At that time, the Town could re-evaluate the need for warehousing. This would also reduce the amount of work for the Delivery position as well.

Advantages
Reduce carrying costs of the inventory and investment.
Reduction of 1 position and 40% of second position.

Disadvantages

- The Town does more work by Town staff than most agencies and this would reduce the supplies and materials immediately available for timely completion of the work.

- The Town has an older infrastructure and must obtain materials and supplies quickly. Many of these materials and supplies are difficult to obtain on short notice and thus require advance procurement.

- The Warehouse function plays an important part in the event of a hurricane or similar emergency. During past storm events the warehouse personnel were instrumental in transporting materials and supplies to appropriate locations throughout the town. Stock levels were increased for items that would be needed for clean-up before the event occurred and while available in the marketplace. This would not be possible without the warehouse facility and staffing and would likely delay getting the Town operational again after a major storm event.

- The elimination would also reduce the Town's effectiveness during an emergency response. Many of the supplies needed to respond to a hurricane are stored in the warehouse and the warehouse manager and driver were instrumental in the delivery of supplies, ice and water after the storms.

- These positions are occupied and unavailable for elimination without a layoff or transfer.

**Option for Cost Saving:**
Partial elimination of the warehouse

**Cost Saving:**
$47,000 plus benefits for one full time position
**Comments:**
The partial elimination of the warehouse would possibly allow for a reduction of 1 position – Warehouse Manager. The person currently in that position may potentially retire in 2 years. If it was decided to partially eliminate the warehouse, during the next few years, inventory could be reduced to work toward a "just-in-time" inventory management system for parts and supplies used on a daily basis. Emergency parts and supplies would be maintained and used only when needed.

Concerns:
Response may be delayed for repairs waiting for parts.

The elimination of the position will reduce the effectiveness of the response during a storm event.

# Planning, Zoning & Building Department

## Department Overview

The Planning, Zoning & Building Department exists to stabilize and preserve the aesthetic, historical and economic values of Palm Beach, and provide for the life, safety and welfare of Palm Beach citizens and visitors through the review and enforcement of Town codes.
The department's core functions include all comprehensive planning and zoning functions, implementation of architectural review requirements, issuance of construction permits, conduct of construction inspections, records management, issuance of business tax receipts, and implementation of the landmarks preservation program.

## Department Cost Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| **Revenues** | $7,142,273 | $6,623,258 | $5,218,600 | $5,595,800 |
| **Expenditures** | $2,789,795 | $3,338,369 | $3,576,896 | $4,031,313 |

## Total Department Staffing Levels

| | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| **Total Full Time Equivalent Employees** | 23.00 | 23.50 | 23.50 | 21.00 |

# Planning, Zoning & Building Department's Revenue Summary

| Revenues | FY 2005 Actual | FY 2006 Actual | FY 2007 Budget | FY 2008 Budget |
|---|---|---|---|---|
| Town Business Tax Receipts | $682,391 | $706,700 | $675,000 | $725,000 |
| Business Tax Penalties | $13,153 | $14,959 | $15,000 | $22,000 |
| Building Permits | $5,562,416 | $5,042,477 | $4,000,000 | $3,800,000 |
| Radon Gas Fee | $58 | $50 | $50 | $50 |
| Electrical Permits | $79,806 | $101,069 | $55,000 | $55,000 |
| Plumbing Permits | $26,902 | $22,705 | $20,000 | $30,000 |
| Except/Var. App. | $80,400 | $84,440 | $55,000 | $55,000 |
| Consultants Fees | $4,750 | $17,037 | $7,000 | $20,000 |
| Special Plan Review Fee | $191,250 | $246,000 | $100,000 | $250,000 |
| Reinspection Fees | 0 | 0 | 0 | $30,000 |
| Abandonments | $101 | $3,333 | 0 | 0 |
| Architectural Fees | $57,725 | $47,350 | $45,000 | $124,000 |
| Landmarks Application Fees | $4,602 | $5,025 | $3,500 | $24,500 |
| Tax Abatement | $1,200 | 0 | $1,200 | $1,200 |
| Mechanical Permits | $64,546 | $58,533 | $55,000 | $55,000 |
| Landscape Permit | 0 | 0 | 0 | $40,000 |
| Building Permit Search Fee | 0 | 0 | 0 | $12,000 |
| Dune Vegetation Fee | 0 | 0 | 0 | $3,000 |
| Right Of Way Permits | $129,312 | $109,088 | $110,000 | $140,000 |
| County Occupational Licenses | $23,705 | $26,107 | $15,000 | $25,000 |
| Code Supplem. Sales | $170 | $153 | $100 | $100 |
| Map/Code Sales | $2,146 | $1,931 | $1,500 | $1,500 |
| Certification Copy | $661 | $647 | $200 | $500 |
| Microfiche/Scan Copies | $16,437 | $15,316 | $12,000 | $12,000 |
| Tent Permits | $4,383 | $5,710 | $3,000 | $5,000 |

| | | | | |
|---|---|---|---|---|
| Bldg. Insp. Fund Fees | $67 | $69 | $50 | $50 |
| Code Compliance Fines | $196,092 | $110,767 | $25,000 | $150,000 |
| Code Compliance Admin Fee | 0 | $3,792 | $20,000 | $15,000 |
| TOTALS | $7,142,273 | $6,623,258 | $5,218,600 | $5,595,900 |

## Options for Revenue Enhancements

| **Revenue Enhancement** | **Amount** | **Comments** |
|---|---|---|
| Charge an hourly rate for development review services. | $1,000 - $5,000 per larger project (estimate) | Charging fees in this manner would more accurately cover costs to process applications. However, there would be an initial cost for the purchase of a software system capable tracking time accurately. |
| Charge for the issuance of DEP zoning conformance letters | $3,000 (annually) | These letters have traditionally been done by the Building Division at no charge, due to the amount of building permit fees collected. The State has now indicated that only zoning information is required. Therefore, fees could be charged for the issuance of these letters and would help offset the cost of their issuance, with no impact on building permit fee revenue. |
| Institute a fee for ARCOM, LPC appeals | $ 1,750 (annually) | The Town is considering assessing a fee for appeals to administrative decisions. It is recommended that such a fee also be required for appeals to ARCOM and LPC decisions. Some staff time will be required to process the appeal, and ensure that notice is provided to interested parties. |
| Total Revenue Enhancement Options | $9,750 | |

# Benchmarks for the Planning, Zoning & Building Department

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| No. of Single Family Units | 3,044 | 34,769 | 20,000 | 16,000 | 15,599 | 16,793 | 575 |
| **Planning & Zoning**<br>No. of Development Review Applications Processed Annually | 65 | 56 (Planning Board) | 50 – 60 | 500 | 22 | NR | 18 |
| Days (avg) to Process | 52 | 75 | 90-150 | 90–180 | NR | NR | NR |
| No. of Zoning Amendments | 16 | 35 | 4-5 | 5 | 6 | 2-3 | 0 |
| No. of Comp Plan Amendments | EAR in Process | EAR in Process | 4-5 | 4 | 6 | 2-3 | 0 |
| No. of Planning/Zoning Employees (FTE) | 3.72 | 23 | 20.85 | 3 | 18 | 5 | 1.5 |
| Use Consultants for:<br>Planning Functions<br>Zoning Functions | <br>Yes<br>Yes | <br>Yes<br>No | <br>Yes<br>Yes | <br>No<br>No | <br>NR<br>NR | <br>Yes<br>NR | <br>No<br>No |
| Annual Cost of Consultants<br>Planning<br>Zoning | <br>$50,000 (EAR)<br>$50,000 - 75,000 | <br>$200,000 (EAR)<br>$-0- | <br>NR<br>NR | <br>NA<br>NA | <br>NR<br>NR | <br>Yes-varies<br>NR | <br>NA<br>NA |
| **ARCOM**<br>Do You Have an Architectural Review Program? | Yes | Only as part of Downtown Master Plan | Yes | Yes | No | Yes | No |
| No. of Architectural Review Applications?<br>Major<br>Minor<br>Staff Approvals | <br>105<br>15<br>155 | <br>28<br>NA<br>NA | <br>1,300<br>NA<br>NA | <br>125<br>NA<br>NA | <br>NA<br>NA<br>NA | <br>NR<br>NR<br>NR | <br>NA<br>NA<br>NA |
| **Permits & Inspections**<br>No. of Construction Permits Issued Annually | 7,891 | 12,000 | 22,000 | 7,326 | 10,000 | NR | 312 |
| No. of Construction Inspections Annually | 26,000 | 27,000 | 100,000 | 30,000 | 45,000 – 50,000 | NR | 2,604 |
| Plan Reviewers (PR)<br>Inspectors (I)<br>PR/I support | 1<br>5<br>4 | 12.5<br>21<br>15 | 6.5<br>14<br>15 | 6 (PR/I)<br>“ “<br>NR | 6<br>10<br>6 | 27 (PR/I)<br>“ “<br>9 | 1.5 (PR/I)<br>“ “<br>“ “ |
| No. of Days to Process<br>Building Permits<br>Revisions | <br>9.76<br>4.94 | <br>Varies<br>Varies | <br>NR<br>NR | <br>3.9 /**2** | <br>NR<br>NR | <br>NR<br>NR | <br>NR<br>NR |
| Do You Use Multi Certified Plan Reviewers/Inspectors? | Yes | Yes | A few | Yes | Yes | A few | Yes |
| Do Plan Reviewers Perform Zoning Reviews? | Yes | No | No | No | No | Yes | Yes |
| Do You Provide Expedited Plan Reviews? | Yes | No | No | No | Yes/No | Yes, M/E/P only | Yes |
| Do You Conduct Pre-Permit Plan Review? | Yes | No | No | Yes | Yes | No | No |
| Do You Outsource:<br>Plan Review Functions?<br>Inspections? | <br>Yes- $65/hr<br>Yes-$50-$65/hr | <br>No<br>No | <br>.6<br>Yes, but not now | <br>Yes, lst yr<br>NR | <br>Yes-lst yr<br>No | <br>No<br>Yes $65 - $75/hr | <br>No<br>No |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Records Management**<br>Do You Digitize Records? | Yes | Yes | Only BTR | Yes-In House | No, but will | Out-sourced | No – all paper |
| **Historic Preservation**<br>Do You Have a Landmark Preservation Program? | Yes | Yes | Yes | Yes | No | Yes | Yes |
| No. of Landmarked Properties | 251 | 2,300 Incl Contributing | NR | 1 - Public | NA | 590 | 60 |
| No. of Certificates of Appropriateness Issued<br>Board<br>Staff-Major<br>Staff-Minor | 40<br>NA<br>NA | 48<br>90<br>586 | NR | NA | NA | 45<br>100<br>NR | **/1** |
| No. of Days to Process C of A's:<br>Board<br>Staff-Major<br>Staff-Minor | 31 | 42<br>5<br>Same day | NR | NA | NA | 45 days | **/1** |
| Do You Provide Tax Abatements/Exemptions? | Yes | Yes | NR | Yes | NA | Yes | Yes |
| No. of historic preservation Employees (FTE) | .2 | N/R | NR | 0 | NA | 4 | 0 |
| Do You Use Preservation Consultants? | Yes | $20,000-El Cid survey | NR | Yes-arch-eological surveys | NA | Some Interns | No |
| **Business Tax Receipts**<br>No. of Tax Receipts:<br>Issued Annually<br>New apps<br>Transfers | 2,200<br>500 | 890 | N/R | N/R | 4,000<br>7-800<br>100-120 | 10,000 | NR |
| No. of Employees (FTE) | .5 | NR | NR | NR | 1.5 | 3 | NR |
| Average No. of Days to Process Applications | 1–2 | NR | NR | NR | 7-10 | 2 | NR |
| | | | | | | | |

NA – Not Applicable
NR – No Response
/1 – State processes Certificates of Appropriateness. Figure unknown.
/2 – Month of October, 2007 only

# Program 211 Planning and Zoning

## Description of Function

***Function 1: Comprehensive Planning***

This function involves the maintenance and implementation of the provisions of the Comprehensive Plan. This includes conducting planning studies, completing a periodic Evaluation and Appraisal Report of the Comprehensive Plan, processing Comprehensive Plan amendments, providing education to the public, issuing Comprehensive Plan interpretations, answering questions related to the planning and zoning functions, and providing oversight of Comprehensive Plan activities adjacent to the Town's borders. A matrix of progress in conforming to Comprehensive Plan requirements is also maintained.

***Function 2: Maintain Land Development Regulations in keeping with the Town's Vision***

This function involves the maintenance of land development regulations in keeping with the Town's vision as expressed through the Zoning Code. This includes processing zoning code text amendments, processing zoning designation changes, administering land development regulations (LDRs), processing development review applications, issuing interpretations of the LDRs, providing education, answering questions, workig with the Code Enforcement Division to ensure compliance with the LDRs, and providing staff to the Planning & Zoning Commission.

## History

***Function 1: Comprehensive Planning***

In 1929, the Garden Club of Palm Beach joined the Town and formally sponsored the preparation of a Town Plan. This plan was prepared by Bennett, Parsons and Frost, Consulting Architects of Chicago, and approved by the Town Council on December 19, 1929.

This planning process was an important policy foundation for the Town of Palm Beach. Today's Comprehensive Planning process, although unfunded by the State, builds on the early foundation as an effort to preserve the quality and beauty of Palm Beach. The elements of the current plan have evolved from the periodic review and assessment of the Town's Comprehensive Plan adopted in 1990. In 2006, an Evaluation and Appraisal Report (EAR) was prepared which evaluated the successes and remaining challenges of the goals, objectives, and policies of the Town's Plan. This evaluation of the Town's current conditions will result in a series of proposed amendments intended to address the remaining challenges and, at the same time, evaluate new concerns and priorities which have arisen since the prior planning exercises. In addition, as a result of new legislation, the Town will also be considering a number of other amendments

related to Capital Improvement Planning, School Concurrency, and changes to the South Florida Water Management District's Plan.

The Planning and Zoning Commission has also become involved in several special projects that require staff level assistance. Examples of these are: The Royal Poinciana Area Planning Study and a signage inventory and aesthetic improvement program directed at reducing visual pollution and clutter**.**

***Function 2: Maintain Land Development Regulations in keeping with the Town's Vision***

The Town's first zoning ordinance was adopted in 1929. The first major revisions to that ordinance occurred between 1970 and 1974 when the entire zoning code was rewritten and the zoning district classifications, uses, and lot, yard and bulk regulations were changed. While the zoning code has been modified every year since 1974, the last major revision to the zoning code occurred in 1980 when zoning districts were again reclassified, and the uses and lot, yard and bulk regulations were modified within each of those districts to provide more clarity and less density and intensity within the zoning districts.

## Past Efficiencies and Cost Savings Measures

***Function 1: Comprehensive Planning***

- Staff has traditionally retained outside planning consultants for the major research and writing of the Comprehensive Plan and processing of some Comprehensive Plan Amendments. The nature of this work is periodic and specialized, and the use of outside contractors enables the department to better handle the fluctuations in this workload. Utilizing consultants has reduced the cost of providing this service by not having to retain staff people with this specialized capability.

- The recent change in the level of involvement in comprehensive planning by the Planning & Zoning Commission, with an increased focus regarding all aspects of land use regulation, has resulted in a significant increase in meetings, without any increase in staff. The staff continues to explore areas where efficiencies can be realized in this area, recognizing that staff resources have traditionally been minimal.

***Function 2***: ***Maintain the Land Development regulations in keeping with Town Vision***

- Land development records have been relocated and reorganized to be more accessible to department staff, resulting in less time spent searching for files and less interruptions in retrieving files.

- All land development application forms have been placed on the Town's website to provide instant access to the public for use in completion of development review

applications. This saves staff time in answering questions at the counter and over the phone, and results in consistent and complete applications.

- The department has initiated the use of application checklists to ensure that submissions are complete and able to be processed. This has saved staff time in reviewing application submissions, and applicant time in reducing the need for corrections or additional submissions.

- All land development applications that have recently been or will be considered by the Town Council are now being placed on the department's web page. This provides greater access by the public to this kind of information without requiring trips to the department, and saves some staff time in answering questions in the office.

- The Development Review Specialist who previously provided part-time assistance to the Code Enforcement Division, while also handling the business tax receipts program, is now assigned to assist the Zoning Administrator in some support functions of the Zoning Division. This includes assisting in organizing zoning meetings and agendas, organizing staff files on development review applications, and answering basic zoning questions. This provides additional time for the Zoning Administrator to work on priority items, and has transferred the handling of some support functions by a senior professional staff member, to a technical assistant.

- Staff has traditionally retained outside consultants for the major research and analysis of zoning season study items, including applications for zoning amendments. Although the need for zoning consultants is fairly predictable annually, it is work that is specialized in nature, and the resources available to an outside consultant are far greater than can be handled by a single zoning staff person. The use of outside consultants enables the department to better handle the daily workload fluctuations in this area. Most communities with comparable population have larger staff to handle planning and zoning functions. Through the use of consultants, we have been able to reduce the number of employed staff and use highly skilled professional consultants who are suited specifically to the tasks assigned.

- The department has eliminated the use of support staff to answer all telephones, in keeping with current trends. Voice mail is used heavily, but one main line is designated as an answer line, with no voice mail accessibility. That line is always answered, ordinarily within the first three rings, but the widespread use of voice mail has allowed the department to free up the time required to answer phones for over 20 staff members. Although this represents substantial savings, it can result in reduced level of service to customers, who find it more difficult to reach a "live" body.

- The department requires that development review applicants provide the required notice (except legal ads) for hearings. This shifts the cost and required staff time to the applicant.

- The department has recently implemented the business tax receipt (formerly known as occupational licensing) module of a new software system. This system provides desktop access to zoning approvals, and also eliminated the requirement for zoning reviews of business tax receipts which are within existing, approved businesses, such as nail technicians, cosmetologists, real estate sales associates and stock brokers.

- The land development review process has become more technical and complicated in the last five years. More information is required as part of an application, and therefore, more time is required to review and process these applications by zoning staff. The staff continues to explore areas where efficiencies can be realized in this area, recognizing that staff resources have traditionally been minimal.

- As part of the development review process, a change was implemented in 2005 that required review by the Architectural Commission or Landmark Commission of certain development review applications being considered by the Town Council. This has required additional notice requirements, and review and input at ARCOM and LPC meetings by the Zoning Administrator. The staff continues to explore areas where efficiencies can be realized in this area, recognizing that staff resources have traditionally been minimal.

## Planned Future Efficiencies and Cost Savings Measures

***Function 2*: *Maintain Land Development regulations in keeping with Town Vision***

- The department is in the process of converting to a new software system. The software program will be reviewed for possible use for the department's planning and zoning functions, to track development review applications. The use of this tool will help to ensure conformance to all conditions placed on an approval as a project proceeds through the development review process. This will reduce time spent in maintaining paper records, provide information in one location accessible from all computers, and reduce the issuance of subsequent approvals without conforming to prior conditions. However, until this module comes on line, it is very difficult to predict cost savings in term of staff time. The department will review its operations after six months on the new system, to analyze where efficiencies have been gained, and if and to how staff resources can be reduced or redistributed.

- The department is currently training its geoprocessing employee in the use of a GIS-based mapping and database system. This tool will help in the representation of geographical and spatial data in making land use and planning decisions.

- Although the department currently requires digital submission of development review applications, it has not been determined how those images can be incorporated into the imaging system in a manner that avoids duplication. As soon as security and back-up protocols have been established (expected by the end of the year), the department intends to meet with the Town Clerk and review scanning procedures for better distribution and retention of its digitized applications.

# Program 211 – Planning and Zoning

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $314,030 | $263,142 | $308,745 | $348,000 |
| Employee Benefits | $110,978 | $102,274 | $107,685 | $115,443 |
| Contractual | $213,154 | $355,287 | $264,100 | $264,950 |
| Commodities | $8,231 | $6,648 | $7,000 | $7,250 |
| Capital Outlay | $822 | 0 | $6,100 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $647,215 | $727,351 | $693,630 | $735,643 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Director | 0.7 | 0.7 | 0.7 | 0.7 |
| Assistant Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Zoning Administrator | 1.0 | 1.0 | 1.0 | 1.0 |
| Planning Administrator | 0.4 | 0.4 | 0.4 | 0.4 |
| Administrative Aide | 0.9 | 0.9 | 0.5 | 0.5 |
| Office Manager | 0.1 | 0.1 | 0.12 | 0.12 |
| | 4.1 | 4.1 | 3.72 | 3.72 |

## Options for Cost Savings

**Option for Cost Saving:**
Seek lower costs for Planning Consultants
**Cost Saving:**
$25,000 – 75,000, depending on project
**Comments**:
The Town's previous planning consultant was located in Sarasota, and was a sole proprietor. Because of the distance, his infrequent trips, and his one-person operation, the department determined that having a local consultant would provide the Town greater local knowledge; more personnel with a wider range of expertise, and graphics and imaging capability. Two firms have been retained by the Town, and their greater capabilities are evident, but the cost for them is commensurate. The Town can issue another RFP, or it can retain its previous consultant, with an anticipated diminution in product quality.

**Option for Cost Saving:**
File land development applications electronically
**Cost Saving:**
Will be calculated upon further review, if Town Council desires.
**Comments**:
Investigate the possibility of filing land development applications electronically which could include paying application fees via PayPal, credit card or debit card. Land development applications could be primarily paperless with a requirement that applications and all backup be provided in a digitized format suitable for record keeping and better presentation quality. Filing applications electronically will save staff time in processing the applications. Savings would be realized as a result of redistributing staffing duties and assignments to be more efficient.

# Program 212 Permit Issuance

## Description of Function

***Function 1: Permit Issuance:***

- Review construction permit applications and plans (including revisions) for adherence to applicable codes and issue construction permits.
- Communicate code and Town requirements for construction with contractors, designers, property owners and other Town departments.
- Ensure that contractors working in the Town have a valid contractor license.
- Conduct expedited plan reviews.
- Process and issue right of way permits.
- Process and issue Dune Vegetation permits.
- Inform the public of construction permit requirements.
- Respond to inquiries from the public.
- Issue interpretations of the construction codes.

***Function 2: Architectural Review:***

- Conduct pre-submittal meetings with applicants and process applications for architectural approval of proposed major and minor construction projects.
- Conduct staff approvals of minor architectural changes.
- Coordinate and provide staff and support services to the Architectural Commission.
- Process appeals of Architectural Commission decisions.
- Inform the public of architectural review requirements.
- Respond to inquiries from the public.

***Function 3: Records Management***

- Retain departmental records as scanned images, hard copy records, (stored both on and off site) and microfilm. Organize, digitize and retrieve departmental records for public and staff use.
- Observe the proper retention/disposition of departmental records.
- Provide land use and construction data through the use of geographic interface software (GIS) for use in analysis, reports and dissemination of data.

## History

***Function 1: Permit Issuance***

Since failure to observe proper construction practices can cause loss of life and property due to structural failure and fire spread, it has long been recognized that construction should conform to

the minimum requirements of adopted building codes. Recognizing this, the Town of Palm Beach established its Building Department in 1922 to address this public safety issue and issued its first building permit on April 1, 1922. Building Codes have evolved from one volume covering all aspects of construction into separate code books for every discipline. Today the Florida Building Code has been adopted by the State of Florida and the Town of Palm Beach. The current edition is the 2004 Florida Building Code with the 2006 annual supplements. The Florida Code is based on the International Building Code and has been adapted for Florida's specific areas of concern.

***Function 2: Architectural Review***

Although the frenzy of development and the real estate boom slowed with the Great Depression, building did not stop in Palm Beach as it had in other communities. Palm Beach residents saw the need for planning and architectural control as a way to keep the community beautiful and livable. The Art Jury, initiated in the 1920s, was charged with safeguarding the Town's architecture. Early members of the jury included architects Addison Mizner, Marion Sims Wyeth, and Maurice Fatio, engineer Halpin Smith and landscape architect Charles Perroechet. The approval of the Art Jury was essential for any new projects, and jurors had the right to enforce compulsory changes in plans. Although sometimes criticized, most citizens and the press approved of the Art Jury's control. The Art Jury survives to this day and is presently known as the Architectural Commission (ARCOM).

***Function 3: Records Management***

This department maintains property records in several different formats. Our earliest records up through approximately 1992 are on microfiche. Records from 1992 to 1995 for the North End were also microfiched. In 1998, computerized scanning was initiated, and in 2003, all records were scanned as generated. The balance of records generated during the interim includes much of the Mid-Town area, and records generated from the period of 1992 to 2003 in the South End. All department records not relating to individual properties are retained in hard copy at present and will be scanned in the future.

## Past Efficiencies and Cost Savings Measures

***Function 1: Permit Issuance***

- The Town's turn around time in processing construction permits has historically been under 10 working days, in spite of the continuous demand on our services. Other communities' workload is affected by market demand, allowing them to reduce their processing times during slow periods in construction activity. However, the Town's turn around time has averaged 9.76 working days for the year 2007 to process plan reviews. Our average is 4.94 days to process revisions during the same period of time. We are able to maintain this standard consistently even in the face of construction activity that is

impervious to market situations. The Town accomplishes this because of its reliance on contract plan reviewers to deal with the ebbs and flows of work load without down time to in- house personnel. This has allowed the department to respond to greater workloads quickly, without having to lay off staff during slow periods. Although the hourly rate is higher than using in-house employees, the annual cost is generally lower, because they are used only when needed. It should be noted that the Town's thorough review of construction plans has not suffered in any way, as evidenced by the consistency in the application of the Code.

- The Town processes revisions to plans within three days, and many times, in as little as one day. This allows construction to continue with little or no interruption, which reduces the length of time required to complete projects.

- The Town allows contractors to maintain accounts (VRU accounts) for the purpose of paying permits. This allows money to be transferred from these accounts without the need to submit permit fees with every permit. This facilitates the processing of permit revisions and payment of fees, and reduces the staff time required to process payments.

- The Town has a Special Plan Review program that provides overnight turn-around on plan reviews upon payment of special plan review fees. This program is extremely popular with the contractors, who are able to proceed with construction without the normal time required for plan processing. It also facilitates the completion of emergency work. This program is in addition to regular plan review services provided by the department, and is strictly voluntary on the part of contractors.

- The department instituted a new computerized permit application log in an Access format. This log has helped the staff immeasurably. We are now able to provide information on the status of permit applications from our desktops, instead of a central log. We are also able to retrieve permit application status in any number of ways (e.g. address, name of contractor, tracking number). The tracking system has recently been augmented with reports on permit turn around time by review type (building, fire, public works). Recently added was a similar log for tracking special plan reviews. The department chose to proceed with this tracking system knowing that it would require a significant amount of a programmer's time in the development, and that a new system with the same (or better) capabilities would be coming on line, because of the anticipated savings in time and resources. This has proven to be true, and the time that has been saved has been immeasurable.

- A new computerized spreadsheet which tracks major construction projects and their completion date has recently been developed to help Staff identify projects which will exceed the time allowed for construction. This has resulted in earlier code enforcement action. It is hoped that early detection will result in a decrease in the number of construction projects which exceed the time allowed.

- A new fee structure has recently been enacted, including increases in ARCOM and LPC application fees. The modified fees will result in a shift of the cost for these services to those who require them, rather than taxpayers.

- Effective October 1, 2007, new permit fees were adopted. Although these new fees are expected to result in a reduction in revenue, a new procedure was instituted in the department which eliminated the need for permit audits. This was accomplished by eliminating "NO FEE" subcontractor permits. Under the new system, every permit applicant pays the permit fees applicable to that permit, regardless of whether or not that permit is associated with a master permit. This eliminates the need to review all master permits and subpermits to confirm that all construction value is accounted for. This has eliminated almost 20% of one person's time in performing the audits, and reduced the time required to contact the contractors for additional fees and collect and post the fee payments. It also eliminates the time spent in explaining the dual procedure to contractors, and decreases the permit processing time.

- The department now accepts cash collections instead of sending persons to the Finance Department. This saves the customer's time and that of Finance staff in processing PZ&B cash transactions, although it has shifted this effort to PZB.

- The department has instituted plan review checklists which have reduced the time required to review permit applications, and have aided in reducing plans which do not conform to zoning requirements. This saves staff time in dealing with problems in the field, and reduces the impact to owners and contractors of increased costs in dealing with these problems during construction, rather than at the time of plan review.

***Function 2***: ***Architectural Review***

- Generally, our level of aesthetic review exceeds the level of most other communities. The architectural review is complex and handled by a Commission, rather than through regulation. The advantages of this type of review are that variety, flexibility and discretion can be offered for project reviews. Strong community will is an important component to ensure the success of this type of program.

- Pre-submittal meetings are available to prospective applicants to ensure that applications are complete, and the planned improvements are in keeping with the guidelines established by the Architectural Commission. This service helps applicants to avoid delays in application processing, and requires less staff time in ensuring that applications are complete.

- Architectural Commission members make themselves available to applicants prior to consideration of projects at ARCOM meetings. These meetings provide assistance to applicants in being able to address concerns prior to the meetings, and facilitate project review at the meetings.

- Neighbors are provided notice of meetings, and are allowed to address any concerns they may have regarding proposed construction on adjacent properties. This promotes an increased level of awareness of issues affecting neighbors related to privacy and use, prior to, rather than during construction.

- The department now conducts staff approvals of minor architectural changes which formerly were considered by ARCOM. The fee for these approvals has recently been increased to $150 to more accurately reflect the cost of this service to the applicant. This procedure also shortens the ARCOM meetings by about 30 cases per month. This has resulted in ARCOM meetings which are approximately 3 hours shorter than in the past, thus saving staff time and improving the efficiency of the Board.

- Fees have recently been increased to recoup the costs of staff time in processing individual applicant requests. This transfers the cost of service to the applicant who uses the service rather than the taxpayer.

- The department has standardized certain ARCOM requirements for construction projects such as sodding/seeding demolished building lots, and retention of perimeter landscaping. This reduces the time spent in reviewing projects, creates consistency in the enforcement of requirements, creates standard screening techniques, and reduces the time spent in clarifying regulations and requirements. The Architectural Commission has undertaken similar initiatives. Examples of these are the evaluation of outdoor lighting conditions and ordinance development and new procedures for the evaluation of landscape plans. New storm shutter regulations are also being developed along with modified demolition procedures. Although this has increased the demand on staff resources initially, it is expected to result in less time in reviewing applications, better conformance to the code, and assistance to ARCOM in reviewing these applications

- The department has initiated the use of application checklists to assure that all ARCOM submissions are complete and in conformance to Town requirements and codes. This has reduced the time spent in reviewing projects at meetings, project deferrals and processing additional paperwork. This has saved staff time in reviewing application submissions, and applicant time in reducing the need for corrections or additional submissions.

***Function 3: Records Management***

- The process of scanning property files consists of in-house scanning of ledger size and smaller documents and outsourcing of some records, and all plans. Outsourcing of scanning has been very cost effective, and has resulted in the avoidance of purchase of expensive equipment for this purpose.

## Planned Future Efficiencies and Cost Savings Measures

***Function 1: Permit Issuance***

- The Town has recently adopted a new requirement that restricts the issuance of permits where violations of the Town's code have been found by the Code Enforcement Board and not yet resolved. This has required that the staff maintain records regarding these violations, without the assistance of computer system designed to track this type of information. As soon as the new system comes on line mid-2008, the department will be able to track this information using fewer staff resources.

- In the past, many smaller permits have not been closed out by contractors. Owners have recently become more diligent regarding open permits, and as a result, more frequent requests for permit searches, and a new state requirement for contractors to close permits, have resulted in completion of a greater number of permits. This has resulted in the need for increased staff resources. The department is currently researching methods to ensure that owners and contractors complete permits, including investigating the use of a board to institute sanctions for failure to receive necessary approvals. We are currently working with the County Contractor Licensing program in this effort. Instituting such a system should eventually result in less time spent on researching old permits, dealing with owners and contractors in processing new permits, and conducting inspections involved in final inspections.

- The Town has recently instituted a requirement to provide notice to neighbors when considering applications for extensions to permits for major construction. This provides an opportunity for the concerns of neighbors who may be affected by the impacts of continuing construction to be considered and mitigation measures be put in place. The Staff is now working with applicants on notice requirements, reviewing construction schedules, and preparing reports for Town Council to assist the Council in considering these applications. This has generated additional staff responsibilities in overseeing and reviewing applicant submissions, preparing agenda items, and providing notice of final action. The staff is developing new procedures, and the responsibility for providing the necessary information will be transferred to the applicant, reducing staff time.

- The department is currently reviewing and developing procedures for payments by credit cards. We expect to have this ability in place by September of 2008. This will reduce the time required in handling checks and cash, and will simplify the refund procedure.

- As the new permitting software comes on line, the department intends to implement web-based capabilities for submitting permits on line. Although this procedure would not be available for all permit types, it will be used as soon as possible for no-plan permits, parking permits, and other types of permits which can easily be processed on line. This should result in savings in staff time to process and issue these types of permits, as well as reduce the parking demand. The new system will also replace the department's maintenance of spreadsheets to track various data. The new system allows projects to be flagged, and replaces many manual functions with automated ones. The new system will also enable owners and contractors to track permit review and inspection results on line, which will greatly reduce staff time required in answering inquiries regarding these issues.

- The department does not contact contractors when permits are ready. This results in a number of calls to the department to find out the progress of permit review. However, staff time required to notify applicants that permits are ready exceeds the amount of time required to respond to inquiries. The new software system, once the web module is added, is intended to provide this information to contractors and owners regarding the progress of permit review.

- The department does not offer a one-stop permitting service that provides zoning, plan review and permit issuance while an applicant waits. As the new computer system is brought on line, and the staff is better able to assess changes in staffing requirements, (approximately six months after implementation), this capability will be explored.

- Plan reviewers are required to conduct zoning reviews, which slows down processing time, and costs the town more to provide this service by highly paid plan reviewers, than by technical staff. As the new computer system is brought on line, and the staff is better able to assess changes in staffing requirements, (approximately six months after implementation), this capability will be explored.

***Function 2: Architectural Review***

- The department will soon require that notice of meetings be handled by the applicant, similar to the procedure required for variances, special exceptions and site plan reviews. This will alleviate staff effort in performing this function. Postage and reproduction costs will also be reduced through this effort.

- Appeals to Commission decisions have increased recently and the staff resources needed to process them is significant. Many of these appeals require written reports which have

increased staff time and effort. Appeals have been heard as new hearings (de novo) in the past, and verbatim transcripts have been provided by the staff. The Town has determined that in the future, appeals will only be heard on the established record. Verbatim transcripts will now be the responsibility of the appellant, along with provision of all related documents. This will save a considerable amount of staff time.

- The staff is currently developing a formal system for tracking ARCOM staff approvals, which will enable us to be more efficient in processing and retrieving these approvals.

- The department does not issue letters to applicants advising them of the results of ARCOM actions. With the implementation of the new computer system, the staff will be exploring the capability of the system to generate these notices.

- The department does not have a program for review of architectural approvals other than by construction inspectors. Generally, these are performed at the end of construction, which results in delays in final approvals. An ongoing program of conformance to ARCOM approvals would required additional staff time, but would result in better conformance to this program. As staff responsibilities shift upon implementation of the new computer system, the staff will be exploring methods to provide this service in a cost efficient manner.

***Function 3: Records Management***

- All department records should be scanned using an electronic document management system. At present the department maintains only property files in the electronic document management program. No other department records have been scanned. Ledger size and smaller documents are currently scanned in house, while plans are outsourced for scanning. The outsourcing of plans has been done for 3½ years. Within the next 8 months, the department will be soliciting bids for this service, to ensure that this service is provided economically.

- The Town's new software system has the capability of integrating document imaging during the permitting process. Once the new permit program has been implemented, we expect a shift in the work flow from scanning at the end of a project, to scanning at the beginning. This should result in less paper being processed throughout the life of the project. Although we anticipate this shift, we do not know how this will affect our efficiencies, although we anticipate a considerable savings in the time required to scan and a reduction in storage space needs. The department will be seeking assistance from an outside consultant to guide us in adopting the best methods to integrate our scanning functions efficiently and cost-effectively by identifying scanning systems which improve overall efficiency and effectiveness, and providing assistance in implementing new procedures for department-wide record scanning.

- Scanning of large plans has been performed for the last 3.5 years by a vendor at reasonable rates. To ensure that these rates remain competitive, the department will be seeking proposals for this service as soon as an analysis of our scanning operation is completed.

- Another measure for increased efficiency is in the area of storage and/or destruction of records according to Florida Statutes. We currently maintain onsite storage, outside storage provided by vendor, and Town-owned warehouse storage. Within the next year, the department intends to begin the regular process of destruction of records. This can only be done once these records have been scanned and an appropriate backup system is implemented, which the Staff and IS are formulating currently. The majority of records maintained in outside storage as well as onsite storage are large blueprint-size plans, none of which are scanned. The majority of records in our town owned warehouse are scanned and can be destroyed as soon as time allows. Because of lack of staff, this process has not occurred. Once other efficiencies are determined, and the current software system has been in operation for six months, the staff will begin the timely construction of records in accordance with state requirements, thus freeing up storage space and the costs associated with it.

- The process of installing new computer software within various town departments is ongoing. Because of this, the responsibility for maintaining all data relating to parcel management has shifted to the Records Manager. Because of the recent implementation of new software, the time spent on this project has increased. It is anticipated that this project will ultimately be less time consuming once all programs are online and working properly. However, it has reduced the ability of this Division to handle its document imaging responsibilities at the present time.

# Program 212 – Permit Issuance

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $546,263 | $546,576 | $583,775 | $575,100 |
| Employee Benefits | $195,197 | $213,307 | $230,254 | $233,965 |
| Contractual | $194,335 | $245,978 | $245,700 | $361,750 |
| Commodities | $11,771 | $14,645 | $17,950 | $12,900 |
| Capital Outlay | $5,707 | $13,552 | $13,697 | $11,897 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $953,273 | $1,034,058 | $1,091,376 | $1,195,612 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Assistant Building Official | 1.0 | 1.0 | 1.0 | 1.0 |
| Planning Administrator | 0.3 | 0.3 | 0.3 | 0.3 |
| Administrative Aide | 0.1 | 0.1 | 0.3 | 0.3 |
| Chief Construction Inspectors | 0.3 | 0.3 | 0.3 | 0.3 |
| Plan Reviewer | 0.5 | 0.5 | 0.7 | 0.7 |
| Development Geoprocessor | 1.0 | 1.0 | 1.0 | 1.0 |
| Storm Water Engineer | 1.0 | 1.0 | 0.5 | 0.5 |
| Permit Technician | 1.0 | 1.0 | 1.0 | 1.0 |
| Office Manager | 0.53 | 0.53 | 0.53 | 0.53 |
| Development Review Secretary III | 1.0 | 1.0 | 1.0 | 1.0 |
| Development Review Secretary II | 1.5 | 1.5 | 1.5 | 1.5 |
| Records Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| | 9.23 | 9.23 | 9.13 | 9.13 |

## Options for Savings

**Option for Cost Saving:**
Allow More Administrative Reviews of Architecture

**Cost Saving:**
Will be calculated upon further review, if Town Council desires**.**

**Comments**:
Other communities allow administrative approvals of architectural changes. The Town staff currently approves minor architectural changes related to walls, fences, windows etc. This proposal would expand the types of architectural approvals which could be handled administratively, such as minor additions, lighting, and other projects representing approximately 25% of the items on the agenda, thus reducing the time spent in processing applications, advertising them and considering them at formal meetings. Although this would be more efficient, it would not provide notice to the neighbors, which has traditionally been a concern where construction has been involved. Savings would be realized as a result of redistributing staffing duties and assignments to be more efficient.

**Option for Cost Saving:**
Eliminate Zoning Reviews prior to Architectural Review

**Cost Saving:**
Will be calculated upon further review, if Town Council desires**.**

**Comments**:
The department instituted zoning reviews of ARCOM/LPC applications, in order to provide additional screening for conformance to the zoning code in the absence of a zoning technician dedicated to this function. These reviews identify non-conformities early in the development process, and provide additional review of projects. This helps the applicants, who benefit from early identification of issues, rather than proceeding through construction drawings, and dealing with major redrafting later in the process. Cost savings could be experienced through elimination of this review. Level of service would be reduced however, and on occasion, re-design by architects, and re-review by ARCOM may be required. Savings would be realized as a result of redistributing staffing duties and assignments to be more efficient.

**Option for Cost Saving:**
Create a pool of services composed of support staff

**Cost Saving:**
Will be calculated upon further review, if Town Council desires**.**

**Comments**:
Reorganize clerical staff and reclassify support positions, to provide a central pool of clerical assistance to all professional staff. Support services are needed by all senior staff, and this reorganization would assist in providing that service. Cost savings would be realized through reclassification of positions.

**Option for Cost Saving:**
Simplify the content of minutes, and incorporate digitized recordings

**Cost Saving:**
Up to $15,000

**Comments**:
Limiting the content of minutes significantly reduces the time required by staff in preparation. Time would still be required in other support activities, such as agenda preparation and processing of applications. Staff would be freed up to accomplish other tasks not currently provided. The amount of paper produced would also be decreased significantly. Persons seeking information about the discussion which took place relative to a particular agenda item would have the benefit of the 100% accuracy provided in being able to hear every word that was said regarding the agenda item, rather than relying upon a staff person's paraphrase of what was said. The gross savings in staff time from implementing this and any other items may result in the redistribution of duties such that staffing can be reduced. However, until those determinations are made, the department is unable to determine the cumulative effect on staffing.

# Program 213 Inspection and Compliance

## Description of Function

***Function 1: Construction Inspections***

Inspect all construction for conformance to state, local and Town codes.

***Function 2: Issuance of Business Tax Receipts***

Process all requests for the operation of businesses in Town. Collect business tax fees annually.

## History

***Function 1: Construction Inspections***

Construction inspections have been performed since the department's creation in 1922 to assure compliance with the Town's building codes. Building Codes have evolved from one volume covering all aspects of construction into separate code books for every discipline (e.g. Fire, Plumbing, Mechanical, Building, Electrical and 1 and 2-family codes). Today the Florida Building Code has been adopted by the State of Florida and the Town of Palm Beach. The current edition is the 2004 Florida Building Code with the 2006 annual supplements. The Florida code is based on the International Building Code and has been adapted for Florida's specific areas of concern.

***Function 2: Issuance of Business Tax Receipts***

Florida statutes allow municipalities to collect fees for the operation of businesses within their communities. The Town's Code of Ordinances has contained this requirement from as early as 1947, and the department administers the business tax receipt program within the Town's jurisdiction.

## Past Efficiencies and Cost Savings Measures

***Function 1: Construction Inspections***

- New zoning requirements for generators have resulted in additional time required for plan review, and several more inspections of generators larger than 100 KW. The staff has developed a brochure and checklists to assist in reviewing these applications, in order to minimize any additional impact on staff resources for this requirement.

- New state requirements for provision of generators to supply minimum services to buildings over 75' in height have placed additional reporting requirements on the staff.

The staff developed a standardized form to provide notice to properties affected by this requirement, in order to minimize any additional impact on staff resources for this requirement.

- The use of combination inspectors allows the Town to group inspections and reduce inspections trips and inspection time. It also aids contractors and owners by not requiring them to wait for multiple inspectors.

- The department has utilized outside contractors to conduct construction inspections for a number of years, to accommodate fluctuations in workload without laying off staff. The department currently purchases these services at an extremely reasonable rate, due to our longstanding use of this type of service.

- The department is now recommending as standard practice the institution of a fee if work progresses beyond the time allowed. In one project alone, this has resulted in the collection of over $420,000. As the department continues to enforce these time lines, it is anticipated that the negative impacts on neighborhoods, the prolonged need for services from the department, and the staff resources needed to prosecute these cases will decrease.

***Function 2*: *Issuance of Business Tax Receipts***

- The department has recently implemented the business tax receipt (formerly known as occupational licensing) module of a new software system. This system allows electronic approval and tracking or licenses rather than creating and maintaining a paper record. The software has provided staff the ability to review and approve business tax receipts, and access records from desktops, eliminating the need to consult with other staff members.

- The new software was modified to eliminate the need for zoning reviews of business tax receipts which are within existing, approved businesses, such as nail technicians, cosmetologists, real estate sales associates and stock brokers. This has reduced staff time.

## Planned Future Efficiencies and Cost Savings Measures

***Function 1: Construction Inspections***

- The department does not maintain a computerized list of inspection results. This requires the maintenance of manual lists to be left on the job site. It does not allow a contractor or owner to call the department (or go online) for these results. The staff is currently conducting a thorough analysis of its permitting process, in anticipation of

implementation of the new software system. As this analysis is conducted, the staff is including new procedures which will eliminate redundancy, paperwork and manual operations, where possible.

- No notice is provided to contractors or owners when a permit is scheduled to expire. The new system is designed to provide this notice automatically.

- The department does not provide an estimated time for conducting inspections. Therefore a contractor or owner is required to wait until the inspector arrives. This has always been a problem to many agencies. With the implementation of a new software system, the department intends to explore methods to improve its ability to predict when inspections will take place.

- The department continues to encourage cross-training of its inspectors. This reduces time required for inspections by allowing one inspector to perform inspections for multiple disciplines, instead of having to send multiple inspectors to the site.

***Function 2: Issuance of Business Tax Receipts***

- The department has recently converted to a new software system, and is currently being trained on enhanced features. As staff capabilities improve, management and data reports previously unavailable will be generated, which will assist the department in analyzing the economic trends and viability of our commercial districts. The use of the system will also enable the staff to retain information regarding special conditions placed on businesses, to ensure conformance to all requirements. This will reduce time spent in maintaining paper records, provide information in one location accessible from all computers, and will reduce the issuance of subsequent approvals without conforming to prior conditions. However, until the staff has been fully trained and able to use these features, it is very difficult to predict cost savings in term of staff time. The department will review its operations after six months on the new system, to analyze where efficiencies have been gained, and if and to how staff resources can be reduced or redistributed.

- The department is currently working with other departments to route applications for information purposes only, instead of requiring action. This will reduce the processing time for applications, yet still provide the information needed by other departments for their purposes.

- With the implementation of the new software system, the department intends to provide the capability for renewal notices and other information to be sent by e-mail, and accept applications for transfer of existing business tax receipts and applying for new business licenses via the internet saving the cost of postage and handling of paper.

- The department will be exploring methods to accept payment of business tax receipts on line.

- The new computer system has significantly increased the data retention and reporting capabilities for this program. However, it has also required training on a new report-generating software that is more difficult than previously anticipated. As the department adapts to the new program, we will be in a better position to balance the new capabilities with the time required to maintain the information.

# Program 213 – Inspection and Compliance

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $499,009 | $535,573 | $649,963 | $550,900 |
| Employee Benefits | $182,557 | $219,502 | $251,331 | $213,244 |
| Contractual | $163,033 | $235,571 | $201,620 | $204,020 |
| Commodities | $15,291 | $15,496 | $23,500 | $17,410 |
| Capital Outlay | $13,359 | $13,134 | $13,526 | $13,600 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $873,249 | $1,019,276 | $1,139,940 | $999,174 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Director | 0.2 | 0.2 | 0.2 | 0.2 |
| Administrative Aide | 0.0 | 0.0 | 0.2 | 0.2 |
| Building Inspector | 0.0 | 0.0 | 1.0 | 1.0 |
| Chief Construction Inspectors | 2.7 | 2.7 | 2.7 | 2.7 |
| Combination Inspector | 2.5 | 2.5 | 1.3 | 1.3 |
| Code Compliance Officer II | 1.0 | 1.0 | 1.0 | 0.0 |
| Code Compliance Offer I | 1.0 | 1.5 | 1.5 | 0.0 |
| Stormwater Engineer | 0.0 | 0.0 | 0.5 | 0.5 |
| Development Review Specialist | 1.0 | 1.0 | 1.0 | 1.0 |
| Development Review Coordinator | 0.5 | 0.5 | 0.5 | 0.5 |
| | 8.9 | 9.4 | 9.9 | 7.4 |

## Options for Cost Savings

**Option for Cost Saving:**
Allow Submission of Business Tax Receipts applications and payments on line
**Cost Saving:**
Will be calculated upon further review, if Town Council desires**.**
**Comments**:
Submission of applications by web would reduce staff time required to process renewals, applications, and payments. Allowing payment via PayPal, credit card and/or debit card will simplify the processing of payments for both the staff and the applicant. It would also reduce parking issues within the Town. Savings would be realized as a result of redistributing staffing duties and assignments to be more efficient.

**Option for Cost Saving:**
Eliminate the Issuance of Renewal Notices for Business Tax Receipts
**Cost Saving:**
Will be calculated upon further review, if Town Council desires**.**
**Comments**:
There is no requirement in state statutes for the issuance of renewal notices. Although this is a standard task, its elimination could result in savings in staff time, postage, and paper. However, it may result in increased time required to pursue collections, and many businesses rely on those notices as a reminder renewal is required. As with the previous item, savings would be realized as a result of redistributing staffing duties and assignments to be more efficient.

# Program 214 Landmarks Preservation

## Description of Function

This program exists to maintain the Town's rich history and quality of life by preserving the historic and economic value of significant physical structures and other property, through administration of the landmark architectural review program. Specific functions include: Process Landmark Preservation Commission (LPC) Certificates of Appropriateness, perform staff approvals of minor architectural changes, process appeals of LPC decisions, answer questions, provide education, provide support services to the Landmarks Preservation Commission.

## History

In an effort to protect the historic resources in the Town, a movement developed in the early 1970s to establish a Landmarks Preservation Ordinance. The movement gained strength in 1974 with the publication of Barbara Hoffstot's book, Landmark Architecture of Palm Beach. It was not enough, however, for preservation to be a movement by private citizens and concerned individuals. In order to designate buildings and regulate their condition, it was essential that the local government be involved. In 1979 the Town Council of Palm Beach adopted the first Landmarks Preservation Ordinance and appointed a private not-for-profit 501(c)(3) corporation to administer the program. Original members of the Landmark Commission included John L. Volk, Barbara Hoffstot, historian Judge James Knott, Philip Hulitar, Paul Maddock, Jr., and LeBaron Willard. In 1984, the Landmarks Preservation Commission (LPC) was staffed by the Town's Planning, Zoning and Building Department.

In 1994, the Town received the Florida Trust's Award for Historic preservation, becoming the first municipality to receive such recognition. Today, the Town is still in the forefront of preservation, by continuing to designate historic properties and acting within the framework of the ordinance for their protection To date, over two hundred and fifty structures, districts and historic vistas have been designated as local landmarks and protected for the future.

## Past Efficiencies and Cost Savings Measures

- The Town retains a landmark preservation consultant to provide comprehensive services for the administration of this program. This enables the Town to retain highly qualified consultants on a part-time basis, and provide a significantly higher level of service than could ordinarily be provided by a person on staff who had multiple duties. Historic preservation is a specialized function, and the use of outside contractors enables the department to better handle the fluctuations in this workload and keep program costs down, by not having to retain staff people with this specialized capability.

- The department has reduced travel costs by restricting attendance at national conferences to an interval of once every two years.

- The department no longer funds the annual Preservation Celebration. This program is now entirely funded through donations.

## Planned Future Efficiencies and Cost Savings Measures

- The consultant contract for these services will be re-evaluated to ensure that these services continue to be provided for a reasonable cost.

- Appeals to Commission decisions have required written reports which have increased staff time and effort. Appeals have been heard as new hearings (de novo) in the past, and verbatim transcripts have been provided by the staff. The Town has determined that in the future, appeals will only be heard on the established record. Verbatim transcripts will now be the responsibility of the appellant, along with provision of all related documents. This will save a considerable amount of staff time.

- The department does not have a program for review of architectural landmark approvals other than by construction inspectors. Generally, these are performed at the end of construction, which results in delays in final approvals. An ongoing program of conformance to LPC approvals would required additional staff time, but would result in better conformance to this program. As staff responsibilities shift upon implementation of the new computer system, the staff will be exploring methods to provide this service in a cost efficient manner.

# Program 214 – Landmarks Preservation

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $52,446 | $43,494 | $54,178 | $57,000 |
| Employee Benefits | $19,050 | $20,167 | $22,356 | $23,831 |
| Contractual | $52,570 | $46,826 | $63,850 | $66,100 |
| Commodities | $209 | $607 | $1,300 | $1,100 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $124,275 | $111,094 | $141,684 | $148,031 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Director | 0.10 | 0.10 | 0.10 | 0.10 |
| Planning Administrator | 0.30 | 0.30 | 0.30 | 0.30 |
| Office Manager | 0.35 | 0.35 | 0.35 | 0.35 |
| | 0.75 | 0.75 | 0.75 | 0.75 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate Historic Preservation Consultant Services
**Cost Saving:**
$47,000
**Comments**:
The landmark preservation consultant contract could be eliminated. This cost saving measure would have a significant negative effect on the level of service presently offered. The Town would lose valuable professional input at meetings and administration of the program.

**Option for Cost Saving:**
Require notice to properties within 250' and require applicants to prepare notice
**Cost Saving:**
$2,000
**Comments**:
The code currently requires that notice for Certificates of Appropriateness applications be provided by advertising in the newspaper rather than by providing notice to adjacent neighbors. It is believed that because the preservation of landmarks is an issue of importance to the entire community, legal ads provided a more comprehensive notice. Changing to mailed notices and requiring the applicant to handle this task would reduce costs and staff time, but would limit the provision of notice to the community. This has been considered a benefit to the property owners in the past through the Town absorbing these costs in the interest of public involvement and participation

**Option for Cost Saving:**
Reduce or Eliminate Public Education Activities of the Landmark Preservation Program
**Cost Saving:**
$2,400
**Comments**:
The landmark consultant provides at least three seminars or other educational functions a year for the purpose of publicizing the Town's landmark program. Eliminating public education would result in some cost savings, but this would diminish the public exposure/image of the program.

# Palm Beach Fire-Rescue Department

## Department Overview

The Fire-Rescue Department, operating from three strategically located fire stations for optimal response, with 84 total employees, is ideally situated to deliver comprehensive emergency services to the citizens and visitors to Palm Beach. Fire-Rescue services are provided through the 24 hour 7 day deployment of three Advance Life Support (ALS) engine companies, three rescue ambulance units, two 100-foot aerial truck companies, one Special Operations Unit and a Disaster Response Trailer. The Department currently has one standby engine and two standby rescues in reserve. Most of the employees are in the Operations Division (total of 71 personnel) with personnel working on one of three shifts. Each shift is under the command of a Battalion Chief. The Department maintains a minimum staffing level of 17 Fire-Rescue personnel from November 1 to May 1 and a minimum of 16 Fire-Rescue personnel from May 1 to November 1. Daily staffing is comprised of six firefighters at the south fire station, seven firefighters at the central fire station, and four firefighters at the north fire station (reduced to three firefighters during May 1 to November 1). We deploy and staff for the type and severity of calls normally experienced in Palm Beach. Fire-Rescue crews adjust to meet the incident needs.

The Town's Fire-Rescue Department currently operates with a minimum-staffing complement of three people on each of our fire suppression tactical units (Engines). Since OSHA regulations mandate that we operate in teams of two people, our current three person staffing level produces only one operational team for each of our fire suppression tactical units. Palm Beach Fire-Rescue needs to respond and deploy two units to comply with the OSHA regulations. With three-person engine companies and three fire stations, we are minimally meeting the National Fire Protection Association (NFPA) 1710 standards. Any reduction in staffing may cause the Town to incur undesirable levels of liability in the event of a serious personal injury to a firefighter or civilian. Town of Palm Beach Fire-Rescue relies on assistance from outside agencies while fighting fires to maintain compliance with OSHA 2 in/2 out safety requirements and the NFPA 1710 standards. Mutual aid is essential. No community can afford to staff for every possibility. However, we deploy our resources to deliver safe and effective problem solving services in the most efficient and effective way possible. We receive more mutual aid assistance than we provide. In the future, fire agencies providing mutual aid may be less able or willing to provide resources on a daily basis due to reduced staffing and/or increased calls for service in their own jurisdictions; furthermore, the policymakers in those jurisdictions are already considering charging for their mutual aid services. Additionally, in the event of a large scale disaster, Palm Beach could potentially be isolated from the mainland and mutual aid units unable to respond.

### National Staffing Standards, State and Local Mandates

In 1998, the United States Department of Labor - Occupational Safety and Health Administration (OSHA) passed a "Two-in/Two-out" regulation, Regulation 29 CFR 1910.134. This automatically became law in 23 states and two territories in the country. Again this raised the

issue of "standard of care" in which all fire departments must be held accountable. OSHA requires that a minimum of two individuals, operating as a team in direct voice or visual contact, conduct interior fire fighting operations. The outside personnel must at all times account for and be available to assist or rescue members of the interior team. Within the fire service there is a standard of care concerning emergency service in which citizens of a municipality should expect to receive. Collectively, these standards document that a minimum staffing level of 4 or more firefighters on each apparatus is required to deliver the ever-increasing array of sophisticated emergency services.

The National Fire Protection Association (NFPA) is the industry leader and most nationally recognized authority regarding fire protection. Their standards are the basis for all fire codes and laws. The codes written by the NFPA are considered the standards that fire departments are expected to meet. These codes not only protect fire fighters, but also protect citizens by giving cities standards of operation that are expected to be met. NFPA is such a respected organization in the fire department community that many cities and departments are adopting strict NFPA guidelines to make their fire departments up to national standards. Anytime a Firefighter or civilian is seriously injured or killed, it is likely that there will be resulting litigation. In the event that the Fire-Rescue Department does not follow a NFPA standard, the NFPA standard will be the basis of the lawsuit against the Town and its agents. A finding in court against the Town could result in expensive payouts, as NFPA is the agency that sets the standards of performance for Fire Departments.

NFPA Code 1710 Standard for Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments involves staffing of career fire departments. In this code, the NFPA has used scientific evidence, past history and first hand experience to establish the minimum number of personnel required to safely and effectively operate on a fire scene. NFPA 1710 guidelines say that a first arriving company must consist of 4 fire fighters and arrive within 4 minutes of the initial 911 call. For an initial full alarm assignment (any structure fire) minimum personnel on scene should consist of 15-17 fire fighters arriving on scene within 8 minutes of the initial 911 call. Palm Beach Fire-Rescue meets compliance through the equivalency concept. Presently in Palm Beach, due to staffing numbers, the first arriving company consists only of three fire fighters and needs another company to comply with this standard. Palm Beach Fire-Rescue's full alarm consists of 17 firefighters. The total number of personnel on scene is up to the standards that are nationally accepted. However, there are no more available resources to handle additional emergencies and mutual aid must be requested. The NFPA 1710 is based on an average residential structure fire, in Palm Beach an average residential structure fire can involve a residential structure ranging from 5,000 to 50,000 square feet which would require more fire-rescue resources to extinguish. Current staffing levels with only three firefighters responding on each fire truck, compromises our ability to affect a positive outcome regarding loss of life at a mass-casualty incident. A high-rise building can be defined as a structure more than 75 feet high. There are many critical issues in high-rise incidents not found in residential fires. In general, they are issues requiring the immediate attention of a team of firefighters. That is why we send so many more fire companies on the initial response to high-rise fires than we do to

residential fires. But that response level was formulated for four or more member crews. It is now extremely inadequate for covering the basic requirements of any early stage high-rise incident. At current staffing levels, we need a two-alarm assignment (all on-duty Fire-Rescue resources and mutual aid companies) to even get started on such an incident.

A self assessment survey was designed to be used by individual jurisdictions within Palm Beach County to evaluate their current fire rescue resources and capabilities in relation to the Minimum Level of Service Criteria that have been adopted by the Board of County Commissioners. Each jurisdiction was required to submit a compliance plan to the Level of Service Committee to establish that it does comply or define the measures that will be taken to achieve compliance with these criteria. Palm Beach Fire-Rescue submitted a compliance plan and has established full compliance with the Level of Service Criteria for Palm Beach County Fire Rescue Departments.

**Medical Incident Response**

As many of you know, the medical profession is constantly advancing. Those changes are the reason the Palm Beach Fire-Rescue Department responds with both a Rescue unit (ambulance) and a Fire Engine to medical calls. Our community has planned well when it comes to medical response in Palm Beach. We have cross trained all our personnel to be both firefighters and paramedics or Emergency Medical Technicians so both our Rescue Units and our Fire Engines have the personnel and the equipment to provide advanced life support procedures. Today's average fire department answers twice as many calls for medical emergencies as for fires.

**Department Efficiency and Effectiveness**

We are a lean and efficient organization with individuals serving several required roles. The duality of roles as firefighters and emergency medical service professionals allows us to accomplish what is necessary to maintain a cadre of personnel ready to respond on a moments notice to life and property threatening emergencies. Cross training and dual purpose units with 16 – 17 firefighters at a required minimum allow us to meet our community needs while at the same time minimizes the risk to our personnel and citizens. Our Department must be able to respond to change, solve problems, collaborate on issues, assess community needs, identify the resources required to meet those needs and formulate the plans necessary to provide comprehensive and cost effective services to our customers, the citizens and visitors to Palm Beach.

## Department Cost Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Revenues | $476,389 | $665,906 | $647,938 | $644,450 |
| Expenditures | $8,900,253 | $9,820,322 | $11,213,374 | $11,409,420 |

## Total Department Staffing Levels

| | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Total Full Time Equivalent Employees | 79.5 | 80.00 | 81.00 | 81.00 |

# Fire Rescue Department's Revenue Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| **Revenues** | | | | |
| EMS Transport Billing | $251,220 | $428,294 | $393442 | $325,000 |
| Special Details | $68,000 | $116,446 | $58,230 | $65,000 |
| Washer/Extractor Revenue | $700 | $700 | 0 | $700 |
| Fire Prev Bonfires | | $2,100 | $3,880 | $5,000 |
| Fire Prev Fire Hydrant | | $2,500 | $525 | $2,800 |
| Fire Prev Hot Works | | $825 | $1,575 | $1,500 |
| Fire Prev Public Assembly | | $1,860 | $2,030 | $2,500 |
| False Fire Alarm | | 0 | $100 | $134,100 |
| Fire Prev Fireworks | | $4,000 | $2,040 | $3,000 |
| Fire Prev Technical Insp | | $2,000 | $8,110 | $7,000 |
| Fire Prev Annual Insp Fee | | $35,496 | $45,915 | $54,000 |
| FEMA Grant | | $90,594 | $72,183 | 0 |
| PBC EMS Grant | $50,000 | $46,922 | $48,000 | $16,000 |
| Fireman Heritage Fund | | 0 | $18,000 | 0 |
| TOTALS | $369,920 | $731,737 | $654,030 | $616,600 |

The Fire-Rescue Department continues to seek out diverse revenue streams. Other agencies with similar programs are surveyed to ensure that our fees are in line and appropriate for the service provided.

Whenever possible, the Department also researches and applies for grant funding to obtain necessary equipment and other items that otherwise would have a significant impact on the Town's budget.

We continue to explore opportunities that would benefit the Town such as using specially trained in-house personnel to provide training not only to our employees but inviting other agencies to participate at a fair cost.

Also the Town could consider the implementation of user fees for fire-rescue services provided to other municipalities.

## Options for Revenue Enhancements

| Revenue Enhancement | Amount | Comments |
|---|---|---|
| Increase in Fire Prevention Fees | $13,600 | Increase fees by 20% |
| Increase in EMS Transport Fees | $48,750 | Increase fees by 15%; comparable to Boca Raton. |
| Take advantage of new rule allowing us to bill for motor vehicle accidents with non-transport | $27,314 | New ruling allows recouping the cost (through PIP insurance) of responding to motor vehicle accidents even when transport is not needed |
| Increase Special Detail fees. | $10,000 | Under the current system, event sponsors are charged $60 per hour per assigned employee (usually one or two per event). By increasing the rate of the Special Detail fee charged to an event sponsor from $60.00 to $70.00 per hour. |
| Charge Fees for Public Education programs provided by the Fire-Rescue Department. | $7,360 | Explore options for charging for Public Education programs provided by the Fire Rescue Department. For examples, CPR/AED courses and Fire Extinguisher training. |
| Total Revenue Enhancement Options | $107,024 | |

# Benchmarks for the Fire-Rescue Department

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| Staffing per Engine | 3 | 3 | 3 | Palm Beach County | 3 | 4 | Mutual Aid Martin County |
| Staffing per Rescue * | 2 without transport 3 with transport | 3 | 3 | Palm Beach County | 2 | 3 | Contract Services Martin County |
| Staffing per Truck * | 1 without transport 0 with transport | 3 | 3 | Palm Beach County | 3 | 2 | Mutual Aid Martin County Tequesta PBCFR |
| Battalion Chief | 3 | 6 | 4 | Palm Beach County | 3 | 3 | Mutual Aid Martin County |
| Training Division Staffing | 1.5 | 3 | 3 | Palm Beach County | 1 | 2 | Martin County |
| Fire Prevention Staffing | 3 | 8 | 9 | Palm Beach County | 5 | 3 | Martin County |
| EMS Division Staffing | 1.5 | 4 | 6 | Palm Beach County | 4 | 2 | Martin County |
| Community Education Staffing | 0 Shift Assignment | 0 | 1 | Palm Beach County | 1 | 1 | Martin County |
| Mechanic Staffing | 1 | 3 | 3 | Contracted | Public Works | 1 | Public Works |
| EMS Billing | 1 | 3 | 2 | Contracted | Contracted | Contracted | Martin County |
| Support Personnel Total | 3 | 11 | 8 | Palm Beach County | 3 | 7 | Martin County |
| Fire Response Times * | 5 | 6 | 6 | 6 | 5 | 6 | Martin County |
| EMS Response Times * | 4 | 5 | 5 | 5 | 4 | 5 | Martin County |
| ISO Rating * | 2 | 2 | 2 | 4 | 3 | 1 | 10 |
| Fire Accreditation Agency * | In the Process | In the Process | In the Process | Yes | Yes | Yes | No |

*** Note:** Rescue 1 and Rescue 3 were responsible for 385 and 389 medical transports respectively for a total of 774 transports last fiscal year. This means that Truck 1 and Truck 3 were out of service due to lack of staffing and unable to respond for those 774 time periods for up to one hour.

*** Note:** One of the most critical factors that impact the ability of the Fire-Rescue Department to save lives and to hold down fire losses is response time. Response time is the time required for the first unit to arrive at the scene after the Fire-Rescue Department has been notified.
Many conditions impact response times these include distribution of fire stations, call volume (simultaneous calls for service), weather and roadway conditions, the traffic circulation network and traffic volume. A rapid Fire-Rescue Department response time is critical in both fire and medical emergencies. Fire growth can expand at a rate of 50 times its volume per minute. The time segment between fire ignition and the start of fire suppression activities is critical and has a direct relationship to fire deaths and injuries and fire loss, as well as the safety of fire fighters initiating search, rescue and fire fighting operations. The delivery of emergency medical services by EMTs and paramedics is time critical.

*** Note:** Property/casualty insurance companies have long supported the efforts of individual communities to maintain and improve their fire-protection services. ISO's Public Protection Classification (PPC) program helps insurance companies measure and evaluate the effectiveness of fire-mitigation services throughout the country. The PPC program also offers economic benefits in the form of lower insurance premiums for communities that invest in their firefighting services. ISO assigns a Public Protection Classification, a number from 1 to 10. Class 1 represents exemplary fire protection, and Class 10 indicates that the area's fire-suppression program does not meet ISO's minimum criteria. Any reduction in staffing or apparatus would impact our ISO rating and the amount of insurance premium paid by residents.

*** Note:** Fire department accreditation is a growing trend across the nation. Accreditation is a daI way to measure the effectiveness and efficiency of a fire department by determining community risks and fire safety needs, accurately evaluating the organization’s performance, and providing a method for continuous improvement. Palm Beach Fire-Rescue is pursuing accreditation status with the Commission on Fire Accreditation International (CFAI). The future achievement of accredited agency status demonstrates the commitment of the fire-rescue department to provide the highest quality of service to our community. The Commission on Fire Accreditation International’s process will be a proactive mechanism to plan for the future of this agency and locate areas where we can improve on the quality of the services we provide.

# Program 215 Fire Prevention

## Description of Function

The primary function of the fire service is the protection of lives and property, and the best way to do this is through fire prevention. Fire prevention includes all activities that reduce the number or severity of fires. These activities include, but are not limited to, fire prevention inspections, code enforcement, building plans review, fire investigation, and public fire safety education. The Fire Marshal and the two Fire Prevention Officers carry out most of the department's fire prevention activities. In fiscal year 2006 staffing was increased to comply with Florida State Statues of having a state certified Fire Safety Inspector conduct or supervise the fire inspections. The Fire Prevention Division enforces applicable provisions of the National Fire Protection Association (NFPA) Life/Safety Codes and Standards, Florida Fire Prevention Code, the Florida Building Code and the Town of Palm Beach Code of Ordinances as it relates to life safety enforcement for the public. The Fire Prevention Division conducts annual fire inspections on all commercial and residential occupancies equal to three units and greater as mandated by law. All division fire inspectors are state of Florida certified firefighters and fire safety inspectors. Fire inspection personnel conduct annual, specialized fire protection system inspections, such as standpipe and automatic fire sprinkler protection system testing, smoke evacuation systems testing and general fire alarm system testing.

The Fire Prevention Division coordinates with the Planning, Zoning and Building Department, Public Utilities, Engineering, and the Public Works Department to review development projects proposed within the Town. Issues of access, water supply and building construction related to fire and panic safety are our primary concerns. The Fire Prevention Division also reviews all new and existing building plans for Construction Services permitting. A fire plan examiner examines all applicable building plans to assure that they meet all requirements of national, state, and local codes and standards. The fire plan examiners then present comments to the design professional if the building plans lack specific fire/life safety or building code requirements. The design professional will then be required to revise the drawings to reflect fire codes not identified on the original blueprint. It's far more cost effective to detect a fire code problem before the building is built than to have it changed after the building is completed. In the past the Building Department approved the construction of buildings based on the building code, and the fire marshal had to try to enforce the fire code after the fact. The current system insures fire safety, and is more cost effective to the building owner. A division fire inspector is assigned for the purpose of inspecting construction sites to assure the final product of the building meets with the approved building plans. The fire inspector tests all fire protection and fire alarm systems to ensure all function as required by code. Upon approval by the fire inspector, a certificate of occupancy or building permit approval will be signed off once all systems and inspections of the finished site are tested and approved. The fire marshal or fire inspector will try to educate the property owner or occupant to bring about voluntary compliance with the code. It is important to remember that many of the items contained in the code came about due to single fires that killed many people or destroyed a large amount of property. These were lessons that were hard learned, and they should not be repeated. If voluntary compliance can not be obtained the fire marshal or

inspector will start administrative actions to bring about enforcement of the code, and if that fails legal action can be taken in Palm Beach County Circuit Court.

Fire cause investigation is done for one of two reasons. First it aids fire prevention by identifying problems that would require education or legislation to correct. Secondly it identifies fires that were caused by arson or other criminal actions. The cause of many fires can be determined by the fire company officer or the on duty battalion chief from the Operations Division. The fire marshal or a fire prevention officer will be called to determine the cause of the fire if fire officers at the scene can not, if the fire resulted in injury, loss of life, major property loss, or if the fire was suspicious. Members of the Fire Prevention Division have been trained and equipped to determine the cause of fires, take photos of the fire scene, gather laboratory samples, and other criminal evidence if needed. If the fire was determined to be a case of arson, members of the Fire Prevention Division will work with the Palm Beach Police, or the State Fire Marshal, and the Palm Beach County Prosecuting Attorney's Office to bring the case to court.

The Fire Prevention Division administers community education programs to meet the demands of our community. The focus of community education programs is to minimize risk factors in the human environment. Some of these programs are formal, structured teaching processes, but many are informal, ongoing efforts to increase awareness of hazardous behaviors and the resources available to protect against potentially damaging situations. Community outreach is assisting our community with educational information in the form of seminars, classroom presentations, firehouse tours, public talks, safety fairs, school programs and business group presentations. Each engagement is an opportunity to inform, impress upon and increase community members' awareness of safety issues. The Fire Prevention Division also offers community education through responses to questions that we receive daily. These questions range from answering a question from a developer regarding Fire-Rescue Department access and fire hydrant requirements, a neighbor's concerns about overgrown weeds on a lot, to how a resident might dispose of hazardous materials at their home. They include communication via phone, fax, Internet and face-to-face meetings.

## Past Efficiencies and Cost Savings Measures

- Flex Fire Prevention Officers work schedule to conduct Public Assembly Inspections on Fridays reducing the need for overtime. Cost savings of $11,975.
- Automation of the Inspection Programs: Implementation of the Fire Inspector Tools has decreased the workload on fire prevention officers and administrative personnel by providing better data collection, field input, and electronic input.

# Program 215 – Fire Prevention

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $134,044 | $262,363 | $305,493 | $317,300 |
| Employee Benefits | $52,410 | $128,810 | $170,473 | $188,554 |
| Contractual | 0 | $5,864 | $9,500 | $4,900 |
| Commodities | $5,329 | $17,929 | $21,800 | $10,910 |
| Capital Outlay | 0 | $31,624 | $3,000 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $191,783 | $446,590 | $510,266 | $521,664 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Fire Marshall | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Lieutenant | 0.5 | 0.0 | 0.0 | 0.0 |
| Fire Prevention Officer | 0.0 | 2.0 | 2.0 | 2.0 |
| Office Assistant | 0.0 | 1.0 | 1.0 | 1.0 |
| | 1.5 | 4.0 | 4.0 | 4.0 |

# Program 411 Fire Administration

## Description of Function

The Administration Division provides guidance, defines standards of performance, fiscal responsibility, and provides overall leadership and direction for all Divisions within the Fire-Rescue Department. They are responsible for budget preparation, forecasting of revenue and expenditures, billing for all services, union contract financial analysis, and processing of all purchases. They are also a liaison with other Town departments.

The Administration Team provides service to all employees of the Fire Department in the areas of Peer Support & Employee Assistance, ADA, EEO, and FMLA management and strives to identify, select, and hire a workforce that meets the operational needs of the department and that will benefit from enriched diversity. The team also responds to citizens, requests for information regarding Fire-Rescue Department demographics and day-to-day emergency and non-emergency activities.

The Administration Division also provides maintenance, technical support, and planning by supplying the department with the technology to enable us to function effectively. The Administration Division is responsible for facility, fleet, and equipment maintenance. It also has any and all information concerning fire apparatus, including age, type, capacity, basic function, and location throughout the Town. The Fire-Rescue Department's repair shop maintains our fleet of approximately 20 automobiles and fire apparatus.

This program also oversees the administration of the EMS Billing program including compliance with HIPAA regulations, processing of insurance provider contracts, staying abreast of changes in the industry, and review of the overall billing system. We provide periodic data reporting to the Town Finance Department on the status of claims and revenue and provide support to the EMS Billing Technician in the form of training and direction.

## Past Efficiencies and Cost Savings Measures

- Flex Administrative support staff work schedule reducing overtime.
- Better utilization of EMS Billing Technician and Office Assistant in Fire Prevention for support services to other divisions.
- Training and EMS Division Chiefs perform their own administrative support functions in addition to their management functions which have reduced the need for additional support personnel.
- Sharing of accreditation responsibilities amongst management personnel which have reduced the need for additional positions and support personnel to obtain and maintain accreditation status.
- Office Manager is responsible for the collection and maintenance of all fire-rescue activity records generated by various programs including subpoena processing, public

- records dissemination, records destruction and in-house inventory. This is accomplished without the addition of personnel or as a separate program.
- Effectively utilizing span of control for management of resources reducing the need for additional positions of supervision or separate programs.
- Utilization of a computerized investigative service to improve collection of EMS billing
- Improved EMS collection rate from 70% to 90%.
- Purchased EMS Scanners for collecting information to improve collection of EMS billing
- Converted two fire stations' cooking appliances to gas appliances for improved energy efficiency and operability during storm emergencies.
- Successful applications for major grants have been awarded for a Disaster Response Trailer ($46,922), 70 sets of Fire Bunker Gear ($90,594), Plymovent Vehicle Exhaust System at all three fire stations and mechanic's repair bay ($132,360), and various pieces of fire-rescue equipment saving Town taxpayers several hundreds of thousands of dollars.

## Planned Future Efficiencies and Cost Savings Measures

- Accreditation – The Fire-Rescue Department is in the beginning stages of the accreditation process which requires a thorough review of the Fire-Rescue Department's operations, policies, rules, and procedures. This process will help us to identify future efficiencies and cost savings measures.
- Researching contracts for building maintenance for all three fire stations to reduce cost.

# Program 411 – Fire Administration

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $231,065 | $391,085 | $499,860 | $494,500 |
| Employee Benefits | $159,698 | $173,906 | $239,244 | $255,579 |
| Contractual | $60,454 | $58,560 | $55,900 | $48,790 |
| Commodities | $56,740 | $24,996 | $21,500 | $17,510 |
| Capital Outlay | $11,585 | $10,383 | $19,611 | $47,517 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $519,542 | $658,903 | $836,115 | $863,896 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Fire-Rescue Chief | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Chief, Administration Chief | 1.0 | 1.0 | 1.0 | 1.0 |
| EMS Division Chief (EMS Coordinator) | 1.0 | 0.0 | 0.0 | 0.0 |
| Administrative Lieutenant (PIO) | 0.5 | 1.0 | 1.0 | 1.0 |
| Office Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Coordinator (Secretary II) | 1.0 | 1.0 | 1.0 | 1.0 |
| EMS Billing Technician | 1.0 | 1.0 | 1.0 | 1.0 |
| | 6.5 | 6.0 | 6.0 | 6.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Outsourcing EMS Billing Program

**Cost Saving:**
Average of $6,000 based on the revenue for the past two fiscal years (Option 2).

**Comments**:
The Fire-Rescue Department implemented EMS Transport Billing in October 2002 (FY2003). Initially, the program was performed by existing in-house personnel. After the first two years, the Fire-Rescue Department determined that the workload required to maximize transport revenue, comply with the legal mandates on the administration of this type of program, and efficiently run both the billing program and other duties required by staff would be better served by hiring an additional person dedicated solely to the billing program. The new EMS Billing Technician started in early 2005. In the past two years our revenue increased from $251,200 in FY2005 to $428,294 in FY2006 and $393,442 in FY2007, and our collection rate increased from 70% to 90%. If EMS billing were to be outsourced a decline in revenue and the collection rate should be expected. In FY07, the cost of salary and benefits for the Town's EMS billing specialist was $39,494 (FY06 $36,417).

We researched two alternative methods of EMS Billing.
Option #1 - The City of West Palm Beach charges a flat rate of $7.00 per account for sending no more than five statements (FY07 1061 transports $7,427). The Fire-Rescue Department must send them the compiled information, then the send the claim or statement. They do minimal to no follow up on accounts that do not pay. This would still require a Fire-Rescue staff person to compile information and to follow up making this option non feasible.

Option #2 – Professional Practice Support Inc. is a full service billing and cost recovery business. The Fire-Rescue Department worked with this organization in initially setting up our in-house program. They use the same software and are very familiar with our system and process. They charge 7.75% of collected revenue. Estimated cost based on revenue list above would be: FY06 $33,193 and FY07 $30,492.

With both options, the outside vendor is only proposing to process and file claims for reimbursement. Outsourcing will not eliminate the Town's responsibility or liability for maintaining compliance with the Health Insurance Portability and Accountability Act (HIPAA) and Federal, State, and local regulations. The Fire-Rescue Department would still be responsible for all administrative functions of the billing program and liable for any discrepancies and/or penalties for erroneous or fraudulent claims.

# Program 417 Operations

## Description of Function

The Operations Division is the largest division of the Fire-Rescue Department. Under the direction of the Operations Assistant Chief, the division employs three Battalion Chiefs, 67 fire suppression personnel, a Division Chief of Emergency Medical Services, and Master Mechanic. The Operations Division is responsible for the day-to-day provision of emergency services to citizens. Members of the Operations Division act as an all-hazards response agency responding to citizen calls for assistance, regardless of the nature, and providing a safety blanket that allows the Town to maintain high standards and quality of life.

The Operations Division has primary responsibility for responding to emergency calls for help from the public. Services provided include combating all types of fires, providing emergency medical care to the sick and injured, containing and mitigating the effects of leaks or spills of hazardous materials, rescuing persons who are physically trapped in such situations as vehicle accidents, industrial accidents, collapsed structures, rescuing persons in water emergencies, mitigating the hazards from situations involving downed power lines or gas leaks and providing aid in situations where people need special assistance, such as lock-out situations or animal rescues. Operation Division personnel also present public fire safety and emergency preparedness educational programs, conduct certain pre-fire safety plans, maintain the apparatus and facilities and train continually.

The delivery of emergency medical services is handled by paramedic and EMT certified personnel on each company in the Operations Division; however, management and coordination of the Fire-Rescue Department's emergency medical services delivery system is the responsibility of the EMS Division. Extensive Federal, State and county laws and regulations relative to the provision of emergency medical services, requirements for medical oversight in the provision of paramedicine, as well as significant reporting and administrative requirements, necessitate special focus and attention. As a result, the EMS Division was formed to meet these needs, to provide management oversight, administration and future planning. Staffing currently consists of an EMS Division Chief.

The Emergency Medical Services Division reports directly to the Operations Assistant Chief. The EMS Chief is responsible for continuous program quality improvement and skills and license maintenance of the department's EMT and paramedic personnel. The EMS Chief represents the Fire-Rescue Department as liaison to local hospital emergency departments, health care providers and the Palm Beach County EMS Agency. Palm Beach Fire-Rescue's Emergency Medical Services has established itself as a high quality program within the local medical community. The quick, efficient, and competent care provided by the Palm Beach Fire-Rescue paramedics and emergency medical technicians has earned respect from medical regulatory and other outside agencies as well as the citizens we serve.

Reliable and serviceable apparatus and equipment is a cornerstone to the ability of the Fire-Rescue Department to deliver effective emergency service. The fleet of fire units and the equipment carried on those units is modern and designed in accordance with national standards at the time of manufacture. The oldest front-line apparatus are 14 years old and the oldest reserve apparatus are 7 years old. The Fire-Rescue Department has a fleet replacement program. The Fire-Rescue Department has aggressive fleet and equipment preventative maintenance, testing and repair programs. The Fire-Rescue Department has a certified fire mechanic on staff who maintains the Fire-Rescue Department fleet. Operation Division personnel maintain most of the equipment carried on the apparatus, including hoses, nozzles, salvage equipment and breathing apparatus. Fire-Rescue Department personnel are factory certified to maintain and repair equipment, as required.

## Past Efficiencies and Cost Savings Measures

- Implemented a single unit response from a four unit response on Fire Alarms to improve operational efficiency and for fuel conservation.
- All operational personnel are proficient and trained in report writing and clerical skills which have reduced the need for an office assistant position in this division.
- Implementing a staff reduction at the north fire station during May 1 to October 30 during the off season with a cost savings of $175,000.
- Flex Assistant and Division Chiefs' work schedules to cover Battalion Chiefs' Kelly days reducing the amount of step up pay, freeing up the calendar for firefighters to take time off which would reduce excessive sick time usage and overtime. Cross-training command staff to be more proficient utilizing incident command. Provide a management representative on the Battalion Chiefs' Kelly days. Cost savings of $45,000.
- Conducting quarterly company officer meetings on all three shifts instead one day reducing the amount of overtime needed with cost savings of $15,000.
- Purchased a Mig welder to fabricate tools and special projects for cost savings.
- Established a Quarter Master program to streamline uniform replacement and minimize cost.
- Eliminated school time for training classes for FY 2008 with a cost savings of $22,100.
- Implemented changes in rank identification of firefighters' protective helmets with a cost savings of $8,500.
- Received a grant for hydraulic stretchers which should reduce workers' comp claims of back injuries caused by patient lifting and moving.
- Centralized medical supplies reducing medical supplies inventory and minimize cost.
- Established a Wellness program which will reduce worker's comp claims.
- Eliminated overtime of mechanic assistants for FY 2008 with a cost savings of $45,000.
- Implemented a flat fee for annual physicals instead of overtime with a cost savings of $2,400.
- Emerging technology has increased efficiency in the Department like the Telestaff staffing program.

## Planned Future Efficiencies and Cost Savings Measures

- Exploring the feasibility of reallocating a firefighter position to a 40 hour work week for Community Education and Public Information reducing overtime for Citizen's Fire Academy, CPR, and other community outreach programs create revenue for Community education. Cost savings in overtime of $16,000 for community education programs.
- Create a volunteer Fire Corps program that can fulfill the need for additional office support personnel.
- Exploring contract services for Vehicle Maintenance.
- Future replacement of an aerial apparatus as a ladder instead of a platform will afford versatility and cost savings of several hundred thousand dollars.
- Exploring incentives for special projects and programs instead of overtime.
- Hiring EMT/Firefighter that will sign a contract to become paramedics within 4 years with a cost savings of $4,000 per employee until paramedic status is achieved and would also expand the applicant pool.
- Delaying compensation of Paramedic pay until after probationary employee passes in-house paramedic testing with a cost savings of $4,000 per employee for the first year.
- Delaying purchase of new protective clothing for probationary personnel after completion of probation by utilizing spare protective clothing with a cost savings of $2,500 per employee for the first year.

# Program 417 – Operations

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $5,146,122 | $5,482,664 | $5,617,844 | $5,627,900 |
| Employee Benefits | $2,217,551 | $2,565,749 | $3,407,715 | $3,627,431 |
| Contractual | $46,953 | $51,169 | $121,400 | $39,400 |
| Commodities | $384,695 | $335,465 | $316,150 | $303,100 |
| Capital Outlay | $296,096 | $404,924 | $549,808 | $582,679 |
| Other | $94,999 | $94,999 | $95,000 | $95,000 |
| TOTALS | $8,186,416 | $8,934,970 | $10,107,917 | $10,275,510 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Assistant Chief, Operations | 1.0 | 1.0 | 1.0 | 1.0 |
| Battalion Chief | 3.0 | 3.0 | 3.0 | 3.0 |
| EMS Division Chief | 0.0 | 1.0 | 1.0 | 1.0 |
| Lieutenant | 15.0 | 18.0 | 18.0 | 18.0 |
| F/F, D/O, Paramedic | 52.0 | 49.0 | 50.0 | 50.0 |
| Fire Mechanic | 1.0 | 1.0 | 1.0 | 1.0 |
| | 72.0 | 73.0 | 74.0 | 74.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Create a Part-Time Fire Mechanic Assistant Position in Lieu of Overtime

**Cost Saving:**
$25,000

**Comments**:
Assistance for the Fire Rescue Mechanic has previously been provided with overtime by three off-duty firefighters at a cost of almost $45,000 and over 1000 hours of overtime accrued in FY07 for repair work on emergency apparatus and fleet maintenance. One part-time Mechanic Assistant (20-hour per week with no benefits) could be added to the Department for a salary of $20,000 resulting in a cost savings of $25,000. The primary duties of a Mechanic Assistant would be to assist the Fire Rescue Master Mechanic in his daily repair work and provide coverage for the Fire Rescue Master Mechanic when he is sick, injured or on leave. A Mechanic Assistant would be able to start a Records and Reports system for Fleet Maintenance for compliance with Accreditation requirements and allow the Master Mechanic time to attend continuing education and training classes toward a certification as an Emergency Vehicle Technician (EVT). The EVT program is a new statewide certification program endorsed by the Florida Fire Chief's Association for all Fire-Rescue Department Master Mechanics to ensure apparatus repairs and fleet maintenance programs are conducted in compliance with all of the National Fire Protection Association (NFPA) guidelines for safety.

**Option for Cost Saving:**
Outsource Fire Rescue Mechanic Position

**Cost Saving:**
$64,879 plus benefits minus actual cost of services

**Comments**:
The Fire Rescue Mechanic duties could be outsourced to a private company or another local fire department to provide some of the emergency repairs of the apparatus and conduct functions of the work required for the Fleet Maintenance Program currently handled by the Fire Department's Master Mechanic. A private company or another local fire department specializing in the field of repair work on emergency apparatus is available at a cost of approximately $95 per hour plus a two hour response fee for 24 hour service. This position is occupied and unavailable for elimination without a layoff or transfer. Elimination of this position would diminish the capabilities of the fire-rescue department and therefore is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Reduce each shift by one firefighter (total 3)

**Cost Saving:**
$163,239 plus benefits

**Comments**:
The result of this action would eliminate a firefighter position at the North fire station from four to three staffed positions. This action would also cause a rescue (ambulance) not to be staffed in the North area which would lead to all medical responses and transports conducted by the other two rescues (ambulances) from the Central and South fire stations. This action would impact those areas if a rescue (ambulance) is needed in the North area. This action would also compromise the OSHA 2 in 2 out requirement being currently achieved for fire suppression which would require the response of an additional fire engine for entry to conduct interior fire suppression. Elimination of these positions would cause the Town to incur undesirable levels of liability. These positions are occupied and unavailable for elimination without a layoff or transfer. Elimination of these positions would diminish the capabilities of the fire-rescue department and therefore is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Reduce ratio of Paramedic to EMT personnel

**Cost Saving:**
Will be calculated upon further review, if the Town Council desires.

**Comments**:
The Fire-Rescue Department currently has a Paramedic to EMT ratio of 62 to 9 (87% of the Fire-Rescue operations personnel are Paramedics). This ratio can be analyzed for cost savings. This action would diminish the high and preferred level of medical care being currently provided by the Fire-Rescue Department.

# Program 418 Training

## Description of Function

The Training Division is responsible for the design, delivery, and documentation of all educational programs involving department personnel. It is through proper training techniques that we strive to reduce injuries to our personnel and provide quality of service to our citizens. With the numerous requirements placed upon the fire service today by the many regulatory agencies, (NFPA, ISO, OSHA, and Regional EMS), the Training Division coordinates the mandated training needed to comply with established regulations.

The Training Officer, who holds the rank of Division Chief, is responsible for coordinating and administering the Fire-Rescue Department's training programs. Annual required training (minimum of 600 hours) covers many areas and subjects including: structural firefighting, hazardous materials incidents, medical and rescue emergencies, water rescue, technical rescue (building collapse, high angle rescues, confined space rescue) and mass-casualty incidents. Each month the department members complete a minimum of 50 hours of mandated training when not responding to emergency calls. Training is required for all tasks that are considered hazardous. Targeted subjects of importance are those tasks that are considered "high-risk/low-frequency". The Training Division accomplishes this task by offering both in house and outside training.

The Training Division utilizes Field Training Officers (FTOs) to help facilitate unified training throughout the shifts; two FTOs are assigned to each of the three shifts. Each FTO has to maintain a basic level of Instructor qualifications in order to be eligible for the position. By drawing on their wide range of knowledge and experience, this valuable resource is utilized daily within the Training Division. These experienced personnel are encouraged to teach classes that serve to benefit all personnel. Other creative ways we are taking advantage of experienced personnel has been by cooperating with the Palm Beach County Training Officer's Association to combine training with neighboring departments. Through this route, the Training Division uses our personnel along with other county instructors to pool our resources and provide countywide training opportunities. This benefits both the residents we serve and the department personnel.
Every new employee is dual certified as a firefighter and either an Emergency Medical Technician or a Paramedic. Once employed, the Training Division places the new employee through a 6 week fire academy. This fire academy (orientation period) is mandated through NFPA to assure all new employees are familiar with the organization's equipment and operating procedures for everyone's life safety. The fire academy is skill based and is heavily weighted on technical functions. Other issues covered during the academy are new employee orientation, labor relations, exchange of department and personal expectations, safety, respirator fit testing, breathing apparatus familiarization, engine, truck and rescue company evolutions. The new recruits ride with an engine company each week to reinforce classroom learning of Fire-Rescue Department operations and procedures.

Promotions go hand-in-hand with the hiring of new firefighters; the Training Division assists with the promotional process in the area of career development. Classes are offered to prepare interested personnel to promote through the ranks of Driver/Operator, Lieutenant and Battalion Chief. The Division of Training is responsible for coordinating Fire-Rescue Department and Human Resources activities related to any promotional examinations.

Staff continues to research new equipment, methods, technology and subjects that will improve departmental functions and ensure the safety of all personnel. The Training Division stays abreast of current trends and technologies which have potential impact on the organization. From this, training opportunities are created and procedural changes are explored and developed.

Training is one of our most significant current challenges and has a direct impact on our firefighting operations in terms of preparedness and response capabilities. As fires become less frequent, training must increase.

## Past Efficiencies and Cost Savings Measures

- Training props constructed by shift personnel. Cost savings of $40,000 for Confined Space Rescue Training Prop through donated materials.
- National Paramedic Institute on-line training cost savings for EMT/Paramedic recertification which was normally conducted through Palm Beach Community College at a cost savings of $4,000.
- Various classes hosted in our facilities allowed us to place two department members in the class at no cost to the department. Current cost saving of $1,800.
- Hosting classes in our facilities has given us the advantages of placing the majority of our members through classes in house resulting in a reduction of travel costs for the Town. Cost savings have been $1,500 per member if attended in state and $2,500 per member if attending an out of state required class.
- Pursuing acquired structures that are scheduled to be demolished for training opportunities with cost savings of $8,000 for training that was outsourced.
- Designed and developed internal training programs.

## Planned Future Efficiencies and Cost Savings Measures

- Sharing training costs with other Town Departments (NIMS, OSHA, etc.).
- Exploring opportunities to provide specialized training to generate revenue (Confined Space Rescue, ACLS, PALS, CPR, etc.).

# Program 418 – Training

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $96,021 | $108,129 | $111,671 | $113,800 |
| Employee Benefits | $39,330 | $45,493 | $60,371 | $65,614 |
| Contractual | $49,819 | $64,568 | $82,000 | $72,500 |
| Commodities | $9,125 | $8,259 | $15,300 | $18,100 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $194,295 | $226,449 | $269,342 | $270,014 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Training and Safety Officer | 1.0 | 1.0 | 1.0 | 1.0 |
| | 1.0 | 1.0 | 1.0 | 1.0 |

# Police Department

## Department Overview

The Palm Beach Police Department is a full service nationally and state accredited law enforcement agency. Functions provided by the police department include Patrol, Detective Bureau, Crime Scene Investigation, Motorized Patrol, Special Investigations, and Code Enforcement. Support functions include Communications, Records Management, Parking Control, Crime Prevention, and Ocean Rescue.

The Palm Beach Police Department is dedicated to the prevention of crime and the protection of life and property; the preservation of peace, order and safety; the enforcement of laws and ordinances; and the safeguarding of constitutional guarantees.

## Department Cost Summary

| | **FY2005 Actual** | **FY2006 Actual** | **FY2007 Budget** | **FY2008 Budget** |
|---|---|---|---|---|
| Revenues | $1,083,485 | $1,266,927 | $1,294,714 | $1,964,600 |
| Expenditures | $13,078,878 | $14,980,391 | $14,695,579 | $16,072,211 |

## Total Department Staffing Levels

| | **FY2005** | **FY2006** | **FY2007** | **FY2008** |
|---|---|---|---|---|
| Total Full Time Equivalent Employees | 131 | 131 | 131 | 129.50 |

# Police Department Revenue Summary

| Revenues | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Bullet Proof Vests Grant | $8,732 | $1,423 | $6,000 | $12,000 |
| FDLE Justice Assistance Grant | $0 | $2,588 | $3,500 | $3,500 |
| Local Law Enforcement Block Grant | $0 | $1,931 | $0 | $1,500 |
| Seized Tag | $3,200 | $4,083 | $3,000 | $4,100 |
| 911 Equipment Reimbursement | $59,792 | $178,529 | $90,914 | $90,914 |
| $12.50 Citation Monies | $21,453 | $0 | $22,000 | $15,000 |
| Special Assignment Overtime | $282,445 | $322,290 | $350,000 | $350,000 |
| Police ID Cards | $31,042 | $26,230 | $25,000 | $25,000 |
| Burglar Alarm False Alarm Fees | $30,950 | $31,300 | $35,000 | $32,000 |
| Burglar Alarm Registration Fees | $47,773 | $39,473 | $48,000 | $52,000 |
| Burglar Alarm Penalty | $3,384 | $5,528 | $5,000 | $6,000 |
| Burglar Alarm Direct Connect | $4,750 | $9,250 | $5,000 | $5,000 |
| Valet Parking Permit | $4,500 | $4,500 | $4,500 | $4,500 |
| Fines-Parking Meters | $108,817 | $127,377 | $150,000 | $150,000 |
| Penalties-Parking Meters | $78,242 | $91,831 | $75,000 | $75,000 |
| Fines-Other Parking | $191,370 | $204,571 | $300,000 | $250,000 |
| Penalties-Other Parking | $130,062 | $168,439 | $175,000 | $170,000 |
| Moving Violations | $67,305 | $38,633 | $55,000 | $39,000 |
| Revenue/2nd $ Funding | $4,768 | $4,101 | $4,000 | $4,200 |
| Boot Fees | $4,900 | $4,850 | $5,000 | $5,000 |
| TOTALS | $1,083,485 | $1,266,927 | $1,361,914 | $1,294,714 |

## Options for Revenue Enhancements

| Revenue Enhancement | Amount | Comments |
|---|---|---|
| Charge for bus permits | $10.00 | Would provide approximately $10,000 in additional revenue to the Town. |
| Total Revenue Enhancement Options | | |

# Benchmarks for the Police Department

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| Property value per square mile (millions) | 4202.6 | 317.4 | 994.9 | 603.3 | 223.0 | 146.8 | 979.9 |
| Property value per officer (millions) | 338.27 | 52.51 | 136.67 | 109.68 | 102.64 | 104.50 | 166.59 |
| Number of officers per population | 8.22 | 3.22 | 2.65 | 2.27 | 2.47 | 4.30 | 24.62 |
| Number of arrests per officer | 27.68 | 17.89 | 9.81 | 15.88 | 11.21 | 4.88 | 0 |
| Number of calls for service per officer | 480 | 373 | 320 | 338 | 333 | 351 | 96 |
| Serious Crime Clearance Rate | 48.82% | 14.50% | 22.30% | 26.70% | 24.30% | 24.20% | 21.10% |
| Crime Index (lower means less crime) | 117.9 | 736.4 | 237.6 | 237.4 | 251.6 | 299.0 | 736.6 |
| Total calls for service | 38,434 | 124,099 | 63,269 | 37,200 | 40,313 | 64,759 | 1,541 |
| Number of calls per dispatcher | 3,000 | 3,399 | 1,947 | 2,480 | 2,519 | 1,282 | 385 |
| Response time Priority calls | 3.44 | 4.68 | 5.80 | 4.00 | 4.48 | 3.00 | NR |
| Top 2 Calls for Service | Alarms<br>Parking Complts | Alarms<br>Accidents | Alarms<br>911 Hangups | Alarms<br>Thefts | Service<br>Alarms | Alarms<br>Accidents | Alarms<br>Assist Motorist |
| Dispatch<br>Police<br>Fire<br>EMS | <br>Yes<br>Yes<br>Yes | <br>Yes<br>No<br>No | <br>Yes<br>Yes<br>Yes | <br>Yes<br>No<br>No | <br>Yes<br>No<br>No | <br>Yes<br>Yes<br>Yes | <br>Yes<br>Yes<br>Yes |
| Crime Prevention Unit | Yes | Yes | Yes | Yes | Yes | Yes | No |
| Neighborhood Crime Watch | Yes | Yes | Yes | Yes | Yes | Yes | No |
| Units part of Police Department:<br>Code Enforcement<br>Parking<br>Ocean Rescue | <br>Yes<br>Yes<br>Yes | <br>No<br>Yes<br>No | <br>No<br>No<br>No | <br>No<br>No<br>No | <br>No<br>No<br>No | <br>No<br>No<br>No | <br>No<br>No<br>No |
| Citizen Police Academy | Yes | Yes | Yes | Yes | Yes | No | No |
| Teen Police Academy | Yes | No | No | Yes | No | No | No |
| Marine Unit<br># of vessels<br># of waterway miles | Yes<br>1<br>26 | Yes<br>1<br>9 | Yes<br>3<br>10 | Yes<br>2<br>5 | No<br>N/A<br>3 | Yes<br>3<br>47* | Yes<br>2<br>18 |
| SOU Team (SWAT) | Yes | Yes | Yes | Yes | Yes | Yes | No |
| Special Assignment OT Rate (includes admin fee) | $60.00 | $40.00 | $37.00 | $30.00 | $43.00 | $39.00 | $40.00 |
| Total # of take home vehicles | 13 | 205 | 201 | 135 | 120 | 190 | 4 |
| Entry level education requirement | 60hrs college credit | Some college | Some college | HS | HS | AA/AS | AA/AS |

*includes canals NR = No response N/A = Not applicable

Note: Benchmarks statistics are derived from calendar 2006 information.

# Program 421 Administration

## Description of Function

This program is responsible for providing leadership and direction of the police department, in order to provide for the safety and security of the residents and businesses in the community.

## History

***Function 1: Leadership and Direction***

This function includes the establishment, review, and dissemination of all departmental policies and procedures in accordance with all local, state, and federal laws and constitutional guarantees.

***Function 2: Budget Administration***

This function provides for the development and administration of the police department budget. Responsibilities include the processing of payroll, accounts payable and receivable, equipment, service contracts, and all other aspects relating to budgetary matters.

***Function 3: Departmental Accreditation***

This function administers the national and state accreditation programs. The accreditation programs insure that the police department is following nationally recognized standards relating to police operations. By complying with these standards, the department is able to defend department policies and procedures relating to personnel and high liability areas and to reduce exposure to potentially costly lawsuits that may arise out of police practices.

***Function 4: Future Planning***

This function conducts all planning initiatives, including personnel allocation, statistical analysis of workload indicators, contingency planning for emergency operations, multi-year planning for future needs, and review of present practices. A monthly statistical report relating to police activity is published and provided to the department command staff, Town government leaders, and various business and civic associations.

## Past Efficiencies and Cost Savings Measures

***Function 1: Leadership and Direction***

The personnel complement in this program has been modified on several occasions over the past several years. Previous staffing levels included three captain positions over three separate functions. This staffing level was reduced to two majors in the 1990's. In 1998, a former administration reclassified a major’s position to an assistant chief of police. In 2001, the current leadership eliminated the assistant chief of police position and divided the leadership of the department into two divisions, which are commanded by majors. This has resulted in a flattening of the organizational structure with greater accountability and more effective upward and downward communication.

***Function 2: Budget Administration***

During a departmental reorganization that took place in 1991, a sworn position assigned to this function was reclassified to a civilian police planner position. Payroll and accounts payable/receivable duties were transferred from several other positions in the department to a centralized position of administrative coordinator. These personnel changes resulted in cost savings and allowed a police officer to return to performing a direct law enforcement assignment.

***Function 3: Department Accreditation***

The police department was nationally accredited by the Commission on Accreditation for Law Enforcement Agencies, Inc. in 1989. The Commission on Florida Accreditation accredited the police department in 1994. Since that time, the department has maintained accreditation status by both reviewing bodies, having been re-reviewed on a number of occasions. The next review is scheduled for December of 2007. Accreditation has guided the department in establishing policies, procedures, and standards that are nationally recognized as being consistent with the operation of the highest performing law enforcement agencies. While specific cost savings are difficult to determine, the lack of successful lawsuits against the police department is an indicator that by having policies and procedures that are recognized by two accreditation bodies, liability is reduced.

***Function 4: Future Planning***

The planning function includes studies relating to appropriate staffing levels, effectiveness of police response to crime, appropriateness of equipment needs, and contingency planning. As indicated in Function 1, a police officer position that had this responsibility was replaced by a civilian police planner, resulting in reduced personnel costs. Department accreditation has also had a major impact on establishing appropriate planning and review of police operations and practices. The use of updated software programs has resulted in more reliable statistics for planning purposes. The planning function also includes operational analytics which is very important to prioritization and assignment of operational resources.

## Planned Future Efficiencies and Cost Savings Measures

The new financial software program will enable greater efficiency by requiring less paper to be processed and stored, as all transactions will be handled electronically rather than manually.

# Program 421 – Administrative Management

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $556,030 | $627,214 | $655,525 | $678,847 |
| Employee Benefits | $232,433 | $267,806 | $293,887 | $247,743 |
| Contractual | $57,274 | $54,040 | $55,064 | $69,215 |
| Commodities | $60,898 | $53,986 | $52,900 | $48,940 |
| Capital Outlay | $1,987 | $5,787 | $1,713 | $2,775 |
| Other | 0 | $3,176 | $5,000 | $1,500 |
| TOTALS | $908,622 | $1,012,009 | $1,064,089 | $1,049,020 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Police Chief | 1.0 | 1.0 | 1.0 | 1.0 |
| Major | 2.0 | 2.0 | 2.0 | 2.0 |
| Sergeant | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Planner | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Administrative Coordinator | 1.0 | 1.0 | 1.0 | 1.0 |
| TOTAL | 7.0 | 7.0 | 7.0 | 7.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate one civilian administrative position

**Cost Saving:**
$43,914 plus benefits

**Comments**:
Would place very substantial additional workload on other personnel/units which would be required to assume all of the responsibilities of this position which includes but is not limited to payroll and accounts payable processing. This position is occupied and unavailable for elimination without a layoff or transfer. Elimination of this position would diminish the administrative capabilities of the police department and therefore is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Eliminate Accreditation Programs

**Cost Saving:**
$9,000

**Comments**:
If the above staff reduction occurred, both state and national accreditation processes would be eliminated. Elimination of accreditation would have a substantial unfavorable impact to the leadership, direction, and professionalism of the organization and therefore cannot be recommended except under the most grave of financial circumstances. It should be noted that if substantial cuts are made the department may be unable to meet accreditation standards and would be decertified.

**Option for Cost Saving:**
Eliminate student internship

**Cost Saving:**
$2,000

**Comments**:
The elimination of internships would reduce the capability of the department to recruit qualified personnel from a university setting. Studies have indicated that police officers with college degrees are more well rounded, are better adept at dealing with the public, have increased likelihood of successfully completing the trial period and have decreased frequency of complaints as compared to those who have not attended college. In recent years, three out of the four Palm Beach Police Department interns have become Palm Beach police officers after completing college and the police academy.

# Program 422 Special Investigations Unit

## Description of Function

The Special Investigations Unit is responsible for the investigation and enforcement of all incidents relating to vice, organized crime, illegal drug and financial crimes, and for conducting intelligence related and covert investigations. The vice function performs enforcement activities associated with financial crime, including the exploitation of the elderly, prostitution, gambling, smuggling, illegal use and sales of controlled substances, illegal sales of alcohol and distribution/sales of pornographic materials. This unit is typically responsible for complex investigations of all types and investigation and intelligence gathering as it relates to Homeland Security and counter terrorism.

The Organized Crime Function actively seeks to suppress all activities associated with organized crime. These include:

- Conducting investigations and taking enforcement action related to the sale, trafficking and smuggling of controlled substances.
- Conducting investigations and taking enforcement action related to white collar crime, such as fraud, embezzlement, financial crimes, computer crimes and money laundering.
- Conducting investigations and taking enforcement action related to extortion, loan sharking and racketeering.
- Conducting investigations and taking enforcement action related to any illegal activity conducted by organized groups or associations, including terrorism.

The Financial Crime Function actively identifies, investigates and arrests individuals involved in complex financial crimes, which include:

- Conducting investigations and taking enforcement action relating to major financial investigations to include theft and fraud.
- Conducting investigations and taking enforcement actions relating to individuals or corporations involved in extortion.
- Conducting investigations and taking enforcement actions relating to individuals or corporations involved in the laundering of monies derived from other criminal activities.

The Intelligence Function serves as a gathering point of information provided by various law enforcement and other resources and includes the following actions:

- Receiving, recording, analyzing, investigating and disseminating intelligence information to other components within the department and to other law enforcement agencies.

- Developing and maintaining current intelligence files on persons or organizations suspected/actively involved in racketeering, drug trafficking, gambling, terrorism and major financial and vice-related criminal activities.

- Establishing and maintaining sources of criminal information including informants, civilians, and members of the business community.

## History

The Special Investigations Unit (formerly known as Organized Crime, Vice and Narcotics) is a unit within the Criminal Investigations Unit that is responsible for conducting complex financial and computer related crimes as well as those crimes relating to narcotics, vice and organized crime. Additionally, the unit is responsible for the collection, analysis and dissemination of all intelligence related matters, including terrorism. The unit is authorized one sergeant and four detectives, and one detective position is currently vacant. One of those detectives is currently assigned to the FBI's Joint Terrorism Task Force. For 2006 and year to date 2007, the Special Investigations Unit has conducted 392 criminal investigations, 67 non-criminal investigations and collected and analyzed over 800 of intelligence matters.

## Past Efficiencies and Cost Saving Measures

- The use of flex time has resulted in reduced overtime costs.

- The utilization of computerized data bases to conduct research has resulted in more efficient and timely receipt of intelligence information.

- The utilization of the latest computer software programs to assist in criminal investigations, i.e. Identi-Kit, Computerized Voice Stress Analysis, electronic photo line-ups, has resulted in greater success in solving cases and identifying offenders.

- Investigations of this unit can produce criminal and civil forfeiture actions that result in revenue that is held in the Forfeiture Trust Fund.

## Planned Future Efficiencies and Cost Saving Measures

The continued use of flex time will be utilized to reduce overtime costs.

# Program 422 – Special Investigations Unit

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $337,296 | $322,710 | $377,187 | $342,058 |
| Employee Benefits | $190,390 | $217,424 | $248,293 | $250,756 |
| Contractual | $35,816 | $35,183 | $41,000 | $33,400 |
| Commodities | $12,639 | $16,003 | $12,920 | $11,300 |
| Capital Outlay | $9,828 | $5,009 | $8,384 | $11,401 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $585,969 | $596,329 | $687,784 | $648,915 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Police Sergeant | 1.0 | 1.0 | 1.0 | 1.0 |
| Police Officer | 4.0 | 4.0 | 4.0 | 4.0 |
| | 5.0 | 5.0 | 5.0 | 5.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Reduce staffing level of SIU by one detective
**Cost Saving:**
$63,382 plus benefits
**Comments**:
Would result in the reduction of the number of cases investigated and less likelihood that the most complex cases could be investigated. Only cases with solvability factors would be assigned. Fewer personnel may also prohibit the department's participation in important multi-jurisdictional task forces which would not only result in less cooperation and exchange of information between agencies but less revenue from forfeited funds. The Palm Beach Police Department received $29,837.47 in forfeited funds in FY2007.

**Option for Cost Saving:**
Eliminate sergeant position in SIU and reduce staffing level by one detective
**Cost Saving:**
$137,711 plus benefits
**Comments**:
Supervision of SIU detectives would be placed under the Detective Bureau sergeant essentially eliminating SIU as a separate unit and increasing the span of control far beyond the recommended levels. The unit would be unable to investigate every case as they do now. Only cases with high solvability factors would be assigned. The department would no longer be able to investigate complex financial cases, and as a result, these cases not meeting the criteria for investigation by Federal agencies would go unprosecuted. This would prohibit participation in important multi-jurisdictional task forces which creates a direct and significant impact on the receipt of forfeited funds as stated above. The sergeant position is occupied and unavailable for elimination without a layoff, demotion or transfer.

**Option for Cost Saving:**
Convert from leased vehicles to purchased vehicles
**Cost Saving:**
$7,600
**Comments**:
May endanger detectives working undercover if the vehicle is identified as a police vehicle. If identified by investigative targets, the vehicle would not be able to easily be traded for another undercover vehicle.

# Program 423 - Records Information Systems Unit

## Description of Function

This program is responsible for the collection and entry of all police activity records generated by various programs in the police department. All records are entered into a centralized database, and records relating to crime statistics are reported to the state and federal governments.

## History

***Function 1: Data Input***

This program enters all records generated by other members of the department into a centralized computer system. Records include those relating to criminal incidents, arrests, traffic citations, written warnings, code enforcement citations, evidence and property records, accident reports, and field interrogation cards.

***Function 2: Subpoena Processing***

All subpoenas issued by the various courts of law for police officers, parking enforcement officers, and code enforcement officers are received, recorded, and tracked by this program. Subpoenas are compared with personnel schedules to insure compliance, and those in conflict are returned for re-issue at a later time. Subpoenas are regulated and must be received pursuant to Chapter 48 of the Florida Statutes.

***Function 3: Public Records Dissemination***

In accordance with Chapter 119, Florida Statutes, public records must be made available to all persons upon request. This program provides for the review and copying of records for the general public, insurance companies, attorneys, and other law enforcement agencies as necessary.

***Function 4: Records Destruction***

Records are retained and disposed of in accordance with state of Florida General Records Schedule GS1-SL and GS2. This program serves as the depository for all police department generated records, and destruction orders are prepared in accordance with schedule guidelines.

***Function 5: In-House Property Inventory***

In house property inventory records as maintained in order to track all agency owned property over $500 which is not tracked by the Town property asset system.

## Past Efficiencies and Cost Savings Measures

- In lieu of requesting additional staffing, one Records Assistant position was re-classified and transferred to the Crime Prevention/Training Unit in 2004, due to the continued success of a number of Crime Watch programs, including the Citizen and Teen Police Academies, and increases in membership with Palm Beach Crime Watch, Inc.

- Although the workload in the Records Information Systems Unit has remained consistent, the unit utilized VIPS (Volunteers in Police Service) for filing, shredding, lobby receptionist, and other duties which has reduced the need for additional personnel. Additionally, the unit has taken on additional records related responsibilities relating to the acquisition of the Code Enforcement Unit from the Planning, Zoning and Building Department and is now responsible for recording the minutes of the monthly Code Enforcement Board meetings. The unit has absorbed these duties without adding personnel.

- Currently, all code enforcement violations and right of way violations processed by the police department are entered into the citation program. This program was not specifically designed for this purpose, however it does allow for appropriate tracking until such time as the new Code Enforcement Software module in the Eden software system is acquired.

## Planned Future Efficiencies and Cost Saving Measures

- New software program to be purchased in FY09/10 streamlining crime reporting and computer aided dispatch.

- More in-field reporting which will reduce requirement to type narratives from police reports

- Direct transfer of citation records electronically to clerk of court, reduce time in mailing, etc.

# Program 423 – Records Information Systems Unit

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $116,435 | $137,184 | $142,425 | $148,512 |
| Employee Benefits | $60,143 | $71,504 | $76,139 | $79,869 |
| Contractual | $13,496 | $10,166 | $12,950 | $12,300 |
| Commodities | $3,724 | $5,281 | $5,100 | $4,210 |
| Capital Outlay | $191 | $191 | $191 | $191 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $193,989 | $224,326 | $236,805 | $245,082 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Records Supervisor | 1.0 | 1.0 | 1.0 | 1.0 |
| Records Information Assistant I | 2.0 | 2.0 | 2.0 | 2.0 |
| | 3.0 | 3.0 | 3.0 | 3.0 |

# Program 424 Training/Personnel/Crime Prevention/Public Information

## Description of Function

This program provides crime prevention education to the residential and business community, maintains employee training and certification records, provides public information to the media and other public entities, administers the Palm Beach Crime Watch Inc., non-profit crime prevention organization, and coordinates numerous programs for the community including the Citizens and Teen Police Academies. It is also the coordinator of the Volunteers in Policing (VIPS) Program, which has been a tremendous asset to the community through using talents of volunteers to perform a variety of tasks at no cost to the taxpayer.

## History

***Function 1: Administer the Palm Beach Crime Watch Program.***

Palm Beach Crime Watch, Inc. was founded in 1978 by the chief of police and validated by the resolution of the mayor and town council for the betterment of the community. The purpose of Palm Beach Crime Watch, Inc. is to achieve crime prevention, domestic security and emergency preparedness through community partnerships. Palm Beach Crime Watch, Inc. is a non-profit organization, and all funding for these programs is through the contributions of residents and local businesses. As Palm Beach Crime Watch became more successful through increases in membership, additional programs were developed, including the Citizen and Teen Police Academies. Over the years, many crime prevention programs have been delivered to the residential and business community. Certified Crime Prevention Practitioners conduct crime prevention surveys of residences and businesses to offer suggestions for improving safety and reducing crime. Palm Beach Crime Watch funds and operates the VIPS program, which is the most successful volunteer program in Town of Palm Beach local government.

***Function 2: Personnel/Training***

This program maintains all training and certification records on all sworn and civilian employees. The state of Florida and state and national accreditation, mandates refresher training in a variety of topics for all police officers in order to maintain certification. A number of civilian employees, including telecommunicators, crime scene technicians, and ocean rescue lifeguards, are also required to be certified in a number of disciplines in order to maintain continued employment and comply with accreditation standards. Additionally, an ongoing training program for many of the positions in the police department is essential in staying current and effective.

A training coordinator position was established in 1991 to conduct the department's in-service training program. This position was recently re-assigned to a police sergeant upon the retirement of the former civilian training coordinator.

### *Function 3: Public Information*

The program manager functions as the department's public information officer and is responsible for issuing press releases and other information concerning reported police incidents, arrests, and other matters. Public Information has been a part of this program for over 30 years.

## Past Efficiencies and Cost Savings Measures

#### *Function 1: Administer the Palm Beach Crime Watch Program*

- Over the past six years, membership in Palm Beach Crime Watch, Inc. has experienced a resurgence, resulting in the ability to conduct a number of new programs which are all paid for through memberships and donations to the program at no cost to the tax payer. An assistant was added to the program without adding personnel costs by laterally transferring a position in the Records Information Systems Unit, in order to assist in handling the increase in workload as a result of the addition of programs and responsibilities to this program. Crime Watch is substantially credited for both the low crime rate that Palm Beach enjoys and the extraordinary cooperative and collegial relationship between the community and its police department.

- Marine Crime Watch was formed as a part of Palm Beach Crime Watch in 2004. A new police boat was donated in concert with the addition of the new Marine Crime Watch program. This donation enabled the department to increase the capability of the Marine Unit and resulted in fewer taxpayer dollars being needed to fund and maintain the Marine Unit.

#### *Function 2: Personnel/Training*

- The transfer of an assistant from the Records Information Systems Unit to this program without adding additional personnel costs to the Town has also improved training and certification records keeping. This has also allowed crime prevention personnel to become less involved in administrative duties in order to devote the majority of their time to the crime prevention effort.

- Recently, the civilian training coordinator position was re-classified to a police sergeant position upon the retirement of the former civilian in the position. This was done at minimal increase in cost to the Town, and has allowed the position to become more involved in hands on training of police officers, which will result in some reduction in outside training costs.

## Planned Future Efficiencies and Cost Saving Measures

- A new financial software system purchased by the Town will result in greater efficiency by the reduction and elimination of paper flow relating to training requests, expenses, and reimbursements.

- The reclassification of the training coordinator position to training sergeant will result in more training opportunities being able to be developed in-house, resulting in fewer outside training expenses.

- Continued expansion of the VIPS program (Volunteers in Police Services) will result in reducing the necessity of increasing personnel to perform various tasks that can be done by volunteers, saving substantial costs to the taxpayers.

# Program 424 – Training/Personnel/Crime Prevention/Public Information

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $190,797 | $215,645 | $238,983 | $170,815 |
| Employee Benefits | $87,286 | $97,596 | $94,291 | $68,448 |
| Contractual | $24,078 | $21,406 | $34,550 | $33,588 |
| Commodities | $18,124 | $24,677 | $36,655 | $36,970 |
| Capital Outlay | $4,182 | $4,182 | $3,661 | $5,139 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $324,467 | $363,506 | $408,140 | $314,960 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Civilian Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Civilian Training Coordinator | 1.0 | 1.0 | 1.0 | 0.0 |
| Crime Prevention Specialist | 1.0 | 1.0 | 1.0 | 1.0 |
| Office Assistant II | 1.0 | 1.0 | 1.0 | 1.0 |
| | 4.0 | 4.0 | 4.0 | 3.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate one civilian administrative position

**Cost Saving:**
$43,914 plus benefits

**Comments**:
Reducing this unit by one position would result in the elimination of the highly successful community and crime prevention programs such as the Citizen and Teen Police Academies, and National Night Out Against Crime. Attendance at many community functions such as the South County Road Association meetings would be reduced or eliminated thus reducing the department's presence and access to the community. This position is occupied and unavailable for elimination without a layoff or transfer. Elimination of this position would diminish the administrative capabilities of the police department and therefore is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Eliminate community related functions/events as a result of above action

**Cost Saving:**
$35,000

**Comments**:
The savings are the result of staff hours of other unit personnel (i.e. Patrol, Crime Scene/Evidence, Chief, etc.) for instruction purposes required to successfully implement the above mentioned community and crime prevention activities. It also includes various material costs (i.e. flyers, brochures, training aids, equipment, uniforms, etc.) associated with these type programs. The elimination of these programs would directly effect the security of the Town as well as have a negative impact on the close relationship that exist between the police department and the community it serves.

# Program 425 - Communications

## Description of Function

The Communications Unit receives all emergency and non-emergency telephone calls for police, fire, and emergency medical assistance, and coordinates the appropriate response of public safety services.

## History

***Function 1: Dispatching Police, Fire and EMS Services***

The Communications Unit historically has dispatched police services since 1986, and has always been the public safety (911) answering point for all emergency calls for service. In 1986, the Police Department assumed all dispatch services for the Fire Rescue Department (formerly, the Fire Rescue Department provided their own radio dispatch services). Prior to 1986, police dispatch was performed by sworn police officers and a small number of civilian dispatchers. Since 1986, telecommunicators have been trained in emergency medical dispatch and provide pre-arrival medical instructions for victims requiring medical assistance.

***Function 2: Mutual Aid and Interdepartmental Assistance***

The Communications Unit is responsible for coordinating mutual aid response to the Town from outside law enforcement and fire agencies. This is done through a variety of methods, including interoperable radio systems, teletype, telephone, and email.

***Function 3: Internal and External Security***

This program provides video and alarm security surveillance for police headquarters, town properties, and for businesses through the use of the Direct Connect Alarm System. License plate recognition cameras are strategically placed in various locations in Town which alert telecommunicators to potential felony vehicles or stolen cars entering the Town. These systems are monitored 24 hours per day, seven days a week.

## Past Efficiencies and Cost Savings Measures

***Function 1: Dispatching Police, Fire and EMS Services***

- Centralized dispatch for all emergency services resulted in greater efficiency, coordination, and faster response times for fire and emergency medical emergencies.

- The addition of Center Plus Quality Assurance software to evaluate telecommunicators ability to handle calls for service and to provide for additional training has improved quality, productivity and efficiency.

***Function 2: Mutual Aid and Interdepartmental Assistance***

- A statewide interoperable radio gateway, Florida Interoperability Network (FIN), was established and paid for by the State of Florida that allows our agency to talk by radio to any other agency in the network. This is essential to the interoperable communication of mutual aid partners who may assist the department in the event of a major incident.

- Participation in emergency management preparation, continuity of operations planning, incident command system training, and various exercises and drills has resulted in better preparation for potential disasters and major emergency events.

- Transferred numerous logs and databases from hard copy and antiquated computer programs to network friendly programs, resulting in time savings in locating necessary information.

***Function 3: Internal and External Security***

The implementation of the Direct Connect Alarm System for businesses has resulted in faster response to business alarms, as these alarms are routed directly to communication's personnel without going through the alarm company first. The user of the Direct Connect Alarm system pays a fee to the Town to partially offset costs.

## Planned Future Efficiencies and Cost Savings Measures

- Installation and implementation of a new radio system infrastructure which will improve field personnel safety by allowing for better radio coverage inside buildings throughout town, and provide for interoperable communications with mutual aid partners.

- Implementation of a new Computer Aided Dispatch (CAD) program as part of the Town software project, which will replace antiquated programs that do not interface with emergency medical dispatch, mutual aid infrastructure and other programs. Will result in improvements in unit operational efficiency and the safety of field personnel through various field tracking mechanisms.

# Program 425 – Communications Unit

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $733,061 | $804,551 | $879,573 | $919,378 |
| Employee Benefits | $380,334 | $426,094 | $449,942 | $477,020 |
| Contractual | $106,686 | $759,150 | $133,751 | $148,253 |
| Commodities | $5,318 | $13,542 | $13,790 | $14,115 |
| Capital Outlay | $13,950 | $11,345 | $26,231 | $186,072 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $1,239,349 | $2,014,682 | $1,503,287 | $1,744,838 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Telecommunications Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Telecommunications Supervisor | 4.0 | 4.0 | 4.0 | 4.0 |
| Telecommunicator | 11.0 | 11.0 | 11.0 | 11.0 |
| Call-Taker | 1.0 | 1.0 | 1.0 | 1.0 |
| | 17.0 | 17.0 | 17.0 | 17.0 |

## Options for Cost Savings

| |
|---|
| **Option for Cost Saving:**<br>Eliminate Direct Connect System |
| **Cost Saving:**<br>$2,000<br>**Comments**:<br>Would expose our community to increased criminal vulnerability and increase response times to alarm activations. |

| |
|---|
| **Option for Cost Saving:**<br>Eliminate Town security camera monitoring |
| **Cost Saving:**<br>$6,000<br>**Comments**:<br>Would reduce safety of public places, town facilities and persons. |

# Program 426 Crime Scene/Evidence Unit

## Description of Function

The Crime Scene/Evidence Unit is a specialized unit which is responsible for the forensic investigation of all crime scenes of a serious nature and the collection, preservation and analysis of all physical evidence. The unit also serves as the evidence and property custodian function for the department, and is responsible for recording, maintenance, and disposition of all evidence and property in accordance with state and local laws.

Additional services provided to the community include issuance of identification cards through the Town Voluntary Identification Card Program, providing copies of photographs, audio and video tapes necessary for court purposes, and the fingerprinting of residents and business members of the community for various business and other purposes. Additional identification cards are provided for bank security purposes and Town employees.

## History

The Crime Scene/Evidence Unit was formerly known as the Identification Bureau. In 1991, the name was changed to better reflect the different functions for which the department has assumed responsibility. The unit originally included a photographic laboratory however, with today's computer technology most photographs are now taken with digital cameras and processed via computer. A short chronology of the history of each function is outlined below:

***Function 1: Crime Scene***
The crime scene function of CSEU is responsible for the complete investigation of all crime scenes of a serious nature, including latent fingerprint processing**,** the collection, recording and processing of forensic evidence**,** and the sketching and photography of the crime scene. Additionally, this function is responsible for laboratory processing of evidence and the analysis and comparison of all fingerprint evidence. This function of CSEU is staffed by two crime scene technicians and the crime scene manager. For 2006 and year to date 2007, this function has processed 109 crime scenes totaling 957 hours of investigation. They have submitted 143 pieces of evidence for laboratory analysis and conducted nearly 13,000 latent fingerprint comparisons, making 165 positive identifications.

***Function 2: Evidence***
The evidence function of CSEU is responsible for the recording, storage, and final disposition of all evidence and found property submitted by department personnel**.** This function is staffed by one evidence custodian who is certified by the state of Florida. For 2006 and year to date 2007 the evidence function has received 1,855 cases involving evidence or found property which comprised an estimated 4,000 individual items handled. Over the same time period the evidence function disposed of, either through destruction or sale at the thrift store, 3,790 cases involving an estimated 8,000 pieces of evidence or property.

***Function 3: Administrative***

The main administrative function of the CSEU involves the issuing of identification cards, the fingerprinting of individuals for non-criminal related matters and the copying of audiotapes, videotapes and digital disks for outside persons and/or agencies. All members of CSEU are responsible for the processing of identification cards and fingerprinting of citizens while the duplicating of tapes and disks is the responsibility of the evidence custodian. For 2006 and year to date 2007 the CSEU has issued 2,243 identification cards, fingerprinted 3,387 individuals and copied 1,665 audiotapes, videotapes and/or digital disks.

## Past Efficiencies and Cost Saving Measures

***Function 1*: *Crime Scene***

The utilization of the latest scientific instruments for the detection and collection of forensic evidence has resulted in greater efficiency in solving cases. Many of these cases involve the use of DNA to link suspects to crime scenes.

***Function 2: Evidence***

- The enactment of a computerized bar coding system for the cataloging and storage of evidence has resulted in better tracking and access to stored evidence and property.

- The utilization of a more effective digital system for the copying of audio and video evidence has resulted in less time needed to make copies for court and other legal purposes.

- Use of the county wide thrift store for the disposal of property instead of holding our own property auctions has resulted in better use of staffing hours and less time in processing required legal paperwork.

***Function 3: Photographic Processing***

- As film is rarely used due to advances in digital technology, film processing has been contracted out to a local photo lab, resulting in less film processing costs.

- Digital photography is now used for most photography needs, resulting in faster turn around time for receipt of photographs by those who require them for court or other purposes.

***Function 4: Administrative Function***

- Use of a dedicated computerized system for the manufacturing of identification cards has resulted in less time needed to provide identification cards to our various customers.

- The use of volunteers to assist residents with issuance of identification cards and to

provide information has reduced staffing time needed to furnish this assistance.

## Planned Future Efficiencies and Cost Saving Measures

Continue to use volunteers to assist residents with identification cards and information, which results in less staff time being needed to perform these tasks and allows staff to concentrate on crime scene and evidence/property responsibilities.

# Program 426 – Crime Scene/Evidence Unit

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $180,054 | $223,298 | $244,760 | $241,012 |
| Employee Benefits | $97,474 | $112,038 | $121,174 | $126,584 |
| Contractual | $15,066 | $16,263 | $20,025 | $17,600 |
| Commodities | $22,937 | $18,725 | $20,750 | $17,160 |
| Capital Outlay | $17,258 | $10,365 | $9,827 | $12,347 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $332,789 | $380,689 | $416,536 | $414,703 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Police Officer/Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Crime Scene Technician II | 2.0 | 2.0 | 2.0 | 2.0 |
| Evidence and Property Specialist | 1.0 | 1.0 | 1.0 | 1.0 |
| | 4.0 | 4.0 | 4.0 | 4.0 |

## Options for Cost Savings

| **Option for Cost Saving:** |
|---|
| Eliminate one civilian technician position |
| **Cost Saving:** |
| $43,709 plus benefits |
| **Comments**: |
| Reduction of unit by one position would result in the elimination of revenue generating programs such as the voluntary ID card program and other public services including passport photos and fingerprinting of civilians. Additionally, fewer cases would be processed for evidence resulting in less likelihood of solving the case and potentially reducing crime clearance rates. Revenue produced through ID cards is approximately half of the costs of this position and therefore the elimination of this position should be considered under only the most grave of financial circumstances. |

| **Option for Cost Saving:** |
|---|
| Eliminate public service functions |
| **Cost Saving:** |
| $3,000 |
| **Comments**: |
| These are material cost associated with the public services mentioned above which may be eliminated exclusive of the reduction of personnel. |

# Program 428 Patrol

## Description of Function

This division exists to protect life and property, prevent and suppress crime, preserve the public order and apprehend violators of laws and ordinances in order to create an environment where citizens feel safe and secure.

## History

### *Function 1: Patrol*

The Patrol function is the backbone of the Police Department and exists to protect life and property, prevent and suppress crime, preserve public order and apprehend violators of laws and ordinances in order to create an environment where citizens feel safe and secure. All other departmental programs exist to support the Patrol function. Staffing consists of four captains, eight sergeants, and 57 officers.

Subunits of Patrol have been established to enhance and support the Patrol function. It should be noted that personnel assigned to these positions are patrol officers who, in addition to their patrol duties, perform these specific assignments based on their enhanced training and capabilities. These units include the Motorcycle Patrol Unit, Business and Community Relations Unit, Bicycle Unit, Crisis Intervention Team, and the Emergency Field Force. A description of each of these units is outlined below:

**Motorcycle Unit (MPU)**

The Motorcycle Patrol Unit was created to provide a highly mobile, highly visible patrol, able to rapidly respond to special problem situations within the community during peak problem times due to the ability to move through congested traffic more effectively than a patrol car or SUV. This unit's purpose is to provide rapid response, prevent crime, and apprehend criminals. The unit provides deterrence and vigilant protection for the residents and businesses in Palm Beach. The unit consists of a sergeant and five officers.

**Business and Community Relations Unit (BCR)**

Two officers are assigned to this unit and work closely with the department’s Crime Prevention Unit to serve the needs of the business community. Officers patrol the business district, work closely with business owners and employee to identify and prevent criminal activity. Officers attend business district meetings and serve as a conduit between particular business groups and the department.

**Bicycle Unit**

The Palm Beach Police Department recognizes the value of the bicycle as a tool for patrol and as a means to increase human interaction with the community. The bicycle is considered by the Palm Beach Police Department to be an adjunct to the standard patrol car, and is carried on the exterior of the police car for maximum flexibility. Part of their assignment is to check for suspicious activity while establishing personalized public contact with merchants, customers, and residents within the Town. Currently, 15 patrol officers and a sergeant are assigned to this responsibility in addition to their normal patrol duties.

**Crisis Intervention Team (CIT)**

This effort was created to assist persons having mental health, substance abuse, or social service issues. Officers deliver proper care for individuals in crisis through a collaboration of mental health and criminal justice systems.

A Crisis Intervention Team member responds to all calls or incidents involving a confirmed or suspected person in crisis. A crisis could consist of a person having delusions, refusing to take prescribed medications, erratic behavior, causing a disturbance, talking to themselves, or any other activity or behavior that causes alarm or concern. The goal is to divert a person in crisis into a proper program to assist them in their treatment. Several patrol officers are specially trained in this competency.

**Emergency Field Force (EFF)**

EFF officers receive specialized training in riot and crowd control. All patrol officers receive basic training however, 15 patrol officers are selected to receive advanced training in this specialty to preserve public order, in addition to their normal assignment.

***Function 2: Marine Unit***

<u>Description – Vessel, 35 ft. Island Runner, center console</u>
This function was established to patrol the nearly 30 linear miles of waterfront property which includes the Intracoastal Waterway and the Atlantic Ocean. The police jurisdiction of the Town of Palm Beach extends three miles into the Atlantic Ocean.

Marine patrol officers are responsible on a daily basis for conducting proactive crime prevention patrol within the Town's territorial waters. In addition, marine patrol officers conduct vessel safety inspections, check for environmental hazards including illegal overboard discharge of waste, manatee zone violations, wake violations, human smuggling, illegal use and/or transportation of narcotics, boating under the influence, and perform rescue operations as necessary. Two officers are dedicated specifically to this unit however the department has several additional police officers trained as boat captains who can be utilized when necessary to provide additional staffing and support.

***Function 3*: *Underwater Search and Recovery Team (Dive Team)***

The Underwater Search and Recovery Team consist of specially trained sworn police personnel assigned to various units of the department. When necessary they operate as a team to effectuate a mission not capable of being handled utilizing ordinary police methods. The primary mission of the dive team is to recover submerged victims, evidence and property within the geographical limits of the Town of Palm Beach. Five patrol officers and a sergeant have received this specialized training in addition to their normal patrol duties.

***Function 4: Special Operations Unit (SOU)***

The Special Operations Unit consist of specially trained sworn police personnel assigned to various units in the department, who when necessary, operate as a team to effectuate a mission not capable of being handled utilizing ordinary police methods. These include the handling of critical incidents, serving search warrants, conducting stakeouts, or apprehending dangerous criminal or wanted persons. The unit includes a patrol captain, a sergeant, and 12 police officers. This is a responsibility assigned to police officers and detectives in addition to their regular duties.

***Function* 5: *Explosives and Hazardous Materials Team (EHMT)***

This team consists of officers trained to render safe and/or remove suspected improvised explosive devices, incendiary devices, explosives, explosive chemicals (as currently defined by the BATF), pyrotechnics, ammunition, and weapons of mass destruction. In addition, they provide for legal, proper and safe transportation, disposal of explosives and other items referred to above. A patrol supervisor and two officers are specially trained in this function and perform regular police duties when not assigned to handle an EHMT related incident. The Palm Beach Police Department is one of only three certified bomb disposal teams in Palm Beach County.

***Function 6: Honor Guard***

The Honor Guard's purpose is to represent the Police Department, its officers and families at funerals and other ceremonial events with the highest honor, respect, and integrity. A patrol captain, a sergeant, and 9 officers make up this unit in addition to their regular patrol duties.

***Function 7: Fleet Maintenance***

Two fully certified ASE (Automotive Service Excellence) master technicians are assigned to perform new installations of equipment and repairs in all phases of automotive technology. These include, but are not limited to, electrical diagnostics, electrical repairs, engine performance, mechanical engine repair, brakes, air-conditioning, public safety lighting, prisoner cages, police vehicle consoles, laptops, video systems, fuel systems, axles, tune-ups, oil changes, and police vehicle/boat decal installation.

## Past Efficiencies and Cost Savings Measures

***Function 1*: *Patrol***

- Overtime: FY 06 - $256,265
  FY 07 - $136,491

  Savings $119,774

- Staffing: A yearly staffing allocation study is completed to ensure proper patrol staffing to ensure that the volume of calls for service is responded to within an acceptable time period. When crime is low, if possible, vacant police officer positions have been left unfilled, and have resulted in savings of approximately $115,000 so far in FY08.

- Service levels: The police department has achieved an extraordinarily high level of service in our community which has a direct positive correlation to levels of crime in Palm Beach. This level of service requires many competencies that require specialized training. Specialized training enables officers to perform successfully in specific assignments outside of their primary patrol function, which are described elsewhere in this report.

- Other than equipment costs for MPU and the Marine Unit, these competencies have been achieved via the cost of training only and are performed in addition to their normal patrol assignment.

**Motorcycle Patrol**

- FY05 – Reduction in staffing from seven to six officers resulting in lower equipment costs. Total savings in equipment cost - $5,000.

- FY06 – Change from leasing motorcycles to the purchase of all motorcycles to provide for the option of extending motorcycle rotation.

- FY07 – Motorcycles that were traded annually were not traded in FY07.
  Total savings - $35,000.

***Function 2*: *Marine Unit***

- Use of patrol officers to fill in when marine captains are unavailable to provide additional marine patrol time and increase on return on investment.

- Adjusted boat captain schedule from four 10 hour days to five 8 hour days which is more efficient and results in less down time and more coverage.

- Recent switch to four stroke engines has resulted in better fuel efficiency.

***Function 8*: *Fleet Maintenance***

Prior to the hiring of ASE certified mechanics, all radio installations, custom emergency police lighting packages air conditioning repairs, and motorcycle maintenance were subcontracted to different external vendors. With our current certified mechanics, nearly all repairs are completed in-house.

## Planned Future Efficiencies and Cost Savings Measures:

***Function 1*: *Patrol***

- Elimination of three police officer positions: We are in the process of redesigning a new patrol shift schedule that changes from most patrol officers working five eight hour long days with two days off to a schedule of 11.5 hour long days with additional days off. This will facilitate the reduction of three police officer positions and net annual savings of approximately $190,146 plus benefits without any visible reduction in the level of service to the community. The details of the redesigned schedule are currently being finalized and the transformation is expected to take place on June 14, 2008.

- Overtime Costs: 10% overtime pay reduction. Overtime for patrol staff will be reduced via the redesigned patrol shift schedule and minimized when criminal activity allows. Officers from other units within the department will fill in when possible so that overtime costs can be reduced. Cost savings estimate: $9,500.

- Training: 20% reduction in overall officer training. Training for officers to be reduced to critical needs only. Cost savings estimate: $3,200.

- Patrol vehicles: As technology allows, environmentally friendly, highly fuel efficient patrol vehicles may be able to be ordered. Cost savings on fuel would be expected.

***Function 8*: *Fleet Maintenance***

In order to become a more efficient repair facility we will be re-using many of the components from the patrol cars being traded in this year for installation in replacement vehicles. The following re-used parts represent a total approximate savings of $9,792 for four vehicles:

| | | |
|---|---|---|
| 1) | Lightbar | $1,500 |
| 2) | Cencom Siren Controller | $500 |
| 3) | Speaker Bracket | $30 |
| 4) | Siren Speaker | $150 |
| 5) | Electronics Vault | $118 |
| 6) | Window Armor | $150 |

# Program 428 – Patrol Services

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $4,117,572 | $4,297,804 | $4,472,323 | $4,715,294 |
| Employee Benefits | $2,054,305 | $2,465,873 | $2,712,342 | $2,917,657 |
| Contractual | $109,123 | $110,046 | $162,025 | $155,820 |
| Commodities | $308,583 | $272,025 | $225,221 | $273,390 |
| Capital Outlay | $316,660 | $427,849 | $296,385 | $291,306 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $6,906,243 | $7,573,597 | $7,868,296 | $8,353,467 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Police Captain | 4.0 | 4.0 | 4.0 | 4.0 |
| Sergeant | 8.0 | 8.0 | 8.0 | 8.0 |
| Police Officer | 44.0 | 44.0 | 44.0 | 44.0 |
| Patrol Office Assistant | 1.0 | 1.0 | 1.0 | 1.0 |
| Police Mechanic | 1.0 | 1.0 | 1.0 | 1.0 |
| Police Master Mechanic | 1.0 | 1.0 | 1.0 | 1.0 |
| | 59.0 | 59.0 | 59.0 | 59.0 |

## Options for Cost Savings

**Option for Cost Saving**:
Reduce each patrol squad by one officer (total 4)

**Cost Saving:**
$253,528 plus benefits

**Comments**:
The results of this action would increase the geographical size of patrol zones which would negatively impact patrol response times to calls for service. Many patrol and crime prevention activities such as the Park, Walk and Talk Program, house checks, code enforcement, vehicle lock outs, police response to fire and EMS calls, etc would be drastically reduced if not completely eliminated. Some reports would be taken by phone in place of dispatching an officer to every complaint. Arrests would be reduced due to the reduced proactive activities of patrol officers as well as the overall omnipresence that proactive patrols create. Elimination of these positions would substantially diminish the capabilities and effectiveness of the police department and therefore is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Eliminate one Business and Community Relations officer position

**Cost Saving:**
$63,382 plus benefits

**Comments**:
This position could be eliminated as a result of the elimination of the Community and Crime Prevention activities in Program 424. This would directly effect the security of the Town's Business District as well as have a negative impact on the close relationship that exist between the police department and the community it serves. This position is occupied and unavailable for elimination without a layoff or transfer. Elimination of this position would diminish the capabilities of the police department and therefore is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Change patrol vehicle replacement schedule

**Cost Saving:**
$32,666 minus likely maintenance cost increases which are undetermined at this time

**Comments**:
Currently four patrol vehicles are rotated for replacement every three years. This major equipment replacement procedure was implemented as part of the Town-wide effort of smoothing budgetary impacts from year to year and eliminated the need to maintain high mileage vehicles past their covered warranty period. Extending vehicles past the three year warranty period would require a budgetary increase for vehicle maintenance expenses and require funds for the purchase of an extended warranty to cover major repairs.

**Option for Cost Saving:**
Eliminate Special Operations Unit
**Cost Saving:**
$10,676
**Comments**:
The use of an outside agency for special operations functions would result in slower response times to critical incidents which could endanger lives and property, as well as cause the loss of local control of critical incidents. Eliminating of this function would directly impact the safety of officers performing search or arrests warrants, undercover sting operations, and other covert investigations when the use of neighboring agencies' unit personnel would be unlikely. The elimination of this function would diminish the current capabilities of the police department and therefore is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Eliminate Explosives and Hazardous Materials Unit
**Cost Saving:**
$32,460
**Comments**:
The use of an outside agency for incidents involving explosives and/or hazardous materials would result in slower response times to these critical incidents which could endanger lives. There are currently only two other certified EHMT units available in Palm Beach County. Should improvised explosives become the weapon of choice for acts of terrorism on our soil, this unit would be invaluable and if eliminated would require a long time period to reconstitute. The elimination of this function would diminish the current capabilities of the police department and therefore is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Reduce Marine Patrol Unit by one officer
**Cost Saving:**
$63,382 plus benefits plus 40% reduction for fuel usage $6,719
**Comments**:
This position is occupied and unavailable for elimination without a layoff or transfer. The elimination of this function would diminish the current capabilities of the police department and therefore is not recommended except under the most grave of financial circumstances.

# Program 429 Detective Bureau

## Description of Function

The Detective Bureau of the Palm Beach Police Department is responsible for the investigation and follow-up of all criminal activity in the Town of Palm Beach, with the exception of investigations relating to organized crime, narcotics and vice activities which are assigned to the Special Investigations Unit. The Unit is additionally responsible for the protection of visiting dignitaries and for conducting background investigations on all prospective employees of the police department and town department directors. The Detective Bureau includes the Detective Unit, Crime Intelligence Analyst, and Tactical Unit.

***Function 1: Detective Unit***

This unit is responsible for the investigation of all crimes, with the exception of investigations relating to organized crime, narcotics and vice activities which are assigned to the Special Investigations Unit. Detective Unit responsibilities include investigations of crimes against persons and property, interview and interrogation of victims, witnesses, and suspects, and the apprehension and arrests of suspects. Detectives prepare cases for trial, recover stolen property, conduct background investigations of all prospective departmental employees, and assist other law enforcement agencies with criminal investigations, as needed.

***Function 2: Crime Intelligence Analysis***

A Crime Intelligence Analyst is responsible for the analysis of crime data and the dissemination of such data to concerned units. This is done through the conducting of detailed research and analysis of confidential intelligence and investigative information relating to law enforcement operations and programs. The Crime Intelligence Analyst also analyzes the structure and operation of organized criminal groups and terrorist groups by thoroughly researching and analyzing intelligence information relating to patterns, trends, and movements of the groups for use by department personnel.

***Function 3: Tactical Unit***

The Tactical Unit (formerly the Burglary Strike Force) is a specialty unit designed to address the community problem of residential and vehicular burglaries using various strategies including target analysis, crime prevention techniques, decoy operations, surveillance, undercover operations and high visibility directed patrol. Tactical Unit personnel utilize marked and unmarked vehicles, bicycles, vessels and foot patrol in their effort to apprehend criminals and to discourage crime.

## History

### *Function 1: Detective Unit*

The Detective Unit is a key component of any full service police organization. In order to deter future crimes a police organization must have the ability to investigate past crimes, make arrests and recover stolen property. The Detective Unit is comprised of one Sergeant and five Detectives. During 2004, 2005 and 2006 the Detective Unit conducted 1,028 criminal investigations, 514 non-criminal investigations and 101 background investigations. Additionally, the Detective Unit recovered over $1.7 million of stolen property.

The overall effectiveness of the Detective Unit has historically been measured by the Uniformed Crime Report Clearance Rate which is the percentage of crimes which are solved by arrest or exceptional clearance. The national average of UCR clearance rates fluctuates annually between 17 and 19 percent. For 2004, 2005 and 2006 the Palm Beach Police Department's average clearance rate was 36.3 percent and for 2006 we achieved a clearance rate of nearly 49%.

### *Function 2: Crime Intelligence Analysis*

The position of Crime Intelligence Analyst was created in 1992 when it was realized that there was a need to have a person dedicated to the systematic analysis of crime data generated by the department, other law enforcement agencies, other criminal justice agencies, other government agencies, and private organizations in order to suppress crime and apprehend criminal offenders. Additionally, the function of crime analysis is a recognized and required standard for achieving National Accreditation through the Commission on Accreditation for Law Enforcement Agencies, Inc.

### *Function 3: Tactical Unit*

Originally known as the Burglary Strike Force, this unit was created in 1996 following a 51% increase in residential and auto burglaries reported in fiscal year 1994. The unit originally consisted of one sergeant and six officers. Since it's inception, the unit has successfully combated burglaries through the use of various investigative and policing techniques. In 2006, only 28 residential and/or auto burglaries occurred in the town. This represents a 68.5% decrease from 89 burglaries which were reported in 1994.

## Past Efficiencies and Cost Saving Measures

***Function 1: Detective Unit***

- Use of flex time has reduced overtime costs.
- Utilization of computerized data bases to conduct research has resulted in more efficient and timely receipt of information.
- Utilization of latest computer software programs to assist in criminal investigations, i.e. Identi-Kit, CVSA, photo line-ups.
- Maintaining and keeping vehicles beyond the depreciation schedule has reduced vehicle costs.

***Function 2: Crime Intelligence Analyst***

- Utilization of computerized databases to conduct research has resulted in more efficient receipt and processing of information.
- Formation of email networks between analysts which allows for the rapid transmission of intelligence has resulted in better sharing of information relating to criminal activity and crime trends.
- Membership in various organizations specializing in certain criminal organizations and ongoing crime trends has resulted in receipt of timely information relating to criminal activity.

***Function 3: Tactical Unit***

Reduction in staff has coincided with the reduction in reported burglaries. Current unit is comprised of one sergeant and three officers.

## Planned Future Efficiencies and Cost Saving Measures

***Function 1: Detective Unit***

- Continued use of flex time to reduce overtime costs.
- Change the recording system in the interview rooms from VCR to DVD, thus saving many hours when making copies of interviews as VCR tapes must be copied in real time while a DVD can be copied in minutes.

***Function 3: Tactical Unit***

Reduction in size of vehicle fleet to coincide with the reduction in personnel assigned to the unit will result in further cost savings.

# Program 429 – Criminal Investigation Unit

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $874,154 | $858,324 | $1,009,638 | $970,753 |
| Employee Benefits | $494,459 | $577,581 | $634,604 | $611,889 |
| Contractual | $21,954 | $22,219 | $24,108 | $22,908 |
| Commodities | $17,677 | $17,035 | $13,500 | $15,340 |
| Capital Outlay | $32,751 | $23,873 | $32,571 | $51,098 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $1,440,995 | $1,499,032 | $1,714,421 | $1,671,988 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Police Captain | 1.0 | 1.0 | 1.0 | 1.0 |
| Sergeant | 2.0 | 2.0 | 2.0 | 2.0 |
| Police Officer | 9.0 | 9.0 | 9.0 | 8.0 |
| Crime Analyst | 1.0 | 1.0 | 1.0 | 1.0 |
| Detective Office Assistant II | 1.0 | 1.0 | 1.0 | 1.0 |
| | 14.0 | 14.0 | 14.0 | 13.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Reduce staffing level by one detective

**Cost Saving:**
$63,382 plus benefits

**Comments**:
The elimination of one detective would result in fewer cases being assigned for investigation. The current policy of investigating every case would be eliminated and only those cases involving serious offenses or having a high probability of being solved would be assigned to a detective. Elimination of this position would diminish the investigative capabilities of the police department and therefore is not recommended except under the most grave of financial circumstances.

**Option for Cost Saving:**
Reduce detective vehicles by two

**Cost Saving:**
$8,000

**Comments**:
Three vehicles would be used by a unit of four or five detectives (depending on cost saving options implemented) to conduct investigations which usually take detectives out of the Town limits and sometimes out of state.

# Program 430 - Parking Enforcement Unit

## Description of Function

The Parking Enforcement Unit enforces all parking regulations in the Town, including those on public streets, Phipps Park, and Kreusler Park. Additionally, Parking Enforcement Officers serve as school crossing guards and regulate valet services in the evening hours. Parking Enforcement Officers perform enforcement activities both proactively, and in response to citizen complaints relating to parking issues.

## History

The Parking Control Unit was established as a civilian unit within the police department in 1991. Prior to 1991, the unit included a motorcycle traffic enforcement component and also two foot patrol officers serving South County Road and Worth Avenue. The sworn police officer positions were subsequently transferred to the Motorcycle Patrol Unit. Today, the unit is comprised of a Lead Parking Enforcement Officer and four full time Parking Enforcement Officers. One additional full time Parking Enforcement Officer and two part time Parking Enforcement Officers are assigned to Kreusler Park. Kreusler Park is a Palm Beach County park operated in the jurisdiction of the Town of Palm Beach. The salaries of the Kreusler Park officers are reimbursed by Palm Beach County. The unit is supervised by the Code Enforcement/Parking Enforcement Sergeant.

## Past Efficiencies and Cost Saving Measures

- The Autocite Parking Ticket system was initially implemented in 1991 and upgraded in 1999. This system eliminated the antiquated paper parking ticket system which required the manual entry of parking tickets. Information is now downloaded into the Finance Department computer system in order to record infractions and establish payment of parking fines. In addition, the license registration numbers of scofflaws are entered into the system, and parking enforcement officers can determine in the field if a person receiving a violation is on the multiple violations “boot” list, enabling the officer to place an immobilization device on the vehicle until all payment of fines is received by the Finance Department.

- In FY05, the police department began purchasing the new GO-4 parking vehicle to replace Cushman vehicles that were scheduled for replacement. The GO-4 parking vehicle has proven to be less costly relating to maintenance and as a result maintenance costs have been reduced. Four other Cushman vehicles are scheduled for replacement in the current fiscal year.

- In FY08, a Parking Enforcement Officer position was reclassified to a Code/Parking Enforcement Specialist position. This position allows code and parking enforcement officers to concentrate their enforcement efforts in the field by reducing the number of administrative tasks now handled by personnel who are primarily in the field where operational needs are greatest.

## Planned Future Efficiencies and Cost Saving Measures

- The current Autocite Parking Ticket System is scheduled for replacement in this fiscal year. A new unit is proposed which will interface with the Town's new kiosk system, allowing for instant downloading of information from a kiosk directly into the Autocite system using infra-red technology. Use of this new system should result in substantially greater efficiency and less time necessary to enforce overtime parking regulations. Implementation will likely increase associated revenues.

- An electronic chalking system has been approved by the Town Council which will replace antiquated tire chalking methods for tracking vehicles parked in time zones, with an efficient computer system that will electronically track parked vehicles. A parking enforcement officer will be able to more quickly travel from block to block to check on overtime vehicles, and the computerized system will automatically alert the officer whenever a vehicle has been determined to have been parked over the allotted time limit or on the "boot" list. The system will improve enforcement and reduce the opportunity for persons to deliberately park in excess of regulated hours. Implementation will likely increase associated revenues.

- A workload and staffing review will be conducted after the implementation of the electronic chalking system. While future staffing reductions are possible, they are unlikely due to the various parking systems utilized by the Town including parking by permit, time zones, and kiosk parking.

# Program 430 – Parking Control Unit

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $291,740 | $314,045 | $331,539 | $357,245 |
| Employee Benefits | $153,123 | $167,069 | $179,713 | $215,967 |
| Contractual | $14,088 | $10,453 | $12,860 | $12,900 |
| Commodities | $8,220 | $8,264 | $9,350 | $11,890 |
| Capital Outlay | $24,344 | $24,259 | $28,884 | $252,217 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $491,515 | $524,090 | $562,346 | $850,219 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Lead Parking Enforcement Officer | 1.0 | 1.0 | 1.0 | 0.0 |
| Support Services (Parking/Code Enf.) Captain | 0.0 | 0.0 | 0.0 | 0.5 |
| Support Services (Parking/Code Enf.) Sergeant | 0.0 | 0.0 | 0.0 | 0.5 |
| Parking/Code Enforcement Specialist | 0.0 | 0.0 | 0.0 | 0.5 |
| Parking Enforcement Officer | 7.0 | 7.0 | 7.0 | 5.0 |
| | 8.0 | 8.0 | 8.0 | 6.5 |

## Options for Cost Savings

| |
|---|
| **Option for Cost Saving:**<br>Change Parking Control fleet to fuel efficient vehicles |
| **Cost Saving:**<br>$6,000<br>**Comments**:<br>Replace scooters with fuel efficient subcompacts as they become due on the equipment replacement program. |

| |
|---|
| **Option for Cost Saving:**<br>Reduce Parking Control fleet by one vehicle |
| **Cost Saving:**<br>$5,000<br>**Comments**:<br>The implementation of the Electronic Chalking System will reduce the fleet requirement of this unit. |

# Program 432 Ocean Rescue

## Description of Function

This program exists to protect life, prevent injury and reduce risk and liability on the Town's two public beaches, the Mid-Town Public Beach and Phipps Ocean Park. The Ocean Rescue Unit also provides support and assistance to the Police Department by enforcing and reporting town ordinance violations, conducting search and recovery operations, and training both department personnel and the public in First Aid. The unit also provides assistance to the Fire Rescue Department by responding to aquatic emergency situations that are beyond their scope of their practice.

***Review of Ocean Rescue Services and Operations***

The Ocean Rescue Unit of the Palm Beach Police Department consists of a staff of ten persons assigned to safeguard beach goers at the Mid-Town Public Beach and Phipps Ocean Park beach. The unit provides daytime lifeguard protection to these beaches seven days a week. The unit is United States Lifesaving Association (USLA) accredited, having met a variety of standards applicable to ocean rescue lifeguards.

The Ocean Rescue Unit provides a variety of services while protecting the public beaches. These are categorized as follows:

Preventative Actions: Ocean Rescue lifeguards advise patrons of numerous hazards that may be present on the beach, including rip currents, rocks, dangerous areas, sea lice, jellyfish, and other hazards.

Enforcement Actions: Ocean Rescue lifeguards serve as the eyes and ears of the police department for acting upon and reporting law and ordinance violations on the Town's public beaches and may initiate action themselves to insure compliance.

First Aid: Ocean Rescue lifeguards are certified in first responder first aid, and the majority is certified emergency medical technicians (EMT). Lifeguards provide basic first aid services including treatment of cuts, abrasions, scrapes, stings, and other minor injuries.

Rescues: Rescues are categorized as those incidents where a lifeguard must swim out to a victim who is either incapacitated or having extreme difficulty swimming, either due to inexperience or ocean conditions.

Assist to Swimmers: Ocean Rescue lifeguards often aid swimmers who are in need of assistance but are not in an immediate life threatening situation at the time.

Police Compliance: Ocean Rescue lifeguards often encounter suspicious persons or other potential criminal activity. When this occurs, the police department is contacted and an officer is dispatched to conduct an investigation into the incident. This classification is different from the "Enforcement Action" category in that no violation at the time of the incident has actually occurred, however by being proactive in identifying suspicious activity lifeguards are practicing "crime prevention" by serving as a deterrent to criminal activity.

Outcalls: Although Ocean Rescue lifeguards are assigned to the two public beach areas, they are sometimes called upon to respond to areas outside of the guarded beach to provide lifesaving services. An example is an incident that occurred during 2007 where a potential drowning occurred at the Sunset Avenue beach area. Lifeguards responded in their vehicle to the scene and performed rescue services at that location.

The total of Ocean Rescue activities, based on the above classifications, for calendar years 2005 and 2006 are Rescues - 33, First Aids - 62, Enforcements - 6839, Preventative Actions - 7331, Outcalls - 10, Police Compliance – 102, and Assist to Swimmers – 175.

Based on calendar years 2005 and 2006, the average public beach attendance per year was 321,803 persons.

Over the past ten year period, the police department responded to 54 drowning incidents in Palm Beach, during which ten (10) persons died. However, on the guarded beaches of the Town, the Ocean Rescue Unit has an unblemished record of never having an individual drown over the past twenty years. One individual died as a result of a heart attack rather than drowning while in the water at Phipps Ocean Park, however this occurred over twenty years ago.

Recently, on August 4th, 2007, a guest of a resident living at 455 Worth Avenue was rescued at the Mid-Town beach after she had stopped breathing. CPR was administered by Ocean Rescue Lifeguards and the individual made a full recovery. This is but one example of the many rescues and other actions taken by Ocean Rescue Lifeguards to insure the safety of visitors to the Town's public beaches.

**Statistical Summary**

- Attendance at the Town's public beaches has increased approximately 124% over the past ten year period (1996 - 154,695 2006 - 346,823)

- The average number of rescues has increased approximately 43% in comparison to 1996-1997 figures.

- Preventive Actions (advising patrons of dangerous hazards) have increased 49% in comparison to 1996 statistics.

- Enforcements (Lifeguard reporting and/or taking actions on violators of ordinance or other violations) have increased 27% over 1996 statistics.

- Ocean Rescue lifeguards have absorbed these additional responsibilities without any increases in any staffing levels.

- Ocean Rescue Unit is United States Lifesaving Association accredited, and the majority of lifeguards are certified Emergency Medical Technicians.

**Liability Issues**

A review of public beach liability cases that have been decided by the Florida Supreme Court was conducted. The areas of major interest based on a review of these cases are outlined below:

- A government entity operating a public swimming area has an obligation to warn swimmers of the dangers of rip currents or take other action to safeguard swimmers who use the beach.

- The use of signs indicating "swim at your own risk" do not absolve the government entity of liability. An act of negligence in a lawsuit is predicated upon the existence of a legal duty to protect the individual from an unreasonable risk of harm.

- If the government entity invites the public to use a beach facility or knows that it is common knowledge that the area is a swimming area, the entity has an obligation to warn swimmers of dangers.

- The absence of lifeguards does not mean a government entity absolves itself of operating a beach it knows the public uses as a swimming area.

- If a city decides to operate a swimming facility it assumes common law duty to operate the facility safely.

- The government is liable for naturally occurring dangerous conditions in bodies of water adjacent to public beaches. The focus is on whether government knew or should have known about the dangerous conditions.

- The establishment of parking areas, meters, and other public facilities in a swimming area used by the public implies that the public is invited to use them. (Examples - metered parking at Mid-Town beach, Phipps Ocean Park, and tables, grills, and bathrooms at Phipps Ocean Park).

Based on the review of Ocean Rescue Operations, it is evident that the Ocean Rescue Unit serves a viable public safety purpose to the community and that the unit benefits both the visitors and the citizens of Palm Beach.

## History

### *Function 1 - Lifesaving Activities*

The Ocean Rescue Unit has existed in various forms since the early 1920's. The current Ocean Rescue Unit was transferred to the Police Department in 1984. Since that time, the unit has developed into a fully professional unit, accredited by the United States Lifesaving Association since 1993. Most unit members are certified Emergency Medical Technicians, and as a result of their training, have competed and placed in numerous regional lifeguard tournaments which are conducted periodically in order to maintain top conditioning and skills. Lifeguards service both the Mid-Town Beach and Phipps Ocean Park, and are also called upon to travel to other areas in the town when needed to perform rescue operations at other beach locations on the island.

### *Function 2 - Training Assistance*

Ocean Rescue Unit personnel provide training to other police department personnel in the area of first aid and aquatic safety. Additionally, they conduct the sworn police officer swim qualifications conducted during the police officer hiring process. Ocean Rescue Unit members also provide automated external defibrillator and cardiopulmonary resuscitation training for Citizen and Teen Academy recruits as part of those two programs.

The Ocean Rescue Unit often trains with the Marine Unit and other officers during rescue and recovery operation training. This provides the police department with additional assistance when needed during a water emergency.

### *Function 3 - Town Ordinance Enforcement*

The Ocean Rescue Unit enforces and reports violations of Town Ordinances and state law violations. In addition, they report any suspicious activity that may be occurring on the public beaches in order to prevent possible crime and disorder.

## Past Efficiencies and Cost Savings Measures

- Developed a program to encourage lifeguards to become certified emergency medical technicians. As a result, persons becoming injured on the beach have immediate access to emergency medical response Lifeguards are trained in basic first aid which reduces the need to call the Fire-Rescue Department for minor matters and decreases the time before first aid is given. Lifeguards are also trained in CPR/AED and oxygen lifesaving support.

- Developed in-house certification and training programs which allowed staff to maintain certifications without requiring the hiring of outside resources.

- Train police personnel in AED/CPR, and provide AED/CPR instruction to members of the Citizen and Teen Police Academies. These programs are offered with in-house instructors, eliminating the necessity of hiring outside resources.

- Initiated an in-house preventative maintenance system to insure equipment is kept at operationally ready condition, resulting in reduced costs for repairs.

- Incorporated ATV's as part of the immediate response to potential drownings and other hazards, which also allowed for the carrying of lifesaving equipment immediately to a scene.

# Program 432 – Ocean Rescue

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $414,750 | $444,696 | $459,810 | $469,219 |
| Employee Benefits | $219,576 | $246,865 | $280,947 | $281,975 |
| Contractual | $3,433 | $2,552 | $4,850 | $5,400 |
| Commodities | $7,188 | $13,608 | $9,600 | $11,470 |
| Capital Outlay | $9,993 | $84,410 | $32,742 | $15,637 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $654,940 | $792,131 | $787,949 | $783,701 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Supervisor Lifeguard | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Supervisor Lifeguard | 2.0 | 2.0 | 2.0 | 2.0 |
| Lifeguard | 7.0 | 7.0 | 7.0 | 7.0 |
| | 10.0 | 10.0 | 10.0 | 10.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate Ocean Rescue Unit
**Cost Saving:**
$783,701 (FY08 Budget amount for program)
**Comments**:
Would result in the increased probability of drowning and other dangers associated with ocean swimming of which both of the Town's public beaches encompass. The Town may experience higher liability costs associated with failure to provide life saving services. It should be noted that failure to maintain guarded beaches at the two locations may result in a higher unit of government's interest, such as Palm Beach County or the State of Florida, in establishing a guarded county or state park at these locations. These positions are occupied and unavailable for elimination without a layoff.

**Option for Cost Saving:**
Eliminate the entire Ocean Rescue Operation at Phipps Ocean Park (eliminate 3 lifeguards)
**Cost Saving:**
$112,515 plus benefits
**Comments**:
Would result in the increased probability of drowning and other dangers associated with ocean swimming. The Town may experience higher liability costs associated with failure to provide life saving services. These positions are occupied and unavailable for elimination without a layoff or transfer.

**Option for Cost Saving:**
Eliminate 2 Ocean Rescue Lifeguards at Phipps Ocean Park
**Cost Saving:**
$75,012 plus benefits, plus $750 reduction in one ATV and fuel usage
**Comments**:
Would provide for limited protection during specified periods of time. There would still be an increased probability of drowning and other dangers associated with ocean swimming due to limited coverage. The Town may experience higher liability costs associated with failure to provide life saving services. These positions are occupied and unavailable for elimination without a layoff or transfer.

# Program 216 Code Enforcement Unit

## Description of Function

This program is tasked with the responsibility of enforcement of town codes and ordinances. This includes enforcement conducted by members of the unit, police officers, and also includes the coordination of enforcement that is handled by the Planning, Zoning and Building Department, Fire Rescue Department, and Public Works Department. The Police Department receives complaints relating to code violations 24 hours a day, seven days a week. Enforcement activities include receiving complaints, conducting investigations, issuing warning and violation notices, conducting follow up inspections, and presenting cases before the Code Enforcement Board or Palm Beach County Courts.

## History

The Town's code enforcement function was transferred from the Planning, Zoning and Building Department on March 1, 2007. Two full time positions and one part-time position were transferred to the Police Department. A vacant position in the Parking Enforcement Unit was recently re-classified as a specialist position in the Code Enforcement Unit, to assist with administrative and clerical duties.

## Past Efficiencies and Cost Savings Measures

- Reduced the amount of time it takes to bring violations before the Code Enforcement Board (CEB) by streamlining its procedures while still meeting legal requirements detailed in F.S.S. Chapter 162.

- Elimination of some procedures and an accelerated institution of fines have reduced staff time and have resulted in greater compliance with Town codes and ordinances.

- Through strict and more consistent enforcement greater compliance is being achieved.

## Planned Future Efficiencies and Cost Saving Measures

- Reclassification of a Parking Enforcement Officer position to a Code/Parking Enforcement Specialist position will allow code enforcement officers to concentrate their efforts in the field, which include conducting proactive enforcement activities and follow up code enforcement investigations.

- Revision of a number of ordinances will allow for additional increased enforcement of Town Ordinances and Codes by several Town departments, and will streamline fine and Code Enforcement Board appearance procedures.

# Program 216 – Code Enforcement Unit

**Expenditure Summary**

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | 0 | 0 | 0 | $267,055 |
| Employee Benefits | 0 | 0 | 0 | $123,584 |
| Contractual | 0 | 0 | 0 | $32,800 |
| Commodities | 0 | 0 | 0 | $7,750 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | 0 | 0 | 0 | $431,189 |

**Personnel Complement**

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Support Services Captain | 0 | 0 | 0 | 0.5 |
| Support Services Sergeant | 0 | 0 | 0 | 0.5 |
| Code Enforcement Officer II | 0 | 0 | 0 | 1.0 |
| Code Enforcement Officer I | 0 | 0 | 0 | 1.5 |
| Parking/Code Enforcement Specialist | 0 | 0 | 0 | 0.5 |
| | 0 | 0 | 0 | 4.0 |

# PUBLIC WORKS DEPARTMENT

## Department Overview

The Public Works Department consists of 103 employees who deliver services through 24 distinct programs. This is half of the programs Townwide. The services provided are very diverse and include the following:

Program 511 – Administrative Management
Program 521 – Street Repair & Maintenance
Program 523 - Traffic Control
Program 524 - Street Lighting
Program 531 – Storm Sewer Maintenance
Program 532 - Sanitary Sewer Maintenance
Program 533 - Sanitary Sewage Treatment
Program 541 - Residential Collection
Program 542 - Commercial Collection
Program 543 - Refuse Disposal
Program 544 - Yard Trash Collection
Program 545 - Recycling
Program 546 - Beach Cleaning
Program 551 – Landscape Maintenance
Program 554 - Facility Maintenance
Program 558 – Meter Maintenance and Collection
Program 561 – General Engineering Services
Program 565 - Right of Way Inspections
Program 571 - Equipment Operation & Maintenance
Program 581 - Coastal Management

We are also responsible for:

Program 307 - Capital Improvement Program
Programs 308/309 - Comprehensive Coastal Management Program
Program 310 - Town Facilities Project Fund
Program 403 - Recreation Enterprise Fund

The following document provides details for each of these programs. Some of our services are very visible, such as Sanitation and Yard Trash. Some of our services are noticed by very few, such as storm water maintenance and building maintenance. We are responsible for the appearance of the publicly owned medians, parks, and roadways. We are also responsible for the infrastructure that people do not see, such as the storm and sanitary sewer systems. As a broad overview it can be said that Public Works builds it, operates it, maintains it, repairs it, and eventually replaces it.

Our scope of services and responsibilities have increased over time as the number and type of Town facilities has grown, with the addition of 7 major structures, dozens of storm water pump

stations and new sanitary pump stations, a vast traffic and street light system, the Town marina, and several parks. We also manage the Town's Comprehensive Coastal Management Plan, are responsible for the sand transfer plant, and sit on the Board of the East Coast Regional Sewage Treatment Plant, in which the Town has a partial ownership interest.

The accomplishment of work by the Public Works crews is typically done through the work order process, including external work requests from our customers (residents, businesses, Town staff, etc) or from recurring scheduled work (such as preventive maintenance tasks, etc). The Public Works Department responded to 1,265 customer work requests and completed 1,164 recurring scheduled tasks during FY 2007.

We have reduced our staff from125 employees in 1986 to the current 103 in 2007, representing a decrease of 22 employees. We have done this through more efficient use of manpower, better equipment, and contracting many services. We have also done this through attrition only. More of these opportunities will exist in the future and we have outlined some of them in the following pages.

## Department Cost Summary

| | **FY2005 Actual** | **FY2006 Actual** | **FY2007 Budget** | **FY2008 Budget** |
|---|---|---|---|---|
| Revenues | $955,127 | $1,002,418 | $1,054,000 | $1,078,000 |
| Expenditures | $11,148,512 | $14,673,740 | $14,885,048 | $15,163,203 |

## Total Department Staffing Levels

| | **FY2005** | **FY2006** | **FY2007** | **FY2008** |
|---|---|---|---|---|
| Total Full Time Equivalent Employees | 100.75 | 101.88 | 101.8 | 101.9 |

## Benchmarks Program 511: Administrative Management

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| Admin. Emp. Staff Ratio | .08 | .03 | .08 | .13 | .11 | .12 | N/R |

N/R – No response

## Benchmarks Program 521: Street Repair & Maintenance

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| Sidewalks | Annual Inspections<br><br>Minor Repairs: Town<br><br>Major Repairs: Contracted | No Inspections Wait for Complaints<br><br>Minor Repairs: City<br><br>Major Repairs: Contracted | No Inspections Wait for Complaints<br><br>Repairs: Become Adjacent Property Owners Respon-sibility | No Inspections Wait for Complaints<br><br>Repairs: Done in House | N/R | N/R | N/R |
| Street Sweeping | Contracted 105 miles/wk<br><br>Whole Town Weekly<br><br>26 miles/day | 4 Sweepers in house | 2 Sweepers in house<br><br>Whole Town 4x yr. 250 miles/week<br><br>25 miles/day | Contracted<br><br>97 miles Swept 4 x/yr. | N/R | N/R | N/R |
| Catch Basins | Yearly Deep Cleaning 1300 basins<br><br>Surface Cleaning minimum 1 x month<br><br>(2 employees) 650 Basins/ employee | 4500 Basins Maintained 1/yr.<br><br>(7 employees) 642 Basins/ employees | 4,000 Basins<br><br>No set Schedule | Contracted out | N/R | N/R | N/R |

N/R = No response

## Benchmarks Program 523: Traffic Control

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Palm Beach County | Jupiter Island |
|---|---|---|---|---|---|---|---|
| Average employees per Intersection | .0246 | PB County Maintains | .0303 | PB County Maintains | PB County Maintains | .0287 | N/R |
| Traffic Signals Technicians per Intersection | 0.025 | 0.029 | 0.045 | 0.029 | 0.029 | N/R | N/R |

N/R = No response

## Benchmarks Program 524: Street Lighting

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| Street lights | 787 | 350 | 780 | FPL Maint. | 450 FPL Maint. | N/R | N/R |
| Number of employees | .88 | 4 | 2 | N/A | N/A | N/R | N/R |
| Average employees per Street light | .0011 | .0011 | .0025 | N/A | N/A | N/R | N/R |

N/R = No response
N/A = Not applicable

## Benchmarks Program 531: Storm Sewer Maintenance

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Boynton Beach | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| Storm Sewer Pumping Stations to Number of Personnel for O&M/Stations | .43 FTE per Storm Station | 10.5 FTE per Storm Station | 6.5 FTE per Storm Station | N/R | 2.33 FTE per Station | 2.89 FTE per Storm Station | N/R |
| Average Work Day Storm Response, and After hours Storm response Time | 20 min./1 hr. | 1 hr./2 hrs. | 1 hr./20 min. [1] | N/R | 30 Min./30 min. [1] | 30 Min./2hrs. | N/R |
| Storm Water Inlets or Catch Basins Maintained Personnel per Catch Basin | .0031 FTE per Inlet | .006 FTE per Inlet | .0016 FTE per Inlet | N/R | .0035 FTE per Basin | .00057 FTE per Inlet | N/R |

N/R = No response
Note:
1. Boca Raton and Boynton Beach on-call staff live within 10 miles and are provided a take home vehicle.

## Benchmarks Program 532: Sanitary Sewer Maintenance

| | Palm Beach | West Palm Beach | Boca Raton | Boynton Beach | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|
| O&M FTE/Station | .195 FTE per Station | .082 FTE per Station | .046 FTE per Station | .075 FTE per Station | .287 FTE per Station | N/R |
| Number of Sanitary Overflows/ Sewage Spills after 2005 Hurricanes | None | 8 | 7 | None | None | N/R |
| Average Daily Response and after Hour Response Time | 20 min.<br>1 hr | 1 hr.<br>2hr. | 1 hr.<br>20 min.* | 30 min.<br>30 min. | 30 min.<br>2 hrs. | N/R |

N/R= No response

Notes:

1. Jupiter does not maintain any storm water stations or sanitary sewer systems.
2. Palm Beach Gardens is responsible for 2 storm stations which are not used and 1 sanitary station. All repairs are contracted by others. Two people check these three stations.
3. Boca Raton and Boynton Beach on-call staff live within 10 miles and are provided a take home vehicle.

## Benchmarks Program 541: Residential Collection

| | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Boynton Beach** | **Coral Gables** | **Jupiter Island** |
|---|---|---|---|---|---|---|
| Type of Service | Back door | Curbside | Curbside | Curbside | Backdoor | Back door |
| Days of Collection | 5 days/wk | 2 days/wk | 2 days/wk | 2 days/wk | 2 days/wk | 2 days/wk |
| Municipal/ Outside Service | Municipal Employees | Municipal Employees | Municipal Employees | Municipal Employees | Municipal Employees | Municipal Employees |
| FTE's | 11 | 32 | 36 | 32 | 20 | 5 |
| Population | 10 - 30,000 | 92,000 | 75,000 | 65,000 | 43,000 | 620 |
| Total Households | 5,800 | N/R | 32,000 | 26,000 | 20,000 | 265 |

N/R = No response

## Benchmarks Program 542: Commercial Collection

| | Palm Beach | West Palm Beach | Boca Raton | Boynton Beach | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|
| Municipal or Outsourced Service Back Door Curbside | Town Collects & Contracts | Municipal | Contract | City Collects | Municipal | Town Collects |
| Avg. Tons Collected per FTE 5 days/wk 2 days/wk | 485 | 650 | 450 | 430 | 400 | 35 |
| % of Collections on schedule Municipal Employees | 99.5% | 98% | 95% | 98% | 95% | 100% |
| FTE's | 7 | 22 | 6 | 12 | 0 | 0 |

## Benchmarks Program 543: Refuse Disposal

| | Palm Beach | West Palm Beach | Boca Raton | Boynton Beach | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|
| Tons Annually | 9,600 | 65,000 | 34,000 | 32,000 | 30,000 | 1,200 |
| % Tons per FTE | 4,800 | 2,000 | 2,700 | 1,800 | N/R | 150 |

N/R = No response

## Benchmarks Program 544: Yard Trash Collection

| | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Boynton Beach** | **Coral Gables** | **Jupiter Island** |
|---|---|---|---|---|---|---|
| Level of Service | One day/wk | One day/wk | One day/wk | One day/wk | One day/wk | One day/wk |
| Deposit Site | Town Owned Compost Site | Taken to SWA | Taken to SWA | Taken to SWA | Taken to Landfill | Taken to SWA |
| % on schedule | 100% | 95% | 95% | 95% | 95% | 95% |
| Tons collected | 14,000 | 10,000 | 10,000 | 3,500 | 6,000 | 400 |
| Tons per FTE | Avg. 700 | Avg. 900 | Avg. 650 | Avg. 300 | Avg. 600 | Avg. 50 |

## Benchmarks Program 546: Beach Cleaning

| | **Palm Beach** | **Boynton Beach** | **Jupiter Island** | **Palm Beach Gardens** | **Boca Raton** |
|---|---|---|---|---|---|
| Clean up Responsibilities | Town Employees Clean | Volunteers: Sandsifter Org | Town Employees Clean | N/A | City Employees Clean |
| Schedule of Cleaning | Daily in Different Areas | N/A | Daily | N/A | Daily |

Note: Other benchmark communities are not oceanfront.
N/A = Not applicable

## Benchmarks Program 551: Landscape Maintenance

| | **Palm Beach** | **West Palm Beach** | **Boca Raton** | **Jupiter** | **Palm Beach Gardens** |
|---|---|---|---|---|---|
| Grass Cutting | 35 acres/employee | 20 acres/employee | 25 acres/employee | 25 acres/employee | All by Contractor |
| Men Irrigation Systems | .50/28 | 7/100<br>3, 2-employee crews + 1 Supervisor | 12/465<br><br>1-computer directs work | 1/20 | 5/44<br><br>2, 2-man crews + 1 Supervisor |
| Tree Trimming | 1, 2-employee crew<br><br>Town-2,500 palms, 500 large trees<br><br>Contractor-2,000 palms | 2, 2-man crews<br><br>400 trees per month | 1, 2-man crew<br><br>Trim 6 mo., Install Ornaments & Banners 6 mo. | Contracted Out | Contracted out<br><br>Supplemental work<br>1, 2-employee crew - no set schedule |

Note: Municipal benchmarks for this function are an average of .35 acres/hr. mowed as industry standard and our program averages .75 acres/hr. mowed.

## Benchmarks Program 554: Facility Maintenance

| | Palm Beach | West Palm Beach | Boynton Beach | Boca Raton | Jupiter | Palm Beach Gardens |
|---|---|---|---|---|---|---|
| # Buildings<br><br># Employees<br><br>Avg. # Emp. Per Building | 32<br><br>.52<br><br>.0162 | N/R<br><br>2<br><br>N/R | N/R<br><br>1<br><br>N/R | N/R<br><br>N/R<br><br>N/R | N/R<br><br>5<br><br>N/R | N/R<br><br>N/R<br><br>N/R |
| # Structures maintained in excess of 200 square feet | 13 | N/R | 20 | N/R | 6 | N/R |
| Frequency of Building Inspections | 4x yr. | N/ | 4x yr. | N/R | 4x yr. | N/R |
| Response time to complaint of a/c not working | 2 – 3 hrs. | N/R | Within 2 hours | N/R | Within 1 hour | N/R |
| Response time to complaint of water leak or sewage blockage | 2 – 3 hrs. | N/R | Within 2 hours | N/R | Within 1 hour | N/R |
| Energy Conservation Program | Yes | N/R | Yes | N/R | Yes | N/R |
| Staff | 2 plus 1 vacancy | N/R | 10 | N/R | 6 | N/R |

N/R = No response

## Benchmarks Program 558: Meter Maintenance and Collection

| | Palm Beach | Delray Beach | City of Lake Worth |
|---|---|---|---|
| Staff Levels | .58 | 1.5 | .5 |
| Number of Metered Spaces | 534 | 630 | 300 |
| Response to Broken Meter (multi-space) | 2 hrs. | ASAP | Next Day |
| Response to Broken Meter (Others) | 1-2 days | Within 2 days | Next Day |
| Frequency of Collections | 2x wk. | 2x wk. (3xwk. in season) | 2x wk. |

| | Palm Beach | Average * |
|---|---|---|
| Ratio of Revenue to Program Expenses | 6.1/1 | 3/1 |
| Meter downtime (not functioning) | 2.5% | 4.8% |
| Annual Revenue per meter small programs (less than 5,000 meters) | $891.00 | $549.00 |
| Meter repairs per technician (per day) | 16-18 | 8 |

* Benchmarks – Parking Meter Management Norms.

*Source:* Katherine Kuzemka, (November 1997) "Measuring Your Parking Meter Program," *"The Traffic Professional."* pp. 16-23.

## Benchmarks Program 561: General Engineering Services

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|
| Residential plan reviews completed within 10 working days | 90% | 85% | N/R | 90% | N/R | N/R |
| Percentage of capital projects completed within budget | 88% | N/R | 85% | N/R | N/R | N/R |
| Percentage of capital projects completed on time | 65% | 70% | 75% | N/R | N/R | N/R |

N/R – No response

## Benchmarks Program 565: Right-of-Way Inspections

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| Issue all properly completed ROW permit applications within 72 hours | 99% | 90% | N/R | 95 | N/R | N/R | N/R |

N/R = No response

## Benchmarks Program 571: Equipment Operation & Maintenance

| | Palm Beach | Beverly Hills | Boynton Beach | Jupiter Island | Boca Raton |
|---|---|---|---|---|---|
| Maintenance work per mechanic* | 92 | 59 | 83 | 66 | 70 |
| Downtime | 1.25% | 2% | 2.5% | N/R | 1.25% |

N/R= No response

Note: Pieces include all mobile and stationary equipment, tools, and accessories including radios.

## Benchmarks Program 581: Coastal Management

The coastal benchmark communities (Boca Raton, Delray Beach, Jupiter Island) were contacted to compare the Town's coastal program with theirs. In all cases, the coastal program is not well defined within the General Fund. Personnel assigned to oversee the coastal program are employees whose primary functions are outside the coastal program, i.e., (Boca Raton is using a financial analyst) who spend very little time on coastal issues. All utilize outside consultants for permitting, design and construction. The Town's program is significantly larger than any of the other benchmark communities. The Town's projects are more complicated, thus requiring more staff and consultant time due to project impacts to coastal resources and the interest generated by outside groups, not necessarily seen by the other communities. We were unable to find relevant benchmarks to compare in the coastal program.

# Program 511 Administrative Management

## Description of Function

This program exists to provide guidance, resources, and direction to the Public Works department to ensure that the multiple functions we perform are efficient and effective in meeting the needs of the citizens we serve. This program exists to provide support for every division within Public Works.

***Function 1***: Provide oversight to all Public Works programs to ensure we maintain or improve levels of service in a safe and efficient manner. Prepare annual budget for all assigned programs.

***Function 2:*** Oversees the implementation of the Town's Capital Improvement Plan, the Drainage Improvement Plan, and the Comprehensive Coastal Management Plan, and other projects assigned by Council.

***Function 3:*** Functions as the department's records manager of both employee files as well as, departmental files; researches and retrieves information per requests from the public and Town personnel. Generates and tracks 103 employee evaluations, action forms, and other records within the department. Maintains ROW fine information - violations/fines/payments. Manages data archival (plan files), works with GIS within PW. Generates and processes easements and removal agreements for all PW items. Maintains an accurate and efficient filing system from correspondence to detailed engineering and coastal projects.

***Function 4:*** Prepares and types all Town Council items, tracking items, and coordinating MuniAgenda input with Town Manager's office staff. This task alone could be a full time job for approximately 2 weeks every month for a full-time employee.

***Function 5:*** Responsible for Solid Waste disposal billing, maintaining accurate account information and the yearly non ad-valorem assessments to commercial property owners. This process has specific time constraints and needs to be completed in a short period of time. This project requires verification of all commercial properties within the Town, including verifying physical addresses in question, researching the property appraiser and tax collector's website for any changes in ownership annually. Typing over 300 letters to owners showing their estimated assessment amount.

***Function 6***: Maintains historic and specimen tree program database and files.

***Function 7:*** Work on emergency response data and correspondence, such as CEMP, COOP, FEMA documentation resulting in millions of dollars in reimbursement to the Town.

***Function 8:*** Insure department support runs efficiently, effectively, and professionally while

maintaining a friendly manner, explain departmental and Town procedures and policies to employees and the general public. Handle travel forms, order supplies, various committee records, take incoming calls, and maintains the department's tickler file. Composes and types correspondence dealing with resident inquiries, personnel issues, and interdepartmental requests. Perform input of work orders, requisitions in Cartegraph and Eden, works closely with supervisors to design reports to track their bureau's tasks within these two systems. Maintains the accident reporting issues, filing and correspondence, sets up meetings for the safety committee and works with the Risk department. Maintains the Material Safety Data Sheet files, performs general office functions, copying, faxing, phone messages, distributes mail.

## History

The number of employees within administration has stayed fairly consistent over the past 14 years. Public Works added an Assistant Director position in FY2005, and divided oversight of the Public Works Department Divisions. One Assistant Director oversees Operations and one oversees Engineering. In January 2007 the Coastal Projects Administrator position became vacant and that position's duties were transferred to the Town Engineer.

The 8 FTE's within Administration include the Director, 2 Assistant Directors, Town Engineer, Office Manager, 2 Office Assistant II's, a Records Maintenance Assistant I, a PW System Specialist, and a PW Project Administrator.

Engineering projects and financial records are maintained by the Projects Administrator who also assists with projects the department director assigns, as well as handling ROW violation penalty letters and assists in maintaining the ROW tracking system.

New system software and procedures have been introduced in the past 3 years assuring that no new administrative staffing will be required.

## Past Efficiencies and Cost Savings Measures

- Putting the Solid Waste Assessments onto the property taxes has saved over 20 hours a week in processing bills, researching past due accounts, typing letters, etc. It has also made for a more level fee base and less errors.

- We have implemented changes to the payroll system that has allowed us to cut down on the amount of processing time by about a third. We no longer manually track each and every payroll task code before entering for Sanitation and Trash.

- This work group does not have any significant turnover of personnel which allows for excellent cross-training and job familiarization.

## Planned Future Efficiencies and Cost Savings Measures

- To continue working on having every position cross trained within Administration.
- Research electronic filing options.
- Improve training/safety software programs.

# Program 511 – Administrative Management

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $418,650 | $555,412 | $592,332 | $590,118 |
| Employee Benefits | $160,596 | $193,169 | $198,784 | $204,466 |
| Contractual | $35,612 | $37,754 | $43,100 | $42,950 |
| Commodities | $7,128 | $6,229 | $9,300 | $8,930 |
| Capital Outlay | $1,235 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $623,221 | $792,564 | $843,516 | $846,464 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Public Works Director | 1.0 | 1.0 | 1.0 | 1.0 |
| Assistant Director | 1.0 | 2.0 | 2.0 | 1.0 |
| Town Engineer | 0.0 | 0.0 | 0.0 | 0.5 |
| Project Administrator | 0.5 | 0.5 | 0.5 | 0.5 |
| Office Manager | 1.0 | 1.0 | 1.0 | 1.0 |
| Office Assistant II | 2.0 | 2.0 | 2.0 | 2.0 |
| Records Maintenance Asst. I | 1.0 | 1.0 | 1.0 | 1.0 |
| Public Works Systems Specialist | 1.0 | 1.0 | 1.0 | 1.0 |
| | 7.5 | 8.5 | 8.5 | 8.0 |

## Options for Cost Savings

**Option for Cost Saving:**
Reprogram Project Administrator to Office Assistant II

**Cost Saving:**
$18,909 at mid-point (plus benefits)

**Comments:**
The existing PW Project Administrator position could be re-described as an Office Assistant II to reduce the cost of performing administrative tasks without negatively affecting the number of personnel accomplishing them. This newly re-described position would become part of the administrative staff supervised by the existing Office Manager position. The existing PW Project Administrator position is occupied and unavailable for elimination/reprogramming without layoff or transfer.

# Program 521 Street Repair & Maintenance Program

## Description of Function

**Streets Maintenance** employees perform road inspections and pothole and sidewalk repairs (both in-house and contractual). This bureau is also responsible for street cleaning which is provided by a contractual service. The Streets Bureau does an annual deep-cleaning of 1,300 catch basins in the Town and has an ongoing program of surface cleaning throughout the year. This bureau also provides special solid waste collection service ("special pick-ups") for household discards not meeting the Town definition of either yard trash or garbage collection.

***Function 1: Streets and Sidewalk Maintenance:***

Responsible to manage and direct employees of the Streets Bureau in performing daily tasks. Operates heavy equipment as needed to perform in-house street maintenance. Inspects and reports on condition of Town streets and sidewalks. Oversees sidewalk replacement program; approximately 1,800 SF annually.

***Function 2: Street Sweeping Program***:

Cleans/sweeps all Town roads (private and public) on a weekly basis. Commercial route is done 3 times a week, and Worth Avenue is done five times a week. Debris left from street sweeping operation is approximately 250 tons/year, and is removed by Town staff using loader and dump truck from the central disposal location at Pine Walk, transfer station. The overall street sweeping operation works efficiently with cleaner streets protection of our storm systems. This occurs with little or no complaints.

***Function 3: Special Pick-Up Collections:***

This function provides for special solid waste collection service for household discards not meeting the Town definition of either yard trash or garbage collection and transports to the county dump for a fee. Oversees special pick-up collections 2x weekly in season and 1x weekly off season. This program requires a large dump truck, 2 men to load debris, and also has to travel 15 miles to dump the debris. Also performs miscellaneous tasks for all Town departments, such as moving furniture and removing unwanted items (brought to the county dump or placed in storage for auction).

***Function 4: Paving Program:***

Based on a Town-Council approved plan, a capital paving plan was developed in order to complete the resurfacing of all town roads within five years. Town Council authorized $500,000 per year to accomplish this. That paving work includes both micro-surfacing on less-

traveled “east-west” residential streets, and more extensive milling/resurfacing on the more heavily traveled “north-south” streets.

## History

This bureau had 15 employees in the late 1970's. Its responsibility to maintain vacant lots diminished through development and the burden was shifted to private contracts. By the late 1980's this bureau had 10 employees. In the next 10 years, street sweeping, bike path sweeping, minor street projects, and assisting on Water Resources Division line repair work were all changed to be accomplished via contractual services. With these changes and through attrition, the bureau was reduced to 2 employees by 1998. This has remained the same to the present.

Street sweeping was done by the Streets Bureau until 1992 when it was outsourced. There was an initial savings of approximately $125,000 with the elimination of the equipment, employee salary and benefits, repair and maintenance of the street sweeping truck. This contracted street sweeping program continues to the present .

The Special Pick-Ups/Collection program has not changed its rates since 1988. We have decreased the frequency of pickups from 3x a week to 1x a week (with adjustments made for unusually high demand, especially during the season). This makes for an inefficient operation that is not cost-effective, in that it costs more than the revenue it collects to perform the work. This function is more of a “special” service provided to the residents.

The Engineering Division oversaw the paving program until 1997 when the program was assigned to the Streets Bureau. At that time, approximately $100,000/yr was funded and allocated for paving Town roads. The main process was using a “slurry” seal, which was a thin coating applied over the top of the old road. This process proved to be ineffective. In order to complete resurfacing of all roads in five years, Town Council allocated $500,000 per year (beginning in FY 2007) as noted above to accomplish this program.

## Past Efficiencies and Cost Savings Measures

As noted above, the bureau was reduced in staffing from fifteen (15) persons to only two (2) persons. This resulted in significant savings especially related to equipment-intensive operations such as street sweeping and pavement milling/resurfacing. These services are now provided on a contract basis.

## Planned Future Efficiencies and Cost Savings Measures

Most of the supervisory responsibilities have been shifted to the Parks/Streets Supervisor I and II. The Streets Supervisor I position, when vacated upon retirement of the incumbent in the next few years, should be re-described and budgeted as an Equipment Operator at that time. That reduction in salary would be $9,000/year.

# Program 521 – Street Repair & Maintenance

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $70,211 | $61,163 | $95,021 | $98,613 |
| Employee Benefits | $37,186 | $40,509 | $44,950 | $39,268 |
| Contractual | $119,837 | $150,520 | $140,500 | $183,500 |
| Commodities | $8,761 | $274,276 | $12,000 | $11,180 |
| Capital Outlay | $153,741 | $3,245 | $141,381 | $13,870 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $389,736 | $529,713 | $433,852 | $346,431 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Facilities Maintenance Manager | 0.10 | 0.10 | 0.10 | 0.10 |
| Streets/Parks Supervisor | 0.11 | 0.11 | 0.11 | 0.11 |
| Parks Supervisor I | 0.01 | 0.00 | 0.00 | 0.00 |
| Supervisor/Streets | 0.75 | 0.75 | 0.75 | 0.75 |
| Equipment Operator I/Streets | 0.75 | 0.75 | 0.75 | 0.75 |
| Spray Truck Operator | 0.01 | 0.01 | 0.01 | 0.01 |
| | 1.73 | 1.72 | 1.72 | 1.72 |

## Options for Cost Savings

**1) Option for Cost Saving:**
Reduce service frequency Street Sweeping Program
**Cost Saving:**
$53,000 - $78,500/year
**Comments:**
a) Sweep only 2x/month - this includes Worth Ave. and commercial area -$53,000/year
b) Sweep only 1x/month – this includes Worth Ave. and commercial area - $78,500/year

**2) Option for Cost Saving:**
Reduce service frequency Bike Path Sweeping
**Cost Saving:**
$5,000
**Comments:**
Reduce bike path sweeping to 2x per month. This operation could be reduced in frequency only.

**3) Option for Cost Saving:**
Eliminate Special Pick-up Collections
**Cost Saving:**

| | **Current *Plan*** | **Option A (recover ½ of costs)** | **Option B (offsetting revenue)** | **Option C (Eliminate Special Pickups)** |
|---|---|---|---|---|
| Annual Cost: | $40,795 | $40,795 | $40,795 | $-0- |
| Annual Revenue: | $7,000 | $21,000 | $40,795 | $-0- |
| | | | (almost 600% increase in fees) | $-0- |
| Annual Loss: | $33,795 | $19,795 | $0 | |

**Comments:**
The current fee schedule is $15 per ¼ truckload, $30 per ½ truckload, $45 per ¾ truckload, and $60 for a full truckload. These Special pickups could be eliminated. It would then be the responsibility of the homeowner to have debris hauled privately. This function is performed by a fraction of an FTE, therefore elimination of the function does not result in elimination of an FTE.

# Program 523 Traffic Control

## Description of Function

This program provides and maintains quality traffic signals and control signs to ensure safe, well marked street systems. Members of the work group are on the hurricane team in the event of a storm. This program is comprised of personnel from 2 different bureaus, [1] Paint and Signs and [2] Traffic Signals.

The Paint and Signs bureau maintains all traffic control signs, street name signs, parking control signs, and pavement markings. The division also keeps emergency barricades and signs ready for use and deploys as needed.

The Traffic Signal bureau schedules bi-annual preventative maintenance and inspection programs to proactively address repair and maintenance issues on the Towns' traffic intersections, signals, control cabinets and telemetry interconnect systems. They also order replacement parts and maintain supplies for quick repairs to the Town's 26 traffic warning systems and intersections. The bureau operates specialized test equipment to locate and repair electronic computer problems. All members of this division are IMSA certified to work on traffic intersections and computers. The traffic signal personnel respond to emergency call-outs 24/7 and meets with DOT and sub-contractors to ensure Town standards are met and enforced.

## History

***Function 1: Paint & Signs***

Prior to 1997, the Paint and Signs bureau consisted of 3 employees (1 supervisor, 2 painters). The retirement of 2 employees led Public Works managers to evaluate the function of this bureau. The decision was made not to fill the vacant positions, resulting in a 67% reduction in staffing for this function. It was decided that jobs such as curb painting, thermo-striping, sign fabrication, and painting of structures would be done by others on a contractual basis and funded through labor savings. Present responsibilities include approximately 3,700 signs, 31,876 LF of painted curbs, and 17,992 LF of pavement markings.

***Function 2: Traffic Signals***

The workload and level of service history for this function is provided as follows:

1972 to 1985: The traffic division consisted of 1 traffic technician and 1 supervisor. They were responsible for the first Econolite closed loop system.

1986: The bureau expanded to 2 traffic technicians and 1 supervisor.

1988 to 1989: Installed upgraded traffic telemetry system which allows the bureau to view the traffic system from a remote location and sends alarms when a traffic equipment malfunction occurs. This makes the bureau more effective and efficient.

1988 to 1990: The intersections of Sunset Avenue and North County Road, and Sunrise Avenue and Bradley Place are added to the Town's signalized intersections. The intersections of Breakers Row and Pinewalk, as well as Worth Avenue and Peruvian Avenue are combined for ease of maintenance. Clarke Avenue and Seabreeze Avenue are combined for ease of maintenance. Due to repeated malfunctions in traffic cabinets, the preventative maintenance (PM) program is expanded to twice yearly. Signal heads remain on a once a year PM schedule.

1994: Signalization added at the South Fire Station.

1998: Signalization of the Par 3 Golf Course pedestrian crossing

2000: Eliminated the intersection of Whitehall Way and Cocoanut Row.

2005: Signalization added at the Central Fire Station.

2007: Six (6) solar powered school flashers were added at P.B. Public School which replaced the 2 existing electric flashers. The new flashers will be added to the bi-annual PM schedule to check the controllers, batteries, solar panels and arrays.

## Past Efficiencies and Cost Savings Measures

***Function 1: Paint & Signs***

- 67% reduction in staff (see history above).
- Prompt response/installation time for traffic control signage - typically twice as efficient as municipal averages:
  -Stop sign replacement: average response time is 2 hrs. or less [municipal standard 4 hrs.*]
  -Sign replacement: average time is 3 signs per man hr. [municipal standard 1.4 per man hr.*]
  * Source: Municipal Benchmarks – Assessing Local Performance & Establishing Community Standard Second Edition – David N. Ammons

***Function 2: Traffic Signals***

- 1990: Removed and replaced 6000 feet of deteriorated underground cable between control cabinets and signal bases. This has minimized failures and long term repair costs.

Removed obsolete traffic pressure plates at intersections and installed loops and loop detectors in 20 locations.

- 1991: Removed and replaced 1600 feet of old damaged signal cable in the masts and arms of the traffic signal intersections. This eliminated flash conditions due to short circuits in the cable, and minimized repetitive repair costs.

- 1993 to Present: The bureau meets with DOT annually to receive their excess traffic signal inventory [at no cost to the Town]. Under this program we have stockpiled replacement signal heads, supports and LED signals. This has allowed us to not purchase replacement parts and inventory and has saved the Town thousands of dollars.

- 1994: Removed and replaced traffic signal heads and supports that were damaged due to corrosion and normal wear & tear. The bureau replaced 1500 feet of cable, 21 pedestrian signals and brackets, 43 three section heads, 5 five section heads and installed 56 astral brackets. This minimized liability due to failures and reduced repetitive repair costs.

- 1999 to 2004**:** The traffic signal lamps and pedestrian crossing signals in 19 intersections have been changed from incandescent to LED. The LED traffic signal uses 90% less electrical power compared to its incandescent counterpart and lasts up to 5 years longer. The change to LED signals lowered the FPL bill from 198,012 kilo watt hour to 39,636 KWH per year and because of their longer lamp life the bureau had fewer call-outs to replace burned out lamps. This also reduces the Town's liability due to less exposure of employees in intersections and less disruption of normal traffic flow.

- 2001: DOT upgrades intersections of Royal Poinciana &County, Royal Palm & County, Barton & County and Pinewalk/Breakers & County. Updated computers, conflict monitor, loop detection and cabinet circuitry. The system became more reliable at no cost to the Town, and has minimized future repair costs. With the installation of the new TS2 cabinets and hardware on County road we arranged for "in shop" training on the programming and troubleshooting of the new system. This was done through our local Econolite supplier and was of no cost to the Town. This minimized contract service repair cost (no increase to Town staff) and improved response time.

- 2002 and 2003: DOT upgrades intersections of Cocoanut & Royal Palm and Royal Palm & County. Updated computers, conflict monitor, loop detection and cabinet circuitry, at no cost to the Town. DOT upgrades intersections of Royal Poinciana & Cocoanut and Royal Poinciana & County. Updated computers, conflict monitor, loop detection and cabinet circuitry. New master controller and software installed.

- After the hurricanes of 2004 the Town experienced a high rate of failure in our traffic signals due to the swinging brackets that were utilized to secure the signal heads. During high wind events the signal head would swing into the mast arm causing damage to the

signal. This failure meant we had to replace over 20 signal heads at a cost of $109.00 each. Before the next hurricane season we changed out the signal supports to "astral-brac" type supports which fasten the signals to the mast arm. In case of another high wind event we remove the visors from the signals which will lessen the chance of signal damage.

- 2007: DOT upgrades intersections of Hammon & County, Worth & County and Peruvian & County. Updated computer, conflict monitor, cabinet circuitry and video detection have been installed. The video detection system will alleviate the need for wire loops to be cut into the road which have been susceptible to damage from road improvements. Training was provided for our electricians in the operation of the new video system through our local Auto-scope supplier at no cost to the Town.

## Planned Future Efficiencies and Cost Savings Measures

- **Paint & Signs:**

A supplemental portion of the Cartegraph work order system is being developed to address the management of sign maintenance for all Town-owned signs. That system will allow for a comprehensive database of all sign types, locations, and knockdown/replacement history. This will minimize staff time needed for field inspections, assure standardization, improve recovery time after storm events, and maximize reimbursement after declared emergencies.

- **Traffic Signals:**

Town staff is investigating the conversion of all traffic detection systems from underground "loop" detectors to newer video detectors. A few intersections were converted by FDOT during recent projects and these video detection cameras are not likely to be damaged during re-paving or underground construction activities. Town staff will determine if the savings (less traffic loops damaged) is worth the additional investment (to install video detection cameras). Future signal projects for intersections will incorporate the new technology, if it is found to be cost effective.

# Program 523 – Traffic Control

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $114,817 | $85,997 | $86,718 | $103,247 |
| Employee Benefits | $32,300 | $33,178 | $35,960 | $39,743 |
| Contractual | $32,917 | $55,037 | $50,000 | $58,150 |
| Commodities | $24,310 | $24,581 | $27,200 | $22,800 |
| Capital Outlay | $1,933 | $1,933 | $15,033 | $4,660 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $206,277 | $200,726 | $214,911 | $228,600 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Facilities Maintenance Manager | 0.10 | 0.10 | 0.10 | 0.20 |
| Electrician Supervisor | 0.20 | 0.20 | 0.18 | 0.17 |
| Streets/Parks Supervisor | 0.01 | 0.01 | 0.01 | 0.01 |
| General Maintenance Supervisor | 0.06 | 0.02 | 0.01 | 0.01 |
| Parks Supervisor I | 0.11 | 0.11 | 0.11 | 0.11 |
| Parks Laborer | 0.01 | 0.01 | 0.01 | 0.01 |
| Equipment Operator/Parks | 0.05 | 0.00 | 0.00 | 0.00 |
| Electrician II | 0.35 | 0.33 | 0.42 | 0.42 |
| Building Maintenance Worker | 0.04 | 0.04 | 0.04 | 0.04 |
| Street & Sign Painter | 0.48 | 0.48 | 0.47 | 0.47 |
| | 1.41 | 1.30 | 1.35 | 1.44 |

## Options for Cost Savings

**1) Option for Cost Saving:**
Eliminate or Reduce Curb Painting

**Cost Saving:**
$16,000 per year if eliminated, or $8,000 if performed every other year.

**Comments:**
Appearance suffers when the painting fades over time (municipal standards is a 2 year cycle; the Town performs curb painting on an annual basis).

**2) Option for Cost Saving:**
Eliminate Pedestrian Crosswalk Signs

**Cost Saving:**
$4,000 per year

**Comments:**
This would be a concern for pedestrian safety but would offer some financial savings. These signs are frequently damaged and require regular replacement.

**3) Option for Cost Saving:**
Eliminate or Reduce Line Painting & Thermoplastic Striping

**Cost Saving:**
$6,500 if performed every other year.

**Comments:**
Appearance suffers when the painting or striping fades over time.

# Program 524 Street Lighting

## Description of Function

To provide and maintain a high quality, reliable, safe and effective street lighting system that contributes to safe streets in the Town and protects endangered sea turtles from light intrusion during nesting season. Troubleshoot electrical and lighting problems. Order replacement parts and maintain supplies for quick repair and/or replacement for the Town's 878 streetlights. Perform nighttime surveillance bi-monthly to check for outages. Respond to emergency repairs and knockdowns 24 hours a day, as well as respond to storm damaged systems in the event of a hurricane. Install electrical controls annually for the holiday trees. Provide underground locates via SSOC (Sunshine One Call) system. Meet with subcontractors, FDOT, and residents to maintain a high level of service to the community.

This work group also provides significant support to almost all other Public Works functions. This is done with only 4 employees.

## History

Town owned street lights have increased 17% over the last ten years, from 752 street lights in 1997 to 878 street lights in 2007:

1997: Total Town owned street lights – 752

1998: Installed 22 new fiberglass street lights adjacent to the bike trail and at the Australian dock parking lot. Historical loop designated and lighting upgraded. Total Town owned street lights – 784

2000: Parking lot lighting added at Peruvian dock. Total Town owned lights – 789

2001: DOT adds additional decorative street lighting in 37 locations on County Road. Two new lighting contactors and electrical services are added to control the additional lighting. Total Town owned street lights – 826

2003: DOT removes and replaces existing lighting with new decorative lighting in 38 locations on Royal Poinciana Way. One new lighting contactor and electrical service is installed and the existing lighting contactor is removed, replaced and upgraded.

2007: DOT adds 51 additional decorative lights from Worth Avenue to Southern Boulevard. Two new lighting contactors and electrical services added to control the new lighting. Town owned street lights – 878

## Past Efficiencies and Cost Savings Measures

- 1988 to Present: Refurbished 233 of the Town's 255 ornamental streetlight poles, increasing their life span. Removed and replaced 123,672 feet of obsolete series circuit and in its place, installed new underground conduit pipe and wire. This eliminates removal of asphalt roadways and bike path to repair circuits and allows the bureau to make circuit repairs with less manpower. Continue the program as needed, removing and replacing cast iron and concrete street lights damaged by corrosion from the salt air. By installing new fiberglass and/or aluminum poles we extend pole life by over 300%, and greatly reduce maintenance costs.

- 1991 to 2001: Removed and replaced corroded street lights along bike trail. The bureau installed new fiberglass street lights in 120 locations, again extending life span and reducing maintenance costs.

- 1992 to 1998: Changed lighting in 442 locations from incandescent to long life energy-efficient high pressure sodium. Lamp replacement drops electrical consumption from 116 Kilowatt hours per month to 29 KWH per month. This results in an annual savings of $6,445.00. Because lamps last longer there are less resident complaints of outages.

- 1998: Removed 57 small ornamental poles and 30 large ornamental poles. Disassembled new lanterns and sent out for powder coating to extend life of lantern. Reassembled ornamental poles and lanterns and reinstalled in 87 locations. This rehabilitation program saved the cost of purchasing new poles.

- 2000: Designed and built a new lighting and music control system for the holiday tree on Worth Avenue. The work was done in-house with existing resources to save contractual costs.

- 2003: Started bi-monthly surveillance of Town street lights to check for outages. This reduces resident complaints and maintains our high quality standards for lighting.

- 2005: Entered into Master Street Light Agreement with FDOT to maintain street lighting on DOT roadways, and provide a new source of revenue to the Town.

    - FY 06/07 -$62,828 from DOT

    - FY 07/08 - $71,243 from DOT

- 2005: Joined Sunshine State One-call system to locate existing Town facilities to avoid sub-contractors damaging underground electrical systems during construction. This

resulted in no emergency repairs or replacement of underground wiring or conduit during FY2006/FY2007.

- 2006: Program started to annually paint 107 street light standards to prolong their life.

- 2007 Turtle Shades: Hired sub-contractor to install and remove 258 turtle shades and saves 192 overtime man hours per year.

- 2007: DOT County Road Project - Removed and replaced antiquated cable duct wiring with new underground conduit and wiring. To avoid damage by vehicles and to repair corroded poles, the bureau relocated and refurbished 19 ornamental street lights. New ornamental shafts were installed in 8 locations and all base rods were replaced. The electrical bureau performed the majority of the work after getting quotes for sub-contracting the project and saved the Town over $100,000.00.

## Planned Future Efficiencies and Cost Savings Measures

- Continue removal and replacement of corroded and damaged street lights and replace with new fiberglass/aluminum street lighting. Impact – High quality lighting that lasts longer and looks better.

- Remove corroded metal lighting control enclosures [18] and replace with non-metallic enclosures. Remount controls inside new enclosures. Impact - Increases life expectancy by 300%.

# Program 524 – Street Lighting

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $118,636 | $142,530 | $104,021 | $113,224 |
| Employee Benefits | $43,717 | $53,963 | $41,200 | $44,328 |
| Contractual | $80,462 | $218,060 | $238,300 | $235,900 |
| Commodities | $26,442 | $32,398 | $37,200 | $33,460 |
| Capital Outlay | $12,372 | $7,515 | $13,945 | $23,745 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $281,629 | $454,466 | $434,666 | $450,657 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Electrician Supervisor | 0.46 | 0.46 | 0.46 | 0.46 |
| Electrician II | 1.23 | 1.23 | 0.88 | 0.88 |
| Facilities Maintenance Manager | 0.10 | 0.10 | 0.10 | 0.10 |
| | 1.79 | 1.79 | 1.44 | 1.44 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate or reduce maintenance painting of street lights.

**Cost Saving:**
$2,500 per year

**Comments:**
The street light poles will eventually begin to chalk, fade, and peel. Poles that are metal will eventually begin to corrode. This work is done contractually and will not reduce staff levels. This reduction will double the interval on which maintenance painting is done (i.e. would only be done half as much as is currently being performed).

# Program 531 Storm Sewer Maintenance

## Description of Function

This program exists to protect the health, safety and property of the residents and businesses by effectively operating and maintaining the storm water systems. This function operates and maintains the storm water system including catch basins, lines and pumping stations. The storm system is comprised of 14 stations with 46 pumps, that pump storm water to the Lake Worth Lagoon, as well as gravity outfalls that also flow to the lake. The collection system is a series of catch basins and inlets that allow the rain water to flow through pipes to a pump station or gravity outfall. There are miles of storm pipes and over 1780 manholes, catch basins and inlets.

Responding to rain events and flooding is a major task for Water Resources and Public Works. Water Resources personnel have the responsibility, with assistance from other Public Works personnel, to remove debris from inlets and catch basins. Other maintenance of the sites such as electrical, grounds maintenance and outside building maintenance is performed by other Public Works employees.

Major improvements of the stations and storm water collection systems are completed by outside contractors overseen primarily by Public Works Engineering and with Water Resources involvement.

Compliance with the rules and regulations promulgated by the U.S. EPA, (under the NPDES program) and South Florida Water Management District is the responsibility of this program, including assistance from the Town's Engineering Division for report submissions and program changes.

***Function 1: Inspect, Operate, Maintain and Repair Storm System***

Water Resources staff inspects and operates all the equipment, including controls, engines, and generators at each storm station. This requires 19 man hours per week (988 man hours per year.) Four man hours per visit are required for operation of the emergency generators at Town Hall, Police Department, and the Central Fire Station (208 man hours per year). An additional 8 man hours are programmed for forecasted heavy rain events (180 man hours per year per event). Included is the scheduled maintenance of the equipment, lines, inside facility maintenance, the maintenance of station and controls. Controls and electrical preventative maintenance inspections (PM) are accomplished by Public Works electrical staff. Oil changes, oil filters, air filters and fuel filters average 14 man hours twice per year per station (364 man hours per year) for these tasks. Motor service and ventilator service inspections average 1 man hour per piece of equipment per station (52 man hours per year.) Corrosion control is completed as necessary and inside painting is completed every five years. These two tasks average 240 hours per year. Cathodic protection to prevent electrolysis on the pumps is conducted quarterly. The repair tasks are completed on an as needed basis. Removal of a HAC 330 pump averages 32 man hours

per pump, 40 man hours per pump to rehab, and 32 man hours to install. Each pump requires 104 man hours per year. We typically repair 3 pumps per year. Submersible storm pumps require 24 man hours to remove and 20 man hours to install. An average of three submersible pumps are pulled per year for a total 132 man hours. The actual rehabilitation of the submersible pumps is completed by others. An average of 1000 man hours per year are used for other station components such as engines, controls, ventilators, and cooling water systems. The collection system maintenance effort consists of cleaning storm lines due to results of physical observations or complaints, repair of catch basins, inlets and manholes. This effort requires an average of 80 man hours per year for line cleaning, and 48 man hours for inlet catch basin repair per year. After the 2005 hurricane season, some of the storm lines were cleaned of debris (mostly sand) to restore the storm water carrying capacity. Water Resources has budgeted cleaning and televising for the entire gravity storm collection system in the 5 year Capital Improvement Program. This will provide information to identify deficiencies. Cleaning will restore the system to full design pumping capacity needed during rain events.

Storm water collection system maintenance requires 128 man hours per year. We know that continued funding of the line cleaning program will reduce costs and increase pumping rates.

Wet well cleaning is also needed and is part of this function. The wetwell cleaning increases the holding capacity of the wetwell and reduces the physical wear on the pumps from sand and other abrasives. Current cost of wetwell cleaning is between $3,000 and $5,000 depending on size and amount of debris to be removed. Both of these tasks are also a condition for the Town's required NPDES permit.

***Function 2: Monitor Storm Station Telemetry***.

The WRD person in S-2 Central reviews the station status and operation of each storm station twice a day, Monday thru Friday (1 man hour per cycle, 2 cycles per day, 494 man hours per year.) Included in these tasks are monitoring rainfall, station wetwell levels, status of pumping systems and pumps.

***Function 3: Respond to Storm Events***.

Staff inspects street conditions, cleans roadway debris restricting rainfall into the inlets, and cleans catch basins. Water Resource personnel respond twenty-four hours a day, three hundred and sixty-five days a year. Assistance from the Electrical bureau for the controls and electric components when needed is essential for this function. Public Works has allocated additional resources during and after heavy rain events from Parks Maintenance to assist with the catch basin and inlet cleaning, thus allowing Water Resource personnel to focus on station performance, storm line performance, and customer complaints.

A rainfall telemetry alarm system was added to give advanced warning to enable staff to respond to events prior to flooding. Staff participation depends solely on duration and intensity of the

rainfall event. A medium rainfall event, which is short duration, averages 8 man hours per event. A heavy rainfall event for medium duration, averages 100 man hours. Average annual man hours for this function is 2000 hours per year. Annual staff hours required during years of heavy rainfall can exceed 3000 hours.

***Function 4: Respond to Customer Complaints.***

Respond quickly to customer complaints during rain events and investigate and effect corrective action to reduce flooding. Customer complaints are received from Public Works, Police Dispatch, and customers calling Central directly. During a rain event we strive to respond to all complaints within two hours, day or night. Non-event, non-emergency storm water complaints have a response time of forty-eight hours. The field responders record system deficiencies in order to evaluate necessary modification. An average of 40 man hours per year are spent on this effort.

***Function 5: Regulatory and Permit Compliance***

The United States Environmental Protection Agency (EPA), Florida Department of Environmental Protection (DEP), and the South Florida Water Management District (SFWMD), regulate the type, location and discharge rate of all discharges into receiving waters of the State and Federal government. The National Pollution Discharge Elimination System (NPDES) is the program enforced by the EPA with state and local compliance being mandated. To assure compliance, staff inspects storm station wetwells weekly (1 man hour per week per station or 689 man hours per year.) We also remove wetwell debris (36 man hours per month or 432 man hours per year). Lastly, it is our responsibility investigate for illicit discharges into the storm system and Lake Worth. (Average 1 illicit discharge per year. Average 48 man hours per illicit discharge to investigate and resolve.)

***Function 6: Assist Contractors and Engineering.***

Information and assistance is provided during the planning and construction of Town owned storm systems as well as projects on private property. An average of 80 to 160 man hours are used per year to complete facility locates, access facilities, provide operational information, and assist with resources to complete these projects done by others.

***Electrical Bureau Support Functions Associated with Stormwater Program:***

- Responsible for maintenance and repair of electrical and telemetry systems in 14 storm stations. Keep detailed records of motor control modifications, upgrades and repairs, schematics, wiring diagrams, meg readings and “as-built” blueprints.
- Modify and/or repair motor and pump controls. Maintain and order an extensive inventory of replacement parts.

- Respond to emergency calls and hurricane storm events 24/7.
- Monitor “Hyper-tac II” system for proper station operation.

## History

Only limited historic data exists for the installations of the first storm systems (between 1911 and 1930) There are references to the combination systems that carried both rain fall and sanitary effluent into the Lake Worth Lagoon.

Prior to 1976 there were only four Town storm stations and limited developer-installed catch basins connected to gravity corrugated metal pipes discharging into Lake Worth. The Town stations were D-1, D2, D-3 and D-5.

Due to a large storm in 1976, a plan was developed to install several new storm stations and the associated collections systems. During this period, Water Pollution Control Operation (the name prior to Water Resources) was primarily a sanitary sewer division. Staffing during this time was twenty-two personnel, and during a rain event the entire staff switched to storm duty. Three personnel checked (physically inspected and manually operated) storm stations every day.

In the late 1970's an additional storm station was built (D-4). Resources such as two painters were transferred to a different Public Works bureau. In 1979 the S-2 (Central) Master Sanitary pumping station was placed into service, manned twenty-four hours a day. Staff was reduced to eighteen through attrition.

A storm in 1980 lead to acquiring bond money and constructing those 1976 planned systems. Six storm stations and collection systems were constructed; D-6, D-7, D-8, D-9, D-10 and D-15. The end of the 1980 bond money lead to the “pay as you go” method of financing new construction and improvements of the storm systems. Historical information from the 1980's reflects staffing level at sixteen. Storm stations were checked daily by a crew of two or three.

Between the 1980's and 1993, storm stations were checked three times per week and during and after storm events. Rainfall data was manually collected after each rain event. Stations were checked prior to predicted rain events, during, and after events.

By the end of 1997, three new storm stations were constructed (one replaced an existing station), and two new collection systems were constructed. These stations were D-16 and D-18, with D-14 replacing D-5.

Late fiscal year 1999, Water Resources started in-house repair of the HAC 330 hydraulic pumps (sixteen pumps in five locations.) This in-house service cost approx. $1,000 in tools and reduced down time by fifty percent with a direct annual savings of $20,000 per year not paid to outside repair contractors. This saving not only reduced down time and was cost effective, but the longevity of the pumps increased as well.

November 2000, after the "no name" storm, a Town-wide review of the storm and drainage system was completed. Town Council authorized an increase in level of service to reduce residential flooding. Public Works shifted more of its personnel and assets for storm preparation and response. Prior to this rain event two to four Water Resource staff were placed on storm patrol, checking stations, cleaning catch basins, and inspecting street flooding. After the November storm, response was increased to include the entire Water Resource staff and additional Public Works personnel, depending on severity and duration of the event.

In early 2002, telemetry was installed in the storm stations allowing continuous monitoring and automatic call-out for storm station problems. A year later a new (first time and first location in the nation) call-out program for the telemetry was developed. This program allowed the Water Resources staff to set rainfall parameters for each basin in order to respond before flooding, and during an event to minimize impact. Accurate rainfall data is also collected throughout the entire Town. Prior to this program, Water Resources relied upon direct observations, available predictions, customer complaints, and Police dispatch for notification. An additional storm station and collection system (D-12) was constructed and placed into service mid-2002. Construction of the storm/drainage system continued with two new stations and collection systems – D-17 in early 2005, and D-3 in mid 2005. D-8 was upgraded in late 2006. Currently there are fourteen storm water stations and future plans include upgrading of up to five of the existing stations. These stations are located from Mediterranean Road in the north end of Town, to Clarendon Avenue in the mid-Town area. Future plans include increasing pumping capabilities at D-9 and D-10, and renovation of the D-15, D-6 and D-7 stations with new pumps and controls. D-4 station is under review for at least new pumps and controls and the capacity may be increased. In F.Y. 2006, two additional positions were approved for this program. Current staff level is approved for sixteen positions with two current vacancies.

***Electrical Bureau History, Stormwater Program***

The following chronology provides the history of construction or renovation/modification of major stormwater pump stations:

- 1980 – D10 Pump Station [4 electric pumps, 3 with diesel backup & separate controls]
  D9 Pump Station [3 electric pumps, 2 with diesel backup & separate controls]
- 1984 – New D4 Pump Station [4 electric pumps, 3 with diesel backup & separate controls]
- 1986 – D15 Pump Station [8 diesel, 2 electric pumps & 1 generator]
- 1992 – New D8 Pump Station [3 electric pumps & 1 generator]
- 1996 – New D16 and D18 Pump Stations [2 electric pumps each]
- 1996/1997 – New D14 Pump Station [4 electric pumps & 1 generator]
  -D5 eliminated [2 electric pumps]
- 2001 – Emergency storm pumps at D2, D4, D8 & D10
- 2001 – New D12 Pump Station [5 electric pumps & 1 generator]

- 2002- Telemetry added to all 12 storm pump stations. This requires bi-annual PM to ensure proper operation.
- 2003 - D14 Upgrade [5th electric pump]
  -D16 and D18 added emergency backup generators
- 2004 – New D17 Pump Station [3 electric pumps & 1 generator]
- 2005 – New D3 Pump Station [3 electric pumps & 1 generator]
  - D8 Pump Station Upgrade [added 1 electric pump & 1 generator]
- 2007 – D2 Pump Station Upgrade [changed from 2 electric pumps to 4 electric pumps and 2 generators]

## Past Efficiencies and Cost Savings Measures

- 1987 – Modified D4, D9 & D10 so that a failure of an electric pump does not call on all diesel pumps. This allowed a single pump to fail and have an electric pump back it up to prevent flooding. These added years of service to the diesel pump.

- 1991 – D4, D9, D10 & D15. To eliminate the possibility of pumps running after the water level gets too low and damaging the motors, the bureau modified the controls to shut off the pumps during low water events. The pumps then restart after the well level rises. This saved on repair and replacement of diesel motors. The Town purchased 2 portable generators for emergency back-up in the event of a power failure. The bureau installed receptacles at the stations to allow for the generators to be used. This saved property damage from backed up water.

- 1992 – Started bi-annual preventative maintenance and megging program [instead of annual] to ensure optimum reliability of pump stations. Removed and replaced motor starters on all 3 pumps at D8 pump station because the existing starters were failing and would not consistently start the pumps. The new reduced voltage starters were able to reduce electrical consumption and operate properly which prevented emergency call-outs.

- 1996 – D4, D9, D10 & D15. At these stations we experienced diesel motor malfunction, failure and expensive repairs due to a fuel solenoid problem. The bureau traced the problem and switched solenoids from “energized to stop” to “energized to run.” This eliminated costly repairs and replacement of diesel pumps.

- 1997 - A new telemetry system was purchased and installed at S-2 master pump station. This allowed on site monitoring changing from twenty-four hours and seven days a week to eight hours five days per week. This was accomplished by computer monitoring and an automated call-out system. One operator and one maintenance worker position were eliminated though attrition. Total Water Resources staff was fourteen. Although this system was originally installed for the sanitary sewer system (532 program), it formed the

basis for the telemetry installed a few years later for the stormwater system (531 program).

- 1998 to 1999 – Installed emergency back-up float systems [EBUFS] at all pump stations. This starts the pumps and calls out a technician in the event that the primary pump start control fails. The repair of the hydraulic HAC 330 storm pumps was changed from using outside vendors to using the in-house Water Resources staff. This resulted in a reduction of down time for this repair by 50 % and saved approximately $20,000 annually.

- 2001 – Emergency diesel storm pumps are added at D2, D4, D8 and D10. They are designed to run in the event of the existing pump station being unable to keep up with drainage flow. The bureau integrated the controls of the emergency pumps with the existing pump controls.

- 2002 – Completed installation of DFS/Motorola telemetry system on 12 storm stations which notifies electrical bureau and WRD in case of malfunction or failure. A pump failure circuit modification was added to alert station personnel when a pump fails and allows repairs to be made in a timely manner. The telemetry system was enhanced to capture real-time data for stormwater pump stations, equipment status, and rainfall information at various sites in order to pro-actively respond based on real-time weather conditions. These directly reduced impacts associated with excessive rainfall intensity.

- 2003 – D4, D9, D10 & D15. Because of obsolete control technology and the lack of replacement parts the bureau converted the pump controls at these stations to Allen/Bradley micro-processors. This allows us to store the control memory on an
- EPROM chip and keep down time to a minimum. This modification saved thousands of dollars in design and installation of a new control system.

- 2004 – Revamped controls for installation of new generators at D16 and D18. Installed line conditioners to prevent voltage surges and pump failures.

- 2005 – Revamped wiring and controls at D15 to allow for a “non-loading” switch to be installed. This allows the pumps to be run and tested without pumping water and having the pumps shut off.

- 2005 to present - Assembled O&M manuals and reference manuals on all storm water pump stations including part numbers, service locations, pictures, schematics, repair history and electrical records. Created duplicates for each of the stations and installed in a waterproof enclosure to keep at the station. This expedites repairs and troubleshooting.

- 2006 Working with WRD to standardize all electrical equipment at allow interchangeability between stations. This will allow us to keep a smaller inventory of parts.

- 2007 – D12 [1] Installed new current sensing relays which allow pumps to operate more efficiently and eliminate false start calls and failures. These relays are interchangeable with D2, D3 & D12. [2] Installed new enclosure over pump splice pit which eliminates expensive splice kits used during every pump repair job and keeps splices out of the water. [3] Relocated float leads out of wet well and into junction box. This saves in float replacement time and limits float failures.

- 2007 – Worked with purchasing to formulate electrical services contract [bid#2007-06] to sub-contract non-essential pump station electrical work to qualified electrical subcontractors. This supplements the in-house capability for maintenance and repairs.

## Planned Future Efficiencies and Cost Savings Measures

The Department is reviewing the possibility of revising the work schedule to allow for four ten-hour days each week, to increase efficiency over the standard eight-hour work day. This has the potential to reduce overtime costs associated with call-outs that would have been occurring after-hours but could now be addressed during the extended work day.

# Program 531 – Storm Sewer Maintenance

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $144,886 | $165,153 | $339,587 | $367,550 |
| Employee Benefits | $99,672 | $124,789 | $154,852 | $165,509 |
| Contractual | $80,698 | $213,749 | $141,500 | $136,000 |
| Commodities | $56,103 | $84,514 | $61,800 | $60,300 |
| Capital Outlay | $47,568 | $6,259 | $105,258 | $108,333 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $428,927 | $594,464 | $802,997 | $837,692 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Spray Truck Operator | 0.01 | 0.01 | 0.01 | 0.01 |
| WRD Manager | 0.30 | 0.30 | 0.30 | 0.30 |
| Mechanic Supervisor/WRD | 0.25 | 0.37 | 0.38 | 0.38 |
| Electrician Supervisor | 0.03 | 0.03 | 0.10 | 0.10 |
| Wastewater Operator II | 0.25 | 0.38 | 0.38 | 0.38 |
| Mechanic II/WRD | 0.20 | 0.38 | 0.38 | 0.38 |
| Parks Supervisor I | 0.02 | 0.02 | 0.02 | 0.02 |
| Building Maintenance Worker | 0.01 | 0.02 | 0.02 | 0.02 |
| Equipment Operator II/WRD | 0.20 | 0.25 | 0.25 | 0.25 |
| Wastewater Operator I | 1.00 | 1.25 | 1.25 | 1.25 |
| Mechanic I/WRD | 0.50 | 1.50 | 1.50 | 1.50 |
| Tree Trimmer | 0.02 | 0.04 | 0.04 | 0.04 |
| Equipment Operator I/WRD | 0.25 | 1.25 | 1.25 | 1.25 |
| Equipment Operator/Parks | 0.02 | 0.00 | 0.00 | 0.00 |
| Laborer | 0.25 | 0.25 | 0.25 | 0.25 |
| Parks Laborer | 0.01 | 0.03 | 0.03 | 0.03 |
| Electrician II | 0.21 | 0.21 | 0.43 | 0.42 |
| | 3.53 | 6.29 | 6.59 | 6.58 |

# Program 532 Sanitary Sewer Maintenance

## Description of Function

This program exists to protect the health, safety, and welfare of residents, business and visitors by operating and maintaining a sanitary sewer system that prevents sewage back-ups, spillage or odor impact and is 100% reliable. Support maintenance such as electrical, grounds maintenance and outside building maintenance is performed by other Public Works employees. Major improvements to the collection and force main systems are performed by outside contractors overseen by Public Works Engineering. Compliance with the rules set by United States Environmental Protection Agency (EPA), Florida Department of Environmental Protection (DEP), Palm Beach County Department of Health and Rehabilitative Services (HRS), and City of West Palm Beach are monitored and completed by this group. The activities of this group are managed by the Water Resources Manager.

***Function 1: Inspect, operate, maintain and repair sanitary pump stations***

The tasks associated with this function are the physical inspection of each sanitary sewer pump station based on a weekly schedule. During these inspections every component of the station is operated. Cleaning of equipment, recording critical data such as runtimes and station variations are performed. The cleaning of wet wells is done to prevent build up of solids and to reduce odors.

The operation of the equipment includes all the controls and the pumps, compressors, generators, odor control devices, valves, telemetry, lights and indicators. It is during this process the operation of the equipment is observed for any variation of sound, sight or smell from normal operation. Numerous failures have been prevented by the discovery of minor irregularities during this physical inspection.

Eight major sanitary re-pumping stations are checked twice a week including the flow meter readings to verify for billing. These inspections occur on Monday and Friday. This was established to check critical stations before and after the weekends. These tasks require 16 man hours each day. Nine submersible stations are inspected and operated on Tuesday requiring nine man hours.

Two submersible stations are inspected and operated on Wednesday for 2 man hours. Also on this day six ejectors are inspected and operated for 4 man hours. Twenty-seven ejectors or expelsors are inspected and operated on Thursday for 16 man hours. Total man hours per year for this task are 3250.

WRD is responsible for fifty-four sanitary pumps station that are all operated at least once per week. WRD is also responsible for elevator sump pumps in Town Hall and Police Dept. as well

as the water/well systems at the Skees Road and Okeechobee Boulevard Yard Waste Disposal sites.

The scheduled maintenance tasks for the equipment is included in this function. These tasks vary with type and scheduled frequency. Oil changes, air and fuel filter changes are completed twice per year. There are nine sites that average 8 man hours per site. This task is 144 man hours per year. Separate lubrication and adjustment of the motors and ventilators requires 2 man hours per site, twice a year, (36 man hours per year). Corrosion control and inside painting averages 80 man hours per year. Ejector rebuilding is scheduled for every five years per site. This maintenance function averages 72 man hours per ejector or 1656 man hours to complete ejector cycle.

This function also includes unscheduled repairs at the stations. These repairs are primarily identified from station inspections and telemetry reports. The repairs include pumps, electrical controls, auxiliary equipment, valves, compressors, station piping, cooling water wells, and supports. The weekly average is 60 man hours (3,120 man hours per year). Elimination of ejectors and expelsors via future capital renewal with electric submersible pumps would reduce this effort.

The maintenance of the sanitary sewer collection system includes the piping and manholes that comprises the infrastructure to transport the sewage from the homeowner's connection to the pump stations. This typically flows by gravity. Major repairs and upgrades are completed by outside contractors under the direction of Water Resources and Engineering staff. Gravity line cleaning is completed to ensure proper flow without obstructions and to reduce sanitary sewer odors. This averages 10 man hours each day (2600 man hours annually). An additional 10 man hours per week is used to complete field verification, update records, maps entry data (520 man hours annually). Minor repair of pipes and manholes averages 32 man hours per location at five locations (160 man hours annually). Due to aggressive inspection, repair of the underground lines, ground water infiltration into the gravity mains was reduced. This reduction has reduced wear and tear on all the components especially the pumps, as well as reducing treatment cost by approx. 30%. Ninety-nine percent of the collection system has been video inspected. Reducing infiltration is mandated by regulations. Continuation of funding for this requirement is necessary to minimize operation, maintenance, and treatment costs.

***Function 2:_ Operate Master Pump Station (S-2) Site***

The S-2/Master Pump Station is manned 8 a.m. until 4 p.m., Monday thru Friday. The employee at this site monitors the S-2 Master pumping operation, monitors and queries the telemetry for all sanitary and storm stations. This person operates the radio dispatches for the Water Resources Department (WRD) and Public Works, receives customer complaints and requests for information. This individual logs station and field condition information to and from field crews, and coordinates field requests and locates. This position performs some preventative maintenance work of S-2. A detailed log is kept of significant events in chronological order as

well as day to day activities. Rainfall, pump data, and all alarms from Town wide locations are compiled and reports can be created at this location. 1,976 man hours per year are required for this function.

***Function 3: Valve Preventative Maintenance***

This item is for the operation and maintenance of the sanitary valves throughout Town. Station valves located in or immediately around each station. An average of 8 man hours per station are spent four times per year (eighteen stations, 576 man hours per year). All other sanitary valves are considered field valves. They require 48 man hours twice per year (96 man hours per year). Air release valve maintenance require 185 man hours twice per year (370 man hours). Due to the corrosive nature of sewage, any reduction in frequency of this maintenance task would cause increased failures, and prevent the capability to isolate different portions of the system in an emergency.

***Function 4: Backflow device inspection and repair***

The function is to annually inspect and repair the approximate 100 backflow devices at Town owned facilities. Backflow devices are required by the water provider to prevent contamination from entering the water supply. This effort consists of an annual inspection and any maintenance needed from that inspection. An average of 1 man hour per device for inspection and an average of 1 man hour for repair per device is needed,(200 man hours per year). In the past, outside contractors were used for this function, but that cost was more than twice as much as when it is performed with in-house Water Resources staff.

***Function 5: Locating underground utilities***

This function exists to provide the locations of all Town owned underground utilities to outside contractors. The locate requests are generated from anyone completing work on Town owned property, easements and right-of-ways. Locates are required within forty-eight hours of a request and emergency requests are completed in less than four hours. Marking the utilities in the field, conducting construction meetings and responding to “Sunshine One-Call of Florida” are examples of this task. A formal locate system is required by Florida Administrative Code and led to the establishment of Sunshine One Call of Florida. These tasks require 1,040 man hours per year. The FAC states that an engineering fee can be charged for planning requests, this could produce a $500 to $1500 user fee per year. The FAC also provides a fine for contractors doing work without a locate.

***Function 6: Sewer Cap-off and connection inspections***

The entire sanitary lateral from the property owner’s building up to and including the connection to the gravity main line is the property owner’s responsibility. The inspection of the lateral on private property is the responsibility of the Building Department. The inspection of the lateral

into easements and right-of ways is the responsibility of Public Works Engineering and Water Resources. When a building or dwelling is demolished the lateral is cut and capped-off. When a new lateral connection is installed or repaired a connection inspection is performed.

***Function 7: Conflict Structure maintenance***

This function is necessary to protect the piping and structures that are within conflict structures. Conflict structures are manholes, vaults or boxes that have one type of pipe running though another. These are mostly sanitary sewers running though storm systems or vice versa. Occasionally a water main will run though storm lines. These conflicts are inspected every fours months and maintenance performed at least every two years. Inspection requires 16 man hours per quarter or 64 man hours per year for the 66 structures necessary. Annual maintenance is currently decreasing due to an aggressive previous coating program. Maintenance averages 16 man hours per year.

***Function 8: Customer complaints***

Water Resources responds to customer complaints and information inquiries. This effort averages 100 man hours per year for this function. The complaints are received from Public Works and Central dispatch during working hours and Police Department dispatch after hours. These complaints are of liquid flowing on roadway, property owner sewer back-ups, odor, and potable water problems. Although 98% of all complaints are not Town problems they still require a response and investigation.

## Electrical Bureau - Support Functions Associated with Sanitary Sewer Program:

The Public Works Electrical Bureau is responsible for the maintenance and repair of electrical and telemetry systems in 53 sewer stations. The Electrical Bureau performs bi-annual preventative maintenance on telemetry, generators and pump controls to ensure proper operation. The Electrical Bureau maintains/repairs motor and pump controls, and maintains an extensive inventory of replacement parts for prompt restoration of operation. The Electrical Bureau responds to emergency calls and hurricane storm events 24/7. They monitor “hyper-tac II” system for proper station operation and keep detailed records of motor control modifications, upgrades and repairs, schematics, wiring diagrams, motor megging and “as-built” blueprints. Finally, the Electrical Bureau also meets with sub-contractors and engineers for designing, repairs, and upgrades.

## History

Historic data indicates prior to 1925 all sanitary sewage in Town gravity flowed into the Lake Worth Lagoon. Between 1925 and 1930 several pump stations were constructed, the sanitary sewage and rain fall were combined and pumped to the Lake. In 1951 additional stations were

constructed and plans developed to change the discharge point. In 1956 force main construction was completed to allow all sewage north of Southern Boulevard to be pumped to the newly constructed ocean outfall, and cease discharge to the Lake. Plans were developed to pump the sewage from Southern Blvd. to the south Town limits to up to the ocean outfall. Prior to this time, this area had combined gravity systems and septic tanks.

In 1962 construction of the system was started for the south area sewage, to be pumped to the ocean outfall at mid-Town beach. This system was completed by 1964. The construction these new sewage systems used current technology for re-pumping, or “master sanitary stations” as well as pneumatic driven smaller stations for residential areas. Water Pollution Control Operations (now Water Resources) had a staff of twenty-two. They maintained both the small storm system and the Town wide sanitary system.

In 1971 construction of the force main was completed to pump all the south area flow, south of Lake Avenue to the south Town limits, to the City of Lake Worth ocean outfall. Master plans were developed to eliminate discharge to the ocean outfall (U.S. EPA 201 Plan) and pump all sewage to the mainland for treatment. In 1976 construction began on the East Central Regional Wastewater Treatment Facility to comply with EPA regulations.

In 1979 all construction was completed including the Town’s S-2 master pumping station. A subaqueous crossing was constructed at Tangier Ave. to pump all north and central area sewage across Lake Worth to the newly constructed treatment plant in West Palm Beach. The S-2 or Master Pump Station site was manned 24 hours per day to monitor a very simple telemetry system (high wet well levels at the sanitary stations). In 1980 a subaqueous crossing was installed to pump the south area sewage to the City of Lake Worth.

In 1986 the pneumatic ejector stations in the north end of Town, E-1 thru E-6, were replaced with electrical submersible pumps. The re-pumping station E-6 was tied directly to the subaqueous crossing at Tangier reducing the cost associated with pumping to S-2 and back to Tangier. Numerous discussions occurred to develop a plan to replace all the ejectors and expelsors but no formal plans were established.

In 1995 the Water Resources Division had sixteen employees. In 1997, after completion of a new telemetry system at S-2, the staffing was reduced from sixteen to fourteen. This was because the new telemetry system could automatically call out the on-call personnel for after hour response and monitor critical station operations more effectively than the previous telemetry system. The Central operation went from seven days per week, twenty-four hours a day to eight hours, five days per week. Inspecting the master pumping stations was reduced from three visits per week to two. During the late 1990's a program was started to clean and televise all the sanitary lines. This was an aggressive undertaking due to the many miles of lines and locations such as main traffic centers and seldom used easements. The results of these inspections were used to develop a repair and replacement program to insure the effectiveness and efficiency of the gravity collection system. A direct benefit was the reduction of inflow and infiltration (I/I). This

consists of ground water, rain water, sand, dirt, and debris. These items enter the gravity pipes increasing pumping costs, treatment costs, and reduce the longevity of the pumps and valves. Since 1995, pump station runtimes in the north and central Town areas have been reduced by approximately 50 %. This result has been achieved with the reduction of I/I and installation and monitoring of a new flow meter thus reducing pumping cost and West Palm Beach treatment costs. Continuation of this program will continue to add savings. The next phase will be to investigate privately owned sanitary sewer laterals to further reduce I/I & associated costs.

## Electrical Bureau History - Sanitary Sewer Program

1984 – First telemetry system installed on sewer stations (limited ability).
1986- A7 station is refurbished and an emergency backup generator is added.
1987- B1 Ejector Station removed and E1, E2, E3, E4, E5 & E6 go online. Each of the new E stations has 2 submersible electric pumps except for E4 which has 1 pump. Each station has its own controls and service.
1989- A6 station is refurbished and an emergency backup generator is added.
1994 –E19 Mar A Lago changed from an ejector system to a 2 submersible electric pump system with its own controls, telemetry and electrical service [E19]. G8 lift station at Brazilian dock goes online with 2 submersible electric pumps and its own service and controls.
1995 – E7 station (for Phipps Estates) goes online with 2 submersible electric pumps and its own service, telemetry and controls.
1997 – G7 lift station at Australian Dock goes online with 2 submersible electric pumps and its own service and controls.
1998 - WPB flow meter replaced. G9 lift station at the mid-town life guard station goes online with 1 submersible electric pump and its own service and controls.
2005- G10 Lake Worth flow meter replaced. E50 lift station at Brazilian and Hibiscus goes online with 2 submersible electric pumps and its own service, telemetry and controls.
2008 – LS22 Station upgrade – New VFD drives [5] and generator at WPB station will be added to maintenance schedule.

## <u>Past Efficiencies and Cost Savings Measures</u>

- 1988 started reducing the inflow and infiltration in the collection system by lining sanitary sewer lines. To date reduced sewage treatment costs by approximately 30% in the north and central areas of the Town. Since 1995, pump station runtimes in the north and central Town areas have been reduced by approximately 50 %. S2- Modified pump station control wiring to call on a 5$^{th}$ pump in the event of a failure of pumps 1 thru 4 and adds an “auto-reset” feature instead of a manual reset. This modification allowed for the elimination of the 2$^{nd}$ and 3$^{rd}$ shift at the station.

- 1991- Installed emergency generator receptacles on “E” stations to allow portable generators to be connected to the station in the event of a power failure.

- 1992 – E1 thru E6 – Modified control wiring to allow for the standardization of alternators and phase monitors to be used in all 6 stations. This allows us to stock only one type of each part and not 6.

- 1997 installed upgraded telemetry system reducing staff from 16 to 14 personnel by changing the Master Pump Station operation( from 24 hr per day/ 7days per week) to 5 days per week/ 8 hours per day and automating the after hours call outs.

- 1998 reduced staff from 14 to 13 eliminating a Laborer II/Mechanic Helper.

- 1999 started replacing old inefficient vertical line shaft driven sewage pumps with dry pit submersibles reducing cost (5% per pump) and increasing reliability. To date 9 pumps have been replaced.

- 2000 – Installed "multi-trode" pump control system in 6 stations. This allows us to eliminate the existing mercury switches which are prone to mechanical failure and are environmentally dangerous. The new "multi-trode" system is a more reliable way of pump control in a sewage environment and allows standardization of pump controls between the 6 stations. Emergency Back-up Float System [EBUFS] was installed in the multi-pump sewer stations. This system calls on the pumps in the event of the primary pump control failing and also calls in the on-duty technician. This saves property and equipment damage.

- 2004 – A39- Revamped conduit and wiring to existing shaft drive pump to allow for the installation of a new more reliable submersible pump.

- 2005 – A5 & A6 - Revamped conduit and wiring to existing shaft drive pump to allow for the installation of a new more reliable submersible pump. Installed floats in dry wells of "A" stations to stop pumps in the event of pipe rupture in the well.

- 2006- A7- Revamped conduit and wiring to existing shaft drive pump to allow for the installation of a new more reliable submersible pump. Calculated the new starter and motor overloads sizes for proper pump operation.

- 2006 – Installed receptacles and cord on 4 new emergency generators for use on "E" stations in the event of a power failure.

- 2005 to present – Worked with the engineering and water resources divisions to design new motor controls, pump controls and automatic transfer switches at A43, A42, A41 and A39 to replace existing obsolete MCC and ATS. The new stations will be retrofitted during FY2008.

- 2006 to Present -Working to standardize all electrical equipment to allow interchangeability between stations. This will allow us to keep a smaller inventory of parts.

## Planned Future Efficiencies and Cost Savings Measures

- Town staff currently assists contractors and engineers periodically for private-property projects. A user fee could be established where Town staff is involved in facilitating a project (e.g., where combined sewer laterals need to be separated to meet current regulations).

- Cap-off and connection inspections are required when a private sewer lateral connection is installed or repaired and whenever a connection inspection is performed. Approximately 70 inspections are made per year, requiring 140 man hours. An offsetting revenue for this service could be charged with a first inspection costing $75 and additional inspections $150.

- The department is reviewing the possibility of revising the work schedule to allow for four ten-hour days each week, to increase efficiency over the standard eight-hour work day. This has the potential to reduce overtime costs associated with call-outs that would have occurred after-hours but could now be addressed during the extended work day.

# Program 532 – Sanitary Sewer Maintenance

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $575,495 | $723,221 | $592,181 | $628,408 |
| Employee Benefits | $231,735 | $279,555 | $269,286 | $288,886 |
| Contractual | $106,417 | $149,541 | $130,500 | $125,300 |
| Commodities | $110,137 | $149,219 | $138,100 | $112,990 |
| Capital Outlay | $43,483 | $94,634 | $126,112 | $143,738 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $1,067,267 | $1,396,170 | $1,256,179 | $1,299,322 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| General Maintenance Supervisor | 0.01 | 0.01 | 0.01 | 0.01 |
| WRD Manager | 0.70 | 0.70 | 0.70 | 0.70 |
| Mechanic Supervisor/WRD | 0.75 | 0.63 | 0.62 | 0.62 |
| Wastewater Operator II | 0.75 | 0.61 | 0.62 | 0.62 |
| Electrician II | 0.60 | 0.60 | 0.60 | 0.60 |
| Mechanic II/WRD | 1.38 | 0.63 | 0.62 | 0.62 |
| Parks Supervisor I | 0.02 | 0.00 | 0.00 | 0.00 |
| Electrician Supervisor | 0.25 | 0.15 | 0.14 | 0.13 |
| Mechanic I/WRD | 1.38 | 1.50 | 1.50 | 1.50 |
| Street & Sign Painter | 0.01 | 0.01 | 0.01 | 0.01 |
| Wastewater Operator I | 4.00 | 3.75 | 3.75 | 3.75 |
| Equipment Operator II/WRD | 1.00 | 0.75 | 0.75 | 0.75 |
| Tree Trimmer | 0.06 | 0.04 | 0.04 | 0.04 |
| Equipment Operator I/WRD | 0.75 | 0.75 | 0.75 | 0.75 |
| Equipment Operator/Parks | 0.06 | 0.02 | 0.02 | 0.06 |
| Spray Truck Operator | 0.01 | 0.01 | 0.01 | 0.01 |
| Laborer | 0.75 | 0.75 | 0.75 | 0.75 |
| Parks Laborer | 0.15 | 0.10 | 0.10 | 0.06 |
| Building Maintenance Worker | 0.02 | 0.02 | 0.02 | 0.02 |
| | 11.9 | 11.03 | 11.01 | 11.00 |

## Options for Cost Savings

**Option for Cost Saving:**
Public Education to convert to low flow fixtures in homes and businesses.

**Cost Saving:** Estimate reduction of 50,000,000 gallons/year; $45,000 in avoided treatment costs.

**Comments:** Converting toilets and shower heads. Additional future savings due to Town not needing to pump water; residents savings on water bills.

**Option for Cost Saving:**
Re-route sewage away from City of Lake Worth and send all flows through the City of West Palm Beach.

**Cost Saving:** Using FY 2007 flows and charges, $125,000 for treatment and disposal; $88,728 for R&R. Realization of these savings would be delayed by debt service payments needed to repay a bond that would likely be needed to upgrade existing Town facilities.

**Comments:**
Town staff has begun an analysis of rerouting sewage flows from the Lake Worth system to the Town owned system. Infrastructure upgrade alternatives are being considered. These include construction of a flow equalization basin south of Sloan's Curve; increasing sizes of force mains, 40 years old and older; upgrading existing sanitary sewer pump stations. This study with recommendations is to be completed in 2008. An existing agreement with the City of Lake Worth expires in 2017. Modification of the existing agreement would need to occur if this option is to be fully implemented prior to expiration.

# Program 533 Sanitary Sewage Treatment

## Description of Function

This program reflects the cost of treating the Town's sanitary sewage which is pumped either directly to the East Central Regional Wastewater Treatment Facility (ECR) or to the ECR via the City of Lake Worth. The Town's Water Resources Division records all flow data and also maintains the flow meter in the City of West Palm Beach.

The Town Engineer represents the Town on the ECR board. This board meets monthly, with an average of three special meetings a year. The board establishes the yearly operating budget and has prepared a 20 year capital improvement plan.

## History

***Sewage Treatment & Disposal:***

This program reflects the costs of treating our sanitary sewage which is pumped either directly to the East Central Regional Water Reclamation Facility or to the East Central Regional Water Reclamation Facility via the City of Lake Worth.

In September 1992, the Town entered into a joint interlocal agreement (the "Agreement") with Palm Beach County and three municipalities (West Palm Beach, Riviera Beach and Lake Worth) whereby prior separate agreements were consolidated into a single unified agreement to establish rules and procedures for the operation and management of the East Central Regional Wastewater Treatment Facility (ECR) in which each participating entity had an ownership interest. ECR was created to receive, treat, and dispose of sewage generated within each municipality and a portion of the County. The initial term of the Agreement is for thirty years with a renewable term of thirty years. In the event ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among the entities, based on their reserve capacity as of the date of disposition. As of September 30, 2007, the Town had a 7.8125% interest in ECR.

The Agreement provides for the establishment of a Governing Board (the "Board"), consisting of one representative from each entity participating in the Agreement, to administer the ECR. Under the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Section 163.01(7) of Florida Statutes. In accordance with the Agreement, the City of West Palm Beach operates and manages ECR on behalf of the Board.

All costs of operating the ECR, excluding depreciation, are shared by each of the entities based on actual flows of wastewater. Costs associated with capital projects, renewal and replacement, and debt service are shared among the participating governments based on their pro-rata share of reserve capacity. Since the Town's interest in ECR represents an equity interest primarily in

capital assets and since the Town's investment was funded from General Fund monies, the Town's net investment in ECR is recorded in the General Fixed Asset Account Group based upon the Town's 7.8125% interest in the net assets of ECR. To date, ECR has only experienced losses as a result of depreciation on contributed fixed assets. Town staff does not believe that the joint venture is accumulating significant financial resources or experiencing financial stress that may cause a future benefit or burden to the Town.

Alternative pumping methods are being investigated to reduce dependency on other utilities and reduce program costs.

Based on a "Participatory Agreement" signed by all participants in April 1993, ECR constructed improvements amounting to approximately $22,377,000, which was financed by the State of Florida Department of Environmental Protection Revolving Loan Fund. Pledged revenue consisting of all fees and payments received by ECR will be used to repay the debt. As of September 30, 2007, the outstanding balance due to the State Loan Fund was $11,163,445.

Each entity's interest as of September 30, 2007 is as follows:

| Participant | Reserve Capacity Percentages |
|---|---|
| City of West Palm Beach | 26.56250% |
| Palm Beach County | 33.59375% |
| City of Lake Worth | 19.53125% |
| City of Riviera Beach | 12.50000% |
| Town of Palm Beach | 7.81250% |

## Past Efficiencies and Cost Savings Measures

- ***ECR Board:***

The establishment of a board to oversee the operation and maintenance of the ECR facility resulted in immediate cost savings by the entity members by improving operational efficiencies and establishing proper maintenance procedures. Each budget line item was scrutinized and City of WPB staff was held accountable for operations.

- ***Flow Meters***:

The flow meter serving the south end of the island, for sewage pumped via Lake Worth, was found to be inaccurate and unreliable for measuring the flow (and therefore the billing amount). The meter was replaced by Lake Worth after the Town had arranged for the new meter and a qualified contractor to install it. This new flow meter ensures that the Town is correctly and accurately billed for sewage pumped via Lake Worth.

- ***Force Main Acoustic Study:***

Town staff worked with the City of WPB to develop a mutually acceptable agreement for the joint funding of an acoustic study of the existing sewage force main. The Town is a joint owner of the force main, in that a certain percentage of the sewage flow through it is the Town's responsibility. This pro-active approach to managing a vital utility was funded without impact to the capital improvement fund, by allocating sewage disposal savings from the 533 program to pay for the study in FY07.

- ***Lift Station 22 Upgrade:***

Town staff has undertaken the design of a new sewage pump station to replace the aged facility at the City of WPB's 23rd Street location. This new station will incorporate variable-speed, in-line pumps for maximum efficiency and lowest operating cost, along with improved reliability.

## Planned Future Efficiencies and Cost Savings Measures

The Town has begun a conceptual study to identify the estimated costs of modifying the Town's sewage force main to allow for pumping all effluent to the north (via City of West Palm Beach) rather than pumping some of the sewage via the City of Lake Worth. This study will determine whether it is cost effective to install suitable infrastructure to hold/pump all the sewage north, at the lower unit cost. This may reduce future sewer treatment cost, if an effective plan is found to be cost effective. Public Works Engineering is developing the cost estimate and cost recovery time frame.

# Program 533 – Sanitary Sewage Treatment

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | 0 | 0 | 0 | 0 |
| Employee Benefits | 0 | 0 | 0 | 0 |
| Contractual | $1,345,409 | $1,314,517 | $1,773,100 | $1,550,000 |
| Commodities | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $1,345,409 | $1,314,517 | $1,773,100 | $1,550,000 |

# Program 541 Residential Collection

## Description of Function

Responsible for the collection and removal of household residential garbage along five (5) routes via backdoor service Monday through Friday. Residential recycling is collected on one day a week. Each route consists of 2 employees, using a combination of (6yd) garbage trucks and (1yd) scooters. Every resident receives 4 days of garbage service and 1 day recycling service each week.

## History

The Residential Collection program exist to promote the health and welfare of the community by removing garbage that otherwise would be a source of pest and disease. Town Ordinance Sec. 102-42 requires that residential garbage is collected five (5) days a week. Sec. 102-41 regulates that the Town is the sole provider. Garbage was previously collected over six (6) routes, requiring more personnel and equipment. It is now collected over five (5) routes requiring less personnel and equipment.

## Past Efficiencies and Cost Savings Measures

- By reconfiguring collection routes, route #6 was eliminated, thereby reducing the labor (by 2 employees) and equipment required by this route. The Pinewalk garbage transfer station is where standard 6yd and 20yd garbage trucks dump or transfer their garbage into a 65yd tractor trailer for transport to the Solid Waste Authority (SWA). The Pinewalk staff personnel were reduced from three (3) to two (2) through attrition.

- In order for the Town to participate in residential recycling without adding personnel, one day of recycling was integrated into the five (5) day collection schedule, allowing the existing personnel contingent to collect recycling materials on one (1) day a week and regular garbage four (4) days a week. Resources (labor) are shared with yard waste collection operation program 544 for greater efficiency.

## Planned Future Efficiencies and Cost Savings Measures

Town staff is investigating the possibility of outsourcing the residential garbage collection function. Preliminary information is being sought with the assumption that this function could be performed similar to other areas serviced by SWA, using a contractor (Waste Management, etc). The pros/cons of such a change in service would need to be thoroughly examined. A contract provider may dictate a wider range of collection times or routes serviced, depending on the level of service specified and the corresponding costs. It is unknown how the quality of service would be impacted, but customer complaints may increase as a result of an outside contractor performing the work. Curbside service may be required, and it is far from certain that contracting out

this service would result in lower cost. Issuance of an RFP by the Purchasing Department may be necessary to obtain firm costs and level of service

# Program 541 – Residential Collection

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $398,745 | $454,210 | $487,228 | $528,349 |
| Employee Benefits | $193,155 | $237,482 | $258,643 | $288,783 |
| Contractual | $225 | $928 | $3,600 | $3,600 |
| Commodities | $36,430 | $41,530 | $37,300 | $42,160 |
| Capital Outlay | $29,691 | $32,732 | $33,815 | $41,826 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $658,246 | $766,882 | $820,586 | $904,718 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Sanitation Supervisor | 0.40 | 0.40 | 0.40 | 0.40 |
| Services Manager | 0.28 | 0.28 | 0.28 | 0.28 |
| Equipment Operator III 20/60 Yd | 0.00 | 0.75 | 0.75 | 0.75 |
| Equipment Operator II 20/60 Yd | 1.13 | 0.88 | 0.88 | 0.88 |
| Equipment Operator I/6 Yd | 7.20 | 7.20 | 7.20 | 7.20 |
| Equipment Operator I/Trash | 0.10 | 0.00 | 0.00 | 0.00 |
| Laborer I/Trash | 0.40 | 0.50 | 1.40 | 2.00 |
| General Maintenance Supervisor | 0.01 | 0.01 | 0.01 | 0.01 |
| Building Maintenance Worker | 0.02 | 0.02 | 0.02 | 0.02 |
| | 9.54 | 10.04 | 10.94 | 11.54 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate back door service, and have all residential collection performed with curbside pick-up.

**Cost Saving:**
$76,960 + benefits (2 positions)

**Comments:**
By eliminating the back door service and revising the level of service to curbside pick-up instead, the sanitation crews can work more efficiently. This efficiency is estimated as a 20% savings, decreasing the 10 FTE's on current routes to 8 FTE's for the proposed new routes. This results in a decrease of 2 FTE's. Salary is assumed to be the mid-point salary for two Equipment Operators. Future savings in the equipment replacement fund are also expected. These positions are occupied and unavailable for elimination without layoff or transfer.

**Option for Cost Saving:**
Reduce level of service to perform residential collection only twice per week.

**Cost Saving:**
$153,920 + benefits (4 positions)

**Comments:**
If the residential garbage collection is done twice per week, as is common in other municipalities, then the number of routes each day would be reduced in half. Currently garbage is picked up four days per week, with recycling performed on the fifth day each week. This option assumes that recycling is not affected, and that each resident is serviced two days per week (for example Mon & Thurs, or Tues & Fri). This results in a reduction of 4 FTE's. Salary is assumed to be the mid-point salary for four Equipment Operators. Future savings in the equipment replacement fund are also expected. These positions are occupied and unavailable for elimination without layoff or transfer.

# Program 542 Commercial Collection

## Description of Function

This program is responsible for the collection and removal of commercial/business garbage along two (2) sanitation routes. These two routes include approximately 70 separate locations which are serviced.

## History

Town Ordinance Sec. 102-42 requires that commercial garbage is collected a minimum of five (5) days a week. Commercial garbage was previously collected over three (3) routes. It is now collected over two (2) routes requiring less equipment.

## Past Efficiencies and Cost Savings Measures

- The commercial garbage routes were restructured from three (3) routes to two (2) routes, thereby reducing the need for additional equipment.

- The Town has contracted some collection services out. Establishments that use garbage compactors are serviced by Waste Management.

## Planned Future Efficiencies and Cost Savings Measures

- Experimental hybrid vehicles (more fuel efficient) have just been produced. Future equipment purchases should include these if they prove to be effective.

- Evaluate the possibility of contracting out all of these services. This would require relocation of 6 existing employees. This will be calculated upon further review if Town Council desires.

Note: Limited opportunities exist to streamline this operation. Routes and equipment have already been optimized.

# Program 542 – Commercial Collection

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $400,962 | $424,639 | $440,719 | $454,889 |
| Employee Benefits | $158,756 | $168,901 | $173,750 | $185,539 |
| Contractual | $165,197 | $198,766 | $221,300 | $221,300 |
| Commodities | $25,560 | $31,035 | $25,300 | $31,300 |
| Capital Outlay | $27,747 | $27,573 | $29,983 | $39,654 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $778,222 | $850,914 | $891,052 | $932,682 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Sanitation Supervisor | 0.40 | 0.40 | 0.40 | 0.40 |
| Equipment Operator III 20/60 Yd | 0.25 | 0.25 | 0.25 | 0.25 |
| Equipment Operator II/20 Yd | 2.13 | 2.13 | 2.00 | 2.00 |
| Equipment Operator II 20/60 | 0.00 | 0.00 | 0.12 | 0.12 |
| Sanitation Walker | 4.00 | 4.00 | 4.00 | 4.00 |
| Services Manager | 0.15 | 0.15 | 0.15 | 0.15 |
| Laborer I/Trash | 0.10 | 0.10 | 0.00 | 0.00 |
| | 7.03 | 7.03 | 6.92 | 6.92 |

# Program 543 Refuse Disposal

## Description of Function

Responsible for transporting all collected residential and commercial garbage to the Solid Waste Authority for disposal in accordance with Town Ordinance Sec. 102-41.

## History

The Town is the sole provider and has historically transported/removed garbage from the Town via the Pinewalk Transfer Station. This operation consists of a facility by which garbage trucks empty their loads into tractor trailer(s) to be taken to the Solid Waste Authority for proper disposal daily. The trailers compact the load to maximize space and minimize trips.

## Past Efficiencies and Cost Saving Measures

This operation/facility previously consisted of three (3) employees. Through attrition it has operated with two (2) employees for more than ten years. The State of Florida requires a spotter present at all times to monitor incoming waste. Therefore, this facility requires a minimum of two employees. Those 2 FTE's are allocated to the 541 and 542 programs, and are not budgeted in the 543 program since it is historically only tipping fees and SWA costs.

## Planned Future Efficiencies and Cost Saving Measures

Explore the opportunity to purchase a more fuel efficient truck. The truck used is very large, no hybrid production models exist. Bio-diesel is a future consideration.

# Program 543 – Refuse Disposal

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | 0 | 0 | 0 | 0 |
| Employee Benefits | 0 | 0 | 0 | 0 |
| Contractual | $87,886 | $99,647 | $90,000 | $100,000 |
| Commodities | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $87,886 | $99,647 | $90,000 | $100,000 |

# Program 544 Yard Trash Collection

## Description of Function

Responsible for the collection and removal of yard waste from residential and commercial properties in accordance with Town Ordinance Sec. 102-45. Yard Trash is picked up either curbside or from "stash areas" and transported to either of 2 Town owned yard trash disposal sites (Skees Road and Okeechobee Boulevard). This program has the responsibility of all associated environmental permitting and environmental compliance associated with the compost sites.

## History

The Town has historically provided one (1) day a week yard trash collection for Town residents. It requires 3 crews consisting of 6-7 employees to complete a route as scheduled. A crew consists of a crane operator, 3to 4 truck drivers, and 1 to 2 sweepers/flagmen. Wednesday's route includes containerized yard waste collection and requires specialized equipment, and is typically slower than the normal pick-ups via crane and trash truck.

## Past Efficiencies and Cost Savings Measures

- Employees within this program previously worked forty (40) hours a week plus overtime when required due to daily workload variation. Two years ago this function was converted to a "task" system on a trial basis. This task-based criteria reduced overtime by approximately $20,000/yr. This has also reduced the Town's liability by minimizing the time equipment is on the road.

- The Town currently uses two disposal sites for vegetative debris, and at these sites the yard waste is composted to reduce its volume over the course of time. This is more efficient than using one site, since it allows natural decomposition rather than mechanical grinding and mulching which is more costly. The flexibility of two sites also allows the Town to accommodate "extra" debris when faced with hurricane/storm debris removal.

## Planned Future Efficiencies and Cost Savings Measures

- Town staff is investigating the possibility of outsourcing the yard trash function. Preliminary information is being sought with the assumption that this function could be performed similar to other areas serviced by SWA, using a contractor. The pros/cons of such a change in service would need to be thoroughly examined. A contract provider may dictate a wider range of collection times or routes serviced, depending on the level of service specified and the corresponding costs. It is unknown how the quality of service would be impacted, but customer complaints may increase as a result of an outside contractor performing the work. If the transportation of yard waste to the disposal site is farther than it is now (using Skees Road and Okeechobee Blvd sites), then

the productivity of the contractor might be lower, resulting in a higher cost to the customer. Issuance of an RFP by the Purchasing Department may be necessary to obtain firm costs and level of service.

- The use of more fuel efficient vehicles and the possibility of alternative fuels (i.e.: bio-diesel) were the subject of a separate Town Council update, but Town staff will continue to seek opportunities to save on operating costs associated with vehicles associated with this program. "Green" alternatives such as bio-diesel fuel may not be cheaper but may result in more environmentally responsible operations.

- As noted in the history above, a small portion of Town has the option of collecting their yard waste in containers. This is beneficial because it keeps some of the yard waste out of the storm drain inlets and catch basins. This improves performance of the storm drainage system during rainfall events. The containerized yard waste collection is more labor and equipment intensive however. It is recommended that when the storm drainage system improvements are completed to construct pump station and collection system, that the containerized yard waste program can be eliminated. This work only occurs now one day per week, so it is not likely to result in the elimination of any positions, although it might provide some savings in the Equipment Replacement Fund with the elimination of the specialized truck to perform the work.

# Program 544 – Yard Trash Collection

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $892,368 | $919,609 | $942,850 | $992,352 |
| Employee Benefits | $450,638 | $498,253 | $492,149 | $511,268 |
| Contractual | $9,484 | $1,811,030 | $26,800 | $29,550 |
| Commodities | $84,346 | $91,799 | $121,900 | $95,880 |
| Capital Outlay | $75,065 | $75,655 | $70,615 | $125,666 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $1,511,901 | $3,396,346 | $1,654,314 | $1,754,716 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Services Manager | 0.30 | 0.30 | 0.30 | 0.30 |
| Trash Supervisor | 0.90 | 0.90 | 0.90 | 0.90 |
| Crane Operator/Trash | 3.00 | 3.00 | 3.00 | 3.00 |
| Equipment Operator I/Trash | 7.36 | 7.35 | 7.86 | 8.00 |
| Equipment Operator II 20/60 Yd | 0.50 | 0.00 | 0.00 | 0.00 |
| Equipment Operator I/6 Yd | 1.00 | 0.20 | 1.00 | 0.00 |
| Refuse Disposal Operator | 1.00 | 1.00 | 1.00 | 1.00 |
| Equipment Operator I/Streets | 0.25 | 0.25 | 0.25 | 0.25 |
| Laborer I/Trash | 7.35 | 8.26 | 6.15 | 7.00 |
| General Maintenance Supervisor | 0.01 | 0.01 | 0.01 | 0.01 |
| Streets/Parks Supervisor | 0.02 | 0.02 | 0.02 | 0.02 |
| Spray Truck Operator | 0.01 | 0.01 | 0.01 | 0.01 |
| Streets Supervisor | 0.25 | 0.25 | 0.25 | 0.25 |
| Building Maintenance Worker | 0.02 | 0.02 | 0.02 | 0.02 |
| Electrician Supervisor | 0.00 | 0.00 | 0.00 | 0.01 |
| Electrician II | 0.02 | 0.03 | 0.00 | 0.01 |
| | 20.99 | 21.60 | 20.77 | 20.78 |

## Options for Cost Savings

**Option for Cost Saving:**
Collect yard waste only one day every other week.

**Cost Saving:**
$307,840 + benefits (8 positions)

**Comments:**
If the yard waste collection is done once every other week, then the size of each daily route would be reduced by half. This results in a reduction of approximately 8 FTE's. Salary is assumed to be the mid-point salary for typical personnel (equipment operators and laborers). Future savings in the equipment replacement fund are also expected. These positions are occupied and unavailable for elimination without layoff or transfer.

**Option for Cost Saving:**
Elimination of yard waste program.

**Cost Saving:**
$1,754,716 (FY08) as well as significant savings in the vehicle replacement program. The Skees and Okeechobee properties would also not be needed.

**Comments:**
Residents would be required to make their own arrangements for removal of this material. It will be difficult to realize these savings quickly thru attrition. Post storm debris management would be compromised. We would be more dependent on outside vendors. Immediate response could not be guaranteed. Future savings in the equipment replacement fund are also expected. These positions are occupied and unavailable for elimination without layoff or transfer.

**Option for Cost Saving:**
Eliminate containerized trash collection.

**Cost Saving:**
$10,000 plus future savings to vehicle replacement program.

**Comments:**
Negative impacts to storm system are anticipated. Staff hours eliminated do not constitute a FTE. Resources would be reallocated toward programs with existing vacancies.

# Program 545 Recycling

## Description of Function

This program serves the recycling needs of our residents and the commercial/business community. The purpose of the program is to collect and dispose of recyclable material on a regular schedule. This reduces the amount of material taken to landfills.

## History

The Town entered into an inter-local agreement with the Solid Waste Authority on September 21, 1994 for municipal recycling. This agreement requires the Town to offer recycling services to all commercial and residential establishments.

## Past Efficiencies and Cost Savings Measures

- Modified residential garbage collection to include one day for collection of residential recycling materials without increasing staffing levels. This was done by reallocating staff between the Sanitation and Yard Trash programs seasonally.

- Purchased more efficient equipment that increased productivity of existing staff. Required FTE's have actually decreased over time despite the fact that people are recycling more.

## Planned Future Efficiencies and Cost Savings Measures

- Purchase more fuel-efficient vehicles as they become available. Alternative fuels will also be considered when available.

- Note: Only limited opportunities exist to streamline this program. We collect more recyclable material every year but have managed to reduce the manpower necessary to do the job.

# Program 545 – Recycling

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $141,916 | $149,956 | $163,586 | $155,973 |
| Employee Benefits | $69,451 | $77,639 | $86,262 | $81,713 |
| Contractual | $80 | 0 | $100 | $100 |
| Commodities | $15,323 | $13,411 | $13,500 | $15,000 |
| Capital Outlay | $19,951 | $19,152 | $19,152 | $32,817 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $246,721 | $260,158 | $282,600 | $285,603 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Services Manager | 0.17 | 0.17 | 0.17 | 0.17 |
| Equipment Operator I/6 Yd | 1.80 | 1.60 | 1.80 | 1.80 |
| Equipment Operator I/Trash | 1.45 | 1.45 | 1.00 | 1.00 |
| Sanitation Supervisor | 0.20 | 0.20 | 0.20 | 0.20 |
| Laborer I/Trash | 0.10 | 0.10 | 0.45 | 0.00 |
| Equipment Operator III/60 Yd | 0.20 | 0.00 | 0.00 | 0.00 |
| | 3.92 | 3.52 | 3.62 | 3.17 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate the Commercial Recycling program.

**Cost Saving:**
$38,480 annually for salary (midpoint) plus benefits, as well as future savings of $15,000/yr. for depreciation in the vehicle replacement fund.

**Comments:**
Continue residential recycling, discontinue commercial recycling. Existing SWA agreement expires at the end of FY 2008, and can be modified by mutual written consent. Savings represent elimination of one full-time position (salary and benefits).

Also, tipping fees (543) increase ($50,000 if all recycling is stopped) due to additional tonnage sent to SWA. More fuel/collection costs for 541/542 due to increased volume of garbage. Approximately 10-15% of solid waste stream is recycled now, and if recycling ceased then costs for sanitation increases by corresponding amount.

# Program 546 Beach Cleaning

## Description of Function

Responsible for maintaining and cleaning Town owned public beaches and private beaches associated with the Citizens Association. Cleaning is limited during sea turtle nesting season. Also responsible for necessary environmental permits and assurance of compliance.

## History

The Town originally entered into a five year beach cleaning agreement with the Citizens Association on February 16, 1998. This agreement was renewed on February 17, 2003 for five years and will continue until February 17, 2008. We also initiated the mechanized Town wide beach cleaning program in 1998. It provides for a complete weekly sweep of the Town's Atlantic Ocean beaches, with each location being cleaned once per week. The Town's public beaches at Mid-Town and Phipps Ocean Park are cleaned daily.

## Past Efficiencies and Cost Savings Measures

- The mechanized cleaning program provides a much greater level of service with no increase in staff levels. The previous manual efforts had only minimal impact.

- The contract with the Citizen's Association covers all costs associated with that effort.

# Program 546 – Beach Cleaning

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $62,350 | $67,979 | $86,172 | $85,989 |
| Employee Benefits | $36,876 | $44,978 | $46,097 | $45,417 |
| Contractual | $12,985 | 0 | $17,100 | $17,100 |
| Commodities | $4,833 | $5,288 | $6,500 | $6,800 |
| Capital Outlay | $6,516 | $5,874 | $8,220 | $12,053 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $123,560 | $124,119 | $164,089 | $167,359 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Beach Cleaner | 1.75 | 1.75 | 1.75 | 1.75 |
| Equipment Operator I/Trash | 0.14 | 0.14 | 0.14 | 0.00 |
| Laborer I/Trash | 0.09 | 0.09 | 0.00 | 0.00 |
| Trash Supervisor | 0.10 | 0.10 | 0.10 | 0.10 |
| | 2.08 | 2.08 | 1.99 | 1.85 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate Beach Cleaning Program

**Cost Saving:**
$167,359 for all program expenses, minus revenues from Citizen's Association, resulting in net of $113,000 savings overall.

**Comments:**
Using volunteer organizations or community service workers to police the beaches, one full-time and one part-time (0.75 FTE) position could be eliminated, however, it is likely that the quality and consistency of this service would be diminished.

# Program 551 Landscape Maintenance

## Description of Function

Parks Bureau employees maintain landscaping throughout the Town in park areas, medians and public right-of-ways, around all public buildings and other facilities. Tasks include planting, mowing, edging, cleaning, pruning, sweeping, trimming, insect and weed control, fertilizing, irrigation, and other work associated with landscape maintenance and facility appearance. The bureau maintains a fourteen-acre public beach park with cooking pits, picnic tables, restrooms, parking facilities, bathing beach, a playground with equipment and field sport areas. The Parks Bureau also manages an inoculation program for the Lethal Yellowing palm tree disease. The Town's historic/specimen tree program is also administered and managed by this bureau, with over 110 trees inspected yearly for any maintenance needs.

***Function 1: Parks Maintenance*** (4 laborers, 1 vacant)

Maintains parks, medians, right-of-ways, and all Town-owned properties (45 different locations). This includes policing, weeding, light trimming, and turf maintenance in a few locations. Also includes assisting operators with Town projects (flower planting, ornamental planting, mulching, sod installation, palm trimming, tennis court maintenance, trash emptying, bathroom cleaning, flagging for 3 different bureaus (Parks, Streets, Electrical). Maintains Town flower beds (approximately 11,000 flowers annually), trees, palms, shrubs, and turf. This includes replacement, any spraying and fertilizing needed. Involved in improvements in all landscape areas. In charge of any large or small landscape projects (i.e., Lakeside Park, Wrightsman Estate, Peruvian Park, Phipps Ocean Park, Ibis Isle entrance, and S-1 Pump Station, etc). Also in charge of maintaining and ordering all chemicals needed, ordering and installing plants Town-wide. Supervises installation of annuals, shrubs, and trees, including any contractual work.

***Function 2: Turf Maintenance***

Contractor maintains grass at all parks, medians, right-of-ways, and other Town-owned properties (weed eating, edging, blowing) in a total of 28 different locations. Approximately 35 acres are mowed weekly by Town forces.

***Function 3: Hedge Trimming:***

Hedge trimming in Town-owned parks, medians, and facilities. This is at a total of 28 different locations. Done by contractor bi-monthly.

***Function 4: Trimming of Town Trees***: (2 Tree Trimmers)

Trim and shape approximately 100 large trees and 50 smaller trees once per year, according to ANSI standards. Bi-annually maintains 550 Royals, 140 Australian Pines (Wells Road Scenic Vista.) Three times a year trim 125 Foxtails in the center of the historic district. Weekly trim

120 Adonidia Palms along Worth Ave. Staff includes 2 full-time men and a bucket truck.

***Function 5: Twice Annual Town Coconut Palm Trimming:***

Done by contractor with bucket trucks.

***Function 6: Irrigation and Pest Control:***

Maintains 28 different irrigation systems Townwide. Does interior pest control, including rodent control, in 12 Town locations. Oversees contracted spraying at 3 fire stations and Town Hall. Assists other bureaus with parking meter collections, light general maintenance, sign replacement, inventory control, special event set-ups, assists Par 3 Golf Course with recreation field irrigation system, bulk (special) pick-ups.

***Function 7: Historic/Specimen Tree Program:***

Protect and preserve historic trees on Town and private property. There are 95 trees located on 46 different properties. 28 properties have maintenance agreements with the Town to accomplish basic tree maintenance.

***Function 8: Lethal Yellowing Inoculation Program:***

Maintain through injections of approximately 2,000 coconut palms in Town parks, medians, and right-of-ways to minimize the spread of the lethal yellowing disease. Done by contractor 3x per year.

***Function 9: Electrical Maintenance-Parks Systems:***

Responsible for maintenance and repair of electrical lighting and power systems in parks, medians and fountains. This includes lighting controls, transformers, switches and power distribution panels. The bureau is responsible for schematics, wiring and conduit diagrams, blueprints and as-built drawings. The bureau also works with the parks and engineering departments on designing and installing lighting and electrical upgrades.

## History

The bureau employed 18 laborers in 1977. Through installation of irrigation systems, contractual services, improved efficiencies, these forces were reduced to its current staffing level of only 4 laborers.

For years turf maintenance was always done as part of the various duties each laborer had assigned to his given area. As employees retired or left Town employment, in 2002 this function was shown to be more cost-effective to be done by contractual forces. This resulted in (2) Parks positions being eliminated through attrition.

Until 2002, hedge trimming was done with Town forces. At that time 1 full-time Parks equipment operator was eliminated. Hedge trimming was contracted out and is currently being done bi-monthly throughout the Town.

For at least 35 years, the annual trimming of Town-owned coconut palms (to prepare for hurricane season) was done by contractual services. Initially, the trees were trimmed by climbers with spikes going up each tree. In 2002 it was determined that this method was causing open wounds which could allow infection to enter. This lead to changing the method to trimming with bucket trucks. The frequency of trimming was increased to twice per year.

The nursery function was historically the responsibility of a resident grower (who grew everything from seed) with a part-time assistant. After the Town reviewed the annual flower operation, it was determined it was more cost-effective to contract the annuals out. In 1989 operation was reviewed and the resident grower position was converted to the current position as a Nursery Technician.

The Garden Club initiated the historic and specimen tree program in 1974. A graduate student was retained to survey the island and determine what trees qualified. He came up with 125 trees at that time. An Ordinance was passed to protect these trees. No program was in place to inspect and control proper maintenance. In 1987 a horticulturist was contracted to inspect and make a report annually. This report was given to Public Works who prepared a written analysis of each tree, and if any maintenance was required. Each homeowner was then notified of the required maintenance. In 2000 the Town offered each homeowner the opportunity for the Town (through contractor services) to do light maintenance, which included fertilization, remove suckers, trim dead wood and apply fungicide.

Recent efforts since 2002 include the design and maintenance of new landscape lighting, fountain lighting and control circuits at Memorial Fountain. Conduit and wiring for new holiday tree was installed which draws more amps than the previous tree. The design and maintenance of fountain pump and landscape lighting controls at Phipps Plaza was done, and existing park lighting was revised with new controller. Another similar project at Peruvian Park was done in 2003, and a new electrical service at Bradley Park for a new 100 amp service feeder was installed to replace existing antiquated 60 amp service.

## Past Efficiencies and Cost Savings Measures

- Staffing levels have been minimized by equipment use. Two large projects of removing invasive Australian Pines (required by ordinance) were done by Town forces under County grants. We were reimbursed for this approximately $36,000 as opposed to contractor’s bids of over $200,000 to complete the same work.

- In the 1970's, the Parks Bureau consisted of 26 employees who performed the following functions: mowing, edging by hand, weed-eating by hand, hand sweeping all sidewalks, and hand watering. The policing operation was managed by groups of employees

dropped off at various locations and picked up at the end of the day. In 1977 there were only 3 irrigation systems in place. Within 5 years, 28 systems covered all areas Townwide. In the early 1980's, with introduction of new equipment (weed-eaters, edgers, blowers) the operation became much more efficient. In 1987 the annual flower growing program (which was always done by the resident grower) was changed to a contractual service. With these changes, the Bureau was reduced to 18 employees. By 1990, through attrition and contracted services, the workforce was further reduced to a present level of 11 employees. *In the last 30 years the workforce has been reduced by nearly 70%, and 15 additional locations (parks, buildings, pump stations) have been added with no loss of quality of service.*

***Electrical Bureau Past Efficiencies for Parks Bureau*:**

2000- Removed obsolete electrical parts and upgraded lighting, controls and sprinkler timer at Post Causeway.

2001- Removed obsolete parts and upgraded fountain lighting, pump and controls to a more energy efficient type at Bradley Park and Royal Poinciana Bridge.

2002- Upgraded power circuits to sprinkler timers in medians during DOT project on Royal Palm Way.

2003- Upgraded power circuits to sprinkler timers and lighting controls for flag pole and eagle lighting in median during the DOT project on Royal Poinciana Way.

2007- Worked with purchasing to formulate electrical services contract (bid#2007-06) to sub-contract non-essential electrical work to qualified subcontractors. After reviewing the applicants we designated the top 3 and are using them for Town parks repairs.

## Planned Future Efficiencies and Cost Savings Measures

- Continue to pursue any opportunities for installation of drought-resistant xeriscape plantings, to reduce water consumption and cost.
- When donations are made for installation and improvement of landscaping, continue to educate donors of the need for recurring maintenance funding; seek funding where possible for maintenance agreements.
- Continue to watch for innovative methods of producing power for park lighting (solar, wind, etc.)

# Program 551 – Landscape Maintenance

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $501,232 | $519,397 | $564,959 | $551,091 |
| Employee Benefits | $240,349 | $276,821 | $285,033 | $296,721 |
| Contractual | $301,276 | $609,614 | $397,500 | $432,870 |
| Commodities | $53,103 | $56,539 | $65,700 | $66,100 |
| Capital Outlay | $24,856 | $22,188 | $21,952 | $31,158 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $1,120,816 | $1,484,559 | $1,335,144 | $1,377,940 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Facilities Maintenance Manager | 0.60 | 0.60 | 0.60 | 0.35 |
| Nursery Worker | 0.90 | 0.90 | 0.90 | 0.90 |
| Parks Supervisor I | 0.84 | 0.84 | 0.84 | 0.84 |
| Spray Truck Operator | 0.91 | 0.91 | 0.91 | 0.91 |
| Electrician Supervisor | 0.02 | 0.02 | 0.01 | 0.01 |
| Electrician II | 0.06 | 0.06 | 0.05 | 0.04 |
| Equipment Operator/Parks | 1.90 | 0.98 | 0.98 | 1.93 |
| Parks Laborer | 3.12 | 4.77 | 4.77 | 3.82 |
| General Maintenance Supervisor | 0.03 | 0.03 | 0.03 | 0.03 |
| Building Maintenance Worker | 0.16 | 0.16 | 0.16 | 0.16 |
| Tree Trimmer | 1.80 | 1.80 | 1.80 | 1.80 |
| Streets/Parks Supervisor | 0.86 | 0.86 | 0.81 | 0.81 |
| Street & Sign Painter | 0.01 | 0.01 | 0.01 | 0.01 |
| | 11.21 | 11.94 | 11.87 | 11.61 |

## Options for Cost Savings

**Option for Cost Saving:**
Move to all contracted mowing.

**Cost Saving:**
$40,000/yr. salary plus benefits savings
$27,000 initial equipment replacement fund savings
$35,000 new expense (contractual)

**Comments:**
This could be contracted out along with the turf maintenance that is already being done by a contractor. If not selected at this time PW will pursue outsourcing this function upon retirement of incumbent.

**Option for Cost Saving:**
Historic/Specimen Tree Program

**Cost Saving:**
Town funded maintenance agreements : $15,000

**Comments:**
Routine maintenance of historic trees would become the responsibility of the property owners.

**Option for Cost Saving:**
Lethal Yellowing Program

**Cost Saving:**
$37,000 annually

**Comments:**
By eliminating the program, disease losses could increase. Approximately 8,000 palms remain, down from the 30,000 that were included in the program when it began in 1974. This is a contracted service and would not reduce staff levels.

# Program 554 Facility Maintenance

## Description of Function

This program performs skilled work maintaining approximately 80 facilities as well as structures and items located in the public right-of-way (i.e., beach stairs [20], showers [9], benches [92], waste receptacles [90], playground equipment, outdoor water coolers [8], fountains [2], fences and gates, seawalls, etc.).

Janitorial and other maintenance contracts, such as HVAC maintenance, security and fire certification, elevator certification, overhead door maintenance, and pest control are administered to ensure a clean, safe, and functional environment for Town residents, employees, and visitors.

## History

Prior to 1987, the maintenance and repair of Town facilities was overseen by individual department directors (Town Hall was overseen by the Town Manager). 1987 marked the formation of the Facilities Maintenance Division, with the purpose of establishing uniform practices in the maintenance and repair of Town facilities/structures.

The use of both "in-house" Town staff and external contractors/vendors has proven to be most economical in providing the required services. Bureau functions and efficiency continues to improve. Use of better tools, longer lasting products, and new technologies enabled this bureau to maintain a high level of service without increasing staff levels, despite the addition of several buildings/structures since 1987, including:

| | | | |
|---|---|---|---|
| Police Facility | 1986 | Recreation Storage Building | 1993 |
| Tennis/Recreation Facility | 1986 | South Fire Station | 1996 |
| Public Works Facility | 1987 | Phipps Ocean Tennis Facility | 2004 |
| Phipps Ocean Park Lifeguard Building | 1993 | Central Fire Station | 2004 |

## Past Efficiencies and Cost Savings Measures:

- Programs such as the Energy Conservation Program for Town Buildings implemented in 1995, generate significant cost savings, benefiting both the Town and the environment.

- Planned replacement of HVAC units will present opportunities to install higher efficiency equipment (for example SEER rating of at least 13 instead of older units with SEER of 10). Energy consumption will be reduced with the installation of these new units. Using

the example above, the efficiency increase of 30% would result in a corresponding decrease in energy (electrical) use.

## Planned Future Efficiencies and Cost Savings Measures

Facilities Maintenance will continue to embrace the philosophy of "life-cycle cost" to install materials that will provide the best long-term value and not just the cheapest initial cost. This philosophy is applied to all maintenance, repair and alteration work performed by the general maintenance staff. A current example of this is the project recently approved to replace the windows at the North Fire Station, where the new windows will include features such as increased insulating value, tinting, and impact resistant glazing to enhance the energy conservation. Tinted windows with better insulating values should reduce the heating and air-conditioning load on the building, and thereby keep electric costs as low as possible.

# Program 554 – Facility Maintenance

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $190,656 | $183,931 | $176,421 | $222,745 |
| Employee Benefits | $62,577 | $70,349 | $73,675 | $84,944 |
| Contractual | $425,898 | $585,193 | $866,700 | $716,900 |
| Commodities | $40,930 | $40,240 | $46,000 | $44,400 |
| Capital Outlay | $9,858 | $13,527 | $11,229 | $16,983 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $729,919 | $893,240 | $1,174,025 | $1,085,972 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| General Maintenance Supervisor | 0.68 | 0.67 | 0.74 | 0.76 |
| Tree Trimmer | 0.20 | 0.00 | 0.00 | 0.00 |
| Parks Laborer | 0.50 | 0.00 | 0.00 | 0.00 |
| Spray Truck Operator | 0.01 | 0.01 | 0.01 | 0.01 |
| Street Sign Painter | 0.42 | 0.42 | 0.41 | 0.41 |
| Electrician Supervisor | 0.03 | 0.08 | 0.08 | 0.08 |
| Electrician II | 0.31 | 0.30 | 0.35 | 0.42 |
| Building Maintenance Worker | 1.15 | 1.14 | 1.14 | 1.16 |
| Parks Supervisor I | 0.10 | 0.00 | 0.00 | 0.00 |
| Equipment Operator/Parks | 0.04 | 0.04 | 0.00 | 0.00 |
| Nursery Worker | 0.10 | 0.10 | 0.07 | 0.09 |
| Facilities Maintenance Manager | 0.10 | 0.10 | 0.10 | 0.25 |
| | 3.64 | 2.86 | 2.90 | 3.18 |

## Options for Cost Savings

**Option for Cost Saving:**
Reduce quantity of, or remove public benches.

**Cost Saving:**
$5,000 to $10,000 annually

**Comments:**
This would mean a loss of seating in public spaces. This would reduce maintenance and replacement costs. This would not, by itself, lead to the reduction of a full time position. This item is offered only because public benches have proliferated in Town over the years through generous donations by residents and others, resulting in maintenance costs that had not been planned for by the Town.

**Option for Cost Saving:**
Outsourced Building Maintenance

**Cost Saving:**
None

**Comments:**
We did investigate the possibility of outsourcing our building maintenance program. We have received labor and equipment quotes which range from $100 to $275 per hour, plus material and extra costs. The hourly rates exceed what we are paying in salary and benefits. Emergency and normal response time will not be as prompt as with Town personnel. The quality of craftsmanship and knowledge of the buildings and procedures will not be the same as with Town personnel.

# Program 558 Meter Maintenance and Collection

## Description of Function

This program's responsibilities include the maintenance of metered parking systems by keeping all meters reliable, accurate, and in service, while collecting revenue on a scheduled basis. We repair and collect monies from 12 locations consisting of 534 individual meters and 2 kiosks. General Maintenance staff made 104 collections at each of the 534 meters this year, as well as 162 meter repairs in addition to scheduled maintenance procedures.

## History

Prior to 1997, the Finance Department was responsible, through contractual service, to collect and repair 802 parking meters. In September of 1997, Public Works Facilities Maintenance Division assumed these responsibilities with no addition to staff. Although the hiring of an additional person was approved, it was later recommended by PW, and approved by Council, that the meter system would be best served by investing in "electronic" meters (initially 276 at a cost of $54,000). Increases in customer satisfaction and revenue prompted continued replacement (233 additional "electronic" meters over the years.)

In 2005, the Town purchased the first of two multi-space kiosks for use at Phipps Ocean Park, with the second placed in operation in 2007. Multi-space kiosks have proven to be successful, generating increased revenue and customer satisfaction, while decreasing time spent repairing meters and collecting revenue. This allows completion of preventive maintenance tasks and decreases failures.

## Past Efficiencies and Cost Savings Measures

As noted above, the use of more technologically advanced parking meters was a key factor in increasing revenues and decreasing repairs on the older style mechanical parking meters. This approach is still being pursued with the recent approval to purchase and install new parking kiosks with many advanced features. The new kiosks are expected to again allow for increased revenue, provide better reliability and lower collection and operating costs overall.

# Program 558 – Meter Maintenance and Collection

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $24,345 | $24,764 | $29,600 | $30,296 |
| Employee Benefits | $11,707 | $12,010 | $13,194 | $13,496 |
| Contractual | $597 | $7,090 | $6,200 | $107,300 |
| Commodities | $6,481 | $11,624 | $26,800 | $20,600 |
| Capital Outlay | $11,851 | $1,405 | $2,450 | $401,360 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $54,981 | $56,893 | $78,244 | $573,052 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| General Maintenance Supervisor | 0.09 | 0.11 | 0.12 | 0.12 |
| Building Maintenance Worker | 0.48 | 0.46 | 0.46 | 0.46 |
| | 0.57 | 0.57 | 0.58 | 0.58 |

# Program 561 General Engineering Services

## Description of Function

The primary function of the Engineering Division is to apply sound engineering and architectural principles to plan, budget, design and construct infrastructure that maximizes functionality and minimizes maintenance, repair and replacement costs for the Town's sanitary sewer systems, storm sewer systems, bulkheads, seawalls, streets, buildings, docks and other public facilities. The Engineering Division also reviews site plans for development on private property and new subdivision plans. Engineering also administers the Town's NPDES program for improving the quality of storm water discharges.

During the course of the year, the Town Council, Town Manager or other Town departments request engineering surveys, cost estimates, design plans and specifications for various projects and engineering studies. Additionally, engineering time is spent for coordination and review of Florida Department of Transportation, West Palm Beach water utilities, and other public utility projects within the Town's borders. Staff also investigates citizen requests for additional services or to remedy situations that exist within the rights-of-way.

This program provides both staff time and professional consulting to address the Capital Improvement Program (CIP) and individual needs of Town departments to include reports, designs, contract administration, inspection services and record drawings/as-builts.

The Assistant Director of Public Works/Engineering plans, directs and administers both the Engineering and Right-of-Way Inspections Divisions of Public Works.

## History

This division of Public Works expanded from 2.40 full time equivalent employees in FY98 to 3.40 in FY99 with an additional project engineer to allow the Town Engineer more time for managing the division. The staff increased to 4.40 people for FY08 to include the Construction Manager who was previously funded directly out of the CIP since FY02. Also in FY08, the Assistant Director of Public Works/Engineering position was added to the Engineering Division while the Town Engineer's duties were moved and split between the Coastal Program and Administration. These manpower allocation modifications have been in response to the increased number of capital projects.

This Division typically manages annual CIP fund expenditures of $4 - $5,000,000 with FY08 expected to reach $6,000,000.

## Past Efficiencies and Cost Savings Measures

Beginning in FY07 the Assistant Director of Public Works/Engineering has been working with the Purchasing Agent to develop guidelines for a Request for Qualifications to select several contractors capable of constructing utility improvements. This will allow the Town to award construction contracts directly to these qualified contractors and reduce our dependence on piggybacking contracts with other municipalities. The goal is to move the Town away from being the general contractor with its need for purchasing all goods and services directly over to a more traditional role of owner contracting for an all-inclusive contract. The Town will reserve the right to pre-purchase long lead time and key pieces of equipment with resultant sales tax savings. One key advantage to this traditional approach to contracting will be a reduction in the number of purchase orders to be generated and invoice approvals.

## Planned Future Efficiencies and Cost Savings Measures

The Town needs to explore the adequacy of current permit fees for right-of-way and easement abandonment. The current levels of work to process these documents appear to be in excess of the fees collected. The processing of easement consent forms should also include fees that do not currently exist. We should explore development of these specific fees to keep the general cost of review to a minimum. Abandonments and easement consent forms only apply to specific parcels and only those lot owners should be paying for the cost of administration.

# Program 561 – General Engineering Services

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $205,743 | $257,883 | $274,069 | $389,614 |
| Employee Benefits | $77,559 | $81,481 | $95,029 | $117,655 |
| Contractual | $81,314 | $23,432 | $30,500 | $30,650 |
| Commodities | $3,842 | $3,904 | $4,900 | $4,780 |
| Capital Outlay | $4,078 | $3,938 | $5,205 | $8,410 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $372,536 | $370,638 | $409,703 | $551,109 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| PW Assistant Director/Eng. | 0.00 | 0.00 | 0.00 | 0.90 |
| Town Engineer | 0.90 | 0.90 | 0.90 | 0.00 |
| Project Engineer | 2.00 | 1.00 | 1.00 | 1.00 |
| Project Manager | 0.00 | 100 | 100 | 1.00 |
| Project Administrator | 0.50 | 0.50 | 0.50 | 0.50 |
| Construction Manager | 0.00 | 0.00 | 0.00 | 1.00 |
| | 3.40 | 3.40 | 3.40 | 4.40 |

## Options for Cost Savings

**Option for Cost Saving:**
Reduce personnel

**Cost Saving:**
$77,777 – Salary (midpoint) plus benefits, 1 Project Manager position

**Comments:**
This reduction will mean that projects will be completed at a slower pace and less staff will be available to address severe weather event recovery. This position is occupied and unavailable for elimination without a layoff or transfer.

# Program 565 Right of Way Inspections

## Description of Function

This program provides for permit review and field inspection of work performed by contractors, utility companies and private property owners within the rights-of-way and public easements of the Town. The purpose of the permit/inspection process is to ensure that work performed is done in a safe and least disruptive way and that restoration is completed in accordance with Town adopted standards.

Approximately 1300 permits are reviewed and inspected during the year. The permits are being accepted and issued by the Planning, Zoning and Building Department with review of the applications and actual inspections being performed by the Public Works Department. Approximately 140 violations of the right-of-way manual are being issued annually by the Public Works Department.

The Assistant Director of Public Works/Engineering plans, directs and administers both the General Engineering Services and Right-of-Way Inspections Divisions of Public Works.

## History

This division of Public Works has consisted of one employee for at least 20 years. Full time equivalent employees has been consistently been a total of 1.10 employees; the Public Works inspector for 1.00 and the Town Engineer for 0.10. The Assistant Director of Public Works/Engineering replaces the Town Engineer at 0.10 equivalents for the FY08 Budget.

Beginning in FY07 the Assistant Director of Public Works/Engineering and the Public Works Inspector started participation in a Task Force with the Police Department and their Code Enforcement personnel to begin an aggressive enforcement of construction parking regulations throughout the Town as directed by the Town Council. The Task Force has shown an initial, positive impact of reducing the presence of illegally parked vehicles on residential streets. It will take continued enforcement by a number of personnel to reduce the complaints from Town residents. Staff maintains FDOT Maintenance of Traffic and Stormwater Management Inspector certifications to keep abreast of changing regulations and industry standards for keeping our inspection program to a high standard and level of acceptance.

## Past Efficiencies and Cost Savings Measures

This division has only maintained one (1) person since its inception. There are not any realistic opportunities to reduce personnel costs and still maintain a proper level of inspections.

## Planned Future Efficiencies and Cost Saving Measures

Given the fact that this program includes only one employee, additional savings will be difficult to obtain. However, the Town needs to explore the adequacy of current permit fees for right-of-way and easement abandonments. The current levels of work to process these documents appear to be in excess of the fees collected.

# Program 565 – Right of Way Inspections

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $70,882 | $75,801 | $78,650 | $80,602 |
| Employee Benefits | $22,658 | $26,319 | $30,348 | $30,127 |
| Contractual | 0 | $969 | $1,000 | $970 |
| Commodities | $971 | $884 | $1,400 | $1,400 |
| Capital Outlay | $1,375 | 0 | $1,283 | $1.945 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $95,886 | $103,973 | $112,681 | $115,044 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| PW Assistant Director/Eng. | 0.00 | 0.00 | 0.00 | 0.10 |
| Town Engineer | 0.10 | 0.10 | 0.10 | 0.00 |
| Public Works Inspector | 1.00 | 1.00 | 1.00 | 1.00 |
| | 1.10 | 1.10 | 1.10 | 1.10 |

## Options for Cost Savings

**Option for Cost Saving:**
Reduce personnel

**Cost Saving:**
$58,420 Salary (midpoint) plus benefits for one ROW inspector position

**Comments:**
This reduction would require that ROW activities would be handled by remaining engineering personnel and that additional time would need to be allowed for ROW permit evaluation, issuance and inspections. ROW violations could be expected to increase with fewer staff available for inspections.

# Program 571 Equipment Operation & Maintenance

## Description of Function

Maintains all Public Works (105), Planning and Zoning (10), Purchasing (1) and Recreation (2) vehicles in optimum running condition by providing scheduled preventative maintenance and unscheduled repairs in a timely and competent manner. Also responsible for maintaining equipment for all of Public Works including generators, power tools, lawn mowers, blowers, mobile and hand held radios.

There are 5 levels of preventative maintenance services performed, with an estimated 2,273 scheduled services performed annually. There were also approximately 1,045 unscheduled repairs performed in FY07, of which 134 were road calls.

## History

The Town has historically maintained all Public Works vehicles and equipment, P, Z & B and Recreation vehicles. Vehicle maintenance relocated to its present location in 1988, which enabled the operation to perform its work in a state-of-the-art, modern facility, which was a vast improvement from its previous location. Staffing levels have decreased from pre-1988 levels by two (2) full-time employees. There have also been changes in mechanic levels (classifications) as well.

## Past Efficiencies and Cost Savings Measures

- Eight vehicles, including the pool vehicles and some lesser used vehicles in the Public Works fleet were replaced through trade in vehicles from other departments. Average cost of these types of vehicles is at least $13,000 if purchased at fleet prices: Based on cost avoidance (i.e. not purchasing new vehicles) PW saved the Town about $104,000 in the last few years.

- PW has used re-mold tires on non-steering axles of trucks at an annual cost savings of $18,400.

- Perform small welding repairs and fabrication in-house. Minimizes vehicle down-time and costs associated with an outside vendor at an average savings of $8,000 annually.

- Parts are removed and sent for outside repair in place of sending the entire vehicle to a repair shop at a much higher cost.

- Mobile and hand-held radio parts are salvaged and used for repairs rather than buying new at an average annual cost savings of $1,520.

- The National Association of Fleet Administrators standard for municipal fleets is 62 pieces per mechanic. The Town average per mechanic is 92.

- Purchase parts locally at lowest available cost. Out of area purchases shipped at lowest possible shipping rate, depending upon urgency of repair.

## Planned Future Efficiencies and Cost Savings Measures

- Provide computer access for all mechanics to use Mitchell software to aid in timely repairs. Will reduce vehicle down-time. Reduction of costs associated with purchasing many owner's manuals at an average cost of $250.00 each.

- Adjust preventative maintenance schedule for automobiles and light trucks that are used minimally or at a low intensity.

- Conduct customer satisfaction survey to identify problems and remain at a high level of communication and service.

- Identify under-utilized vehicles and equipment and remove them from the fleet.

Public Works and Finance have reviewed the useful life of vehicles and equipment and adjusted those based on industry standards as well as recent experience with excessive repair costs, etc. Life expectancy has been increased wherever prudent. The updated useful life will be incorporated into the Equipment Replacement Fund to ensure that vehicles are replaced at proper time.

# Program 571 – Equipment Operation & Maintenance

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $310,953 | $314,299 | $344,929 | $362,866 |
| Employee Benefits | $134,580 | $141,122 | $149,003 | $164,554 |
| Contractual | $41,557 | $60,018 | $51,900 | $52,900 |
| Commodities | $96,688 | $104,667 | $106,900 | $105,770 |
| Capital Outlay | $6,118 | $6,118 | $6,118 | $13,335 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $589,896 | $626,224 | $658,850 | $699,425 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Services Manager | 0.10 | 0.10 | 0.10 | 0.10 |
| Vehicle Maintenance Supervisor | 1.00 | 1.00 | 1.00 | 1.00 |
| Mechanic IV | 1.00 | 1.00 | 1.00 | 1.00 |
| Mechanic III | 3.00 | 3.00 | 3.00 | 3.00 |
| Vehicle Maintenance Office Assistant II | 1.00 | 1.00 | 1.00 | 1.00 |
| | 6.10 | 6.10 | 6.10 | 6.10 |

## Options for Cost Savings

**Option for Cost Saving:**
Adjust preventative maintenance schedule.

**Cost Saving:**
$10,000 per year

**Comments:**
Base program on utilization, rather than time elapsed.

**Option for Cost Saving:**
Reduce Mechanic III position to Mechanic I through attrition.

**Cost Saving:**
$15,000 per year

**Comments:**
Currently have 1 Mechanic IV, 3 Mechanic III's on staff. All these positions are occupied and unavailable for elimination or reprogramming without layoff or transfer.

**Option for Cost Saving:**
Reclassify Vehicle Maintenance Supervisor position to working foreman position (i.e., Master Mechanic/Shop Foreman)

**Cost Saving:**
$11,000 salary plus benefits.

**Comments:**
This would provide more direct "hands-on" shop supervision, and provide more resources to accomplish maintenance and repairs. Some administrative duties would be tasked to Vehicle Maintenance Clerk, and others to the Services Division Manager. Reduces office staff from 2 full time positions to 1.

# Program 581 Coastal Management

## Description of Function

This program, managed by the Town Engineer, oversees the Town's Coastal Management Program. The primary elements of the program include implementation of the Town Council approved Comprehensive Coastal Management Program, operation and maintenance of the Sand Transfer Plant, beach restoration and renourishment permitting, and post construction monitoring. The Town Engineer interacts with other governmental agencies on behalf of the Town, including the United States Army Corps of Engineers, the Florida Department of Environmental Protection, Palm Beach County Department of Environmental Resources Management, the Port of Palm Beach, and adjacent coastal communities. The Town Engineer is also responsible to disseminate information regarding the Town's Coastal Management Program to interested Town residents.

## History

The Town's Coastal Management Program formally began in 1985 when Town Council authorized the preparation of the first Comprehensive Coastal Management Plan. This document was completed in 1986 and was updated in 1998. From time to time, Town Council has reviewed this document and made adaptive changes to the lists of projects and project schedules.

The Coastal Management Program was managed by the Town Engineer under the direction of the Director of Public Works from 1986 to 2001, when the Town hired a Coastal Projects Administrator to provide full time management of the program. In December 2006, the Coastal Projects Administrator resigned and the Town Engineer resumed management of the program. The Coastal Projects Administrator's position remained vacant through the balance of FY 2007 and was not funded in the FY 2008 budget.

Coastal projects completed have included:

- 1986, Mid-Town Beach (Reach 4) derelict groin removals
- 1992, Prefabricated Erosion Protection (PEP) Reef (Reach 4)
- 1995, Restoration of Mid-Town (portion of Reach 4) beach, removal of derelict groins, construction of 11 groins, removal of the PEP Reef.
- 2003, Nourishment of an expanded Mid-Town beach to include all of Reaches 3 & 4.

- 2004, Phipps Ocean Park (Reach 7) project, construction of a 3.1 acre mitigation artificial reef

- 2005, Dune restoration in Reaches 7 & 8 after Hurricanes Frances and Jeanne.

- 2006, Nourishment of Mid-Town beach (Reaches 3 & 4), restoration of Phipps Ocean Park (Reach 7), dune reconstruction throughout Reaches 7 & 8.

- 2007, Dune vegetation in Reaches 7 & 8.

- 2007, for Phipps Ocean Park restoration (Reach 7), a USACE required 0.8 acre mitigation artificial reef.

Planned for 2008, Reach 8 restoration (partial), dune restoration in all of Reach 8, dune vegetation in Reach 8.

## Past Efficiencies and Cost Savings Measures

- Work with permit agencies to minimize permit conditions which require mitigation and post construction monitoring.

- Manage project sequence of work and scheduling to ensure lowest possible construction bids.

- Combine projects when possible to save on mobilization costs.

- Seek funding assistance from other agencies such as the United States Army Corps of Engineers, Florida Department of Environmental Protection, Palm Beach County, and Florida Inland Navigation District.

- Work with United States Army Corps of Engineers to place beach quality sand from inlet maintenance dredging in Reach 1 and to rebuild the sand transfer plant.

- Keep Coastal Projects Administration position vacant during time when Town is determining the future scope of the Coastal Management Program.

# Program 581 – Coastal Management

## Expenditure Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $71,772 | $77,777 | $87,415 | $60,500 |
| Employee Benefits | $20,843 | $22,475 | $25,424 | $15,217 |
| Contractual | $336,664 | $251,080 | $1,334,700 | $980,700 |
| Commodities | $6,197 | $6,195 | $7,000 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $435,476 | $357,527 | $1,454,539 | $1,056,417 |

## Personnel Complement

| Full Time Equivalent Employees | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Town Engineer | 0.00 | 0.00 | 0.00 | 0.50 |
| Coastal Projects Administrator | 1.00 | 1.00 | 1.00 | 0.00 |
| | 1.00 | 1.00 | 1.00 | 0.50 |

## Options for Cost Savings

**Option for Cost Saving:**
Title: Transfer Coastal Management Program to Palm Beach County

**Cost Saving:**
$ 125,000 Regional Monitoring, $ 115,000 Sea Turtle Monitoring. Savings will be calculated upon further review if the Town Council desires.

**Comments:**
The Town could approach Palm Beach County Department of Environmental Resources Management and request that they take over the Town's Coastal Program. If the County would be willing to assume the Town's program, savings to the Town would amount to less staff hours (elimination of the currently unfunded Coastal Coordinator position) and anticipated County assumption of costs (all or partial) for annual data collection, aerials, physical data collection and sea turtle monitoring. County financial assistance towards construction projects could be up to 50% of non-state share. Construction cost savings are not included in the "cost savings" above because the Town Council has not had the opportunity to provide direction on the future of the coastal program.

# Recreation Department

## Department Overview

The mission of the Recreation Department is to provide outstanding programs, facilities and services that enhance the quality of life of our residents and visitors. The department is comprised of five (5) programs: Administration & General Maintenance, Tennis Programs and Facilities, Programs & Events, Town Docks, and the Par 3 Golf Course. A Town Council appointed Advisory Commission provides resident feedback, advice and support for Recreation Department programs and facilities.

The Recreation Department functions as an enterprise operation, with no tax subsidy from the General Fund. In 2003, the Town Council combined the Golf Course and Marina enterprise funds into one and created the Leisure Services Enterprise Fund (later re-named the Recreation Enterprise Fund). At that time, recreation administration, facility maintenance, recreation programming, and tennis operations were also removed from the General Fund and placed in the new enterprise fund, saving the General Fund approximately $1,000,000 annually. Staff has found, through its research, that enterprise operations for an entire Recreation Department is very unique and no other municipality in Florida is known to have a business plan and funding structure similar to Palm Beach's. Tax subsidy for recreational services (active and passive) is the norm at all levels of government. In many municipalities throughout the United States, tax subsidies are actually received by private facilities such as YMCA's for the provision of community recreation services. Palm Beach's unique set up has proven to be very successful since its inception. In addition to being self sustaining, $550,000 of fund profits is currently transferred to the General Fund each year.

The Palm Beach Recreation Department is the primary provider of public recreation activities and facilities on the Island. In addition, the lack of community and parent-run recreation organizations such as Little League, PAL, and Pop Warner, places the entire responsibility with the Recreation Department for the provision of youth sports. The Island has a bounty of opportunities for golf, tennis, and other recreational/social experiences. However, most of these opportunities are member based and quite costly. The Recreation Department provides a very important alternative to private clubs, by providing high quality facilities and programs through its Community Recreation Center, Tennis Facilities, Par 3 Golf Course, and Town Docks. Over 300,000 visits to Recreation Department facilities take place each year.

During the spring of 2006, Recreation Department staff participated in the completion of an internal self-assessment. This exercise involved the evaluation of six major areas, including administrative items, programs/services, facilities, finance, communication, and personnel. The results of the exercise proved to be very worthwhile, as several new initiatives were identified for completion and implementation, including, but not limited to, the following highlights:

1. Departmental re-organization and re-distribution of responsibilities
2. Integration of the Town Marina into the management structure of the Recreation Dept.
3. Completion of a town-wide citizens' interest survey

4. Implementation of an annual Action Planning program
5. Review and revision of departmental Key Result Measures and Work Load Indicators
6. Attainment of national accreditation from the Commission for Accreditation of Parks and Recreation Agencies.

The implementation of these initiatives, and many others, are well underway and have already returned great dividends in the improvement of the overall Recreation Department and the financial health of its enterprise fund.

As a part of the Comprehensive Review of Town Operations, Recreation Department staff has addressed the following task in the report: *"Review subsidy levels of recreation programs to generate more revenue for transfer to the General Fund; also review resident fees v. nonresident fees"*. The following is a summary of our findings.

Staff has determined that subsidy can be decreased across the board by reducing certain expenses and adding new/expanded revenue sources. Although additional revenue could be generated above and beyond what has been projected in the Long Term Financial Plan, staff would caution against any excessive increase in "transfer for services" to the General Fund, above the current $550,000/year. A variety of capital improvements will be necessary at several recreation facilities in the near future and the depletion or stagnant growth of the retained earnings will have a negative impact on the enterprise fund's ability to fully pay for these improvements.

In addition to staff's evaluation of program subsidies, fees and charges to residents and non-residents have been carefully examined. Due to the fact that nonresident participants are important for the success of many activities, charging rates well above the market would decrease involvement, causing an increase in cancellation rates of activities or a lesser quality experience. Staff does not recommend an increased differential in fees for activities at the Recreation Center beyond the 10% that exist today. Recent increases in fees have taken our program fees to the top of the market.

In recent years the Town migrated away from resident and nonresident pricing differentials at the Par 3 Golf Course, with the exception of annual passes. Nonresidents, which include seasonal tourists, are the primary market for play at the Par 3 Golf Course. Because of the dependency on nonresident play, staff would recommend that consideration be given to instituting an "Out-of-County or Out-of-State" fee, with discounts to local hotels who promote our facility. The prevailing rate for all other non-residents should not be increased at this time, as a decrease in play is likely and the current schedule of rates is at the top of the market for "alternative" golf courses.

The Program-by-Program portion of the Recreation Department's Comprehensive Review report provides additional details relative to fee increases and cost savings, which could result in decreased subsidies and additional revenue for each program of the Recreation Enterprise Fund.

## Department Cost Summary

| | FY2005 Actual | FY2006 Actual | FY2007 Budget | FY2008 Budget |
|---|---|---|---|---|
| Revenues | $3,940,251 | $4,292,419 | $4,625,221 | $4,769,800 |
| Expenditures | $3,306,080 | $3,474,250 | $3,844,382 | $3,663,334 |

## Total Department Staffing Levels

| | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Total Full Time Equivalent Employees | 29.83 | 30.42 | 32.23 | 29.17 |

# Benchmarks for the Recreation Department

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Coral Gables | Jupiter Island |
|---|---|---|---|---|---|---|---|
| **General Information** | | Golf not included in General Info | | | | | No municipal recreation services |
| Department Budget | $3,200,000 | $12,500,000 | $17,500,000 | $3,900,000 | $8,500,000 | $7,400,000 | N/A |
| Staffing FTE Level | 29 | 130+ | 158.85 | 41 | 69+ | 55+ | N/A |
| Funding Sources | User fees | Taxes/User Fees | Taxes/User Fees | Taxes/User Fees | Taxes/User Fees | Taxes/User Fees | N/A |
| General Fund Subsidy | No | Yes | Yes | Yes | Yes | Yes | N/A |
| Fee Differentials – Resident/Non-Res. | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| Contractual Staff | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| **Recreation Facilities** | | | | | | | |
| Community Centers | Yes (1) | Yes (7) | Yes (3) | Yes (1) | Yes (4) | Yes (2) | N/A |
| a. Square Footage | 15,000 | 80,000 | 45,000 | 62,000 | 55,932 | 58,000 | N/A |
| b. Use Type | Multipurpose | Multipurpose | Multipurpose | Multipurpose | Multipurpose | Multipurpose | N/A |
| Golf Course | Par 54 (1) | Par 72 (1) | Par 72 (1); Par 27 (2) | No | Par 72 (1) | Par 71 (1); Par 36 (1) | N/A |
| a. #of Holes | 18 | 18 | 36 | N/A | 18 | 27 | N/A |
| b. Total Acres | 39 | 185+ | 221.5 | N/A | 150 | 207.8 | N/A |
| c. Practice Facilities | Range (R), Putting | Range, Putting (P) | R, P, Chipping (C) | N/A | R, P, C | R, P, C | N/A |
| Marina | Yes | Yes (leased) | No | No | No | No | N/A |
| a. # of Slips | 88 | 160 | N/A | N/A | N/A | N/A | N/A |
| b. Slip Lengths | 50-262 ft. | 30-200 ft. | N/A | N/A | N/A | N/A | N/A |
| Tennis Facilities | Yes (2) | Yes (10) | Yes (3) | Yes (3) | Yes (1) | Yes (2) | N/A |
| a. # of Soft Courts | 12 | 7 | 32 | 4 | 13 | 8 | N/A |
| b. # of Hard Courts/Other | 2 | 31 | 21 (Plexicushion) | 8 | 4 | 15 | N/A |
| c. # Lighted | 4 | 13 | 39 | 10 | 15 | 23 | N/A |
| d. Fully Staffed | Yes | No | Yes | No | Yes | Yes | N/A |
| **Recreation Programs** | | | | | | | |
| Youth Programs Offered | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| a. Enrichment | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| b. Athletics | Yes | Yes | Yes | No (JTAA) | Yes | Yes | N/A |
| c. Camp(s) | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| d. After-School | Yes | Yes | No | No | No | Yes | N/A |
| Adult Programs Offered | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| a. Enrichment | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| b. Fitness/Wellness | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| Special Events | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| a. Free Events | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| b. Fee Based Events | Yes | No | No | No | No | No | N/A |

* Please note that of the communities compared; only Palm Beach manages Park Maintenance within its Public Works Department. This function costs the Town approximately $1.3 million annually.
N/A = Not applicable

# Program 311 Administration and General Maintenance

## Description of Function

Administrative management responsibilities include providing leadership and organizational management of all Recreation Department operations. The administrative management team consists of the Director of Recreation, Assistant Director/Tennis Programs and Facilities, Assistant Director/Programs and Events, and the Office Manager. The administrative management team is responsible for budget development and control, business plan modifications, department policies and procedures, action planning, record keeping, recruitment, training and development of staff, payroll processing, coordinating/processing work requests, requisitions and contracts. Administration duties also include complaint management and conflict resolution, risk management, enforcement of ordinances, rules and regulations at all Town recreation facilities, and the ongoing assessment and evaluation of Recreation Department facilities, programs and services offered to the community. Department administration is also responsible for the coordination, facilitation, and support of Recreation Advisory Commission meetings and its members. Administrative staff also coordinates all departmental communications to the Town Manager and the Mayor and Town Council.

Management of Town recreation facilities includes the coordination, monitoring, and oversight of daily maintenance, preventative maintenance, and special projects. This includes coordination of the inter-local and shared use agreements with the Palm Beach Public School and the Palm Beach Day Academy. These agreements encompass and specify usage and maintenance of the facilities including cost sharing of the field maintenance. Maintenance is performed by a general maintenance worker and a part-time equipment operator (shared with the golf course), as well as some assistance from other golf course personnel. Maintenance duties performed by staff include turf care, janitorial duties, general trash control, minor building repairs and equipment maintenance and repair. The coordination and management of special projects is completed in conjunction with other department staff and the Public Works Department.

## History

***Function 1: Administration***

Recreation services began in the Town with the appointment of a Playground Commission in 1932. However a full-service department and professional administration did not begin until the hiring of the first full time Recreation Director in 1975. The program was operated out of a small two room building and an arts and crafts pavilion. A comprehensive program was quickly developed and two programming supervisors were hired in the late 70's to manage the fledgling program. A secretarial position was added in the early 1980's. As the program demand increased, a recreation center was built and additional programming staff was hired. As the department evolved over the years, with the expansion of the tennis program and the inclusion of the Par 3 and then the Town Docks under the umbrella of Recreation Administration, the need for additional administrative oversight was addressed with the re-distribution of responsibilities among the two Assistant Directors.

***Function 2: General Maintenance***

Maintenance duties were very light during the early years of the department. The Seaview Park athletic field was mostly bahia grass, requiring little maintenance and all maintenance duties, including mowing, janitorial and building maintenance were performed by the Public Works Department. The re-sodding of the field in Bermuda grass in the early 80's with an increase in athletic programming as well as the addition of the Recreation Center in 1984 resulted in a large increase in the amount and type of maintenance required. A single maintenance person was transferred over from the public works department in the early 1990's. This position performs maintenance duties under management supervision such as room setups, janitorial assistance, turf maintenance, preventative maintenance, light building maintenance/repairs, assistance with tennis facility maintenance, and general building and grounds upkeep. A part-time position was created in 2005 for athletic field maintenance. Major building repairs, painting, and irrigation repairs continue to be handled through the work request system by Public Works staff or outside contractors.

## Past Efficiencies and Cost Savings Measures

- **1992:** Transfer of full time maintenance person from Public Works to the Recreation Department. This was in response to increased maintenance duties and allowed for better supervision and a more efficient operation.

- **1999:** Established an Interlocal agreement with the Palm Beach Public School.

- **2000:** Establishment of Shared Facilities Use Agreement with the Palm Beach Day School.

- **2006:** Eliminated Seaview Park turf maintenance contract for landscaping, edging, etc. and transferred these duties to the existing general maintenance worker.

- **2006:** Creation of part time position responsible for mowing, pesticide and herbicide application and other turf duties specific to the Bermuda athletic field. This gives better control of turf maintenance and eliminated contractual field maintenance.

- **2006:** The implementation of an internal Budget Management Program has improved the monitoring of expenditures and projected revenue for the Fund. Key staff of each program participate in quarterly review sessions each fiscal year to ensure projected revenue goals and expense targets are being met or are within reach.

- **2006:** An Action Planning initiative was created to give an opportunity for staff at all levels to have input in the development of our annual work plan. This exercise runs parallel with the budget development process, providing greater detail for the creation of the budget. The annually developed plan consists of measurable objectives, which serve as the department's work guide each year.

- **2006:** A comprehensive update to the Recreation Enterprise Fund Business Plan was completed, with specific focus on organization changes and the marketing plan.

- **2006:** Monthly graphical participation charts for facility usage are generated to allow staff to track trends and react accordingly.

- **2006:** A system of staff meetings was implemented to enhance communication efforts at all levels of the department, providing opportunities to relay information and address issues sooner than later, in a structured environment.

- **2006:** The initiation of preliminary work necessary for the attainment of national accreditation from the Commission for Accreditation of Parks and Recreation Agencies, has resulted in the enhancement and/or establishment of various departmental policies and procedures, which has provided for a more consistent and efficient administration.

- **2006:** A Recreation Department Employee Handbook was created, with the endorsement of the Town Human Resources Department. This handbook provides department specific personnel policies and procedures, which has established expected standards throughout the department and at all facilities.

## Planned Future Efficiencies and Cost Savings Measures

- **Shift of Responsibilities**
  Further reduce the scope of the Seaview Park hedge trimming contract and transfer duties to the existing general maintenance position, following Seaview Tennis Renovation.

- **General Maintenance Removed from Administration Program**
  Merge General Maintenance expenses with existing Programs and Events Program (313), and rename "Recreation Center Program", which will more clearly represent the associated expenses for activities (structured and free open drop-in), facility maintenance, and grounds maintenance relative to the recreation center.

## Financial Summary

| Expenditures | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $339,470 | $404,942 | $372,516 | $403,623 |
| Employee Benefits | $109,139 | $118,795 | $144,008 | $148,560 |
| Contractual | $119,541 | $129,299 | $109,896 | $108,200 |
| Commodities | $19,673 | $27,027 | $35,208 | $34,900 |
| Capital Outlay | $33,261 | $33,495 | $51,779 | 0 |
| Other | 0 | $3,208 | 0 | 0 |
| TOTALS | $621,084 | $716,766 | $713,407 | $695,283 |

* Please note that FY2007 actuals are unaudited as of the date of this report.

## Personnel Complement

| Full Time Equivalent Employees | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Director of Recreation | 1.00 | 1.00 | 1.00 | 1.00 |
| Assistant Director of Recreation | 0.00 | 0.00 | 2.00 | 2.00 |
| Recreation Supervisor II | 2.00 | 2.00 | 0.00 | 0.00 |
| Recreation Office Manager | 1.00 | 1.00 | 1.00 | 1.00 |
| Recreation Maintenance Worker | 0.10 | 0.10 | 0.50 | 0.50 |
| Part Time Equipment Operator | 0.00 | 0.75 | 0.75 | 0.30 |
| Public Works Employees | 0.50 | 0.50 | 0.45 | 0.39 |
| Total | 4.60 | 5.35 | 5.70 | 5.19 |

## Options for Cost Savings

**Option for Cost Saving**:
Eliminate maintenance positions and address responsibilities through outside contractors and Public Works support.

**Cost Saving**:
Will be calculated upon further review, if Town Council desires.

**Comments**:
It is possible that the FT Maintenance Worker and PPT Equipment Operator positions could be eliminated. Duties relative to these positions could be handled by a combination of services from outside contractors/vendors and Public Works employees. Items such as mowing, landscaping, chemical applications, fertilizing, landscaping, room set-ups, event set-ups, and general building and grounds policing would need to be properly addressed to ensure current expectations are met. The level of control and responsiveness to issues would be diminished and consistency in cleanliness of building and grounds may be compromised. This would reverse a recently made policy decision to achieve cost savings and greater on-site control through use of a part-time employee instead of contractual services. These positions are occupied and unavailable for elimination without a layoff or transfer.

**Option for Cost Saving**:
Eliminate one Assistant Director position

**Cost Saving**:
$66,064 plus benefits

**Comments**:
This action would require re-distribution of additional administrative responsibilities to recreation and tennis supervisors after reducing level of services in these areas, including the elimination of certain programs and special events. This action would also reduce the level and quality of leadership, management, and guidance with recreation center programs and tennis facilities. The responsiveness to community concerns, requests, and questions would be negatively impacted. Administrative projects such as the annual update to the Recreation Enterprise Fund's business plan, departmental action planning, budget development and others would also be compromised. The addition of a supervisor level position may be required at a later date if the added workload to existing staff proves to be unmanageable, thus significantly reducing the potential savings. This position is occupied and unavailable for elimination without a layoff or transfer.

# Program 312 Tennis Programs and Facilities

## Description of Function

The Tennis program provides a total of fourteen (14) tennis courts, with 6 clay, 2 hard, and 1 practice wall at the Seaview Tennis Facility and 6 Hydrogrid Hartru at the Phipps Ocean Tennis Facility. The program is designed to meet the demand from residents for open drop-in play, private lessons, group clinics, organized mixers, tournaments, special events, and league competition for children and adults throughout the year. The Seaview and Phipps tennis facilities are open year round.

A Town contracted Head Tennis Professional coordinates the teaching services at both facilities with private lessons and clinics, as well as the retail concession for tennis related merchandise. Assistant Tennis Instructors are hired and compensated by the Head Pro. The use of facilities charge, along with administrative fees paid by the Head Professional, recovers more than 100% of the cost for court usage during teaching services.

The overall tennis operation is managed, scheduled, and supervised by the Assistant Director/Tennis. Daily operation of the tennis facilities is managed by two (3) Facility Supervisors, a Facility Assistant and part time staff. Recreation maintenance personnel provide routine tennis court maintenance service five days a week, while public works personnel assist with maintenance on weekends and holidays.

The current tennis program cost recovery goal is 30% of expenses through a variety of revenue sources, including court usage fees, annual passes, Tennis Pro fees, league fees and tournament/special event registrations.

## History

The tennis program in the Town of Palm Beach began in 1936 with the construction of two clay tennis courts, which are still in existence at the Seaview Tennis facility. During the 1950's the Seaview facility was expanded to include six clay courts and two asphalt courts. Lighting on the first four clay courts was added in the early 1990's in order to provide working residents the ability to play after work.

In response to demands from the residents for tennis facilities to better serve the south end needs, and to relieve some pressure on the Seaview Facility which had no room to expand, the Phipps Tennis Facility was built and opened in 2002 with three Hydrogrid courts. The Phipps facility won USTA and Track Builders Association awards for outstanding public tennis facilities in 2003. A fourth court was added in 2004 and the final two courts were completed in 2006, completing the original master plan for the Phipps complex.

The operation and supervision of the tennis program was originally a function of the Recreation Director. As the Recreation Department grew and expanded, management of the Tennis Program was shifted to a Pro/Manager form of operation in the early 1980's. Day to day operation was

performed by part time clerks under the Pro/Manager's supervision. A full time registration clerk position was established in the early 1990's as the program grew. With the opening of the Phipps Ocean Park Tennis Facility in 2002 separate positions were created for Facility Supervisors at both the Seaview and Phipps facilities. It soon became apparent that the Pro/Manager form of management was no longer efficient or effective and a decision was made to, through attrition, eliminate this combined position. In 2007 this change was accomplished as part of the planned Departmental Reorganization. A non-employee contractual teaching Head Professional was hired and the management duties were shifted to the Assistant Director/Tennis.

The Seaview facility is currently scheduled for a major renovation in 2008. The facility will be completely razed and replaced with a modern seven (7) court battery of Hydrogrid Hartru courts of the same design and quality as the Phipps facility. All seven courts are scheduled to be lighted, including a new practice wall. This will give the department two modern and well constructed facilities to take us into the future.

## Past Efficiencies and Cost Savings Measures

- **2003 - Present:** The Phipps Tennis facility closes early during the off season (June-Oct.) due to lower demand for court usage. This has resulted in a considerable saving of part time staff hours.

- **2004:** Eliminated contracted evening court maintenance. Duties performed in-house with existing staff have resulted in the savings of approximately $18,000 annually.

- **2005:** Eliminated contracted quarterly maintenance for both facilities, which has resulted in an approximate savings of $5,000 annually.

- **2006:** Hired full time maintenance position to replace a vacant Facility Assistant position, which encompassed both clerk duties and minor maintenance duties. Although this change resulted in a slight increase in part time registration clerk staffing costs, these costs were completely offset by the elimination of $15,000 contracted annual court maintenance. In addition, the quality of court maintenance has risen significantly with this staffing addition, resulting in less court down time, improved safety, and increased customer satisfaction.

- **2007:** Increased use of facilities fee in Tennis Pro contract by $1.00, which is expected to result in an approximate increase of $4,000 in revenue.

- **2007:** Instituted new League Team fee. This should result in increased revenue of approximately $2,000 in FY 08.

- **2007:** Increased annual pass fees for FY08 by 10%.

- **2007:** Eliminated janitorial contract for both tennis facilities. Duties have been absorbed by existing full-time and part-time personnel, resulting in an annual cost savings of $12,500

- **2007:** Eliminated landscaping contract for Phipps tennis facility. Duties have been absorbed by tennis maintenance personnel, resulting in an annual cost savings of $7,200.

- **2007:** Eliminated the Tennis Manager position as part of the Departmental Reorganization. Duties were assumed by the Assistant Director/Tennis position, resulting in the savings of approximately $60,000 annually.

# Benchmarks for the Tennis Program

| | **Palm Beach** | **North Palm Beach** | **Wellington** | **Palm Beach Gardens** |
|---|---|---|---|---|
| Facilities | 12 soft courts (4 lighted), 2 asphalt courts, 2 pro shop | 10 soft courts, 1 pro shop, locker rooms | 16 lighted soft courts, 1 pro shop, locker rooms | 13 lighted soft courts, 1 pro shop |
| FY 2008 Budget | $380,600 | $199,637 (part of country club amenities) | $106,347 (maintenance not included) | $472,203 |
| Cost Recovery % | 30% | 125% | 40% (maintenance costs not included) | 75% |
| Full-Time Employees | 2 Supervisors<br>1 Facility Assist.<br>1.20 Maintenance<br>.13 Public works assistance | 1 Maintenance<br>I Tennis supervisor | Management and 1.5 maintenance staff not included in budget. | 1 Program coordinator<br>2 Maintenance staff |
| Full-Time Equivalents | 1.8 FTE of PT Tennis Attendants | 2 FTE of Clerks | 1 Clerk 40 hours a week – split among several employees | 1.5 Tennis programmers<br>1.3 Reg. Clerks |
| Tennis Professional Services Agreement | Contractual Head Professional –100% of lessons and merchandise.<br><br>Pays court usage fee and administrative fee. | No contract at this time. Intending to hire as independent contractors.<br>@ 85% of lessons, 75% of clinics and 100% merchandise | Contractual Head Pro - $75,000 retainer plus 100% of merchandise, lessons, tournaments and daily fees.<br>No administrative fees. | No Head Pro. Duties handled by Tennis Coordinator. Contracted assistant tennis pros provided by department at $20-$35/hr. |
| Type of Youth Programs | Private lessons, junior clinics, summer camp, open play | Clinics, Camps, tournaments, inter club play, fitness training. | Private lessons, junior academy, summer camp, open play | Private lessons, open play, junior tournaments |
| Type of Adult Programs | Private lessons, mixers, round robins, men's, women's and senior league play, open play | Monthly themed mixers, round robins, singles and doubles leagues (men's and women's),club tournaments, challenge ladders, clinics, Pro-ams | Women's league play, private lessons, open play, round robins | Private lessons, tournaments, mixed doubles, mixers. |
| Differential fee for resident/non resident | Yes | Only for membership pass | Yes | Yes |

## Planned Future Efficiencies and Cost Savings Measures

**Reduction of Public Works Weekend and Holiday Court Duties**

The completion of the Seaview Tennis renovation project will result in the conversion of the existing courts to Hydrogrid subsurface irrigated courts. These types of courts do not require morning maintenance; this can be done by existing staff as part of closing duties, which will allow for the elimination of required court grooming by Public Works staff on weekends and holidays. This should result in savings of approximately $3,500 in annual overtime pay.

## Financial Summary

| Revenue Summary | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| Tennis Program Registration Fees | $550 | 0 | 0 | 0 |
| Daily Tennis Court Fees | $30,399 | $34,517 | $39,534 | $33,000 |
| Annual Tennis Court Fees | $46,554 | $55,789 | $55,824 | $58,300 |
| Tennis Tournament | 0 | 0 | $925 | $1,500 |
| Tennis Pro Administration Fees | $12,000 | $12,000 | $12,000 | $12,000 |
| Use of Facilities | $23,275 | $22,262 | $25,143 | $19,000 |
| Light Meter | $138 | $30 | 0 | 0 |
| TOTALS | $112,916 | $124,598 | $133,426 | $123,800 |

| Expenditure Summary | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $226,840 | $233,897 | $255,022 | $219,235 |
| Employee Benefits | $113,967 | $127,375 | $127,145 | $107,798 |
| Contractual | $44,028 | $66,351 | $33,390 | $42,650 |
| Commodities | $7,683 | $10,248 | $11,426 | $11,000 |
| Capital Outlay | $4,470 | $5,149 | $4,930 | 0 |
| Other | 0 | $3,741 | 0 | 0 |
| TOTALS | $396,988 | $446,761 | $431,913 | $380,683 |

| | | | | |
|---|---|---|---|---|
| **Cost Recovery Goal** | 30% | 30% | 30% | 30% |
| **Cost Recovery Actual** | 28% | 28% | 31% | 33% |

* Please note that FY2007 actuals are unaudited as of the date of this report.

## Personnel Complement

| Full Time Equivalent Employees | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Tennis Pro-Manager | 1.00 | 1.00 | 1.00 | 0.00 |
| Tennis Facility Supervisor | 2.00 | 2.00 | 2.00 | 2.00 |
| Tennis Maintenance Worker | 0.00 | 0.00 | 1.00 | 1.00 |
| Facility Assistant | 0.00 | 0.00 | 1.00 | 1.00 |
| Recreation Maintenance Worker | 0.50 | 0.50 | 0.20 | 0.20 |
| Registration Clerk I | 3.20 | 3.45 | 1.80 | 1.80 |
| Public Works Employees | 0.13 | 0.13 | 0.13 | 0.13 |
| Total | 6.83 | 7.08 | 7.13 | 5.93 |

## Options for Cost Savings

**Option for Cost Saving**:
Reduce evening hours of operation at Seaview facility by 1 hour
**Cost Saving:**
Approximately $2,500
**Comments:**
Reduction in part time staffing and level of service to the tennis community.

**Option for Cost Saving:**
Reduce full-time staffing level by two FTEs.
**Cost Saving:**
$29,000 plus benefits
**Comments:**
Savings in full time would be offset by a proportional increase in part time hours to cover operating hours. This is expected to significantly impact the quality of customer service, increase part-time staff turnover, and diminish staff's ability to organize special events, mixer programs, etc. These positions are occupied and unavailable for elimination without a layoff or transfer.

**Option for Cost Saving:**
Share tennis maintenance responsibilities with Public Works
**Cost Saving:**
$0
**Comments:**
Staff evaluated the costs/benefits of sharing maintenance responsibilities with Public Works relative to the tennis facilities. After careful review, staff strongly advises against the elimination of the tennis maintenance position or sharing of responsibilities with Public Works staff for maintenance of tennis facilities, especially court surfaces. Due to the highly specialized background required to maintain safe and consistent playing surfaces, retaining a qualified full-time maintenance worker is the best way to achieve these results. It is important to note that since the addition of this position, court playability has been much more consistent and great cost savings have been realized through the elimination of an annual reconditioning contract. The maintenance staff now performs this function.

## Options for Revenue Enhancements

**Option for Revenue Enhancement:**
Increase annual pass fees by approximately 100%. (i.e. current annual resident pass is $220 and would increase to $440)
**Additional Revenue:**
Approximately $50,000
**Comments:**
Will move us to top of market based on surveys. May result in some degree of customer dissatisfaction and possible reduction in annual pass renewals.

**Option for Revenue Enhancement:**
Revise financial terms of Head Tennis Pro contract
**Additional Revenue:**
Will be calculated upon further review, if Town Council desires
**Comments:**
Current agreement is typical for most municipal tennis operations. Drastic changes could make it more difficult to attract and retain a highly qualified professional if the compensation package is at the low end of the market.

# Program 313 Programs and Events

## Description of Function

The Programs/Events division offers lifetime recreational enrichment, athletic, educational and leisure opportunities to the residents and visitors of Palm Beach. The Recreation Department programs serve those ages 2 months through the golden years. Since we target residents of all ages, the market remains steady, although the age appropriate activity may change - particularly with the ebb and flow of the youth population.

The Recreation Center, situated between the only schools on the island, is the hub of after-school activity. It hosts a fully supervised after-school program for Kindergarten through fifth grade, enrichment classes for children and enrichment/fitness programs for adults. Some of the enrichment programs offered for children include: Cheernastics, Tot Tumbling, Gymnastics, Creative Dance & Movement, Hip Hop Jazz, Karate, Pottery, Art, Kindermusik, Gymboree, Flag Football, Baseball, Soccer, Lacrosse and Basketball.

When school is not in session, the recreation staff is still in full swing, providing holiday and summer camps and seasonal special events. Halloween is a favorite with the transformation of the center into the exciting Halloween Happenings Carnival, and the Spring Celebration another favorite with its colorful egg hunt. The Programs and Events division also coordinates the town's Fourth of July Celebration at Bradley Park.

The Recreation Center also offers many adult programs to enrich and enhance lives and encourage healthy minds and bodies. A sampling of classes include: Conversational French I through III, Relaxation Techniques, Italian I and II, Painting/Drawing, History of Palm Beach, Calligraphy, Line Dancing, Yoga, Ballroom Dancing, Tai Chi, Step Aerobics, Body Conditioning, and Stretching.

All instructors and sports officials are hired contractually - the total cost for instructors and class materials are paid for through participant program fees and sponsor donations.

The Assistant Director/Programs, in coordination with the two (2) Recreation Supervisors, plan, implement, supervise and evaluate the various programs and town-wide special events. Through an organized process of planning, implementation, and evaluation, the professional staff creates a comprehensive offering of enrichment and event opportunities which reflect the unique nature of the Town of Palm Beach. Additional part-time staff without benefits, equalling 4 (four) full-time equivalents (FTE), are needed to properly implement and supervise the comprehensive offerings.

The current cost recovery goal for Programs/Events is 60%. Revenue received from participant program fees cover all direct costs, including class supplies and contractual instructors.

## History

Prior to the 1975 hiring of the first Full-Time Recreation Director, the Town offered mostly passive, drop-in, and unstructured seasonal public recreation opportunities. Recreation staff first operated out of a small two story house which was located in what is now the Royal Palm Parking Lot and later out of an old building, which was moved from the Breakers Hotel to Seaview Park. In 1982 and 1984 Town residents came together with the assistance of staff to put on the Palm Beach Follies in which more than half of the funds necessary to build the Recreation Center were raised. In December 1984, the doors opened and the expanded programs and events became an instant success. This was a culmination of the Town leaders' understanding that recreation is a lifestyle choice that has individual and social significance - an enhancement of the quality of life for the community and residents of Palm Beach.

The Programs and Events division continually strives to enhance its programs and services through a critical evaluation process. While operations of other municipalities are very similar, the Town is unique in that the standard expectation of the customer is much higher. Each program has a life of its own, as programs and events become popular, peak, and slowly decline. However, there are 'core' programs that, with small modifications for the clientele over time, can continue to bring in participants for the long term. It is a combination of these consistent and newer programs, which provide a steady flow of participants, meeting the needs of the community.

Most recently, the expansion of adult enrichment programs, youth athletics, and pre-school programs has been in response to a combination of resident requests and programming trends. The addition of a Recreation Supervisor was a key component to the Recreation Department's commitment to improving recreation services in direct response to resident requests and trends. Along with responsibilities for existing programs, this position was charged with the task of enhancing and increasing youth athletics and teen program offerings, as well as creating new opportunities for adult enrichment/fitness activities.

This responsiveness has been especially evident this past spring. Youth program changes and additions included Small-Sided Soccer, Start Smart (a nationally recognized pre-school athletics program of National Alliance for Youth Sports), youth Pottery, and an expansion of Creative Dance classes, and a partnership with the Palm Beach Soccer Academy (offering a competitive, traveling soccer league). There was also a re-application with National Youth Sports Coaches Association to re-activate our Chapter status, adult Tai Chi and Pottery programs, and additions to the special event offerings.

## Past Efficiencies and Cost Savings Measures

- **2003 - 2007:** Since the creation of the Recreation Enterprise fund in 2003 the share of participant revenue with contracted instructors has gone from 15% to 25% as a result of policy changes and market study.

- **2003 - 2007:** In general, participant fees have been strategically and aggressively increased annually, while the number of participants has also increased, which has resulted in program revenue increases of approximately 50% since 2003.

- **2007:** After reviewing years of building use hours, it was decided to reduce the operating hours on Saturdays to minimize staffing and other expenses. This further reduced the FTE's, and will result in a savings of approximately $2,300 annually.

- **2007:** Reducing the FTE for FY2008 was accomplished by evaluating and cross-training both FT and PT staff. Our part-time staff has been given increased in-house training, while our full-time staff, increasing their current work load, has taken a more direct, hands-on role in the programs. This has allowed our part-time staff to work, when necessary, with a greater independence, therefore increasing our efficiency, and their effectiveness to the organization. Our full-time staff has assumed the roles of bus drivers, activity leader/counselor, coach and light maintenance worker when necessary.

- **2007:** A refund fee for any refund or transfer of participant fees was instituted after policies and procedures were reviewed. An additional element included the modification of the traditional pro-rated refund. Pro-rated refunds will only be given if requested prior to the ending of the third meeting of any program.

- **2007:** Registration deadlines have been implemented for certain time sensitive programs in response to resident feedback to provide for more structure in program planning.

- **2007:** Participant late fees and policies were reviewed by staff. Late pick-up fees for Camp Palm Beach and the After-School Program, which are on a sliding scale, were increased and the "forgiveness" time was reduced.

- **2007:** A late payment penalty fee was instituted for After-School Program monthly payment. Payment is due the 1st of each month, otherwise a $25 penalty is charged.

- **2007:** Staff has initiated a pre-evaluation for cost efficiency and historical program spending as part of the planning process for future activities and special events. We have already found cost-saving measures which, while affecting the amount/type of activities offered, should not diminish the quality of the event (i.e. 2007 Halloween Happenings special event).

## Programs and Events Benchmarks

| | Palm Beach | Greenacres | Palm Springs | Tequesta |
|---|---|---|---|---|
| FY 2008 Budget | $665,320 (Programming Only) | $1,417,747 | $950,000 | $565,000 |
| Cost Recovery % | 66.4% | 40.9% | 39.4% | 11.3% |
| Full-Time Recreation Programming Employees | 2 | 7 | 4 | 1 |
| Full-Time Equivalents | 6 (up to 19 hours per week) | 10 (25 hours/week) 11 (40 hours/week) | 5 (no hours per week reported) | 1 PT @ 30 hrs./week 1PT @ 10-20 hrs./wk. |
| Number of Youth Programs | 17 Enrichment, 7 Pre-School, 1 After School Program, 3 Camps, 12 Athletics | 12 Enrichment, 4 Athletics, 3 Camps, 2 After School Programs (Elementary & Middle School), 1 Teen | 15 Enrichment, 5 Athletics, 1 Pre-School, 4 Teen, 3 Camps | 17 Enrichment, 2 Camps |
| Number of Adult Programs | 16 Enrichment/Fitness | 6 Enrichment, 1 Athletic, 1 Senior Athletic | 11 Enrichment | 5 Enrichment, 3 Special Event Type Programs |
| Number of Special/family Events | 6 | 6 | 1 | 2 Series, 2 Special Events |

## Planned Future Efficiencies and Cost Savings Measures

- **Program Fee Increases**
  Program fees will increase an average of 10% for calendar year 2008 and will continue to stay near the top of the market in future years.

- **Revenue Cost Sharing Change**
  Recreation Department revenue share with Contracted Instructors will increase to 30%. A 70/30 split of program revenue is in line with professionally accepted standards for municipalities. Staff will continue to evaluate policies regarding revenue share and standards in the market.

## Financial Summary

| Revenues | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| Youth Program Registration Fees | $1,631 | $542 | 0 | 0 |
| Adult Program Registration Fees | $620 | $152 | 0 | 0 |
| Youth Program Fees | $157,990 | $196,707 | $246,226 | $225,000 |
| Facility Rental Fees | $993 | $2,601 | $4,205 | $3,000 |
| Adult Program Fees | $27,961 | $28,874 | $31,517 | $32,000 |
| Promotional Merchandise | 0 | 0 | $150 | $3,000 |
| Seaview Park Concession | $2,076 | $2,269 | $1,692 | $2,500 |
| Sales Tax Commission | 0 | 0 | 0 | 0 |
| TOTALS | $191,271 | $231,145 | $283,790 | $265,500 |

| Expenditures | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $115,698 | $136,469 | $194,346 | $208,171 |
| Employee Benefits | $33,377 | $38,863 | $58,888 | $63,049 |
| Contractual | $105,070 | $118,353 | $130,984 | $111,000 |
| Commodities | $18,098 | $15,392 | $21,930 | $17,600 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $272,243 | $309,077 | $406,148 | $399,820 |

| | | | | |
|---|---|---|---|---|
| **Cost Recovery Goal** | 60% | 60% | 60% | 60% |
| **Cost Recovery Actual** | 70% | 75% | 70% | 67% |

* Please note that FY2007 actuals are unaudited as of the date of this report.

## Personnel Complement

| Full Time Equivalent Employees | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Recreation Supervisor I | 1.00 | 1.00 | 2.00 | 2.00 |
| Recreation Maintenance Worker | 0.40 | 0.40 | 0.30 | 0.30 |
| Bus Driver | 0.31 | 0.31 | 0.48 | 0.26 |
| Activity Leader | 3.18 | 3.08 | 3.44 | 3.44 |
| Registration Clerk I | 0.05 | 0.05 | 0.16 | 0.00 |
| Total | 4.94 | 4.84 | 6.38 | 6.00 |

## Options for Cost Savings

**Option for Cost Saving:**
Eliminate annual brochure production and mailing to all Palm Beach residents

**Cost Saving:**
Approximately $8,000

**Comments:**
Utilize alternative promotions: Town website, flyers, and press releases. The elimination of the program brochure is not expected to be well received by current program participants, as this document is consistently referred to throughout the year for facility and recreation program information. Staff has received very favorable feedback from customers regarding this fairly new communication tool.

**Option for Cost Saving:**
Eliminate free Community Special Events (Halloween Happenings & Spring Celebration)

**Cost Saving:**
Approximately $5,500

**Comments:**
May result in a decreased sense of community because these provide intergenerational and traditional family experiences. There is a high community satisfaction and expectations and if eliminated, resident concerns would be great.

**Option for Cost Saving:**
Reduce full-time professional programming staff

**Cost Saving:**
$5,507 - $22,028 plus benefits

**Comments:**
A focused, professional programming staff is necessary to continue our current level of service, which is in direct response to residents' requests and programming trends. Any reduction to staff will have a direct and correlating impact on programming quality, quantity and revenue. The reduction of an entire programming position will necessitate the elimination of at least all special events, and a severe reduction and future limitation of responsiveness to resident requests for new programs. The reduction to 1 full-time and a permanent part-time employee will also result in the elimination or reduction of quantity and quality of offerings. (The cost savings from a reduction in this area could ultimately be less than the lost program revenue and future opportunities for revenue generation.) This position is occupied and unavailable for elimination without a layoff or transfer.

**Option for Cost Saving:**
Reduce part-time staffing level

**Cost Saving:**

Approximately $25,000

**Comments:**

Further reduce FTE's by having Recreation Supervisors be even more hands on than they currently are. This move would necessitate a decrease in special events and programs to allow for the additional hands on time. (The cost savings from a reduction in this area could ultimately be less than the lost program revenue and future opportunities for revenue generation.)

**Option for Cost Saving:**

Further modify Town revenue share with contractual instructors

**Cost Saving:**

Will be calculated upon further review, if Town Council desires

**Comments:**

This action may result in the loss of quality instructors to other communities who pay higher rates. The current percentage for our instructors has already been reduced from 85% to 70% since FY2003

**Option for Cost Saving:**

Eliminate fee-based Special Events (Daddy Daughter Date Night, Mommy & Me Tea, Father/Son Catamaran Fun, Family Golf Outing)

**Cost Saving:**
Approximately $3,000

**Comments:**
Redundant to what private groups offer. High rate of cancellation (50%), yet involves staff time in planning efforts and monetary deposits are non-refundable.

## Options for Revenue Enhancements

**Option for Revenue Enhancement:**
Increase nonresident differential

**Additional Revenue:**

Will be calculated upon further review, if Town Council desires

**Comments:**
Participants' fees have strategically risen since FY2003 for residents and non-residents. Non-residents pay an additional 10%, as a general practice. Extremely high increases may have a negative impact on programs by pricing out NR's. Non-resident participation has been important in meeting minimum participation requirements to hold programs, as well as adding to program totals that provide for a higher quality experience for all involved. (i.e. Fielding enough kids to have a 4 team soccer league instead of a 2 team program)

**Option for Revenue Enhancement:**
Establish Recreation Center membership pass for drop-in use and/or program participation

**Additional Revenue:**

Will be calculated upon further review, if Town Council desires

**Comments:**
This new fee could discourage registration for programs, reducing overall participation in existing activities. However, a new fee could help in the recovery of costs associated with free drop-in use of the facility's amenities. The current building layout would need to be modified to create control access points.

# Program 509 Marina

## Description of Function

The Town Docks, located at the western edge of Lake Drive Park, has three main piers with a total of 88 slips. The slips range in length from 50 feet to 262+ feet. Slips are leased annually, seasonally, or daily. As part of the marina property and amenities, there are three buildings (containing electrical terminals, heads, showers, lounge, and office space), CATV, fire protection, waste oil collection sites, electrical service panels for all vessels, sewage pump-out system at each slip, and three parking lots. The Docks also provide docking assistance and on-site contractual security, all located in a park environment and within walking distance to the heart of Palm Beach and its world famous attractions.

The Docks have earned a 10% credit on state submerged land lease fees by continuing to remain in the Florida Department of Environmental Protection's (FDEP) Clean Marina Program for the last few years. As part of compliance with this program, the docks are inspected annually by the FDEP for adherence to their Best Management Practice standards.

The Dock Master is responsible for daily supervision of three employees, slip assignments, safety, and the daily collection of revenues in accordance with established policies.

The cost recovery goal for the Marina is 300%. Revenue is primarily generated through annual and seasonal leases and transient business.

## History

The first mention of a dock at the current location of the Town Docks was December 1929 in a letter to the Town Council from D.L. Southard. Southard requested to construct a dock for the winter time use of area residents. The land assembly for the Docks and Lake Drive Park took place in the 1930's as lots were purchased from $10 to $50. The original Town Docks were financed by a 20 year bond of $125,000 for a "public park, seawalls, fill and the addition of wharves". Construction was delayed because of steel shortages until after World War II, but eventually the Australian and Brazilian Docks were built. The first Dockmaster was hired in 1946. The Peruvian Dock was constructed in 1961 for $100,000. Services and slip yield were expanded again beginning in 1993 and completed to the present configuration in 1999, when sixteen slips, fire protection, sewage system, CATV, and electric service capacity were added to meet the market needs as yachts increased in length, sophistication and numbers in Palm Beach.

Management responsibilities for Marina operations were transferred from the Town Manager's Office to the Recreation Department in 2006. Today, the Town Docks has no debt and revenues have doubled in the last seven (7) years. The implementation of various elements of a recently completed master plan is currently under consideration of the Town Council.

## Past Efficiencies and Cost Savings Measures

- **2002:** Lease agreements and customer files were computerized to allow for better controls, record keeping, and reporting tools, leading to more efficient service and less printing costs.

- **2003:** Staff completed a six month self assessment and changed environmental "Best Management Practices" in an effort to be named a "Clean Marina" by the FDEP. By consistently complying for the past 5 years with standards as a Clean Marina, the Town Docks now annually earns an extra 10% discount on its submerged land lease fees. The FDEP began issuing these credits in 2007 for F/Y 2006. The cost savings to date (first year) is $7,400.

- **2004:** Dolphin pilings were added to some slips effectively extending them to meet additional demand for certain slip sizes. The project investment was $38,000 and has resulted in additional revenue of approximately $113,000.

- **2005:** After recognizing an unnecessary land lease expense of paying lease fees on utility revenues (a pass through expense), staff created an FDEP approved spreadsheet that subtracts utility costs from total revenues, reducing land lease costs to the Town. FDEP credited 3 years prior to 2005, and will continue providing credits based on the staff submitted spreadsheet. Savings to date is approximately $69,000.

- **2006:** After a mid-year 30% increase in Florida Power and Light utility costs, language was added to the annual and seasonal dockage agreements providing for rate increases during the term of the lease, should utility costs be incurred by the Town during the term of the lease; thus reducing potential revenue loses due to unexpected utility cost increases.

- **2006:** Created a Policies, Procedures and Maintenance Manual for the Town Docks providing for greater consistency and efficiency of the overall operations of the Docks.

- **2006:** Updated operating policies and procedures by creating a computerized database for waiting list applicants, and updating procedures for applicants and filling slips - insuring better controls, fairness and reducing file space requirements.

- **2007:** Policies and procedures were reviewed and changed to provide for a 15% yacht overhang from a 10% yacht overhang in most slip sizes. This measure provides for more flexibility in assigning slips, increases the maximum sized yacht allowed in a particular slip size, and effectively creates more billable lineal feet. This modification allows for additional slip revenue (up to 5% per slip).

- **2007:** Modified policies and procedures to allow filling 110' slips from 100'annual list after all 110' prospects were tried and four (4) 110' slips remained open. Because of this modification, the Town Docks will again achieve 100% occupancy in FY08.

# Marina Benchmarks

## National Benchmarks

A 1998 International Marina Institute published a Marina Benchmark Study of common sized income statements for 94 marinas across the United States. The published income statement was an average of all respondents' line item expenses, profits, cost of goods sold, etc., measured as a percentage to total revenues.

| **Item Compared as a % of Total Revenue** | **Palm Beach Town Docks** | **National Benchmark Study (1997)** | | |
|---|---|---|---|---|
| | | **All Marinas** | **Top 25** | **Municipal** |
| Personnel Expenses | 8-9% | 18.6% | 15.4% | 17.5% |
| Total Operating Expenses | 25% | 52% | 50% | 62% |
| Net Income | 75% | 25% | 44% | 44% |
| Property Taxes* | 0% | 2.1% | 0.7% | 0.8% |

* Property tax % is included in Total Operating Expense.

## Area Benchmarks

| | **Palm Beach** | **Rybovich Marina** | **Palm Harbor Marina** | **Old Port Cove Marina** | **City of Ft. Lauderdale** |
|---|---|---|---|---|---|
| Marina Condition | New Modern | Capital improvements needed/underway | Capital Improvements needed/underway | Capital Improvements needed/underway | Modern |
| Environment | Park | Suburban/active repair facility | Urban | Suburban/condos | Urban |
| Amenities: | | | | | |
| Store | No | Yes | Yes | Yes | No |
| Fuel | No | Yes | Yes | Yes | Yes/Truck |
| Electric | Yes/New | Yes | Yes/Old | Yes/Old | Yes/Metered |
| Parking | Yes/Short | Yes | Yes/Ample | Yes/Short | Yes/Short |
| CATV | Yes | Yes | Yes | Yes | No |
| Repairs | No | Yes | No | Yes | No |
| Yacht Maint. | No | Yes | No | Yes | No |
| Laundry | No | No | Yes | Yes | No |
| Heads | Yes | Yes | Yes | Yes | Yes |
| Showers | Yes | Yes | Yes | Yes | Yes |
| Pump-out | Yes | Yes | No | Yes/boat | Yes |
| Internet | Yes | Yes | Yes | Yes | Yes |
| Phone | Not incl. | Switchboard | Not incl. | Not incl. | Not incl. |
| Club | No | No | No | Yes | No |
| Trash Coll. | No | No | Yes | Yes | Yes |
| Slip Count | 87 | 75 | 160 | 300 | 200 |
| Staff | 4 | 4 | 7 | 16 | 9 |
| Slip to Staff Ratio | 21.75 | 18.75 | 22.86 | 18.75 | 22.22 |

## Planned Future Efficiencies and Cost Savings Measures

- **Enhancement of Policies Regarding Transient Vessel Insurance**
  Marina staff, with the assistance and guidance from the Risk Manager, has initiated new insurance requirements for transient vessels, requiring current insurance certificate information to be supplied to dock staff at the time of booking. This new procedure increases the possibility of damage recovery in case of an accident and reduces the Town's exposure to unpaid claims.

- **Electronic Filing System for Customer Files**
  A new filing system has been created and will be implemented in FY2008. The system creates electronic customer files as a back-up to conventional paper files. This new system reduces the need for primary storage space and saves time, while creating a more secure and easily accessible customer files.

- **Holiday Schedules and Hours of Operation**
  Staff has initiated a roll back in off-season and shoulder-season holiday staffing levels. During Independence Day, Labor Day and Veterans Day, the Docks will be staffed 8-5PM by only one staff member, reducing overtime pay. During Thanksgiving Day, Christmas Day and New Years Day the Town Docks offices will be closed, eliminating overtime pay on these days. The estimated cost savings for FY 2008 is $1,500.

- **Peruvian Dock Expansion**
  The recently approved expansion of the Peruvian Dock will be a source of additional revenue after the return on investment for initial construction is completed. The planned seven (7) new slips are expected to generate approximately $300,000 annually after the pay-back period is complete.

## Financial Summary

| Revenues | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| Peruvian Avenue Docks | $623,639 | $670,331 | $652,487 | $747,000 |
| Australian Avenue Docks | $1,219,585 | $1,205,104 | $1,258,244 | $1,440,000 |
| Brazilian Avenue Docks | $716,967 | $849,774 | $1,025,900 | $861,000 |
| Electricity | $57,305 | $70,333 | $81,112 | $76,000 |
| Ice Sales | $343 | $178 | $128 | $300 |
| Interest on Dock Replacement Reserve | $103,540 | $162,422 | $85,348 | $75,000 |
| Sales Tax Commissions | $435 | $381 | $381 | $400 |
| Miscellaneous Revenue | $390 | $385 | $423 | $400 |
| TOTALS | $2,722,204 | $2,958,908 | $3,104,023 | $3,200,100 |

| Expenditures | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $151,014 | 182,027 | 190,335 | 191,438 |
| Employee Benefits | $65,874 | 71,424 | 80,592 | 78,342 |
| Contractual | $408,101 | 561,530 | 585,994 | 559,120 |
| Commodities | $8,669 | 7,226 | 8,021 | 13,100 |
| Capital Outlay | $145,784 | 144,795 | 155,355 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | 779,442 | 967,002 | 1,020,297 | 842,000 |

| | | | | |
|---|---|---|---|---|
| **Cost Recovery Goal** | 300% | 300% | 300% | 300% |
| **Cost Recovery Actual** | 349% | 306% | 304% | 380% |

* Please note that FY2007 actuals are unaudited as of the date of this report.

## Personnel Complement

| Full Time Equivalent Employees | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Dockmaster | 1.00 | 1.00 | 1.00 | 1.00 |
| Assistant Dockmaster | 1.00 | 1.00 | 1.00 | 1.00 |
| Seasonal Dock Attendant | 1.53 | 1.53 | 1.53 | 1.45 |
| Public Works Employees | 0.74 | 0.17 | 0.33 | 0.33 |
| Totals | 4.27 | 3.70 | 3.86 | 3.63 |

## Options for Cost Savings

**Option for Cost Saving:**
Outsource management/staffing

**Cost Saving:**
Will be calculated upon further review, if Town Council desires

**Comments:**
This action will result in the loss of property control. In the long term, when the contract expires, costs to repair the infrastructure could be significant, as it is not customary to include major capital upgrades in a management contract. Outsourcing of management will effectively eliminate all positions, which will require layoffs or transfers.

**Option for Cost Saving:**
Cut Staffing (1PT w/ benefits)

**Cost Saving:**
$26,723 plus benefits

**Comments:** Would result in the reduction of in house maintenance efficiency and quality of customer service, as only minimal staffing would be scheduled to provide facility coverage. This position is occupied and unavailable for elimination without a layoff or transfer.

**Option for Cost Saving:** Eliminate Private Security and work with the Palm Beach Police Dept. to provide necessary services

**Cost Saving:** Annual reduction in security cost for docks of $77,000 based on current contract.

**Comments:** The Police Department currently receives slip and office space at no charge. An additional increase in "transfer for services" could be considered. However, to effectively realize a cost savings in this area, the transfer would have to be less than the current security contract and that may be insufficient to pay for the number of hours of on-site security presence that would be needed to maintain that level of service.

## Options for Revenue Enhancements

**Option for Revenue Enhancement:**
Dockminium/long term lease hold of existing slips

**Additional Revenue:**
Long term lease sales income of $6,000/ft. to $8,000/ft. could potentially generate over $50 million dollars of initial cash flow. Additional revenues could be realized from interest earnings, ongoing ad valorem taxes, maintenance fees, management fees, and special assessments. Additional calculations would be completed upon further review, if Town Council desires

**Comments:**
This is conceptual idea, which would create a "home owners association", would result in a certain level of lost control. Length of lease will factor into the final cost per foot. May be a challenge due to submerged land issues. Neighbor concerns could be significant.

**Option for Revenue Enhancement:**
Provide fueling station for annual/seasonal lease holders and transient vessels

**Additional Revenue:**
Will be calculated upon further review, if Town Council desires

**Comments:**
Great challenges would be expected for environmental permitting and monitoring. A fueling station location will require the elimination of a leased slip. Challenges relative to tank storage and access would also need to be addressed due to the limited areas available within the park. Neighbor concerns could be significant.

# Program 620 Golf Course

## Description of Function

The Par3 Golf Course spans 39 acres with 18 holes. Four (4) of those holes are directly on the Atlantic Ocean and three (3) on the Intracoastal Waterway, with distances ranging anywhere between 100 and 221 yards tee to green. The course is a par 54 with a total of 2,450 yards. Fairways are Bermuda 419 and the greens are Tifdwarf. There is also a full length driving range and a putting green.

The Clubhouse, located alongside the first tee has a Pro Shop which sells snacks, beverages, apparel, golf balls and other accessories. The Par 3 offers riding cart, pull cart, and club rentals and there are never any restrictions on walking. There is a staff of fully qualified PGA instructors who conduct weekly adult and junior clinics, as well as daily private lessons for people of all skill levels. The Par 3 also hosts outings and encourages league play. Golf fees may be paid on a daily basis, but multi-play tickets and annual and semi annual passes are available. The Par 3 is open 365 days a year from 7:00 a.m. to dusk. Driving range hours vary with the season, but generally the hours are from 7:00 a.m. to 6:00 p.m. The Clubhouse is open until 7:00 p.m. More information about the golf course can be viewed on the website, *golfontheocean.com*.

The maintenance building, located across South Ocean Blvd from the Clubhouse stores all the mowers and equipment needed to groom the golf course. It is also where a computerized irrigation system with two booster pumps is located. There are two parking lots which can accommodate 100 cars.

In its forty six year history, the golf course has had only two head professionals. Along with the current Head Pro/Manager, a Facility Supervisor (Head Starter), Registration Clerk, Superintendent, Equipment Operator, and Mechanic staff the facility. A varied number of part-time employees provide year round support and four PGA Professionals provide teaching services.

The cost recovery goal for golf is 100%. Revenues are generated through green fees, cart rentals, club rentals, practice range, and Golf Pro fees.

## History

Designed by world renowned course architect Dick Wilson and his apprentice Joe Lee, the Palm Beach Par 3 was built in 1960 by Michael Phipps. It was privately owned for thirteen years until 1973, when the Town of Palm Beach purchased it for five million dollars.

It's been touted twice by Golf Digest as the best Par 3 in the United States of America. Golf Magazine has also bestowed its number one rating to the course – with its second-place award given to the short course at Augusta National. The Par 3 has been listed among Golf Range Magazine's Top 25 Short Courses in America for the two years there has been a poll.

The Town's Par 3 has received historical worldwide recognition and elite status as one of the best. However, this distinction has faded with time. Throughout the years, annual rounds of golf have varied between 10,000 in the 1960's to 45,000 rounds in the late 1980's / early 1990's. During the early 90's, many new courses were built and this started our trend toward 37,000 to 38,000 rounds per year. The events of September 11th impacted tourism in a significant way, with rounds dipping to as low as 28,000. After a short resurgence, the hurricanes of late 2004 and 2005 and their aftermath again negatively impacted play. The stagnant golf market, as well as the slowing economy and saturation of public golf courses in Palm Beach County have contributed to the decrease in play.

During the 2004 and 2005 hurricanes, the golf course lost many trees and plants. It also suffered extensive damage to the dunes that border the ocean front holes. The dunes have since been repaired and sea oats were planted to keep the sand on the beach.

In 2007 a comprehensive Master Plan was completed, recommending a total restoration of the original Dick Wilson design, with modern technologies and environmental stewardship to be kept in mind. Improvements were recommended for the irrigation system and water source, the golf course, and clubhouse. Irrigation recommendation includes a reverse osmosis plant to treat brackish water supplied from the Florida aquifer. The golf course is recommended to be re-grassed with seashore paspalum turf. New landscaping, cart paths, greens and tees are also recommended. The clubhouse is recommended for reconstruction, utilizing a two-story design, to take advantage of an ocean view on the second floor. Golf carts would be stored on the first level, taking full advantage of the gained space.

## Past Efficiencies and Cost Savings Measures

- **1999:** When appropriate, staff purchases used equipment as recommended by the Superintendent and Mechanic.

- **2000:** Maintenance and improvement fee was instituted, which is added to every round of golf and currently generates approximately $50,000 annually. This fund now has a balance of over $200,000, earmarked for course improvements and beautification.

- **2003:** Restroom cleaning in the maintenance building and clubhouse are accomplished in house, which saves approximately $8,000 annually and provides greater consistency in cleanliness.

- **2003:** The golf course began opening at 7:00 a.m. and closing at dusk, thereby capturing every available round opportunity. Dawn/Dusk discount rates were also established at this time.

- **2005:** Full time maintenance staff alternates Sunday work shifts, by switching out hours during the week, thus reducing the need for overtime pay during the weekends.

- **2005:** The full time Spray Technician was replaced with two part time employees without benefits.

- **2006:** In-house tree trimming has allowed staff to redirect approximately $10,000 annually in other high priority areas of maintenance operations.

- **2006:** Began spraying Primo in the summer months to retard growth of turf, which has saved in labor costs and equipment depreciation.

- **2007:** Spot spraying of chemicals is conducted whenever possible instead of boom spraying. This is good for the environment in that we are putting out fewer chemicals and by spot spraying the chemicals go exactly where they are needed, minimizing waste.

- **2007:** The chemical CURFEW that was injected in the greens has saved us money by reducing the amount of water needed. There has been a noticeable reduction in the amount of water the greens have needed since this chemical was injected into the greens due to the increase in root system. It has also helped the greens withstand the wind better on the east side of the course.

- **2007:** Routine irrigation practices have changed. Typically in the past staff used a set schedule for application of chemicals and followed that schedule pretty rigidly. Now the chemical application schedule follows the watering schedule, minimizing the use of water even further.

- **2007:** Water usage for irrigation has been reduced. Though this was initiated through mandatory water restrictions in 2007, we found out that the savings in our water bill more than offsets some yellow turf.

- **2007:** Created a new classification of Golf Attendant, saving on part-time staffing dollars.

- **2007:** The lake management contract for weeds and algae control was not renewed. Lakes will be continually monitored to see if the entire $1,700 annual charge is needed.

- **2007:** Established remote access to the computerized irrigation system to allow adjustments to watering schedule during inclement weather, which increased control and efficient use of water resources.

- **2007:** Revised Head Professional contract, by shifting revenues relative to club rentals to the Town. The use of facilities fee was also increased. Both changes together are expected to realize approximately $25,000 in new annual revenue for the Town.

# Golf Course Benchmarks

| | Palm Beach Golf Course | Red Reef 9 Hole | Largo Executive | Links @ Boynton Beach | Lake Worth GC |
|---|---|---|---|---|---|
| Acres | 39 | 30 | 46 | 150 | 110 |
| # of Holes | 18 | 9 | 18 | 27 | 18 |
| Yardage | 2,465 | 1,357 | 3,335 | 6,800 / 2,000 | 6,162 |
| Par | 54 | 32 | 62 | 71 / 30 | 70 |
| Avg. Rounds (Last 3 Years) | 31,000 | 15,000 | 55,000 | 50,000 / 15,000 | 60,000 |
| Water Source | WPB | City of Boca | Fresh Water Wells and Effluent | On-site Lakes | On-site Wells |
| Est. Annual Water Bills | $90,000 - $110,000 | $20,000 | $20,000 | $0 | $0 |
| Practice Facilities | Yes | No | No | Yes | No |
| Greens: Turf Type | Tift Dwarf | Paspalum | Tift Eagle | Tift Dwarf | Common Bermuda |
| Fairways/Rough: Turf Type | Bermuda 419 | Paspalum | Bermuda 419 | Bermuda 419 | Common Bermuda |
| Resident Play | 25% | 65% | 80% | 80% | 80% |
| Financial Condition | Recent Subsidies ($30,000 - $70,000) | $140,000 shortfall in FY07. Receives subsidy from Beach District ($200,000) | Has lost money each year since 2001. | Has been close to solvent with minor losses since 2002. | Lost $330,000 in FY07 |
| Maintenance Budget Approx | $500,000 | $350,000 (No Mechanic) | $600,000 | $1,300,000 | $1,000,000 |
| Maintenance Staff | 3FT, 2PT | 4FT | 5FT | 12FT, 3PT | 12FT |
| Pro-Shop Staff | 3FT, Various PT | 1FT, Various PT and Volunteers | 1FT, 7 PT w/ Benefits | 11FT | 4FT |

* All golf courses listed are municipally owned.

## Planned Future Efficiencies and Cost Savings Measures

- **Eliminate Registration Clerk Position**
  After a retirement in Dec. 2007, the FT Registration Clerk II will be replaced with PT staff without benefits. This could negatively affect customer service, cash management and correspondence with other departments. Reliance on part-time staff, day in and day out, has inherent risks. Scheduling of time-off for fulltime staff and coverage during holidays is expected to be a challenge. Staff will evaluate the cost/benefit of this decision in FY2008 and provide a final recommendation relative to this position during the preparation phase for FY2009.

- **On-Line Tee Time System**
  An automated tee-time system (Computee) will be tested from Nov. to Dec. 2007. This may streamline the flow of golfers to the clubhouse and then to the first tee. It may also eliminate excessive waiting to play and potentially attract additional golfers looking for a "guaranteed" tee time. If the trial run is successful, a long-term usage plan would be implemented.

- **Re-Organize Management Structure**
  Through attrition and as previously reported, the Pro/Manager form of golf course management will be eliminated. A revised management model is yet to be determined, but it will be developed with both operational effectiveness and cost savings as principal goals.

- **Implement Volunteer Program**
  Institute a formal volunteer program, primarily for ranger duties on the golf course. There would not be any benefit financially at this time, as the Par 3 does not have any ranger hours in the budget. This may allow for more golfers at peak periods as the expected pace of play would be stressed and enforced on the course.

# Financial Summary

| Revenues | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| Golf Pro Admin Fee | $12,000 | $12,000 | 12,000 | 12,000 |
| Use of Facilities | $6,677 | $6,982 | $8,117 | $15,000 |
| Resident Permit Fees | $14,984 | $14,538 | $15,957 | $17,000 |
| Non-resident Permit Fees | $14,515 | $9,825 | $15,048 | $16,000 |
| Play Tickets | $39,041 | $43,534 | $38,534 | $44,000 |
| Twilight Play Tickets | $6,105 | $13,642 | $15,605 | $16,000 |
| Green Fees | $202,102 | $200,526 | $175,680 | $220,000 |
| Discount Green Fees | $211,232 | $235,138 | $240,156 | $242,000 |
| Riding Cart Rental | $117,174 | $123,794 | $130,575 | $130,000 |
| Pull Cart Rental | $26,377 | $29,621 | $27,897 | $32,000 |
| Club Rentals | 0 | 0 | 0 | $20,000 |
| Driving Range | $114,112 | $111,945 | $119,916 | $120,000 |
| Maint. and Improvement Fee | $44,825 | $44,379 | $53,509 | $50,000 |
| Sales Tax Commission | $294 | $307 | $309 | $400 |
| Vending Machine Commission | $4,422 | $5,263 | $2,768 | $5,000 |
| Miscellaneous Revenue | 0 | $3,158 | $15 | 0 |
| TOTALS | $813,860 | $854,652 | $856,086 | $939,400 |

| Expenditures | FY2005 Actual | FY2006 Actual | FY2007 Actual | FY2008 Budget |
|---|---|---|---|---|
| Salaries and Wages | $362,494 | $413,388 | $412,296 | $399,588 |
| Employee Benefits | $146,625 | $158,257 | $162,174 | $158,490 |
| Contractual | $211,448 | $218,628 | $170,538 | $193,800 |
| Commodities | $99,670 | $103,436 | $105,495 | $96,100 |
| Capital Outlay | $53,558 | $57,210 | $63,020 | 0 |
| Other | 0 | 0 | 0 | 0 |
| TOTALS | $873,795 | $950,919 | $913,523 | $847,978 |

| | | | | |
|---|---|---|---|---|
| **Cost Recovery Goal** | 100% | 100% | 100% | 100% |
| **Cost Recovery Actual** | 93% | 90% | 94% | 111% |

* Please note that FY2007 actuals are unaudited as of the date of this report.

# Personnel Complement

| Full Time Equivalent Employees | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Pro-Manager | 1.00 | 1.00 | 1.00 | 1.00 |
| Golf Course Superintendent | 1.00 | 1.00 | 1.00 | 1.00 |
| Golf Course Facility Supervisor | 1.00 | 1.00 | 1.00 | 1.00 |
| Registration Clerk II | 1.00 | 1.00 | 1.00 | 0.25 |
| Golf Mechanic | 1.00 | 1.00 | 1.00 | 1.00 |
| Equipment Operator | 1.00 | 1.00 | 1.00 | 1.00 |
| Golf Laborer | 0.15 | 0.41 | 0.54 | 0.54 |
| Registration Clerk | 1.95 | 1.95 | 2.08 | 2.04 |
| Part-time Equipment Operator | 0.95 | 0.95 | 0.41 | 0.45 |
| Public Works Employees | 0.14 | 0.00 | 0.13 | 0.14 |
| Total | 9.19 | 9.31 | 9.16 | 8.42 |

## Options for Cost Savings

**Option for Cost Saving:**
Privatize maintenance and golf operations

**Cost Saving:**
Will be calculated upon further review, if Town Council desires

**Comments:**
Staff believes that the Town would lose control over the operational environment currently in place. Personal service and familiarity with customers would be diminished if current staffing is not retained by the management company. In the short term, this would probably eliminate potential continued subsidy by the Town Marina. In the long term, when the contract expires, costs to repair the infrastructure could be significant, as it is not customary to include major capital upgrades in a management contract. Outsourcing of management will effectively eliminate all positions, which will require layoffs or transfers.

**Option for Cost Saving:**
Replace FT Equip. Operator with PT employees (limited benefits)

**Cost Saving:**
Savings on hourly rate plus benefits, but could vary depending on final staffing level decision and use of outside contractors/vendors

**Comments:**
This could negatively impact quality of work. Generally, quality workers want full time work. There may be substantial periods of time where no full time person is on site. Certain tasks, now performed in-house, would shift to outside contractors/vendors, including items such as tree trimming, mowing, and landscaping services.

**Option for Cost Saving:**
Share golf maintenance responsibilities with Public Works

**Cost Saving:**
$0

**Comments:**
Staff evaluated the costs/benefits of sharing maintenance responsibilities with Public Works relative to the Par 3 Golf Course. After careful review, staff strongly advises against the sharing of responsibilities with Public Works staff for maintenance of the golf course. Due to the highly complex schedule of chemical applications, fertilizing, aerification, top dressing, mowing, and bunker care, staff believes that routine tasks should be limited to golf course personnel.

**Option for Cost Saving:**
Eliminate Facility Supervisor (Head Starter).

**Cost Saving:**
$16,241 plus benefits

**Comments:**
This action would significantly impact the level of customer service at the golf course. The current Facility Supervisor provides a memorable starting and ending experience for each golfer. An equivalent amount of part-time hours would have to be added to replace lost shifts. The part-time staff turnover rate is expected to increase with this change. This position is occupied and unavailable for elimination without a layoff or transfer.

**Option for Cost Saving:**
Invest in an alternative water source for irrigation.

**Cost Saving:**
For many years, there would be no favorable impact on our water costs as the return on investment could take 15+ years.

**Comments:**
Included as a major focus of the recently completed master plan, an alternative water source and new irrigation system is believed to be the highest priority of the improvements. Along with the long-term savings from purchasing potable water, there is a real possibility that golf courses may lose the ability to use drinking water for irrigation purposes at some point in the future.

## Options for Revenue Enhancements

**Option for Revenue Enhancement:**
Establish "out-of-state" or "out-of-county" tourist schedule of fees

**Additional Revenue:**
Using a 10% differential for prevailing rates could realize approximately $25,000+ annually in additional revenue, based on 25% "tourist" play.

**Comments:**
This rate could apply to "walk-in" tourist play only. Identified partner hotels could be given the prevailing rate as an incentive for directing their guests to the Par 3.

# Health Insurance

## Description of Program

This program represents the costs related to the coordination and management of group health insurance. The activities in this program are administered by the Human Resources Department.

The chief objectives of the Town's group health benefit plan are to meet employee health and security requirements, to attract and motivate employees, to reduce turnover, and to maintain a favorable competitive position in the labor market. These objectives are pursued within the framework of cost containment.

Health coverage is provided through a combination of Blue Cross/Blue Shield of Florida, preferred provider organizations (PPO), a health maintenance organization (HMO) and a third party administrator, who handles issues such as the integration of various cost management programs, claim payment mechanisms such as coordination of benefits and benefit denial procedures, and legal requirements.

This program provides health care insurance for the employees and their dependents; prescription drug program coverage; dental insurance; disability insurance, and preventive health and wellness benefits, including employee assistance programs.

Most employers, including the Town, provide group health coverage for employees, including hospital, surgical, major medical, dental, and disability protection. This medical coverage protects employees and their families from the total cost burden of the treatment of disease, illness, accidents, and the prevention of disease. The cost of the coverage is shared between the Town and the employees through employee contributions, deductibles, and coinsurance.

The Town's dental plan covers treatment and preventive care. It does not cover orthodontia, cosmetic, or voluntary procedures. The Town pays the premiums for employees; however, the cost for dependent coverage is paid for entirely by the employee.

Prescription drug coverage is also provided to employees. This program offers employees reduced costs on "preferred" drugs, as well as generic drug substitutions at prices lower than available over the counter. There is also a mail-away program, which reduced costs for both the Town and the employee.

The Town's disability insurance program provides payment to employees during periods in which he/she cannot work because of sickness or accident. The length of the disability and its cause or taken into consideration in determining benefits. This program requires that a doctor certify that the employee is disabled, and requires certification for an employee to return to full-time, active employment. The Town's objective is to encourage employees to come back to work in some capacity and uses alternatives such as part-time work, light duty jobs, flextime, and

telecommuting to help individuals return to work even when they cannot resume their previous position.

A significant change that has taken place with many benefit programs, in both the private and public sectors, has been the use of outsourcing benefit administration. Health and welfare administration is one of the most common functions to be outsourced because of concerns employers have with being in compliance with federal reporting requirements and needing assistance with liability management.

Many employers want to immunize themselves from the risk of rising health costs. In many cases in the private sector, this means shifting to plans in which the employer provides a lump sum for health coverage. That way, the employer knows ahead of time exactly how much it is spending. In some cases, an independent trust will assume the task of providing health coverage to the company's retirees and spouses. Under this scenario, the company will put money into the trust (in some cases, up to $35 billion) to get it going, but it will be up to the trust to set and manage the benefits.

Other options utilized include providing retirees payment under a health-reimbursement arrangement, or HRA, that they can put toward health coverage to supplement Medicare. This concept resembles 401(k) pension plans, in which employers put a fixed amount of tax-deferred dollars into employees' retirement accounts but it is up to the employees to manage the money. Other companies are turning to consumer driven health plans (CDHPs) in hopes of controlling cost without cutting benefits and/or raising contributions. And still other private sector employers are eliminating health care as a benefit altogether.

In recent years, there has been a significant shift in employer-provided health care benefits in the private sector, but the public sector is just beginning to experience this shift.

The Town's benefits policy regarding external competitiveness has been set at the top quartile of the labor market. The independent review of the Town's pay and benefits package in 2005 indicated that, while public sector benefits in this area were better than in the private sector, the Town's health care benefits were competitive with other public sector employers in the market area. The most recent survey done in the fall of 2007 indicates that half of the employers in Palm Beach County require employees to pay a portion of the employee premiums, but half of the employers (including the Town) continue to pay 100% of the employee premium.

It is anticipated that there will be additional movement in the public sector towards providing different options for employee health care that will offer the Town opportunities to reduce costs without reducing competitiveness.

## Past Efficiencies and Cost Saving Measures

- In 1978, the Town implemented a self-insured fully paid medical indemnity plan. In 1985, cost containment measures were implemented with managed care. In 1996,

additional cost savings were achieved through contracting with a Preferred Provider Organization (Florida Health Choice).

In 2000, the former network and third party administrator were replaced with Blue Cross & Blue Shield of Florida, resulting in greatly improved claims paying measures and a reduction of net claim costs by 15%.

- In 2003, Metropolitan Life Insurance replaced the Town's previous carriers of Long Term Disability, Life Insurance, Accidental Death and Dismemberment, and Supplement Life insurances. This resulted in greatly improved benefits as well as a cost reduction to the Town.

- Additional cost containment measures were implemented in 2000 with a prescription drug plan with Benecard, with more savings recognized in 2006 with a prescription plan contract with Walgreens Health Initiatives.

- Since 1990, the average cost of medical inflation per year has been 10-14%. Over those 17 years, the Town's average annual increase has been 5.1%. Since implementing cost containment measures, the Town's medical plan has been consistently less than the national average, which has allowed reserves to be built to help with future obligations.

- Effective January 2005, the Centers for Medicare and Medicaid Services (CMS) passed final regulations enacting Medicare Part D. Medicare Part D provides for prescription drug benefits for Medicare and Medicaid eligible recipients. Employers whose plans are deemed equivalent to the Medicare Part D program and whose retirees opt to continue receiving prescription drug benefits through their employer's group health plan may apply for a Retiree Drug Subsidy (RDS). The Town is registered with the RDS website, Gallagher Benefits Services has completed the actuarial attestation, and the Town has completed applications for the subsidy. Based on the Town's current retiree enrollment, it is estimated that the Town will receive an annual subsidy of over $60,000.

- Historically, medical premium cost sharing has existed between the Town and employees for the dependents and between the Town and retirees for themselves and their dependents. The cost sharing of 75%/25% for employee dependents' medical premiums is consistent with the cost sharing that was established by the Town Council in 2004 and is the Town's target policy for this covered group. In keeping with this policy, the premium cost sharing for retirees has increased from 48% paid by the retiree in 2007 to 50% paid by the retiree in 2008.

- In 1992, the Town of Palm Beach experienced an extremely high volume of medical claims, which resulted in a shortfall in the health care budget, which required a contingency expenditure to cover the budget deficit. As a result, the health fund budget was increased to eliminate or reduce the potential of future plan shortfalls. During this period of time, the Federal Accounting Standards Board (FASB) enacted FAS105, which required private sector companies to account for future retiree liability on their balance

sheets, rather than continuing the "pay as you go" method that had previously been used. The Mayor and Town Council had the foresight to use the surplus from the health care budget each year to fund what they foresaw as the inevitable legislation that would require governmental agencies to recognize and fund the future liability of post employment health care costs.

Effective June 2004, the Governmental Accounting Standards Board (GASB) enacted GASB45 (also referred to as "OPEB"), as had been anticipated. The Town's GASB45 valuation estimated the cost of future retiree liability to be approximately $22 million. Nearly 80% of this liability was already funded by the health care surplus, which has since been placed in an irrevocable trust. The previous actions of the Town to use the surplus to fund this future liability resulted in savings of over $1,200,000 per year. The Town is one of only a the few municipalities who were in a position to pre-fund a significant portion of its post employment health care plan.

- As costs of coverage have increased, the Town has continued to seek ways to streamline benefits, first by moving away from offering fully paid fee-for-service plans, to structuring comprehensive managed care plans. The Town has also shifted some of these rising costs to employees via increased dependent premiums, increased deductibles, higher out-of-pocket limits, and lower reasonable and customary charges. The Town has achieved greater management of health care through preadmission review and case management, setting specific limits on days allowed for treatment or costs for selected illness, and by utilizing primary care gatekeeper physicians.

## Planned Future Efficiencies and Cost Savings Measures

- In 2007 (for 2008), the BlueCross and BlueShield administrative fees were negotiated to reflect a 5% reduction.

- Eliminate the HR Analyst position and absorb those duties through a combination of an improved HRIS system, internal redistribution of work, and/or outsourcing the insurance benefits administration functions. A final determination of how these functions will be handled will be made after the transition to the new software has been completed and in use for six to twelve months to allow the department sufficient time to analyze its efficacy. There will be some immediate cost savings in salaries by eliminating the HR Analyst position; however, future cost savings are unknown at this time.

## Survey of Local Public Sector Market

In August 2007, the Mayor and Town Council reviewed a supplemental report regarding the health insurance plan. This report included a survey of medical premiums for employees, retirees, and covered dependents for both the primary plan (PPO or POS) and the HMO plan; employee insurance benefits, costs, and basic medical coverages; medical plan costs; and premium based revenues for the Town and other public employers in Palm Beach County. In

November 2007, the survey information regarding medical premiums and insurance benefits, costs, and coverages was updated to reflect current competitiveness data after the first round of cuts in this era of statewide property tax reform in Florida.

The results of the November 2007 survey are presented on the following pages.

# Medical Premium Rates
## NOVEMBER 2007

| | ACTIVE EMPLOYEES EMPLOYEE COVERAGE ONLY | | | | | | If Premium rate includes employee - mark X | ACTIVE EMPLOYEES ONE DEPENDENT ONLY | | | | | | If Premium rate includes employee - mark X | ACTIVE EMPLOYEES FAMILY or TWO + DEPENDENTS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | PPO - EPO - POS | | | HMO | | | | PPO - EPO - POS | | | HMO | | | | PPO - EPO - POS | | | HMO | | |
| | BEST BENEFIT PLAN | | | LEAST COST PLAN | | | | BEST BENEFIT PLAN | | | LEAST COST PLAN | | | | BEST BENEFIT PLAN | | | LEAST COST PLAN | | |
| **Organization** | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE |
| Boca Raton | $673.70 | 41% | 59% | $379.86 | 100% | 0% | | $723.06 | 28% | 72% | $420.71 | 68% | 32% | | $1,577.32 | 33% | 67% | $917.86 | 77% | 23% |
| Boynton Beach* | $479.05 | 100% | 0% | $479.05 | 100% | 0% | | $656.74 | 0% | 100% | $501.92 | 0% | 100% | | $860.68 | 0% | 100% | $657.91 | 0% | 100% |
| Delray Beach | $604.13 | 100% | 0% | $555.89 | 100% | 0% | | $1,044.85 | 58% | 42% | $861.62 | 65% | 35% | | $1,191.74 | 51% | 49% | $954.27 | 58% | 42% |
| Jupiter | $740.34 | 91% | 9% | $486.57 | 100% | 0% | X | $1,481.90 | 80% | 20% | $975.36 | 85% | 15% | X | $2,223.46 | 80% | 20% | $1,464.18 | 85% | 15% |
| Lake Worth | $629.65 | 75% | 25% | $470.51 | 100% | 0% | | $1,200.79 | 59% | 41% | $750.59 | 82% | 18% | | $1,667.77 | 62% | 38% | $1,042.46 | 86% | 14% |
| Palm Beach | **$339.99** | **100%** | **0%** | **$280.42** | **100%** | **0%** | | **$374.64** | **75%** | **25%** | **$309.69** | **75%** | **25%** | | **$936.59** | **75%** | **25%** | **$774.22** | **75%** | **25%** |
| Palm Beach County (POS Plan) | $562.47 | 94% | 6% | $514.14 | 97% | 3% | X | $1,149.95 | 81% | 19% | $1,049.03 | 89% | 11% | X | $1,569.11 | 79% | 21% | $1,431.27 | 86% | 14% |
| PBC Sheriff's Office | $648.34 | 89% | 11% | $430.50 | 95% | 5% | X | $1,351.02 | 90% | 1% | $904.06 | 91% | 9% | X | $1,798.16 | 89% | 11% | $1,205.40 | 90% | 10% |
| Palm Beach Gardens | $544.63 | 100% | 0% | $393.69 | 100% | 0% | X | $1,275.63 | 84% | 16% | $1,099.24 | 90% | 10% | X | $1,275.63 | 84% | 16% | $1,099.24 | 90% | 10% |
| Riviera Beach | $449.93 | 100% | 0% | N/R | | | | $1,109.20 | 0% | 100% | N/R | | | | $1,109.20 | 0% | 100% | N/R | | |
| Royal Palm Beach | $423.73 | 80% | 20% | N/A | | | X | $877.11 | 80% | 20% | N/A | | | X | $1,317.59 | 80% | 20% | N/A | | |
| Tequesta | $464.33 | 100% | 0% | N/A | | | | $993.66 | 75% | 25% | N/A | | | | $1,392.98 | 75% | 25% | N/A | | |
| Wellington | $573.21 | 100% | 0% | N/A | | | X | $1,226.68 | 86% | 14% | N/A | | | X | $1,713.94 | 83% | 17% | N/A | | |
| West Palm Beach | $682.43 | 77% | 23% | $380.89 | 95% | 5% | | $785.28 | 65% | 35% | $417.97 | 75% | 25% | | $1,243.25 | 65% | 35% | $728.74 | 75% | 25% |

# Medical Premium Rates
## NOVEMBER 2007

| Organization | RETIREES RETIREE COVERAGE ONLY | | | | | | If Premium rate includes retiree - mark X | RETIREES ONE DEPENDENT ONLY | | | | | | If Premium rate includes retiree - mark X | RETIREES TWO + DEPENDENTS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | PPO - EPO - POS | | | HMO | | | | PPO - EPO - POS | | | HMO | | | | PPO - EPO - POS | | | HMO | | |
| | BEST BENEFIT PLAN | | | LEAST COST PLAN | | | | BEST BENEFIT PLAN | | | LEAST COST PLAN | | | | BEST BENEFIT PLAN | | | LEAST COST PLAN | | |
| | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE |
| Boca Raton | $673.70 | 0% | 100% | $379.86 | 0% | 100% | | $723.06 | 0% | 100% | $420.71 | 0% | 100% | | $1,577.32 | 0% | 100% | $917.86 | 0% | 100% |
| Boynton Beach* | $479.05 | 0% | 100% | $479.05 | 0% | 100% | | $656.74 | 0% | 100% | $501.92 | 0% | 100% | | $860.68 | 0% | 100% | $657.91 | 0% | 100% |
| Delray Beach | $604.13 | 0% | 100% | $555.89 | 100% | 0% | | $1,044.85 | 0% | 100% | $861.62 | 65% | 35% | | $1,191.74 | 0% | 100% | $954.27 | 58% | 42% |
| Jupiter | $740.34 | 0% | 100% | $486.57 | 0% | 100% | X | $1,481.90 | 0% | 100% | $975.36 | 0% | 100% | X | $2,223.46 | 0% | 100% | $1,464.18 | 0% | 100% |
| Lake Worth | $629.65 | 75% | 25% | $470.51 | 100% | 0% | | $1,200.79 | 59% | 41% | $708.88 | 82% | 18% | | $1,667.77 | 62% | 38% | $1,042.46 | 86% | 14% |
| Palm Beach | **$635.54** | **50%** | **50%** | **$538.88** | **50%** | **50%** | | **$706.32** | **50%** | **50%** | **$599.80** | **50%** | **50%** | | **$1,268.29** | **50%** | **50%** | **$1,064.33** | **50%** | **50%** |
| Palm Beach County (POS Plan) | $562.47 | 0% | 100% | $514.14 | 0% | 100% | X | $1,149.95 | 0% | 100% | $1,049.03 | 0% | 100% | X | $1,569.11 | 0% | 100% | $1,431.27 | 0% | 100% |
| PBC Sheriff's Office | $648.34 | 0% | 100% | $430.50 | 0% | 100% | | $702.68 | 0% | 100% | $473.56 | 0% | 100% | | $1,149.82 | 0% | 100% | $774.90 | 0% | 100% |
| Palm Beach Gardens | $544.63 | 0% | 100% | $393.69 | 0% | 100% | X | $1,275.63 | 0% | 100% | $1,099.24 | 0% | 100% | X | $1,275.63 | 0% | 100% | $1,099.24 | 0% | 100% |
| Riviera Beach | $449.93 | 100% | 0% | N/R | | | | $1,109.20 | 0% | 100% | N/R | | | | $1,109.20 | 0% | 100% | N/R | | |
| Royal Palm Beach | $423.73 | 0% | 100% | N/A | | | X | $877.11 | 0% | 100% | N/A | | | X | $1,317.59 | 0% | 100% | N/A | | |
| Tequesta | $422.30 | 0% | 100% | N/A | | | | $993.66 | 0% | 100% | N/A | | | | $1,392.98 | 0% | 100% | N/A | | |
| Wellington | $573.21 | 0% | 100% | N/A | | | X | $1,226.68 | 0% | 100% | N/A | | | X | $1,713.94 | 0% | 100% | N/A | | |
| West Palm Beach | $682.43 | 0% | 100% | $380.89 | 0% | 100% | | $785.28 | 0% | 100% | $417.97 | 0% | 100% | | $1,243.25 | 0% | 100% | $728.74 | 0% | 100% |

# Medical Premium Rates
## NOVEMBER 2007

| Organization | RETIREES RETIREE - MEDICARE | | | | | | If Premium rate includes retiree - mark X | RETIREES MEDICARE - DEPENDENT | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | PPO - EPO - POS | | | HMO | | | | PPO - EPO - POS | | | HMO | | |
| | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE |
| Boca Raton | $673.70 | 0% | 100% | N/A | | | | $723.06 | 0% | 100% | N/A | | |
| Boynton Beach* | $479.05 | 0% | 100% | N/A | | | | $656.74 | 0% | 100% | N/A | | |
| Delray Beach | $691.12 | 0% | 100% | N/A | | | | $512.49 | 0% | 100% | N/A | | |
| Jupiter | $740.34 | 0% | 100% | N/A | | | X | $1,481.90 | 0% | 100% | N/A | | |
| Lake Worth | $629.65 | 0% | 100% | N/A | | | | $470.51 | 0% | 100% | N/A | | |
| Palm Beach | **$339.55** | **50%** | **50%** | **N/A** | | | | **$378.96** | **50%** | **50%** | **N/A** | | |
| Palm Beach County (POS Plan) | $562.47 | 0% | 100% | N/A | | | | $587.48 | 0% | 100% | N/A | | |
| PBC Sheriff's Office | $648.34 | 0% | 100% | N/A | | | | $702.68 | 0% | 100% | N/A | | |
| Palm Beach Gardens | $544.63 | 0% | 100% | N/A | | | X | $1,275.63 | 0% | 100% | N/A | | |
| Riviera Beach | $449.93 | 0% | 100% | N/A | | | | $1,109.20 | 0% | 100% | N/A | | |
| Royal Palm Beach | $423.73 | 0% | 100% | N/A | | | X | $877.11 | 0% | 100% | N/A | | |
| Tequesta | $464.33 | 0% | 100% | N/A | | | | $993.66 | 0% | 100% | N/A | | |
| Wellington | $573.21 | 0% | 100% | N/A | | | X | $1,226.68 | 0% | 100% | N/A | | |
| West Palm Beach | $682.43 | 0% | 100% | N/A | | | | $785.28 | 0% | 100% | N/A | | |

*Boynton Beach's least cost plan is not HMO. It is Blue Options Plan.

N/A = Not applicable

N/R = No response

N\SURVEY BENEFITS\Master Benefit Update 07\Medical Premums Nov-2007 Town Report

# EMPLOYEE INSURANCE BENEFITS

(Dental and Vision Coverage)

| Organization | Total Premium - Employee Only % Paid by Employer / % by Employee | | | | | | Total Premium - Family Coverage: % Paid by Employer / % by Employee | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dental | | | Vision | | | Dental | | | Vision | | |
| | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE |
| Boca Raton | $17.98 | 100% | 0% | $6.17 | 100% | 0% | $56.90 | 0% | 100% | $15.04 | 0% | 100% |
| Boynton Beach | $31.31 | 100% | 0% | $4.34 | 100% | 0% | $56.27 | 12% | 88% | $14.48 | 0% | 100% |
| Delray Beach | $33.82 | 0% | 100% | $6.89 | 0% | 100% | $75.60 | 0% | 100% | $21.80 | 0% | 100% |
| Jupiter | $35.30 | 100% | 0% | $6.50 | 0% | 100% | $69.20 | 80% | 20% | N/R | | |
| Lake Worth | N/R | | | N/R | | | $99.34 | 0% | 100% | $16.10 | 0% | 100% |
| **Palm Beach** | **$38.11** | **100%** | **0%** | **N/A** | | | **$55.16** | **0%** | **100%** | **N/A** | | |
| Palm Beach County | $26.85 | 100% | 0% | N/A | | | N/R | | | N/R | | |
| Palm Beach Gardens | $29.80 | 100% | 0% | $6.50 | 0% | 100% | $65.00 | 100% | 0% | $18.60 | 0% | 100% |
| PBC Sheriff's Office | $27.47 | 100% | 0% | $3.68 | 100% | 0% | $78.33 | 50% | 50% | $14.80 | 25% | 75% |
| Royal Palm Beach | $34.33 | 34% | 66% | $6.50 | 0% | 100% | $62.71 | 28% | 72% | $16.09 | 0% | 100% |
| Wellington | $65.10 | 100% | 0% | $3.92 | 100% | 0% | $72.13 | 85% | 15% | $14.51 | 69% | 31% |
| West Palm Beach | $35.14 | 34% | 66% | $4.48 | 100% | 0% | $85.66 | 57% | 43% | $12.80 | 100% | 0% |

N/A = Not applicable
N/R = No Response

# RETIREE INSURANCE BENEFITS

(Dental, Vision, Rx)

| Organization | Total Premium - Retiree Only<br>% Paid by Employer / % by Retiree | | | | | | Total Premium - One Dependent (does not include Retiree)<br>% Paid by Employer / % by Retiree | | | | | | Prescription Plan | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dental | | | Vision | | | Dental | | | Vision | | | | | |
| | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | $ Prem. | %ER | %EE | Generic | Preferred | Brand |
| **Boca Raton** | N/R | | | N/R | | | N/R | | | N/R | | | N/R | | |
| **Boynton Beach** | $29.96 | 0% | 100% | $4.34 | 0% | 100% | $83.81 | 0% | 100% | $18.82 | 0% | 100% | $5 | $15 | $30 |
| **Delray Beach** | N/R | | | N/R | | | N/R | | | N/R | | | $10 | $20 | $50 |
| **Jupiter** | 38.37 | 0% | 100% | N/R | | | 113.71 | 0% | 100% | N/R | | | $10 | $20 | $40 |
| **Lake Worth** | N/R | | | N/R | | | N/R | | | N/R | | | N/R | | |
| **Palm Beach** | $38.11 | 0% | 100% | N/R | | | $93.28 | 0% | 100% | N/R | | | $5 | $15 | $20 + 50% cost |
| Palm Beach County | N/R | | | N/R | | | N/R | | | N/R | | | N/R | | |
| PBC Sheriff's Office | $27.47 | 0% | 100% | N/R | | | $78.33 | 0% | 100% | N/R | | | $10 | $20 | |
| **Palm Beach Gardens** | $39.47 | 0% | 100% | N/R | | | $91.20 | 0% | 100% | N/R | | | $5 | | $10 |
| **Riviera Beach** | $21.11 | 0% | 100% | N/R | | Disc. | $62.62 | 0% | 100% | N/R | | | $10 | $20 | $30 |
| **Royal Palm Beach** | 14.70 | | 100 | $6.50 | 0% | 100% | N/R | | | $16.09 | 0% | 100% | $15 | $40 | |
| **Wellington** | $65.10 | 0% | 100% | N/R | | | N/R | | | N/R | | | $10 | | $30 |
| **West Palm Beach** | N/R | | | N/R | | | N/R | | | N/R | | | N/R | | |

N/R = No Response

# EMPLOYEE INSURANCE BENEFITS

Medical Insurance - Benefit Structure

| Organization | Medical Insurance: | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Employee Deductible | | | | | Family Deductible | | | | | Employee Only Maximum Out of Pocket | | | | | Family Maximum Out of Pocket | | | | |
| | PPO | EPO | HMO | POS | Oth | PPO | EPO | HMO | POS | Oth | PPO | EPO | HMO | POS | Oth | PPO | EPO | HMO | POS | Oth |
| Boca Raton | $250 | | N/A | $0 | | $500 | | N/A | $0 | | $1,500 | | N/A | 0 | | $6,000 | | N/A | $0 | |
| Boynton Beach | $300 | | N/A | | $0 | $600 | | N/A | | $0 | $1,800 | | $1,500 | | $1,500 | $3,600 | | $4,500 | | $1,500 |
| Delray Beach | $200 | | $0 | $0 | | $600 | | $0 | $900 | | $1,500 | | N/A | $1,000 | | $4,500 | | N/A | $2,000 | |
| Jupiter | $500 | | $0 | | | $1,500 | | $0 | | | $1,500 | | $500 | | | $3,000 | | $1,000 | | |
| Lake Worth | $200 | | $0 | | | N/R | | | | | N/R | | | | | N/R | | | | |
| **Palm Beach** | **$100** | **$500** | **N/A** | | | **$300** | **$1,500** | **N/A** | | | **$1,500** | **$1,500** | | | | **$4,500** | **$4,500** | **$4,500** | | |
| Palm Beach County | $300 | | $0 | $0 | | $600 | | $0 | $0 | | $200 | | 0 | 0 | | $4,000 | | $0 | $0 | |
| Palm Beach Gardens | $200 | | $0 | | $3,500 | $600 | | $0 | | $4,000 | $1,500 | | $1,500 | | $2,000 | $3,000 | | $3,000 | | $4,000 |
| PBC Sheriff's Office | $250 | | | $500 | | $600 | | $0 | | $7,000 | $1,000 | | $1,000 | $1,000 | | N/R | | | | |
| Royal Palm Beach | $0 | | | | $1,500 | | | N/A | N/A | $3,000 | $2,500 | | | | $1,500 | $5,000 | | | | $3,000 |
| Wellington | | | | $0 | | N/R | | | | | | | | $1,500 | | | | | $3,000 | |
| West Palm Beach | $250 | | N/A | $0 | | $600 | | N/A | | | $1,000 | | $1,500 | | | $2,000 | | $3,000 | | |

N/R = No response

N/A = Not applicable

N\Comprehensive Review\Dental-vision +Medical Structure 11-07



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# EMPLOYER PAID LIFE INSURANCE

All responding organizations offer life insurance

| Police<br>Organization | Amount of Insurance Offered | Maximum Offered | Cost per $1,000/mo. | AD & D Offered | Cost of AD & D $1,000/mo. | Comments: |
|---|---|---|---|---|---|---|
| **Boca Raton** | N/R | N/R | N/R | N/R | N/R | $25000 death benefit - insurance thru retirment plan |
| **Boynton Beach** | $35,000 | $35,000 | $0.39 | $35,000 | $0.04 | |
| **Delray Beach** | $40,000 | $40,000 | $0.33 | Yes | $0.03 | |
| **Jupiter** | 2 X Salary | $100,000 | $0.18 | Yes | N/R | Plus state mandates / life insurance |
| **Lake Worth** | $25,000 | $25,000 | EE | Yes | EE | Through AFLAC. Many options ee to choose |
| **PBC Sheriff's Office** | N/R | N/R | N/R | N/R | N/R | |
| **Palm Beach Gardens** | 2 X Salary | $100,000 | $0.16 | Yes | $0.04 | |
| **Royal Palm Beach** | N/R | N/R | N/R | N/R | N/R | |
| **Tequesta** | 1.5 x salary | $150,000 | $0.26 | Yes | $0.03 | In addition to ins required by Florida Statute |
| **Wellington** | N/R | N/R | N/R | N/R | N/R | |
| **West Palm Beach** | 1 x's Salary | $150,000 | $0.23 | Yes | $0.03 | |
| Palm Beach | $100,000 | $100,000 | $0.28 | Yes | $0.04 | Town self-ins. Amt. over 1x Salary |

| Fire<br>Organization | Amount of Insurance Offered | Maximum Offered | Cost per $1,000/mo. | AD & D Offered | Cost of AD & D $1,000/mo. | Comments: |
|---|---|---|---|---|---|---|
| **Boca Raton** | N/R | N/R | N/R | N/R | N/R | $25000 death benefit - benefit thru retirment plan |
| **Boynton Beach** | $35,000 | $35,000 | $0.39 | $35,000 | $0.04 | |
| **Delray Beach** | $40,000 | $40,000 | $0.33 | Yes | $0.03 | |
| **Jupiter** | N/R | N/R | N/R | N/R | N/R | |
| **Lake Worth** | Yes | N/R | N/R | N/R | N/R | Through AFLAC. Mnay options ee chooses |
| **PBC Sheriff's Office** | N/R | N/R | N/R | N/R | N/R | |
| **Palm Beach Gardens** | 2 X Salary | $100,000 | $0.16 | Yes | $0.04 | |
| **Royal Palm Beach** | N/R | N/R | N/R | N/R | N/R | |
| **Tequesta** | 1.5 x salary | $150,000 | $0.26 | Yes | $0.03 | In addition to ins required by Florida Statute |
| **Wellington** | N/R | N/R | N/R | N/R | N/R | |
| **West Palm Beach** | N/R | SAME AS POLICE | N/R | N/R | N/R | |
| **Palm Beach** | $100,000 | $100,000 | $0.28 | Yes | $0.04 | Town self-ins. Amt. over 1x Salary |

| General<br>Organization | Amount of Insurance Offered | Maximum Offered | Cost per $1,000/mo. | AD & D Offered | Cost of AD & D $1,000/mo. | Comments: |
|---|---|---|---|---|---|---|
| **Boca Raton** | N/R | N/R | N/R | N/R | N/R | Benefit thru retirment plan |
| **Boynton Beach** | $10,000 | $50,000 | $0.39 | Yes | $0.04 | |
| **Delray Beach** | VARIES | $100,000 | $0.33 | Yes | $0.03 | Varies by salary class Min 25K to Max 100K |
| **Jupiter** | 2 x salary | $100,000 | $0.18 | Yes | | |
| **Lake Worth** | $25,000 | $40,000 | N/R | N/R | N/R | ee pays over $$25,000 |
| **PBC Sheriff's Office** | N/R | N/R | N/R | N/R | N/R | |
| **Palm Beach Gardens** | 2 X Salary | $100,000 | $0.16 | Yes | $0.04 | |
| **Royal Palm Beach** | 1x | 1x | $0.32 | Yes | $0.04 | Union are 30K, non union 1 x salary |
| **Tequesta** | 1.5 x salary | $150,000 | $0.26 | Yes | $0.03 | |
| **Wellington** | 1xannual | $300,000 | .34/1000 | Yes | .03/1000 | min 25,000/max 300,000 |
| **West Palm Beach** | N/R | Same as Police & Fire | N/R | N/R | N/R | |
| **Palm Beach** | $100,000 | $100,000 | $0.28 | Yes | $0.04 | Town self-ins. Amt. over 1x Salary |

N/R = No Response

# LONG TERM DISABILITY INSURANCE

| Long Term Disability | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Organization** | **To which, if any, employee groups is LTD offered** | **ER Paid** | **Benefits Payments Start** | **Payment Amount** | **Maximum Monthly Amount** | **Cost per $100 of payroll per year** | **Same Occupation coverage** | **Partial Disability Coverage** | **Provide Survivor Benefits** |
| **Boca Raton** | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R |
| **Boynton Beach** | General | Yes | 91st day | 60% | $6,500 | $0.55 | 24 months | Yes | Yes |
| **Delray Beach** | Police, Fire & General | Yes | 61st Day | 60% | $5,000 | $0.63 | No | No | No |
| **Jupiter** | Police & General | Yes | 181st day | 60% | $5,000 | $0.00 | | No | |
| **Lake Worth** | Police, Fire & General | No | N/R | N/R | N/R | N/R | N/R | N/R | N/R |
| **PBC Sheriff's Office** | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R |
| **Palm Beach Gardens** | Police, Fire & General | General EE's | 181st Day | 60% | $5,000 | $0.31 | 2 years same occupation | Yes | Yes |
| **Royal Palm Beach** | General | Yes | 181 st day | 60% | $5,000 | $0.42 | 3 yrs | Yes | Yes |
| **Tequesta** | None | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Wellington** | General | Yes | 180th day | 66.67% | $5,000 | $0.34 | 2 years same occupation | Yes | Yes |
| **West Palm Beach** | General | Yes | 91ST DAY | 66% | $5,000 | $0.41 | 2 years same occupation | Yes | Yes |
| **Palm Beach** | Police, Fire & General | Yes | 181st Day | 66.67% | $5,000 | $0.47 | 2 years same occupation | Yes | Yes |

N/A = Not applicable
N/R = No response

# MEDICAL PLAN COSTS

## Medical Plan Costs From FY 2001 - 2007

| Fiscal Year: | 99/00 | 00/01 | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06 / 07 |
|---|---|---|---|---|---|---|---|---|
| **Claims Paid** | $2,024,528 | $2,304,454 | $2,281,742 | $2,658,126 | $2,880,449 | $3,037,392 | $3,263,040 | $3,444,076 |
| **Fixed Costs** | $618,774 | $708,861 | $733,368 | $908,281 | $998,109 | $1,024,167 | $1,020,948 | $1,036,651 |
| **Total Costs** | $2,643,302 | $3,013,315 | $3,015,110 | $3,566,407 | $3,878,558 | $4,061,559 | $4,283,988 | $4,480,727 |
| **% Increase** | N/A | 14.00% | 0.06% | 18.28% | 8.75% | 4.72% | 5.48% | 4.59% |
| **$ Increase** | N/A | $370,013 | $1,795 | $551,297 | $312,151 | $183,001 | $222,429 | $196,739 |

N/A = Not applicable

# PREMIUM COST SHARING FY 2008

Active Employees

| Covered Group | # In * Group | | Plan Type | Total Monthly Premiums 2008 | PAID BY TOWN $ | PAID BY TOWN % | PAID BY EMPLOYEE $ | PAID BY EMPLOYEE % | **Total Annual Premiums** | **Total Paid Annually by Town** | **Total Paid Annually by Employee** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee | 368 | | PPO 902 | $339.61 | $339.61 | 100% | $0.00 | 0% | **$1,499,717.76** | **$1,499,717.76** | **$0.00** |
| | 2 | | PPO 719 | $302.30 | $302.30 | 100% | $0.00 | 0% | **$7,255.20** | **$7,255.20** | **$0.00** |
| | 13 | | HMO | $290.00 | $290.00 | 100% | $0.00 | 0% | **$45,240.00** | **$45,240.00** | **$0.00** |
| | | # Dependents | | | | | | | | | |
| 1 Dependent | 81 | 81 | PPO 902 | $378.39 | $283.79 | 75% | $94.60 | 25% | **$367,795.08** | **$275,846.31** | **$91,948.77** |
| | 2 | 2 | PPO 719 | $335.26 | $251.45 | 75% | $83.82 | 25% | **$8,046.24** | **$6,034.68** | **$2,011.56** |
| | 4 | 4 | HMO | $323.16 | $242.37 | 75% | $80.79 | 25% | **$15,511.68** | **$11,633.76** | **$3,877.92** |
| 2 Dependents | 89 | 178 | PPO 902 | $756.79 | $567.59 | 75% | $189.20 | 25% | **$808,251.72** | **$606,188.79** | **$202,062.93** |
| | 0 | 0 | PPO 719 | $670.52 | $502.89 | 75% | $167.63 | 25% | **$0.00** | **$0.00** | **$0.00** |
| | 6 | 12 | HMO | $646.32 | $484.74 | 75% | $161.58 | 25% | **$46,535.04** | **$34,901.28** | **$11,633.76** |
| 3+ Dependents | 56 | 168 | PPO 902 | $1,135.18 | $851.39 | 75% | $283.80 | 25% | **$762,840.96** | **$572,130.72** | **$190,710.24** |
| | 0 | 0 | PPO 719 | $1,005.78 | $754.34 | 75% | $251.45 | 25% | **$0.00** | **$0.00** | **$0.00** |
| | 3 | 9 | HMO | $969.48 | $727.11 | 75% | $242.37 | 25% | **$34,901.28** | **$26,175.96** | **$8,725.32** |
| **Total Employees:** | **383** | | | | | | | | | | |
| **Total Dependents:** | | **454** | | | | | | | | | |
| **Total Annual Premiums:** | | | | | | | | | **$3,596,094.96** | | |
| **Total Annual Premiums Paid by Town:** | | | | | | | | | | **$3,085,124.46** | |
| **Total Annual Premiums Paid by Employees:** | | | | | | | | | | | **$510,970.50** |

# PREMIUM COST SHARING FY 2008

Retirees

| Covered Group | # In * Group | | Plan Type | Total Monthly Premiums 2008 | PAID BY TOWN $ | % | PAID BY EMPLOYEE $ | % | **Total Annual Premiums 2008** | **Total Paid by Town** | **Total Paid by Retirees** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Retiree | 66 | | PPO 902 | $635.54 | $317.77 | 50% | $317.77 | 50% | **$503,347.68** | **$251,673.84** | **$251,673.84** |
| | 1 | | PPO 719 | $556.67 | $278.34 | 50% | $278.34 | 50% | **$6,680.04** | **$3,340.02** | **$3,340.02** |
| | 1 | | HMO | $538.88 | $269.44 | 50% | $269.44 | 50% | **$6,466.56** | **$3,233.28** | **$3,233.28** |
| Retiree (Medicare) | 83 | | PPO 902 | $339.55 | $169.78 | 50% | $169.78 | 50% | **$338,191.80** | **$169,095.90** | **$169,095.90** |
| | 1 | | PPO 719 | $295.63 | $147.82 | 50% | $147.82 | 50% | **$3,547.56** | **$1,773.78** | **$1,773.78** |
| | 0 | | HMO | N/A | | | | | | | |
| | | *Dependents | | | | | | | | | |
| 1 Dependent | 29 | 29 | PPO 902 | $706.32 | $353.16 | 50% | $353.16 | 50% | **$245,799.36** | **$122,899.68** | **$122,899.68** |
| | 0 | 0 | PPO 719 | $617.24 | $308.62 | 50% | $308.62 | 50% | **$0.00** | **$0.00** | **$0.00** |
| | 1 | 1 | HMO | $599.80 | $299.90 | 50% | $299.90 | 50% | **$7,197.60** | **$3,598.80** | **$3,598.80** |
| 1 Dependent (Medicare) | 36 | 36 | PPO 902 | $378.96 | $189.48 | 50% | $189.48 | 50% | **$163,710.72** | **$81,855.36** | **$81,855.36** |
| | 0 | 0 | PPO 719 | $329.36 | $164.68 | 50% | $164.68 | 50% | **$0.00** | **$0.00** | **$0.00** |
| | 0 | 0 | HMO | N/A | | | | | | | |
| 2 Dependents | 2 | 4 | PPO 902 | $1,080.97 | $540.49 | 50% | $540.49 | 50% | **$25,943.28** | **$12,971.64** | **$12,971.64** |
| | 0 | 0 | PPO 719 | $950.04 | $475.02 | 50% | $475.02 | 50% | **$0.00** | **$0.00** | **$0.00** |
| | 0 | 0 | HMO | $909.49 | $454.75 | 50% | $454.75 | 50% | **$0.00** | **$0.00** | **$0.00** |
| 3 Dependents | 3 | 9 | PPO 902 | $1,455.60 | $727.80 | 50% | $727.80 | 50% | **$52,401.60** | **$26,200.80** | **$26,200.80** |
| | 0 | 0 | PPO 719 | $1,282.83 | $641.42 | 50% | $641.42 | 50% | **$0.00** | **$0.00** | **$0.00** |
| | 0 | 0 | HMO | $1,219.17 | $609.59 | 50% | $609.59 | 50% | **$0.00** | **$0.00** | **$0.00** |
| **Total Retirees:** | **152** | | | | | | | | | | |
| **Total Dependents:** | | **79** | | | | | | | | | |
| **Total Annual Premiums:** | | | | | | | | | **$1,353,286.20** | | |
| **Total Annual Premiums Paid by Town:** | | | | | | | | | | **$676,643.10** | |
| **Total Annual Premiums Paid by Retirees:** | | | | | | | | | | | **$676,643.10** |

## Options for Cost Savings

**Option for Cost Saving:**
Continue the present policy of cost sharing medical premiums with current retirees and employees and eliminate cost sharing for all new employees when they retire.

**Cost Saving:**
Cost savings will begin to occur when the first new hires start retirement, which will begin within 20 years from implementation and will be fully implemented in about 30 years. Based on today's premium costs, the savings would reach an estimated $360,000.

**Comments**:
The premium costs to new employees at retirement will be actuarially established at the maximum allowed by State Statute 112.0801.

By implementing this change with new employees, there is ample time for the employees to prepare themselves for future insurance costs. Many public employers have programs that provide for insurance costs at retirement. For example Palm Beach County (all employees), PBC Sheriff's Office (all employees), Jupiter, Royal Palm Beach and Wellington (Police and Fire), Palm Beach Gardens, and Delray Beach (general employees) all provide a stipend for retirees to help pay medical insurance premiums at retirement. This stipend is equal to $5 per month for every year of service, therefore an employee who works 20 years will receive $100/month for use to pay medical premiums. The stipend has a maximum of $150 per month. West Palm Beach provides a Voluntary Employees' Beneficiary Association (VEBA) to it's employees to prepare for medical costs at retirement. A VEBA is a tax-exempt health care trust which employees and employer contribute to. Other tax advantaged health savings accounts are used by employers to provide employees means to prepare for health care costs in retirement.

Any reduction to the costs paid by the Town towards retiree medical insurance will create a reduction to the Town's Other Post-Employment Benefits (OPEB) liability. This cost reduction would be determined by an actuarial assessment.

**Option for Cost Saving:**
Freeze the premium amount currently paid by the Town for each retiree's and dependent's coverage and continue this for current employees. Eliminate premium payments made by the Town for new employees when they retire.

**Cost Saving:**
Eliminates ongoing increases to the Town's costs due to medical inflation (currently, the Town's average annual increase is approximately 5%). Savings would ultimately reach $360,000 per year based on current premiums.

**Comments**:
Rising costs to medical premiums would be passed on to the retirees as they occur.

**Option for Cost Saving:**
Increase the percentage of the premium to be paid by retirees in annual increments over ten years until reaching 100% of the maximum chargeable.

**Cost Saving:**
Approximately $36,000 in 2009 to $360,000 in 2018.

**Comments**:
The percentage of premiums paid by retirees would increase to 55% in 2009 and in 5% increments each year until 2018, at which time the retirees would become responsible for 100% of the maximum chargeable premium. Incremental annual increases would have a lesser financial impact on retirees than an immediate large increase.

**Option for Cost Saving:**
Increase the percentage of the premium to be paid by retirees based on the retiree's pension amount.

**Cost Saving:**
Depends on the pension formula and percentage of the premium passed to retirees.

**Comments**:
Basing the retiree's premium rate on the retiree's pension amount would have less of an impact on the take home portion of the retirees' pensions than if the premium rate was increased an equal amount across the board.
One example would be for retirees with a pension of $1,500 to $1,999 per month to pay 60% of the chargeable premium; retirees with pensions of $2,000 to $2,499 to pay 70% of the chargeable premium; up to retirees receiving pensions of $3,500 per month or more who would pay 100% of the chargeable premium.

**Option for Cost Saving:**
Establish some future date at which time the Town will charge all retirees 100% of the maximum chargeable premium. To keep the retiree medical program competitive, provide a monthly stipend of $5 per month for each full year of service with the Town, up to a maximum of 30 years of service, or $150.00.

**Cost Saving:**
Immediate first year savings, based on the current retires, will be approximately $94,000. Because the stipend is a fixed amount (based on years of service) the savings will increase as medical premiums increase over the years.

**Comments**:
The premium costs charged to retirees would be the maximum allowed by State Statute 112.0801. If the Town charges retirees 100% of their medical premiums, it should consider a form of financial assistance, the most common of which is $5 per month per year of service, with a maximum cap of $150.00. This particular stipend is part of the Florida Retirement System and is provided by Palm Beach County (all employees), PBC Sheriff's Office (all employees), Jupiter (Fire- Rescue), Royal Palm Beach (Fire-Rescue and Police), Palm Beach Gardens (General employees) and Delray Beach (General employees). The estimated savings is based on an average of 20 years of service, which is representative of the 53 retirements that have occurred over the past five years. Savings realized by using a fixed dollar stipend as opposed to a percentage of the medical premiums will increase as the costs of medical premiums increase.

**Option for Cost Saving:**
Establish some future date at which time the town will charge all current and future retirees 100% of the maximum premium allowed by State Statute.

**Cost Saving:**
$360,000 per year based on current premium costs.

**Comments**:
Based on the date selected for implementation, current employees will be provided with prior notification of the proposed change. This will allow them to better prepare themselves financially for assuming the full cost of the medical premiums at retirement. Full savings to the Town will be realized once the new charges are implemented.

**Option for Cost Saving:**
Offer a Medicare supplement to all retirees age 65 and over in lieu of the Town's current health plan.

**Cost Saving:**
Will be calculated upon further review, if the Town Council desires.

**Comments**:
The Town would have the option of funding all, a portion of, or none of the supplemental plan premium which would be the secondary payer to Medicare.

**Option for Cost Saving:**
Charge employees 10% of employee medical premium.

**Cost Saving:**
$156,259

**Comments**:
The cost savings of $156,259 assumes that all employees participate in the PPO 902 plan.

Currently, the Town pays 100% of the employees' cost towards medical insurance premiums. The November 2007 review of market employers indicates that half of the 14 employers surveyed charge employees a portion of the employee premium (from 4% to 59%), and half of the employers (including the Town) pay 100% of the employee premium.

The Town's benefits policy regarding external competitiveness has been set at the top quartile of the labor market. Implementation of this option would lower the Town's position out of the top quartile for this major benefit.

**Option for Cost Saving:**
Modify the plan benefits to the current medical plans offered (both PPOs and the HMO)

**Cost Saving:**
Up to $160,700

**Comments**:
Savings in the Town's medical insurance plan can be realized by modifying plan benefits that will not only maintain the high level of benefits offered by the Town but would also maintain the Town's competitiveness in the market area.

An example of this type of change, including anticipated annual cost savings, is shown below:

| PPO 902: | Current Benefit: | Alternate Benefit: |
|---|---|---|
| Life time maximum | $2m | $5m |
| Deductible | $100 | $200 |
| Office Visit Co Pay | $15 | $20 |
| Specialist Co Pay | $15 | $30 |
| RX | $5/$15/$20 + 50% | $10/$20/$30 + 50% |

Savings: $150,000

| PPO 719 | Current Benefit: | Alternate Benefit: |
|---|---|---|
| Life time maximum | $2m | $5m |
| Specialist Co Pay | $25 | $35 |
| RX | $10/$20/$30 + 50% | $10/$25/$40 + 50% |

Savings: $ 700

| HMO: | Current Benefit: | Alternate Benefit: |
|---|---|---|
| Inpatient Hospital Co Pay | $250 | $500 |
| ER Co Pay | $50 | $100 |
| Office Visit Co Pay | $10 | $15 |
| Specialist Co Pay | $10 | $30 |
| Office Surgery Co Pay | $10 | $75 |
| RX | $5/$15/$20 + 50% | $10/$20/$30 + 50% |

Savings: $ 10,000

Total Savings: $160,700

**Option for Cost Saving:**
Offer Health Savings Accounts (HSAs) to new and/or current employees as an alternative to the current medical insurance plan.

**Cost Saving:**
Will be calculated upon further review, if the Town Council desires.

**Comments**:
Individuals participating in high deductible health plans are allowed to make tax deductible contributions to an HSA to fund lifetime medical needs. Eligibility is limited to individuals participating in plans that assess an annual deductible of at least $1,100 for individuals and $2,200 for families (as indexed for 2007) and a maximum out-of-pocket limit of no more than $5,500 for single coverage and $11,000 for family coverage.

**Option for Cost Saving:**
Adjust the current life insurance schedule to a flat $50,000 benefit per employee for new and/or current employees.

**Cost Saving:**
$20,000

**Comments**:
The Town's benefits policy regarding external competitiveness has been set at the top quartile of the labor market, which is where it is currently positioned. Adjusting this benefit would have a negative impact on the competitiveness of the Town's overall benefit package.

**Option for Cost Saving:**
Convert the current Long Term Disability program to a core-buy-up program for new and/or current employees**.**

**Cost Saving:**
$46,000

**Comments**:
The employer-sponsored base plan would be set at 66 2/3% of the employee's pay, up to $2,500, with the employee's buy-up portion set at 66 2/3% of pay, up to $7,500.

**Option for Cost Saving:**
Self-Fund the Town's dental insurance program.
**Cost Saving:**
$57,000
**Comments**:
The Town currently purchases dental insurance through Ameritas Group and pays 100% of the employee premium costs and none of the dependent premium costs. The most recent insurance dental benefit survey indicates that eight or 73% of the public sector employers in the market area pay 100% of the employee dental premiums and seven or 64% pay a portion of the dependent premiums. The Town pays 100% or the employee's dental premium and 0% of the dependents premium.
Dental insurance is the most predictable of the insurance benefits offered by employers. Annual cost trends run approximately 5% to 6%. By self-funding the dental plan, the Town would have better control of plan benefits and would eliminate profits made by the insurance company, with limited risk to the Town.

**Option for Cost Saving:**
Implement a Cafeteria Employee Benefit Plan.
**Cost Saving:**
Will be calculated upon further review, if the Town Council desires.
**Comments**:
The most common type of full-fledged cafeteria plan offers a basic core of benefits to all employees, plus a second layer of optional benefits that permits employees to choose which benefits they wish to add to their basic benefits. The optional benefits are "purchased" with dollars or credits that are provided to employees as part of the benefit package. If these credits are inadequate to purchase the desired benefits, the employee can make additional purchases with after-tax contributions or with before-tax reductions under a premium-conversion plan and/or a Flexible Savings Account.

An example of a core-plus plan may include the following basic benefits:
- term life insurance to one times annual salary
- disability income insurance
- two to four weeks vacation

Flexible credits (equal to between 3% and 6% of salary, depending on length of service) can then be used to purchase additional, or "optional" benefits. Optional benefits can include the following:
- an array of medical expense options
- additional life insurance up to 4 ½ times annual salary
- dental insurance for the employee and dependents
- up to two weeks additional vacation time
- cash

Modular, or pre-designed, cafeteria plans provide the employee with a choice of several pre-designed benefit packages. Typically, at least one of the packages can be selected without any employee cost. If an employee selects a more expensive package, he or she will be required to contribute to the cost of the package. Some employers may also include a bare-bones benefit package, which results in cash being paid to an employee who selects it. Modular plans are growing in popularity because adverse selection can be more easily controlled under modular plans than under core-plus plans. Adverse selection results when employees who are more likely to have claims pick the benefits that will minimize their out-of-pocket costs. Under a modular plan, options are fewer than under a core-plus plan, limiting the likelihood of adverse selection. Modular plans are also easier to administer and communicate to employees.

Please note that no municipal employer in Palm Beach County offers a Cafeteria Benefit Plan.

# Pensions

## Description of Program

In 1947, the Town's Employee Retirement System was established by ordinance. From 1947 to 2000, there was one retirement system with one Board of Trustees, which was administered by the Town. Over the years, there have been changes to the system, including:

- 2000-2004 - Separate systems for Public Safety (Police and Fire) and General Employees
- 2004 -Current - Separate Police, Fire, and General Employee retirement systems.

For many years, all administrative responsibilities were handled by Town staff. In 2004, the Police and Fire systems elected to outsource the administration of their respective plans to the Pension Resource Center in Palm Beach Gardens, Florida. Even though the outsourcing has taken place for these two plans, the HR department still maintains administrative responsibilities for all retiree benefits and required census reports, and also provides assistance to the outside administrator by continuing to provide help to employees and retirees with their retirement related questions and issues. The Finance Department also continues to perform certain required reporting functions on behalf of all three plans, while providing a full array of financial management services only to the General Employees Retirement System.

Retirement Benefits are among the most common employee benefits offered by employers. Nearly half of all benefit spending by employers goes to retirement benefits, and employees rate retirement benefits as the second most important employee benefit, after health insurance.

There are several specific types of plans available to meet various retirement-planning objectives:

Defined Benefit Plan
A defined benefit plan specifies the benefit in terms of a formula which may state the benefit in terms of a percentage of earnings measured over a period of time or based on years of service. Employer contributions to the plan are determined actuarially. This type of plan may or may not require employee contributions.

Of the 13 employers surveyed in Palm Beach County, all offer one or more defined benefit retirement plans to their employees.

Cash-Balance Pension Plan
In a cash-balance plan, each participant has an "account" which increases annually as a result of two types of credits: a compensation credit based on the participant's compensation and an interest credit equal to a guaranteed rate of interest. As a result of the guarantee, the participant does not bear the investment risk. Unlike defined-benefit formulas, the plan deposits are not based on age, and younger employees receive the same benefit accrual as those hired at older ages. The plan is funded by the employer on an actuarial basis. The plan fund's actual rate of

investment return may be more or less than the guaranteed rate and employer deposits are adjusted accordingly.

Target-Benefit Pension Plan

A target plan uses a benefit formula like that of a defined-benefit plan. However, a target plan is a defined-contribution plan and, therefore, the benefit consists solely of the amount in each employee's individual account at retirement. Initial contributions to a target plan are determined actuarially, but the employer does not guarantee that the benefit will meet the target level, so the initial contribution level is not adjusted to reflect actuarial experience. Like a defined-benefit plan, a target-benefit plan provides a relatively higher contribution on behalf of employees entering the plan at older ages.

Money-Purchase Pension Plan

A money-purchase pension plan is a defined-contribution plan that is in some ways the simplest form of a qualified plan. The plan simply specifies a level of contribution to each participant's individual account. For example, the plan might specify that the employer will contribute each year to each participant's account an amount equal to 10 percent of that participant's compensation for the year. The participant's retirement benefit is equal to the amount in the account at retirement. Thus, the account reflects not only the initial contribution level, but also any subsequent favorable or unfavorable investment results obtained by the plan fund. The term "money purchase" arose because in many such plans, the amount of the participant's account at retirement is not distributed in a lump sum but rather is used to purchase a single or joint life annuity for the participant.

Cash or Deferred Plan

A cash or deferred plan, like a 401(k) plan, is a plan allowing employees to choose (within limits) to receive compensation either as current cash or as a contribution to a qualified plan. The amount contributed to the plan is not currently taxable to the employee. Such plans have become popular because of their flexibility and tax advantages. However, such plans must include restrictions that may be burdensome to the employer or the employees. The most significant restrictions are a requirement of immediate vesting for amounts contributed under the employee election, and restrictions on distribution of these amounts to employees prior to age 59 ½.

Most qualified pension plans are funded by the employer. Pension plans requiring contributions by employees are referred to as contributory plans. Many employers believe that retirement plan benefits are appreciated more by employees if the employees themselves contribute toward their cost.

Unlike traditional defined benefit pensions, most of which provide a regular payment to retirees, retirement savings in defined contribution 401(k)-type plans are usually distributed as a lump sum. As a result , it is up to retirees to manage their savings. Some purchase annuities on the open market, but the prices for such products are generally quite high and are significantly affected by interest rate fluctuations and other factors.

Purchasing an annuity adds another level of complication to retirement. Employees must not only plan out their investment strategies but also purchase annuities at the right time. Waiting a few months can mean the difference of hundreds of dollars in their monthly annuity income if interest rates change.

As employers consider offering annuities to boost workers' retirement security, many are looking for a broader range of products, from simple, institutionally priced immediate and deferred annuities at retirement to flexible, portable in-service annuities. It's to employers' advantage to help ensure employees have sufficient retirement income. Otherwise, they may see a generation of workers who cannot afford to retire. Having enough to live on and not outliving one's savings are the primary concerns of most retirees. Actively managing lump sums is a huge challenge, even for advanced investors.

The Town's retirement plans provide a greater degree of certainty and stability by providing retirees with a deferred income (pension) that accumulates during their working lives and belongs to them after a specified number of years. The Town's retirement plans (Police, Firefighters, and General Employees) are based on a reward philosophy, which views pensions primarily as a way to retain personnel by rewarding them for staying with the organization until they retire.

The Town's retirement plans, like most other governmental plans, are defined benefit and contributory (contributions are made jointly by employees and the Town). The Town's retirement plans adhere to certain standards and controls for pension plans, including meeting minimum funding requirements and actuarial soundness.

The Town also offers a 457 deferred-compensation program to its employees, which allows employees to voluntarily save a portion of their salary (without a Town match) through pre-tax payroll deduction. The returns of this plan depend on how much money the employee contributes and the rate of return on their investment.

## Funding History of Town Pension Plans

### Trust Funds - Retirement Trusts (600, 606, 607)

All participants in each of the Town's three retirement programs contribute a portion of their salary (ranging from 6.47% to 7.21%) to the applicable retirement trust fund. The Town is obligated to fund the balance of each plan's costs based upon annual actuarial valuations. The Town Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The actuarially determined contribution for all Town funds for FY2008 increased by $674,018. This increase was due to the final year of "smoothing" investment losses in the funds from FY2002 and wage increases that have been higher than the actuary's assumption. Investment performance has improved since FY2003. The gains recorded from 2003 to the present should stabilize or decrease the employer funding in

future years unless the funds experience large investment losses again. The chart below identifies the target rates versus the actual returns for each of the plans since 2001.

| | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 |
|---|---|---|---|---|---|---|---|
| **Target Return** | **8%** | **8%** | **8%** | **8%** | **8%** | **8%** | **8%** |
| **General Employees & Lifeguards** | -5.62% | -10.17% | 17.94% | 11.13% | 12.41% | 7.47% | 13.95% |
| **Police** | -5.75% | -9.50% | 17.60% | 10.20% | 10.90% | 9.50% | 14.60% |
| **Firefighters** | -5.75% | -9.50% | 17.60% | 10.20% | 10.90% | 9.40% | 14.40% |

An analysis of retirement funding cost and the funded ratio for the retirement plans is shown below and on the following page. Town contributions have increased by 581% since FY2002 and the funded ratio for each of the plans has declined from over 100% funded to 77 - 88% funded. The Town is monitoring this closely and making the actuarially required contributions to the plan.

**Employer Contribution increase**
**FY2007 vs FY2008**

| | FY2007 | FY2008 | Change | % Change |
|---|---|---|---|---|
| **General Employee** | $2,296,302 | $2,488,986 | $192,684 | 8.4% |
| **Lifeguards** | 118,863 | 125,916 | 7,053 | 5.9% |
| **Police** | 2,158,494 | 2,366,346 | 207,852 | 9.6% |
| **Fire-Rescue** | 2,258,786 | 2,525,215 | 266,429 | 11.8% |
| **Total** | $6,832,445 | $7,506,463 | $674,018 | 9.9% |

The trend in Town retirement funding in total and per employee totals since FY2002 is shown on the two following charts:

**Total Employer Funding**
**FY2002 - FY2008**

| | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|---|---|---|
| **General** | $516,344 | $893,843 | $1,475,454 | $1,705,300 | $1,919,026 | $2,296,302 | $2,488,986 |
| **Lifeguards** | 41,336 | 58,142 | 44,204 | 76,252 | 87,955 | 118,863 | 125,916 |
| **Police** | 310,756 | 452,334 | 1,106,450 | 1,395,026 | 1,652,583 | 2,158,494 | 2,366,346 |
| **Fire-Rescue** | 233,590 | 337,218 | 822,201 | 1,116,151 | 1,351,449 | 2,258,786 | 2,525,215 |
| **Total** | $1,102,026 | $1,741,537 | $3,448,309 | $4,292,729 | $5,011,013 | $6,832,445 | $7,506,463 |

**Employer Funding Per Employee**
**FY2002 - FY2008**

| | Y08 # of Emp. | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|---|---|---|---|
| **General** | 222 | 2,437 | 4,134 | 6,871 | 7,822 | 8,417 | 10,014 | 11,179 |
| **Lifeguards** | 9 | 4,134 | 6,497 | 4,912 | 8,472 | 8,796 | 13,207 | 13,991 |
| **Police** | 77 | 4,638 | 6,751 | 16,271 | 19,023 | 21,462 | 28,032 | 30,732 |
| **Fire-Rescue** | 76 | 3,959 | 5,439 | 12,458 | 15,945 | 17,782 | 29,335 | 33,227 |

Since FY2000 the funded ratio for the each of the pension plans has decreased from a high of 112% - 125% to the current funding level of between 77% to 88%. The trend is shown in the chart below:

| As of Fiscal Year End | FY2000 | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 |
|---|---|---|---|---|---|---|---|
| **General & Lifeguards** | 125% | 115% | 99% | 95% | 91% | 87% | 88% |
| **Police** | 112% | 97% | 93% | 92% | 85% | 85% | 86% |
| **Fire-Rescue** | 112% | 97% | 93% | 87% | 85% | 77% | 77% |

## Survey of Local Public Sector Market

The Town's retirement system consists of closely managed, highly competitive plans that historically have helped to attract and retain a high caliber and talented group of employees to serve the Town of Palm Beach residents.

In November 2007, the Town conducted a survey of municipal retirement plans in Palm Beach County to reflect current competitiveness data after the first round of cuts in this era of statewide property tax reform in Florida.

The results of the November 2007 survey are presented on the following pages.

## Retirement Plan Type

| | | | Police | | | Fire | | | General | | | Defined Contribution Plans<br>Basis of calculating Employer's contribution | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Organization** | **Florida State Retirement System** | **Mandatory Particpation** | **Defined Contribution** | **Defined Benefit** | **Both** | **Defined Contribution** | **Defined Benefit** | **Both** | **Defined Contribution** | **Defined Benefit** | **Both** | **Police** | **Fire** | **General** |
| **Boca Raton** | No | Y | | X | | | X | | | X | | N/A | N/A | N/A |
| **Boynton Beach** | No | Y | | X | | | X | | | X | | N/A | N/A | N/A; A/D |
| **Delray Beach** | No | Y | | X | | | X | | | | | N/A | N/A | N/A |
| **Jupiter** | General & Fire - See Note | Y | | X | | | | X | | | X | Actuarially Determined | N/R | N/R |
| **Lake Worth** | No | Y | | X | | | X | | | X | | N/A | N/A | N/A |
| **Palm Beach** | No | Y | | X | | | X | | | X | | N/A | N/A | N/A |
| **PBSO** | Police & Gen. | Y | | | X | N/A | N/A | N/A | | | X | N/R | N/A | N/A |
| **Palm Beach Gardens** | General | N | | X | | | X | | | | X | N/A | N/A | Currently matches same % the City is contributing towards those in the FRS plan. |
| **Royal Palm Beach** | See Note | Y | | | X | | | X | X | | | N/R | N/R | N/R |
| **Tequesta** | No | Y | | X | | | X | | | X | | N/A | N/A | N/A |
| **Wellington** | See Note | Y | | | X | | | X | X | | | N/R | N/R | 0-9yrs service = 7.5%<br>10+yrs service = 10%<br>Defined Contribution |
| **West Palm Beach** | No | Y | | X | | | X | | X | | | N/R | N/R | 7.5% on base salary |

NOTE: Jupiter (County Fire); Royal Palm Beach (County Fire & PBSO); Wellington (County Fire & PBSO.)

N/A = Not applicable
N/R = No response

# Employee Contributions
# FY 2008

| Organization | Ee Contribution Required | % Contributed by Employee: | | | Comments |
|---|---|---|---|---|---|
| | | Police | Fire | General | |
| **Boca Raton** | Yes | 9.73% | N/R | 7.65% | N/R |
| **Boynton Beach** | Yes | 8.00% | 12.00% | 7.00% | N/R |
| **Delray Beach*** | Yes | 3.00% | 3.00% | 2.50% | *3% for 3% mult. 6% for 3.5% mult. |
| **Jupiter** | Yes See Note | 7.56% | 0.00% | 0.00% | N/R |
| **Lake Worth** | No | 7.06% | N/R | 7.85% | N/R |
| **Palm Beach** | Yes | 6.98% | 6.82% | 6.47% | N/R |
| **PBC Sheriff's Office** | No | 0.00% | N/A | 0.00% | N/R |
| **Palm Beach Gardens** | Yes | 8.61% | 6% | 4.00% | Fire - & an additional 2% comes from the Share Account --FRS 0% 401A 4% |
| **Royal Palm Beach** | No - See Note | 0.00% | 0.00% | 5.00% | Police-Fire Contract (FRS) General Employee Choice 0-5% |
| **Tequesta** | No | 0.00% | 0.00% | 0.00% | N/R |
| **Wellington** | No - See Note | 0.00% | 0.00% | 0.00% | Police-Fire Contract (FRS) General Employee Choice 0-5% |
| **West Palm Beach** | Yes | 7.00% | 15.20% | 7.50% | N/R |

* Delray employee contribution is 3% for the 3% multiplier, and 6% for the 3.5% multiplier.

**NOTE**: Jupiter (County Fire); Royal Palm Beach (County Fire & PBSO); Wellington (County Fire & PBSO.)

N/A = Not applicable

N/R = No response

# Vesting and Final Average Compensation

| | Vesting Period | | | Pay Included in Final Average Compensation | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Police | | | | | | | | | Fire | | | | | | | | | General | | | | | | | | |
| Organization | Police | Fire | General | Base | Longevity Pay | COLA | Time off Pay | Overtime | Special Detail | Shift Premiums | Edu.Incentive | Accum. Leave | Base | Longevity Pay | COLA | Time off Pay | Overtime | Special Detail | Shift Premiums | Edu.Incentive | Accum. Leave | Base | Longevity Pay | COLA | Time off Pay | Overtime | Special Detail | Shift Premiums | Edu.Incentive | Accum. Leave |
| **Boca Raton** | 10 | 10 | 10 | X | X | | X | X | | | | X | X | X | | X | X | | | | X | X | | | | | | | | X |
| **Boynton Beach** | 5 Years | 10 Years | 5 Years | X | | | X | X | | X | | X | X | | | X | X | | X | | X | X | | | X | X | | X | | X |
| **Delray Beach** | 10 yrs | 10 yrs | 5yr- 50% 10yr-100% | X | | | X | | | | | | X | | | X | | | | | | X | | | X | | | | | |
| **Jupiter*** | 10 years | 1 yr D/C & 6yrs D/B | 1 yr D/C & 6yrs D/B | X | X | | | | | | | | X | X | X | X | X | | X | | | X | X | X | X | X | | X | | |
| **Lake Worth** | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R |
| **Palm Beach** | 10 years | 10 years | 10 years | X | X | X | X | X | X | X | X | | X | X | X | X | X | X | X | X | | X | X | X | X | X | | | | |
| **PBSO** | 1 yr D/C & 6yrs D/B | N/A | 1 yr D/C & 6yrs D/B | X | X | X | X | X | | X | | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | X | X | X | X | X | | X | | |
| **Palm Beach Gardens** | 20 years of credited service or 10yrs & age 52 | 10 yrs & age 52 | 1 yr D/C & 6yrs D/B | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | | X | | |
| **Royal Palm Beach*** | 1 yr D/C & 6yrs D/B | 1 yr D/C & 6yrs D/B | 6 yrs | X | X | X | X | X | | X | | | X | X | X | X | X | | X | | | X | | X | X | X | | | | |
| **Tequesta** | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R | N/R |
| **Wellington*** | 1 yr D/C & 6yrs D/B | 1 yr D/C & 6yrs D/B | 3 years | X | X | X | X | X | | X | | | X | X | X | X | X | | X | | | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **West Palm Beach** | 10 years | 1 year | 6 months | X | X | | X | Cap 400 Hrs | | | X | | X | X | | X | | | | X | | X | | | | | | | | |

*NOTE: Jupiter (County Fire); Royal Palm Beach (County Fire & PBSO); Wellington (County Fire & PBSO.)

N/A = Not applicable

N/R = No response

N\SURVEY BENEFITS\ Master Benefits Update 07\REPORT RETIREMENT 11-14-07

# FINAL AVERAGE COMPENSATION AND MULTIPLIER

| Organization | Calculation Used for Final Average Compensation - FAC | | | Pension System % Multiplier | | | |
|---|---|---|---|---|---|---|---|
| | Police | Fire | General | Police | Fire | General | Comments |
| **Boca Raton** | Highest 2 years | Highest 2 years | Highest 2 consecutive years in last 5 | 3.50% | 3.50% | 3.00% | N/R |
| **Boynton Beach** | Highest 5 years in last 10 | Highest 3 years in last 10 | Highest 5 consecutive years in last 10 | 3.50% | 3.00% | 3.00% | N/R |
| **Delray Beach** | Highest 3 years | Highest 3 years | Highest 5 years | 3.50% | 3.50% | N/R | EE choice 3% or 3.5% |
| **Jupiter** | Highest 3 years in last 10 | Highest 5 years in last 10 (County Fire) | Highest 5 years in last 10 | 3.00% | 3.00% | 1.60% | Fire = County, Gen are in FRS, Mgt. = 2% |
| **Lake Worth** | Highest 2 consecutive years in last 10 | N/R | Highest 2 consecutive years in last 10 | 3.00% | 3.00% | 3.00% | N/R |
| **Palm Beach** | Highest 2 consecutive years in last 5 | Highest 2 consecutive years in last 5 | Highest 2 consecutive years in last 5 | 3.50% | 3.50% | 2.75% | N/R |
| **PBC Sheriff's Office** | Highest 5 years in last 10 | No Fire | Highest 5 years in last 10 | 3.00% | N/A | 1.60% | FRS |
| **Palm Beach Gardens** | Last 5 years | Average of 5 in last 10 years | Highest 5 years | 3.50% | 3.00% | 1.60% | N/R |
| **Royal Palm Beach** | Highest 5 years in last 10 (PBSO) | Highest 5 years in last 10 (County Fire) | N/A | 3.00% | 3.00% | N/A | Police-Fire PBC |
| **Tequesta** | Highest 5 years in last 10 | Highest 5 years in last 10 | Highest 5 years in last 10 | See Note | See Note | 2.00% | N/R |
| **Wellington** | Highest 5 years in last 10 (PBSO) | Highest 5 years in last 10 (County Fire) | N/A | 3.00% | 3.00% | N/A | Police-Fire PBC |
| **West Palm Beach** | Highest 3 years | Highest 2 years | D/C plan | 3.00% | 4.00% | N/A | N/R |

Note: Tequesta Public Safety pension multiplier varies as follows:

3.0% -- first 6 years
3.5% -- next 4 years
4.0% -- next 5 years
3.0% -- next 6 years
2.0% -- next 4 years
3.0% -- all yrs. After 25.
*(Aver. Mult. At 15 yrs = 3.47% and at 25 yrs = 3.12%)*

N/A = Not applicable
N/R = No response

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# Post Retirement Benefits

| Organization | Health Care Benefit | | | Share Account | | Cost of Living Adjustment | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Police | | | Fire | | | General | | |
| | Police | Fire | General | Police | Fire | Starts | Rate | Comments | Starts | Rate | Comments | Starts | Rate | Comments |
| **Boca Raton** | No | No | No | No | N/R | At retirement | 2% | N/R | At retirement | 2% | N/R | At retirement | 2% | N/R |
| **Boynton Beach** | No | No | No | No | No | After 5 years | 2% | annually after start | None | | Monthly Supplement | None | N/A | Monthly Supplement |
| **Delray Beach** | RHS Plan | RHS Plan | RHS Plan | No | N/R | at 25 years | 2.50% | Flexible 1%-4% COLA | at 25 years | 2.50% | Flexible 1%-4% COLA | at 25 years | 2.50% | Flexible 1%-4% COLA |
| **Jupiter** | No | No | No | No | N/R | None | N/A | Supp. Retire. Benefit $100-$150/month | Retirement | 3% | Monthly Supplement | Retirement | 3% | Monthly Supplement |
| **Lake Worth** | No | No | No | Yes | N/R | At retirement | 2.50% | N/R | Retirement | 2.50% | N/R | At retirement | 2.50% | N/R |
| **Palm Beach** | (Voluntary) RHS Plan & 50% premium offset | (Voluntary) RHS Plan & 50% premium offset | (Voluntary) RHS Plan & 50% premium offset | No | Yes | 3 years | 2% | 2% each year componded | 3 years | 2% | 2% each year componded | 3 years | 2% | 2% each year componded |
| **PBC Sheriff's Office** | No | No | No | No | N/A | At retirement | 3% | Monthly Supplement | N/A | N/A | N/A | At retirement | 3% | Monthly Supplement |
| **Palm Beach Gardens** | Yes-Supplemental benefit of $12.50/mth per yr/service | No | No | No | Yes | At retirement | Based on fund investment return | FL Statute 185 receipts monthly Supplement | Age 55 | 1% of the prior year's benefit for those who are 53, 2% for those age 54 & 4% for those who are 55 or older | FL Statute 185 receipts monthly Supplement | Age 55 | 3% | FL Statute 185 receipts monthly Supplement |
| **Royal Palm Beach** | No | N/R | N/R | N/R | N/R | At retirement | 3% | Monthly Supplement | Retirement | 3% | Monthly Supplement | N/A | N/A | N/A |
| **Tequesta** | No | No | No | No | N/R | At retirement | 3% | Monthly Supplement | Retirement | 3% | Monthly Supplement | At retirement | 3% | Monthly Supplement |
| **Wellington** | No | N/A | N/A | N/A | N/A | At retirement | 3% | Monthly Supplement | Retirement | 3% | Monthly Supplement | N/A | N/A | N/A |
| **West Palm Beach** | Yes - 4% Employee Contribution | Yes - 4% Employee Contribution | No | Yes | | Age 65 | 3% | N/R | Age 65 | 3% | N/R | Age 65 | 3% | N/A |

N/A = Not applicable
N/R = No Response

# Deferred Retirement Option Plan

| Organization | Offered to which Groups | Maximum DROP Period: | Is DROP part of the Retirement System, or outsourced |
|---|---|---|---|
| **Boca Raton** | Yes, Police, Fire, & General | 5yrs Police & Fire 3yrs General | Retirement System |
| **Boynton Beach** | Yes, Police, Fire, & General | 5yrs | Retirement System |
| **Delray Beach** | Yes, Police, Fire, & General | 5yrs | ICMA-RC |
| **Jupiter** | Yes, Police & General | 5yrs | N/R |
| **Lake Worth** | Yes, Police, Fire, & General | General & Police 5yrs Fire 7 yrs. | N/R |
| **Palm Beach** | Yes, Police, Fire, & General | 5yrs | Police & Fire Retirement System General Employees ICMA-RC |
| **PBC Sheriff's Office** | Yes, Police, Fire, & General | 5yrs | Retirement System |
| **Palm Beach Gardens** | Yes, Police, Fire, & General | 5yrs | Retirement System |
| **Royal Palm Beach** | See Note | 5yrs | Retirement System |
| **Tequesta** | Yes, Police, Fire, & General | 5yrs | Retirement System |
| **Wellington** | See Note | 5yrs | Retirement System |
| **West Palm Beach** | Yes, Police & Fire | 5yrs | Retirement System |

**NOTE**: Jupiter (County Fire); Royal Palm Beach (County Fire & PBSO); Wellington (County Fire & PBSO) - All part of FRS, which provides 5 yr. DROP.

All responding organizations offer the 457 tax deferred savings plan.

N/R = No response

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# Purchase of Service Credit

| Organization | Purchase of Service Credit Offered | Waiting period for participation in Service Credit Purchase | | |
|---|---|---|---|---|
| | | Police | Fire | General |
| **Boca Raton** | Up to 5 years | 1 yr | 1 yr | 1 yr |
| **Boynton Beach** | Yes | Immediately | Immediately | Immediately |
| **Delray Beach** | N/R | None | None | 1 yr |
| **Jupiter** | See Note | N/R | FRS | FRS |
| **Lake Worth** | N/R | N/R | N/R | N/R |
| **Palm Beach** | May purchase up to 5 years service credit | Immediately | Immediately | Immediately |
| **PBC Sheriff's Office** | Up to 5 years | FRS | N/A | FRS |
| **Palm Beach Gardens** | Up to 5 years | Immediately | Immediately | FRS |
| **Royal Palm Beach** | See Note | FRS | FRS | N/A |
| **Tequesta** | N/R | N/R | N/R | N/R |
| **Wellington** | See Note | FRS | FRS | n/a |
| **West Palm Beach** | Yes | Immediately | Immediately | 6 mos. |

NOTE: Jupiter (County Fire); Royal Palm Beach (County Fire & PBSO); Wellington (County Fire & PBSO) - All part of FRS, which provides 5 yr. DROP.

FRS permits purchase of service credit for previous public sector work, military service, leaves of absence, purchase not used for vesting and maximum of 5 years permitted.

N/A = Not applicable
N/R = No response

N\SURVEY BENEFITS\ Master Benefits Update 07\REPORT RETIREMENT 11-14-07

## Options for Cost Savings

**Option for Cost Saving:**
Create a Defined Contribution (DC) for all new employees and offer it as an option for current employees.

**Cost Saving:**
Varies, based on the amount of the Employer contribution to the DC plan.

**Comments**:
DC plans provide an employer contribution as a percent of salary and which will increase as compensation increases. Costs are more stable because they are not affected by investment earnings or losses. The Town's current Defined Benefit (DB) plan contributions are:

| | Police | Fire | General | Lifeguard |
|---|---|---|---|---|
| Town Contribution: | 37.85% | 40.82% | 19.15%. | 27.15% |
| Employee Contr.: | 6.98% | 6.82% | 6.47% | 7.21% |
| **30 Year Average** | **26.16%** | **28.09%** | **14.02%** | **19.27%** |

To establish DC public contributions, the 30 year average or some number less than the average should be considered. The amount of savings will depend on the level of contributions by the Town and should be actuarially determined.

This reduction in retirement benefits would put the Town below the top quartile in the local market.

**Option for Cost Saving:**
Offer the Florida Retirement System (FRS) as an option to all current employees, with mandatory participation for all new employees hired after implementation of the FRS.

**Cost Saving:**
Initial savings will vary based on the numbers of current employees choosing to convert to the FRS. Substantial long term savings will be realized as the total employee group moves to the FRS (from 25 to 30 years).

**Comments**:
The FRS, established in 1970, offers both a defined contribution and a defined beneieft plan as options to its participants. The FRS is noncontributory for members; contributions are paid by participating employers. There are over 800 public employers in Florida covered by the FRS, and any covered employee leaving one FRS employer can combine service credit with other FRS employers. The FRS also provides for a Health Insurance Subsidy (HIS), which pays employees $5 per month for every year of service covered under the FRS. Today, the FRS is one of the most financially sound retirement

systems in the country, at over 100% funded. Current funding levels paid by employers to the FRS is 9.85% for Regular Class (general and lifeguard employees) and 20.92% for Special Risk Class (police and fire employees).

Retirement benefits under FRS include:

- Multiplier for public safety would be 3% (Town of Palm Beach 3.5%) and general employees 1.6% (Town of Palm Beach 2.75%) and management 2% (Town of Palm Beach 2.75%.)
- Final Average Compensation would be the highest 5 years of earnings (Town of Palm Beach 2 years.)
- COLA would be 3% per year beginning the first year (Town of Palm Beach 2% per year starting after 36 months.)
- Vesting years of service would be six (Town of Palm Beach 10 years).
- The Town will no longer have any control over the benefit structure nor the costs of the FRS, because the system is run by the State of Florida.
- Employee contributions would be $0 (Town of Palm Beach ranging from 6.47% to 7.21%.)
- Employer contributions will be determined by the State through actuarial reporting.

This reduction in retirement benefits would put the Town below the top quartile in the local market.

**Option for Cost Saving:**
Implement reduced retirement plan for new employees.
**Cost Saving:**
Varies, based on the type of changes made to the new retirement plan.
**Comments**:
Retirement benefit changes could include:

- Cap the amount of overtime that is used in calculating Average Final Compensation (AFC). Include in this cap the hours worked on Special Assignment Overtime. Currently there is no cap on overtime.
- Lower multiplier by .25% (lower General from 2.75% to 2.50%; Police from 3.50% to 3.25%; Fire from 3.50% to 3.25%; and Lifeguard from 2.85% to 2.60%).
- Increase employee contributions.
- Increase the years to compute AFC from the current highest two years (24 consecutive months) during the last five years to the highest three years (or some other more conservative formula).

This reduction in retirement benefits would put the Town below the top quartile in the local market.

# TOWN OF PALM BEACH

Town Manager's Office

TO: Peter B. Elwell, Town Manager

FROM: Sarah E. Hannah, Assistant Town Manager

DATE: December 13, 2007

SUBJECT: **CRTO Topic – Fleet Maintenance and Inventory**

==========

The Town's fleet is a substantial and significant part of the Town's budget and operation. The Town's existing fleet inventory of approximately 230 vehicles is worth close to $9 million of the Town's almost $14 million worth of fixed assets. Accordingly, staff is devoting special attention in the Town's Comprehensive Review of Operations to the fleet and its maintenance. The goal is to have an inventory that cost effectively and efficiently performs exceptional services for our residents.

***Background***

Research Component

The information I gathered in order to complete this review consisted of online research of industry best practices, comprehensive interviews with Town staff and review of other Town documents as required. The ICMA (International City/County Management Association) website provides resources for many types of municipal services including fleet maintenance and other fleet inventory issues. I also met with both management and line employees from each department with fleet inventory and/or maintenance responsibilities: Police, Fire-Rescue, Recreation, Public Works, Planning, Zoning and Building, and Purchasing. I also received financial information from the Finance Department.

Report Obstacles

My ability to conduct an in depth examination of the Town's fleet operation was limited due to time and resource constraints. Currently, the Town does not have the capability to determine a comprehensive report of true costs associated with owning and maintaining our own fleet because we do not have the resources to track key pieces of information such as a per vehicle maintenance cost (which would include parts and labor) or to determine how much we spend on repairs versus maintenance. Until we are able to capture this data, we cannot determine whether it would be more cost efficient to contract out certain services, order vehicles equipped, keep a vehicle or purchase a new one, or whether we have the proper staffing levels. Tracking this kind of information requires a fleet software program such as Peregrine, Prototype, or MCMS. The Town does have a software program, Cartegraph, which could be manipulated to provide much of this information. This option would be less expensive and should be examined.

In addition, an efficiency study would require an audit, which would take months. However, a successful audit cannot occur until the Town is able to capture the data to audit.

***Fleet Maintenance***

Collaboration of Maintenance Administration and Logistics

The Town is fortunate to have top-notch mechanics on staff. The level of expertise required to maintain Town vehicles is highly specialized. Less than ten percent of the Town's fleet consists of non-specialized vehicles that do not require more attention than one's personal vehicle. All other vehicles contain unique equipment and custom wiring, and in the older vehicles, extensive repair needs. Although we have the best maintenance staff, I believe that we could improve the efficiency of the maintenance function in general by an increased collaboration between the three mechanic shops. While each shop would remain operational in its current location, the three shops could more closely work together on certain administrative and logistical aspects of the operation. I would recommend a maintenance committee comprised of employees representing each shop and the purchasing division. This committee would be charged with reviewing the Town's current maintenance operation and recommending ways to increase efficiency and lower costs without jeopardizing quality.

- An important element of the proposed collaboration is a fleet software program. Currently, each shop has its own record-keeping system ranging from 3x5 cards to an outdated work order system to a homemade spreadsheet. None of the shops are capturing all the information that is available nor do they have the resources to transform that data into meaningful information critical in determining future efficiencies and cost savings.

- Collaboration would also help alleviate the apparent shortage in labor. The size of the fleet and the amount of equipment has grown exponentially over the past decade yet the departments have, basically, the same level of staffing. Currently, the Fire-Rescue shop has one mechanic. In FY 07, they spent $41,000 on overtime for firefighters, who helped out in the shop part-time. These firefighters are not ASE (Automotive Service Excellence) certified mechanics nor are they EVT certified (emergency vehicle technicians). With increased collaboration, all of the Town's mechanics, while still primarily assigned to one shop, could be cross-trained and certified to work on other vehicles if necessary. Therefore if Fire-Rescue needed some extra help or if the mechanic is on vacation, a mechanic from another shop could lend a hand. It might also be possible to retrofit all the shops to accept vehicles and apparatus normally only serviced in one particular shop. Thus, if one shop became unusable due to flooding or some other disaster, the vehicles and apparatus could be taken to another shop.

- Currently, Fire-Rescue, Police, and PZ &B take their non-apparatus vehicles to different car washes off the island, offering different per vehicle costs. With a more collaborative effort, all vehicles could be taken to the company offering the best deal. Because more vehicles would be involved, the company might offer an even better per vehicle price.

- Currently, Purchasing/Central Stores only purchase and stock parts for the Public Works shop leaving the mechanics in the other shops to purchase and stock their own materials. The Purchasing division serves the whole Town and should purchase for the whole Town. Under the guidance of the committee, Purchasing would purchase and stock parts for each shop, leaving the mechanics in Police and Fire-Rescue more time to maintain the vehicles. In addition, purchasing might be able to lower acquisition costs if they are buying a larger volume of product.

Outsourcing Maintenance

In the Police and Fire-Rescue shops, preventative maintenance accounts for about 20% of the work. In Public Works it's about 55%. The committee should consider for recommendation outsourcing routine and other non-specialized maintenance (oil changes, tire replacement). Again, without the

capability to assess true costs for these tasks, a cost savings can only be speculated, however, this reduction in responsibilities would give our mechanics more time to complete the repairs, installations, and other specialized work, which occupy most of their time. It may also reduce downtime for the vehicle out of service for maintenance.

I would not recommend that any other maintenance be outsourced without a very careful analysis and bidding process. There is a trust factor with the departments and those that maintain their vehicles. Not only do they trust our mechanics because of their skill level, but especially within Public Safety, there are security issues with some of the equipment in the vehicles.

***Fleet Inventory***

Reduce Inventory

The Town's fleet inventory is already relatively lean. Unlike other larger municipal organizations, we do not own a pool of cars to be driven as needed by employees or a large inventory of "reserve" vehicles to be used when the regular vehicles break down or are otherwise out of service. As a result of the lean inventory, my recommended cuts to inventory are limited:

- Eliminate Three Reserve Vehicles
  By phasing out reserve vehicles, the Town decreases their fleet inventory, which results in lower maintenance costs and less labor. Sioux City, Iowa's younger fleet led to better returns on used vehicles sold by the city. Palm Beach's Fire-Rescue has one reserve SUV, which they use when one of the other department vehicles are out of service. Public Works also has two vehicles they lend to employees when their Town vehicle is being serviced. **The Town could consider eliminating these three vehicles with a savings of roughly $100,000 plus equipment costs in future spending in addition to the increase in revenue with their sale.**

- Eliminate One Mechanic's Pickup
  Each shop has a pickup truck to pick up supplies or respond to on-road calls. If the operations of all shops were better coordinated, there may not be a need for all three, but rather one for the island shops and one for the off island shop. **Eliminating one pickup could save the Town about $21,000 plus equipment costs.**

Purchase Less Expensive Vehicles

Our purchasing division already does an exceptional job of getting the lowest price for our fleet vehicles. Many of the vehicles are bought on a state contract, which offers the best discounted prices. Other vehicles that are not available on the state's contract are bid. The opportunity for savings may be found in the type of vehicle purchased. For example, the Fire-Rescue Department purchased Ford Expeditions in 2007, while the Police Department purchased Chevy Tahoes. The Tahoes are a few thousand dollars cheaper than the Expeditions for basically the same vehicle. The committee should also reevaluate the type of vehicle required for each function to ensure that in every situation we are purchasing the smallest and most fuel efficient vehicle that will meet the Town's needs.

Reevaluate Vehicle Replacement Plan

The current replacement schedule is based mostly on the age of the vehicle. Best practices suggest that several aspects should be evaluated when determining a replacement schedule including mileage, age of the vehicle, condition of the vehicle, industry standards, lifetime repair costs, type of service for which the vehicle is used and funding availability. Town staff is rewriting the replacement schedule which looks more closely at some of these facets, but the revised schedule will only address future vehicle purchases. Meanwhile, we have some inventory on a decades-long replacement cycle. The repair costs (including parts, diagnostic resources and labor) are sometimes not worth the money

saved by not buying a new vehicle. Some of the vehicles also look bad, portraying a poor image of the organization. Again, without proper software, a cost-effective, vehicle-appropriate replacement schedule is difficult to determine. The City of San Jose, California reduced their preventive maintenance activity by 45% per year when they purchased a commercial software program.

Purchase Vehicles Equipped

Currently, the Police Department in particular purchases their vehicles separate from the equipment and the two mechanics spend about a week per car installing and custom wiring the equipment. The Mechanic Supervisor saves money with this practice, but the amount of time spent on each car may not be worth the savings. The Purchasing Manager believes that in some cases, the departments may not even be saving money. Besides costs savings, the Police Department prefers their mechanics perform the highly specialized work as they have not historically been satisfied with the level of work performed by the dealer. However, because of the amount of time spent on equipping the vehicles, I believe it would be worth the committee's time to reevaluate the practice. Perhaps, a more limited amount of equipping could be done by the dealer.

***Other Cost-Saving and Revenue Producing Options***

- Sometimes dealers who lease cars will also service them saving the Town money on maintenance costs.
- The Town could consider leasing extra cars to lease to other agencies who do not have the same buying power (practiced in Sioux City, IA)
- The Town could consider maintaining other agencies' vehicles (practiced in Sioux City, IA)
- Implement a "service agent" program whereby volunteers (retired officers, VIPs) or minimum wage employees pick-up and deliver cars, wash them, etc. saving mechanics time to spend on maintaining the fleet (practiced in San Antonio, TX) and employees' time spent on such tasks.
- Partner with private companies such as NAPA Auto Parts for training opportunities. The Town would provide the space and the companies would provide the instructors and materials. The Town benefits by having free training and the company benefits by having a place to teach their classes (practiced in Tucson, AZ).
- In San Antonio, the shops use individuals performing community service for minor convictions as temporary assistance cleaning the garages, etc.

***Conclusion***

Staff is not requesting any action from the Town Council at this time. Rather we plan to proceed, on our own initiative, with creating the committee and beginning the collaborative effort immediately. Conducting this bird's eye review allowed staff to examine our weaknesses and strengths and provide a starting point for improving the efficiency of the Town's fleet operation. We expect to continue brainstorming, studying and developing ideas through the guidance of the committee.

# TOWN OF PALM BEACH

Town Manager's Office

TO: Peter B. Elwell, Town Manager

FROM: Sarah E. Hannah, Assistant Town Manager

DATE: December 21, 2007

SUBJECT: **CRTO Topic -- Energy Efficiency and Protecting the Planet**

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Introduction

The built environment – commercial, industrial and residential buildings – is responsible for 48 percent of all energy consumption and greenhouse gas emissions.[1] The Town has the potential for additional savings on energy consumption in our own buildings. The first level of savings can be obtained immediately with no-cost changes. The second level requires only limited investment that could be completed by our own facilities maintenance staff and the third is making major capital improvements to retrofit our existing buildings. While the amount of savings is dependent on the extent to which energy saving measures are implemented, sources I reviewed such as Energy Star[2] report savings of 35% or greater. **As the Town spends about $837,000 a year on electricity, that amounts to a potential savings of around $300,000 per year**.

In addition to improving the bottom line, energy efficiency also prevents pollution, protecting the environment for our children and grandchildren. There are indirect benefits as well to incorporating energy efficiency into the Town's business strategy such as every dollar invested in an energy efficient upgrade can produce between $2 and $3 in increased asset value. In addition, improvements in energy efficiency and employee comfort can increase productivity in the upgraded buildings. Energy Star reports that the revenue generated from increased productivity can be 10 times as high as the energy cost savings received from performing upgrades.[3]

Examples of Savings

As it is difficult to quantify exactly how much money the Town could save by implementing more energy efficiency improvements, below are a couple of examples of other local governments' energy efficiency efforts.

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[1] Danielle Miller Wagner, "Using Energy Efficiency to Create a More Sustainable Bottom Line," *PM Magazine* (October 2007): 8-14.

[2] ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy created to help people save money and protect the environment through energy efficient products and practices, www.energystar.gov.

[3] Energy Star Building Manual.

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- The city of Charlottesville, Virginia implemented energy saving measures in 11 of its most energy-intensive buildings with a total project cost of approximately $1.3 million. Through its efforts, the city's energy bills have decreased by $293,745 from FY 2006 to FY 2007.[4]

- In New Castle County Delaware, an audit identified multiple opportunities to reduce energy and water demand and costs, including upgrades to the lighting, energy management, and water systems and replacement of the mechanical systems. Total project costs are $3.46 million, and annual energy savings are expected to be $355,000 over 15 years.[5]

- Arlington County Virginia has also experienced great success in energy efficiency. Efforts include energy efficient building retrofits, installing solar panels in select facilities, a focus on recycling, and replacement of incandescent light bulbs with higher-efficiency lighting. During the past 10 years, the county has avoided more than $4 million in energy costs. Through fiscal year 2006, the avoided cost value of the county's efficiency investments and practices is more than $600,000 per year at current energy prices with additional savings in maintenance costs from certain investments.[6]

Energy Efficiency Measures Already Implemented by the Town

The Town has implemented some energy saving measures already through the Energy Conservation Program (ECP) for Town buildings. Phase I of the ECP, which was started in 1995, consisted of:

- installation of window film, which reduces heat from the sun's rays
- balancing the A/C systems to obtain uniform cooling
- installing programmable thermostats
- controlled unit start-up and shut-down
- adoption of a uniform building temperature of 74 degrees
- replacement of air handlers and compressors as required with high efficiency units (SEER)

In Phase I, the Town spent $14,000 to save $22,000 for a net savings of about $8,000. The following year, the Town saved $22,000.

Phase II, which began in 2002, consisted of:

- installation of electronic ballasts and smaller wattage florescent light bulbs
- cleaning air conditioning ducts every three years.

The total cost for this phase was $62,500. The resulting FPL rebate totaled $14,500 for a net cost of $48,000. The Town also saved $13,800 on electric charges the first year.

The replacement of windows in Town Hall and the North Fire Station will improve energy consumption in these facilities as well.

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[4] Danielle Miller Wagner, 9-10
[5] Ibid, 12-14.
[6] Ibid., 10-12.

Resources and Tools Available to Reduce Energy Consumption

There are many non-profit organizations that help companies and local governments with their energy reducing efforts. Below is information on a few of the major ones:

*LEED Green Building Rating System*

The LEED (Leadership in Energy and Environmental Design) rating system is a program developed by the U.S. Green Building Council, the nationally accepted benchmark for design, construction, and operation of green buildings. LEED promotes a whole-building approach to sustainability by rating performance in human and environmental health, sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. Among LEED programs are new commercial construction and major renovation projects and existing building operations and maintenance. To earn LEED certification, a building project must meet certain prerequisites and performance benchmarks.[7]

*Energy Star*

Energy Star provides local governments with tools to save energy. An important part of their mission is public education and encouraging local governments to lead by example. Governments can sign up to join the Energy Star Challenge, a national call-to-action to improve the energy efficiency of America's commercial and industrial buildings by 10 percent or more. The "Challenge Toolkit" includes a list of cost-free technical management and financial support tools, brochures, and public education tools.[8]

*Florida Green Building Coalition*

The FGBC is a nonprofit Florida corporation dedicated to improving the built environment. Coalition designations include a green local government standard. This standard presents a comprehensive list of criteria, organized in terms of local government department functions. It focuses on improving their environmental performance through a number of mediums (energy, water, air, land, and waste), and evaluates:

- Environmental practices done "in-house."
- Incentives and ordinances to foster green practices.
- Educational activities to improve the environment.

The guiding documents not only present opportunities for a local government to "be green", but also provide examples and resources covering how to do it. In many cases, quantifiable results can also be presented such as dollar savings, tons of CO 2 reduction, pounds of waste diverted from landfill, etc. The standard is meant to be a useful reference even for those local governments who have no interest in becoming certified, but are trying to accomplish a singular goal such as bottom-line savings.[9]

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[7] The U.S. Green Building Council (USGBC) is a non-profit composed of leaders from every sector of the building industry working to promote buildings that are environmentally responsible, profitable and healthy places to live and work. www.usgbc.org.

[8] www.energystar.gov.

[9] www.floridagreenbuildinsg.org.

*The U.S. Mayors Climate Protection Center*

In 2005, the U.S. Conference of Mayors unanimously endorsed the U.S. Conference of Mayors Climate Protection Agreement, an initiative launched by Seattle Mayor Greg Nickels in which mayors commit to reduce emissions in their cities to seven percent below 1990 levels by 2012. Mayor McDonald is one of 691 mayors to sign the agreement. The Center's website includes a report of best practices from around the country as well as information on organizations such as Wal-Mart and Energy Star, who have partnered with the Center. [10] Mayor Clemens in the city of Lake Worth has appointed an ad-hoc climate protection committee to address energy consumption within the organization.

How Can the Town Implement and Finance an Energy Efficiency Process?

As I noted in the introduction, the first level of energy conservation has no cost and includes such changes as sleep modes on computers, administrative procedures directing employees to modify or conduct certain energy producing activities (i.e., turn off office equipment at end of day) and operating heating and cooling systems to run more efficiently. The Town does many of these types of things already. The second level requires a limited investment and can be completed by our own facilities staff. Such items would include replacing incandescent bulbs to high-efficiency light bulbs or upgrading leaky windows. Again, the Town has completed a number of such measures. The third level requires larger capital investments such as replacing HVAC equipment with high-efficiency equipment (which the Town has done) and establishing "green" roofs. Such up-front capital investments can often be financed through future energy savings.

*ESCO (Energy Service Company)*

The Town could enter into energy savings performance contract (ESPC) with an ESCO. Under these contracts, private sector energy service companies finance, install, and maintain new energy efficient equipment at no up-front cost to the government. The ESCO is paid back over time from the dollars saved by the agency in its energy and maintenance bills. The savings are contractually guaranteed to exceed payments, so the savings are guaranteed to be available to repay the financing. One such ESCO, Johnson Controls, reports on their website that an organization that enters into a contract with them can reduce its energy consumption by 10% to as much as 50%.[11]

[10] Mayors Climate Protection Center, www.usmayors.org/climateprotection.
[11] www.johnsoncontrols.com.

# TOWN OF PALM BEACH

## MEMORANDUM

To: Mayor and Town Council

Via: Peter B. Elwell, Town Manager

From: Jane Struder, Finance Director

Date: December 13, 2007

Subject: Non-Ad Valorem Assessment for Residential Solid Waste Collection Service

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As part of our Comprehensive Review of Town Operations, staff believes Town Council should consider a non-ad valorem assessment for residential solid waste collection services to eliminate the inequity that exists between commercial properties that currently pay such an assessment for these services and residents who receive these services without paying a user fee (since residential solid waste collection currently is funded with property taxes paid by both residential and commercial property owners). The establishment of this assessment could assist in reducing our dependence on property taxes and could allow the Town to reduce property taxes to both residents (homesteaded and non-homesteaded) and businesses.

The assessment could potentially raise $2,800,000 in annual revenue which could offset property taxes. The amount of property tax reduction based upon the current millage rate and taxable value would be approximately 6.8% which would be applied to both residential properties and businesses and would amount to $224 per million dollars of taxable value. There would be a small one time fee to fund a cost allocation study and then small costs in future years for updates to the study.

If the Town Council decides to pursue this option, the next step would be to adopt a Resolution at a public hearing prior to March 15, 1008, declaring our intent to use the uniform method of collection for non ad valorem assessments. The public hearing would have to be advertised for 4 consecutive weeks preceding the hearing.

An assessment would only be levied if the Town Council adopted an assessment roll at a public hearing by September 15, 2008. At least 20 days prior to the public hearing, all affected property owners would receive a first-class mailing and the public hearing would be advertised.