



Comprehensive Review of Town Operations

SPECIAL TOWN COUNCIL MEETINGS

FEBRUARY 23, 2018

MARCH 5, 2018



Comprehensive Review of Town Operations

EXECUTIVE SUMMARY

CONTENTS

| | |
|--|----|
| Introduction | 2 |
| Overview of CRTO | 2 |
| Townwide Benchmarks | 3 |
| General Fund Recommendations from Staff for Town Council Consideration | 4 |
| Updated Financial Status – After Staff Recommendation | 10 |
| Potential New Revenue or Revenue Increases | 10 |
| Potential New Non Ad Valorem Assessments | 13 |
| Additional Options for Cost Savings | 14 |
| Long Term Financial Plan - Update | 14 |
| Recreation Enterprise Fund Comprehensive Review Results..... | 15 |
| Town Docks | 15 |
| Recommendations for Revenue Increases or New Revenues | 15 |
| Golf Course..... | 16 |
| Recommendations for Revenue Increases or New Revenues | 16 |
| Recommendations from Staff for Town Council consideration | 17 |
| Tennis | 19 |
| Recommendations for Revenue Increases or New Revenues | 19 |
| Recommendations from Staff for Town Council consideration | 19 |
| Recreation | 21 |
| Recommendations for Revenue Increases or New Revenues | 21 |

INTRODUCTION

After completing a Comprehensive Review of Town Operations (CROTO), the following report was collectively prepared by Town staff, through leadership and direction from Tom Bradford, Town Manager, Jay Boodheshwar, Deputy Town Manager and Jane Struder, Finance Director. Due to the monopolistic nature of local government operations all local governments should engage in a meaningful review process every 5-10 years to ensure that services being provided are being delivered efficiently, effectively and are still relevant to the needs of the citizens. This work effort has now been completed by Town staff twice within the last 10 years, without expending funds on an external consultants; the first one done in 2007 and now in 2017/2018. We are happy to report that we have exceeded the goal established by the Mayor and Town Council.

The Executive Summary was prepared to facilitate policy maker review of the entire CROTO document in one meeting. The public presentation focus by staff will be on the content of the Executive Summary, which mirrors the detailed content of the CROTO document, and answering the questions of the Mayor and Town Council. The second scheduled CROTO meeting has been set, but is only needed if the review is not completed at the first meeting.

OVERVIEW OF CROTO

After the adoption of the FY18 budget, the Town Council requested another Comprehensive Review of Town Operations so that additional contributions to the pension fund could be funded in the FY19 budget mostly through budget modifications rather than property tax increases. To accelerate the reduction of the pension fund's UAAL, an additional annual appropriation for the pension fund was adopted by policy in the amount of \$5,420,000. The current FY18 budget included cuts totaling \$1,200,000 that will carry over into FY19 leaving an approximate shortfall of \$4,220,000 that would need to be funded through additional cuts and/or revenue increases to meet the \$5,420,000 goal.

Tom Bradford, Town Manager, Jay Boodheshwar, Deputy Town Manager and Jane Struder, Finance Director met with each Department Director and other key members of the Town staff to review available options and to brainstorm on how to do things more efficiently, effectively and creatively, while reducing expenses. The results do not include any major cuts or reductions in Town services. Instead current Town staff will be required to take on additional workload and challenged to continue finding ways to deliver services in cost effective ways. The recommendations presented in this document will be fine-tuned and presented with the Long Term Financial Plan and in their final form during the FY19 budget process.

At the November 14, 2017 Town Council meeting Town Manager, Tom Bradford, presented an outline and timeline for the completion of the CROTO and this document represents the results of

staff's efforts to find savings. We have prepared a table in this summary of staff's recommendations for savings and revenue enhancements. Included throughout the document in the department's individual sections are detailed descriptions of these recommendations highlighted in an orange box, and additional service level cuts and other alternatives for the Town Council to consider in plain boxes. See examples to the right. Also included are options for new or increased revenues. In the executive summary, a list of revenues that other cities have implemented over the years are shown but they are not recommended for Town Council consideration at this time.

Recommendations

Additional Options

TOWNWIDE BENCHMARKS

Each Departmental section of this document contains benchmarks comparing Town department operations with that of five other local communities, West Palm Beach, Boca Raton, Jupiter, Palm Beach Gardens, and Delray Beach. In many cases, if the information was not readily available online, staff reached out to their counterparts at these municipalities to obtain the information. In some cases, we were successful and in others, we were not. If the benchmark is blank for any given municipality, it means either that they do not track the information or they did not respond. Listed below are Townwide statistics such as population, taxable value, millage rates and other relevant information, as compared to those of our benchmark communities.

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|---|----------------|-----------------|----------------|---------------|--------------------|---------------|
| Population | 8,291 | 110,150 | 91,797 | 61,388 | 52,591 | 65,804 |
| Square Miles | 3.77 | 55.29 | 28 | 23.1 | 56.17 | 16.5 |
| Total Parcels | 9,449 | 45,894 | 42,506 | 30,344 | 26,802 | 32,654 |
| Taxable Value | 15,929,537,777 | 11,015,846,755 | 21,006,538,921 | 9,688,097,662 | 9,030,222,717 | 8,808,152,637 |
| FTEs | 362.87 | 1598 | 1,499 | 374.38 | 496 | 846 |
| Bond Rating | AAA | AA | AAA | AAA | AAA | AAA |
| GO Revenue Bond | AA+ | | | AA+ | | AA3 |
| Ad Valorem taxes as a % of GF Revenue | 64.40% | 40.1% | 29.0% | 40.3% | 50% | 54.1% |
| Unassigned Fund Balance as % of GF Expenditures | 34.85% | 23% | 22.9% | 47.1% | 28.2% | 25% |

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|--|-------------|---|--|---------------------|--------------------|------------------------------|
| Minimum Fund Balance | 25% | Emergency Reserve 10% Minimum 3% | 10% | 25% | 17% | Between 15% and 25% |
| Total General Fund Budget FY17 | 76,852,377 | 170,974,580 | 209,708,700 | 46,538,179 | 81,731,610 | 111,490,730 |
| Total Budget FY17 | 131,992,476 | 556,349,511 | 687,141,700 | 89,948,068 | 100,839,144 | 208,516,932 |
| Municipal Tax Rate | 3.2706 | 8.3465 | 3.4543* | 2.4633* | 5.55 | 6.9611 |
| Debt Service Tax Rate | 0 | .1481 | .2245 | .2330 | .1178 | .2496 |
| Additional Millage – PBC Fire Rescue | 0 | 0 | 0 | 2.0038 | 0 | 0 |
| Overall Tax Rate | 17.2001 | 22.4241 | 18.5231 | 19.3371 | 20.2009 | 21.1402 |
| Solid Waste Collection Fees | None | Yes | Yes | Yes | None | Yes |
| Fire-Rescue Assessment | None | Yes | Yes | No – County Fire | None | None |
| Other Fees – Not charged by the Town of Palm Beach | N/A | Impact Fees Water Sewer Stormwater | Water Sewer Service Impact Fees Stormwater Reclaimed water Cemetery | Water Stormwater | Impact Fees | Water Sewer Stormwater |

*Includes a CIP millage

GENERAL FUND RECOMMENDATIONS FROM STAFF FOR TOWN COUNCIL CONSIDERATION

The table below summarizes a list of recommendations from staff of expenditure savings. Most of the savings are direct General Fund reductions, some reductions are in other funds, but would affect the transfers from the General Fund into these funds. This list of reductions totals **\$3,431,565**, with almost all causing the baseline budget to reset. Although we expect savings to begin in the current fiscal year, many of these expenditure reductions will not occur until the FY19 budget. The numbers listed in the chart below show the projected impact on the FY19 budget.

| Recommendation | Description | FY19 Budget Impact |
|---|---|-------------------------------|
| Fire-Rescue Department | | |
| Quint at Central Fire Station | Eliminate a ladder truck and fire engine at Central Fire Station and replace with a single unit (Quint) | One time savings \$649,751 |
| Elimination of 3 firefighter positions | Eliminate 3 firefighter positions due to the implementation of the Quint | \$179,052 plus benefits |
| Reduce Midtown beach lifeguard staffing | Reduce the staffing at the Midtown beach from 3 lifeguards to 2 lifeguards except on busy holidays or summer days. | \$32,000 |
| Finance Department | | |
| P Card Rebate | Implement new P Card system and use P Card to pay many of the Town's vendors. | \$42,507 |
| Just-in Time Inventory | Re-engineer warehouse operations to Just-in-time inventory model with the goal to reduce inventory from 2,200 items to 1,000 items within the next eighteen months. Allow for the elimination of part time position and carrying cost of the inventory. | \$18,088 |
| Eliminate printing of annual budget document | Final budget document will be available online | \$2,000 |
| Police Department | | |
| Eliminate Public Safety Director | The Town Manager will indirectly oversee both Police and Fire Rescue Departments for FY19. | \$216,181 plus benefits |
| Reclassify Records Manager | Reclassify to Police Records Specialist | \$46,079 plus benefits |
| Reclassify (1) Office Assistant to Part-time no benefits | Reclassify the Office Assistant in the Training & Community Relations Unit to a part-time no benefits | \$25,604 plus benefits |
| Cross-Over Training Reimbursement | Require newly hired officers who participate in Comparative Compliance Training to reimburse Town if they leave prior to completing 3 years of service. | \$1,000-\$5,000 |

| Recommendation | Description | FY19 Budget Impact |
|--|---|--|
| Reduce Officer Overtime | Hire retired/part-time no benefit officers at a rate of \$30-\$35 per hour to work instead of officers working overtime at an average rate of \$45. | \$50,000 (based on 2,500 hours which is approximately 50% of total) |
| Eliminate (1) Business & Community Relations Officer | The department currently has 2 BCR officers. | \$52,275 - \$91,528 plus benefits |
| Master Mechanic Reclassification | Reclassify the Master Mechanic position to Mechanic. Savings to be determined by Human Resources. | \$20,000 (lower pay range). |
| Human Resources and Pay and Benefits | | |
| Merit Pay | Modify the pay for performance ranges effective October 1, 2018 | \$222,433 |
| Amend Cell Phone Stipend | Reduce stipend for cell phone use due to business necessity based on peer/market data. | \$35,370 |
| Amend Tuition Reimbursement benefit | Provide a capitation to the benefit paid of 9 credit hours per year and eliminate the reimbursement of fees and books. | \$19,050 |
| Contract Nursing services and supplement retirement administration and wellness for claims savings. | Eliminate the Occupational Health Nurse but replace with on-site contracted services; amend the currently vacant .5 FTE to 1.0 FTE to provide administration for retirement plan, wellness, and oversight of required employment related medical and leave related matters. | \$5,000 in salary plus; \$117,350 in projected health claim savings <i>(502 Health Fund impact)</i> |
| Elimination of recruitment advertising expenses | Due to recent changes to e-recruitment, job applicants have doubled due to access to on-line resources within the system. | \$22,000 |
| Public Works Department | | |
| Do not fill vacant position in PW 511. | External assistance would be used as necessary. | \$45,000 plus benefits. |

| Recommendation | Description | FY19 Budget Impact |
|--|---|--------------------|
| Reduce various line item costs in 511 program. | Reductions in employee recognition (\$1,000), educational reimbursement (\$1,000), telephone bases charges (\$500), office supplies (\$1,000), minor office equipment (\$500) and training (\$1,000). | \$5,000/yr. |
| Sidewalk replacement program – Permanently change the program to include grinding down tripping hazards in sidewalk in lieu of replacement. | The current program repairs structural cracking, replaces damaged flags of sidewalk that have become tripping hazards in the town’s right of way. | \$10,000 |
| Pressure Washing | Reduce or eliminate cleaning of town sidewalks, concrete planting areas, benches, street markers, buildings, etc. | \$20,000 |
| Street Sweeping | Reduce frequency of services from 3 times per week to once per week | \$64,210 |
| Special Collection Services | Eliminate Special Collection Services | \$28,845 |
| Generator Training | Train technician I position to allow for in-house repairs and maintenance | \$5,000 |
| Conduct I&I Study | To determine possible projects to reduce flow to ECR | Unknown |
| Eliminate holiday collection of residential garbage. | This will eliminate paying overtime holiday pay to collection crews. This would occur at eight (8) times per year. | \$17,500/yr. |
| Reduce turf maintenance frequency from 52 visits per location to 39 annually. | Turf maintenance is currently a weekly service and costs \$1,923 per service. Because of this service interval, we are able to monitor the condition of the turf and keep the appearance acceptable. | \$25,000 |
| Reduce hedge-trimming frequency from 10 services per year to 8 services per year. | The Town has adjusted the current schedule to limit trimmings in the winter months and add services during peak growing periods. | \$16,960 |

| Recommendation | Description | FY19 Budget Impact |
|--|---|---|
| Eliminate all parts, equipment and maintenance/warranty costs associated with ownership of the parking kiosks. | The capital lease for the new parking kiosks is \$70,511.64 per year and is paid from the Equipment Replacement Fund with the depreciation amount from the old kiosks. It is suggested that this program be transferred to Police or Finance Department, since there will no longer be any Public Works maintenance or repair responsibilities. | \$55,073/yr. |
| Do not fill the vacancy for Engineering Technical Support (0.5 FTE). – Engineering Program | This was a new position in FY 2017 supporting the engineers in the Engineering Department and the Coastal Program. The engineering department manages over \$10 million in design and construction annually through the Accelerated Capital Improvement Program Phase 2 and the PayGo program. | \$37,000/yr. – Salary (midpoint) plus benefits. |
| Reduce capital program transfer. | This reduction would reduce the amount of recommended rehabilitation of Town facilities and infrastructure. | \$70,000 of CIP PayGo Annual Budget. |
| Do not hire the newly approved FTE for ROW and the associated vehicle and equipment. | This position was intended to increase patrolling of the Town Right of Way in an effort to increase compliance with the Right of Way permitting requirements. | \$75,390 salary plus benefits. |
| Do not fill the vacancy for Engineering Technical Support Specialist 0.5 Full-time Employee (FTE). – Coastal Protection Program portion | This 0.5 of an FTE provided support in tracking the approval, contracting, and invoicing process and helped ensure these efforts stayed on time. In addition, this position provided clerking services for the Shore Protection Board. | \$37,000 – Salary (midpoint) plus benefits. |
| Town Manager and Related Programs | | |
| Reduce Emergency Management Budget | Reduce most of the Emergency Management Budget | \$50,404 |
| Reallocate TMO and TC positions | Reallocate duties in the TMO and Town Clerk’s office and reduce a position | \$38,724 plus benefits |
| Paperless Agenda Packets | Savings in printing costs and labor | \$7,500 |

| Recommendation | Description | FY19 Budget Impact |
|--|--|------------------------------------|
| Eliminate paper copies of Code Supplement | Everyone will need to access the Code online. | \$8,000 |
| Planning Zoning and Building Department | | |
| Document Management Position | Re-categorize position to lesser position | \$15,000 |
| Other Funds | | |
| Coastal Transfer | Reduce coastal transfer and apply for Federal Funding – or Remove 3% cost escalators from remaining 5 years of 10-year plan | \$186,000 \$222,309 in FY19 |
| Debt Service Reserve | Use the debt service reserves to lower the transfer from the General Fund | \$187,500 |
| Retirement Fund | | |
| Timing of Retirement Contribution | Make entire contribution to Retirement fund on October 1, each year (FY17 savings to be applied \$236,676 and FY18 \$245,186) | \$250,000 |
| Minimum Working Hours | Amend code to increase working hours in order to be eligible for retirement benefits from 1,040 to 1,850 | Improved operations |
| In-house Retirement Administration | Replace contract administrator with in house staff | \$157,500 |
| HEALTH INSURANCE PROGRAM SAVINGS | | |
| Addition of international prescription provider (IPP) | Incorporate an international prescription provider (IPP) to the prescription plan, providing safe discounted name brand maintenance medications at a reduced cost. | \$95,000 |
| Amend stop loss coverage | Amend the ISL deductible from \$100,000 to \$125,000 for the 2018 plan year, to take advantage of the premium savings in a manner that poses the least amount of risk to the Town. | \$33,219 |

| Recommendation | Description | FY19 Budget Impact |
|---|---|--------------------|
| Conduct a Dependent Audit | Ensure that only eligible dependents are covered under the health plan, in the same manner as performed in 2010. | \$40,000 |
| Provide base dental coverage thru a DHMO plan, with optional buy-up to DPPO/DPOS plan. | Change the Town’s dental plan insurance to include a Dental Health Maintenance Organization (DHMO) for employees, with an option to buy-up to a Dental Preferred Provider Organization (DPPO) plan. | \$95,000 |
| Approximate Total | (Plus Benefits for personnel cuts) | \$3,431,565 |

UPDATED FINANCIAL STATUS – AFTER STAFF RECOMMENDATION

If the Town Council approves all of the above staff recommendations, the results cut the current shortfall of \$4,220,000 toward the ultimate target of \$5,420,000 to \$788,435. The next section contains potential new revenues or revenue increases for the Town Council to consider. The conservative total of all of the revenue options that relate to the General Fund shown below is approximately \$1,374,171, which more than cover the above mentioned shortfall.

POTENTIAL NEW REVENUE OR REVENUE INCREASES

Many of these proposed revenues may not be implemented until the FY19 budget process.

| Revenue | Description | Annual Revenue |
|--|--|---|
| Dispatching Fees | Offer consolidated Emergency/Non-Emergency Dispatching services to other surrounding municipalities (i.e. South Palm, Manalapan, Ocean Ridge) | \$50,000 - \$150,000 depending on # of agencies |
| Voluntary ID Card Fee | Increase the Voluntary ID Card fee from \$15 to \$20 per card. | \$9,850 (based on avg. # past 2 years) |
| Reimbursement of POTUS Overtime | Revise OT policy to include the first 7 hours worked related to POTUS to be included overtime calculation to increase reimbursement revenue from grants. | \$31,722 (based on FY17 grants) |

| Revenue | Description | Annual Revenue |
|--|---|-----------------------------------|
| Hire retired/part-time no benefits officers to fill Special Assignment Overtime Details | Fill details if regular full time officers are not available (i.e. Hurricane preparation, POTUS, staffing level, etc.) with retired/part-time no benefit officers at a rate of \$30-\$35 per hour. Approximately 156 missed SAO hours at \$70 per hour in 2017. | \$6,240 (at \$30 per hour) |
| Add Kiosks throughout Town Increase Parking Meter Rates | Add kiosks at high traffic areas or – Increase meter rates by .50 cents per hour | \$845,626 \$125,000 |
| Valet Parking Permit Fees | Increase valet parking permit fees from \$300 to \$400 per year. | \$2,800 annually |
| Provide Zoning Determination Letters for a fee | Zoning staff currently does not provide Zoning Determination letters. This service could be offered for a fee. (\$100) | \$20,000 |
| Registration fee for service vehicles | Establish an annual or one time registration process and fee for service vehicles (pool service, lawn maintenance etc.) and provide vehicle stickers to show they are registered with the Town. (\$5) | \$7,500 |
| Fee for warranty deeds, insurance certificates etc. | Charge for searching online and printing warranty deeds, insurance certificates needed for permit application submittal | \$2,000 |
| ARCOM deferral fee | Charge a fee for ARCOM application requested deferrals (\$50) | \$1,750 |
| Establish Application Fee for new businesses | New businesses currently do not pay a new license fee. This service is not being compensated for. | \$13,300 at \$175 per application |
| Establish Inspection Fee for new businesses to ensure compliance with Building Codes | When a new business applies for their BTR, there is no inspection of the space for possible building code issues. This could become a revenue source and a way to enforce the building code. | \$9,975 at \$75 per application |
| Fee for evidence of registration | Charge a fee for searching for and printing required licenses, evidence of corporate or fictitious name registration (\$5) | \$3,000 |

| Revenue | Description | Annual Revenue |
|--|--|-------------------------------------|
| Create a Unity of Title fee | Zoning staff currently processes Unity of Title agreements at no cost. A processing fee will be established for this service. | \$3,000 |
| Increase LPC application fees | Per the LPC benchmarks, COA apps are not covering the cost of the COA process. Fees would need to be raised to \$2,000 to cover the Town's cost. Alternatively, the Town Council could choose to phase in the cost over several years. | \$122,623 |
| Fee for LPC Consulting | Increase LPC application fees Explore grants, both public and private, for LPC consulting expenses | \$56,000 |
| LPC Deferral fee | Charge a fee for LPC applicant requested deferrals (\$50) | \$250 |
| Increase rates on Special Pick Up Service. | Increasing current rates by 20% would raise revenue (based on current loads). | \$3,855/yr. |
| Fee for private lateral locates. | Charge the property owner for privately owned lateral locates. Example, 48 per year. | \$19,200/yr. (if charged \$200 ea.) |
| Establish and/or enforce fines and penalties for non-compliant commercial grease traps. | The revenue would be dependent on the commercial property owners' compliance, so therefore is difficult to estimate with any certainty. | TBD |
| Assessing homeowners for the trimming and inoculation of palm trees. | Estimated number of palms – 1,885 @ \$48 per palm = \$90,480 | \$90,480 |
| Increase ROW permit fees by 20%. | Results in approximately \$75,000 increase in revenue. | \$75,000 |
| Coordination with Purchasing on equipment auction options. 10-20 % increase projected. | Estimated to be \$500 to \$1,500 per unit but would be dependent on actual vehicles surpluses and the market conditions at that time. | TBD |
| Total Potential new General Fund Revenue | | \$1,374,171 |

| Revenue | Description | Annual Revenue |
|-----------------------------|--|---|
| Federal Cost-Sharing | Through completion of General Reevaluation Report for Mid-Town and subsequent inclusion within a Federal budget. The next Mid-Town project is planned for FY 2021 with an estimated cost of \$17,850,000. A 50% Federal cost-share would result in the revenue enhancement of \$8,425,000 through Federal reimbursement. | \$8,425,000 per project through Federal reimbursement. Estimated 1 project every 7-8 years. |

POTENTIAL NEW NON AD VALOREM ASSESSMENTS

The following potential new non-ad valorem revenues are not included in the total CROTO revenues proposed above.

Below are a description of possible new non ad valorem assessments that could be adopted by the Town. These new assessments/fees cover services that are currently paid for by the Town’s ad valorem taxes. Traditionally, prior Town Council’s have chosen not to charge these fees and absorb the costs within the Town property tax revenues. This was mainly done to allow for the tax deductibility of these amounts on one’s personal income taxes. The new income tax reform measures adopted by the Federal Government recently cap the property tax deduction and therefore, individuals lose some of the benefit of the deduction. The potential revenue amount for each fee is listed as well as the potential impact on the Town’s millage rate (assuming these fees were in effect for FY18). If the Town Council chose to implement one or more of these fees, a fee study would have to be performed in order to determine the actual amount of the fee charged to the customer.

Residential Solid Waste Collection Service Assessment: All cities in our benchmark group except Palm Beach Gardens, charge a separate fee for Residential Solid Waste Collection Service. Currently the Town imposes an assessment for commercial and condominium solid waste collection service. Residential service is included in ad valorem taxes. This means that commercial properties and condominiums pay an assessment and pay the ad valorem tax, in effect subsidizing residential collection service. The total cost for residential service is contained in programs 541,543,544, and 545 of the Public Works budget.

Solid Waste Collection programs total: \$3,425,667.

Savings Per Million of Property Tax: \$213

Sanitary Sewer Assessment: All cities except Palm Beach Gardens and Jupiter charge a Sanitary Sewer charge mostly through an assessment. West Palm Beach charges a fee on the water bill. Public Works Programs 532 – Sanitary Sewer Maintenance and 533 Sanitary Sewer Treatment plus costs in the Capital Improvement Program cover the costs of this service. An assessment methodology would have to be developed and implemented to initiate this assessment.

Sanitary Sewer Costs total: \$4,453,429

Savings Per Million of Property Tax: \$277

Storm Water Assessment: All cities except Palm Beach Gardens charge a Storm Water Assessment. An assessment methodology would have to be developed and implemented to initiate this assessment. The methodology could be based on the amount of impervious surface per property. Costs for storm water maintenance are contained in program 531 of the Public Works budget and the Capital Improvement Program.

Storm Water Costs total: \$2,176,296

Savings Per Million of Property Tax \$135

If all of the above assessments were implemented, the millage rate would decrease from 3.2037 to 2.5794 representing a savings of \$626 per million of taxable value. Of course, the property owners would pay assessments in lieu of the property tax, but it would be based on a methodology relative to the assessment charged, not based on the value of the property. Implementation of the above assessments is not expected to increase total town revenue since it is a transfer from property taxes to assessments. Assessments in some cases may be a fairer way to charge for the service, particularly in regard to residential solid waste collection service.

ADDITIONAL OPTIONS FOR COST SAVINGS

Throughout the document staff has shown additional options for cost savings. Many of these options represent a reduction in level of service and are not on the list of recommendations. These additional options are in each department’s section titled “Options for Cost Savings” and are shown in plain boxes as

| |
|--------------------------|
| Options for Cost Savings |
|--------------------------|

 opposed to the recommendations shown in the orange boxes as noted earlier in this summary.

LONG TERM FINANCIAL PLAN - UPDATE

Once the CROTO review is completed, staff will update the Long Term Financial Plan to include the recommended cuts and revenue enhancements.

RECREATION ENTERPRISE FUND COMPREHENSIVE REVIEW RESULTS

TOWN DOCKS

RECOMMENDATIONS FOR REVENUE INCREASES OR NEW REVENUES

| Revenue | Description | Annual Revenue |
|--|--|----------------|
| Increase Utility Fees for Transient Boats | Raising the electric utility fee, which is a per day/per cord assessment, for transient boaters will enable the Town to recoup the costs directly associated with wifi, water, electric, cable, trash and waste water. This fee increase would not price us outside the current market rates. | \$41,000 |
| Late Fees for Utility Fees not Paid by the End of the Month Due | Imposing a late fee for utility fee invoices not paid by the date due can help to encourage timely payment. However, this policy may also create feelings of bad will with clients. | \$2,000 |
| Yearly registration fee for contractors completing work on vessels at the Town Docks | The registration of non-tenant contractors completing work on vessels at the docks would allow for greater control over whom is granted access to the facility. It would also enable the collection of certificates of insurance from vendors, providing additional protection for the Town. | \$5,000 |
| Increase all dockage rates. | Raise annual leases and transient rates within market parameters. | \$305,531 |

GOLF COURSE

RECOMMENDATIONS FOR REVENUE INCREASES OR NEW REVENUES

| Revenue | Description | Annual Revenue |
|--|--|----------------|
| Fee Structure Revision – Creation of higher greens fees for Friday, Saturday and Sunday. | Raising the greens fee by \$1.00 per round on Friday, Saturdays and Sundays could generate a substantial revenue increase. Charging a premium rate for the most heavily played days of the week is a practice utilized at many courses. The creation of this fee should not impact level of play. | \$14,500 |
| Supersize rental club sets by adding a sleeve of 3 balls. | The fee for rental clubs is currently \$30. The proposed new fee for the rental clubs with a sleeve of balls will be \$35.00. The cost for a sleeve of balls is \$2.50. In fiscal year 2017, approximately 2,200 golf club sets were rented. The additional fee of \$5.00 for the rental of the golf clubs with the sleeve of balls, should not impact the number of rentals. | \$5,500 |
| Player Development Program | Creation of a Player Development Program which provides for unlimited rounds of golf during predesignated times, which are typically under utilized. This program would charge a monthly fee of \$49. Cart fees not included. | \$5,800 |

| Revenue | Description | Annual Revenue |
|--|--|----------------|
| Purchase ten (10) additional golf carts. | The Par 3 Golf Course currently owns 20 gas golf carts. In addition, 7 carts are rented for 6 months and 3 additional carts are rented for 12 months. Each cart averages approximately \$9,000 a year in revenue. During the low cart rental period, carts are frequently unavailable. Purchasing an additional 10 gas golf carts, bringing the year round fleet to 30 carts would minimize the unavailability of carts and produce additional revenue. | \$31,500 |

RECOMMENDATIONS FROM STAFF FOR TOWN COUNCIL CONSIDERATION

The table below summarizes a list of recommendations from staff of expenditure savings.

| Recommendation | Description | FY19 Budget Impact |
|---|--|---|
| Staffing reclassifications and reorganization of job responsibilities upon retirement of Senior Golf Associate in March of 2018. | <u>Position</u> | <u>Job Function Overview</u> |
| | Golf Manager | Business Development, Clubhouse & Pro Shop Operations |
| | Golf Course Superintendent | Course, Building & Equipment Maintenance |
| | Pro Shop Assistant to Manager & Superintendent | Administrative support to Assistant Manager Operations assist Prop Shop operations, buyer for Pro Shop merchandise, maintain course website, and on-line sales and reservation system. |
| | Senior Golf Associate to | Interior and exterior clubhouse maintenance and janitorial Maintenance Worker functions, grounds maintenance for high profile areas. |
| | | Overall savings of \$1,331.11 for fiscal year 2019 if MW reclass is a Town position. If MW becomes a contractual employee additional savings of approximately \$27,411 would be realized in savings from insurance and retirement contributions |

| Recommendation | Description | FY19 Budget Impact |
|---|--|--------------------------|
| Rental club replacement schedule reduced to every other year | Approximately ten (10) sets of rental clubs, from the inventory of 21 rental sets, are replaced each year, at a cost of \$600 per set. This replacement cycle is necessary due to high demand for this product by patrons that frequent our facility. During fiscal year 2017, revenue from rental clubs was over \$57,275, averaging, \$2,725 in revenue per set. The failure to replace these sets of rental clubs could result in a reduction in revenue due to a decline in the quality of the product that is being offered. | \$6,000 every other year |
| Pull cart replacement schedule reduced to every other year | Approximately 12 pull carts, from a fleet of 27, are replaced each year. These carts are kept outdoors, due to a lack of interior storage space. The harsh environmental elements cause extensive rusting, requiring a frequent replacement cycle to ensure they are functioning properly. Revenue from pull carts in fiscal year 2017 totaled over \$37,600, averaging \$1,390 per cart. Carts cost approximately \$120 to purchase. Failure to replace these pull carts could result in a reduction of revenue due to the malfunction of the existing inventory. | \$2,000 every other year |
| Refurbish 50% of cart paths each year instead of full restoration. | A portion of the cart paths at the Par 3 are comprised of crushed rock. This organic material must be replaced due to erosion, weathering and decomposition. Refurbishing a portion of the cart paths every year could impact the aesthetics of the course and may add to the manpower needed for maintenance to ensure paths remain safe and clear of ruts and holes. | \$5,500 |

TENNIS

RECOMMENDATIONS FOR REVENUE INCREASES OR NEW REVENUES

| Revenue | Description | Annual Revenue |
|--|--|----------------|
| Increase cost of mixers for residents from \$1.00 to \$2.00 and non-residents from \$1.00 to \$4.00 and offer multiple mixer packages. | The current fee of \$1.00, plus court fees, to participate in mixers, has been in effect since approximately 2010. Raising the rates of mixers and offering discounted multiple mixer packages, would significantly increase revenue. This increase could cause some patron dissatisfaction and may result in a reduction in participation. | \$4,000 |
| Solicit corporate sponsorship for events and programs. | The use of select corporate sponsorship for programs and events would assist in increasing the cost recovery of the tennis operation. Areas available for sponsorship could include the quarterly newsletter, mixers and town sponsored championships. | \$6,500 |
| Increase all daily court rates. | Raise daily court fees and 12 play passes within market parameters. | \$4,500 |

RECOMMENDATIONS FROM STAFF FOR TOWN COUNCIL CONSIDERATION

The table below summarizes a list of recommendations from staff of expenditure savings.

| Recommendation | Description | FY19 Budget Impact |
|--|---|--------------------|
| Phipps Tennis Center closure on Fridays, Saturdays and Sundays at 12:30 pm, year round. | Based upon usage records, closure of Phipps Tennis Center at 12:30 pm on Fridays, Saturdays and Sundays would impact approximately 56 players a month. The cost savings come as a result of a reduction in staff hours needed to operate the Tennis Center. | \$2,300 |

| Recommendation | Description | FY19 Budget Impact |
|--|--|--------------------|
| <p>Close all year round on Thursday – Monday at 6:30 pm at Seaview Tennis Center, except for special events and programs.</p> | <p>Based upon usage records, closure of Seaview Tennis Center at 6:30 pm on Thursday – Mondays would impact approximately 30 players a month. The cost savings come as a result of a reduction in staff hours needed to operate the Tennis Center.</p> | <p>\$2,500</p> |
| <p>Eliminate ten (10) Town sponsored themed special events.</p> | <p>Approximately 175 patrons participated in the Town sponsored themed tennis events in fiscal year 2017. Discontinuing these programs lowers our level of service which could result in participant dissatisfaction. However, the option to continue these events can be offered to the contractual tennis pro, whom can provide this service at a higher fee to the participant.</p> | <p>\$3,400</p> |

RECREATION

RECOMMENDATIONS FOR REVENUE INCREASES OR NEW REVENUES

| Revenue | Description | Annual Revenue |
|--|---|----------------|
| Raise non-resident differential from 15% to 20% over resident rates. | Comments: Many non-residents utilize recreation services but make no direct tax contributions to help support town services. It is not equitable for these participants to enjoy the facility or service while residents are taxed for the support services. Therefore, it is reasonable to incorporate higher non-resident participation fees. | \$10,000 |
| Solicit corporate sponsorship for events and programs. | The use of select corporate sponsorship for programs and events would assist in increasing the cost recovery of the tennis operation. Areas available for sponsorship could include the quarterly newsletter, mixers and town sponsored championships. | \$7,000 |
| Creation of a Maintenance & Improvement Fund for the Recreation Center | A separate reserve to cover costs associated with non-routine maintenance and improvement projects would assist in ensuring that funds are available for to support capital improvement projects and unanticipated maintenance projects. A minimal charge would be added to each activity registration ranging from \$1.00 for a single day/drop in to \$5.00 for a multiple class enrollment. | \$7,500 |

| Revenue | Description | Annual Revenue |
|---|---|----------------|
| Restructure existing instructor agreements | <p>Town of Palm Beach and recreation instructors share a percentage of the program fees collected from registered participants. Changing the percentages and standardizing them for all instructors could produce additional revenue for the Town. This model allows the instructor to focus on program design and facilitation, while the Town handles participant payment, registration and facility set up.</p> | \$1,500 |
| Institute a fee for community based special events. | <p>The Recreation Center hosts two (2) community based special events each year, the Spring Celebration and Halloween Happenings. These programs have traditional been offered at no cost to the participant. The institution of a participation fee would cover the cost of these programs, but may impact the number of patrons in attendance.</p> | \$2,500 |



Comprehensive Review of Town Operations

TOWN MANAGER'S OFFICE

CONTENTS

| | |
|--|----|
| Town Manager’s Office..... | 3 |
| Benchmarks for Town Manager’s Office | 3 |
| Legislative 111..... | 7 |
| Potential Revenue Enhancements..... | 8 |
| Past Efficiencies and Cost Saving Measures | 8 |
| Planned Future Efficiencies and Cost Saving Measures | 8 |
| Options for Cost Savings | 8 |
| General Government 113 | 10 |
| Potential Revenue Enhancements..... | 10 |
| Past Efficiencies and Cost Saving Measures | 10 |
| Planned Future Efficiencies and Cost Saving Measures | 10 |
| Options for Cost Savings | 11 |
| Administrative Management 121..... | 12 |
| Potential Revenue Enhancements..... | 13 |
| Past Efficiencies and Cost Saving Measures | 13 |
| Planned Future Efficiencies and Cost Saving Measures | 13 |
| Options for Cost Savings | 13 |
| Advice and Litigation 122..... | 16 |
| Potential Revenue Enhancements..... | 16 |
| Past Efficiencies and Cost Saving Measures | 17 |
| Planned Future Efficiencies and Cost Saving Measures | 17 |
| Options for Cost Savings | 17 |
| Information Technology 125..... | 18 |
| Potential Revenue Enhancements..... | 19 |
| Past Efficiencies and Cost Saving Measures | 19 |
| Planned Future Efficiencies and Cost Saving Measures | 19 |
| Options for Cost Savings | 20 |
| Records Management – Town Clerk 131..... | 22 |
| Potential Revenue Enhancements..... | 23 |

Past Efficiencies and Cost Saving Measures 23

Planned Future Efficiencies and Cost Saving Measures 23

Options for Cost Savings 24

Emergency Management..... 26

 Past Efficiencies and Cost Saving Measures 27

 Planned Future Efficiencies and Cost Saving Measures 27

 Options for Cost Savings 27

Self Insurance – Risk Management Fund..... 28

 Potential Revenue Enhancements..... 29

 Past Efficiencies and Cost Saving Measures 29

 Planned Future Efficiencies and Cost Saving Measures 29

 Options for Cost Savings 29

TOWN MANAGER'S OFFICE

Mission: The Town Manager's Office is dedicated to effectively advising the Mayor and Town Council regarding policy formation; 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.

BENCHMARKS FOR TOWN MANAGER'S OFFICE

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|--|--|--|--|-----------|---|-------------------------------------|
| Legislative | | | | | | |
| Amount budgeted for Lobbying Services for FY18 | \$140,600 | \$258,000 | N/A | \$0 | \$60,000 | \$45,000 |
| Amount budgeted in FY18 for membership dues | \$11,000 | \$15,000 | \$6,000 | \$2,700 | \$22,538 | \$32,500 |
| Amount budgeted in FY 18 for elected officials' compensation | \$0 | \$507,385 | \$302,000 | \$218,584 | \$309,367 | \$123,507 |
| General Government | | | | | | |
| Amount budgeted for Employee Events for FY18 | \$32,100 | \$12,200 | N/A | \$23,900 | \$0 – Employees raise \$ for events | \$34,100 |
| Amount budgeted on Holiday Decorations for FY18 | \$94,000 | \$25,000 | \$29,100 | \$6,945 | \$4,100 | No budget; \$24,000 grant for tree |
| Administrative Management | | | | | | |
| Town Manager's Office Staff/Staff supporting MTC | 4 – 1 Deputy Town Mgr; 1 Admin. Mgr; 1 Admin. Asst.; 1 Admin. Asst. II | 21.5 – Mayor's Office (Covers City Admin.) | 5 – 1 Dep. CM; 1 Asst. CM; 1 Ex. Off. Mgr; 1 Ex. Asst. II; 1 Ex. Asst. I | 3 | 5 – 1 Dep. CM; 1 Media Relations Mgr; 1 Asst. to CM; 1 Ex. Asst; 1 Admin. Asst. | 2 – 1 Internal Auditor; 1 Ex. Secy. |

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|---|-----------------------|-----------------|--------------|-------------|--------------------|-----------------------------------|
| FY18 Budget for Town Manager's Office | \$798,492 | \$1,428,846 | \$1,370,000 | \$269,365 | \$737,046 | \$875,916 |
| Advice and Litigation | | | | | | |
| Hourly rate for contracted attorney | Varies, Avg. \$250/hr | In-house | In-house | \$225/hr | N/A | \$210/ general; \$250/ litigation |
| Amount spent on Legal Services for FY17 | \$975,017 | \$3,086,139 | \$1,467,600 | \$350,320 | \$469,433 | \$1,025,639 |
| Information Technology | | | | | | |
| IT Budget | \$2,599,005 | \$15,404,787 | \$12,103,500 | \$2,612,415 | \$2,402,442 | \$3,956,143 |
| # of IT Staff | 8 | 49 | 42 | 12 | 9 | 18.21 |
| Number of Town FTEs | 363 | 1500 | 1499 | 386 | 496 | 645.33 |
| Ratio of Total Employees per IT Staff Member | 46:1 | 31:1 | 35:1 | 32:1 | 55:1 | 35:1 |
| Computer Count (Including Tablets) | 442 | 2300 | 1500 | 400 | 473 | 800 |
| Ratio of Computers per IT Staff | 55:1 | 47:1 | 35:1 | 33:1 | 53:1 | 44:1 |
| Total Devices Owned/Supported | 1,430 | | | | | |
| Ratio of Total Devices Supported Per IT Staff | 179:1 | | | | | |
| Service Catalog Count (Services and Solutions Supported) | 69 | | | | | |
| Town Clerk | | | | | | |
| Clerk's Office FTE | 3 | 4 | 7 | 5 | 5 | N/A |
| Number of Town Council Regular and Special meetings in FY17 | 27 | 24 | 45 | 28 | 18 | N/A |
| Average Length of Regular Meetings | 8+ hours | 2 hours | 3.5 | 3hrs. | 2.5 hrs | N/A |
| Average # of pages in agenda book | 925 | NA | 650 | 700pgs. | 1135 | N/A |
| Total # of pages of Council meeting minutes in FY17 | 216 | Unclear | 228 | 216 | 102 | N/A |

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|--|--------------|-----------------------|------------------------|------------------------------------|--------------------|-------------------------------|
| Boards/Committees other than Council that is supported by Clerk's Office | 6 | 1-Civil Service | 25 | 2 = Beach and Audit | 7 | N/A |
| Number of boards/commission applications processed in FY17 | 12 | NA | 105 | 151 | 35 | N/A |
| Number of public records requests processed in FY17 | 225 | 862 | 3536 | 57 | 250 | N/A |
| Does Clerk's office process any permits | YES | NO | NO | NO | NO | N/A |
| How often general municipal elections are conducted | Annually | Annually | 2 years on, 1 year off | 2yrs on, 1year off | 2yrs on, 1 off | N/A |
| Self Insurance – Risk Management | | | | | | |
| Experience Modification Rate | .61 | .95 | .81 | .86 | .64 | .80 |
| Drug-free workplace credit | yes | No | Yes | Yes | Yes | yes |
| Safety Program & written manual | Yes | Yes | Yes | Yes | Yes | yes |
| Title(s) of person(s) handling Safety Program | Risk Manager | RM & Safety Officer | 1 | Risk Manager | RM Coordinator | RM/ Safety Coord. |
| Number of personnel handling Safety Program | 1 | 3 | 2 | 1 | 1 | 1 |
| Number of personnel under the Risk Management Office | 1.5 | 6 | 5 | 1 | 1 | 3 including RM |
| Insurance program self insured or 1 st dollar | Both | Both | Self | W/C Policy- 1 st Dollar | Both | Self-Insured SIR of \$200,000 |
| Total number of Claims for FY2017 | 221 | 541 | 217 | 68 | 60 | 160 |
| Do you have a COI procedure | Yes | Yes | Yes | Yes | Yes | Yes |
| Who reviews the COI for approval | Risk Manager | RM or Claims Adjuster | Risk Mgmt. Analyst. | RM for Town events | RM Coordinator | Risk Manager |
| Do you handle the insurance which covers the Fire/Police/PW/ | Yes | Yes | Yes | Yes – Except Fire | Yes | Yes |

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|---|-------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------------|--------------|
| Recreation/PZB/exposures | | | | | | |
| What RM software do you use | Risk Master | TPA Software in house for notes | TPA Software & Compliance Suite | N/A | No program | Risk Master |
| Are you a member of RIMS & active | Yes | Yes | Yes | Yes | No | Yes |
| Are you a member of PRIMA & active | Yes | Yes | Yes | Yes | No | Yes |
| Do you have an insurance designation | Yes, ARM | N/A | Yes- CPCU, ARM, AIC, AWS, MLIS | N/A | No | No |
| Is the RM involved in the Emergency Mgmt team | Yes | Yes | Yes | Yes –RM included in ICS for WC | Yes, RM Coordinator | Yes |
| Number of lost time WC claims for FY17 | 11 | 72 | 32 | 4 | 3 | 23 |
| Average cost of lost time WC claim FY17 | \$35,800 | \$24,667 | \$11,609 | \$19,474 | \$28,999 | \$13,234 |
| Number of medical only FY17 | 12 | 112 | 104 | 17 | 40 (some files resulted in no claims) | 89 |
| Average Cost of Medical Only WC claim FY17 | \$1,975 | | \$1,812 | \$1,706 | \$2,613 | \$1,590 |
| Number of employees FTE | 363 | | 1,755 | 405 | 598 | 903 |

LEGISLATIVE 111

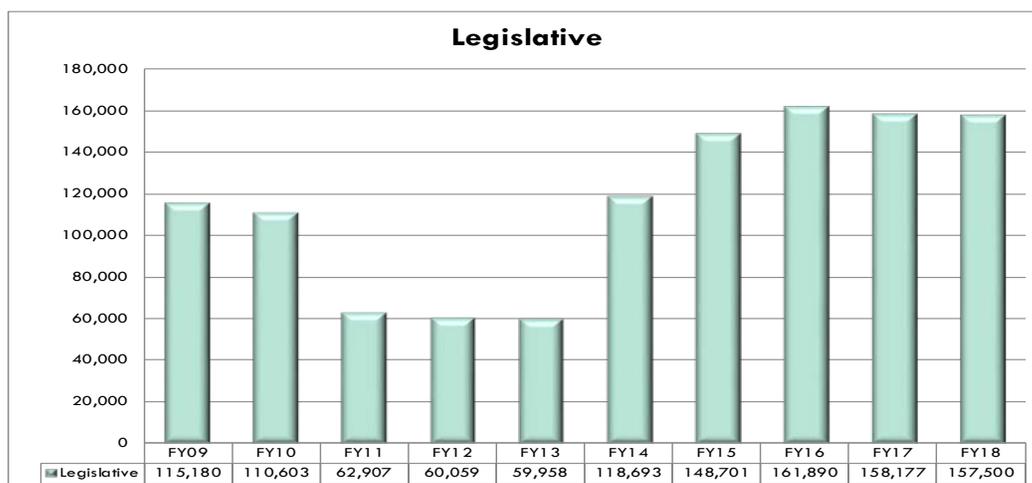
Pursuant to the Town’s Charter, the Mayor and Town Council are elected at large by the electors of the Town. The Town Council enacts ordinances and resolutions, reviews and adopts the annual budget, and establishes policies and other measures which promote the general welfare of the Town and protect 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.

This program also includes funding allocations for lobbying services and 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, 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.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------------|
| Salaries and Wages | - | - | - | - | - | - | 0.00% |
| Employee Benefits | - | - | - | - | - | - | 0.00% |
| Contractual | 137,414 | 149,719 | 143,100 | 143,100 | 130,150 | 143,100 | 0.00% |
| Commodities | 11,287 | 12,171 | 12,800 | 12,800 | 15,527 | 14,400 | 12.50% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 148,701 | 161,890 | 155,900 | 155,900 | 145,677 | 157,500 | 1.03% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



POTENTIAL REVENUE ENHANCEMENTS

| | |
|----------------|--|
| Not Applicable | |
|----------------|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

- The Town’s elected officials do not receive compensation, including salary, benefits or dedicated staff.
- The Mayor and Town Council’s administrative services are provided by the staff in the Town Manager’s Office.
- The Mayor and Town Council budget for travel was decreased.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

N/A

OPTIONS FOR COST SAVINGS

| |
|---|
| <p>Option for Cost Savings: Reduce or eliminate lobbying services.</p> <p>Cost Savings: Up to \$140,500</p> <p>Comments: Ballard Partners are full-time representatives monitoring and protecting the Town’s interests in Tallahassee. The firms of Greenberg & Traurig and Foley & Lardner provide lobbying services for inlet/coastal issues on the state and federal level.</p> <p>Impacts of Option: Without having representation in Tallahassee and Washington, D.C., the Town will be unaware of potential legislation or agency rule changes that will adversely impact the Town and won’t have an active advocate working on behalf of the Town.</p> |
| <p>Option for Cost Savings: Reduce or eliminate memberships in governmental associations.</p> <p>Cost Savings: Up to \$10,000</p> <p>Comments: The Town currently pays membership dues for the Florida League of Cities, Palm Beach County League of Cities and Florida League of Mayors. The Florida League of Cities would continue to be paid for \$920/year because the Town receives a share of statewide funds each year by being a member of the Leagues.</p> <p>Impacts of Option: Membership of the Palm Beach County League of Cities and League of Mayors provides the Town with invaluable educational and information resources, advocacy at the State level, and networking opportunities with elected officials in other towns and cities in the County and statewide.</p> |

Option for Cost Savings:

Reduce or eliminate travel expenses.

Cost Savings:

Up to \$2,500

Comments:

The Town pays travel expenses for the Mayor and Town Council to travel to D.C., Tallahassee and Jacksonville to meet with Legislatures and to attend the Florida League of Cities Conference.

Impacts of Option:

If this fund is reduced or eliminated, the Mayor and Town Council would be required to pay their own travel expenses.

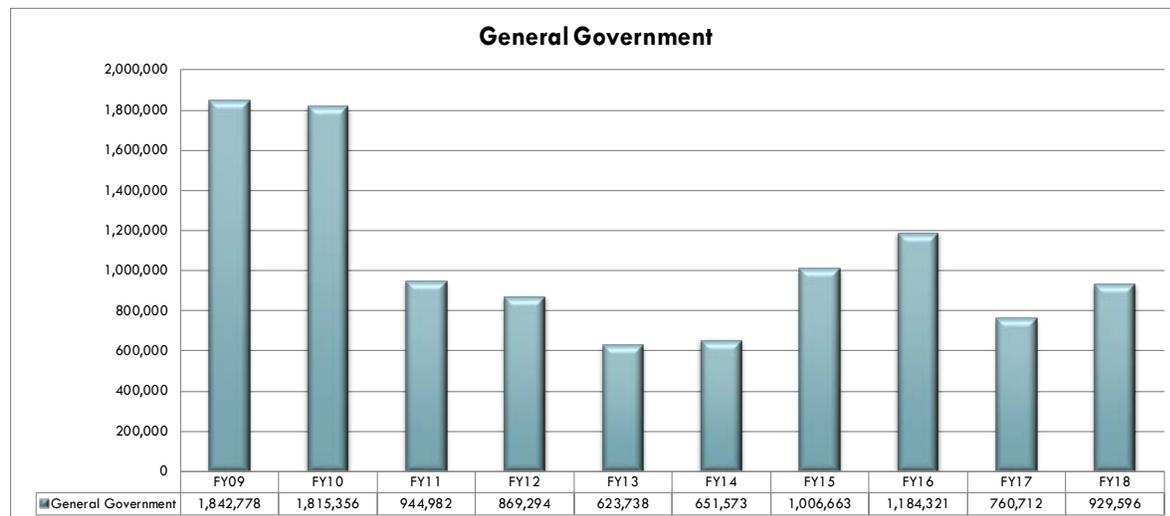
GENERAL GOVERNMENT 113

In accordance with Florida's Uniform Accounting System Manual, 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.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 864,511 | 803,026 | 460,117 | 460,117 | 479,814 | 740,226 | 60.88% |
| Employee Benefits | 16,665 | 14,036 | 45,100 | 45,100 | - | 41,000 | -9.09% |
| Contractual | 125,184 | 366,752 | 192,300 | 351,527 | 274,366 | 147,870 | -23.10% |
| Commodities | 303 | 507 | 500 | 500 | 57 | 500 | 0.00% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,006,663 | 1,184,321 | 698,017 | 857,244 | 754,237 | 929,596 | 33.18% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



POTENTIAL REVENUE ENHANCEMENTS

Not Applicable

PAST EFFICIENCIES AND COST SAVING MEASURES

N/A

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

N/A

OPTIONS FOR COST SAVINGS

Option for Cost Savings:

Eliminate or reduce funding for holiday decorations.

Cost Savings:

Up to \$94,000

Comments:

The Town has budgeted \$94,000 for the installation and removal of holiday decorations and trees throughout the Town. 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.

Impacts of Option:

The holiday decorations are a beloved annual tradition by Town residents and businesses. The Worth Association and South County Road Association both plan annual tree lighting events that are very popular with residents and widely attended. The elimination of funding for these programs will be problematic for these associations to continue these events.

Option for Cost Savings:

Eliminate or reduce funding for employee special events.

Cost Savings:

Up to \$32,000

Comments:

The Town has budgeted \$17,000 for the Annual Appreciation Luncheon and \$15,000 for the Employee Holiday Party. These two events could be downscaled or consolidated into one annual event at a reduced cost.

Impacts of Option:

Employees look forward to these events every year.

Option for Cost Savings:

Eliminate or reduce funding to the Fourth on Flagler event.

Cost Savings:

Up to \$12,000

Comments:

This items is not budgeted each year, it is funded from contingency and paid from this fund.

Impacts of Option:

ADMINISTRATIVE MANAGEMENT 121

Mission: Town Manager’s Office provides oversight and direction to all Town departments to promote continuous improvement of service delivery consistent with Town Council policy.

Main Activities:

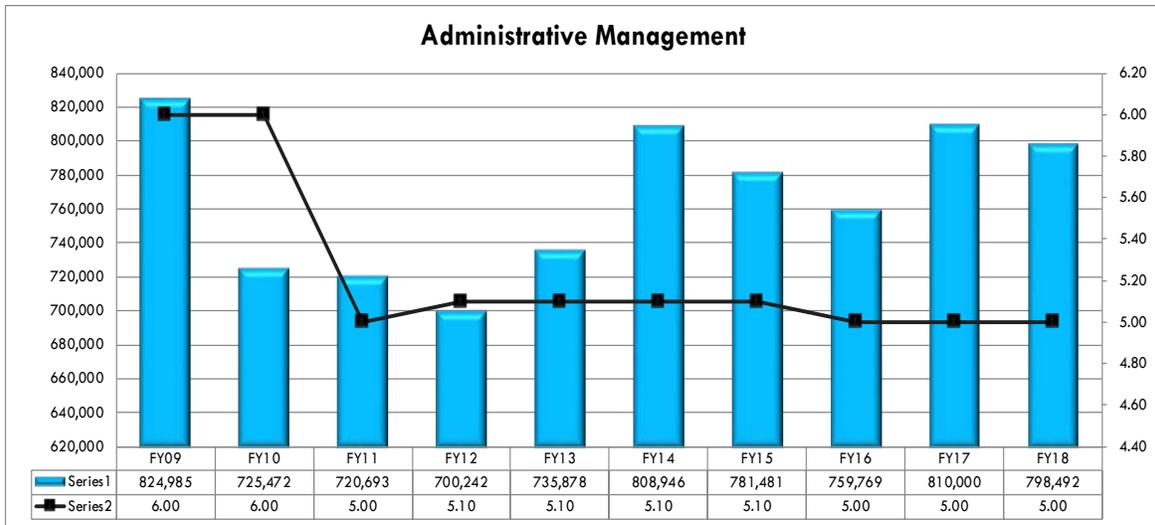
- Advise Mayor and Town Council and assist them in the adoption of sound policy decisions.
- Promote the Town’s vision/values.
- Communicate clearly and continuously with residents, elected officials, staff, and others both inside and outside the community.
- Monitor and manage staff progress on Town programs and projects.
- Deliver exceptional customer service to residents, elected officials, staff, and others both inside and outside the community.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 536,253 | 509,622 | 530,024 | 530,024 | 541,557 | 540,597 | 1.99% |
| Employee Benefits | 231,252 | 208,286 | 225,805 | 221,306 | 224,910 | 231,298 | 2.43% |
| Contractual | 7,414 | 34,603 | 16,700 | 28,302 | 29,954 | 16,297 | -2.41% |
| Commodities | 6,562 | 7,261 | 9,400 | 9,400 | 8,143 | 10,300 | 9.57% |
| Capital Outlay | - | - | - | - | 5,436 | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 781,481 | 759,772 | 781,929 | 789,032 | 810,000 | 798,492 | 2.12% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---|--------------|--------------|--------------|--------------|--------------|
| Town Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Deputy Town Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Director of Recreation and Special Projects | 0.100 | 0.100 | - | - | - |
| Communications Specialist | - | - | - | - | 0.500 |
| Executive Assistant | 1.000 | 1.000 | 1.000 | - | - |
| Administrative Manager | - | - | - | 1.000 | 1.000 |
| Administrative Assistant II | - | - | - | 1.000 | 1.000 |
| Administrative Assistant | 2.000 | 2.000 | 2.000 | 1.000 | 0.500 |
| | 5.100 | 5.100 | 5.000 | 5.000 | 5.000 |



POTENTIAL REVENUE ENHANCEMENTS

Not Applicable

PAST EFFICIENCIES AND COST SAVING MEASURES

- The position of Assistant Town Manager was eliminated after the departure of the incumbent in that position.
- Automation of the Town Council Agenda provided greater efficiency in that process, and in FY17, this process was transferred completely to the Town Clerk’s Office.
- The Town’s website was upgraded in January 2018, which provided greater efficiency in completing tasks necessary for updating website content.
- One-half of the Administrative Assistant position was transferred to the Risk Management budget beginning in FY18.
- Reorganization of the Town Clerk’s Office and the Town Manager’s Office resulted in an approximately \$28,000 reduction in the budget.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

None

OPTIONS FOR COST SAVINGS

Option for Cost Savings:

Eliminate the Communications Specialist position.

Cost Savings:

\$100,000 plus benefits, town-wide. This budget would be reduced by \$25,000 plus benefits.

Comments:

This position has not yet been filled.

Impacts of Option:

The duties that would have been completed by this position will need to be dispersed to other individuals, thus increasing their workloads and reducing the quality and quantity of communications. This leaves TMO, Undergrounding, Public Works, Coastal, PZB and Recreation without any cohesive messaging.

Recommendation for Cost Savings:

Eliminate an Administrative Assistant position in TMO/TCO.

Cost Savings:

\$38,724 plus benefits (to be distributed between TMO and TCO).

Comments:

The Town Manager’s Office has two Administrative Assistants (one is an Administrative Assistant II) and the Town Clerk’s Office has one Administrative Assistant. If one entire position is eliminated through attrition, then one of the Administrative Assistants could be shared between the Town Manager’s Office and Town Clerk’s Office; that person would spend 50% time in each division.

Impacts of Option:

The duties and responsibilities completed by the eliminated position would need to be reallocated to the other Administrative Assistants and the Administrative Manager and/or other departments, thus increasing their workloads and impacting office coverage.

Option for Cost Savings:

Reduce or eliminate memberships in professional associations.

Cost Savings:

Up to \$6,250

Comments:

The Town Manager’s Office budget includes membership dues for Town Manager and Deputy Town Manager to be members of the Florida City-County Manager Association, Palm Beach County City Manager Association, Rotary Club of Palm Beach, International City Manager Association, and the Urban Land Institute.

Impacts of Option:

Membership of the PBCMA and ICMA provides the Town with invaluable educational and information resources, advocacy at the State level, and networking opportunities with elected officials in other towns and cities in the County and statewide.

Option for Cost Savings:

Reduce or eliminate funding for training, travel and per-diem fees.

Cost Savings:

Up to \$5,700/year

Comments:

The Town Manager's Office budget includes funding for training program fees and travel and per diem costs for the Town Manager and Deputy Town Manager.

Impacts of Option:

Staff would be responsible for funding their own professional development. Staff would not have the opportunity to enhance their job knowledge and performance through continuing education.

ADVICE AND LITIGATION 122

The Town Attorney advises the Town's elected officials and staff regarding legal matters concerning the Town of Palm Beach. 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. The Town Attorney, or his designee, attends Town Council, Architectural Commission, 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. This program also includes funding for special counsel who advises and represents the Town in all collective bargaining, other labor related issues, and miscellaneous Town matters.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | - | - | - | - | - | - | 0.00% |
| Employee Benefits | - | - | - | - | - | - | 0.00% |
| Contractual | 466,456 | 665,673 | 561,000 | 757,788 | 974,172 | 578,788 | 3.17% |
| Commodities | - | - | - | - | - | - | 0.00% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 466,456 | 665,673 | 561,000 | 757,788 | 974,172 | 578,788 | 3.17% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



POTENTIAL REVENUE ENHANCEMENTS

Not Applicable

PAST EFFICIENCIES AND COST SAVING MEASURES

Not Applicable

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Not Applicable

OPTIONS FOR COST SAVINGS

Option for Cost Savings:

Reduce use of contractual services with Town Attorney

Cost Savings:

TBD

Comments:

This budget includes funding for general legal advice, as well as litigation costs, which are what fluctuate depending on lawsuits that are filed on the Town. The Town could institute a policy reducing staff and elected official contact with the Town Attorney. Another option is budgeting less for litigation and handling and litigation fees out of contingency.

Impacts of Option:

This option has been previously studied by the Town, however it was determined to not be feasible due to the complexity and volume of legal entanglements that occur with the Town which necessitates legal advice from attorneys with a variety of specialties.

INFORMATION TECHNOLOGY 125

Mission: Provide a collaborative and cooperative enterprise approach in identifying, prioritizing, managing, supporting, partnering and successfully executing a service portfolio of digital initiatives and solutions aligning with town strategic goals and cross-functional vision through the use of industry standards, generally accepted principles and formal project management tools and techniques.

Main Activities: The most important things we do to fulfill the mission are:

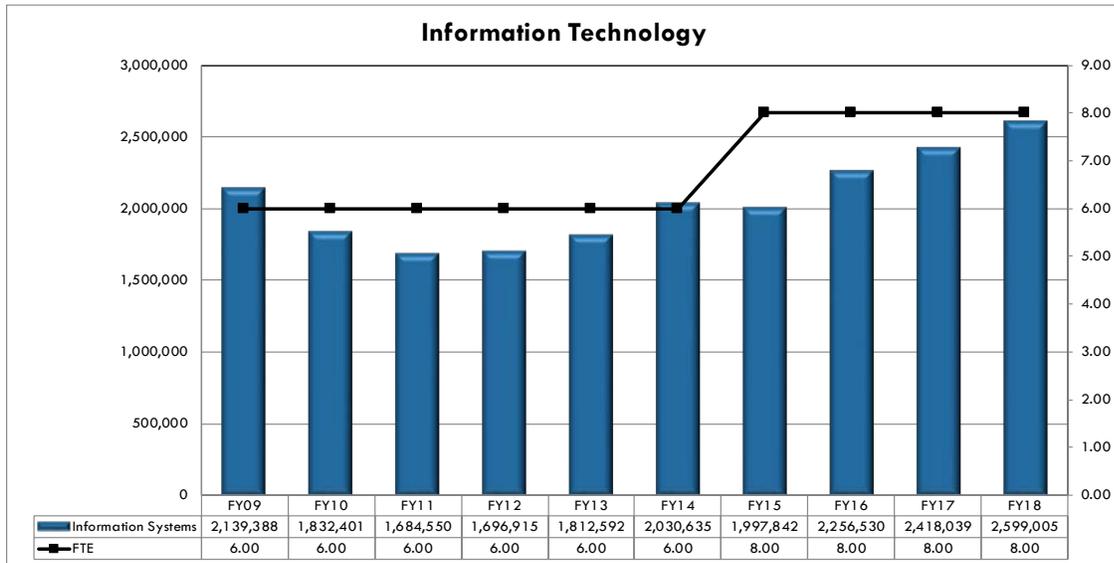
- Provide strategic direction and long-range planning for the development, deployment, integration and operation of the foundational digital environment in support of evolving town-wide operations.
- Provide exceptional customer service and responsive remediation based on defined service levels.
- Establish and promote IT governance that includes IT Controls, Frameworks and Methodologies including Policies, Procedures (SOP), and Best Practices.
- Coordinate and direct services and solutions that ensure efficiency and effective use of digital resources.
- Provide and support digital solutions that support transparency and civic engagement.
- Support collaboration of emerging digital resources among Town personnel and residents.
- Continuously evaluate the digital environment against emerging security threats and provide annual security training.
- Centralized systems support, service, programming and server high availability.
- PC maintenance, upgrades, software compatibility.
- Coordinate, regulate and educate regarding all computer, telephone and electronic systems.
- Coordinate the continued implementation of replacement computers and systems as required.
- Oversee GIS Systems Activities and assist Departments with the use of these systems

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 531,422 | 480,445 | 677,843 | 677,843 | 505,290 | 685,410 | 1.12% |
| Employee Benefits | 315,076 | 296,683 | 339,113 | 331,233 | 295,757 | 335,802 | -0.98% |
| Contractual | 772,818 | 938,623 | 909,800 | 1,084,688 | 1,090,289 | 1,085,149 | 19.27% |
| Commodities | 130,726 | 114,908 | 156,800 | 156,800 | 91,483 | 179,164 | 14.26% |
| Capital Outlay | - | 136,384 | 87,000 | 183,766 | 145,363 | 5,000 | -94.25% |
| Depreciation | 247,800 | 289,488 | 289,857 | 289,857 | 289,857 | 308,480 | 6.42% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,997,842 | 2,256,531 | 2,460,413 | 2,724,187 | 2,418,039 | 2,599,005 | 5.63% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|-----------------------------------|--------|--------|--------|--------|--------|
| Information Technology Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Assistant IT Manager | - | - | - | - | 1.000 |
| Systems Analyst | 1.000 | 3.000 | 3.000 | 3.000 | - |
| Systems Administrator | - | - | - | - | 2.000 |
| GIS Coordinator | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Information Technology Specialist | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 |
| | 6.000 | 8.000 | 8.000 | 8.000 | 8.000 |



POTENTIAL REVENUE ENHANCEMENTS

| |
|----------------|
| Not Applicable |
|----------------|

PAST EFFICIENCIES AND COST SAVING MEASURES

- Town messaging (E-Mail) and collaboration migration to Microsoft Exchange. This provides a litany of efficiencies and cost savings including greater integration, increased security, and vast improvements in stability.
- Standardization of Business Applications. OIT has implemented a policy of standardization to leverage economies of scale. The reduction of numerous software versions has allowed the team to better support and respond to technical and operability issues while allowing the need for a singular knowledge base.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- 1) Deployment of a disk imaging solution that provides mass imaging of new computer deployments and expedited repair of hard drive related operational issues. No cost savings are associated with this implementation but this provides great ROI based on automation,

responsiveness, and security compliance which in turn greatly reduces the time to complete these associated tasks while greatly limiting service gaps.

- 2) Implementation of an enterprise solution allowing for institutional deployment of OS patch management, third-party patch management and security updates, town-wide, in an automated and highly responsive manner in the event of late-breaking security notifications. No cost savings are associated with this implementation but this provides great ROI based on automation, responsiveness, and security compliance which in turn greatly reduces instability and security risk.
- 3) Alternate Town Internet Service Providers (ISP) are being evaluated. The Town's current ISP provides highly stable and reliable service, however, the cost structure may not be as competitive as other available options. This an FY18 strategic goal to expand bandwidth to allow for additional services such as cloud (offsite) based data back-up and data recovery. While there are many details still under review, this has the potential cost savings of approximately \$8,000-\$10,000 annually while allowing an increase in service levels from 100 Mbps to 1,000Mbps.
- 4) Modification of the Town desktop computer obsolescence/life-cycle plan has been modified as of FY18 from 3 years to 5 years. The cost savings from this change is nominal, approximately \$2,000 annually. However, current generation best-practice for organizations is 5 years and this will reduce the number of annual replacements while also reducing the frequency of inconvenience to end-users. This in turn allows more time spent on strategic and innovative initiatives.
- 5) Continued virtualization of physical server fleet. IT has expanded the current virtual server environment with the intention of migrating a majority of physical servers to virtual servers. This will reduce the need for approximately 20-25 physical servers and in turn reduce electrical consumption, cooling costs, and reduce our carbon footprint.
- 6) A study is underway to evaluate town-wide print usage patterns to identify the potential of reducing locally installed and networked printers. Standard printers have a higher cost per page and Total Cost of Ownership (TCO) than multi-function devices (copiers). Savings can be realized with this approach, however, due to limit space and configuration challenges, a thorough assessment needs to be completed to evaluate the viability of replacing numerous printers with departmental MFDs. Depending on the breadth of printer reductions, there could be a \$10,000-\$20,000 annual savings annually.

OPTIONS FOR COST SAVINGS

Option for Cost Savings:

Transition digital solutions to cloud-based (SaaS).

Cost Savings:

Unable to calculate the savings as this will need to be evaluated on a case by case basis.

Comments:

Not all digital solutions provide a SaaS option.

Impacts of Option:

This migration to the cloud would reduce servers, electrical, and cooling needs but necessitate reliable and redundant Internet connectivity. This would also reduce operational (day to day) activity, freeing up resources to focus on innovative and strategic initiatives.

Option for Cost Savings:

Outsource the Office of IT either in whole or specific disciplines.

Cost Savings:

Dependent upon level of outsourcing. Based on a recent proposal for management of the Help Desk operations, the costs could be dramatically higher than current expenses for town based FTEs.

Comments:

OIT currently outsources network design/administration and does not have a FTE with this specialized skill-set or experience. Outsourcing OIT can be complicated due to the multiple differing possibilities. Outsourcing options are; 1) the entire team, including the manager, a town employee would still be required to provide contractual/service level oversight, 2) the entire team but retain an in-house IT Manager to manage the contract/service level oversight, or 3) the service desk activities but retain an IT Manager and the systems administration team as town FTEs.

Impacts of Option:

It is not certain that any of these options would result in a net decrease in expense and would require an extensive study necessitating RFP.

RECORDS MANAGEMENT – TOWN CLERK 131

Mission: This division exists to provide reliable record keeping and efficient election management that meets the standards of the community.

Main Activities: The most important things we do to fulfill the mission are:

- Take minutes and transcribe them in an accurate and timely fashion
- Maintain official codes and documents
- Coordinate and manage municipal elections
- Process and issue various permits
- Fulfill public records requests
- Ensure record availability both electronically and by hard copy

Revenue Summary

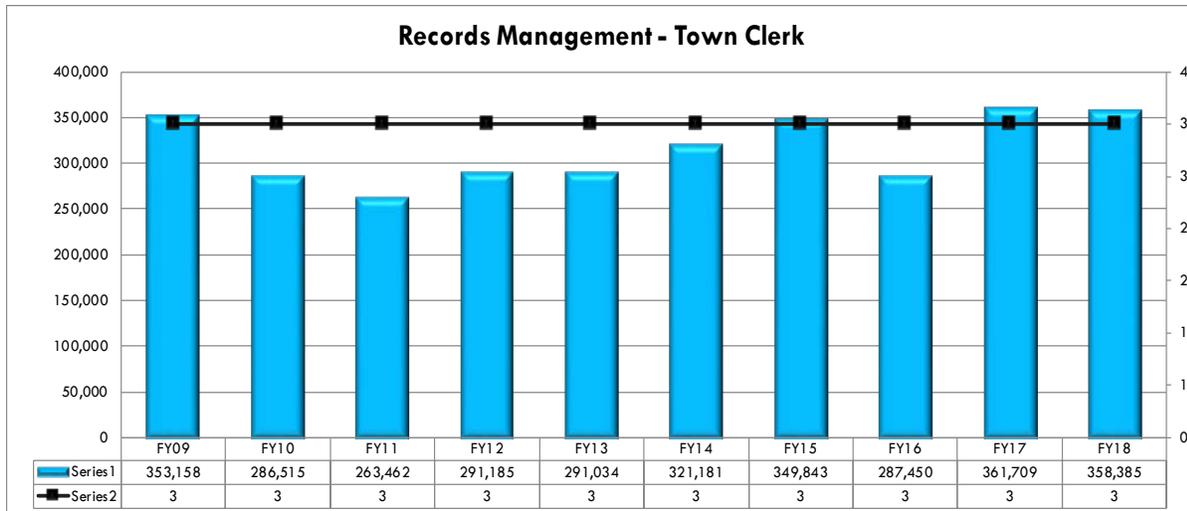
| | 2015 Actual | 2016 Actual | 2017 Budget | 2017 Projected | 2018 Budget | % Change |
|--|-------------|-------------|-------------|----------------|-------------|----------|
| Charitable Solicitations Fee | 40,030 | 43,880 | 50,000 | 40,075 | 50,000 | 0.00% |
| Charitable Solicitations Late Filing Fee | 4,840 | 5,955 | 7,000 | 6,045 | 7,000 | 0.00% |
| | 44,870 | 49,835 | 57,000 | 46,120 | 57,000 | 0.00% |

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|----------------|----------------|----------------|------------------|------------------|----------------|--------------|
| Salaries and Wages | 218,187 | 168,179 | 181,342 | 181,342 | 187,566 | 187,344 | 3.31% |
| Employee Benefits | 79,468 | 79,916 | 103,515 | 100,931 | 100,953 | 108,807 | 5.11% |
| Contractual | 50,515 | 31,715 | 62,100 | 62,100 | 69,842 | 54,729 | -11.87% |
| Commodities | 1,673 | 3,364 | 4,550 | 4,550 | 3,348 | 6,650 | 46.15% |
| Capital Outlay | - | 4,276 | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | 855 | 100.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 349,843 | 287,450 | 351,507 | 348,923 | 361,709 | 358,385 | 1.96% |

*FY16 Adjusted includes FY16 adopted budget plus purchase orders written against the FY15 budget but spent against the FY16 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------------------------|--------|--------|--------|--------|--------|
| Town Clerk | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Deputy Clerk | - | - | 1.000 | 1.000 | 1.000 |
| Document Management Coordinator | 1.000 | 1.000 | - | - | - |
| Administrative Assistant | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|---|--|
| Implement a usage fee and a damage deposit for certain sites for special events | |
|---|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

- **Granicus** – Implemented Granicus LiveManager to livestream and record public meetings.
- **Hired a Deputy Town Clerk** – In 2016, a Deputy Town Clerk was hired to assist with fulfilling the essential duties of the Town Clerk’s Office. The Deputy Town Clerk position has greatly enhanced the Town Clerk’s Office ability to meet the growing demand for services and the changing needs of the Town.
- **Implemented JustFOIA, a web-based service that helps manage and track public records requests.** Prior to JustFOIA, the Town Clerk’s Office did not have a system in place for managing and tracking public records requests, which resulted in issues with missing requests that had been submitted and litigation resulting from these issues. Since the implementation of JustFOIA in 2016, the Town Clerk’s Office has processed over 500 records requests. The public portal feature is helpful when sending large files that cannot be sent directly by email, saving time, money and staff resources.
- **Switched to a uniform election** – In June 2017, the Town Council agreed to change its election date to the uniform election date in Palm Beach County. The Town will save money by sharing the costs with the County pro rata.
- Reorganization of the Town Clerk’s Office and Town Manager’s Office resulted in an overall savings of \$28,000.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

| |
|---|
| Recommendation: Paperless agenda packets – Town staff utilizes NovusAgenda meeting software to create the agenda packets for all upcoming Town Council meetings. In October |
|---|

2017, the Town Council agreed to utilize the board view feature that enables them to view the agenda material in an electronic format on the internet and eliminate the use of paper copies, which will be a cost savings of approximately \$7,500 annually. The estimated effective date will be March 2018.

Recommendation: Eliminate paper copies of code supplements, which will be a cost savings of approximately \$8,000 each year.

OPTIONS FOR COST SAVINGS

Option for Cost Savings:

Reduce or eliminate funding for professional memberships, education reimbursement and travel and per-diem fees.

Cost Savings:

Up to \$10,000 a year

Comments:

The Town of Palm Beach requires that the Town Clerk obtain a certification as a municipal clerk (i.e. CMC designation). The CMC designation requires a certain level of education and experience in credits as well as an active membership with the International Institute of Municipal Clerks (IIMC). The Town of Palm Beach, as an employer, has the option to change that requirement so that it is a preference instead of a requirement to hold the position of the Town Clerk. By eliminating the requirement for the certification, the Town could save money in membership fees and educational and travel reimbursement.

Impacts of Option:

- Staff would be responsible for funding their own professional development.
- Staff would not have the opportunity to enhance their job knowledge and performance through continuing education.

Recommendation for Cost Savings:

Eliminate an Administrative Assistant position in TMO/TCO.

Cost Savings:

\$38,724 benefits (to be distributed between TMO and TCO).

Comments:

The Town Manager's Office has two Administrative Assistants (one is an Administrative Assistant II) and the Town Clerk's Office has one Administrative Assistant. If one entire position is eliminated through attrition, then one of the Administrative Assistants could be shared between the Town Manager's Office and Town Clerk's Office; that person would spend 50% time in each division.

Impacts of Option:

The duties and responsibilities completed by the eliminated position would need to be reallocated to the other Administrative Assistants and the Administrative Manager and/or other departments, thus increasing their workloads and impacting office coverage. One potential reallocation of responsibilities are transferring Special Events Permits to Recreation.

EMERGENCY MANAGEMENT

Mission: This division exists to ensure the Town is at an acceptable level of readiness for response to hazards affecting Palm Beach in accordance with the National Incident Management System (NIMS) guidelines.

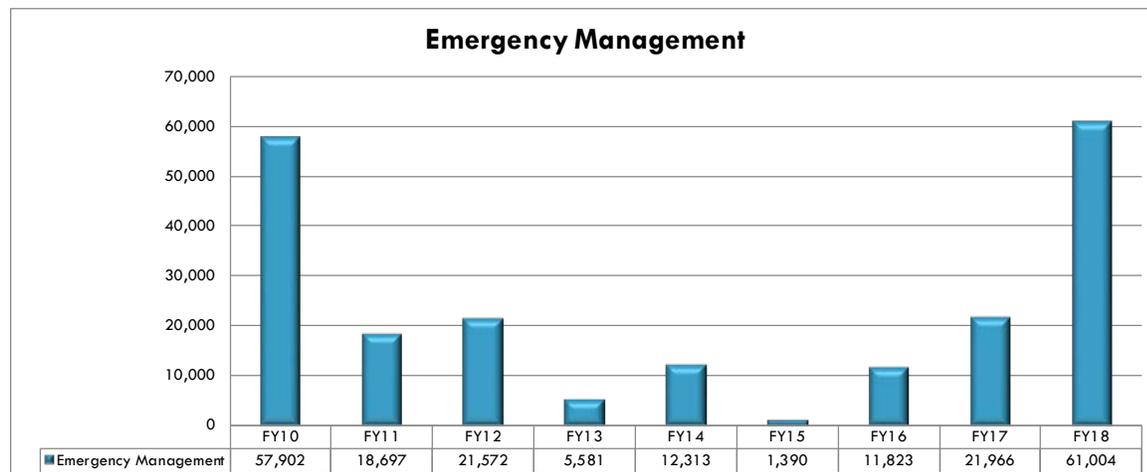
Main Activities: The most important things we do to fulfill the mission are:

- Conduct NIMS compliancy training to Town officials, employees, volunteers and contractors as needed
- Maximize coordination and cooperation for emergency response planning among the different departments through the Emergency Planning Team (EPT).
- Assist in the development and coordination of emergency plans for more effective response efforts as needed.
- Assist with any community outreach programs relating to public emergency preparations and awareness.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | - | - | - | - | - | - | 0.00% |
| Employee Benefits | - | - | - | - | - | - | 0.00% |
| Contractual | 834 | 11,006 | 45,700 | 56,018 | 14,996 | 60,404 | 32.18% |
| Commodities | 556 | 816 | 600 | 600 | 22 | 600 | 0.00% |
| Capital Outlay | - | - | - | - | 7,275 | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,390 | 11,822 | 46,300 | 56,618 | 22,293 | 61,004 | 31.76% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



PAST EFFICIENCIES AND COST SAVING MEASURES

- Eliminated contractual Emergency Management Coordinator and reassigned responsibilities to existing staff
- Implemented in-house training for NIMS and other emergency management programs

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Recommendations for Cost Savings:

- Eliminate funding for Zika related expenses, include treatment of storm drains (Reduces budget by \$40,404)
- Reduce contingency funding for emergency management contractual support (Reduces budget by \$10,000)

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Eliminate Emergency Management Program budget and absorb costs in Fire-Rescue budget

Cost Savings:

\$10,600 (In addition to the \$50,404 already planned for reduction)

Comments:

In addition to transferring minor costs associated with emergency preparedness efforts to the Fire-Rescue Budget, the responsibilities of managing this program could also be moved to this department. The management of emergency preparedness is the norm in Fire-Rescue Departments so this action would not be out of the ordinary.

Impacts of Option:

Added workload to Fire-Rescue staff.

SELF INSURANCE – RISK MANAGEMENT FUND

Mission: This division exists to provide a safe and healthy work environment for all employees, and to minimize the adverse effects of unexpected losses, ensuring that a Comprehensive Risk Management Program is in place that best protects the interests of the Town and its employees.

Main Activities: The most important things we do to fulfill the mission are:

- Identify exposures and address resolutions
- Determine proper method for insurance coverage by analyzing options
- Manage claims in a manner that serves both the interests of the claimant as well as the Town
- Apply a variety of approaches to control loss and improve personal safety through the following:
 - Safety Training, committees, bulletins, manual and handbook
 - Periodic safety inspections of Town facilities and property
 - Conducting motor vehicle report checks
 - Create various manuals and procedures as needed

Revenue and Expense Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Projected | FY2018 Budget | % Change |
|---------------------------|------------------|------------------|------------------|---------------------|------------------|--------------|
| Revenues | | | | | | |
| Risk Funding | 1,925,362 | 1,934,595 | 1,838,037 | 1,838,037 | 1,828,475 | -0.52% |
| Miscellaneous Revenue | 723,686 | 362,660 | | 120,000 | - | 0.00% |
| Interest on Investments | 100,789 | 122,301 | 75,000 | 56,514 | 121,162 | 61.55% |
| TOTALS | 2,749,837 | 2,419,556 | 1,913,037 | 2,014,551 | 1,949,637 | 1.91% |
| Expenses | | | | | | |
| Salaries and Wages | 85,870 | 99,568 | 100,868 | 99,594 | 129,276 | 28.16% |
| Employee Benefits | 306,028 | 428,043 | 723,554 | 390,459 | 757,245 | 4.66% |
| Contractual | 1,572,167 | 1,499,003 | 1,582,201 | 1,776,021 | 1,558,532 | -1.50% |
| Commodities | 2,704 | 2,638 | 3,262 | 3,444 | 4,584 | 40.53% |
| Capital Outlay | - | | | | | 0.00% |
| Depreciation | 2,758 | 2,759 | 2,758 | 2,758 | - | -100.00% |
| Transfer to Coastal (309) | - | | | | | 0.00% |
| Other (Contingency) | 6,482 | - | 3,000,000 | - | 3,000,000 | 0.00% |
| TOTALS | 1,976,009 | 2,032,011 | 5,412,643 | 2,272,276 | 5,449,637 | 0.68% |
| Total Revenues | | | | | | |
| Over/(Under) Expenses | 773,828 | 387,545 | (3,499,606) | (257,725) | (3,500,000) | |
| Beginning Net Assets | 7,297,409 | 8,071,237 | 8,458,782 | 8,458,782 | 8,201,057 | |
| ENDING NET ASSETS | 8,071,237 | 8,458,782 | 4,959,176 | 8,201,057 | 4,701,057 | |

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------|--------|--------|--------|--------|
| Risk Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Administrative Assistant | - | - | - | - | 0.500 |
| Occupational Health Nurse | - | - | 0.160 | 0.160 | 0.160 |
| | 1.000 | 1.000 | 1.160 | 1.160 | 1.660 |

POTENTIAL REVENUE ENHANCEMENTS

| | |
|----------------|--|
| Not applicable | |
|----------------|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

Elimination of a full time Administrative Assistant for Risk Management to a shared Administrative position with TMO.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Proposed changes submitted to HR on August 1, 2017 regarding the Town’s Employee Manual Section 5-5: Workers’ Compensation. Current policy allows for 13 weeks of full base pay, with an additional 13 weeks for eligible employees (non-certified police officers), and 39 additional weeks for certified police officers. Proposed change would be 12 weeks of full base pay with an additional 12 weeks for all eligible employees.

The Town could implement the proposed changes as is or adjust the changes to reflect wages as outlined under Florida Statute 440.

OPTIONS FOR COST SAVINGS

Option for Cost Savings:
Follow Florida Statute 440 wage payments and allow the employee to supplement wages by using their accumulated leave.

Cost Savings:
Example – cost savings is the difference in salary from the workers’ compensation indemnity payments to the full base bay.

In fiscal year 2017, there were 264 lost days. The cost savings varies depending upon employee’s salary.

Option for Cost Savings:
Implement a proposed Administrative Procedure for Workers’ Compensation to include a Return to Work/Light Duty rule that require all departments to provide light duty assignments in accordance with medical restrictions.

Cost Savings:
The first 7 days of lost time is not paid by WC. Town pays employees 100% of their salary starting on the first day. After 7 days, WC starts to pay the average weekly wage/indemnity

benefit. Should the employee be out of work more than 21 days, then WC will reimbursement starting from the first day.

The average weekly wage is determined by the employee's salary for a 13 week period prior to the date of injury. The maximum compensation rate for 2017 was \$886/week.

The following are the lost time days for 2017 which indemnity payments were made under WC. There were 264 lost days in which the employee was at a no work status. WC paid \$33,668 and the Town paid the employees their full salary while out during this time.

There were 132 restricted days were the employees should have been returned to work in a light duty capacity. WC paid \$10,326 and the Town paid the employees their full salary.

Cost savings is the difference in salary from the workers' compensation indemnity payments to the employee's full base bay. This amount varies depending upon employee's salary.

Comments:

Lost time claims negatively impact the Town's experience modification rate, thus negatively impacting future premiums. Lost time claims require the insurance adjuster to issue an indemnity check which is sent to the Town for depositing. This process would be eliminated if employees are returned to work in a light duty capacity when directed by the doctor.

There is also a potential for overtime when employees are not returned to work timely.



Comprehensive Review of Town Operations

HUMAN RESOURCES DEPARTMENT

CONTENTS

| | |
|---|----|
| Human Resources Department..... | 2 |
| Benchmarks for Human Resources Department | 3 |
| Department Overview | 4 |
| Past Efficiencies and Cost Saving Measures | 9 |
| Planned Future Efficiencies and Cost Saving Measures | 9 |
| Options for Cost Savings | 10 |
| Option 1: Recommendation: Amend existing nursing clinical functions provided at the Town’s Occupational Health Clinic to contracted personnel on-site | 10 |
| Option 2: Outsource all clinical functions of the Town’s Occupational Health Clinic to off-site contracted providers..... | 12 |
| Option 3: Payback for Recruitment | 14 |
| Option 4: Recommendation Eliminate Recruitment Advertising Expenses..... | 15 |
| Option 5: Eliminate all Town –Wide training | 16 |
| Option 6: Eliminate behavioral based interview and assessment system | 18 |
| Option 7: Eliminate department staff development..... | 18 |
| Option 8: Eliminate the transition to electronic documents | 19 |
| Option 9: Amend the Town’s Personnel Employee Relations Commission | 20 |

HUMAN RESOURCES DEPARTMENT

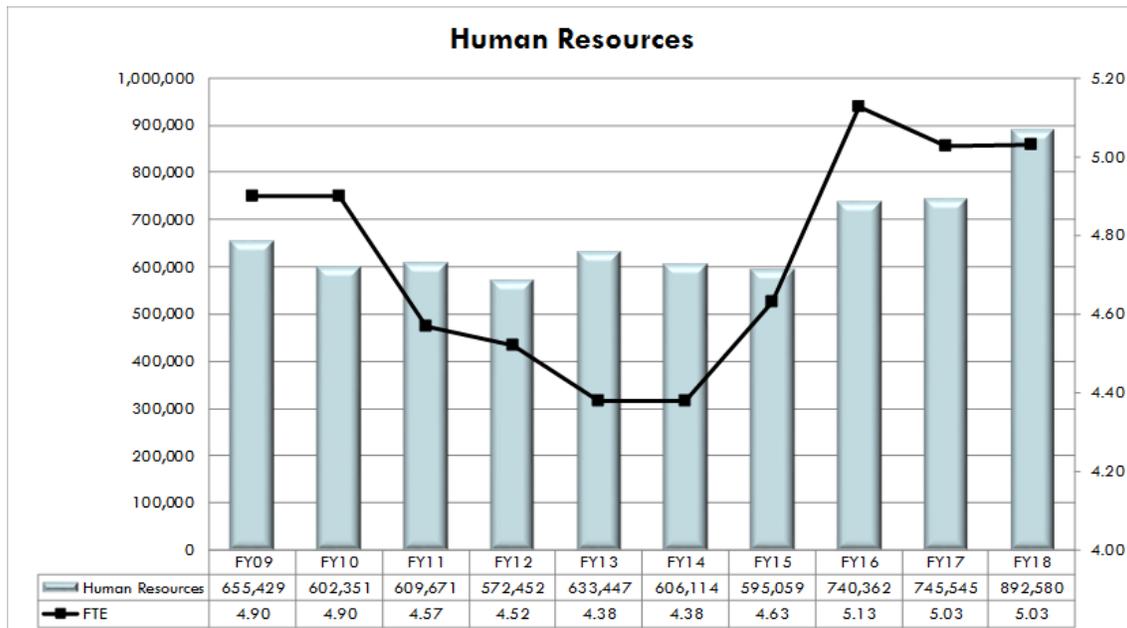
Main Activities: The most important things we do to fulfill the Town's mission are to provide cost effective and competitive compensation and benefit plans to employees; shield the Town from costly litigation related to employment issues; and provide support to employees, which enables them to serve the Town with pride.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 285,304 | 377,621 | 402,857 | 402,857 | 376,158 | 412,114 | 2.30% |
| Employee Benefits | 153,592 | 188,345 | 221,828 | 216,521 | 197,232 | 206,814 | -6.77% |
| Contractual | 151,382 | 160,093 | 249,661 | 262,386 | 159,502 | 245,938 | -1.49% |
| Commodities | 4,104 | 13,626 | 13,552 | 13,552 | 11,976 | 23,337 | 72.20% |
| Capital Outlay | - | - | - | - | - | 3,700 | 100.00% |
| Depreciation | 677 | 677 | 677 | 677 | 677 | 677 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 595,059 | 740,362 | 888,575 | 895,993 | 745,545 | 892,580 | 0.45% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Director of Human Resources | 0.776 | 0.776 | 0.776 | 0.776 | 0.776 |
| Assistant Director | 0.600 | 0.600 | 0.600 | 0.600 | 0.600 |
| Occupational Health Nurse | 1.000 | 1.000 | 0.500 | 0.500 | 0.500 |
| Human Resources Analyst | 0.900 | 0.900 | 1.900 | 1.800 | 1.800 |
| HR Coordinator | 0.350 | 0.350 | 0.350 | 0.350 | 0.350 |
| HR Resource Specialist | 0.375 | 0.630 | 0.625 | 0.625 | 0.625 |
| Office Assistant II | 0.375 | 0.375 | 0.375 | 0.375 | 0.375 |
| | 4.376 | 4.631 | 5.126 | 5.026 | 5.026 |



BENCHMARKS FOR HUMAN RESOURCES DEPARTMENT

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|---|---|-------------------------------------|----------------|--|---|---|
| <u>Total HR Staff</u> (excludes clinic) | 6 <i>(1.5 Clinic)</i> | 22 | Non Responsive | 5 | 6 | 9.5 |
| <u>Total FY18 FTE Supported</u> | 368.87 | 1612.50 | | 384 <i>(excludes Fire with PBCFR)</i> | 580 | 940 |
| <u>Bargaining Units in Place</u> | IAFF | SEIU, PMSA, IAFF, PBA | | PBA | IAFF, PBA, SEIU/FPSU | PBA, SEIU, IAFF |
| <u>HR to Employee Ratio¹</u> <i>(excludes clinic)</i> | 1.63 per 100 employees | 1.36 per 100 employees | | 1.34 per 100 employees | 1.03 per 100 employees | 1.01 per 100 employees |
| <u>Percentage of HR Staff in Supervisory Roles²</u> | 33% | 27% | | 20% | 17% | 40% |
| <u>Department FY18 Budget</u> | \$892,580 | \$2,523,934 | | \$792,925 | \$843,649 | \$881,120 |
| <u>Insurance FY18 Budget: Self-Insurance Fund and OPEB Trust</u> | \$7,803,570 | Not provided | | \$5,968,202 | \$8,317,139 | Not provided |
| <u>Insurance Lives Covered:</u> <i>(includes dependents)</i> | 957 | Not provided | | 831 | 1238 | 2559 |
| <i>Active Employees</i> | 719 <i>(279 Employees, 440 dependents)</i> | Not provided | | 814 <i>(343 employees 471 dependents)</i> | 1,155 | 2,385 <i>(778 Employees, 1,607 Dependents)</i> |
| <i>Retirees</i> | 238 <i>(157 retirees, 81 dependents)</i> | Not Provided | | 17 <i>(14 retirees, 3 dependents)</i> | 83 | 174 <i>(74 retirees, 100 dependents)</i> |
| <u>Manages Occupational Health Clinic</u> | 1.5FTE and Contracted Physician | Fully Contracted services | | No | Fully Contracted services | Fully Contracted services |
| <u>Outsourced Functions</u> | FMLA, EAP, FSA, COBRA, RHS, Unemployment Compensation, Town Physician | FMLA, VEEBA, Employee Health Clinic | | FSA, COBRA | COBRA, FSA, Health and Wellness Clinic, EAP | FSA, COBRA, FMLA, Clinic |
| <u>FY17 Turnover³</u> | 10% | 11.62% | | 5% | 7% | 14.1% |
| <u>Voluntary Separation Rate⁴</u> | 9.37% | 12.25% | | 2.98% | 4% | 12.9% |
| <u>Average Years of Service</u> | | | | | | |
| <u>% employees 0-4 yrs</u> | 42% | 43% | | 36% | 34% | 36% |
| <u>% employees 5-9 yrs</u> | 10% | 13% | | 11% | 9% | 15% |
| <u>% employees 10-14 yrs</u> | 14% | 17% | | 21% | 25% | 19% |
| <u>% employees >15 yrs</u> | 31% | 27% | | 32% | 32% | 30% |

Society for Human Resource Management (SHRM) is an internationally recognized organization for Human Resource management. The benchmarks enumerated below are relevant industry indicators highlighted in the SHRM Annual Human Capital Benchmarking Report for Government Agencies with less than 750FTEs. The data below is from the report released in 2017 for data collected in 2016.

¹The national median is 1.79 and average is 3.16. This represents the number of full-time HR staff times 100 divided by number of total FTE, and is used to compare HR staffing levels between organizations.

²The national median is 50% and average is 56%. This metric is useful in benchmarking the number of supervisory staff used by other organizations to implement the HR function, it often decreases as the organization size increases.

³The national median is 12%, the average is 15%. This is the rate at which employees leave their job and are replaced by new hires.

⁴The national median is 9%, and average is 11%. Voluntary Separation Rate is calculated by dividing the total Voluntary Separations by total headcount (FTE), providing those who left employment on their own accord.

DEPARTMENT OVERVIEW

The Department of Human Resources is an internal service department of the Town of Palm Beach. Our clients are the employees of the Town. The department is not revenue generating and its annual budget is approximately 1% of the total Town operating budget. Staff acts as a resource to internal clients and provides them with consultative services regarding a variety of employment matters. Internal services provided include benefit administration, recruitment, classification and compensation analysis, employee relations and labor negotiations, town-wide training, policies and compliance with employment laws, occupational health and wellness, human resource information systems, and records management. A brief overview of each function follows.

Benefit Administration

Human Resources manages the administration of employee benefits which includes: self-funded health and dental insurance, ancillary insurance programs such as life and disability, wellness program, Employee Assistance Program, paid leave and Federally mandated leaves of absence (military leave, family medical leave, and similar), and retirement enrollment, planning and health savings. Staff also manages the insurance program and services provided to Town retirees via other post-employment benefits (OPEB) and as required per Florida state statute and other post-employment benefits. Financial information and recommendations for cost savings regarding the insurance programs can be found in a separate document within the Comprehensive Review of Town Operations (CROTO) entitled Employee Self-Funded & OPEB Trust Insurance Programs.

Recruitment

Staff is responsible for managing a legally compliant process for attracting and hiring potential applicants for existing or anticipated job openings and assisting departments through the hiring process. Candidates are sourced from a variety of virtual, print, and other resources. This ensures that we maximize our ability to reach potential candidates on a nation-wide level. Over the last four years the Town received an average of 2,000 employment applications per year.

However, with the implementation of new technology in FY17, the volume of applications has doubled and we expect to reach 4,000 applications by fiscal year-end.

Following screening of applications by Human Resources and the department, candidates participate in behavioral based interviews and pre-employment testing to assure that the most qualified individuals are hired to fill existing or projected job openings. Staff ensures that the Town's recruitment process adheres to any applicable federal employment laws, Florida Statutes, and Florida Administrative Codes. While administration of the recruitment and selection process is the responsibility of the Human Resources department, the department directors make the final decision about hiring people in their departments.

Once a department director selects a candidate, they are provided with a provisional offer of employment pending the successful completion of a wide array of screening conditions. Human resources staff conducts a background check for all new hires (excluding backgrounds conducted by Public Safety for their department candidates) and ensures compliance with mandated work authorization. Background checks include but are not limited to:

- Professional background checks
- Credit check
- Criminal background
- Driving record
- Medical fitness for duty exam
- Drug and alcohol test
- Computerized Voice Stress Analysis
- Pre-employment verification
- Education verification
- Ability to perform essential functions of the job description

Classification & Compensation

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 in terms of expected performance at work. The compensation philosophy is linked to the Town's mission and core competencies. Because providing a high level of services to its residents 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 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. Staff currently manages 173 unique jobs spread across 7 departments and approximately 368 employees. Job descriptions are monitored for changes on a continuous basis, ensuring compliance with federal employment laws, and striving to accurately describe the essential elements of each job in order to be utilized for effective performance management, training, compliance with the Americans with Disabilities Act and its Amendments, and organizational management.

Employee Relations & Labor Negotiations

A very important facet of the department's employee relations function is conducting proactive conflict resolution and investigations into employee complaints. Resolving intra-organizational conflict allows for a significant impact on the prevention of litigation 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.

In addition, almost all phases of internal employee relations are affected by equal employment opportunity legislation. The intent of EEO legislation is to ensure equal treatment for all persons, and internal employee relations must reflect this principle. This is further discussed in the section addressing legal compliance.

The 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; organizational 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.

Town-wide Training

The key purpose of any training is to improve effectiveness and productivity. Human Resources provides Town-wide training on topics or systems that either relate to all employees, or subsets of employees such as supervisors or administrative professionals. Employee training is delivered in a blended format that includes in-class and on-line learning. Following the recession, funding for training was reduced and efforts focused on compliance related topics such as prevention of harassment, ethics, and discrimination. During that time, staff redesigned and updated all Town job descriptions in an effort to develop a competency based training program based on desired job skills. The intent is to design a training program to capitalize on employee strengths, develop weaknesses, and prepare existing employees for future internal opportunities. A new program, purchased in FY17 and scheduled for implementation in FY18, will allow for a significant increase

to on-line training that will reduce both the expense and lost productivity associated with in-class training. The blended training program will provide for the delivery of in-class sessions on topics suited for group discussion such as employee coaching, supervisory development, and customer service, complimented by on-line training that focuses on technical skills such as safety procedures and software skills. Additionally, the program will include the sessions required due to legal compliance continuing to cover topics such as ethics, employment harassment, and discrimination.

Policies & Compliance with Employment Laws

A significant external force affecting human resource management relates to federal, state, and local legislation, and the many court decisions interpreting this legislation. There are 180 federal laws administered and enforced by the Department of Labor, in addition to numerous employment related Florida Statutes and Administrative Code rulings. These legal considerations affect nearly 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. Additionally, policies exist for the purpose of providing continuity and equality in operations, prevention of organizational, ethical, or fiscal abuse, and allow staff to take responsibility without constant reference to management for direction or decisions. Legally compliant policies and procedures related to employment 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.

Occupational Health & Wellness

Human Resources manages the Town's Occupational Health Clinic (OHC). The OHC conducts all required pre and post-employment related fitness for duty physical screenings. The screenings are required under state and federal laws for public safety employees as well as employee in the water resources division. The OHC also provides vaccinations to protect employees from workplace hazards such as hepatitis A, hepatitis B, tetanus, and TB.

The OHC also administers the Town's Drug and Alcohol testing program. Administration includes collection of specimens for pre-employment drug screening along with post-accident and reasonable suspicion drug and alcohol testing. The OHC also conducts random testing per Department of Transportation mandate and collective bargaining requirements.

The OHC is also responsible for administering the federally mandated Family and Medical Leave Act (FMLA) program. The Occupational health Nurse is the Town's designated FMLA coordinator

and handles all FMLA decisions. The OHC determines whether a case qualifies under FMLA and monitors employee leaves under this program. The OHC coordinates the employee's leave with their respective department, monitors the leave period for the expected return to work, and informs the department of any limitations and intermittent lost-time circumstances.

Lastly, the OHC handles workers compensation cases, with the Town Physician serving as primary care physician for the injured employee. The OHC initiates the First Notice of Injury and works with the risk manager to coordinate care for the employee from the onset of the illness or injury until the employee returns to work.

Human Resource Information Systems

Human Resource Information System (HRIS) is the intersection of human resources and information technology through employment related software. HRIS offers a series of software solutions that help automate and manage programs such as benefits enrollment, training, recruitment, onboarding, performance management, and other employment related compliance solutions. These systems allow the department to develop system efficiencies and plan for costs more effectively, as well as manage and control programs without needing to allocate excessive resources to these programs. The department currently manages several programs and/or elements of the Town's enterprise system to include EDEN, and NeoGov Insight for recruitment. Utilization of Crystal Reports is high allowing for in depth data analysis and integration between systems providing efficiencies for internal departments served. Future systems to be implemented in FY18 include: TargetSolutions as a training content and learning management system and NeoGov Perform that will allow for improved talent/performance management and the evolution from paper to an automated performance evaluation system.

Record Processing & Management

Florida statute mandates the retention of public employment related records that includes but is not limited to four (4) years for recruitment documents and employment applications received, personnel files for 50 fiscal years after any manner of separation or termination of employment, and retirement transaction records for 5 fiscal years after final payment (death). Florida statute also mandates specific record exemptions that are applicable upon the production of public record request. Currently, the nearly all employment related actions are manual and result in paper documentation. There are approximately 50 unique type of federally required and employment related action forms that apply to a wide variety of record keeping requirements and processes which occur and reoccur for each employee throughout their career within the Town and retirees. The Human Resources Department has a significant volume of paper records stored in the office and in an off-site facility. The department responds to a large volume of

record requests, and is responsible for maintaining employment records confidentially and in accordance with existing state and federal regulations.

PAST EFFICIENCIES AND COST SAVING MEASURES

- Elimination of employee recognition events and awards in FY08 saving approximately \$50,000 in FY08 and thereafter.
- Maintained level funding since FY08 of \$24,500 for outsourced physician services provided at the Town's Occupational Health Clinic.
- Implemented the collection of PDF employment applications in FY11, reducing paper and/or illegible applications.
- Outsourced management of Unemployment Compensation claims in FY11; engaging in an annual contract of \$1,780 per year that has remained at that level thru FY18. Total contracted outsourcing expenses since FY11 are \$10,680. The provider has managed each claim and prevented \$125,210 in benefit charges from being assigned to the Town, successfully protested 13 claims from being charged to the Town, and collected \$11,000 in state agency overcharge errors uncovered by auditing.
- In FY14, transitioned from PDF to digital applications, creating ease of use for applicants and improved reporting and screening of recruitment activities.
- In FY15 implemented an automated scheduling system creating efficiencies in scheduling interviews, pre-employment testing, and candidate communications during the recruitment process.
- Elimination of insurance and retirement benefits from part-time Office Assistant position in FY17, reducing available work hours below 20 per week where exceeding that limit would require retirement benefits per Town code, and exceeding 30 hours per week would require insurance benefits per federal law.
- Evaluated Employee Assistance Program services, required to be provided as part of a state approved drug free workplace program, and engaged with a new provider saving approximately \$7,500 (budgeted funds in FY08 was \$17,500, FY18 is \$10,000).
- In FY17, implemented an enhanced e-recruitment system to improve pace of recruitment, sourcing of candidates (currently doubling the volume of applications received), and overall recordkeeping. Additionally, this system replaced and combined standalone job descriptions, requisitions, screening, testing, and scheduling components of the recruitment process.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Amending pre-employment skill testing services by outsourcing to a vendor that offers unlimited testing for a flat rate. This will reduce the price per test from \$16 to \$7 per test.

New services provide a wider variety of testing options which assist us in ensuring applicants are fully vetted during the hiring process and confirm that applicants meet, if not exceed, the desired skills level required by the job and sought by department managers.

OPTIONS FOR COST SAVINGS

Option 1: **RECOMMENDATION: AMEND EXISTING NURSING CLINICAL FUNCTIONS PROVIDED AT THE TOWN’S OCCUPATIONAL HEALTH CLINIC TO CONTRACTED PERSONNEL ON-SITE**

Cost Savings:

Approximately \$5,000 in salary and benefits. However, shifting of job duties to improve efforts to enrich the existing insurance wellness program is expected to reduce health insurance claims. According to the Rand Corporation study of 100 Fortune 500 companies referenced and contained herein, considerable savings to health insurance claims costs can be achieved from proactive disease management programs. Considering a modest 10% savings on the Town’s per member per month cost for active employees, the estimated savings by implementing disease management focused wellness initiatives is \$117,350.

Comments:

The Town’s Occupational Health Clinic provides oversight of the federally mandated Family Medical Leave Act, workplace wellness program, triage services for workplace injuries, pre-employment physical assessments, annual physicals for public safety and transportation required positions, pre-employment drug testing, random drug screens, and post-accident drug screens. Currently the clinic is staffed with a contracted physician, one full-time nurse, and a part-time office assistant. The office assistant and the Nurse are currently vacant. These vacancies along with in-depth analysis has allowed us to evaluate the operations more fully and change the organizational structure in a manner that better suits the needs of the Town and its employees.

Staff recommends the following:

| Current Staffing | Proposed Staffing |
|--------------------------------|---|
| (1) Full-time Nurse | (1) Full-time Human Resource Specialist created by reclassifying the vacant Nurse |
| (1) Part-time Office Assistant | Eliminate the position |

- The HR Specialist would be responsible for all duties performed by the eliminated part-time Office Assistant **in addition** to the professional administrative program and/or coordination work that would have otherwise been completed by the Nurse (such as

oversight of FMLA, and coordination of wellness program). Further, should the recommendation within the Retirement Program CROTO report regarding elimination of contracted retirement plan administration be implemented, this position would take on the enrollment and education duties of the contracted administrator.

In lieu of a full-time staff Nurse, Licensed Practical Nursing (LPN) on-site services would be contracted with a professional provider (similar to Physician services) for 30 hours per week. This would be a clinical position only and would not be responsible for any program coordination or administration. This position shall conduct any clinical duties to include pre-employment physicals, fitness for duty physicals for public safety, drug-free workplace testing, and triage for workplace injuries not requiring more advanced medical care. On-site clinical services is preferred (versus Option 2 below) in order to ensure personalized services for employees and reduced work place absences or unproductivity due to off-site required clinical appointments.

There are no additional costs associated with approving this recommendation; salary savings would be experienced in addition to reducing the long-term liability to the retirement plan by replacing the higher Nurse salary (midpoint \$72,479), with a lower HR Specialist salary (midpoint \$51,608). The proposed change continues to provide an on-site nurse to concentrate on providing occupational health care to our employees, leaving administrative duties with the specialist role. This change would also improve services by creating programs to enhance wellness and reduce claim costs. This recommendation also shifts liability from the Town to the contracted vendor for clinical services.

The Town's current wellness program includes health screening activities to identify health risks. Due to lack of administrative oversight we have not fully developed a well-rounded disease management focused wellness program that would include interventions to reduce risks in addition to promoting healthy lifestyles. Wellness programs that prevent at-risk employees from becoming ill and help chronically ill employees stabilize their conditions can reduce claims. The Rand Corporation recently completed a study, [*Do Workplace Wellness Programs Save Employers Money?*](#), where 10 years of data from a Fortune 100 employer's wellness program was evaluated. When compared against the lifestyle-management component, disease management delivered 86% of the hard health care cost savings, generating \$136 in savings per member, per month and a 30% reduction in hospital admissions.

The Town's current wellness program has been collecting health related screening data from employees for four years. We have ample data collected through personal health assessments and biometric testing that provides us with information regarding our high health risk and critical care need areas. Proper programming would develop targeted education and encourage participation in personalized disease care-management programs to minimize the chances of becoming chronically ill and increased claim costs.

Programming is something to be completed by an administrative person, utilizing any available resources already provided by our insurance carrier and marketing critical care needs available for disease management efforts. Additionally, we want to strengthen the buy-in from employees and retirees covered by the insurance by showing the true cost of health care coverage and how their proactive health management can directly help mitigate rising costs. Our goal is to reduce health care insurance costs by detecting or preventing serious disease.

Impacts of Option:

This action provides the ability to improve the wellness program in a manner that focuses on high-risk conditions in order to reduce claim expenses. Based on the Town's current enrollment (957) and if those savings were fully realized (\$136 per enrollment per month) we could reduce costs by approximately \$130,000 per month, or \$1,561,824 per year. While that volume of savings seems unsurmountable, prevention of high-risk claims could produce significant savings.

Additionally, elimination of a higher salary position for a lower salary position in exchange for greater administrative productivity reduces the long-term liability of retirement benefits associated with the position. This action also eliminates any legal risk associated with employing a clinical person to perform non-clinical job duties.

Option 2: OUTSOURCE ALL CLINICAL FUNCTIONS OF THE TOWN'S OCCUPATIONAL HEALTH CLINIC TO OFF-SITE CONTRACTED PROVIDERS

There are two options for consideration:

Option 2A: Outsourcing all clinical functions to an off-site facility, maintaining non-clinical duties (numbers 1-5 in the table below) which includes developing a comprehensive wellness program managed by a non-exempt full-time HR Specialist. (Approximate savings \$18,000 plus any claims savings from a developed wellness program as referenced in Option 1 above)

Option 2B: Outsourcing all clinical functions to an off-site facility, maintaining non-clinical duties (numbers 1-4 in the table below) performed by a non-exempt part-time office assistant. (Approximate savings \$40,000)

Comments:

Currently the Town manages the clinical components of its occupational health program needs on-site with contracted physician services and Town staff. This proposal would eliminate the on-site office and related overhead, and redirect all clinical services to off-site facilities. The table below outlines the clinical and non-clinical duties performed by the occupational health clinic. Clinical duties would no longer take place at the on-site facility located in Public Works, employees and applicants would need to visit alternative contracted facilities for services. However, non-clinical duties would remain to be required as outlined below.

| Clinical Duties | Non-Clinical Duties |
|---|---|
| <p>Performed by Nurse (staff):</p> <ol style="list-style-type: none"> 1. Triage services for workplace injuries 2. Pre-employment physical tests 3. Conducts annual physicals and tests for public safety and Department of Transportation required positions 4. Drug-free Workplace compliance including pre-employment drug testing, random drug screens, and post-accident drug screens. <p>Performed by Contracted Physician:</p> <ol style="list-style-type: none"> 1. Conducts a physical exam and reviews results to include bloodwork and other tests, consults with patients (applicants and employees), and determines fitness for duty. | <ol style="list-style-type: none"> 1. Oversight of the federally mandated Family Medical Leave Act (FMLA) 2. Filing of required first notice of injury with the workers' compensation insurance carrier. 3. Monitoring of compliance with Workers' Compensation injury pay 4. Contract oversight and expense management of external labs and clinical services. 5. Coordination of workplace wellness program 6. Scheduling of physicals, required job related medical testing, and drug free workplace screening. 7. Clinical supply management including invoicing, inventory, budget and expense tracking |

Impact of Option:

Employees required to have physicals and comply with Department of Transportation mandated and other drug-free workplace testing are compensated for time spent due to being directed to comply with completing those tasks. Therefore, implementation of this option would directly affect the productivity of employees who are required to attend occupational health appointments. The current location resides within the Town's Public Works building in West Palm Beach, located 2 miles west of Town Hall, and only serves Town employees. The next closest contracted facility that could provide the required clinical services is 5 miles west of Town Hall. Employees would be required to drive an additional 30 minutes round-trip to attend appointments; thereby detracting from actual time worked. Additionally, contracted

facilities serve more than one employer and therefore appointment scheduling delays and wait times would further detract from actual time worked. Currently scheduling issues or wait times are not a factor and employees are able to be treated and return to work in an expeditious manner via the on-site facility.

Finally, implementation of Option 2B (rather than 2A or Option 1) would forego any potential savings to the Town’s health insurance claims that could be identified by implementation of a wellness program as outlined above.

Option 3: PAYBACK FOR RECRUITMENT

Cost Savings: \$6,127

Summary:

Creating a recruitment payback schedule will recoup costs associated with the hiring process for those employees that voluntarily separate employment with a certain time period. Estimated costs to recruit include the cost to run criminal background fingerprints, social security criminal background checks, sexual predator searches, psychological tests (Police/Fire), drug screening, physicals, specialized certifications searches, applicant skills testing and new hire orientation. Cost savings can be seen at different levels depending on the employee group/position and if the employee was an in-state or out-of-state applicant.

Reimbursement if hired and voluntary separated within XX year based on FY17 turnover:

| Employee Group | Estimated Cost per Position | # of employees voluntarily separated in FY17 | 100% @ <=1 year | 90% in year 2 | 80% in year 3 | 70% in year 4 | 60% in year 5 |
|------------------------|-----------------------------|--|-----------------|---------------|----------------------|---------------|---------------|
| Police | \$560 | 2 | \$0 | \$1008 | \$0 | \$0 | \$0 |
| Police - out of region | \$770 | 0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fire | \$565 | 6 | \$1695 | \$509 | \$452 | \$395 | \$0 |
| Fire - out of region | \$635 | 1 | \$0 | \$0 | \$508 | \$0 | \$0 |
| General | \$200 | 9 | \$400 | \$540 | \$480 | \$140 | \$0 |
| Total | | | \$2095 | \$2057 | \$1440 | \$535 | \$0 |
| Town Cost | \$6945 | | | | Reimbursement | | \$6127 |

Impacts of Option:

Implementing a recruitment payback program could financially benefit the town by requiring separating employees to payback the costs associated with hiring them and potentially reduce turnover as employees may be deterred from separating knowing the financial impact they will incur.

However, no others in our peer market have a similar program. The exception is Delray Beach, who by collective bargaining agreement their Police Officers who voluntarily leave before three years of service are required to reimburse for uniforms and training expenses. Additionally, the collection of debt from a separated employee can be difficult and be administratively burdensome.

Option 4: RECOMMENDATION ELIMINATE RECRUITMENT ADVERTISING EXPENSES

Cost Savings: \$22,200

Comments:

Currently, the Town uses a variety of resources to attract and help find the best candidates for open positions. In FY17, online enhancements were implemented revising our e-recruitment process that includes unlimited access to posting all job vacancies to www.governmentjobs.com. In the last four years, the Town averaged approximately 2,000 employment applications per year. Between June and November (6 months), the new e-recruitment system yielded 2,029 applications. Therefore, the volume of applications is expected to double compared to prior years.

We believe this increase is attributed the implementation of an improved user-friendly online system with broad national access to candidates via www.governmentjobs.com. Additional free recruitment advertising resources utilized include Florida League of Cities, Palm Beach County League of Cities, Palm Beach Atlantic University, Palm Beach State College, and social media such as LinkedIn.

Several paid advertising resources are also used in order to improve our ability to attract a wide variety of job-seekers on a national level. While some recruitment advertisements are placed in the local newspaper, that medium has been nearly replaced by online job boards. The Town currently uses www.Monster.com for online advertising, this provides automatic distribution to Monster.com, 550+ job and news sites, mobile applications, and various network sites. We also post to a job specific specialty sites such as www.officer.com as needed to find qualified job-seekers online.

Paid participation in various professional associations also provide access to job boards where vacancies are posted such as International Public Managers Association (including HR), Florida Public Human Resource Association, Florida Association of City Clerks, Florida Association of Public Procurement Officials, America Planning Association, and America Public Works Association. Membership to professional associations are not included in the Human Resources department recruitment advertising budget, rather they are expenses that reside within the various Town departments.

Impacts of Option:

Due to the recent changes in our e-Recruitment system that includes access to www.governmentjobs.com, the budget for advertising costs was reduced in FY18. Recruitment advertisings expenses in FY17 were \$25,000 and FY18 budgeted expenses are \$22,200. Further, if memberships to professional associations are eliminated from department budgets during CROTO access to the free advertising resources provided with membership will no longer be available. While savings could be realized from eliminating paid recruitment advertising and memberships to professional associations, these actions could diminish the pool of candidates available for hiring. However, if a department wished for job specific advertising funding could be obtained from their budget versus Human Resources budget.

Option 5: ELIMINATE ALL TOWN –WIDE TRAINING

Cost Savings: \$44,280

Comments:

In FY18, staff has planned to offer the following training thru budgeted funding of \$44,280:

| Estimated Cost | Training |
|----------------|--|
| \$20,240 | At the regular Town Council meeting held on September 12, 2017, staff recommended and Council approved the purchase of a web based training and tracking software, TargetSolutions, in the annual amount of \$20,240. The program will allow for the delivery of consistent training town-wide, improve efficiency of maintaining the employee training program, and deliver compliance related training in the most cost effective manner. TargetSolutions’ pre-loaded training library contains more than 1,000 e-courses, reducing the need for additional training costs of obtaining outside vendors for compliance and software training. All employees will have access to the course library of topics including EMS, OSHA & Compliance, Employment Law, Law Enforcement, Motor Vehicle Safety, Office Productivity and Business Skills. In-class training courses for basic technical training (such as Microsoft Outlook) delivered Town-wide have cost approximately \$6,000. Therefore, shifting from in-class (\$6,000 per class for 300 employees) to e-course (1,000 courses with unlimited employee access for \$20,240) training allows for the |

| | |
|-----------------|--|
| | delivery of both compliance courses and a wide array of development opportunities in the most cost effective manner. |
| \$10,000 | In-class managerial leadership program for existing supervisors, and those growing into supervisory roles. The three day program provides a comprehensive look at the different methods and measures for performance management, the impact of different leadership styles, change and conflict management, ethical decision making, more effective communication (especially during times of rapid change), and pertinent employment law issues. (Estimated per person cost is \$100) |
| \$6,000 | New hire orientation, approximately \$500 per session, 12 sessions per year. |
| \$5,600 | Behavioral based interview selection training for employees involved in the hiring process. (Estimated per person cost is \$50) |
| \$2,440 | In-class technical training for Business Objects Crystal Reports, this system help in analyzing and reporting enterprise data, and allows for the design and creation of different types of reports from various data sources. (Estimated per person cost is \$70) |

Impacts of Option:

Staff does not recommend implementation of this option due to the impact on performance of job duties and diminished quality of services rendered by staff who lack training. The success of our operations depends on how well our employees perform their jobs. Lack of training will negatively affect the work performed. Additionally, with nearly 50% of our employee population possessing less than 5 years of service there are less senior employees available to provide on-the-job training for new hires.

Since 1998, the US. Supreme Court and EEOC have established several mandatory training guidelines providing that employers should periodically train and retrain its employees on workplace harassment (inclusive of all protected categories extending beyond sexual harassment). While training is not mandated by Florida or at the Federal level at this time, ensuring that employees and hiring managers are not ignorant to the basics of discrimination and harassment laws significantly reduces the Town’s liability for employment related legal claims.

Finally, according to the Internal Audit Report conducted by Crowe Horwath of the Human Resources Department in July 2010, the Town should provide and document periodic training to supervisors and managers on discipline administration, FMLA policies and procedures, Fair Labor Standards Act provisions, Americans with Disabilities Act, and principles of management.

Therefore, while savings could be realized by eliminating Town-wide training there would be a direct impact to quality of services provided by employees and increase liability for litigation.

Option 6: ELIMINATE BEHAVIORAL BASED INTERVIEW AND ASSESSMENT SYSTEM

Cost Savings: \$10,500

Comments:

The Predictive Index (PI) assessment system is predominantly used during the recruitment process to identify job and organizational fit based on motivation and behavior drives of the candidates. The PI system has two components; it measures drives, needs, and behaviors of applicants and conducts a job assessment to identify the behaviors and tactical elements required to make a specific job successful. During recruitment, the system allows the behavioral requirements for the job to be matched with the best-fit candidates. Additionally, the system creates job focused behavioral interview questions that allows managers to delve into how candidates will react to different situations required of the job. The PI system has also been used to evaluate the behavioral traits within teams of employees in order to assist with teambuilding and communication.

Impacts of Option:

We want to hire employees who meet, if not exceed, the demands of job expectations. While we hope that all candidates have a high level of integrity and represent themselves during the recruitment process honestly and accurately, that does not always occur. Therefore, we have incorporated the PI system into recruitment to identify candidates that can be successful because they possess the qualities required for the job. These behavioral and cognitive requirements of the job are not identified in a resume, application, or even in-person interview. Elimination of this system may reduce the quality of applicants hired due to lack of job fit.

Option 7: ELIMINATE DEPARTMENT STAFF DEVELOPMENT

Cost Savings: \$13,000

Comments:

Professional Development provides opportunities for continued education and training of staff in the department within their professional area of expertise in order to maintain current knowledge of the field including any legal updates. The annual professional development amount includes conference/meeting fees, travel, and lodging if applicable.

| Development Type & Position | Position | Annual Amount |
|---|--------------------------|---------------|
| 2 In-State Conferences per Year | Human Resources Director | \$3,000 |
| 1 In-State Conference and 1 Workshop from International Foundation of Employee Benefit Plans association, | Assistant Director | \$2,500 |

| | | |
|--|---------------------------|----------|
| 1 In-State conference per year, and in-county meetings or webinars | (2) HR Analysts | \$4,000 |
| 1 e-Workshop from International Foundation of Employee Benefit Plans association | HR Coordinator | \$1000 |
| 1 In-county workshop or public records seminar, | HR Specialist | \$725 |
| 1 In-county workshop or webinar | | \$500 |
| AAOHN National Conference Virtual Attendance* | Occupational Health Nurse | \$1,275 |
| TOTAL: | | \$13,000 |

**If position is reclassified per Option 1 and/or 2, this expense will be reduced or eliminated.*

Impacts of Option:

This type of continued education helps staff to stay abreast of current trends in the field, especially with respect to the changes in Federal and state mandates, and management of the Town’s self-funded insurance program. For instance, the implementation of the International Proscription Provider, which saves \$95,000, was identified as a viable option through attendance at a continuing education conference.

Option 8: ELIMINATE THE TRANSITION TO ELECTRONIC DOCUMENTS

Cost Savings: \$38,000

Comments:

Currently all employment related documents are in paper format. Florida Statute mandates the retention of public records which includes but is not limited to four (4) years for recruitment documents and employment applications received, personnel files for 50 fiscal years after any manner of separation or termination of employment, and retirement transaction records for 5 fiscal years after final payment (death). The Human Resources Department has a significant volume of paper records stored in the office and in an off-site facility. Due to the volume, contracted services were going to be obtained to digitize the files. The department planned to digitize records in three stages, based on the duration of the retention schedule and the documents most frequently requested for public records requests:

1. Active employees
2. Recruitment records and applications
3. Active and Non-Active retirees

Impacts of Option:

Should the off-site facility where these records are held be sold or closed, funds would need to be spent to rent alternative storage space to ensure state mandated retention requirements

are met. Moving to digitized records will reduce the volume of paper records stored, reduce the storage space needed (and potentially eliminate the same in the future), and create efficiency and improve accuracy in the mandatory reproduction of records pursuant to the Florida public records law (average of 106 requests per year).

Option 9: AMEND THE TOWN'S PERSONNEL EMPLOYEE RELATIONS COMMISSION

Cost Savings: None

Comments:

Town code (Appendix A- Public Employee Relations) currently provides for a Public Employee Relations Commission (PERC), and pursuant to code the commission shall:

- (a) Resolve questions and controversies concerning claims for recognition as the bargaining agent for a bargaining unit;*
- (b) Determine or approve units appropriate for purposes of collective bargaining;*
- (c) Expeditiously process charges of unfair labor practices, and violations of section 1.019 ("Strikes Prohibited") by public employees; and*
- (d) Resolve such other questions and controversies as it may be authorized to undertake.*

The current three person commission is comprised of Robin Martin as employer representative, Raymond Snow as Chair and public representative, and Donald Singer as employee representative. The Town's PERC has met six times in the last ten years. Historically, the committee has convened upon the filing of an unfair labor practice between the Town and its collective bargaining agreements (currently the International Firefighters Association), any related labor action such as certification or decertification of election results, affirmation of the selection of the special magistrate for impasse hearings, or receipt of impasse hearing reports from the special magistrate.

Town code requires that special board or commission members serve on only one commission or board at a time. Due to the lack of activity, staff recommends amending the code to allow PERC members to serve on any other Town board or commission except for the Retirement Board. Conflict of interest could arise if a member served on both the PERC and Retirement Board as matters heard could relate to retirement benefits of bargaining unit members.

Impacts of Option:

This option does not provide a cost savings. However, it does provide improved opportunities for volunteer service within this and other Town board and commissions.



Comprehensive Review of Town Operations

FINANCE DEPARTMENT

CONTENTS

| | |
|--|----|
| Finance Department | 2 |
| Benchmarks for Finance Department..... | 3 |
| Financial Management 141 | 4 |
| Potential Revenue Enhancements..... | 5 |
| Past Efficiencies and Cost Saving Measures | 5 |
| Planned Future Efficiencies and Cost Saving Measures | 6 |
| Options for Cost Savings | 7 |
| Purchasing Program - 144..... | 10 |
| REVENUE ENHANCEMENTS | 11 |
| PAST EFFICIENCIES AND COST SAVING MEASURES | 12 |
| PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES..... | 14 |
| OPTIONS FOR COST SAVINGS | 14 |

FINANCE DEPARTMENT

Mission: The Finance Department is dedicated to providing the highest quality service through a commitment to excellence, integrity and teamwork. We serve the finance, purchasing and record management needs of the Town Council, citizens, Town Manager, Town employees and general public. We provide publications and information to inform citizens and other interested parties regarding the financial position and operations of the Town. We use Generally Accepted Accounting Principles and GFOA budgeting standards to assure that policy makers and the community are well informed and the Town remains fiscally strong. It is important to us to perform our duties efficiently effectively, reliably, and accurately. We take pride in serving our elected officials, our fellow employees and our community.

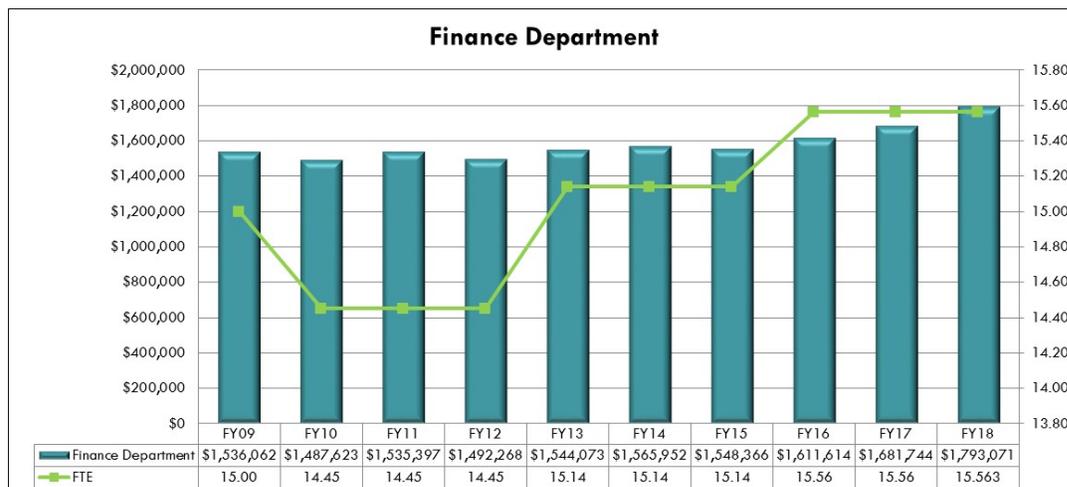
Revenue Summary

| | 2015 Actual | 2016 Actual | 2017 Budget | 2017 Projected | 2018 Budget | % Change |
|------------------------------|-------------|-------------|-------------|----------------|-------------|----------|
| Taxi Permits | 5,925 | 5,625 | - | 4,975 | 4,000 | 100.00% |
| Newsrack Enclosure Admin Fee | 940 | 920 | 1,000 | 620 | 1,000 | 0.00% |
| Lien Search Fee | 35,005 | 32,515 | 33,000 | 35,025 | 35,000 | 6.06% |
| | 41,870 | 39,060 | 34,000 | 40,620 | 40,000 | 17.65% |

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| Salaries and Wages | 951,558 | 987,727 | 1,042,339 | 1,042,339 | 1,003,327 | 1,037,299 | -0.48% |
| Employee Benefits | 440,881 | 474,361 | 532,302 | 518,775 | 521,467 | 585,898 | 10.07% |
| Contractual | 129,533 | 122,390 | 155,050 | 157,476 | 121,572 | 139,195 | -10.23% |
| Commodities | 23,031 | 22,432 | 23,900 | 23,900 | 31,174 | 26,825 | 12.24% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 3,363 | 4,705 | 4,204 | 4,204 | 4,204 | 3,854 | -8.33% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,548,366 | 1,611,615 | 1,757,795 | 1,746,694 | 1,681,744 | 1,793,071 | 2.01% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



BENCHMARKS FOR FINANCE DEPARTMENT

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|---|-------------|-----------------|-----------------|----------------------|--------------------|--|
| Finance | | | | | | |
| Finance FTE | 8.563 | 30 | 26 | 8 | 9 | 32 |
| Finance Budget FY17 | \$1,067,861 | 3,810,515 | \$2,980,900 | 863,872 | 1,134,943 | 3,110,332 |
| Does Finance Supervise Other Programs | Purchasing | None | Parking Pension | None | Risk Management | Utility customer service Risk Mgmt Pension |
| ERP System | EDEN | Oracle | | Munis | EDEN | |
| AP checks issued annually | 3,048 | 34,462 | | 3,544 | 3250 | 10,081 |
| ACH to Vendors Processed annually | 1,771 | 4,295 | | 5,249 | | |
| Direct deposits processed | 14,280 | 41,338 | | 10,650 | 15650 | |
| Payroll Checks issued | 657 | 780 | | 23 Special checks | 590 | |
| % of employees utilizing direct deposit | 96.6% | 98% | | 100% | 96% | |
| Purchasing | | | | | | |
| Purchasing FTE | 7 | 13 | 8 | 0 | 1 | 7 |
| Purchasing Budget FY17 | \$682,970 | 1,142,556 | \$824,700 | \$0 | 154,478 | 606,845 |
| POs Issued | 1,698 | 2443 | 3021 | | 1180 | 1250 |
| No. of RFP/RFOs and formal ITBs Issued | 122 | 93 | 123 | 200 | 85 | 83 |
| Total P-Cards issued | 105 | | 334 | 37 | 130 | 138 |
| Total P-card transactions | 4,178 | | N/A | N/A | 5,630 | 11,288 |
| Total P-Card expenditures | \$734,971 | | \$6,383,287 | \$6,500,000 | \$4,054,943 | \$2,015,329 |
| P-Card Rebate Received | \$0 | | \$82,891 | \$53,000 | \$42,663 | \$0 |

FINANCIAL MANAGEMENT 141

Mission: This division exists to provide central accounting, fiscal control and professional advice and recommendations in the formation of sound fiscal policies to ensure long-term financial strength for the Town of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

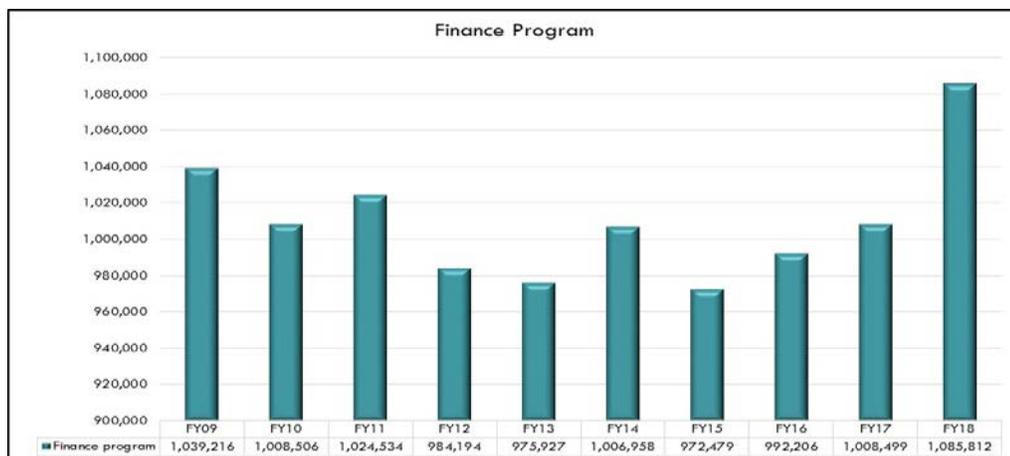
- Advise the Town Council and Manager regarding financial matters
- Develop and recommend administrative and Council fiscal policy
- Provide internal checks and balances regarding financial control and purchasing procedures
- Develop and submit an annual budget that is reliable and balanced
- Direct purchasing activities in an efficient effective manner

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 565,706 | 577,937 | 601,991 | 601,991 | 581,835 | 596,159 | -0.97% |
| Employee Benefits | 267,149 | 286,262 | 312,320 | 303,752 | 306,191 | 342,639 | 9.71% |
| Contractual | 123,662 | 111,723 | 143,500 | 145,104 | 101,370 | 129,800 | -9.55% |
| Commodities | 15,962 | 15,971 | 16,700 | 16,700 | 18,789 | 16,900 | 1.20% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | 314 | 314 | 314 | 314 | 314 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 972,479 | 992,207 | 1,074,825 | 1,067,861 | 1,008,499 | 1,085,812 | 1.02% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Finance Director | 0.926 | 0.926 | 0.850 | 0.850 | 0.850 |
| Assistant Finance Director | 0.981 | 0.981 | 0.975 | 0.975 | 0.975 |
| Accounting Supervisor | 0.977 | 0.977 | 0.950 | 0.950 | - |
| Budget Manager | - | - | - | - | 0.950 |
| Accounting Assistant | 3.000 | 3.000 | 2.000 | 2.000 | - |
| Accounting Technician | 1.988 | 1.988 | 2.988 | 2.988 | 2.988 |
| Accountant | - | - | - | - | 2.800 |
| Payroll Specialist | 0.769 | 0.769 | 0.800 | 0.800 | - |
| | 8.641 | 8.641 | 8.563 | 8.563 | 8.563 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|------|--|
| None | |
| | |
| | |

PAST EFFICIENCIES AND COST SAVING MEASURES

Since the last CROTO Effort, the Finance Program has implemented the following past efficiencies and cost savings measures:

1. Refinanced the 2010A and B Revenue Bonds generating a present value savings of \$6,895,965. The refunding reduced debt service for FY18 by \$284,356.
2. A credit card surcharge was implemented to reimburse the town for merchant charges on Planning, Zoning and Building transactions. This surcharge generates \$8,435 in revenue which offsets the Town’s merchant charges.
3. When the Retirement boards were consolidated in 2012, the Finance department absorbed the accounting and payroll function for the former Police and Fire-Rescue Boards. Prior to the consolidation, these services were outsourced with local CPA firms. The audit for the three funds was also consolidated to one firm. These actions saved the retirement fund \$102,664 in accounting fees annually.
4. In 2015, the employee’s DROP and share balances were transferred from ICMA to the Town. This was due to an IRS requirement that the funds needed to remain in the plan. The administration of these accounts was absorbed by the Finance Department.
5. In 2015, staff recommended and the Investment Advisory Committee approved the addition of Certificates of Deposit to our investment policy. These investments are not marked to market and therefore no investment losses will occur. The income from these investments have enhanced income and offset losses on the other fixed income investments in the portfolio. In FY17, CDs generated \$251,635 in income to the Town.
6. Issued the 2010 and 2013 ACIP Revenue bonds and worked with Town engineers to account for this extensive capital improvement program.
7. In 2006 the Town implemented the current Enterprise Resource Planning system (ERP) system, EDEN. The new system allowed for electronic routing for approvals including purchase requisitions, change orders and invoices, vendor payment via electronic funds transfer including electronic transmittal of payment remittance and, enhanced flexibility in reporting through the use of Crystal Reports.
8. Since the ERP implementation, we now scan all backup documents for all transactions into the system, saving physical storage space as well as time locating and retrieving paper documents. This also allows all departments to be able to access the information rather than requesting copies.
9. The Town’s code was revised to eliminate unnecessary steps for Taxi and Limo permits.

10. Beginning in 2016 we began to encourage vendors to sign up for ACH payments. This has cut the number of checks cut by 37%. Payment via ACH enhances vendor relations due to the elimination of mailing time and chance for misdirection, while electronic delivery of payment advices gives vendors advance notice of payments being made, while also reducing the time and supplies required to complete the weekly check run. Electronic payment is also a more secure method of payment since it decreases the number of checks in circulation.
11. In 2015 the Town implemented the AIMS parking system. The Town has used this system to administer parking ticket receivables, residential parking permits, placard parking permits and employee parking assignments. Online access has been enhanced through this system in the areas of parking tickets, allowing recipients to review the pictures that are taken at time of ticket issuance, file an online appeal request, and make payment. Residents have also been given the ability to renew their annual parking permits online, eliminating the need for a trip to Town Hall. In addition to these benefits accruing to Town residents and customers, it also has provided the Police Department the ability to have immediate and 24/7 access to parking permit data which aids their ability to respond to needs in the street.
12. In 2016, the administration of non ad valorem assessments for the neighborhood underground utility projects and the beautification projects was transferred from the Town Manager's office to Finance. In 2017, the Townwide Underground assessment program was implemented and administered by Finance and the Underground Utility Project Manager. The Town currently has 3 beautification assessments and 5 undergrounding assessments.

All of the new duties since 2012 have been absorbed into the Finance Department without any increase in personnel. The assessment programs have added a significant burden to the department. Because the timing of the assessment adoption process coincides with the budget hearings, these duties have caused a significant disruption in the ability of the staff to do both very large tasks as effectively as in prior years.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

In the next year, we will be transitioning to a new ERP system. The current vendor – Tyler EDEN, is discontinuing customer support on the EDEN product and is offering to transition EDEN users to their Tyler Munis software. Currently Palm Beach Gardens is in the process of switching over to the new system. We plan to explore this option with the vendor to see if it would be the best option for the Town. This new product is expected to offer some new efficiencies that the EDEN software does not and possibly allow for streamlining current processes throughout the Town. There is a customizable dashboard for access to key data, flexible reporting that can be customized, and a forecasting tool. They have self-service applications for employees, citizens

and vendors. We will be reviewing the details and conducting site visits during the year and will report back once the process is finalized.

We have begun to explore outsourcing the assessment process. As mentioned above, this is a very large task for our department to handle. We have received a quote of \$18,000 from a local firm that specializes in this work to take on all of the neighborhood projects, and the Town-wide undergrounding project. The cost of this service can be added to the assessment programs. Although there is a cost, we believe that their services will allow a reduction in the use of the assessment attorney and allow for a reduction in the fees charged.

If the assessment task is outsourced, it would allow the Finance Department to absorb additional duties. These additional duties could include the administration of the Pension. If the duties of the current administrator are split between Human Resources and Finance, the current contractual pension administration costs could be eliminated.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Use the reserves in the Debt Service fund to lower the transfer to the UAAL from the General Fund.

Savings: \$1,500,000 in total. This amount could be spread over a period of 8 years at which time the pension fund is expected to achieve 80% funded status.

Comments: The FY2014 budget contained an appropriated estimate for debt service for the anticipated 2013 ACIP Revenue Bond which was issued in December of 2013. The estimate was more than the actual debt service payment due in that year. The fund now has an estimated reserve of \$1,554,973 that is not required under any bond covenants or policy. These funds can be used to pay down the debt, transferred back to the General Fund, or used for another purpose.

Impacts of Option: There are no adverse impacts of using these funds. If the reserve is used over time to reduce the annual transfer, once the funds have been depleted, the impact to the General Fund will be minimal. If the funds were all used in one year, the following year the transfer would have to increase again to accommodate the debt service payment.

Recommendation for Cost Savings: Eliminate the printing of the annual final budget document. Rely on the electronic copy that is posted on the Town's website.

Cost Savings: \$2,000 for the cost to print and bind the document.

Comments: This document is over 450 pages and has many color pages. Many municipalities have adopted this practice. The departments, or other end users could print the document on their own if a paper copy is needed. Hyperlinks to the various programs can be added to the document for ease of review.

Impacts of Option: The document is a good reference guide but online access should suffice for most end users.

Option for Cost Savings: Eliminate the receptionist position on the first floor.

Cost Savings: \$39,817 + benefits

Comments: The duties of this position include operating the switchboard and routing calls. In addition, this position receives all parking ticket payments and other general cash receipts along with assisting all residents making application for a parking permit. She also handles other finance reconciliation duties, including the completion of lien searches. The position also is the greeter for anyone entering the building and she assists citizens and other visitors with directions to various departments.

Impacts of Option: We do not believe this option should be pursued. Removal of this position on the first floor would redirect all customer traffic to the second floor for payment while disrupting the intake staff of the Planning Zoning and Building Department to assist customers with inquiries. If an automated telephone attendant is used, a portion of the calls will still be routed to an operator for assistance. This would add extra burden on the staff on the second floor and interfere with their current duties. The impersonal computer greeting and menu of extensions would not be well received with our citizens.

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

Option for cost savings: Outsource Payroll

Cost Savings: Cost of outsourcing \$27,395, - no reduction in staff.

Comments: We received a quote for outsourcing payroll services. The cost is \$27,395. Staff members would still be needed to process the employee time and review the information. There is currently one employee that processes the payroll in the department, including both active employees on a biweekly basis, and retirees on a monthly basis. This position is also

responsible for limo and taxi permits, departmental website administration, various account reconciliations, review and payment of all employee travel expenses and, employment verifications. During this past year, she assisted with the preparation of the budget.

Concerns:

Would not be able to eliminate the position since the position is needed for other duties and someone would still be needed to work with a vendor on payroll to ensure all data is uploaded and proofed. We are also concerned about not having control over our payroll records and processes and the reliability and responsiveness of an outside vendor including the lead time to make any changes required and the ability for ad hoc reporting and projections that are required to complete the annual budget.

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

Option for cost savings: Eliminate all training

Cost savings: \$6,900

Concerns: The director is a CPA and as such requires 40 hours per year in CPEs in order to keep her certification. Other department members would lose the opportunity for advancement through conferences and classes that expand their knowledge beyond what is learned on the job.

PURCHASING PROGRAM - 144

Mission: The Purchasing Division provides professional procurement services to the Town Departments while ensuring compliance with County Ethics Commission, Inspector General, Florida State Statutes, and Town Purchasing Policies and Procedures. These services include purchase of supplies, equipment and services in an efficient, effective manner as well as managing the purchasing card program, the fixed asset inventory, central stores warehouse, and surplus property.

Main activities: The most important things we do to fulfill the mission are:

- Develop and administer purchasing policies consistent with established policies and procedures and sound business practice.
- Continually seek to improve procurement and inventory processes while providing top quality service and products.
- Ensure delivery of critical purchases on time
- Maintain positive vendor relationships
- Evaluate warehouse stock to minimize long term storage and obsolete materials

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 385,852 | 409,790 | 440,348 | 440,348 | 421,492 | 441,140 | 0.18% |
| Employee Benefits | 173,732 | 188,099 | 219,982 | 215,023 | 215,276 | 243,259 | 10.58% |
| Contractual | 5,871 | 10,667 | 11,550 | 12,372 | 20,202 | 9,395 | -18.66% |
| Commodities | 7,069 | 6,461 | 7,200 | 7,200 | 12,385 | 9,925 | 37.85% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 3,363 | 4,391 | 3,890 | 3,890 | 3,890 | 3,540 | -9.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 575,887 | 619,408 | 682,970 | 678,833 | 673,245 | 707,259 | 3.56% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|-------------------------------------|---------|---------|---------|---------|---------|
| Purchasing Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Assistant Purchasing Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Buyer | 1.000 | 1.000 | 1.500 | 1.500 | 1.500 |
| Purchasing Technician | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Warehouse Coordinator | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Purchasing Coordinator | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Public Works Purchasing Coordinator | 0.500 | 0.500 | - | - | - |
| Courier/Warehouse Assistant | - | 0.500 | 0.500 | 0.500 | 0.500 |
| | 6.500 | 7.000 | 7.000 | 7.000 | 7.000 |



REVENUE ENHANCEMENTS

Recommendation: Government purchasing organizations have historically utilized purchasing cards to control expenditures, expedite the purchasing process for small purchases, which are generally set at under \$2,500 and to garner a rebate from the use of the purchasing card with issuance of annual rebate based on total expenditure.

As part of the business review made by purchasing of their operations, a recommendation was made to switch from the current provider, Bank of America which has never provided a rebate to the Town to PFM, Bank of Montreal which begins rebates with a minimum annual spend of \$50,000.

During FY17, Town purchasing cards were used to secure goods and services with a total spend value of \$734,971. Benchmarked municipalities average spend was \$5,645,981 with an average rebate of \$59,518. The larger spend at the other municipalities is attributed to also paying invoices with the purchasing card vs. ACH or check to the vendor which includes utility bills.

It is anticipated that we will start using the new purchasing card provider in early March 2018. Based on the Town's current spend rate, the anticipated rebate for FY18 will be \$15,000. As the program is rolled out in FY19, the rebate is anticipated to be \$42,507. This amount is based on the following estimates:

- Average of Current Credit Card Spend of \$734,000 (FY17)

The goal during the remainder of FY18 would be to include the following suppliers for payment of goods and services.

- FPL Payments of \$2,410,308 (FY17)
- AT&T Payments of \$120,000 (FY17)
- Auto Parts/Tires Purchases of \$540,055 (FY17)
- Office Depot Purchases of \$60,000 (FY17)

Based on the data above, we estimate that in total we will spend \$3,864,363 annually and would qualify for a 1.10% rebate. The goal is to expand payment to additional vendors in FY19 using the purchasing card program to garner greater rebates.

Recommendation: Pursue other rebate programs offered from vendors that are utilized by the Town. For example, Town Purchasing began a program in September 2017 with Home Depot to garner rebate based on using their in-house program. The Town spent \$10,406 in FY17 with Home Depot which qualified for an annual 1% rebate for total purchases under \$25,000.

Purchasing is currently reaching out to vendors contracted through national purchasing organizations to verify rebate programs.

PAST EFFICIENCIES AND COST SAVING MEASURES

The past efficiencies and cost savings are noted from the time of the hire of the Purchasing Manager and Assistant Purchasing Manager positions in May 2017. Both individuals approached purchasing for the Town through a fresh set of eyes with the goal of reviewing internal purchasing business processes, outreach to user departments, user training, and utilization of National Purchasing Best Business Standards.

1. Surplus Sales – The Town switched from using the Palm Beach County Thrift Store to auction surplus item(s) to national online public surplus site. This provides cost avoidance as follows:
 - a. Town does not incur transportation costs for deliver items to the Thrift Store (FY17 cost was \$2,663)
 - b. Sales charges to the Town were 4% or \$250/transaction, whichever was greater – now \$0, with cost borne by the buyer
 - c. Town is not limited to scheduled auctions only 3-4 times/year – we can auction whenever we want and do not have to hold items for an extended period
 - d. Greater returns to the Town due to wider coverage. Recent example –
 - i. Two trash trucks were just sold for \$43,000 using Public Surplus – an average of \$21,500/truck vs. a previous sale at \$3,500 through the Thrift Store – and the sales was made without a delivery charge or commission.

2. In past eight months, purchasing has been proactive in working with user departments in the solicitation of documents for goods or services with cost savings of \$171,552.89 as noted:
 - a. \$35,764 related to Negotiations for Town Docks Master Plan
 - b. \$38,345 for New Parking Meter Kiosks
 - c. \$17,816 for Generator Rental
 - d. \$32,819 for Self-Contained Breathing Apparatus for Fire
 - e. \$17,400 related to unnecessary inventory acquisition for warehouse
 - f. \$29,408 for miscellaneous savings
3. Cost savings related to purchasing of office paper. The Town switched from twenty-four pound to twenty pound paper which is cost savings of ten dollars a box. In the past six months, the Town has saved \$1,380 by switching to lighter weight paper.
4. New Purchasing Thresholds which were approved on November 14, 2017. The benefits are noted as follows:
 - a. Raising threshold from \$25,000 to \$34,999 will reduce approximately thirty less agenda items annually which promotes a cost savings in man-hours in preparation (approximately 120 hour of time) by the respective departments in addition to cost avoidance by Town Attorney to review.
 - b. New quote threshold for obtaining one quote was raised from \$1,000 to \$2,499 which is estimated to save approximately 300 hours of labor by operating departments as they prepare requisitions to submit to documents to purchasing.
5. Reviewed process of securing new auto tags when vehicle are ordered. By flow charting the process it was noted that Town staff was spending approximately four hours for each tag via paperwork and time spent at Tax Collector Office. By placing the requirement for the tag to be supplied as a deliverable by the awarded vendor, the Town is saving four man-hours per vehicle registration.
6. Automated process of purchase order distribution. The previous process was to fax each purchase order upon approval to vendor and to user department. New process automatically emails to vendor upon approval thereby saving approximately three man-hours daily of clerical efforts.
7. Promote greater communication with vendor(s) when performance for services are not fully delivered as outlined in Scope of Services. During the past eight months, as vendor performance issues are noted, the user department, purchasing and the respective vendor meet to discuss particular performance issue and determine a corrective action plan. In the event the issue is still not resolved, the vendor is put on notice that poor performance will not be accepted and that full payment for their services will not be made until corrective action is fully noted. During past eight months, the following invoices have not been paid at 100% after first meeting with the vendor and detailing a corrective action plan:

- a. Janitorial services at Recreation and Police
- b. Landscaping
- c. Party Rental equipment for Recreation
- d. Reimbursement for overbilling of transportation services

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

1. Review all existing contracts and agreements utilized by the Town and determine if opportunity presents itself to re-negotiate for better terms and pricing and/or rebid for the better results. The current value of all Town contracts is \$23 million.
2. Promote successful negotiation sessions strategies internally with user department and subject matter experts before meeting with highest ranked proposer/vendor. The Town has not been proficient in this process. Goal would be provide additional cost savings to Town of a least 10%.
3. Propose to use Purchasing Coordinator position to review potential grant opportunities in conjunction with user departments. Goal is to be proactive in seeking funding sources and to utilize purchasing to embrace all best practices.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Re-engineer warehouse operations to Just-In-Time Inventory Model (JIT). The goal is to increase efficiency and decrease waste by receiving goods only as they are needed to support Town operations. The current inventory model maintains 2,200 line items of inventory valued at \$347,000.

Under a JIT Model, existing inventory is reduced to long lead items or those items critical if there is a failure in operations. Purchasing would coordinate with the user departments to determine identification of all critical parts and identify each to designated code. Under this model, the inventory would reduce from 2,200 line items to approximately 1,000 line items during the next eighteen months with additional reduction after that initial time period.

Purchasing has begun the process of securing contracts for automotive parts with delivery times of four, eight or twenty-four hours. This would be the first step in transitioning to a JIT Model. Contracts for other commodities are being developed for Invitation to Bids by early spring 2018.

There is a FT Warehouse Coordinator and a PT Courier/Warehouse Assistant currently assigned to the warehouse. The FT Warehouse Coordinator is required to support the receipt of all orders received by Town operations to ensure segregation of duties, manage warehouse with insurance items and those items with long lead times. As JIT receipts of goods increase, the position will be required to support receipt. This position also coordinates all surplus operations for the Town both by listing the items for sale as well as issuance to the respective buyers.

With the gradual reduction of inventory as new contracts are established, the PT Courier/Warehouse Assistant position could be eliminated at the end of the current FY. The mail courier duties could be transferred to the Warehouse Coordinator.

Cost Savings: \$18,088 PT Courier/Warehouse Assistant

\$125,00 of existing inventory carrying costs of parts during initial eighteen months of implementation

Comments: A part time position would be eliminated

Impacts of Option: Minimal impact on Town-wide operations.

Option for Cost Savings: Review existing purchasing positions as staff retire or leave with goal of right sizing to benchmarked Town-wide operational needs, including construction, operations and maintenance, services, and goods during period of next twenty-four months.

Cost Savings: TBD

Comments: During past eight months, an effort has been made to internally review business processes with the goal of efficiency and cost savings. As positions are vacated, it would be the goal to determine existing need or redefined need. The goal is to meet operational needs in an efficient manner while maintaining check and balance to all State, County and Town regulations. Additionally, one buyer position is assigned to strictly purchase for the Public Works Department. The position is funded by Public Works and works under the Purchasing Division. The position should be transferred to Finance/Purchasing with the goal of maximizing the workload. As changes are made to processes, there is a possibility of reduction of one buyer position as workloads and demands change.

Several factors will enable streamlining of positions as follows:

- A more robust facilities maintenance work order system. The Town currently utilized a program for work orders that does not tie into the purchasing/inventory requirements. The coordination of securing a new program is under review by Public Works, Information Technology, Finance/Purchasing. The goal would be to have a system that alerts purchasing of scheduled maintenance needs and for parts to be ordered for the predictive maintenance in the Just-In-Time model format. It is

imperative that the new program tie the requisition for the particular maintenance into the financial records.

- Implementation of new credit card program that allows management of purchases in real-time which is scheduled for initial rollout in March 2018. By allowing additional purchases to be made through the credit card with proper controls, less requisitions would have to be processed by staff. The goal is to review thresholds after one year of use of the new program and then again at the twenty-four month metric.
- The use of a third party software to manage contracts utilized by the Town. The current process is extremely labor intensive. The goal is to use software to manage contract expirations, renewals and to automatically tie into the financial system to alert possible overspending.
- Reassignment of job functions of staff to both the purchasing manager and assistant purchasing manager that have been historically assigned to the Purchasing Coordinator Position. One example would be facilitation of the selection committee meetings.
- Within the next twenty-four months, the Accelerated Capital Improvement Program (ACIP) will be slowing down which will reduce the number of requisitions, change orders and solicitations for bids.
- As noted in planned future activities, it is the goal to utilize the existing purchasing coordinator position to also assume grant functions as part of the job duties with goal of actively securing additional revenue sources for the Town. When the current occupant retires in the next twenty-four months, review need for position within organization as purchasing manager and assistant purchasing manager assume more of the day to day operational duties.

Impacts of Option: Streamline operations to maximize efficient and effective delivery of service while providing the highest in customer service.

Option for Cost Savings: Study lease of light vehicles and medium trucks through State of Florida Contract with Enterprise. (still under review)

Cost Savings: TBD

Comments: Many government agencies are reviewing the option of utilizing Enterprise to lease light vehicles and trucks with the goal of reducing operating (maintenance costs) by only keeping vehicles that are under factory warranty, obtain greater fuel economy and generate higher resale.

During conversations with Enterprise, there are many factors to be reviewed and metrics to be discussed on how these estimated cost savings can be obtained. Since maintenance represents a large cost, are light vehicles and trucks better served as outsourced or gradually outsource as staff retires or maintain all maintenance in-house.

In the initial observation by Enterprise of data supplied to them by the Town, they note that 30% of the current light and medium duty fleet is over 10 years old.

Impacts of Option: TBD whether fleet maintenance of light and medium fleet is maintained in-house or outsourced over a period of time through attrition.

Option for Cost Savings: Study lease or purchase of electric or LP Gas vehicles. (under review)

Cost Savings: Fuel costs

Comments: Nissan, a State of Florida Contract provider is willing to install three (3) charging stations at no cost to the Town with the purchase of one electric vehicle. Department Directors would need to review their operations to determine feasibility of either electric or LP Gas vehicles for their particular needs.

Impacts of Option: TBD.



Comprehensive Review of Town Operations

PLANNING, ZONING AND
BUILDING DEPARTMENT

CONTENTS

| | |
|---|----|
| Planning, Zoning and Building Department..... | 3 |
| Benchmarks for Planning, Zoning and Building Department | 5 |
| Planning and Zoning 211..... | 10 |
| Potential Revenue Enhancements..... | 11 |
| Past Efficiencies and Cost Saving Measures | 11 |
| Planned Future Efficiencies and Cost Saving Measures | 11 |
| Options for Cost Savings | 12 |
| Permit Issuance 212..... | 13 |
| Potential Revenue Enhancements..... | 14 |
| Past Efficiencies and Cost Saving Measures | 14 |
| Planned Future Efficiencies and Cost Saving Measures | 15 |
| Options for Cost Savings | 15 |
| Inspection and Compliance 213..... | 17 |
| Potential Revenue Enhancements..... | 18 |
| Past Efficiencies and Cost Saving Measures | 18 |
| Planned Future Efficiencies and Cost Saving Measures | 18 |
| Options for Cost Savings | 19 |
| Landmarks Preservation 214 | 20 |
| Potential Revenue Enhancements..... | 21 |
| Past Efficiencies and Cost Saving Measures | 21 |
| Planned Future Efficiencies and Cost Saving Measures | 21 |
| Options for Cost Savings | 21 |
| Fire Prevention 215..... | 22 |
| Potential Revenue Enhancements..... | 23 |
| Past Efficiencies and Cost Saving Measures | 23 |
| Planned Future Efficiencies and Cost Saving Measures | 23 |
| Options for Cost Savings | 23 |
| Code Enforcement 216 | 24 |
| Potential Revenue Enhancements..... | 25 |

Past Efficiencies and Cost Saving Measures 25
Planned Future Efficiencies and Cost Saving Measures 25
Options for Cost Savings 25

PLANNING, ZONING AND BUILDING DEPARTMENT

Mission: The Planning, Zoning and Building Department identifies, recommends and implements the vision of the community, as expressed through the policies of the Town Council, relative to the development, redevelopment and use of real property, to ensure the beauty, quality of life and character of the Town, and the health, safety and welfare of our residents, businesses and visitors, while providing the highest quality of service to our customers.

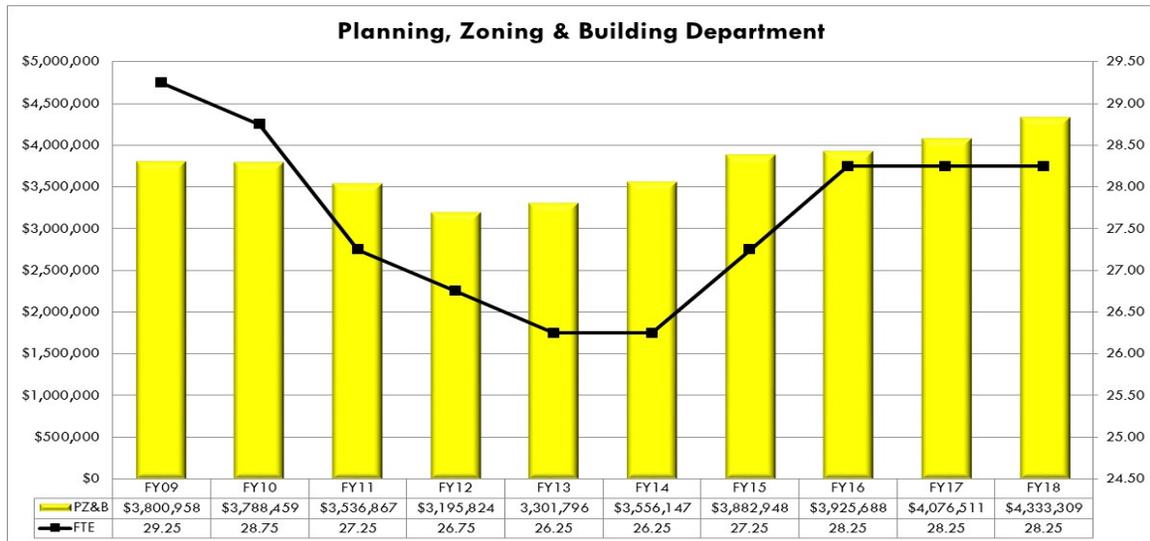
Revenue Summary

| | 2015 Actual | 2016 Actual | 2017 Budget | 2017 Projected | 2018 Budget | % Change |
|--------------------------------|-------------|-------------|-------------|----------------|-------------|----------|
| Business Tax Receipts | 659,635 | 679,915 | 672,000 | 672,000 | 705,600 | 5.00% |
| Business Tax Receipt Penalties | 22,793 | 43,734 | 25,000 | 28,737 | 25,000 | 0.00% |
| Building | 6,754,745 | 5,780,693 | 4,100,000 | 4,270,480 | 4,200,000 | 2.44% |
| Electrical | 575,422 | 674,734 | 425,000 | 477,024 | 425,000 | 0.00% |
| Plumbing | 372,442 | 427,499 | 290,000 | 278,632 | 290,000 | 0.00% |
| Permit Processing | 47,775 | 38,150 | 30,000 | 36,300 | 35,000 | 16.67% |
| Permit Penalty | 121,606 | 241,547 | 43,000 | 92,063 | 85,000 | 97.67% |
| Except/Var. App. | 172,361 | 219,059 | 162,500 | 207,429 | 186,800 | 14.95% |
| Consultants Fees | - | 4,825 | - | 26,161 | - | 0.00% |
| Special Plan Review Fee | 520,950 | 499,950 | 370,000 | 348,800 | 430,000 | 16.22% |
| Reinspection Fees | 2,325 | 3,825 | 2,500 | 5,400 | 6,500 | 160.00% |
| Special Detail - PZB | - | 80 | - | 160 | - | 0.00% |
| Abandonments | 381 | 1,244 | - | - | - | 0.00% |
| Architectural Fees | 174,010 | 148,010 | 140,000 | 160,030 | 150,000 | 7.14% |
| Landmarks Submittal | 26,620 | 25,900 | 25,000 | 31,675 | 40,000 | 60.00% |
| Mechanical Permits | 490,507 | 445,245 | 325,000 | 332,320 | 335,000 | 3.08% |
| Contractor Registration Fee | 9,500 | 8,656 | 10,000 | 8,850 | 10,750 | 7.50% |
| Landscape Permit | 10,731 | 13,378 | 10,000 | 14,758 | 44,000 | 340.00% |
| Advanced Irrigation | 300 | 600 | 1,000 | 900 | 300 | -70.00% |
| Miscellaneous Permit Fees | - | - | - | 4,500 | 2,025 | 100.00% |
| Building Permit Search Fee | 35,200 | 27,800 | 30,000 | 31,650 | 40,500 | 35.00% |
| Dune Vegetation Fee | - | - | 2,000 | 840 | 1,000 | -50.00% |
| Permit Revision Fee | 193,975 | 230,150 | 190,000 | 162,825 | 190,000 | 0.00% |
| Right Of Way Permits | 369,973 | 487,565 | 350,000 | 381,824 | 360,000 | 2.86% |
| Flood Plain Mgmt Permit Fee | 16,800 | 12,679 | 12,000 | 9,608 | 12,000 | 0.00% |
| County Occ. Licenses | 15,040 | 24,199 | 15,000 | 19,598 | 15,000 | 0.00% |
| Tent Permits | 21,074 | 14,298 | 20,000 | 19,282 | 20,000 | 0.00% |
| Bldg. Insp. Fund Fees | 12,696 | 11,264 | 10,000 | 8,308 | 10,000 | 0.00% |
| Radon Gas | 12,597 | 11,212 | 10,000 | 7,718 | 10,000 | 0.00% |
| Certification Copy | 1,027 | 1,027 | 500 | 826 | 500 | 0.00% |
| Microfiche/Scanned Documents | 131 | 62 | 250 | 37 | 250 | 0.00% |
| Code Compliance Fines | 142,380 | 183,705 | 175,000 | 173,294 | 150,000 | -14.29% |
| Code Compliance Admin Fee | 9,175 | 7,000 | 10,000 | 4,950 | 7,000 | -30.00% |
| Credit Card Customer Surcharge | 6,325 | 8,907 | 6,000 | 8,435 | 9,000 | 50.00% |
| | 10,798,496 | 10,276,912 | 7,461,750 | 7,825,414 | 7,796,225 | 4.48% |

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 1,989,767 | 1,940,578 | 2,100,251 | 2,100,251 | 2,032,265 | 2,111,721 | 0.55% |
| Employee Benefits | 916,917 | 962,820 | 1,080,701 | 1,058,321 | 1,054,046 | 1,097,873 | 1.59% |
| Contractual | 895,224 | 911,728 | 938,400 | 1,187,594 | 799,859 | 903,460 | -3.72% |
| Commodities | 47,119 | 60,136 | 80,150 | 101,171 | 68,145 | 115,687 | 44.34% |
| Capital Outlay | - | 12,781 | 7,000 | 7,000 | - | - | -100.00% |
| Depreciation | 33,921 | 37,649 | 110,097 | 110,097 | 110,097 | 104,568 | -5.02% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 3,882,948 | 3,925,692 | 4,316,599 | 4,564,434 | 4,064,412 | 4,333,309 | 0.39% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



BENCHMARKS FOR PLANNING, ZONING AND BUILDING DEPARTMENT

| *DNP – Did not participate | Palm Beach | West Palm Beach | Jupiter | Boca Raton* | Palm Beach Gardens* | Delray Beach* |
|--|----------------|---|--------------|-------------|---------------------|---------------|
| General | | | | | | |
| 2010 Population | 8,291 | 100,343 | 55,156 | DNP | DNP | DNP |
| Number of Full-Time Equivalents (FTE) | 28.25 | 101 | 50 | DNP | DNP | DNP |
| Number of FTE's per 1000 population | 3.41 | 1.01 | .91 | DNP | DNP | DNP |
| Number of walk-in customers | 20,780 | 2,220 | Not provided | DNP | DNP | DNP |
| In-house legal counsel | No | No | Not provided | DNP | DNP | DNP |
| Planning and Zoning | | | | | | |
| Number of Planning FTE's | 1.5 | 17 (Planning and Zoning (P&Z) combined) | 9 | DNP | DNP | DNP |
| Number of Zoning FTE's | 2.5 | 17 (P&Z combined) | 2 | DNP | DNP | DNP |
| Number of Development Review Applications Processed | 90 | 4,610 (includes permits) | 448 | DNP | DNP | DNP |
| Number of Pre-Application Meetings | 110 | N/A | 91 | DNP | DNP | DNP |
| Number of Development Orders Issued | 90 | Not provided | 323 | DNP | DNP | DNP |
| Number of Development Review applications reviewed per FTE | 36 (2.5 FTE's) | 271 (includes permits) | 40.73 | DNP | DNP | DNP |
| Number of Municipal Zoning Code Amendments Processed | 12 | 14 | 21 | DNP | DNP | DNP |

| | Palm Beach | West Palm Beach | Jupiter | Boca Raton | Palm Beach Gardens | Delray Beach |
|--|--------------------|---------------------------------------|--------------|------------|--------------------|--------------|
| Number of Zoning FTE's per 1000 Population | .30 (2.5 FTE's) | .169 (17 FTE's, P & Z combined) | .073 | DNP | DNP | DNP |
| Revenue per Zoning Application | \$2,304.76 | \$105.69 (includes permits) | Not provided | DNP | DNP | DNP |
| Cost per Zoning application | \$2,283.33 | Not provided | Not provided | DNP | DNP | DNP |
| Zoning Code enforcement cost per capita | \$48.50 | Not provided | Not provided | DNP | DNP | DNP |
| Architectural Commission (ARCOM) or equivalent? | Yes | No | No | DNP | DNP | DNP |
| Number of ARCOM applications reviewed by full commission | 156 | N/A | N/A | DNP | DNP | DNP |
| Number of ARCOM applications reviewed by Staff | 409 | N/A | N/A | DNP | DNP | DNP |
| Number of Planning FTE's per 1000 population | .18 (1.5 FTE's) | .169 (17 FTE's, P & Z combined) | .267 | DNP | DNP | DNP |
| Number of ARCOM applications reviewed by full commission per FTE | 156 (1 FTE) | N/A | N/A | DNP | DNP | DNP |
| Number of ARCOM applications reviewed by Staff per FTE | 409 (1 FTE) | N/A | N/A | DNP | DNP | DNP |
| ARCOM annual revenue per application | \$274.96 | N/A | N/A | DNP | DNP | DNP |
| Total ARCOM standards compliance cost per application | \$266.87 | N/A | N/A | DNP | DNP | DNP |
| ARCOM enforcement cost per capita | \$18.19 | N/A | N/A | DNP | DNP | DNP |
| Permit Issuance | | | | | | |
| Number of Building Division FTE's | 9 | 55 | 24 | DNP | DNP | DNP |

| | Palm Beach | West Palm Beach | Jupiter | Boca Raton | Palm Beach Gardens | Delray Beach |
|--|----------------------|-----------------|---------------|------------|--------------------|--------------|
| Number of building permits issued | 7913 | 12,300 | 6,297 | DNP | DNP | DNP |
| Number of days to review building permits | 10-15 | 14-30 | Not provided | DNP | DNP | DNP |
| Expedited plan review offered? | Yes | Yes | Not provided | DNP | DNP | DNP |
| Construction value of building permits issued? | \$225,408,143 | \$675,098,300 | \$208,708,000 | DNP | DNP | DNP |
| Use of contract employees for plan review? | Yes | Yes | Not provided | DNP | DNP | DNP |
| Number of building permits reviewed per FTE | 2,637.7 (3 FTE's) | 223 | 262.4 | DNP | DNP | DNP |
| Certified Plans Reviewers FTE per 1000 population | .36 (3 FTE's) | .13 | 3 | DNP | DNP | DNP |
| Building Code enforcement cost per permit issued | \$326.69 | Not provided | \$611.19 | DNP | DNP | DNP |
| Permitting fees collected/ Construction value | 2.790% | 1.339% | 1.84% | DNP | DNP | DNP |
| Building permitting fees collected per permit issued | \$794.88 | \$734.935 | \$611.19 | DNP | DNP | DNP |
| Responsible for National Flood Insurance Administration? | Yes | Yes | Not provided | DNP | DNP | DNP |
| Inspection and Compliance | | | | | | |
| Number of building inspections performed | 14,824 | 45,343 | Not provided | DNP | DNP | DNP |
| Building inspections performed per FTE | 2,965 (5 FTE's) | 824 | Not provided | DNP | DNP | DNP |
| Building Inspectors per 1000 population | .61 | .18 | .163 | DNP | DNP | DNP |

| | Palm Beach | West Palm Beach | Jupiter | Boca Raton | Palm Beach Gardens | Delray Beach |
|---|------------------------|-----------------|--------------|------------|--------------------|--------------|
| Building Code enforcement cost per capita | \$311.79 | Not provided | \$69.74 | DNP | DNP | DNP |
| Total Building Code enforcement cost per building inspection | 174.38 | Not provided | Not provided | DNP | DNP | DNP |
| Number of Right-of-Way- permits issued | 1092 | Not provided | Not provided | DNP | DNP | DNP |
| Number of Business Tax Receipts issued | 1680 | 17,667 | Not provided | DNP | DNP | DNP |
| Number of public records request | 5046 | 260 | Not provided | DNP | DNP | DNP |
| Number of public records request per FTE | 178.6 (28.25 FTE's) | 2.6 | Not provided | DNP | DNP | DNP |
| Responsible for Community Rating System (CRS) preparation? | Yes | Yes | Not provided | DNP | DNP | DNP |
| Landmarks Preservation | | | | | | |
| Landmarks Preservation Commission (LPC) or equivalent? | Yes | Yes | Yes | DNP | DNP | DNP |
| Number of LPC applications reviewed by full commission | 56 | 78 | Not provided | DNP | DNP | DNP |
| Number of LPC applications approved by Staff | 142 | 751 | Not provided | DNP | DNP | DNP |
| Tax Abatement program offered for historically significant properties | Yes | Yes | Yes | DNP | DNP | DNP |
| Number of LPC applications per FTE | 37.3 (1 FTE) | 415 | Not provided | DNP | DNP | DNP |
| Number of LPC applications staff approved per FTE | 94.7 (1 FTE) | 376 | Not provided | DNP | DNP | DNP |

| | Palm Beach | West Palm Beach | Jupiter | Boca Raton | Palm Beach Gardens | Delray Beach |
|--------------------------------------|-------------------|------------------------|----------------|-------------------|---------------------------|---------------------|
| LPC revenue per application | \$248.99 | \$22.49 | Not provided | DNP | DNP | DNP |
| LPC enforcement cost per application | \$720.30 | Not provided | Not provided | DNP | DNP | DNP |
| LPC enforcement cost per capita | \$20.92 | Not Provided | Not provided | DNP | DNP | DNP |

Mission: This division exists to stabilize and preserve the aesthetic, historical and economic values of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

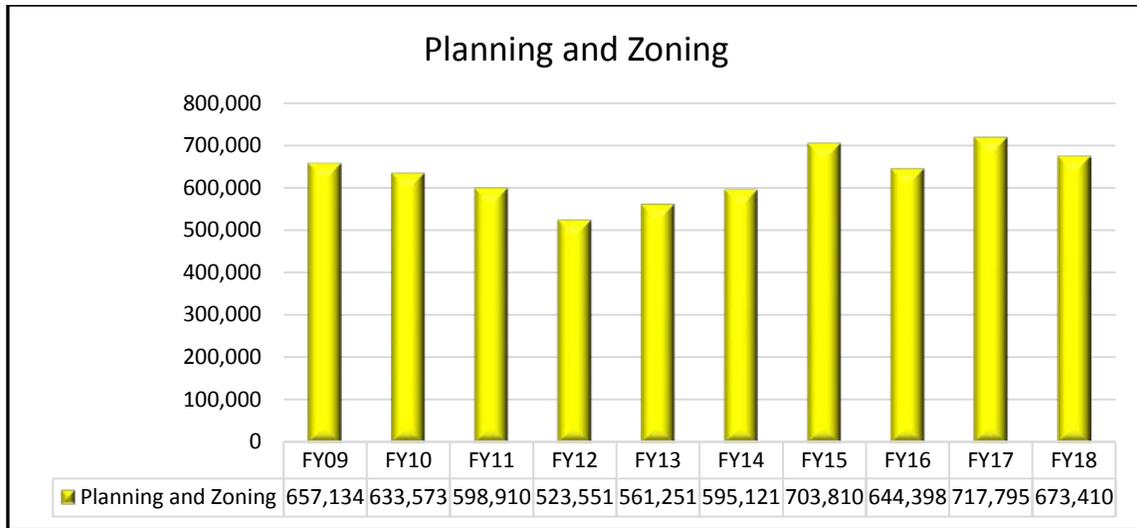
- Coordination and support of commissions
- Conduct planning and zoning studies, and recommend changes where necessary
- Develop, recommend, implement and enforce policies in a highly professional manner
- Maintain all maps and data contained in the Comprehensive Plan and Land Development Regulations
- Interpret zoning code, Comprehensive Plan and Land Development Regulations and process applications
- Keep citizens informed of policies and procedures and solicit input from citizens
- Work continually to improve the efficiency and effectiveness of systems and staff

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 339,066 | 321,706 | 347,721 | 347,721 | 345,444 | 344,276 | -0.99% |
| Employee Benefits | 141,790 | 155,661 | 150,785 | 148,201 | 148,103 | 138,702 | -8.01% |
| Contractual | 215,796 | 159,353 | 178,000 | 229,327 | 214,126 | 160,410 | -9.88% |
| Commodities | 6,988 | 7,512 | 16,000 | 19,750 | 9,952 | 29,852 | 86.58% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 170 | 170 | 170 | 170 | 170 | 170 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 703,810 | 644,402 | 692,676 | 745,169 | 717,795 | 673,410 | -2.78% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Director | 0.700 | 0.700 | 0.700 | 0.700 | 0.700 |
| Assistant Director | 0.350 | 0.350 | 0.350 | 0.350 | 0.350 |
| Zoning Administrator | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Zoning Technician | - | - | 1.000 | 0.500 | 0.500 |
| Development Review Specialist | 0.500 | 0.500 | - | - | - |
| Administrative Assistant | - | - | 0.500 | - | - |
| Planning Administrator | 0.400 | 0.400 | 0.400 | 0.400 | 0.400 |
| Administrative Aide | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Office Manager | 0.120 | 0.120 | 0.120 | 0.120 | 0.120 |
| | 3.570 | 3.570 | 4.570 | 3.570 | 3.570 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|--|----------|
| Provide Zoning Determination Letters for a fee (\$100) | \$20,000 |
|--|----------|

PAST EFFICIENCIES AND COST SAVING MEASURES

- Land development applications have been digitized and cataloged by year on a network drive; making document retrieval quite simple.
- DRC process has been automated. Comments and reports are electronically formatted to generate Council back-up.
- The Department no longer uses an independent consultant to research and produce reports pertaining to Zoning Text Amendments.
- Zoning Technician has been retained to ensure consistent review for zoning compliance prior to building permit issuance. This position also assists in the zoning application process and assists Dept. Director with request for information and special projects. The Zoning Technician also provides a pre-commission meeting review of ARCOM and LPC applications.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Eliminate the necessity to print, or find a more efficient manner to disseminate correspondence and documents for Council.
- Provide a GIS map to be available on the Town's website to provide information digitally, saving staff time.
- Allow zoning applications to be submitted and paid for online.
- DEP request for zoning consistency letter applications submitted online.

- Create a Unity of Title fee.
- Create an Address Change/Assignment fee.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Re-classify the Assistant Director position as something else

Cost Savings: \$0-\$172,500

Comments: The Assistant Director position within the department is vacant and could possibly be re-categorized to a position that requires less compensation.

Impacts of Option: Affords flexibility in the organization of department. Could bring in person with expertise in an area not necessarily management. Could shift increased burden onto director.

PERMIT ISSUANCE 212

Mission: This division exists to provide for the life safety and welfare of Palm Beach citizens and visitors through the enforcement of building codes and accurate and accessible historical records of all Departmental files, and to promote and maintain high architectural standards of physical structures in Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

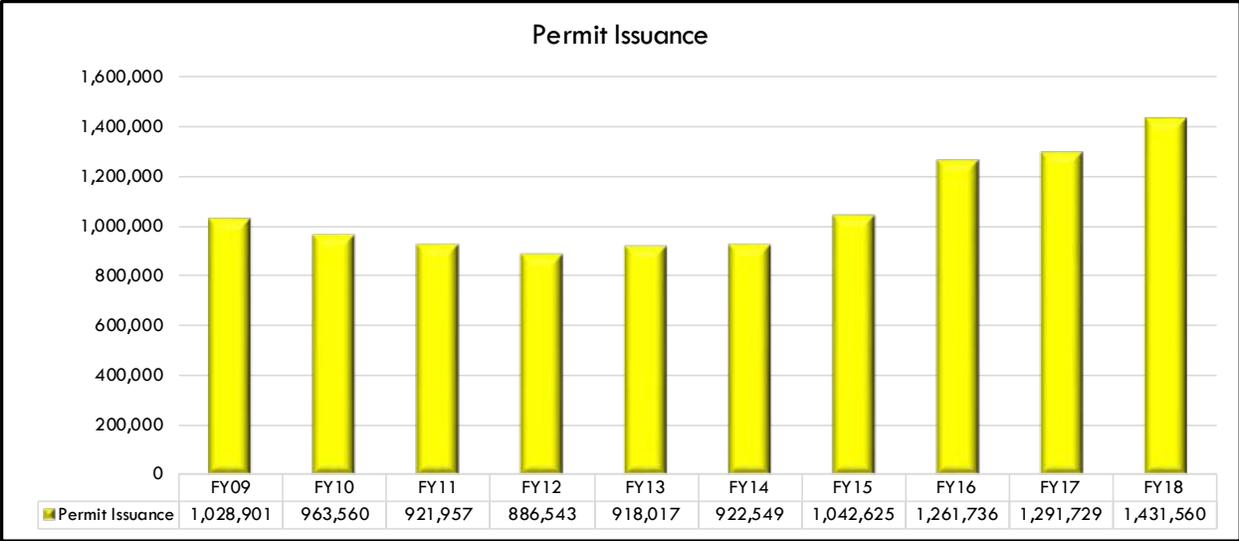
- Review building permit applications and plans for adherence to Town codes and policies and issue building permits
- Communicate town requirements with contractors, designers, property owners and other Town departments
- Ensure that contractors working in the Town have a valid contractor license
- Coordinate and support the Architectural Commission
- Keep citizens informed and educated
- Process applications for architectural approval of proposed construction projects as directed by codes and policy
- Record departmental revenues accurately
- Organize, digitize and retrieve Departmental records for public use

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 583,411 | 663,483 | 692,070 | 692,070 | 665,252 | 704,072 | 1.73% |
| Employee Benefits | 298,271 | 316,049 | 375,416 | 367,958 | 367,021 | 390,908 | 4.13% |
| Contractual | 144,111 | 230,336 | 278,380 | 305,297 | 216,970 | 289,980 | 4.17% |
| Commodities | 13,831 | 37,059 | 36,550 | 44,821 | 36,986 | 46,600 | 27.50% |
| Capital Outlay | - | 9,309 | 7,000 | 7,000 | - | - | -100.00% |
| Depreciation | 3,001 | 5,500 | 5,500 | 5,500 | 5,500 | - | -100.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,042,625 | 1,261,736 | 1,394,916 | 1,422,646 | 1,291,729 | 1,431,560 | 2.63% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------------------------|--------------|--------------|--------------|---------------|---------------|
| Director | 0.150 | 0.150 | 0.150 | 0.150 | 0.150 |
| Assistant Director | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 |
| Building Official | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Planning Administrator | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 |
| Administrative Aide | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 |
| Chief Construction Inspectors | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 |
| Combination Plan Reviewer | 0.700 | 1.700 | 1.400 | 1.400 | 1.400 |
| Development Geoprocessor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Project Engineer | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Development Permit Coordinator | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 |
| Office Manager | 0.530 | 0.530 | 0.530 | 0.530 | 0.530 |
| Office Assistant II | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Document Management Coordinator | - | - | 1.000 | 1.000 | 1.000 |
| Office Assistant III | 1.000 | 1.000 | - | 1.000 | 1.000 |
| | 8.580 | 9.580 | 9.280 | 10.280 | 10.280 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|--|---------|
| Work with contract inspectors to ensure re-inspect fees are charged when appropriate (\$100) | Unknown |
| Establish annual or one time registration process and fee for service vehicles (pool service, lawn maintenance, etc.) and providing vehicle stickers (not for parking but to show they are registered with the Town) (\$5) | \$7,500 |
| Charge for searching online and printing warranty deeds, insurance certificates etc. needed for permit application submittal (\$5) | \$2,000 |
| Charge a fee for ARCOM application requested deferrals (\$50) | \$1,750 |

PAST EFFICIENCIES AND COST SAVING MEASURES

- Expedited Plan Review is now offered.
- Reduced number of required revisions during project duration.
- We now accept payments by credit card.
- Converted processing of AS400 Right-of-Way permits to EDEN and modified applications to reduce paper.

- Customers now have ability to track permit progress and schedule inspections online.
- Modified other permit application forms to enable more than one permit of related type on one form (Building and Fire) reducing paper and efficiency.
- Continued cross training with front office staff to process permit intake and permit issuance.
- Continued cross training with front office staff to cover records office during staff shortages.
- Provide quality control of scanned documents upon return from vendor.
- Established ability to communicate with contractors via the website email alerts.
- Digital Submittals of ARCOM applications.
- ARCOM agenda and plans are available online.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Online application of Building Permits, Right-of-way permits, and ARCOM submittals.
- Walk through permitting (MEPS or A/C & Water Heater change-outs) with previously approved plans at the counter.
- Establish general email box address so established contractors may email certain permit applications for processing (those without plans).
- Investigate keeping insurance certificates (worker's compensation) on file rather than requiring contractor to provide a copy with every permit application (One less paper to scan at intake).
- Convert ARCOM and LPC development applications to EDEN permit types (similar to DRC) to allow tracking and access online through permit website.
- Improve ease of loading Zoning, ARCOM, and LPC applications and plans to website.
- Move contents of N drive and O drive to Laserfiche as appropriate.
- Provide online access to contractors so they can view their permit module customer accounts (view only and make no changes).
- Provide access (limited) to Laserfiche via web to reduce records/information requests.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: In person/in office permitting to have a convenience fee once online permitting is established.

Cost Savings: Unknown

Comments: Establishing online building permit submittal is planned for the department. Once this process is in place, a convenience fee for submitting permits in person could be charged for the extra Town resources in person submittals cost as compared to online submittals.

Impacts of Option: Reduced number of trips to Town Hall to submit permits therefor improving traffic and parking conditions. Contractors become able to submit permit applications without using any staff time.

Option for Cost Savings: “Turn-Around” permits for certain types of work

Cost Savings: Staff Time

Comments: : By making certain permits “Turn Around Permits”, there is no need for plan reviewers to review items that in most instances have been reviewed as part of a major review (i.e. New Single Family and Major Remodel projects). These permits can just be “turned around” and issued upon application submission and payment of fees at front intake area.

Impacts of Option: More time for Plan review staff to concentrate on larger projects, more efficient for contractor regarding the number of visits to the department, less paperwork handling for plan review and front intake staff.

Option for Cost Savings: Reduce or eliminate paper ARCOM mini-sets.

Cost Savings: Staff time

Comments: A great amount of staff time is spent collecting the mini-sets from the Applicants, collating into sets, and labeling for pick-up by Commission members.

Impacts of Option: Digital presentation submission would reduce trips to Town Hall. (by applicants and Commission members)

Option for Cost Savings: Eliminate or charge a fee for ARCOM summary letters

Cost Savings: 78 hours of staff time or \$5,000 of increased revenue

Comments: Staff currently writes Architectural Commission summary letters upon approval of the respective application. These letters are for the benefit of the applicant and could be eliminated.

Impacts of Option: Staff time would be saved. Applicants will not receive a letter stating the result of their application in a succinct document.

Recommendation for Cost Savings: Re-classify the Document Management Coordinator Position

Cost Savings: \$22,500

Comments: Reorganizing the records personnel, thereby eliminating the need for a supervisory position in the Records Division.

Impacts of Option: Less compensation would be required for the position. Supervisory responsibilities would be absorbed by existing supervisor in the Department. Would provide more flexibility in filling of this position and within the Records division structure.

INSPECTION AND COMPLIANCE 213

Mission: This division exists to provide protective services to the residents and businesses of the Town through professional and responsible enforcement of building codes and Town policies related to unimproved land, development, construction activities, and issuance of business tax receipts.

Main Activities: The most important things we do to fulfill the mission are:

- Inspection of construction sites to ensure compliance with appropriate State and Town codes and land development regulations
- Issuance of permits for right of way parking and storm water improvements
- Review of commercial operations for conformance to the zoning code and issuance of business tax receipts

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 579,048 | 554,329 | 629,577 | 629,577 | 602,780 | 632,257 | 0.43% |
| Employee Benefits | 284,247 | 276,853 | 312,401 | 305,619 | 305,142 | 320,809 | 2.69% |
| Contractual | 403,688 | 410,817 | 385,000 | 523,904 | 266,733 | 354,200 | -8.00% |
| Commodities | 16,939 | 7,434 | 15,600 | 24,600 | 11,706 | 22,820 | 46.28% |
| Capital Outlay | - | 3,472 | - | - | - | - | 0.00% |
| Depreciation | 22,347 | 25,303 | 97,751 | 97,751 | 97,751 | 97,722 | -0.03% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,306,269 | 1,278,208 | 1,440,329 | 1,581,451 | 1,284,112 | 1,427,808 | -0.87% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Director | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 |
| Assistant Director | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 |
| Building Official | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Administrative Aide | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 |
| Chief Construction Inspectors | 2.700 | 2.700 | 2.700 | 2.700 | 2.700 |
| Combination Inspector | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 |
| Combination Plan Reviewer | 0.300 | 0.300 | 0.600 | 0.600 | 0.600 |
| Administrative Assistant | - | - | 0.500 | - | - |
| Project Engineer | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Development Review Specialist | 0.500 | 0.500 | - | - | - |
| Development Permit Coordinator | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Zoning Technician | - | - | - | 0.500 | 0.500 |
| | 7.600 | 7.600 | 7.900 | 7.900 | 7.900 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|--|----------|
| Establish Application Fee (\$175) for new businesses | \$13,300 |
| Establish Inspection Fee (\$75) for new businesses to ensure compliance with Building Codes | \$9,975 |
| Charge a fee for searching for and printing required licenses, evidence of corporate or fictitious name registration (\$5) | \$3,000 |

PAST EFFICIENCIES AND COST SAVING MEASURES

- Inspections can be scheduled on-line.
- Same day re-inspections are now offered.
- Partial building inspections are now offered, allowing projects to continue forward at a quicker pace.
- Continued cross training with front office staff to process renewal payments as well as process applications for new Business Tax Receipts. (Renewal payments were previously being processed by Administrative Aide)

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Set EDEN Licensing up to be able to process renewal payments on-line thereby alleviating some traffic to Town Hall.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Accept Affidavits for certain types of permit inspections

Cost Savings: Staff time

Comments: There are several types of permits where the work can be certified by the contractor as to meeting the code. This is particularly useful for roofing permits where the roof deck is exposed and work needs to progress rapidly in order to prevent any weather issues from causing damage. This solution has been implemented in other communities with success.

Impacts of Option: This option allows jobs to progress more rapidly and efficiently while still maintaining the requirements of the Building Code.

LANDMARKS PRESERVATION 214

Mission: This division exists to serve the Town’s desire to maintain its rich history and quality of life by stabilizing and preserving the historic and economic value of significant physical structures and other property.

Main Activities: The most important things we do to fulfill the mission are:

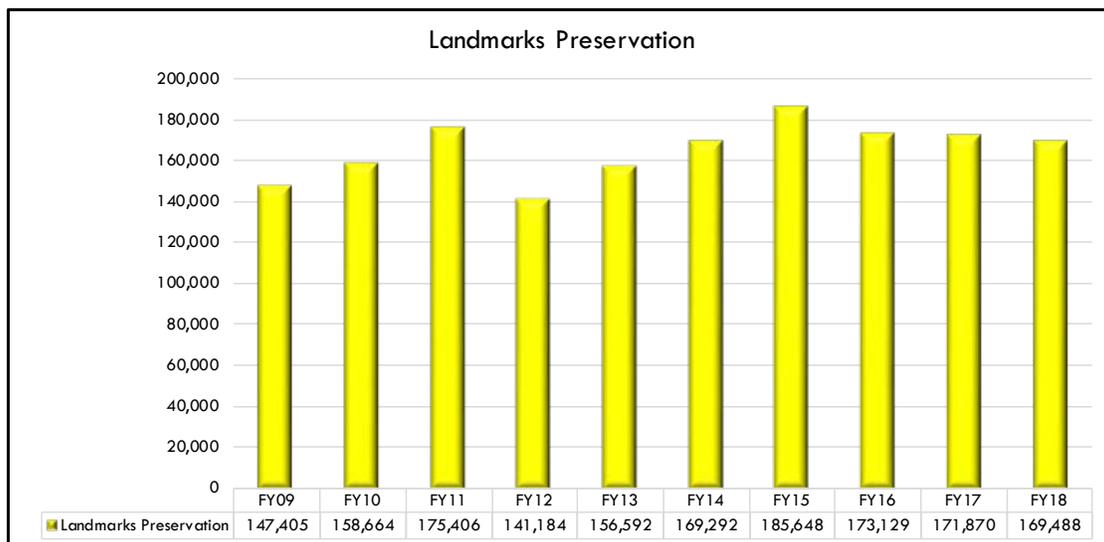
- Coordinate and support the Landmark Preservation Commission
- Develop, recommend and enforce policies that serve historic preservation
- Keep citizens informed and educated
- Process Certificates of Appropriateness as directed by codes and policy
- Discuss and entertain requests for possible designation of properties as historic
- Maintain accurate records and files

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 61,800 | 63,503 | 62,873 | 62,873 | 64,985 | 63,837 | 1.53% |
| Employee Benefits | 24,863 | 28,957 | 31,147 | 30,420 | 30,877 | 32,101 | 3.06% |
| Contractual | 97,781 | 79,463 | 70,600 | 102,646 | 74,967 | 69,250 | -1.91% |
| Commodities | 1,204 | 1,206 | 2,900 | 2,900 | 1,041 | 4,300 | 48.28% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 185,648 | 173,129 | 167,520 | 198,839 | 171,870 | 169,488 | 1.17% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Director | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 |
| Assistant Director | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 |
| Planning Administrator | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 |
| Office Manager | 0.350 | 0.350 | 0.350 | 0.350 | 0.350 |
| | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|--|----------------|
| Increase LPC fees – Per the LPC benchmarks, COA apps are not covering the cost of the COA process. Fees would need to be raised to \$2,000 to cover the Town’s cost. Alternatively, the Town Council could choose to phase in the cost over several years. | \$122,623.38 |
| Increase LPC application fees Explore grants, both public and private, for LPC consulting expenses | Up to \$56,000 |
| Charge a fee for LPC applicant requested deferrals (\$50) | \$250 |

PAST EFFICIENCIES AND COST SAVING MEASURES

- Digital submittals of LPC applications.
- LPC agenda items are available to be viewed online.
- Applications and Deadlines are available online.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Provide for online submittal of LPC applications.
- Provide for online payment of LPC fees.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Stop issuing/charge a fee for historic marker plaques

Cost Savings: \$1,000

Comments: The Town currently provides landmark-designated homeowners a historic marker plaque to be placed on the façade of the home. The first marker is currently free, with any additional plaques costing \$100.

Impacts of Option: If the Town stops issuing the historic marker plaques then people in the Town could be unaware of a building’s historic significance. Homeowners may not feel the proper recognition for landmarking their home. A fee for the plaque will deter landmarked homeowners from marking their home as a landmark and could cause ill will.

Option for Cost Savings: Eliminate or charge a fee for Certificate of Appropriateness letters

Cost Savings: 29 hours of staff time or \$2,000 of increased revenue

Comments: Staff currently writes Certificate of Appropriateness summary letters following Commission review of the applications. These letters are for the benefit of the applicant and could be eliminated.

Impacts of Option: Staff time would be saved. Applicants will not receive a letter stating the result of their application in a single succinct document.

FIRE PREVENTION 215

(Program managed by Fire-Rescue)

Mission: This division exists to enforce Federal, State and local life safety codes to protect life and property to improve the community.

Main Activities: The most important things we do to fulfill the mission are:

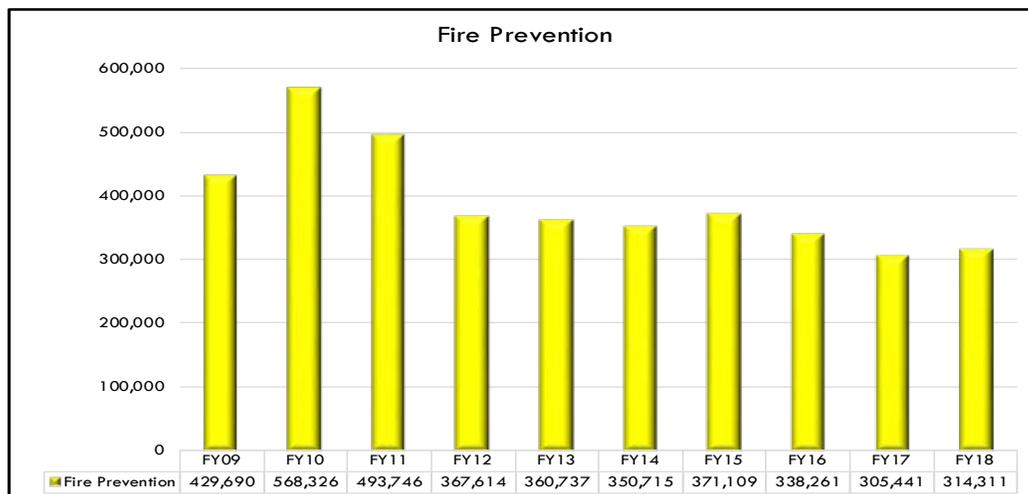
- Educate the community on life saving skills, fire prevention and community risk reduction programs
- Conduct annual fire safety inspections
- Conduct community risk analysis
- Create or revise ordinances to enhance fire prevention
- Generate revenue through fire inspection and permit fees
- Investigate all fires for cause and origin

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 273,587 | 223,353 | 205,980 | 205,980 | 192,686 | 199,162 | -3.31% |
| Employee Benefits | 79,432 | 98,293 | 97,138 | 94,527 | 92,666 | 97,534 | 0.41% |
| Contractual | 15,545 | 13,702 | 16,100 | 16,100 | 16,678 | 13,100 | -18.63% |
| Commodities | 2,545 | 2,913 | 3,300 | 3,300 | 3,411 | 4,515 | 36.82% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 371,109 | 338,261 | 322,518 | 319,907 | 305,441 | 314,311 | -2.54% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Division Chief - Fire Marshal | 1.000 | 1.000 | - | - | - |
| Assistant Fire Marshal | 1.000 | 1.000 | - | - | - |
| Fire Marshal | - | - | 1.000 | 1.000 | 1.000 |
| Fire Inspector | - | - | 1.000 | 1.000 | 1.000 |
| Office Assistant II | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 |



POTENTIAL REVENUE ENHANCEMENTS

Revenue enhancements are reviewed annually. Currently, revenue fees are among the highest as compared to the surrounding communities.

PAST EFFICIENCIES AND COST SAVING MEASURES

- Reductions in Fire Prevention Staffing from 4 to 2.5.
- Sharing Fire Prevention Office Assistant II position with Planning Zoning and Building (cost neutral). The Office Assistant II position provides support to the Fire Prevention Division, and is primarily responsible for entering data into the fire prevention records management program and invoicing businesses for fire prevention inspections. Through a distribution of work to other members of the Fire Prevention Division, this position was shared (50%/50%) with the Planning Zoning and Building Department. The office location of the Fire Prevention Office Assistant II was moved to an office in Planning, Zoning and Building to help create a “one-stop-shop” environment for contractors and business owners who deal with the Town for permits and licenses. While this change did not result in any savings for the Town, it did decrease Fire Rescue’s FTE count by .5 and would improve services and total efficiencies for the Town.
- Civilianize Fire Prevention Division (Estimated salary savings of \$30,000 to \$60,000 annually) The Fire Prevention Division was previously staffed by three personnel: a Division Chief of Fire Prevention, an Assistant Fire Marshal, and an Office Assistant II. The Division Chief and Assistant Fire Marshal positions are certified fire personnel that have been promoted from within the ranks. Through attrition, these positions were replaced with civilian employees at a lower salary than was previously being paid.
- Reduced the Fire Prevention staff vehicle fleet from three to two.
- Increase Fire Prevention revenue fees, which are currently, among the highest as compared to the surrounding communities.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

None

OPTIONS FOR COST SAVINGS

None

CODE ENFORCEMENT 216

(Program managed by Police)

Mission: The Code Enforcement Unit is responsible for the enforcement of codes and ordinances relating to quality of life, public safety and health, building and licensing, sanitation, nuisance, parks and recreation, trees and shrubs, and landmark preservation. The Code Enforcement Unit pro-actively conducts inspections and investigates code and ordinance violations, citing violators when necessary, and prosecuting violations either through the Town Code Enforcement Board or when applicable, the County Court system.

Main Activities: The most important things we do to fulfill the mission are:

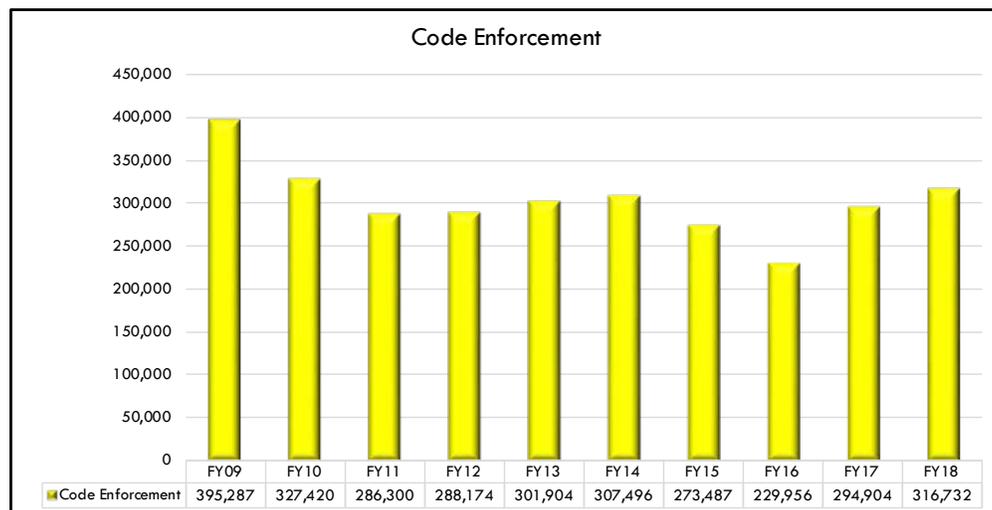
- Conduct inspections and investigate code and ordinance violations
- Issue code enforcement citations to violators
- Attend Code Enforcement Board meetings/hearings
- Prepare and maintain correspondence and board meeting minutes

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 152,855 | 114,204 | 162,030 | 162,030 | 161,118 | 168,117 | 3.76% |
| Employee Benefits | 88,314 | 87,007 | 113,814 | 111,596 | 110,237 | 117,819 | 3.52% |
| Contractual | 18,303 | 18,057 | 10,320 | 10,320 | 10,484 | 16,520 | 60.08% |
| Commodities | 5,612 | 4,012 | 5,800 | 5,800 | 6,342 | 7,600 | 31.03% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 8,403 | 6,676 | 6,676 | 6,676 | 6,676 | 6,676 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 273,487 | 229,956 | 298,640 | 296,422 | 294,857 | 316,732 | 6.06% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Lead Code Compliance Officer II | 1.000 | 1.000 | - | - | - |
| Code Compliance Officer I | 1.000 | 1.000 | 2.000 | 2.000 | 2.000 |
| Parking/Code Enforcement Manager | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Parking/Code Enforcement Specialist | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 |
| | 3.250 | 3.250 | 3.250 | 3.250 | 3.250 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|------|--|
| None | |
|------|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

- In FY2011, the Code Enforcement Unit was re-organized, in which a civilian manager replaced a Captain and a Sergeant allowing the sworn positions to return to patrol duties. The unit was also staffed through attrition with 3 part-time no benefit Code Enforcement Officers. This changes resulted in a cost savings of approximately \$71,300 plus benefits. During the sergeant's tenure in the Code Enforcement Unit, the department increased the training received by all sworn officers in order to increase a code enforcement presence in the Town. In addition to the re-organization, a software program, Comcate, was purchased and implemented. This program allowed Code Enforcement officers to track each case. It allowed for multiple searches, not only historical data, but tracking for statistical reporting. It assists in eliminating duplicate cases for the same violation, and allows for notes, attachments and uploading of pictures.
- In FY2013, upon the retirement of one of the part-time Code Enforcement Officers, the two part-time positions were replaced with one full-time CEO. Although this resulted in an increase in cost it was determined that coverage and consistency with case follow-up was not adequate with part-time CEOs.
- In FY2016, upon the retirement of the Lead CEO, the position was re-classified to a regular full-time Code Enforcement Officer resulting in a cost savings of approximately \$15,800. The Unit remains staffed with one manager (50%); one Specialist (75%) (both positions are shared with the Parking Enforcement Unit) and two full-time CEOs. In addition, while all officers receive Code Enforcement training, two police officers were cross-trained and are certified to assist the unit with enforcement.

The overall goal of the unit is compliance. Therefore, after evaluation and discussion, the process in which violations are brought to the Code Board was reviewed and revised. Currently, most residential violation cases are issued a written warning rather than a Notice of Violation. This allows the resident time to come into compliance. This saves the expense of hearing the case before the Board. Procedures must continue to meet the legal requirements detailed in F.S.S. Chapter 162. Through cooperative, yet strict and consistent enforcement, compliance is achieved, adding to the quality of life for residents of the Town of Palm Beach.

Additionally, during the past few years, a number of ordinances have been revised, which allowed for increased enforcement of Town Ordinances and Codes.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

None

OPTIONS FOR COST SAVINGS

None



Comprehensive Review of Town Operations

FIRE RESCUE DEPARTMENT

CONTENTS

| | |
|--|----|
| Fire Rescue Department | 2 |
| Benchmarks for Fire Rescue Department..... | 5 |
| Fire Administration 411 | 7 |
| Potential Revenue Enhancements..... | 8 |
| Past Efficiencies and Cost Saving Measures | 8 |
| Planned Future Efficiencies and Cost Saving Measures | 8 |
| Options for Cost Savings – Future Savings..... | 8 |
| Fire Operations 417 | 10 |
| Potential Revenue Enhancements..... | 11 |
| Past Efficiencies and Cost Saving Measures | 11 |
| Planned Future Efficiencies and Cost Saving Measures | 13 |
| Options for Cost Savings | 13 |
| Fire Training 418 | 20 |
| Potential Revenue Enhancements..... | 21 |
| Past Efficiencies and Cost Saving Measures | 21 |
| Planned Future Efficiencies and Cost Saving Measures | 21 |
| Options for Cost Savings | 21 |
| Ocean Rescue 419..... | 22 |
| Potential Revenue Enhancements..... | 22 |
| Past Efficiencies and Cost Saving Measures | 23 |
| Planned Future Efficiencies and Cost Saving Measures | 23 |
| Options for Cost Savings | 23 |

FIRE RESCUE DEPARTMENT

Mission: To provide for a high-quality of life for the residents and visitors to the Town of Palm Beach through the protection of life and property, provision of pre-hospital care for the sick and injured, and mitigation of man-made and natural emergencies. We will accomplish this through the effective and efficient delivery of emergency and non-emergency services.

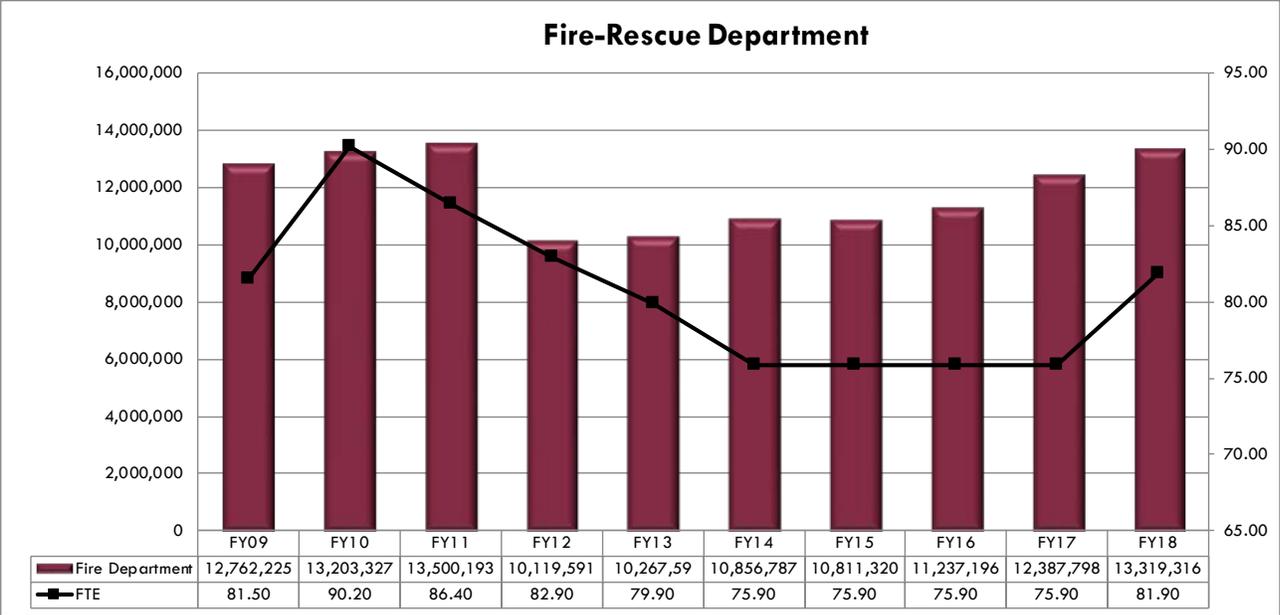
Revenue Summary

| Acct # | 2015 Actual | 2016 Actual | 2017 Budget | 2017 Projected | 2018 Budget | % Change |
|--|-------------|-------------|-------------|----------------|-------------|----------|
| 331.240 Fema Grant - Fire-Rescue | 3,077 | - | - | - | - | 0.00% |
| 334.200 State Grant - Public Safety | - | - | - | 1,388 | 48,750 | 100.00% |
| 335.230 Fire Supplemental Compensation | 29,293 | 30,198 | 30,000 | 25,211 | 30,000 | 0.00% |
| 337.200 EMS Grant - Palm Beach County | 21,165 | 13,132 | 52,500 | - | 77,500 | 47.62% |
| 342.210 Special Detail-Fire | 32,328 | 30,033 | 32,000 | 20,899 | 32,000 | 0.00% |
| 342.220 Fire Prev Bonfires | 3,300 | 3,000 | 3,300 | - | 3,300 | 0.00% |
| 342.225 Fire Prev Fire Hydrant | - | 800 | 1,000 | - | 1,000 | 0.00% |
| 342.230 Fire Prev Hot Work | 67,511 | 61,675 | 60,000 | 62,719 | 60,000 | 0.00% |
| 342.240 Fire Prev Public Assembly | 2,500 | 4,585 | 1,500 | 2,325 | 4,500 | 200.00% |
| 342.250 False Fire Alarms | 14,377 | 13,398 | 15,000 | 20,956 | 20,000 | 33.33% |
| 342.300 Fire Prev Fireworks | 20,630 | 6,280 | 10,000 | 6,000 | 10,000 | 0.00% |
| 342.510 Fire Prev Technical Fire Insp | 49,500 | 44,118 | 48,000 | 61,500 | 45,000 | -6.25% |
| 342.520 Fire Prev Annual Ins Fee | 108,385 | 110,208 | 115,000 | 100,928 | 115,000 | 0.00% |
| 342.600 Ems Transport Fees | 466,386 | 419,881 | 400,000 | 448,705 | 430,000 | 7.50% |
| 362.120 Room Rental Dep - South Fire | 79 | 79 | - | 52 | - | 0.00% |
| | 818,531 | 737,387 | 768,300 | 750,683 | 877,050 | 14.15% |

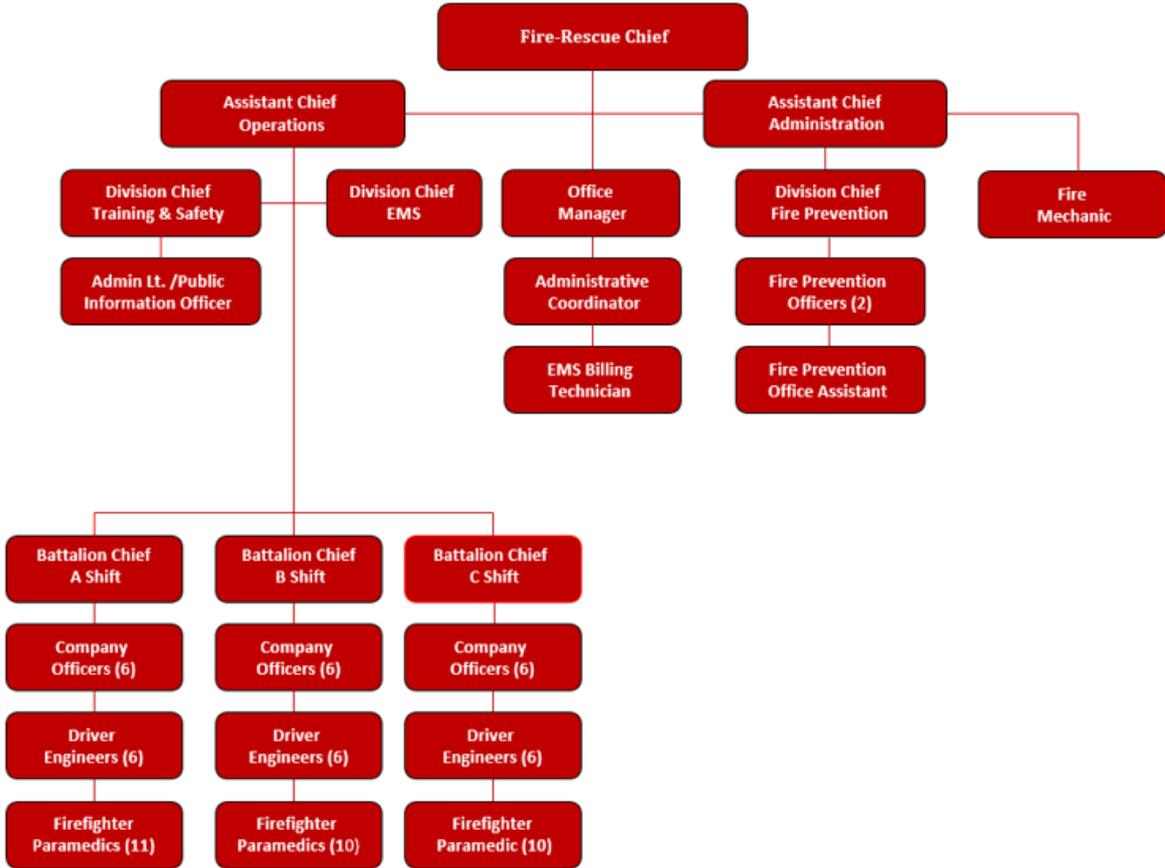
Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|---------------|---------------|---------------|------------------|------------------|---------------|----------|
| Salaries and Wages | 5,906,728 | 5,932,840 | 6,190,863 | 6,483,765 | 6,147,897 | 6,848,159 | 10.62% |
| Employee Benefits | 3,788,472 | 4,052,427 | 4,491,581 | 4,485,486 | 4,477,451 | 5,086,195 | 13.24% |
| Contractual | 302,919 | 373,396 | 433,760 | 491,920 | 483,995 | 420,963 | -2.95% |
| Commodities | 246,091 | 207,270 | 243,160 | 248,955 | 238,062 | 239,263 | -1.60% |
| Capital Outlay | 26,118 | 73,691 | 156,207 | 179,281 | 100,715 | 106,700 | -31.69% |
| Depreciation | 540,992 | 597,575 | 646,294 | 646,294 | 646,294 | 617,854 | -4.40% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 10,811,320 | 11,237,199 | 12,161,865 | 12,535,701 | 12,094,414 | 13,319,134 | 9.52% |

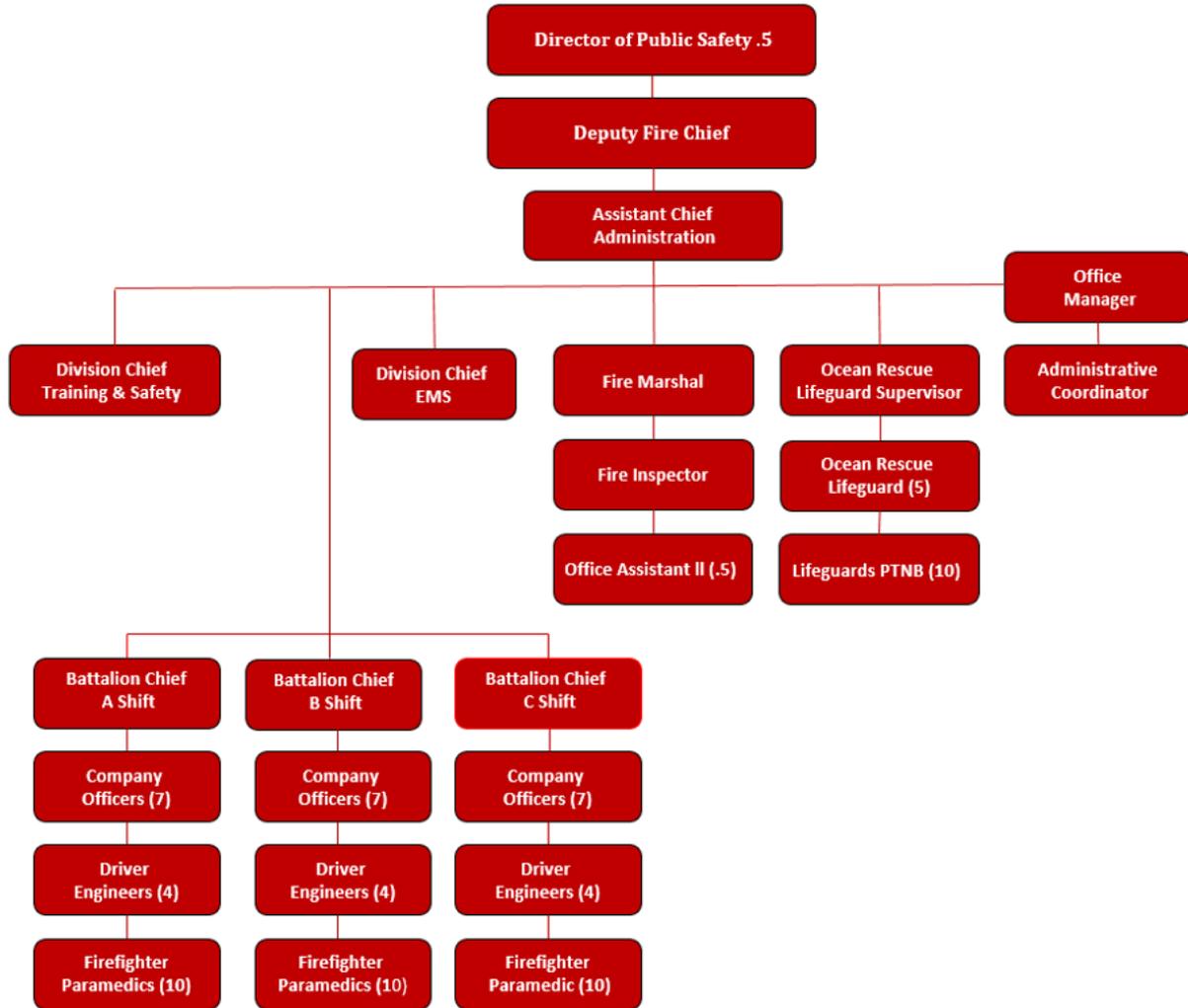
*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



FR2008 Organizational Chart



FR2018 Organizational Chart



BENCHMARKS FOR FIRE RESCUE DEPARTMENT

| | Palm Beach | West Palm Beach | Boca Raton | Palm Beach Gardens | Delray Beach |
|---|------------|-----------------|------------|--------------------|--------------|
| Property Value protected per Fire Rescue Employee (millions) | 209.88 | 51.48 | 87.53 | 77.93 | 43.17 |
| Total calls for fire related incidents per 1000 population | 129.83 | 40.95 | 48.88 | 64.54 | 61.87 |
| Total calls for EMS related incidents per 1000 population | 204.45 | 199.99 | 149.74 | 159.89 | 187.16 |
| Total calls for service per 1000 population | 334.29 | 240.94 | 198.62 | 249.03 | 224.43 |
| Structure Fires per 1000 population | 4.73 | 4.27 | 0.57 | 2.93 | .98 |
| Number of Firefighters per 1000 population | 7.96 | | 2.62 | 2.32 | 2.39 |
| Total Cost (Expenditures) per capita | 1552.59 | 308.35 | 488.96 | 420.46 | 410.58 |
| Total Cost Per Call for service Department | 4644.49 | 1,279.74 | 2461.82 | 1873.45 | 1648.75 |
| Response Time - Average | 3:57 | 6:20 | 5:44 | 6:07 | 5:37 |

| | | | | | |
|--|----------|----------|---|--------|--------|
| Personnel staffing per Engine | 3 | 3 | 3 | 3 | 3 |
| Personnel staffing per Rescue | 2 | 3 | 3 | 2 | 3 |
| Personnel staffing per Aerial Truck | 1 | 3 | 3 | 3 | 3 |
| ISO fire insurance rating | 1 | 2 | 1 | 3/9 | 2 |
| Net EMS Ambulance Billing Collection Rate for FY16/17 | 70.5% | 41.73% | | 60% | 62% |
| Average Cash Collected per transport for FY16/17 | \$416.48 | \$225.98 | | 370.95 | 305.03 |
| Average age of patients treated | 67 | 43 | | 60 | 56 |

FIRE ADMINISTRATION 411

Mission: This division exists to oversee the Fire-Rescue department to ensure that the community is provided with the highest quality of life through the protection of life and property.

Main Activities: The most important things we do to fulfill the mission are:

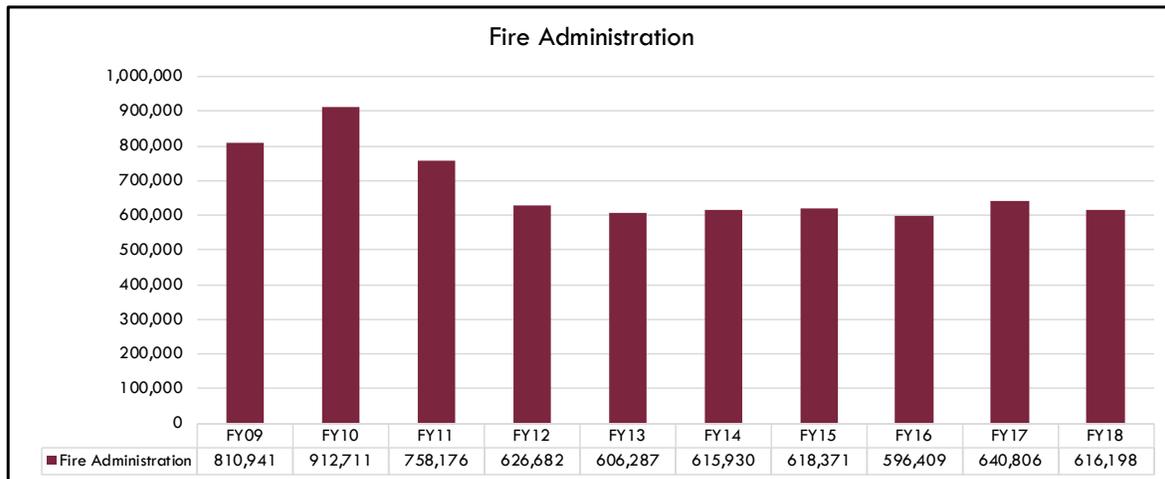
- Plan for the future to meet the needs of the community
- Provide leadership and direction for personnel
- Acquire resources to enable the department to function properly
- Maintain adequate staffing level with trained and competent personnel
- Develop and justify budget requests to meet future needs
- Generate revenue through EMS transport billings

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| | | | | | | | Change |
| Salaries and Wages | 366,482 | 380,013 | 382,576 | 382,576 | 384,798 | 389,085 | 1.70% |
| Employee Benefits | 184,231 | 113,065 | 117,474 | 116,025 | 117,095 | 122,359 | 4.16% |
| Contractual | 51,515 | 81,077 | 110,550 | 134,220 | 128,034 | 91,558 | -17.18% |
| Commodities | 11,663 | 19,101 | 13,200 | 13,200 | 10,383 | 12,700 | -3.79% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 4,481 | 3,153 | 496 | 496 | 496 | 496 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 618,372 | 596,409 | 624,296 | 646,517 | 640,806 | 616,198 | -1.30% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Director of Public Safety | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Deputy Fire Rescue Chief | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Office Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Administrative Coordinator | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 |



POTENTIAL REVENUE ENHANCEMENTS

Revenue enhancements are reviewed annually. Currently, revenue fees are among the highest as compared to the surrounding communities.

PAST EFFICIENCIES AND COST SAVING MEASURES

- Eliminated the Administrative Lieutenant position and moved the positions responsibilities to the Division Chief of EMS and Division Chief of Training.
- The Fire Chief position was eliminated and replaced with the Director of Public Safety, which oversees both public safety departments.
- Assistant Chief Position was eliminated and reclassified as a Deputy Fire Chief.
- The Medical Billing Specialist position was eliminated and the services were contracted out to a vendor who specializes in ambulance service billing.
- The useful life of equipment and vehicles was extended, deferring \$1,660,744 in purchases.
- EMS transport rates were increased resulting in increased revenue.
- Successful applications for major grants have been awarded for a Mobile Training Tower (\$206,150), Adult Advanced Airway Management and Trauma Training (\$7,900), Advanced Airway Simulation Mannequin (\$14,981), Panasonic EMS Tablets (\$13,126), Knox Box EMS vaults (\$14,000), Getac medical reporting tablets (\$17,880), and Adult ALS Mannequin (\$25,000) saving Town taxpayers several hundreds of thousands of dollars.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Reduce the use of paper goods by continuing to move toward an environmentally safe paperless electronic storage system.
- Continuously review the status and projected longevity of vehicles and equipment to maximize the life expectancy.

OPTIONS FOR COST SAVINGS – FUTURE SAVINGS

Option for Cost Savings: Reclassify the Administrative Coordinator position.

Cost Savings: \$11,000 plus benefits estimated savings based on the Human Resource Department's determination.

Comments: Through attrition, the position would be reclassified to an Administrative Clerk position. This reclassification would occur through attrition upon completion of the current Office Manager's DROP retirement in February 2020.

Impacts of Option: The result of this action would be a lesser experienced employee that would have limitations as compared to the current job description performed by the present employee.

Option for Cost Savings: Reclassify the Officer Manager position

Cost Savings: \$9,000 plus benefits estimated savings based on the Human Resource Department's determination.

Comments: The current Officer Manager is in the DROP and is set to retire in February of 2020. Following her retirement, the position would be reclassified to an Administrative Assistant position.

Impacts of Option: There would be no impact to this reclassification.

FIRE OPERATIONS 417

Mission: This division exists to protect life and property through fire protection and suppression, excellent pre-hospital care for sick and injured and mitigation of natural and man-made emergencies.

Main Activities: The most important things we do to fulfill the mission are emergency response for:

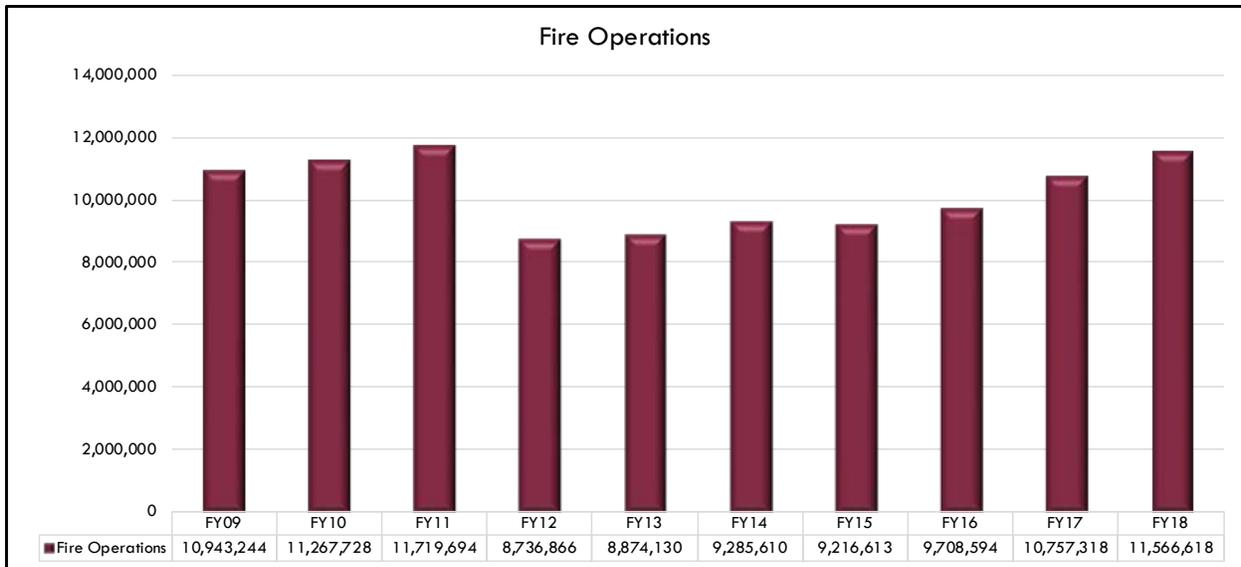
- Fire protection and suppression
- Advanced Life Support services and EMS transport
- Hazardous condition response
- Technical Rescue

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|-------------------|---------------------|---------------------|-------------------|---------------|
| Salaries and Wages | 5,072,218 | 5,077,924 | 5,294,707 | 5,587,609 | 5,277,299 | 5,900,294 | 11.44% |
| Employee Benefits | 3,247,185 | 3,616,649 | 4,038,380 | 4,037,925 | 4,031,480 | 4,548,616 | 12.63% |
| Contractual | 123,555 | 177,375 | 166,610 | 183,810 | 209,857 | 184,610 | 10.80% |
| Commodities | 222,743 | 180,665 | 221,660 | 227,455 | 210,915 | 211,583 | -4.55% |
| Capital Outlay | 26,118 | 73,691 | 155,707 | 178,781 | 100,715 | 106,700 | -31.47% |
| Depreciation | 524,794 | 582,292 | 633,668 | 633,668 | 633,668 | 614,815 | -2.98% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 9,216,613 | 9,708,596 | 10,510,732 | 10,849,248 | 10,463,934 | 11,566,618 | 10.05% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--|---------------|---------------|---------------|---------------|---------------|
| Assistant Fire-Rescue Chief | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Battalian Chief | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 |
| Division Chief - EMS Coordinator | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Lieutenant / Paramedic | 15.000 | 18.000 | 18.000 | 18.000 | 21.000 |
| F/F, Driver/Engineer, Paramedic or EMT | 15.000 | 12.000 | 12.000 | 12.000 | 12.000 |
| Firefighter, Paramedic or EMT | 27.000 | 27.000 | 27.000 | 27.000 | 30.000 |
| Fleet Manager | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 |
| Master Mechanic | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 |
| | 62.400 | 62.400 | 62.400 | 62.400 | 68.400 |



POTENTIAL REVENUE ENHANCEMENTS

Revenue enhancements are reviewed annually. Currently, revenue fees are among the highest as compared to the surrounding communities.

PAST EFFICIENCIES AND COST SAVING MEASURES

- Prior to 2013, the Town's 911 dispatchers utilized a paper system to guide them through the process of dispatching emergency calls for the fire department. To improve service delivery to the Town, \$55,799 of Palm Beach County 911 grant funds were used to purchase and implement a computerized software algorithm system called Priority Dispatch. This system guides 911 dispatchers through a series of questions to ensure the emergency's needs are matched with the proper fire rescue resources. The system was implemented in the beginning of 2013. This system improved Fire-Rescue's service delivery by quickly prioritizing the problem and matching the right combination of resources to the problem's needs. Fire Rescue was able to reduce the number and/or type of units that it dispatches for minor or less significant fire and medical calls, leaving other units available to respond to emergencies if needed. In addition, reduced responses result in reduced vehicle wear, reduced fuel consumption, and resulted in some operational savings. More importantly, this increased the operational readiness of units for significant emergencies and for simultaneous calls (22% of the time) thus improving our service to the community.
- Fire Rescue implemented a closest unit response system utilizing global positioning satellites (GPS) and Automatic Vehicle Locators (AVL) that allow our dispatch system software to know which unit or units are closest to an emergency call and to automatically dispatch those units, thus ensuring the quickest possible response times. The department previously dispatched units to emergencies based on the location of the fire stations on the island.
- Fire Rescue implemented the Locution automated alerting system that is integrated into the Town's Computer Aided Dispatch system. This system automates the task of alerting and announcing the emergency call, allowing dispatchers to spend valuable time with distressed callers to gathering

important details. The Location system has reduced the amount of time it takes to dispatch emergency calls and uses a clear and understandable voice that eliminates misunderstood dispatch information.

- In October 2013, Fire Rescue revised its service delivery model at the South Fire Station by eliminating a separate ladder truck and fire engine by adopting a “quint” fire apparatus delivery model. A “quint” fire apparatus is single fire truck that is designed to provide both aerial ladder capabilities and fire engines capabilities. This change reduced our fleet by one vehicle, reduced annual capital item replacement costs, reduced fuel consumption, and reduced maintenance costs. In addition, this allowed us to improve service delivery from the North Fire Station by moving a firefighter from the South Fire Station. Prior to this change, South Fire had six personnel and North Fire had four personnel. Now, both Stations have five personnel. This change is service delivery reduced costs but did not reduce service quality or capability, in fact, service delivery and quality were increased in the northern portions of the Town.
- Fire Rescue had the Opticom traffic light preemption system installed on every controlled intersection within the Town to improve response times, increase safety, and overcome traffic congestion due to bridge construction and presidential visits. The Opticom traffic preemption system preempts (changes) traffic lights to green in advance of the approach Fire, EMS, and Police units to allow traffic to clear and provide a more accessible roadway for response. All fire and police response vehicles were equipped with transmitter devices that are activated when those vehicles are responding with lights and sirens. This system has improved response times and reduced the risks involved with emergency units going through red lights making it safer for emergency responders and for other vehicles on the roadway. The Florida Department of Transportation provided almost half of the funding for the system.
- Fire Rescue initiated a false fire alarm reduction program in 2014. By working closely with building and property managers, business owners, and home owners we have been able to reduce the number of false automatic fire alarm from 599 false fire alarm activations in FY13 to 367 false fire alarm activation for FY16, a 61% decrease. This reduction has resulted in reduced vehicle wear, reduce fuel consumption, and resulted in some operational savings, more importantly though, this increased the operational readiness of units for significant emergencies and for simultaneous calls (22% of the time) thus improving our service to the community. In 2017, the Town Council adopted a new ordinance that will help us further reduce false fire alarms by targeting the alarms caused by contractors working on a building.
- Palm Beach Fire Rescue implemented a new system to capture electronic EMS reports in the field in real time using a ruggedized tablet. This system eliminated the duplication of work done prior when reports were hand written in the field and then entered into an electronic reporting system back at the station. The new system saves time, is more accurate, and environmentally friendly because our reports are all maintained electronically without any printed copies. Prior to this change, the department would print upwards of 10,400 pages per year and place them in a filing cabinet for storage. This new system was funded through an emergency medical services grant.
- The Fire Rescue is using a new technology to help extinguish or “knock down” fires more quickly. This technology is called: Dry Sprinkler Powdered Aerosol (DSPA) fire extinguishing devices. These devices are simplistically described as fire extinguisher grenades that can be thrown into an enclosed space that is on fire to extinguish the immediate fire in the area where it is deployed. These devices act volumetrically, which means that a compartment is filled with an extinguishing agent that extinguishes and suppresses fires in less than a few seconds. They use a safe, non-toxic potassium carbonate condensed aerosol, which is dispersed within a fire compartment as a fire knockdown tool. Fire-Rescue uses these devices to quickly knock down a fire before fire hoses can be put in place. In addition, these devices have been placed in every police patrol car and police officers have been trained on their use. This allows a first arriving police officer to initiate a fire attack for a safe exterior location, which will help to stop the

advancement of a fire, and make it safer for interior firefighting crews. These devices will save property and make firefighting with limited resources safer and more effective.

- In 2014, the Fire Rescue Department included a compressed air foam systems on its newest fire engine. This advanced fire suppression system provides a very high heat absorption quality that suppresses a fire in a fraction of the time when compared to conventional firefighting tactics using plain water. This improved effectiveness results in a decreased risk to firefighters during combat operations, enlarges the window of opportunity for rescue of occupants, reduces property damage and lowers overall operational costs.
- Fire Rescue improved response times (dispatched to arrival on scene) for serious EMS from FY2008 (6 minutes and 17 seconds) through FY2017 (4 minutes and 00 seconds) by 29%. This drastic improvement in response times was the result of a focus on delivering better service to our citizens.
- Fire Rescue improved response times (dispatched to arrival on scene) for serious fire calls from FY2008 (7 minutes and 23 seconds) through FY2017 (3 minutes and 57 seconds) by 47%. This drastic improvement in response times was the result of a focus on delivering better service to our citizens.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Fire Rescue is electing to eliminate or limit non-reimbursable overtime that would be incurred for Presidential visits. In FY17, Fire Rescue spent over \$30,000 in non-reimbursable overtime to maintain a presence in the Secret Service command post during Presidential visits. We have elected to discontinue that presence until our costs become reimbursable.
- The department will continue to invest in Compressed Air Foam System (CAFS) technology with the purchase of future fire engines and/or aerial apparatus. The CAFS system uses a combination of a foam concentrate combined with water and compressed air to form an extremely effective fire-extinguishing agent. The combination of these agents reduces the surface tension of water allowing the solution to penetrate burning fuels much faster and more efficiently than plain water. This solution has a very high heat absorption quality that will suppress a fire in a fraction of the time as conventional firefighting tactics. The benefit of using this new technology onboard our fire trucks is increased firefighter safety, improved rescue operations, and reduced property damage due to fire extinguishing operations.
- Palm Beach Fire-Rescue will improve response times (dispatched to arrival) for serious EMS and Fire calls. The department is constantly working on ways to improve our service to the community and we have created benchmarks that will improve the time it takes for crews to leave the station after being dispatched. This timeframe is called our department turn-out time.
- Palm Beach Fire-Rescue will continue to seek ways to reduce the number of False Fire Alarm calls received. False fire alarms take limited resources away from true emergencies and reduce the efficiency of fire rescue services.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Replace a fire engine and an aerial platform with a single “Quint” Fire Apparatus that can serve as both an aerial platform and a fire truck.

Cost Savings: \$649,751 Savings in capital equipment, \$179,052 Plus benefits in

Comments: In October 2013, Fire Rescue revised its service delivery model at the South Fire Station by eliminating a separate ladder truck and fire engine by adopting a “quint” apparatus delivery model. A “quint” apparatus is single fire truck that is a combination aerial ladder and fire engine, replacing two

separate pieces of apparatus, an aerial platform and a fire engine. This change reduced our fleet by one vehicle, reduced annual capital item replacement costs, reduced fuel consumption, and reduced maintenance costs. In addition, it reduced the required staffing at the South Fire Station.

Based upon our past successful results, we believe that this same delivery model can be implemented at the Central Fire Station where we currently run a separate fire engine and aerial truck, which could both be replaced by a single quint apparatus.

To implement this change, the Town would purchase a new quint aerial truck at a cost of \$970,000. There are sufficient funds in the capital replacement plan (\$678,973), combined with the estimated \$400,000 trade in value to purchase then new quint.

In October 2017, the Town was scheduled to replace two 17 year old fire engines at a cost of \$1,060,000. With the purchase of the quint, the Town would only purchase one new fire engine at a cost of \$530,000. We would trade in two fire engines, in addition to the aerial platform traded in to purchase the quint.

There is \$1,060,000 to the Capital Replacement Fund for the purchase of two Fire Engines. Because we would only replace one fire engine and the combined accumulated replacement funding for the existing aerial combined with the trade in value of the aerial is more than the cost of the quint, \$678,973 of designated Capital Replacement funds could be returned to the Town’s General Fund.

Upon placing the new quint apparatus in service, three positions currently assigned to drive the aerial platform at Central Fire could be eliminated resulting in a savings of approximately \$179,052 plus benefits.

Moreover, the future annual depreciation contribution to the capital item replacement fund will decrease by \$20,778 per year for the next 15 years.

| Asset # | Description | Cost | Replacement Cost | Accum Depreciation | Current/Future Depreciation |
|-----------|---|-----------------|------------------|--------------------|-----------------------------|
| Truck 97 | PIERCE ARROW AERIAL PLATFORM VEHICLE 2008 | \$ 1,266,812.00 | \$ 1,449,355.60 | \$ 630,973.00 | \$ 72,111.27 |
| Engine 98 | Future PIERCE ENFORCER PUMPER 2018 | \$ 530,000.00 | \$ 927,500.00 | \$ 530,000.00 | \$ 61,833.00 |
| 9352 | PIERCE ENFORCER PUMPER 2001 | \$ 530,000.00 | \$ 530,000.00 | \$ 530,000.00 | \$ 530,000.00 |
| 9354 | PIERCE ENFORCER PUMPER 2001 | \$ 530,000.00 | \$ 530,000.00 | \$ 530,000.00 | \$ 530,000.00 |
| TBD | PIERCE ENFORCER Quint 2018 | \$ 970,000.00 | \$ 1,697,500.00 | \$ - | \$ 113,166.00 |

| | |
|-------------------------------------|----------------------|
| Depreciation savings per year | \$ 20,778.27 |
| Initial capital expenditure savings | \$ 628,973.00 |
| Yearly estimated FTE savings | \$ 179,052.78 |
| Total estimated savings | \$ 828,804.05 |

| | |
|--------------------|---------------|
| Ladder Cost | \$ 970,000.00 |
| 10034 Depreciation | \$ 630,973.00 |
| Engine Cost | \$ 530,000.00 |
| 9352 Depreciation | \$ 530,000.00 |
| 9354 Depreciation | \$ 530,000.00 |
| 10034 Trade Value | \$ 400,000.00 |
| 9352 Trade Value | \$ 19,000.00 |
| 9354 Trade Value | \$ 19,000.00 |

| | |
|--------------------------------|-----------------|
| Total Purchase Value | \$ 1,500,000.00 |
| Total Accumulated Depreciation | \$ 1,690,973.00 |
| Total Trade Value | \$ 438,000.00 |
| Total Net Cost for purchase | \$ (628,973.00) |

Impacts of Option: Upon placing the quint apparatus in service, several positive impacts will directly result from this option. Three positions currently assigned to drive the aerial platform at Central Fire can be eliminated through attrition. During FY19, personnel completing the DROP will account for this reduction. In addition to salary and benefits, financial savings would result from reduced personal protection equipment and uniform costs.

Currently the Fire Rescue Department depreciates a total of eleven emergency response vehicle. This option would reduce that number by one for a total of ten. There would be an immediate estimated savings of \$678,973 plus a decrease in the contribution to the capital item replacement plan. The combine personnel savings and capital savings would be approximately \$5,490,647 over the 15 year life of the vehicles. In addition, there would be immediate savings on fuel consumption as well as overall maintenance savings over a period of time.

The town currently has sixty two (62) high-rise buildings that are six stories tall or greater, with tallest building being eleven (11) stories. The new quint, access would be 10 feet longer than our current longest aerial and would add height that would allow us to reach the majority of high-rise buildings in town.

While the overall impacts of this option are positive, negative impacts will occur. The current staffing model provides an overall effective firefighting work force of seventeen (17) on a structure fire. Among those, three of the personnel work as a dedicated ladder truck company performing ladder truck functions. This option will reduce the overall number of personnel on scene to sixteen (16) to carry out needed tasks. Ladder truck responsibilities would no longer be dedicated to a single unit, rather the function would be required by the personnel assigned to the quint(s). All working fires generally require mutual aid for assistance, therefore this would have less of an impact as units arrive.

The Insurance Services Office (ISO) evaluates fire departments in the United States. Based on this evaluation, they assign a rating from one to ten for each department, one being the best. This rating reflects the overall effectiveness of the department and helps the fire service premiums in our community. In 2015 the Fire Department received an overall rating of a one, the highest achievable rating. Prior to this evaluation, the department had a rating of two. Though the department is extremely proud to have earned this rating held by less than 1% of the fire departments rated, this option would reduce the overall ISO rating to an undetermined number, however not enough to cause any adverse effects to insurance ratings.

Option for Cost Savings: Elimination of Central Fire Station #1

Cost Savings: \$1,133,070 (approximation)

Comments: The Town of Palm Beach is a thirteen (13) mile long barrier island separated from the mainland by the Intracoastal Waterway and connected by four drawbridges. The Town's total land mass is only 3.77 square miles, however, it is the long narrow nature of the islands geography that makes it challenging to serve from a Fire-Rescue perspective.

Fire department deployment, simply stated, is about the distribution (speed) and concentration (volume) of resources. Speed calls for first due, all risk intervention units (engines, aerial trucks and rescue ambulances) strategically located across the area covered by the department. These units are tasked with controlling everyday average emergencies without the incident escalating to second alarm or greater size, which then depletes the department's resources as multiple requests for service occur.

Palm Beach Fire Rescue's primary efforts in staffing are to ensure we have the right amount of resources for serious fire and/or medical incidents, located so that they can arrive quickly and provide immediate care. Every cardiac arrest or serious medical emergency needs at least five personnel to ensure that all of the required functions can be carried out in a timely and efficient manner. Staffing for the few large fire incidents (2 per year) would not be realistic nor cost efficient. Thus, we must rely upon mutual aid.

Response time goals for first-due units (distribution) and for the total effective on-scene emergency response force (concentration) drives fire department objectives like fire station location, apparatus deployed and staffing levels. The service level objectives established in any community drives response time performance by all responding resources and the assembly of effective firefighting (or EMS) response force on scene.

The Fire-Rescue Department currently supplies services from three fire stations that are geographically located to maintain an equitable level of fire service deployment across the entire Town of Palm Beach service area. Based upon the Department's fire station locations and the geography of the Town, Palm Beach Fire Rescue cannot deliver response times of 6 minutes to the very northern and very southern areas of the Town because it takes more than 4 minutes to physically drive the distance from the Department's stations to these locations.

The following is a breakdown of the department's current station and staffing model:

North Fire Station (Station #2) - 300 N County Rd - Primary Response Area is from Royal Poinciana Way north to the Town's northern limit.

Resources:

- Five (5) operations personnel, two Lieutenant/Paramedics, a Driver Engineer, and two firefighter/paramedics.
- One (1) Fire Engine, permitted as an Advanced Life Support non-transport unit. A three-person crew staffs this unit.
- One (1) Rescue Truck permitted as an Advanced Life Support transport unit. A two-person crew staffs this unit.
- . On serious calls, the units operate together as a team of five personnel to achieve a "pit crew approach."

Central Fire Station (Station #1) – 355 S County Rd - Primary Response Area is from Royal Poinciana Way south to the Southern Blvd.

Resources:

- Seven (7) operations personnel including a Battalion Chief, two Lieutenants, two Driver Engineers, 4 Firefighters who staff the emergency units at the Central Station.
- One (1) Fire Engine, permitted as an Advanced Life Support non-transport unit. A three-person crew staffs this unit.

- One (1) Rescue Truck permitted as an Advanced Life Support transport unit. This unit is cross-staffed by three of the personnel, a Lieutenant/Paramedic, a Driver Engineer, and a firefighter/paramedic. This same crew also staffs the Aerial Ladder and responds on one or the other depending upon the call.
- One (1) Aerial Ladder. This unit is cross-staffed by three of the personnel, a Lieutenant/Paramedic, a Driver Engineer, and a firefighter/paramedic. This same crew also staffs the Rescue Truck and responds on one or the other depending upon the call.
- One (1) Battalion Chief. A Battalion Chief who serves as the department's management representative on shift providing leadership and supervision staffs this unit. The Battalion Chief has specialized training and is authorized by the Department's medical director to provide advanced care and techniques such as the administration of paralytic drugs for emergency intubations. The Battalion Chief also serves as the incident commander for complex medical calls and for fire calls.

South Fire Station (Station #3) – 2185 S Ocean Blvd - Primary Response Area is from Southern Blvd. south to the Town's southern limits.

Resources:

- Five (5) operations personnel, two Lieutenant/Paramedics, a Driver Engineer, and two firefighter/paramedics.
- One (1) Quint (aerial apparatus), permitted as an Advanced Life Support non-transport unit. A three-person crew staffs this unit.
- One (1) Rescue Truck permitted as an Advanced Life Support transport unit. A two-person crew staffs this unit.
- On serious calls, the units operate together as a team of five personnel to achieve a "pit crew approach."

If this proposal were adopted, it would result in the elimination of nine (9) personnel by eliminating an engine and a ladder truck at Central Fire Station (Station #1) located at 355 S County Rd. This option would require both North Fire Station #2 and South Fire Station #3 to distribute the call volume for EMS and Fire calls between the two stations. The midpoint between both stations would be located at 888 North County Road and would require the following revised response plan:

North Fire Station (Station #2) - 300 N County Rd - Primary Response Area is from 888 South County Road north to the Town's northern limit.

Resources:

- Eight (8) operations personnel, three Lieutenant/Paramedics, one Driver Engineer, and four firefighter/paramedics.
- One (1) Fire Engine, permitted as an Advanced Life Support non-transport unit. A three-person crew staffs this unit.
- One (1) Rescue Truck permitted as an Advanced Life Support transport unit. A two-person crew staffs this unit.
- One (1) Rescue Truck permitted as an Advanced Life Support transport unit. A three-person crew, a Lieutenant/Paramedic, and 2 firefighter/paramedic staff this unit.

South Fire Station (Station #3) – 2185 S Ocean Blvd - Primary Response Area is from 888 South County Road. South to the Town's southern limits.

Resources:

- Five (5) operations personnel, two Lieutenant/Paramedics, a Driver Engineer, and two firefighter/paramedics.
- One (1) Quint (aerial apparatus), permitted as an Advanced Life Support non-transport unit. A three-person crew staffs this unit.
- One (1) Rescue Truck permitted as an Advanced Life Support transport unit. A two-person crew staffs this unit.

On serious calls, the units operate together as a team of five personnel to achieve a “pit crew approach.”

Impacts of Option: The option to eliminate Central Fire Station #1 would drastically increase response times to the central part of the island and would cause the department to not meet the NFPA 1710 nationally recognized “Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments.” This sets forth minimum standards relating to the organization and deployment of fire suppression operations, emergency medical operations, and special operations to the public by substantially all career fire departments. The purpose of this standard is to specify the minimum criteria addressing the effectiveness and efficiency of the career public fire suppression operations, emergency medical service, and special operations.

The standard specifies that:

- The initial arriving engine company at a fire scene shall arrive within a 4-minute travel time to 90% of the incidents.
- The total complement of equipment, apparatus, and personnel (minimum of 15) needed to perform the basic tasks at a structure fire, known as the initial full alarm assignment, shall arrive within a total of 10 minutes and 20 seconds from receipt of the call.

Response times to the areas located South of Seaspray Avenue to just North of 1435 South Ocean Boulevard would begin to realize average response times that increase from 4.68 minutes, our current average response to time, upwards of 9 minutes towards the center of the new response zone (close to the 888 curve). The business district located in the central part of the island, which includes town hall and Worth Avenue, would have an increased average response time from 2 minutes, our current response time, to 7 minutes. The department has an average response time of 4.68 minutes from the period of January 1, 2017 through December 27, 2017, which includes data from the 2017 Hurricane season.

The option to eliminate Central Fire Station #1 would also negatively impact emergency medical response to the areas located South of Seaspray Avenue to North of 1435 South Ocean Blvd. The standard utilized by a host of governing EMS organizations such as the American Heart Association (AHA), American Medical Association (AMA), American Association for the Surgery of Trauma (AAST), and others utilize the initial arrival of EMS within six minutes. The AMA notes, “Every minute of delay clearly has a huge negative impact on survival.” The AHA indicates that brain death starts to occur within four to six minutes after an individual stops breathing from cardiac arrest, including ventricular fibrillation (VF) or pulse-less ventricular tachycardia (VT). A patient is classified as “Clinically Dead” the instant the pulse and breathing stop, but “Clinical Death” can be reversed with rapid, skilled medical treatment. The AHA also indicates that for every minute that passes without medical intervention, the

patient's chances of survival drop seven to ten percent. Patient resuscitation after ten minutes is rarely successful. The goal is to provide emergency care within 6 minutes or less of the onset of the incident (including detection, dispatch and travel time).

The Elimination of a fire station would also decrease fire response capabilities, due to the loss of a fire engine and an aerial ladder truck. The elimination of 2 fire suppression apparatus would increase the department's reliance on mutual aid partners to assist with major emergencies. Florida State Statutes impose the following standards as they pertain solely to firefighters and firefighter employers: 29 Code of Federal Regulations, Section 1910.134(g) (3) and 1910.134(g) (4), Procedures for Immediately Dangerous to Life and Health (IDLH) Atmospheres (relating to interior structural firefighting, commonly referred to as the "two in, two out rule"). These rules require the presence of at least two (2) firefighters on the exterior of a building before entry can be made by a team of two (2) firefighters into a structure in which the environment has been contaminated by a fire. Until at least four firefighters are on scene, interior firefighting operations cannot begin. Thus, being able to assemble a minimum of four (4) firefighters on the scene of a structure fire within the early stages is critical to containing a fire to the room of origin and preventing its spread to the entire structure. Palm Beach Fire-Rescue currently needs to respond and deploy a minimum of two units in order to comply with the OSHA regulations. Changing to the proposed station reduction would drastically increase the time needed to comply with state and federal regulations.

Fire-Rescue does not recommend this proposal.

Option for Cost Savings: Eliminate the incentive provided to the department's Field Training Officers (FTO)

Cost Savings: \$12,012/year (This is the total amount for the department's 6 FTOs)

Comments: The fire department Field Training Officers (FTO) are internal fire department personnel that are certified fire and medical instructors. They are responsible for conducting on-duty training drills to ensure that fire personnel are proficient in fire and medical skills. The training division utilizes the FTOs to train probationary firefighters, ensure the department can maintain practical competencies utilizing the National Fire Protection Agency's (NFPA) standards, and to ensure compliance with medical competencies as determined by the department's medical director.

FTO firefighters also are utilized to recertify the departments medical credentials as required by the State of Florida including, Advanced Cardiac Life Support (ACLS), and Basic Life Support (BLS). The department is also a state of Florida certified training facility, which allows the department to train our employees to obtain state credentials via our FTO firefighters. The FTO program allowed the department to save money by not contracting out these training programs.

Impacts of Option: Elimination of these positions would diminish the effectiveness and the proficiency of fire department personnel due to the lack of coordinated training efforts. Elimination would also require the department to contract with outside vendors to ensure that we are in compliance with state certification guidelines.

FIRE TRAINING 418

Mission: This division exists to provide fire and EMS training to all personnel to ensure state of the art, competent and safe operations to best serve the citizens of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

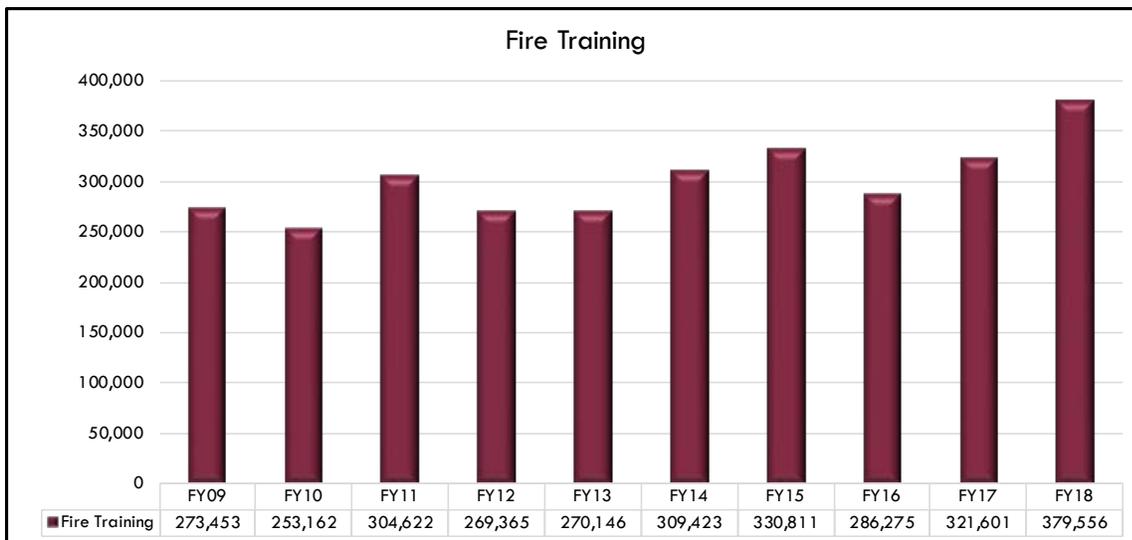
- Develop and deliver pertinent classroom and hands-on training for Fire, EMS, Haz-Mat, Technical Rescue and all aspects for fire-rescue operations
- Seek opportunities for training that continually keep the department on the cutting edge of the fire-rescue field

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| | | | | | | | Change |
| Salaries and Wages | 127,824 | 128,661 | 129,982 | 129,982 | 130,927 | 135,378 | 4.15% |
| Employee Benefits | 72,166 | 37,640 | 36,401 | 36,401 | 33,213 | 91,921 | 152.52% |
| Contractual | 127,849 | 114,531 | 153,400 | 170,690 | 144,346 | 141,595 | -7.70% |
| Commodities | 2,972 | 5,446 | 3,800 | 3,800 | 13,115 | 10,480 | 175.79% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 330,811 | 286,278 | 323,583 | 340,873 | 321,601 | 379,374 | 17.24% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|----------------------------------|--------|--------|--------|--------|--------|
| Division Chief - Training/Safety | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |



POTENTIAL REVENUE ENHANCEMENTS

Revenue enhancements are reviewed annually. No enhancements are applicable to this program.

PAST EFFICIENCIES AND COST SAVING MEASURES

- Implementation of Target Solutions Software for the purpose of conducting continuing education and training in the fields of EMS and Fire. Target Solutions Software allows the Training Division to capture and manage the data necessary to meet state and national standards. Over the past several years, the Training Division has averaged annually approximately 22,000 hours of training.
- Fire Rescue has constructed (2) EMS Skills Labs within the department using County EMS grant funds. This has allowed us to eliminate some of the outside vendor cost previously expended for EMS training. The Training Division conducts hundreds of simulated EMS related scenarios on an annual basis.
- Starting in 2016, the Training Division began providing Driver/Engineer certification courses in house for our personnel. These courses are necessary for personnel to achieve the educational training to become eligible for career enhancement. These courses are normally offered through outside vendors or educational sites. The Training Division has been able to utilize internal fire department instructors to train and educate personnel, in turn, reducing the burden on Town budget.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Elimination of Professional Management Coaching Leadership Training program. Palm Beach Fire Rescue has used James Rowan's services for leadership development, coaching, and training since November, 2012. The department has maximized the potential of this training. Palm Beach Fire Rescue continues to participate in leadership programs and actively seeks new leadership venues in order to experience different leadership qualities. Cost savings of \$10,000.
- Because of the extraordinary rate of turnover and the low levels of experience within the Fire Rescue Department, Fire Rescue will be heavily focusing on training and leadership development over the next several years.

OPTIONS FOR COST SAVINGS

None

OCEAN RESCUE 419

Mission: This division exists to provide for the safety and security of beach patrons.

Main Activities: The most important things we do to fulfill the mission are:

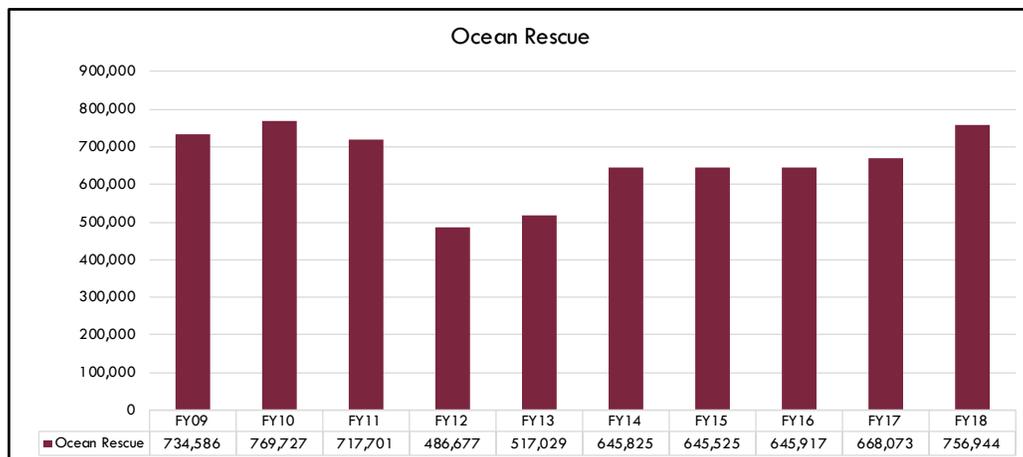
- Ensure that lifeguards maintain top physical conditioning
- Participate in first-aid training programs, parking enforcement and local sea turtle conservation program
- Inform public of hazards through signs, condition boards, flags, beach report and verbal
- Continually train staff in environmental conditions and hazards, medical skills, and rescue techniques
- Take proactive measures to ensure the safety of swimmers

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 340,204 | 346,242 | 383,598 | 383,598 | 354,873 | 423,402 | 10.38% |
| Employee Benefits | 284,890 | 285,073 | 299,326 | 295,135 | 295,663 | 323,299 | 8.01% |
| Contractual | - | 413 | 3,200 | 3,200 | 1,758 | 3,200 | 0.00% |
| Commodities | 8,713 | 2,058 | 4,500 | 4,500 | 3,649 | 4,500 | 0.00% |
| Capital Outlay | - | - | 500 | 500 | - | - | -100.00% |
| Depreciation | 11,717 | 12,130 | 12,130 | 12,130 | 12,130 | 2,543 | -79.04% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 645,524 | 645,916 | 703,254 | 699,063 | 668,073 | 756,944 | 7.63% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Supervisor Lifeguard | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Lifeguard On-Call | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 |
| Lifeguard | 5.000 | 5.000 | 5.000 | 5.000 | 5.000 |
| | 9.000 | 9.000 | 9.000 | 9.000 | 9.000 |



POTENTIAL REVENUE ENHANCEMENTS

None

PAST EFFICIENCIES AND COST SAVING MEASURES

- Assistant Lifeguard Supervisor position was eliminated and reclassified as a Lifeguard.
- Three full time Lifeguard positions were eliminated and replaced with three full time equivalent Part-Time No Benefits positions.
- Eliminated Lifeguard staff vehicle

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Continuously review the status and projected longevity of vehicles and equipment to maximize the life expectancy.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Reduce the lifeguard daily staffing level at Mid-Town Beach by 1 lifeguard during off peak times.

Cost Savings: \$32,000.00

Comments: The Town of Palm Beach Mid-Town Public Beach is comprised of approximately 2,400 feet, with a posted guarded area of approximately 1,040 feet. The guarded beach starts 120 feet North of Brazilian Avenue and ends 120 feet South of Chilean Avenue. The guarded beach area is staffed with three Lifeguards from nine to five, seven days a week. This staffing model gives the ability for two Lifeguards to remain on duty while the 3rd Lifeguard covers training and breaks or is patrolling both the guarded and un-guarded beach with the departments ATV. Lifeguards routinely perform rescues and assist swimmers with potential danger outside the guarded area. Though the priority is the guarded beach area, swimmers tend to either swim outside the area or drift from the guarded area out to the unguarded area. To accomplish the reduction in staffing, the Mid-Town Beach guarded area would need to be reduced by approximately 365 feet to a total of 675 feet of guarded beach. The newly posted guarded beach would encompass the area from Brazilian Avenue to Chilean Avenue. This reduction in staffing would only be able to occur during off peak hours between September 1st and May 31st of each year, with exception of school holidays and weekends. During peak hours, the high volume of beachgoers would warrant at least three Lifeguards on duty.

Impacts of Option: The result of this reduction would reduce the overall size of the beach by approximately 365' creating an overall public beach of 675' of guarded designated swimming. During Lifeguard breaks, the remaining Lifeguard would be required to move to the centrally located tower in order to view the entire beach. During this time, if a Lifeguard were required to perform a rescue, he/she would be accomplishing this by their self until either an additional Lifeguard could respond or Fire Rescue arrives. All six full time employees would remain employed and reductions would occur through the part-time no benefit positions.



Comprehensive Review of Town Operations

POLICE DEPARTMENT

CONTENTS

| | |
|--|----|
| Police Department | 3 |
| Benchmarks for Police Department..... | 5 |
| Administrative Management 421 | 6 |
| Past Efficiencies and Cost Saving Measures | 7 |
| Planned Future Efficiencies and Cost Saving Measures | 7 |
| Organized Crime Vice and Narcotics (OCVAN) 422 | 8 |
| Potential Revenue Enhancements..... | 9 |
| Past Efficiencies and Cost Saving Measures | 9 |
| Records Information 423 | 10 |
| Past Efficiencies and Cost Saving Measures | 11 |
| Planned Future Efficiencies and Cost Saving Measures | 11 |
| Options for Cost Savings | 11 |
| Training and Community Relations 424..... | 12 |
| Past Efficiencies and Cost Saving Measures | 13 |
| Planned Future Efficiencies and Cost Saving Measures | 14 |
| Options for Cost Savings | 14 |
| Communications 425 | 15 |
| Potential Revenue Enhancements..... | 16 |
| Past Efficiencies and Cost Saving Measures | 16 |
| Planned Future Efficiencies and Cost Saving Measures | 17 |
| Crime Scene/Evidence 426 | 18 |
| Potential Revenue Enhancements..... | 19 |
| Past Efficiencies and Cost Saving Measures | 19 |
| Planned Future Efficiencies and Cost Saving Measures | 20 |
| Patrol 428..... | 21 |
| Potential Revenue Enhancements..... | 22 |
| Past Efficiencies and Cost Saving Measures | 23 |
| Planned Future Efficiencies and Cost Saving Measures | 24 |
| Options for Cost Savings | 25 |

Criminal Investigation 429 27
 Potential Revenue Enhancements..... 28
 Past Efficiencies and Cost Saving Measures 28
Parking Control 430 29
 Potential Revenue Enhancements..... 30
 Past Efficiencies and Cost Saving Measures 30
 Planned Future Efficiencies and Cost Saving Measures 31

POLICE DEPARTMENT

Mission: 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

Through pro-active and creative means.

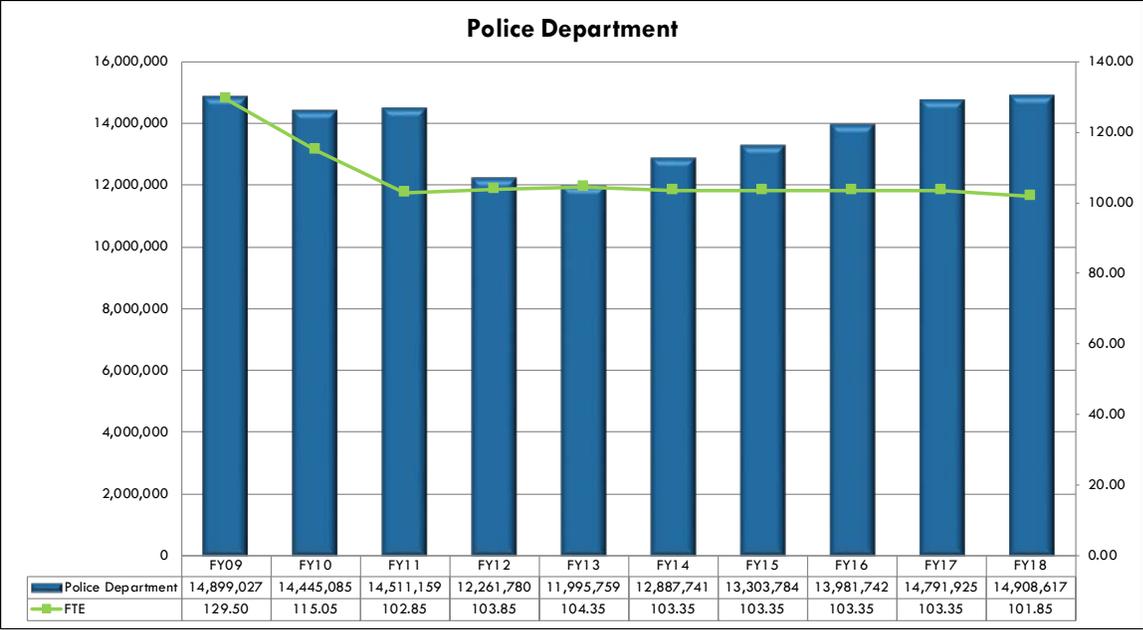
Revenue Summary

| | 2015 Actual | 2016 Actual | 2017 Budget | 2017 Projected | 2018 Budget | % Change |
|--------------------------------|-------------|-------------|-------------|----------------|-------------|----------|
| Residential Parking Plans | 70,000 | 74,840 | 87,500 | 90,230 | 93,500 | 6.86% |
| Bullet Proof Vests Grant | 4,212 | 2,566 | 5,000 | - | 19,000 | 280.00% |
| 911 Equip Reimbursement | 99,026 | 95,593 | 108,000 | 9,467 | 20,000 | -81.48% |
| Seized Tag | 2,667 | 200 | 3,000 | 50 | 200 | -93.33% |
| \$12.50 Citation Monies | - | - | 5,000 | - | - | -100.00% |
| Special Assignment Ot - Other | 672,086 | 899,372 | 500,000 | 374,411 | 500,000 | 0.00% |
| Police Id Cards | 20,295 | 16,704 | 17,500 | 37,960 | 17,500 | 0.00% |
| Burglar Alarm False Alarm Fees | 79,719 | 55,756 | 70,000 | 50,253 | 60,000 | -14.29% |
| Burglar Alarm Registration Fee | 95,745 | 94,586 | 95,000 | 94,150 | 95,000 | 0.00% |
| Burglar Alarm - Penalties | 7,200 | 5,836 | 5,000 | 3,524 | 5,000 | 0.00% |
| Burglar Alarm - Direct Connect | 13,661 | 20,615 | 20,000 | 22,067 | 23,000 | 15.00% |
| Valet Parking Permit | 11,100 | 13,675 | 10,000 | 8,750 | 10,000 | 0.00% |
| Fines - Other Parking | 617,897 | 672,944 | 725,000 | 480,357 | 652,500 | -10.00% |
| Fines - Parking Meters | 85,667 | 54,408 | 75,000 | 41,330 | 67,500 | -10.00% |
| Row Parking Violation Fines | 9,400 | 27,987 | 15,000 | 17,325 | 30,000 | 100.00% |
| Moving Violations | 12,404 | 9,066 | 10,000 | 6,427 | 10,000 | 0.00% |
| Revenue/2nd \$ Funding | 1,864 | 376 | 2,000 | - | 2,000 | 0.00% |
| Boot Fees | 21,700 | 22,750 | 26,000 | 13,650 | 20,000 | -23.08% |
| Penalty - Other Parking | 169,867 | 178,039 | 190,000 | 124,940 | 175,500 | -7.63% |
| Penalty - Parking Meters | 29,171 | 18,563 | 27,000 | 11,225 | 24,300 | -10.00% |
| Rebate For Town Towing | 2,631 | 3,323 | 2,000 | 1,780 | 2,500 | 25.00% |
| | 2,026,312 | 2,267,199 | 1,998,000 | 1,387,896 | 1,827,500 | -8.53% |

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|---------------|---------------|---------------|------------------|------------------|---------------|----------|
| Salaries and Wages | 7,380,579 | 7,617,017 | 7,773,213 | 7,773,213 | 7,702,969 | 7,917,545 | 1.86% |
| Employee Benefits | 4,679,700 | 4,947,354 | 5,525,163 | 5,501,921 | 5,465,013 | 5,562,595 | 0.68% |
| Contractual | 420,824 | 425,178 | 390,585 | 428,110 | 413,512 | 368,263 | -5.72% |
| Commodities | 356,443 | 344,317 | 401,000 | 403,732 | 452,963 | 454,680 | 13.39% |
| Capital Outlay | 49,379 | 119,859 | 124,300 | 261,796 | 211,717 | 46,700 | -62.43% |
| Depreciation | 416,859 | 528,032 | 528,032 | 528,032 | 528,032 | 558,834 | 5.83% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 13,303,784 | 13,981,757 | 14,742,293 | 14,896,804 | 14,774,206 | 14,908,617 | 1.13% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



BENCHMARKS FOR POLICE DEPARTMENT

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|--|--------------------------|--------------------------|--------------------------|----------------------|---|----------------------------------|
| Administrative Management | | | | | | |
| Property Value per Square Mile | \$2,597,178,166 | \$264,806,344 | \$862,884,690 | \$534,433,969 | \$739,320,834 | \$225,702,585 |
| Authorized Sworn | 69 | 285 | 211 | 116 | 160 | 120 |
| Property Value per officer | \$305,638,938 | \$53,602,379 | \$127,960,483 | \$108,775,741 | \$75,456,933 | \$105,835,704 |
| Number of officers per 1000/citizens | 8.32 | 2.59 | 2.30 | 1.89 | 2.43 | 2.28 |
| Communications | | | | | | |
| Number of calls per dispatcher | 3,863 | 3,561 | 2,549 | 5,397 | 3,020 | 2,525 |
| Dispatch: | | | | | | |
| Police | Y | Y | Y | N | Y | Y |
| Fire | Y | N | Y | N | Y | N |
| EMT | Y | N | Y | N | Y | N |
| Top two calls for service | Alarms Police Service | Police Service Alarms | Susp. Activity Alarms | Accidents Larceny | Susicious Incidentcs Police Service | Crash Suspicious Incidents |
| Patrol | | | | | | |
| Number of arrests per officer | 26.84 | 9.92 | 18.02 | 19.63 | 11.01 | 9.75 |
| Number of calls per officer | 728 | 425 | 266 | 744 | 340 | 337 |
| Total Calls for service | 50,214 | 121,070 | 56,077 | 86,359 | 54,358 | 40,402 |
| Marine Unit | Y | Y | Y | Y | N | N |
| # of vessels | 1 | 1 | 3 | 2 | N/A | N/A |
| # of waterway miles | 26 | 9 | 7.29 | 39.19 | N/A | N/A |
| Criminal Investigation (Detective Bureau) | | | | | | |
| Clearance Rate per 100 Offenses | 63.8 | 10.7 | 29.5 | 31.7 | 18.7 | 19.2 |
| Crime Index (lower means less crime) | 141 | 6,553 | 2,734 | 1,408 | 3,229 | 1,496 |
| Parking Control | | | | | | |
| Is Unit Part of Police Department | Y | N | Y | N | N | N |

ADMINISTRATIVE MANAGEMENT 421

Mission: This division exists to manage, support and evaluate all functions of the Police Department in order to provide highly effective and efficient law enforcement for Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

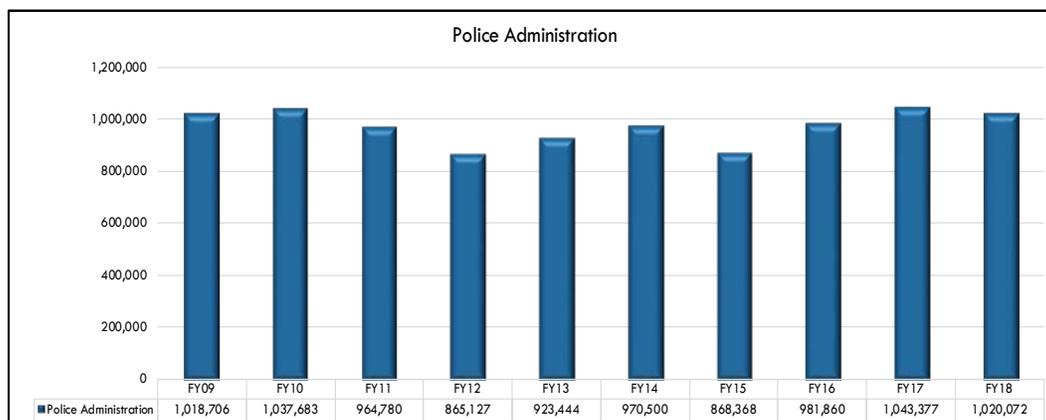
- Provide leadership and motivation
- Administer a budget that supports necessary activities
- Develop, review, and enforce department policy to promote the goals and objectives of the Town and the Department.
- Develop staff members for future leadership roles.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 519,784 | 610,223 | 584,849 | 584,849 | 638,423 | 663,489 | 13.45% |
| Employee Benefits | 265,328 | 256,413 | 276,704 | 275,451 | 278,351 | 249,386 | -9.87% |
| Contractual | 39,993 | 75,253 | 76,850 | 76,850 | 82,556 | 73,100 | -4.88% |
| Commodities | 43,263 | 39,974 | 37,000 | 37,000 | 42,120 | 31,850 | -13.92% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | 2,247 | 100.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 868,368 | 981,863 | 975,403 | 974,150 | 1,041,450 | 1,020,072 | 4.58% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Director of Public Safety | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Deputy Police Chief | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Major | - | - | - | - | 1.000 |
| Lieutenant | 2.000 | 2.000 | 2.000 | 2.000 | 1.000 |
| Police Planner | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Administrative Assistant | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 5.500 | 5.500 | 5.500 | 5.500 | 5.500 |



PAST EFFICIENCIES AND COST SAVING MEASURES

- During a departmental reorganization in FY2010, the Administrative Coordinator position was eliminated and the payroll, accounts payable, and purchasing duties were transferred to the Administrative Planner. At this time, it was decided the Accreditation status of the Department would be allowed to lapse, saving both money and hundreds of staff hours. Due to the commitment of training, conferences, and the hours required to maintain this status, cutting this program resulted in a cost savings. Cost savings for these changes were:
 - A) Eliminated the Administrative Coordinator position resulting in a cost savings of \$44,000 plus benefits. These duties were rolled into the responsibility of the Police Planner, as half of that positions responsibilities were taken away as documented below.
 - B) Elimination of Accreditation resulted in a total approximate cost savings of \$60,000 (\$45,000 half of Police Planners time and \$15,000 in training, conferences, inspections). There were additional immeasurable savings from the personnel hours required to maintain accreditation standards throughout the year.
- In addition, the student internship was eliminated, resulting in a cost saving of \$2,000.
- While the personnel complement in this program has remained level, the positions of sworn staffing have been modified on several occasions over the past few years. Previously, Command Staff in this program consisted of a Chief of Police and two Majors. In FY2011, the Chief of Police was reclassified and appointed as the Director of Public Safety, overseeing both the Police and Fire Departments. One of the Major positions was subsequently reclassified to Deputy Chief and one to Lieutenant of Support Services.
- As part of Command Staff's continuous self-assessment and evaluation the Lieutenant of Support Service was again reclassified and returned to the position of Major in FY2018. This was a result of constant and unpredictable challenges that required more command and control of large scale events. It was also evident there needed to be more accountability and oversight of members of command staff. Considering the Director's dual leadership over the Police and Fire Departments, it was imperative that an additional level of command authority over Police staff be established to support the Director and Deputy Chief, and allow for the delegation of high-level duties and oversight.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Recommendation for Cost Savings: Eliminate Public Safety Director Position

Cost Savings: \$216,181 plus benefits

During the remainder of Fiscal Year 2018, while the Public Safety Director was recently appointed as the Town Manager, staff does not anticipate filling the vacant Public Safety Director position at this time. During the course of the current fiscal year, the organization of the Police Department will be evaluated.

ORGANIZED CRIME VICE AND NARCOTICS (OCVAN) 422

Mission: This division exists to minimize the impact of specialized criminal activity (drug enforcement, computer/internet, major financial, organized and vice) within the Town of Palm Beach.

Main Activities: The most important things we do to fulfill the mission are:

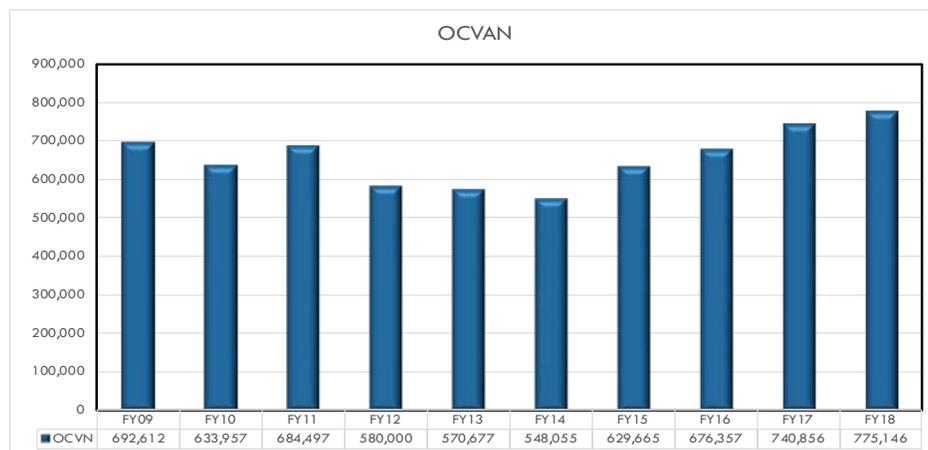
- Interview potential targets and associates
- Conduct surveillance
- Make arrests, seize property and assets, establish confidential informants
- Network with other agencies and intelligence groups
- Analyze all intelligence to disseminate
- Maintain intelligence files
- Unmarked crime suppression activities and general support of patrol and investigation
- Reducing residential burglary through proactive strategic and tactical operations

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 308,968 | 337,314 | 416,644 | 416,644 | 341,776 | 370,856 | -10.99% |
| Employee Benefits | 284,439 | 301,108 | 370,399 | 370,399 | 361,034 | 356,393 | -3.78% |
| Contractual | 22,222 | 20,518 | 19,300 | 19,342 | 16,441 | 17,980 | -6.84% |
| Commodities | 10,304 | 9,744 | 13,000 | 13,000 | 13,702 | 18,300 | 40.77% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 3,732 | 7,675 | 7,675 | 7,675 | 7,675 | 11,617 | 51.36% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 629,665 | 676,359 | 827,018 | 827,060 | 740,628 | 775,146 | -6.27% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------|--------|--------|--------|--------|
| Sergeant | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Officer | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |



POTENTIAL REVENUE ENHANCEMENTS

The Department is purchasing a credit card reader to obtain forfeited funds from fraudulent credit card investigations. Purchasing a credit card reader has an initial start-up cost of approximately \$1,600 with an annual user fee of \$900. The reader will indicate if the credit/gift card is fraudulent. If it is determined to be fraudulent, the card will be frozen and any money associated with the card can be seized for forfeiture. The company is allowing a trial run to determine if the process is worth the commitment. The company receives a percentage of the seized funds and with no usage history it is not possible at this time to determine the approximate revenue this could generate.

PAST EFFICIENCIES AND COST SAVING MEASURES

- In past years, this unit reduced staffing levels by five officers, thereby reducing the overall number of sworn officers from 80 to 75. This resulted in a costing savings of approximately \$216,382 plus benefits. Additionally, the use of flextime resulted in reduced overtime costs.
- In order to achieve long-term cost savings, in FY2008, the leased fleet was reviewed and reduced from 5 to 4 vehicles saving approximately \$5,000 per year. Additionally, in FY2014, at the end of a lease contract, the leased fleet was reduced to 3 vehicles, realizing another savings of approximately \$5,000. In FY2017, leased vehicles were further reduced by 1 and a vehicle asset was transferred from another unit. This was accomplished as a result of reductions in staffing levels. The unit continues to lease 2 vehicles for undercover and surveillance purposes. The overall reduction in this budget line item from FY2008 to FY2018 is \$17,600.
- The utilization of computerized databases 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.

RECORDS INFORMATION 423

Mission: This division exists to provide a centralized collection point for all police activity records and disseminate the information in an accurate and meaningful way.

Main Activities: The most important things we do to fulfill the mission are:

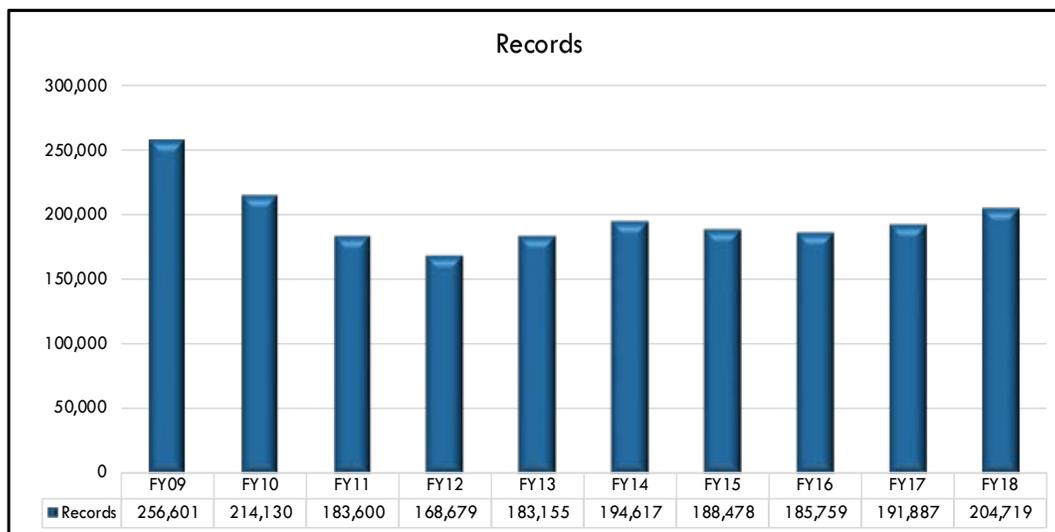
- Input all records and data into computer system
- Destroy records in accordance with General Records Schedule for Local Government Agencies and Law Enforcement Agencies
- Provide the public and department with requested reports and records
- Maintain an accurate inventory of police equipment and all police property

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 115,606 | 119,327 | 120,775 | 120,775 | 121,600 | 120,796 | 0.02% |
| Employee Benefits | 58,953 | 54,200 | 58,351 | 57,567 | 57,687 | 64,166 | 9.97% |
| Contractual | 9,547 | 8,229 | 10,600 | 10,600 | 7,175 | 10,100 | -4.72% |
| Commodities | 3,315 | 2,947 | 3,600 | 3,600 | 4,368 | 8,600 | 138.89% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 1,057 | 1,057 | 1,057 | 1,057 | 1,057 | 1,057 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 188,478 | 185,760 | 194,383 | 193,599 | 191,887 | 204,719 | 5.32% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Records Information Systems Manager | 1.000 | 1.000 | 1.000 | 1.000 | - |
| Communications Manager | - | - | - | - | 0.500 |
| Records Assistant I | 1.000 | 1.000 | 1.000 | 1.000 | 2.000 |
| | 2.000 | 2.000 | 2.000 | 2.000 | 2.500 |



PAST EFFICIENCIES AND COST SAVING MEASURES

- As a cost savings measure, in 2004, the position of one Records Assistant was re-classified to an Office Assistant and transferred to the Training and Community Relations Unit. This resulted in a unit cost savings of approximately \$28,000 plus benefits.
- Furthermore, in FY2011, a second Records Assistant position was eliminated, resulting in a unit cost savings of approximately \$47,000 plus benefits.
- Although this unit has taken on additional records related responsibilities that included entering Code Enforcement records, it has absorbed these duties without adding personnel. This is the result of a combination of new software purchased in FY2010 (Records Management System) which assisted in streamlining crime reporting and computer aided dispatch (CAD). It also allows officers to complete in-field reporting which reduced the need for Records Assistants to type narratives from police reports. Furthermore, the unit utilizes VIPS (Volunteers in Police Service) for filing, shredding, lobby reception, and other duties freeing Records staff to handle the more complex responsibilities.
- As a time saving and reduction in staff hours measure, the department set up a computer station at the Records Unit reception counter for citizens to retrieve information regarding parking tickets, citations, and code violations, thereby reducing staff interruptions.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

As part of the FY2018 budget, the department reclassified the Records Manager position to a Police Records Specialist, which will result in a salary cost savings. Although the position was reclassified in FY2018, the full savings will not be realized until FY2019 when the current employee has completed the deferred retirement option program (July 2018). The Communications Manager will oversee the Records Unit and the cost allocated between the Records and Communications Unit's budgets. The projected cost savings for this reclassification is approximately \$40,000 plus benefits and longevity.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings:

Reclassify Records Manager to Police Records Specialist

Cost Savings:

\$46,079 includes longevity (plus benefits)

Comments:

The current Manager completes the DROP program in August of 2018. Upon completion, the position will be reclassified to Police Records Specialist. The Communications & Records Manager established in FY18 will oversee the unit.

Impacts of Option:

Due to the reduction in staff over the years, automation of the functions of the unit, and the ability for officers to electronically complete and submit reports, the need for a full-time Manager is not deemed necessary.

TRAINING AND COMMUNITY RELATIONS 424

Mission: This division exists to enhance public safety by providing education and training to the community and the Police Department staff that will both enhance crime prevention and encourage citizen involvement.

Main Activities: The most important thing we do to fulfill the mission are:

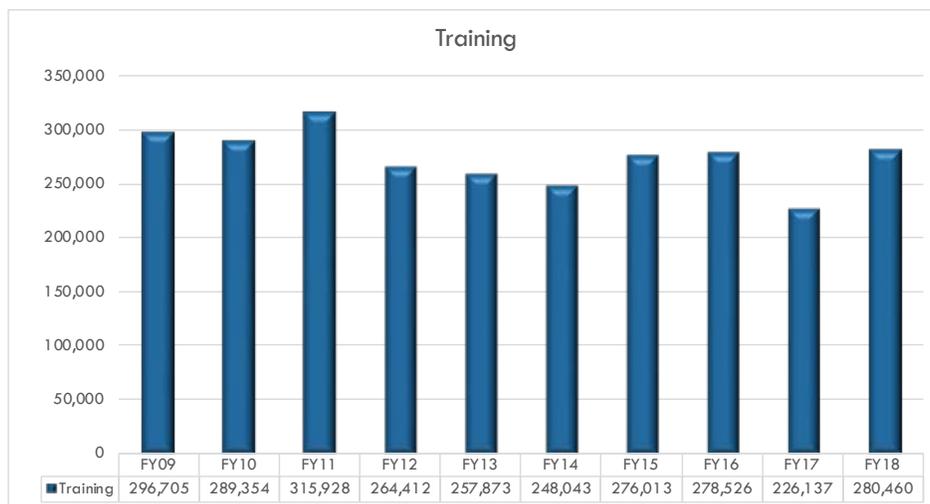
- Provide education programs for citizens, businesses and schools as a result of Palm Beach Crime Watch, Inc.
- Recruit, place and manage volunteers for a variety of assignments
- Provide current training necessary for certification, retention, and advancement
- Provide accurate information to the public and news media regarding police activities
- Plan, process and track external training requests
- Manage the Special Assignment Overtime detail program
- Develop new programs that stay abreast with current crime trends

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 169,462 | 175,461 | 178,294 | 178,294 | 135,824 | 172,396 | -3.31% |
| Employee Benefits | 98,421 | 91,641 | 86,669 | 84,759 | 78,812 | 92,564 | 6.80% |
| Contractual | 4,319 | 5,767 | 6,000 | 6,000 | 5,987 | 9,000 | 50.00% |
| Commodities | 2,911 | 4,757 | 4,400 | 4,400 | 4,614 | 6,500 | 47.73% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 900 | 900 | 900 | 900 | 900 | - | -100.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 276,013 | 278,526 | 276,263 | 274,353 | 226,137 | 280,460 | 1.52% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Training & Comm Relations Coor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Office Assistant II | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 |
| | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 |



PAST EFFICIENCIES AND COST SAVING MEASURES

- Membership in Palm Beach Crime Watch has remained consistent resulting in the ability to continue to conduct a number of programs each year. All programs are funded through memberships, community donations, and the Palm Beach Police Foundation at no cost to the tax payer. In order to assist in handling the increase in workload, because of the addition of programs and responsibilities, in FY2007 an office assistant position was added to the program without adding personnel costs by laterally transferring a position from the Records Information Systems Unit.
- Marine Crime Watch was formed as a part of Palm Beach Crime Watch in 2004. A new police boat was donated concurrently 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 necessary to fund and maintain the Marine Unit.
- 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 record keeping. This also allowed crime prevention personnel to devote the majority of their time to the crime prevention effort.
- In the department's endeavor to make this unit cost efficient and effective, this unit went through several re-organizations beginning in 2010 through 2016. Some of those changes included:
 1. Civilian manager retired during FY10 and a Sergeant from Code/Parking Enforcement was transferred to the unit resulting in a departmental cost saving of approximately \$79,800. (Cost saving shown in Code & Parking Enforcement Units in FY11).
 2. During the FY12 budget, the position was converted back to a civilian position (Training & Community Relations Coordinator) and the Training Sergeant was transferred to Patrol. A small cost savings of approximately \$10,000 was realized plus a reduction in benefit costs. The Public Information Officer responsibilities were overseen by Training Sergeant (in Patrol) but most of the Community Relations duties fell to the Crime Prevention Specialist.
 3. In FY13, a retired Captain was placed in the civilian Training & Community Relations Coordinator position and the Crime Prevention Specialist position was reclassified to an Office Assistant resulting in a cost savings of approximately \$11,000. The unit currently consist of two (2) Office Assistants and a Training & Community Relations Coordinator.
- Other savings were realized by reducing and/or eliminating community events/academies saving approximately \$36,000 based on staff hours and supplies for the events.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

The unit will continue to expand the VIPS program (Volunteers in Police Services) in order to continue to assist department personnel in performing various tasks that can be accomplished by volunteers.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings:

Eliminate one office assistant and reclassify to Part-Time/No Benefits position

Cost Savings:

\$25,604 (includes longevity) plus benefits

Comments:

Should the reduction in the number of Special Overtime Detail opportunities and Community Outreach events continue, the unit could eliminate the full-time office assistant and reclassify it as a part-time, no benefits position.

Impacts of Option:

This may provide a coverage issue during vacations, external training, or sick leave.

Recommendation for Cost Savings:

Cross-over Training Reimbursement

Cost Savings:

\$ 1,000 - \$5,000

Comments:

The department could establish a requirement that newly hired officers having prior experience, who resign from the department prior to 3 years, will reimburse the Town for the cost of State required equivalency officer training (EOT). The average cost for comparative compliance training is \$1,200. A schedule of reimbursement would be: 1st year resignation 100%; 2nd year 50%; 3rd year 25%. Reimbursement will also be sought if the new hire does not successfully complete the FTO (Field Training Officer) program or if the new hire is properly terminated from the department during the first 3 years. Reimbursement will not be sought for officers should they leave under disability or illness.

COMMUNICATIONS 425

Mission: This division exists to enhance public safety by providing the community and field personnel with professional and rapid response to all calls for public safety assistance through effective training of personnel and continual evaluation of success and need.

Main Activities: The most important things we do to fulfill the mission are:

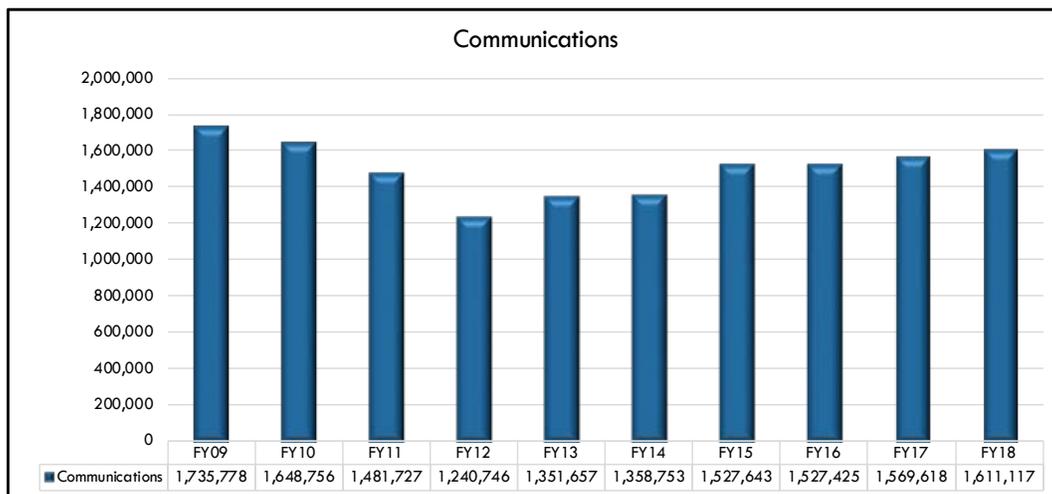
- Receive emergency and non-emergency calls for service
- Coordinate appropriate response of Public Safety services
- Provide emergency medical instructions
- Operate and control interoperable radio systems for police and fire rescue
- Support field personnel by processing and relaying information

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 847,547 | 852,355 | 906,055 | 906,055 | 878,264 | 907,645 | 0.18% |
| Employee Benefits | 477,646 | 504,721 | 567,151 | 554,246 | 534,414 | 534,820 | -5.70% |
| Contractual | 154,609 | 124,207 | 120,585 | 120,585 | 114,888 | 117,575 | -2.50% |
| Commodities | 10,753 | 12,213 | 7,250 | 7,250 | 8,122 | 9,250 | 27.59% |
| Capital Outlay | 9,705 | - | - | - | - | - | 0.00% |
| Depreciation | 27,383 | 33,930 | 33,930 | 33,930 | 33,930 | 41,827 | 23.27% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,527,643 | 1,527,426 | 1,634,971 | 1,622,066 | 1,569,618 | 1,611,117 | -1.46% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Lead Telecommunications Supervisor | 1.000 | 1.000 | 1.000 | 1.000 | - |
| Communications Manager | - | - | - | - | 0.500 |
| Telecommunications Supervisor | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 |
| Telecommunicator | 9.500 | 10.500 | 10.500 | 11.500 | 11.000 |
| Call-Taker | 1.000 | 1.000 | 1.000 | - | - |
| | 14.500 | 15.500 | 15.500 | 15.500 | 14.500 |



POTENTIAL REVENUE ENHANCEMENTS

Staff is recommending that the Town of Palm Beach investigate the possibility of taking over emergency and non-emergency dispatching services for the Town of South Palm, Manalapan and Ocean Ridge for several reasons including interoperability and the generation of revenue for the Town of Palm Beach. While this consolidation of dispatching would slightly increase the workload for the Town of Palm Beach Communications Unit, we do not anticipate the need to hire additional Telecommunicators.

Notably, Palm Beach County 9-1-1 Management, the State E911 Board, as well as the Federal Government are looking to reduce the number of Primary Safety Answering Points (PSAPs). This would allow for consolidation of equipment and recurring costs associated with reducing the number of locations. In addition, less PSAPs will assist in reducing the number of transferred calls for service, which is an aggravation to the caller and a delay in service due to the small geographic area. With less overhead for equipment and locations, a reduction in operating costs may leave funds available for capital projects and the return of call-taker salary reimbursements. Previously, Palm Beach County reimbursed PSAP's anywhere from 3% to 25% of call-taker salaries, based upon the fees collected and the County expenses. This consolidation would free more County funds as it will limit equipment and maintenance fees, thus generating a savings that could allow for the return of the call-taker reimbursements.

Contracts would be written for radio, equipment and maintenance to be funded by the respective towns. It is anticipated that the Town of Palm Beach Communications Unit would be able to continue the high level of service currently provided, with the current full time employee allocations, and provide law enforcement communication services to the Town of South Palm Beach, Manalapan and Ocean Ridge. The study of first year contract numbers from South Palm Beach and the City of Lantana revealed they are paying \$56,000 with a 2% annual increase for four years. Based on this and estimating a conservative figure of \$50,000 per agency per year the Town could expect potential revenue of \$150,000.

PAST EFFICIENCIES AND COST SAVING MEASURES

- Centralized dispatch for all emergency services resulted in greater efficiency, coordination, and faster response times for fire and emergency medical emergencies. Through continued procedural review, the unit has successfully reduced the average call received to dispatch time.
- The Unit has been recognized by the State of Florida as holding a certified Public Safety Telecommunicator Training Program through July 2019. This allows the Town to train the telecommunicators on site without the need to send newly hired telecommunicators to an academy for State certification. The required academy is \$850 per person and the duration is 15 weeks/232 hours.
- A new Computer Aided Dispatch (CAD) program was implemented in 2009 and replaced antiquated programs that did not interface with emergency medical dispatch, mutual aid infrastructure and other programs. This software upgrade resulted in improvements in unit operational efficiency and the safety of field personnel through various field tracking mechanism.

- The Communications Unit staffing was reduced in FY2011 from seventeen (17) full-time positions to fourteen (14) full-time positions. Also, the Communications Manager position was eliminated and a Communications Supervisor was reclassified to a Lead Telecommunications Supervisor resulting in an overall savings of approximately \$181,000 plus benefits. This was a cost-savings to the Town without affecting the high-level of customer service provided to the public.
- In FY2013, Communications Training Officer's incentive was eliminated, resulting in a cost saving of \$9,600 annually. In FY2015, upon the retirement of the Call-Taker position, the position was reclassified to Telecommunicator, and two part-time Telecommunicator positions were eliminated. In FY2017, the part-time, no benefits, Telecommunicator position was made inactive. In FY2018, the 911 and midnight shift incentive was eliminated, resulting in a cost saving of \$43,200.
- The Town of Palm Beach is a charter member of the Municipal Public Safety Communications Consortium (MPSCC) which oversees the regional inter-agency radio system. The radio system is managed by the Town in conjunction with MPSCC partners and is providing a reliable and effective radio system for use by member agencies of the consortium, including the Palm Beach Police (since 2010) and Fire-Rescue (since 2011) Departments. Eight (8) other local law enforcement agencies (West Palm Beach, Palm Beach Gardens, Jupiter, Atlantis, Juno, Jupiter Inlet Colony, Palm Beach County School Board and North Palm Beach) make up the remaining consortium members. 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.

- The implementation of the Direct Connect Alarm System for businesses and residences has resulted in a faster response to burglar alarms, as these alarms are routed directly to the Communications Unit without going through the alarm company first. The business or residential owner of the property pays an annual fee to the Town for the Direct Connect Alarm system service. Revenues for FY2017 were \$22,067.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

In FY2018, the Lead Telecommunicator Supervisor position was reclassified to Communications and Records Manager. Once the allocation of duties for this reclassified position can be determined the expenses related to this position will be split between the Communications Unit (425) and the Records Information Systems Unit by a corresponding percentage. This change will occur in FY2019 and will be shown as a reduction in salaries in program 425 and an equivalent increase in salaries in program 423.

CRIME SCENE/EVIDENCE 426

Mission: This division exists to enhance public safety and assist the crime solving process through the forensic investigation of crime scenes.

Main Activities: The most important things we do to fulfill the mission are:

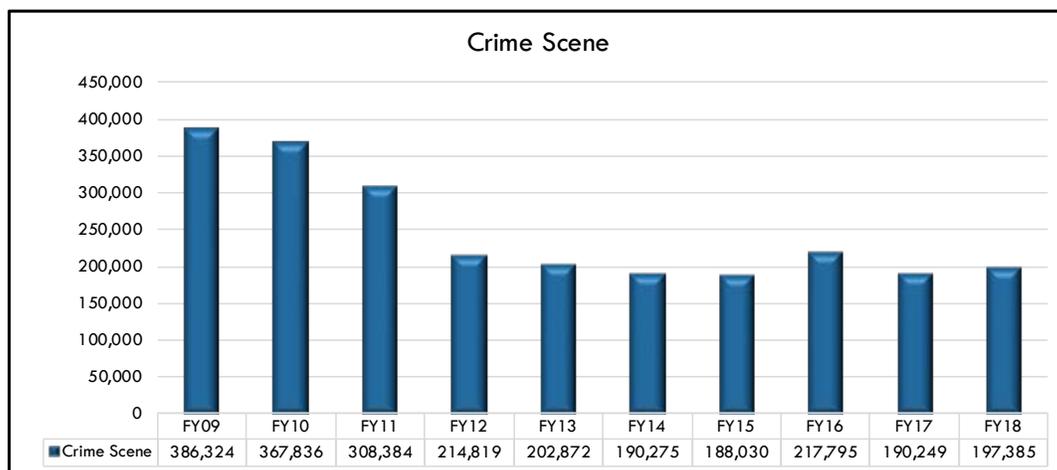
- Collect, record and preserve physical evidence found at crime scenes
- Prepare detailed investigative reports
- Sketching and photography, as needed
- Conduct laboratory analysis of forensic evidence
- Examination and comparison of latent fingerprints
- Preparation of cases for trial
- Submission of evidence to appropriate forensic laboratories for analysis
- Perform crime prevention services for the community to include fingerprinting and identification cards

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 132,884 | 147,401 | 144,744 | 144,744 | 129,926 | 132,000 | -8.80% |
| Employee Benefits | 31,407 | 30,949 | 44,634 | 44,270 | 44,113 | 41,158 | -7.79% |
| Contractual | 10,569 | 17,644 | 6,950 | 6,950 | 3,222 | 9,400 | 35.25% |
| Commodities | 7,320 | 7,103 | 7,650 | 7,650 | 6,162 | 8,450 | 10.46% |
| Capital Outlay | - | 8,849 | - | - | - | - | 0.00% |
| Depreciation | 5,850 | 5,850 | 5,850 | 5,850 | 5,850 | 6,377 | 9.01% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 188,030 | 217,796 | 209,828 | 209,464 | 189,273 | 197,385 | -5.93% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Crime Scene Evidence Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Crime Scene Technician II | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 |



POTENTIAL REVENUE ENHANCEMENTS

The Department recommends the Town Council approve an increase to the cost of Voluntary Identification Cards by approximately 33% from \$15 to \$20 per card. In FY2017, there were 2,463 identification cards issued at \$15 per card. Had the charge been \$20 the Town would have realized an increase in revenue of \$12,315 for FY17.

PAST EFFICIENCIES AND COST SAVING MEASURES

- Prior to 2010, the Crime Scene Evidence Unit was staffed with a sworn manager, two (2) Crime Scene Technician II, and a Property/Evidence Specialist. In FY2010, the Property/Evidence Specialist position was reclassified to an Office Assistant II. This resulted in a very small cost savings (approximately \$5,000) but provided general office assistance rather than a specialized type of position.
- In FY2011, one Crime Scene Technician II position was eliminated and the Office Assistant II was shared with the Detective Bureau (429) resulting in an additional savings of approximately \$55,700 plus benefits.
- In FY2012, the remaining Crime Scene Technician was reclassified as two part-time, no benefit (PTNB) positions realizing an additional cost savings of approximately \$23,700 plus benefits.
- In FY2014, the Office Assistant II position was eliminated resulting in a cost saving of approximately \$32,700 (split with program 429).
- In FY2018, upon the retirement of the current sworn manager, the position was reclassified to a civilian manager position, which resulted in a cost savings of approximately \$15,000 plus longevity. The unit currently consists of 1 manager and 2 Crime Scene Technicians that are part-time no benefits. This unit is supplemented with members from the departments VIPS program.
- The implementation of a computerized bar coding system for the cataloging and storage of evidence 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 necessary to create copies for court and other legal purposes.
- 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.
- Use of the county wide thrift store for the disposal of property rather than holding our own property auctions has resulted in better use of staffing hours and less time processing required legal paperwork.
- Digital photography is utilized for most photography needs, resulting in faster turnaround time for the receipt of photographs by those who require them for court or other purposes.

- Use of a dedicated computerized system for the manufacturing of identification cards has resulted in less time necessary to provide identification cards to the various customers.
- The use of volunteers to assist residents with issuance of identification cards and to provide information has reduced staff time needed to complete these and other tasks.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Continued use of volunteers to assist residents with identification cards and information will result in less staff time needed to perform these tasks and allow staff to concentrate on crime scene and evidence/property responsibilities.

The Crime Scene Manager position will remain a civilian position to reduce pension and salary costs.

The part-time no benefit employees will continue to reduce pension and benefit costs.

PATROL 428

Mission: 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.

Main Activities: The most important things we do to fulfill the mission are:

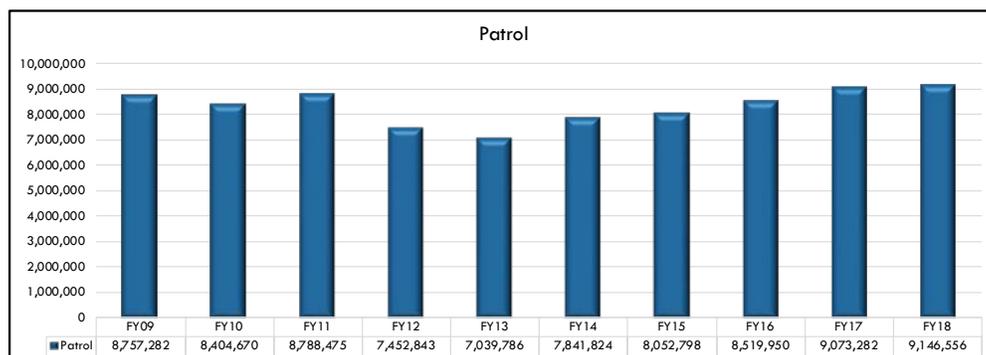
- Provide first level of law enforcement response
- Use cruisers, motorcycles, bicycles, ATV's, marine units and foot patrol as appropriate to the situation
- Provide special event security at high volume community affairs
- Investigate suspicious persons and incidents to deter and detect criminal activity
- Establish 'omnipresence' through frequent and conspicuous patrol throughout the community
- Resolve various types of problems and conflicts in order to preserve the peace
- Enforce traffic regulations, investigate accidents and maintain an orderly flow of traffic
- Employ a proactive approach to deter and prevent crime

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 4,424,243 | 4,489,460 | 4,502,592 | 4,502,592 | 4,493,896 | 4,641,029 | 3.07% |
| Employee Benefits | 2,875,597 | 3,117,055 | 3,480,529 | 3,479,398 | 3,484,383 | 3,595,369 | 3.30% |
| Contractual | 144,047 | 134,237 | 115,000 | 152,483 | 153,749 | 101,500 | -11.74% |
| Commodities | 252,967 | 245,348 | 302,800 | 305,532 | 342,126 | 334,730 | 10.54% |
| Capital Outlay | 39,674 | 102,399 | 101,300 | 205,952 | 153,234 | 46,700 | -53.90% |
| Depreciation | 316,270 | 431,455 | 431,455 | 431,455 | 431,455 | 427,228 | -0.98% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 8,052,798 | 8,519,954 | 8,933,676 | 9,077,412 | 9,058,843 | 9,146,556 | 2.38% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Captain | 4.000 | 4.000 | 4.000 | 4.000 | 4.000 |
| Sergeant | 8.000 | 8.000 | 8.000 | 8.000 | 8.000 |
| Officer | 42.000 | 42.000 | 42.000 | 42.000 | 42.000 |
| Office Assistant II | 1.000 | - | - | - | - |
| Master Mechanic | 0.800 | 0.800 | 0.800 | 0.800 | 0.800 |
| Fleet Manager | 0.800 | 0.800 | 0.800 | 0.800 | 0.800 |
| | 56.600 | 55.600 | 55.600 | 55.600 | 55.600 |



POTENTIAL REVENUE ENHANCEMENTS

- During FY2017, the department applied for two grants to reimburse the Town for overtime expenses directed related to POTUS security. FEMA, which is part of Homeland Security, and FDLE currently offer grants to a handful of law enforcement agencies impacted by the activities surrounding the security of the President and family while in residence. Since the President of the United States maintains a residence in the Town of Palm Beach, the President, family and other high-level dignitaries visit the residence during the season.

The current Town policy mandates that sworn personnel who are eligible to receive overtime pay, must work 167 hours in a 160 hour pay cycle prior to receiving any overtime pay. The Town could change the overtime policy for non-exempt sworn officers to include the first seven hours at an overtime rate of pay instead a straight rate of pay for presidential protection only, which would be reimbursed through grants.

The current policy reduced the amount that the Town was able to request for reimbursement through the current grant opportunities. If Town Council agreed to change the Town's current policy, the Town would then have the opportunity to be reimbursed for all time worked over the 160 hour regular period per officer related to the security of the President and family while in residence, provided the Federal and/or State governments continue these type of grant offerings. In FY2017, this change would have resulted in an increased grant reimbursement of \$31,722.

- The Department plans to hire retired, part-time/no benefits, officers to fill staffing deficiencies at a rate of \$30 to \$35 per hour. These officers could work Special Assignment Overtime (SAO) details if not filled by a full-time officer first. Based on the number of SAO details that went unfilled during 2017 (approximately 52) due to staffing issues (i.e. POTUS assignments, Hurricane, staff levels, etc.) and a minimum duration of 3 hours per detail the Town could have increased revenue by approximately \$6,240 (net \$70 per hour charge minus \$45 per hour average overtime officer rate).
- Additionally, using rehired part-time/no benefit officers to fill staffing needs in addition to Special Assignment Overtime details (i.e. protest, town-sponsored events, traffic, etc.) at a set rate per hour would also decrease overtime expenses. The Patrol Unit had approximately 4,900 hours of calculated overtime (not including POTUS related overtime) and spent \$251,737 in 2017. The current average overtime rate for a police officer is \$45 per hour. At a rate of \$30-\$35 per hour the savings would be approximately \$104,737 – \$80,237 (if all overtime was filled by rehired officers).

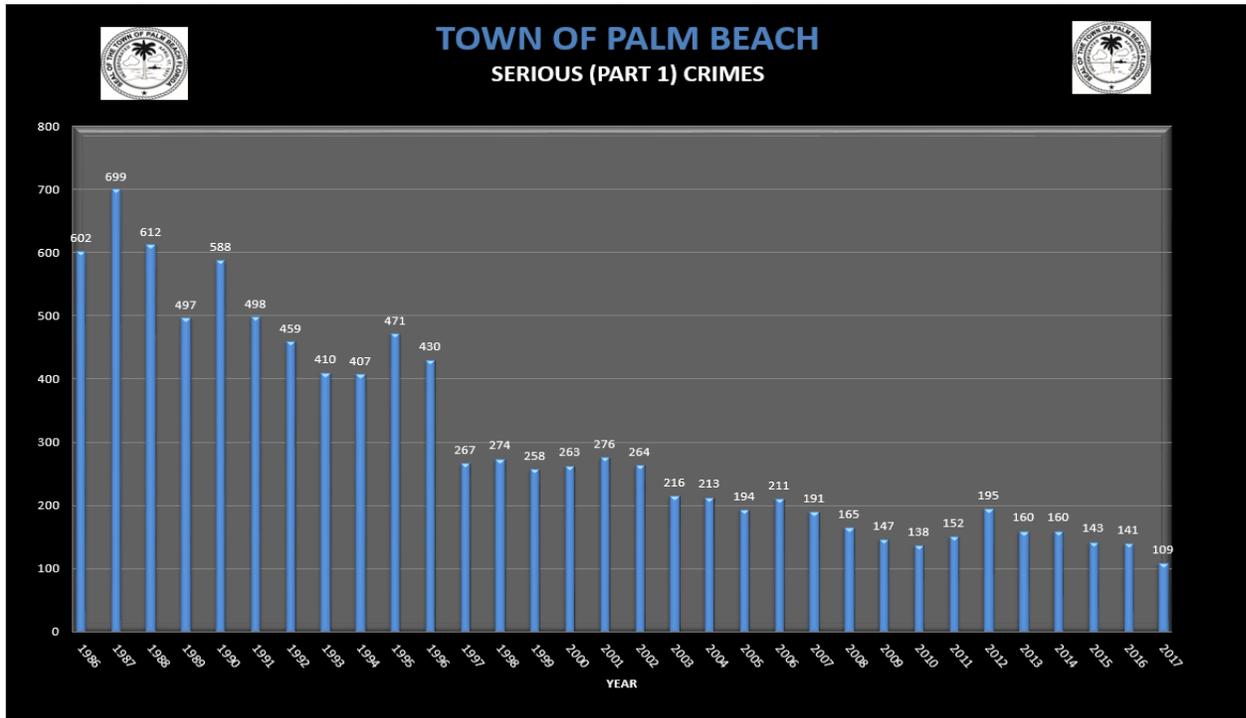
The expense related to this process would be outfitting the hired officers with uniforms, weapons, and paying the cost to maintain or regain certifications and required annual training.

PAST EFFICIENCIES AND COST SAVING MEASURES

- **Staffing:** The overall staffing level of the Patrol function has been reduced by two sworn officers and one office assistant over the past eight years. (Since FY2007 to the present, overall sworn positions were reduced from 80 to 69). The current mid-range salary of a police officer is \$ 71,901.

A Staff Allocation Study is completed on an annual basis to ensure appropriate patrol staffing levels exist in order to maintain rapid response times. The department's response time goal is under 4 minutes from the time a call is dispatched to an officer and the first unit's arrival. The department's current response time for calendar year 2017 is 3 minutes and 34 seconds.

- **Service levels:** The police department continues to deliver an extraordinarily high-level of service to 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. Compared to neighboring communities, the Town of Palm Beach continues to enjoy a very low crime rate. Part 1 (Serious) Crimes have remained extremely low for the past10 years.



- The specialty assignments within Patrol (i.e. Bicycle, CIT, JFO, EFF, SOU, etc) have a relatively low budget impact outside of training and specialty equipment (i.e. bikes, EFF and SWAT gear, etc.) but return a high level of value and protection to the department and community. In FY2012, the Bomb Squad Unit was eliminated. This was a function taken on by trained members of the department and not additional staffing. The department utilizes a Mutual Aid Agreement with Palm Beach County when the need arises for a Bomb Unit response to an emergency call.

- During fiscal years 2005 – 2007, Motor Patrol Unit officers were reduced by one officer from seven to six. In FY10, the department retained the fleet of 6 motorcycles rather than trading them in every two years; thus extending the useful life and creating a bi-annual cost savings of approximately \$45,500 (in FY10). The current motorcycles were purchased in 2006 and are currently 12 years old.
- In 2011, the Motorcycle Patrol Unit Sergeant position was eliminated resulting in a cost savings of approximately \$94,027 (mid-range) plus benefits. The Unit is currently staffed with four assigned MPU officers. A sergeant assigned to a Patrol Team provides direction and control over the Motorcycle Patrol Officers. The sergeant primarily patrols the community on a motorcycle rather than a standard supervisor vehicle.
- The Marine Patrol Unit continues to have an authorized staffing level of two officers. However, due to lower sworn staffing levels over the past few years, only one officer is currently assigned full-time to the Marine Patrol function. Trained patrol officers fill in when the assigned Marine Officer is unavailable or when circumstances dictate the need for additional marine patrol time (i.e. POTUS, 4th of July Celebration, etc.).

The Unit switched to four stroke engines which has resulted in better fuel efficiency.

- 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, one serves as the Fleet Manager and the other as a Master Mechanic, nearly all repairs are completed in-house. Additionally, since the retention schedule of vehicles have been extended, and vehicles taken out of regular patrol are used in other capacities, the need to perform vehicle repair and maintenance for the long term is crucial.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Management is currently evaluating all of the below cost savings options listed and is prepared to implement the elimination of a BCR position.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings:

Eliminate one Business and Community Relations Officer position

Cost Savings:

\$52,275 - \$91,528 plus benefits

Comments:

This position could be eliminated as a result of the elimination of many Community Relations and Crime Prevention activities in Program 424.

Impacts of Option:

This would have an impact on the close relationship that exists between the police department and the community it serves.

Option for Cost Savings:

Hire retired part-time no benefit police officers to fill overtime requirements

Cost Savings: Estimate used in Recommendations \$50,000 – approximately ½ of all OT
\$80,237 - \$104,737 (if all overtime was filled by rehired officers) plus benefits

Comments:

Although the full cost savings is unknown, this practice will serve a need that has been on-going for several years.

Impacts of Option:

There will be a cost to train and outfit each officer with uniforms and equipment, however, the benefit of this practice will be important to strengthen staffing for patrol operations.

Option for Cost Savings:

Hire retired part-time no benefit police officers to fill Special Assignment Overtime Details (SAO).

Cost Savings:

\$6,240 (based on 156 SAO hours not filled in 2017)

Comments:

While this creates a revenue for the Town, more importantly, it provides an increased police presence in the community.

Recommendation for Cost Savings:
Fleet Maintenance Reclassification

Cost Savings:
\$20,000 (approximate pay range reduction)

Comments:
The current Master Mechanic retired from the department in December 2017. The department anticipates reclassifying this position to a standard fleet mechanic thereby reducing the salary range.

Impacts of Option:
The reclassified position would have less expertise than a Master Mechanic, and therefore may not be available to perform all of functions/duties as the previous position.

Option for Cost Savings:
Vehicle Washer/Oil Changer, Temporary Position (No Benefits)

Cost Savings:
\$0.00

Comments:
Historically the police department has contracted the service of vehicles washes/details with an outside vendor. The Town could consider employing a vehicle washer that supplements the mechanic with oil changing capabilities, as a temporary (no benefits) position.

Impacts of Option:
This will be evaluated for cost savings, but would create improved oversight on the care of the police vehicles, which are being retained on a much longer basis and used as “eggs” and for training/travel vehicles.

CRIMINAL INVESTIGATION 429

Mission: This division exists to investigate, solve and suppress crime and apprehend criminals in order to provide a sense of personal safety and security to citizens and business owners.

Main Activities: The most important things we do to fulfill the mission are:

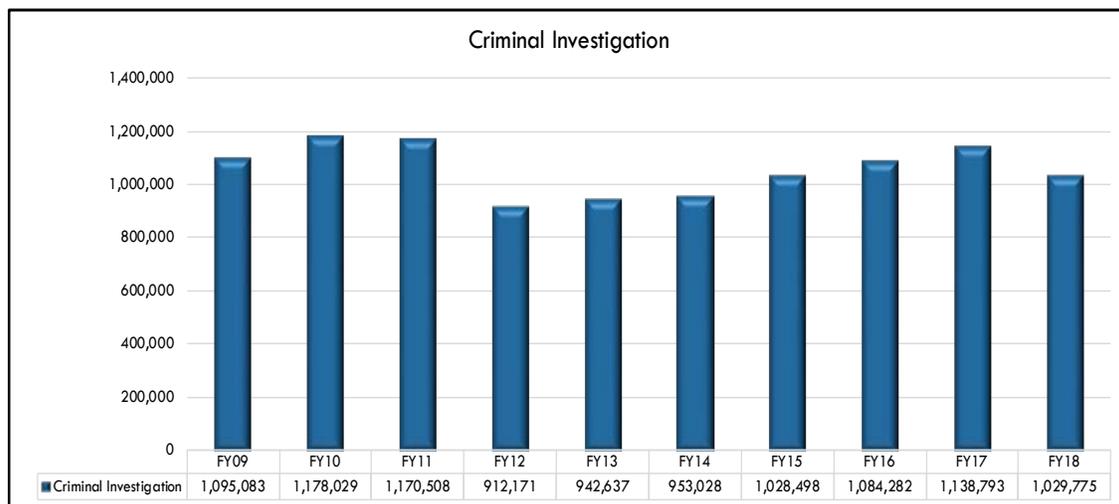
- Interviewing of witnesses and interrogation of suspects
- Victim contact and follow-up
- Coordinate the flow of investigations and information among other jurisdictions and units
- Dignitary protection for qualified recipients
- Unmarked crime suppression activities
- Reduce residential burglary through proactive strategic and tactical operatives

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 596,661 | 633,894 | 608,019 | 608,019 | 700,373 | 602,605 | -0.89% |
| Employee Benefits | 388,883 | 390,601 | 396,213 | 396,213 | 395,013 | 375,257 | -5.29% |
| Contractual | 21,526 | 31,774 | 20,600 | 20,600 | 15,914 | 13,608 | -33.94% |
| Commodities | 12,323 | 10,193 | 9,500 | 9,500 | 14,563 | 16,000 | 68.42% |
| Capital Outlay | - | 4,890 | - | - | - | - | 0.00% |
| Depreciation | 9,105 | 12,930 | 12,930 | 12,930 | 12,930 | 22,305 | 72.51% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,028,498 | 1,084,282 | 1,047,262 | 1,047,262 | 1,138,793 | 1,029,775 | -1.67% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Captain | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Sergeant | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Officer | 4.000 | 4.000 | 4.000 | 4.000 | 4.000 |
| Crime Intelligence Analyst | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 7.000 | 7.000 | 7.000 | 7.000 | 7.000 |



POTENTIAL REVENUE ENHANCEMENTS

On cases that require an extraordinary amount of time and resources, the Department will request restitution from the suspect through the State Attorney's Office. Although there is no guarantee the funds will be reimbursed, a request can be initiated at the time the case is filed.

PAST EFFICIENCIES AND COST SAVING MEASURES

- In FY2010, the Detective Bureau eliminated the Office Assistant II position resulting in a cost savings \$32,700 plus benefits.
- In FY2011, the Detective Bureau reduced the number of detectives from five to four, where it remains today. This resulted in a cost savings of \$65,000 plus benefits. The fleet size of the unit was reduced accordingly. During this year, expenses associated with the Office Assistant II in program 426 (CSEU) was split with this unit.
- The use of flextime has reduced overtime costs.
- Utilization of computerized databases to conduct research has resulted in more efficient and timely receipt of information.
- Maintaining and keeping vehicles beyond the depreciation schedule has reduced vehicle costs.
- Utilization of computerized databases to conduct research has resulted in more efficient processing of information.
- Formation of email networks between analysts allows for the rapid transmission of intelligence. This has resulted in increased 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.

PARKING CONTROL 430

Mission: This division exists to provide for the efficient use of limited public parking availability through active enforcement of all parking ordinances, rules and regulations.

Main Activities: The most important things we do to fulfill the mission are:

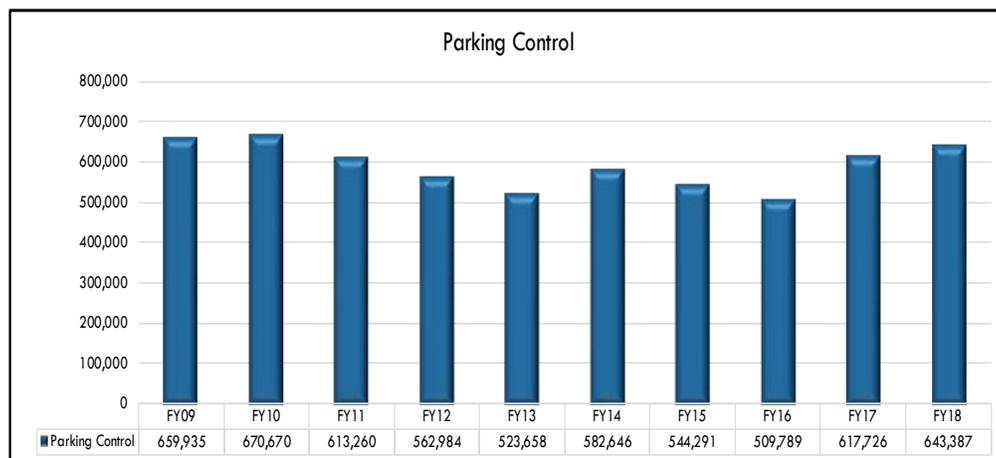
- Patrol parking areas on a regular basis to identify and ticket violators
- Address inquiries and complaints from the public
- Handle pedestrian and vehicular traffic at schools and major intersections
- Apply vehicle immobilization device as necessary
- Review construction plans for traffic hazards, traffic flow and parking for special events as needed

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 265,424 | 251,582 | 311,241 | 311,241 | 262,887 | 306,729 | -1.45% |
| Employee Benefits | 199,026 | 200,666 | 244,513 | 239,618 | 231,206 | 253,482 | 3.67% |
| Contractual | 13,992 | 7,549 | 14,700 | 14,700 | 13,580 | 16,000 | 8.84% |
| Commodities | 13,287 | 12,038 | 15,800 | 15,800 | 17,186 | 21,000 | 32.91% |
| Capital Outlay | - | 3,721 | 23,000 | 55,844 | 58,483 | - | -100.00% |
| Depreciation | 52,562 | 34,235 | 34,235 | 34,235 | 34,235 | 46,176 | 34.88% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 544,291 | 509,791 | 643,489 | 671,438 | 617,577 | 643,387 | -0.02% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Parking/Code Enforcement Manager | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Lead Parking Control Officer | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Parking Enforcement Officer | 6.000 | 6.000 | 6.000 | 6.000 | 6.000 |
| Code/Parking Enforcement Specialist | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 |
| | 7.750 | 7.750 | 7.750 | 7.750 | 7.750 |



POTENTIAL REVENUE ENHANCEMENTS

The Town has 1400 unrestricted or time limited spots, such as 1-2 hour parking spots, or no restriction at all. Staff recommends the Town add meters to various locations throughout the town, including, but not limited to; Worth Avenue, Royal Poinciana Way, Sunrise and Sunset Avenues, and areas around Town Hall Square.

There are also 119 parking spots at the Town Docks, which are incorporated in the boat slip lease. Boat owners are allotted a certain number of parking spots based on the size of their boat. Staff suggest that parking spots be separated from the boat slip lease and a permit fee be charged per slip. Just as residents pay for Residential Parking, boat owners would need a permit to park. In addition, the free 2 hour parking spots at Phipps Ocean Park could be metered and a permit option created for those patronizing the tennis center in lieu of paying to park in the newly metered lots.

The opportunity for revenue for over 700 metered spaces is \$845,600. There would be offsetting costs for the Kiosks unless park mobile is used. Each added kiosk would cost \$1,305 per year to lease plus \$600 per unit for maintenance. A thorough review of parking spaces would be completed before implementation.

PAST EFFICIENCIES AND COST SAVING MEASURES

- An electronic chalking system was implemented which replaced the antiquated tire chalking method for tracking vehicles parked in time zone, with an efficient computer system that will electronically track parked vehicles. A parking enforcement officer is able to quickly travel from block to block to check for overtime vehicles, and the computerized system will automatically alert the officer when a vehicle has been parked over the allotted time limit or on the “boot” list. The system has improved enforcement and reduced the opportunity for persons to deliberately park in excess of regulated hours.
- In FY2008, the department implemented a Support Services Captain and Sergeant who oversaw the Parking & Code Enforcement Units. This was done in order to increase effectiveness in both units and to establish written procedures and improved practices. The manager position was reclassified to a Lead Parking Enforcement Officer. The unit had 1 Lead PEO and 9 PEOs, two of which were part-time patrolling Kreisler Park.
- In FY2008, the unit purchased 4 GO-4 Interceptor Scooters (\$26,266 each).
- In FY2010, extended warranties were purchased and the useful life of the parking scooters was extended thereby deferring the purchase of new vehicles 3-4 years.

- In FY2011, the Captain position was eliminated and the sergeant position was transferred to the Training & community Relations Unit. The unit was staffed with a civilian manager (50% split with Code Enforcement) and a Parking/Code Specialist (split 25%/75%, respectively). Vacancies were budgeted at entry level further reducing staff cost. The cost saving for this unit was approximately \$90,945 plus benefits (the other portion of the cost savings is shown in program 216 - Code Enforcement). Parking Enforcement officers were reduced to 6 full-time and 2 part-time. Additionally, through attrition, future vacancies were converted to part-time PEOs.
- In FY2012, the 2 part-time positions became vacant and were not filled. Also, due to reductions in staffing levels the Parking Enforcement fleet was reduced by two vehicles.
- Beginning in FY2013, the department began replacing the remaining scooters with Ford Escapes (\$18,615 each) which were equipped with Auto Vu License Readers. The unit's current fleet consist of 5 Ford Escapes (2013-2016) and a used truck transferred from the Fire Department.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

The Parking Enforcement Unit has invested in a software program (\$3,000 annually) that will allow the Parking Enforcement LPR units to have real time interface by pushing information from the AIMS and Cale systems to the Genetec LPR system. This will allow PEOs to use their vehicle cameras to identify non-paid or expired vehicles as well as receive hits on stolen vehicles, stolen tags, and suspended licenses thereby enhancing enforcement and realizing a potential increase to revenue.



Comprehensive Review of Town Operations

PUBLIC WORKS DEPARTMENT

CONTENTS

| | |
|--|----|
| Public Works Department..... | 5 |
| Benchmarks for Public Works Department | 6 |
| Administrative Management 511 | 11 |
| Potential Revenue Enhancements..... | 12 |
| Past Efficiencies and Cost Saving Measures | 12 |
| Planned Future Efficiencies and Cost Saving Measures | 12 |
| Options for Cost Savings | 12 |
| Street Repair and Maintenance 521..... | 14 |
| Potential Revenue Enhancements..... | 15 |
| Past Efficiencies and Cost Saving Measures | 15 |
| Planned Future Efficiencies and Cost Saving Measures | 15 |
| Options for Cost Savings | 15 |
| Traffic Control 523 | 18 |
| Potential Revenue Enhancements..... | 19 |
| Past Efficiencies and Cost Saving Measures | 19 |
| Planned Future Efficiencies and Cost Saving Measures | 19 |
| Options for Cost Savings | 19 |
| Street Lighting 524..... | 22 |
| Potential Revenue Enhancements..... | 23 |
| Past Efficiencies and Cost Saving Measures | 23 |
| Planned Future Efficiencies and Cost Saving Measures | 23 |
| Options for Cost Savings | 24 |
| Storm Sewer Maintenance 531 | 25 |
| Potential Revenue Enhancements..... | 26 |
| Past Efficiencies and Cost Saving Measures | 26 |
| Recent Efficiencies and Cost Saving Measures..... | 28 |
| Planned Future Efficiencies and Cost Saving Measures | 28 |
| Options for Cost Savings | 28 |
| Sanitary Sewer Maintenance 532..... | 29 |

| | |
|--|----|
| Potential Revenue Enhancements..... | 30 |
| Past Efficiencies and Cost Saving Measures | 30 |
| Recent Efficiencies and Cost Saving Measures - Examples Since Previous CRTO: | 32 |
| Planned Future Efficiencies and Cost Saving Measures | 32 |
| Options for Cost Savings | 32 |
| Sanitary Sewage Treatment 533..... | 34 |
| Potential Revenue Enhancements..... | 35 |
| Past Efficiencies and Cost Saving Measures | 35 |
| Planned Future Efficiencies and Cost Saving Measures | 35 |
| Options for Cost Savings | 36 |
| Residential Collection 541 | 37 |
| Potential Revenue Enhancements..... | 38 |
| Past Efficiencies and Cost Saving Measures | 38 |
| Planned Future Efficiencies and Cost Saving Measures | 38 |
| Options for Cost Savings | 39 |
| Statistics for the 541 Department of Public Works | 40 |
| Commercial Collection 542..... | 41 |
| Potential Revenue Enhancements..... | 42 |
| Past Efficiencies and Cost Saving Measures | 42 |
| Planned Future Efficiencies and Cost Saving Measures | 42 |
| Additional Options for Cost Savings | 42 |
| Statistics for Commercial and Residential Garbage Collection | 43 |
| Refuse Disposal 543 | 44 |
| Potential Revenue Enhancements..... | 45 |
| Past Efficiencies and Cost Saving Measures | 45 |
| Planned Future Efficiencies and Cost Saving Measures | 45 |
| Options for Cost Savings | 45 |
| Yard Trash Collection 544 | 46 |
| Potential Revenue Enhancements..... | 47 |
| Past Efficiencies and Cost Saving Measures | 47 |

| | |
|--|----|
| Planned Future Efficiencies and Cost Saving Measures | 47 |
| Options for Cost Savings | 48 |
| Recycling 545 | 50 |
| Potential Revenue Enhancements..... | 51 |
| Past Efficiencies and Cost Saving Measures | 51 |
| Planned Future Efficiencies and Cost Saving Measures | 51 |
| Options for Cost Savings | 51 |
| Additional Benchmarks | 52 |
| Beach Cleaning 546..... | 53 |
| Potential Revenue Enhancements..... | 54 |
| Past Efficiencies and Cost Saving Measures | 54 |
| Planned Future Efficiencies and Cost Saving Measures | 54 |
| Options for Cost Savings | 54 |
| Parks 551..... | 56 |
| Potential Revenue Enhancements..... | 57 |
| Past Efficiencies and Cost Saving Measures | 57 |
| Planned Future Efficiencies and Cost Saving Measures | 57 |
| Options for Cost Savings | 58 |
| Facility Maintenance 554..... | 60 |
| Potential Revenue Enhancements..... | 61 |
| Past Efficiencies and Cost Saving Measures | 61 |
| Planned Future Efficiencies and Cost Saving Measures | 61 |
| Options for Cost Savings | 61 |
| Meter Maintenance and Collection 558..... | 63 |
| Potential Revenue Enhancements..... | 64 |
| Past Efficiencies and Cost Saving Measures | 64 |
| Planned Future Efficiencies and Cost Saving Measures | 64 |
| Options for Cost Savings | 64 |
| General Engineering Services 561 | 65 |
| Potential Revenue Enhancements..... | 66 |

| | |
|--|----|
| Past Efficiencies and Cost Saving Measures | 66 |
| Planned Future Efficiencies and Cost Saving Measures | 67 |
| Options for Cost Savings | 67 |
| Right of Way Inspections 565 | 68 |
| Potential Revenue Enhancements..... | 69 |
| Past Efficiencies and Cost Saving Measures | 69 |
| Planned Future Efficiencies and Cost Saving Measures | 69 |
| Options for Cost Savings | 69 |
| Equipment Operation and Maintenance 571..... | 70 |
| Potential Revenue Enhancements..... | 71 |
| Past Efficiencies and Cost Saving Measures | 71 |
| Planned Future Efficiencies and Cost Saving Measures | 71 |
| Options for Cost Savings | 72 |
| Coastal Management Fund 309..... | 73 |
| Potential Revenue Enhancements..... | 74 |
| Past Efficiencies and Cost Saving Measures | 74 |
| Planned Future Efficiencies and Cost Saving Measures | 76 |
| Options for Cost Savings | 77 |

PUBLIC WORKS DEPARTMENT

Mission: The Public Works Department exists to create and maintain a safe, clean and aesthetically pleasing environment for all the citizens of Palm Beach. This efficient and cost effective environment is provided for the residents, businesses, visitors, and employees who utilize the Town facilities in our community. The Public Works Department applies both proven and innovative techniques and systems to provide for excellence in the operation, construction, maintenance and repair of the public buildings, structures and grounds to achieve this purpose. The continuous stewardship of the Town's infrastructure and coastal resources is achieved through the dedicated efforts of a diverse group of operational, administrative, engineering, and construction professionals.

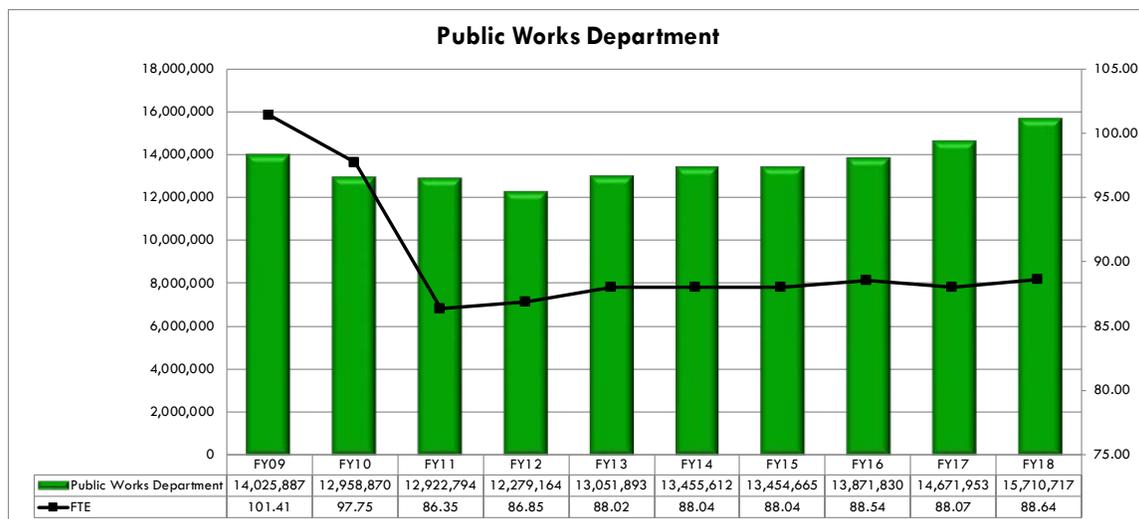
Revenue Summary

| Acct # | 2015 Actual | 2016 Actual | 2017 Budget | 2017 Projected | 2018 Budget | % Change |
|--------------------------------------|-------------|-------------|-------------|----------------|-------------|----------|
| 343.400 Special Solid Waste | 10,040 | 9,500 | 10,000 | 10,115 | 10,000 | 0.00% |
| 343.410 Solid Waste | 895,065 | 893,115 | 995,000 | 973,832 | 1,024,850 | 3.00% |
| 343.430 Comp. Garbage Collection Fee | 258,268 | 256,693 | 275,000 | 261,169 | 283,250 | 3.00% |
| 343.440 SWA Recycling Revenue | 24,073 | 15,552 | 25,000 | 28,105 | 25,000 | 0.00% |
| 343.920 Historic Speciman Tree Fee | 4,641 | 4,641 | 5,000 | 3,978 | 5,000 | 0.00% |
| 369.500 State Highway Lighting Maint | 76,551 | 78,846 | 95,000 | 95,454 | 95,000 | 0.00% |
| | 1,268,638 | 1,258,347 | 1,405,000 | 1,372,653 | 1,443,100 | 2.71% |

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| Salaries and Wages | 4,814,387 | 4,764,800 | 5,378,730 | 5,378,730 | 5,151,794 | 5,521,447 | 2.65% |
| Employee Benefits | 2,645,247 | 2,716,615 | 3,005,440 | 2,940,954 | 2,918,174 | 3,155,905 | 5.01% |
| Contractual | 4,731,174 | 4,685,441 | 5,334,053 | 6,020,972 | 4,833,678 | 5,453,293 | 2.24% |
| Commodities | 690,025 | 651,432 | 864,432 | 884,413 | 844,350 | 877,687 | 1.53% |
| Capital Outlay | - | 25,393 | 24,800 | 68,626 | - | 23,665 | -4.58% |
| Depreciation | 573,832 | 1,028,165 | 716,214 | 716,214 | 716,214 | 678,720 | -5.24% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 13,454,665 | 13,871,846 | 15,323,669 | 16,009,909 | 14,464,210 | 15,710,717 | 2.53% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



BENCHMARKS FOR PUBLIC WORKS DEPARTMENT

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|--|--|---|--|--|---------------------------|--------------------------|
| Administrative Management (511) | | | | | | |
| Ratio of Admin Staff to PW Dept. | 5 admin per 88FTE = 5.7% | 5 admin per 72FTE = 6.9% | 3 admin per 70FTE =4.3% | 4 admin per 52FTE=7.6% | 11.3% (based on budget\$) | 4 admin per 49FTE = 8.2% |
| Street Repair and Maintenance (521) | | | | | | |
| Sidewalks Annual Inspections | Yes | No, waits for complaints | No, waits for complaints | No, waits for complaints | No response | No response |
| Minor Repairs | Town repairs | City repairs | Becomes adjacent property owner's responsibility | Town repairs | No response | No response |
| Major Repairs | Contracted out | Contracted out | Becomes adjacent property owners responsibility | Contracted out | No response | No response |
| Street Sweeping | Contracted: 105 miles/week. Entire Town swept weekly | In-House: 5 sweeping machines | In-House: 2 sweeping machines. Entire Town swept 4 times/year. | Contracted: 97 miles swept 4 times/year. | No response | No response |
| Catch Basin Cleaning | In-house annual deep cleanings of 1,300 basins. Surface Cleanings: Minimum 1/month (2 employee's 650/employee. <i>Currently both positions are vacant</i>) | In-house annual cleanings of 4,500 basins (7 employees 642/employee) | 4,000 basins, no set schedule; as needed cleanings | Contracted | No response | No response |

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|--|---|---|---|--|--|---|
| Traffic Control (523) | | | | | | |
| Management | 18 Signalized Traffic Intersections | Palm Beach County Maintains | 138 Signalized Traffic Intersections | Palm Beach County Maintains | Palm Beach County Maintains | Palm Beach County Maintains |
| # of Employees | 0.706 | No response | 6 Traffic Techs | No response | No response | No response |
| Average Employees/ Intersection | 0.04 | No response | .0434 | No response | No response | No response |
| Street Lighting (524) | | | | | | |
| Street Lighting | 1,005 Town owned streetlights and 287 FPL Maintained Lights | 5,063 City Owned Streetlights and 2,038 FPL Maintained Lights | 791 City owned streetlights and 6,000 FPL Maintained Lights | 50 Town owned Streetlights. FPL and FDOT are maintained by others. | 50 City Owned streetlight. They report they have thousands of FPL and FDOT lights but could not supply a number. | Unknown Outside contractor maintains the lights. |
| # of FTE/employees | 0.8 | 3 | 6 – traffic technicians | 2 | 0 – contracted to vendor | 0 – contracted to vendor |
| Average Employees/ Street Light | .0002 | .0006 | .007 | .04 | N/A | N/A |
| Storm Sewer Maintenance (531) | | | | | | |
| Storm Water Pumping Stations to Number of Personnel for O&M/Stations | 0.347 FTE's per storm station | 4.8 FTE's per storm station | 0 FTE's Has 1 S.W. Pumping Station | 2FTE's Per storm station | Managed by SFWMD | 0.285 FTE's per storm station |
| Storm Water Inlets or Catch Basins Maintained Personnel/Catch Basin | 1,785 catch basins maintained .0025 FTE's per basin | 5,681 catch basins maintained .004 FTE's per basin | 3,149 catch basins maintained .0036 FTE's per basin | 5,286 catch basins maintained .001 FTE's per basin | 1,500 catch basins maintained .009 FTE's per basin | 1,510 catch basins maintained .0052 FTE's per basin |

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|---|------------------------|-----------------------------|------------------------|-------------------------------|----------------------------------|-------------------------------|
| Sanitary Sewer Maintenance (532) | | | | | | |
| O&M FTE/Station | .275 FTE's per Station | .141-.158 FTE's per Station | .124 FTE's per Station | Does not own the S.S. system | Maintained by Seacoast Utilities | .141 FTE's/Station |
| Sanitary Sewer Treatment (533) | | | | | | |
| Cost/Million(M) Gallons for Treatment of Sewage | \$1,561.65/M | \$1,812.00/M | \$710.00/M | Does not own the S.S. System | Maintained by Seacoast Utilities | \$1,070.00/M |
| Residential Collection (541) | | | | | | |
| Type of Service | Backdoor | Curbside | Curbside | Curbside | Curbside | Curbside |
| Days of Collection | 4 | 2 | 2 | 2 | 2 | 2 |
| Municipal/Outside Service | Municipal | Municipal | Municipal | Outside Collection Contractor | Outside Collection Contractor | Outside Collection Contractor |
| FTE's | 12 | 52 | 50 | N/A | N/A | N/A |
| Note: FTE's for Outside Collection Contractors vary daily therefore specific numbers are not accurate. | | | | | | |
| Population | 8,291 | 110,150 | 91,797 | 61,388 | 52,591 | 65,804 |
| Total Households | 5,789 | 54,179 | 44,539 | 23,920 | 27,663 | 27,193 |
| Households/FTE's | 482 | 1,041 | 890 | N/A | N/A | N/A |
| Yard Trash Collection (544) | | | | | | |
| Municipal or Contract Collection | Municipal | Municipal | Municipal | Contract | Contract | Contract |
| # of Collection Days | 1 | 1 | 1 | 2 | 1 | 1 |
| FTE's | 12 | 52 | 50 | N/A | N/A | N/A |
| # of Households | 5,789 | 54,179 | 44,539 | 23,920 | 27,663 | 27,193 |
| Household/FTE | 482 | 1,041 | 890 | N/A | N/A | N/A |
| Tons Collected | 18,000 | 1,813 | 1,892 | N/A | N/A | 4,400 |
| Tons/FTE | 1,500 | 34.9 | 37.8 | N/A | N/A | N/A |
| Square Miles of Collection | 8.12 | 55 | 31.2 | 23.6 | 56.1 | 15.8 |

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|---|--|-----------------|-----------------|--|---|---|
| Tons/Area Ratio | 2,216:1 | 33:1 | 61:1 | N/A | N/A | 278:1 |
| % on Schedule | 100 | 90 | 100 | N/A | 90 | 95 |
| Beach Cleaning (546) | | | | | | |
| Cleanup Responsibilities | Public Works | N/A | Recreation | Ocean Rescue | N/A | Ocean Rescue |
| Mechanical | Yes | N/A | Yes | No | N/A | No |
| Hand Picking | Yes | N/A | Yes | Yes | N/A | Yes |
| Scheduled days/week | 5 | N/A | As needed | As needed | N/A | As needed |
| Miles | 1.4 | N/A | 2 | 3.4 | N/A | 2 |
| Cost/LF | \$14.53 | N/A | Combined budget | N/A | N/A | N/A |
| Parks (551) | | | | | | |
| # of Employees | Supervisor, grounds technician (2), Irrigation technician (1) and (1) Temp Laborer | No response | No response | Supervisors (2), Irrigation Technician (2), Parks Staff (15) | Supervisor, Irrigation Technician (3), Parks Staff (29) | Parks (15), Irrigation Technician (4), Tree Trimmer (3), Equip. Tech. (1), Parks Building Maintenance (1) |
| # of Parks | 12 | 54 | 34 | 20 | 15 | 15 |
| Park Size in Acres | 35 acres | No response | No response | 250 acres | 190 acres | No response |
| FTE/Park | 0.42 | No response | No response | 0.95 | 0.45 | 0.63 |
| Facilities Maintenance (554) | | | | | | |
| Number of Buildings | 32 | No response | No response | No response | 300,000 sq. ft. | 113 |
| Number of Employees | 1.684 | 2 | 1 | No response | 5 | 6 |
| FTE Building | .0162 | No response | No response | No response | No response | 0.5 |
| Number of Structures Maintained +200 sq.ft. | 13 | No response | 20 | No response | 6 | No response |
| Frequency of Building Inspections | 4 times/year | No response | 4 times/year | No response | 4 times/year | No response |
| General Engineering Services (561) | | | | | | |
| Engineering Review of Plan Submittals | 95% within 10 days | N/A | N/A | 95% within 28 days | 100% | N/A |

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|--|----------------------------|-----------------|-------------|-------------|--------------------|--------------|
| Engineering Contracts on Budget | 100% | 100% | N/A | 100% | 100% | N/A |
| Engineering Contracts on Schedule | 100% | 100% | N/A | 100% | N/A | N/A |
| Right of Way Permit Applications | 98% reviewed within 3 days | No response | No response | No response | No response | No response |
| Right of Way Inspections (565) | | | | | | |
| 5 Days for Internal Review | 98% | 95% | No response | No response | 50% | No response |
| Issue Within 2 Weeks | 100% | 95% | No response | No response | 100% | No response |
| Equipment Operation & Maintenance (571) | | | | | | |
| Total # of Pieces of Equipment | 152 | 768 | 973 | 318 | 590 | 571 |
| # of Mechanics, Inc Working Foreman | 4 | 14 | 14 | 4 | 9 | 13 |
| Ratio (Equipment/Mechanic) | 38:1 | 54.8:1 | 69.5:1 | 79.5:1 | 65.5:1 | 43.9:1 |
| Work Orders/Year, scheduled and unscheduled | 2,120 | 5,041 | 5,419 | 1,389 | No Info | 2,312 |
| Ratio- Work Orders/Mechanic | 530:1 | 360:1 | 387:1 | 347:1 | No Info | 177:1 |
| Coastal Management Program (309) | | | | | | |
| Implementation of Comprehensive Coastal Mgmt Program | Yes | N/A | No | No | No | Yes |
| Coastal Program Manager on Staff | Yes | No | Yes | No | No | No |
| Atlantic Shoreline Length (miles) | 12.2 | 0 | 4.75 | 3.5 | 0 | 3 |
| Construct Beach Nourishment Projects | Yes | No | Yes | Yes* | No | Yes |
| AVERAGE FILL VOLUME/MILE/YEAR | 38,912 | N/A | 34,119 | 38,636 | N/A | 33,333 |

N/A – Not Applicable

*Managed by Palm Beach County

ADMINISTRATIVE MANAGEMENT 511

Mission: This division exists to provide guidance, inspiration, resources and direction to the Public Works Department to ensure that the multiple functions we perform are both efficient through our commitment to continual improvement and effective in meeting the expectations of the citizens we serve.

Main Activities: The most important things we do to fulfill the mission are:

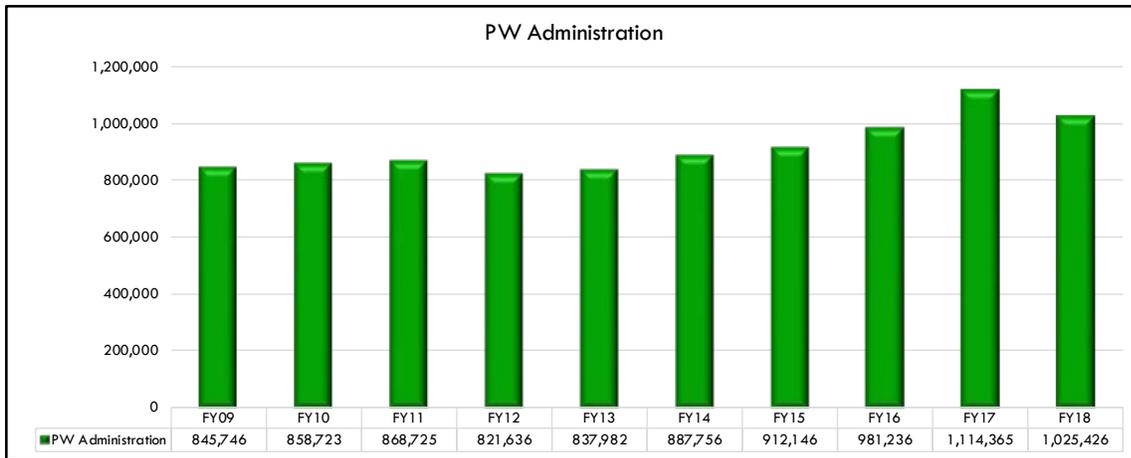
- Provide oversight to all Public Works programs to ensure we maintain or improve levels of service and safety measures
- Implement the Town's Capital Improvement Plan and the Comprehensive Coastal Management Plan.
- Manage all projects authorized by the Town Council.
- Continually seek new and better ways to accomplish our mission.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 601,403 | 636,712 | 633,840 | 633,840 | 614,361 | 632,240 | -0.25% |
| Employee Benefits | 280,542 | 312,699 | 316,218 | 308,372 | 310,906 | 346,149 | 9.47% |
| Contractual | 15,362 | 20,563 | 43,000 | 43,822 | 143,150 | 31,600 | -26.51% |
| Commodities | 10,602 | 7,026 | 9,200 | 9,200 | 11,369 | 11,200 | 21.74% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 4,237 | 4,237 | 4,237 | 4,237 | 4,237 | 4,237 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 912,146 | 981,237 | 1,006,495 | 999,471 | 1,084,023 | 1,025,426 | 1.88% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--|--------------|--------------|--------------|--------------|--------------|
| Public Works Director | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Assistant Director | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Buyer | - | - | 0.500 | 0.500 | 0.500 |
| Office Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Engineering Technical Support Specialist | - | - | 1.000 | - | - |
| Office Assistant II | 4.000 | 4.000 | 4.000 | 4.000 | 4.000 |
| Public Works Purchasing Coordinator | 0.500 | 0.500 | - | - | - |
| Public Works Systems Specialist | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 8.500 | 8.500 | 9.500 | 8.500 | 8.500 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|-----|--|
| n/a | |
|-----|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

- 1) During previous budget submissions, the cost for scanning/copying of documents has been reduced or optimized. For instance, scanning services via Palm Beach County were eliminated or reduced in lieu of obtaining a 2nd copy machine which was more cost effective.
- 2) Administrative staffing was consolidated and streamlined in past to reduce overhead and ensure resources were allocated to direct work effort (this was accomplished through re-describing the Administrative Assistant to be an Office Assistant).

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Continue to monitor admin. Purchases and service (copy machines, supplies, etc.) to obtain only essential items to continue with administrative functions.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Eliminate any new tasks or functions performed by PW department, which are not specifically approved by the Town Council in the budget each year. Examples might include: signs, landscaping, doggie stations, etc.

Cost Savings: Variable

Comments: The cost savings would be variable and would be more accurately described as cost avoidance, depending on the tasks.

Impacts of Option: Residents and businesses may be displeased that their requests for new services or tasks are not acted upon.

Recommendation for Cost Savings: Do not fill vacant position.

Cost Savings: \$45,000/yr.

Comments: External assistance would be needed.

Impacts of Option: There would be less resources available to do work.

Recommendation for Cost Savings: Reduce various line item costs in 511 program.

Cost Savings: \$5,000/yr.

Comments: Reductions in employee recognition (\$1,000), educational reimbursement (\$1,000), telephone bases charges (\$500), office supplies (\$1,000), minor office equipment (\$500) and training (\$1,000).

Impacts of Option: Department will have less resources if needed for essential supplies or services for employees.

Option for Cost Savings: Eliminate scanning services from the budget entirely.

Cost Savings: \$1,000/yr.

Comments: No external assistance for scanning.

Impacts of Option: Any scanning would be done using existing staff and equipment.

STREET REPAIR AND MAINTENANCE 521

Mission: This bureau exists to maintain, repair, and clean streets in order to provide a safe, smooth riding surface throughout the town and to assure that we have safe sidewalks, bikeways, and trail systems.

Main Activities: The most important things we do to fulfill the mission are:

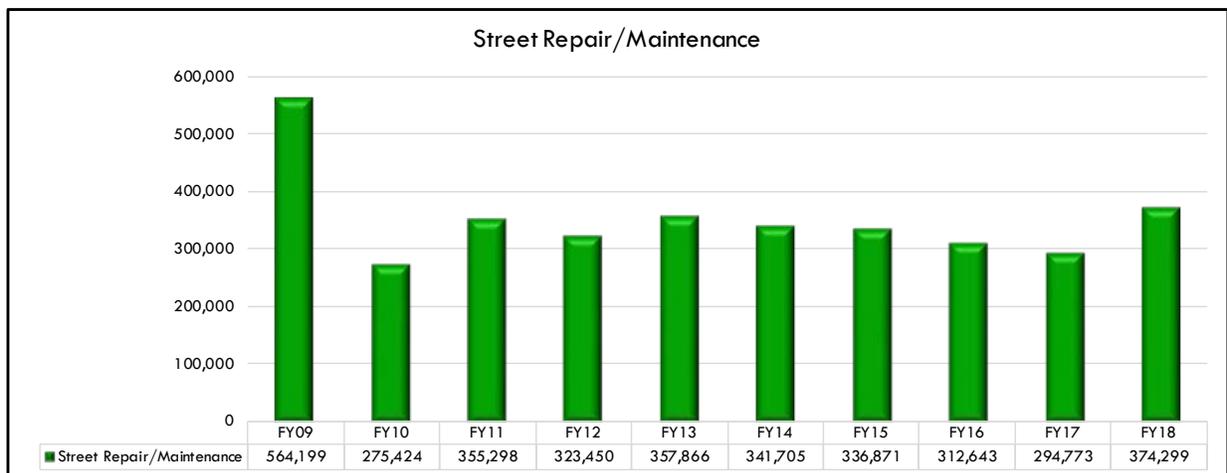
- Work to continually improve quality and efficiency
- Inspect the condition of streets, sidewalks, and paths to prioritize maintenance, repairs and replacement appropriately
- Respond to emergencies and priorities in a timely fashion

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 108,422 | 68,974 | 90,330 | 90,330 | 70,436 | 93,605 | 3.63% |
| Employee Benefits | 53,237 | 46,730 | 50,876 | 50,220 | 47,449 | 55,306 | 8.71% |
| Contractual | 141,598 | 171,107 | 194,272 | 218,762 | 126,581 | 179,855 | -7.42% |
| Commodities | 9,215 | 9,100 | 26,855 | 26,855 | 12,398 | 24,365 | -9.27% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 24,399 | 16,734 | 16,734 | 16,734 | 16,734 | 21,168 | 26.50% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 336,871 | 312,645 | 379,067 | 402,901 | 273,598 | 374,299 | -1.26% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---|--------------|--------------|--------------|--------------|--------------|
| Facilities Maintenance Division Manager | 0.100 | 0.100 | 0.100 | 0.075 | 0.075 |
| General Maintenance Supervisor | - | - | - | 0.075 | 0.085 |
| Grounds Supervisor | 0.135 | 0.134 | 0.135 | 0.080 | 0.080 |
| Street & Sign Painter | 0.008 | 0.008 | 0.008 | 0.008 | 0.008 |
| Building Maintenance Worker | - | - | - | - | 0.016 |
| Equipment Operator I/Streets | 1.310 | 1.310 | 1.310 | 0.705 | - |
| Equipment Operator II | - | - | - | 0.605 | 1.310 |
| Irrigation and Spray Technician | 0.010 | 0.010 | 0.010 | 0.010 | 0.010 |
| | 1.563 | 1.562 | 1.563 | 1.558 | 1.584 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|---|--|
| Increase rates on Special Pick Up Service – Current Rates: \$88 – Quarter Truck, \$176 – Half Truck, \$264 – Three Quarter Truck, \$350 – Full Truck | Increasing current rates by 20% would raise revenue from \$19,275 to an estimated \$23,130 (based on current loads). |
|---|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

- Removed and replaced 123 SY of concrete sidewalk. Improved appearance and mitigates trip and fall claims.
- Inspected all sidewalks Town wide and utilized concrete grinder on a trial basis to address any un-level surfaces. This service was last performed in 2014 and saved the Town approximately \$10,000.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- We are combining limited Streets and Traffic bureau duties pertaining to traffic/pavement markings for improved and efficient use of staff time. This pertains to street and pavement markings, pavement inspections, and parking space inventory inspection and repairs. Combining these projects would reduce labor costs and allow one member of staff to review and perform multiple duties on all pavement markings within the Town.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Sidewalk replacement program – Permanently change the program to include grinding down tripping hazards in sidewalk in lieu of replacement.

Cost Savings: Approximately \$10,000.

Comments: The current program repairs structural cracking, replaces damaged flags of sidewalk that have become tripping hazards in the town's right of way.

Impacts of Option: Appearance is unsightly. Costs are reduced but sidewalk replacement will still be needed where grinding does not address concrete structural issues (cracks and broken sections).

Recommendation for Cost Savings: Power Washing – Reduce or eliminate cleaning of town sidewalks, concrete planting areas, benches, street markers, buildings, etc.

Cost Savings: Reduce budget to \$10,000 (tabby areas only). Estimated savings \$20,000.

Comments: Currently the Town pressure washes right of way sidewalks around town buildings, seawalls, concrete street sign markers, benches, and park areas. Code now requires property owners to power wash the sidewalks.

Impacts of Option: Soiled and or slippery sidewalks and walking paths. Mold growth.

Recommendation for Cost Savings: Street sweeping- Reduce frequency of services for commercial districts from three times per week to once per week.

Cost Savings: Approximate savings \$60,000 plus tipping fees of \$4,210.
(.021/lb. average weight annually 200,400 lbs.)

Comments: Currently the Town's vendor sweeps the streets and curbing in the commercial districts three times per week.

Impacts of Option: Soiled/unclean streets. Sand, yard debris, and refuse will build-up on streets and curb/gutters. This could possibly lead to clogging of storm drains.

Option for Cost Savings: Lake Trail Sweeping- Reduce frequency of services during "in-season" months November through April once/week in lieu of twice/week.

Cost Savings: Approximate savings \$2,100.00

Comments: Currently the Town's vendor provides 78 annual cleanings of the Lake Trail.

Impacts of Option: Soiled/unclean. Leaves, sand, yard debris, and, refuse build-up.

Recommendation for Cost Savings: Eliminate Special Collection Services

Cost Savings: Approximate savings \$27,165 plus tipping fees of \$1,680.
(.021/lb. average weight annually 80,040 lbs.)

Comments: This once a week function provides for special solid waste collection services for household discards not meeting the Town definition of either yard trash or garbage collection. Two (2) Town employees utilizing a Town owned dump truck collect the debris and transport

it to the County dumpsite. Elimination of this program would allow for the reallocation of man hours, avoid the purchase of a new truck, and save on fuel and tipping fees.

Impacts of Option: Residents will need to make arrangements with private services to dispose of residential household items. Town staff time would be reallocated to other Streets bureau projects such as pothole repair, sidewalk repair and grinding, weed control and delineator maintenance and repair.

TRAFFIC CONTROL 523

Mission: This bureau exists to provide and maintain traffic signals and control signs to ensure safe, well-marked street systems.

Main Activities: The most important things we do to fulfill the mission are:

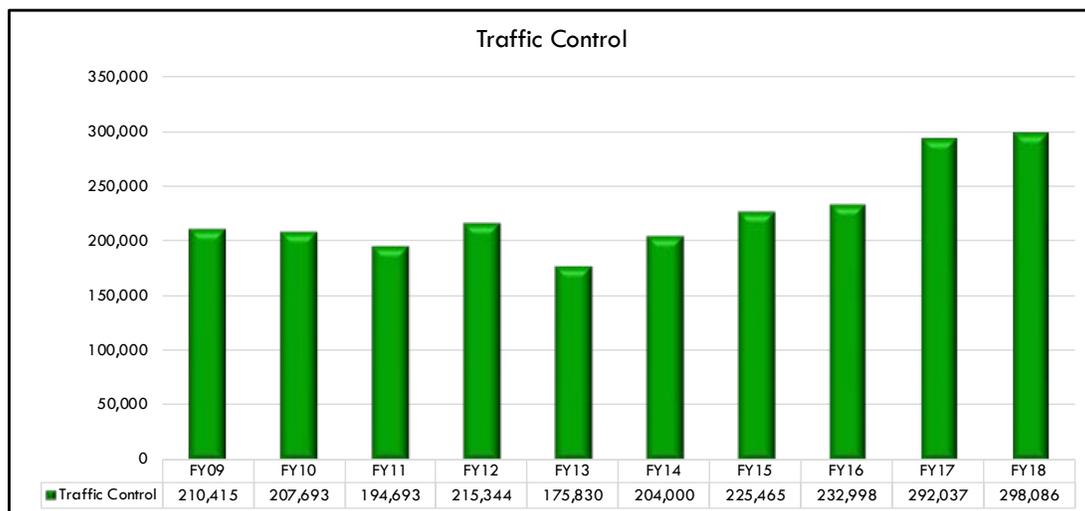
- Preventive maintenance and inspection programs to proactively address issues
- Repair/replace signals and signs as necessary on Town's required level of service plan
- Install new signs as approved by the Town Manager, and upgrade/replace signs as needed to be consistent with industry standards

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 99,046 | 113,156 | 116,588 | 116,588 | 135,378 | 140,108 | 20.17% |
| Employee Benefits | 48,814 | 57,481 | 52,182 | 51,235 | 52,319 | 60,403 | 15.75% |
| Contractual | 31,078 | 8,931 | 40,870 | 40,870 | 13,875 | 41,385 | 1.26% |
| Commodities | 42,805 | 49,708 | 48,978 | 48,978 | 86,743 | 50,881 | 3.89% |
| Capital Outlay | - | - | 13,500 | 57,326 | - | - | -100.00% |
| Depreciation | 3,722 | 3,722 | 3,722 | 3,722 | 3,722 | 5,309 | 42.64% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 225,465 | 232,998 | 275,840 | 318,719 | 292,037 | 298,086 | 8.06% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---|--------|--------|--------|--------|--------|
| Facilities Maintenance Division Manager | 0.180 | 0.180 | 0.180 | 0.155 | 0.155 |
| Electrician Supervisor | 0.203 | 0.203 | 0.203 | 0.181 | 0.181 |
| Grounds Supervisor | 0.005 | 0.005 | 0.005 | 0.005 | 0.005 |
| General Maintenance Supervisor | 0.090 | 0.090 | 0.090 | 0.090 | 0.093 |
| Industrial Electrician | - | - | 0.528 | 0.528 | 0.350 |
| SR Industrial Electrician | 0.528 | 0.528 | - | - | 0.175 |
| Building Maintenance Worker | 0.040 | 0.040 | 0.040 | 0.040 | 0.395 |
| Street & Sign Painter | 0.500 | 0.500 | 0.750 | 0.750 | 0.750 |
| | 1.546 | 1.546 | 1.796 | 1.749 | 2.104 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|--|--|
| | |
|--|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

Removed the existing copper communication lines and installed fiber optic cable to coordinate the intersections of Royal Poinciana Way, Sunset Ave, and Sunrise Ave. on N. County Rd. for more efficient flow of traffic through those intersections.

After Hurricane Irma, all of the Town traffic intersections were without FPL power. Town staff inspected the intersections, made repairs (if needed) and installed temporary generators. All intersections were fully functional within the first three days after the storm and returned to normal FPL operation within a week. This allowed for safe and efficient traffic control and helped move contractors and vendors onto the island to perform the necessary repairs.

Coordination of traffic signals and video detection at Royal Poinciana Way and Cocoanut Row for bridge openings and closings at the Flagler Bridge that monitor traffic flow on and off the island. This monitoring adjusts signal timing and moves large groups of vehicles in a coordinated manner and help to prevent traffic backups.

Installed an Opticom traffic signal pre-emption system at all Town intersections to improve response time for the Public Safety group. This system allows for the rotation of the traffic signals to green in the direction of the public safety vehicle.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Install Fiber Optic Cable to all remaining Town owned traffic intersections to replace the obsolete dial-up modem system that uses copper cable and has limited data capabilities. This would require new monitoring software and equipment but would allow for immediate changes to traffic flow and back-ups via a central monitoring system. All the traffic intersections would be coordinated for improved traffic flow when there are traffic issues such bridge closures, accidents and Presidential visits.

We are combining limited Streets and Traffic bureau duties pertaining to traffic/pavement markings for improved and efficient use of staff time. This pertains to street and pavement markings, pavement inspections, and parking space inventory inspection and repairs. Combining these projects would reduce labor costs and allow one member of staff to review and perform multiple duties on all pavement markings within the Town.

OPTIONS FOR COST SAVINGS

| |
|--|
| Give maintenance responsibilities to Palm Beach County (PBC) for all 18 Town-owned signalized traffic intersections. |
|--|

Cost Savings: Estimated - \$67,028.00 per year. Based on current times spent annually by Town staff performing inspections, maintenance and repairs.

Comments: This option involves impacts in multiple areas, which are detailed below. Any repairs to the intersections are expected to take longer than usual due to the number of intersections currently maintained by Palm Beach County.

Impacts of Option: Decrease in response time for minor incidents such as lamps out and intersections in flash, our response time is typically 30 minutes or less during work hours. Decrease in response time for repairs due to vehicle collisions with equipment and after hour's calls. Hurricanes will significantly affect the response time for PBC since they have several hundred intersections, so the Town intersections may not be back in service for several days or weeks due to other priorities. We remove traffic visors and wrap our cabinets with plastic prior to the hurricanes to minimize the impact to sensitive electronic components and damage caused by the wind. PBC does not perform this service and the Town system would expect to see an increased amount of damage. Estimated cost to the Town for the conversion of the traffic intersections would need to be fully explored.

Option for Cost Savings: Reduce frequency of preventative maintenance on the Town's traffic intersections.

Cost Savings: \$12,263

Comments: Two (2) inspections per year are completed on the cabinets and one (1) inspection per year on the signal heads. Reducing this by 50% would eliminate all maintenance activities with the exception of the required annual conflict monitor testing program.

Impacts of Option: More Traffic component failures and more unplanned emergency call outs. Labor saved would be reallocated to preventative maintenance, electrical repairs and inspections in pump/lift stations and Town facilities.

Option for Cost Savings: Street sign assemblies- when possible reinstall way-finding or regulatory signage and pedestrian crosswalks signs that have been scratched, hit, damaged during an accident in lieu of replacement with a new sign. This will not be possible in all instances.

Cost Savings: Approximately \$8,000.00

Comments: Currently the Town changes out signage or pedestrian crosswalk signage that has been scratched, hit, damaged during an accident or per state regulations or have become unappealing. We also install new pedestrian crosswalk signage throughout Town prior to beginning of season.

Impacts of Option: Possible fines from State of Florida due to retro-reflectivity issues. Cracked, bent, or unsightly signage.

STREET LIGHTING 524

Mission: This bureau exists to maintain reliable, safe and effective street lighting systems that contribute to safe streets in the Town and protect endangered sea turtles from light intrusion during nesting season.

Main Activities: The most important things we do to fulfill the mission are:

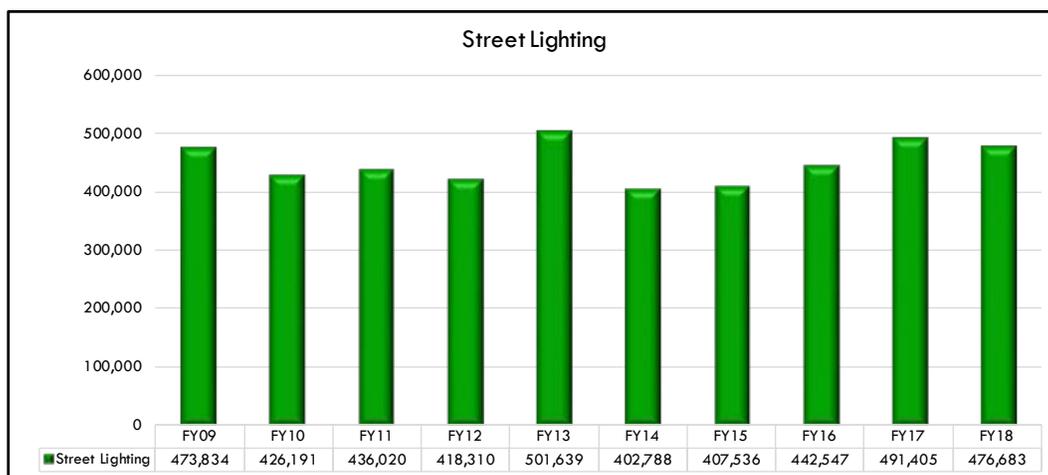
- Conduct preventive maintenance annually on the 1,251 street lights in Town.
- Perform “locates” for underground wiring to minimize the likelihood of damage due to digging.
- Replacement of older poles on predetermined schedule for uniform lighting.
- Conduct periodic inspections of street lights to ensure they are operating properly.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 98,282 | 111,310 | 70,566 | 70,566 | 151,812 | 76,500 | 8.41% |
| Employee Benefits | 35,904 | 38,283 | 35,577 | 34,692 | 39,171 | 36,445 | 2.44% |
| Contractual | 207,363 | 223,366 | 271,040 | 333,695 | 219,225 | 266,290 | -1.75% |
| Commodities | 41,179 | 37,884 | 64,384 | 66,136 | 49,490 | 65,741 | 2.11% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 24,808 | 31,707 | 31,707 | 31,707 | 31,707 | 31,707 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 407,536 | 442,550 | 473,274 | 536,796 | 491,405 | 476,683 | 0.72% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---|--------------|--------------|--------------|--------------|--------------|
| Electrician Supervisor | 0.360 | 0.360 | 0.360 | 0.200 | 0.200 |
| Industrial Electrician | - | - | 0.600 | 0.600 | 0.400 |
| SR Industrial Electrician | 0.600 | 0.600 | - | - | 0.200 |
| Facilities Maintenance Division Manager | 0.100 | 0.100 | 0.100 | 0.150 | 0.150 |
| | 1.060 | 1.060 | 1.060 | 0.950 | 0.950 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|------|--|
| None | |
|------|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

The Town evaluated the cost of opting for the FPL LT-1 Tariff LED street lights versus the Town installing new Town owned street lights. The evaluation was for South Ocean Boulevard from Sloan's Curve south to Lake Avenue using the teardrop fixture, arm, and decorative poles. The results of evaluation showed that the FPL LT-1 Tariff will save the Town approximately \$1,700,000 of up-front capital and reduce the overall cost of the street lighting over the assumed 30-year life of the street lights by approximately \$750,000. Town Council approved this recommendation at the July Town Council meeting. Staff are working with FPL to complete the installation of these lights by the summer of 2018.

At various Town facilities, staff has authorized the removal of the existing fluorescent or HID lighting and installed LED fixtures. This replacement program has dramatically improved the quality of lighting and reduced maintenance and power costs. The following locations have been addressed:

- Vehicle Maintenance garage at Public Works
- Police Department (garage, walkways and site lighting)
- All Fire Station bay lighting systems
- Parking lot at Public Works, Central Fire and Police Department
- Walkway and office lighting at Public Works
- Peruvian parking lot
- Pump and lift stations
- South Fire Station – interior [in progress]

Installation of automatic occupancy sensors in Town facilities.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

The new FPL LT-1 LED Street Light Tariff, allows FPL to offer dozens of street and area lighting options from leading LED manufacturers such as CREE, GE, Cooper, Holophane, and AEL. There are poles offered under the FPL LT-1 tariff that have a similar appearance to the poles that the Town previously standardized for use on Town projects. The Town evaluated the cost of opting for the FPL LT-1 LED Street Light Tariff versus the Town installing new Town owned street lights. By moving forward with the FPL LT-1 LED Tariff street lights, the Town would receive a present value savings of approximately \$2,500,000 for the replacement of the 316 existing FPL lights with FPL LT-1 LED Tariff street lights. These replacements would occur concurrently with the Town-wide Undergrounding program.

Continue with relocation of street lighting controls from pole-mounted type to ground type. This will reduce traffic impacts due to bucket trucks blocking a traffic lane to service the controls. The associated time for repairs is also reduced due to the improved ground location.

Continue to review existing street light systems and convert to LED to save on maintenance, material and electrical cost.

Continue to review existing facility lighting systems and convert to LED to save on maintenance, material and electrical cost.

Continue installation of automatic office lighting controls in older facilities. Occupancy sensors keep the lighting off until staff arrives.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Eliminate street light painting program

Cost Savings: \$31,000/Yr.

Comments: We currently paint the streetlights on the ocean and 100 blocks every other year. All other streetlights are painted on a four (4) year cycle.

Impacts of Option: Street Lights will be less aesthetically appealing.

STORM SEWER MAINTENANCE 531

Mission: This bureau exists to protect the health, safety and property of residents and businesses by effectively operating and maintaining the storm system.

Main Activities: The most important things we do to fulfill the mission are:

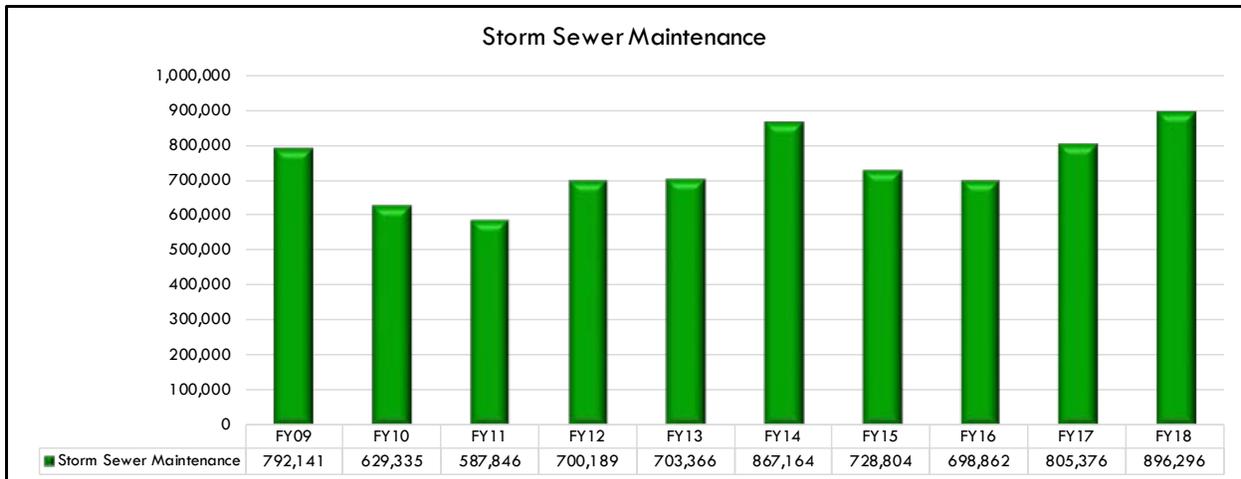
- Perform highest level of preventive maintenance to provide 100% equipment readiness at all times
- Clean, inspect and repair storm water collection and pumping systems to keep them fully functional
- Respond quickly to rainfall and storm events
- Evaluate and improve systems to meet or exceed design standards
- Anticipate rainfall events in order to allocate proper resources
- Track rainfall and storm duration for analysis and future planning

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 293,890 | 262,661 | 342,658 | 342,658 | 363,608 | 362,208 | 5.71% |
| Employee Benefits | 163,022 | 163,238 | 192,949 | 188,213 | 188,138 | 200,003 | 3.66% |
| Contractual | 201,014 | 216,297 | 267,700 | 270,100 | 190,188 | 245,800 | -8.18% |
| Commodities | 54,561 | 36,531 | 62,500 | 62,500 | 43,123 | 65,720 | 5.15% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 16,317 | 20,136 | 20,136 | 20,136 | 20,136 | 22,565 | 12.06% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 728,804 | 698,863 | 885,943 | 883,607 | 805,193 | 896,296 | 1.17% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|----------------------------------|--------|--------|--------|--------|--------|
| Building Maintenance Worker | 0.022 | 0.023 | 0.022 | 0.022 | 0.022 |
| Electrician II | 0.561 | 0.560 | - | - | - |
| Electrician Supervisor | 0.143 | 0.143 | 0.143 | 0.188 | 0.188 |
| Equipment Operator II | - | - | - | 0.037 | 0.074 |
| Equipment Operator I/Streets | 0.074 | 0.074 | 0.074 | 0.037 | - |
| General Maintenance Supervisor | 0.010 | 0.010 | 0.010 | 0.005 | 0.005 |
| Industrial Electrician | - | - | 0.561 | 0.546 | 0.364 |
| SR Industrial Electrician | - | - | - | - | 0.182 |
| Irrigation and Spray Technician | 0.010 | 0.010 | 0.010 | 0.010 | 0.010 |
| Operations Supervisor | 0.500 | 0.443 | 0.480 | - | - |
| Grounds Supervisor | 0.010 | 0.010 | 0.010 | 0.010 | 0.010 |
| Grounds Technician | - | - | - | - | 0.056 |
| Utilities Maintenance Supervisor | - | - | - | 0.245 | 0.245 |
| Water Resource Technician I | 3.455 | 2.612 | 2.650 | 2.895 | 2.895 |
| Water Resource Technician II | 1.055 | 0.587 | 0.705 | 0.735 | 0.735 |
| WRD Manager | 0.400 | 0.600 | 0.600 | 0.600 | 0.600 |
| | 6.240 | 5.072 | 5.265 | 5.330 | 5.386 |



POTENTIAL REVENUE ENHANCEMENTS

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|--|--|
| | |
|--|--|

PAST EFFICIENCIES AND COST SAVING 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 through 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 storm water 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 storm water 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 that 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.

RECENT EFFICIENCIES AND COST SAVING MEASURES

- 1) Incorporate computer tablets for field use to eliminate stationary monitoring at S-2.
- 2) Modification of truck #532-70 to incorporate television equipment for surveillance & repair of storm water mains without the immense cost of a purchased factory furnished T.V. unit.
- 3) Repair of D-8 generator. (Contractor-over \$50,000...In-house-under \$35,000)
- 4) Replacement of D-12 Pump can for Pump #2.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- 1) Perform more major repairs in-house as opposed to hiring outside contractors.
- 2) Replacement of D-12 Pump can for Pump #3.
- 3) Upgrade of storm stations D-14, D-16, & D-18 for more energy efficient operation. New pumps, generators, controls, etc.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Generator training/schooling for Technician I position to allow for in-house repairs and maintenance as opposed to hiring outside contractors.

Cost Savings: \$5,000.00 Annually

Comments: One of our technicians is already a certified mechanic and would only need the schooling for the electrical end of the generator training. Possibly send an electrician from the electrical bureau in addition for more coverage of generator repairs.

Impacts of Option: Huge cost savings as already evidenced by the D-8 generator repair.

SANITARY SEWER MAINTENANCE 532

Mission: This bureau exists to protect the health and well-being of residents, businesses and visitors by operating a sanitary sewer system that prevents sewage back-up, spillage or odor impact and is 100% reliable.

Main Activities: The most important things we do to fulfill the mission are:

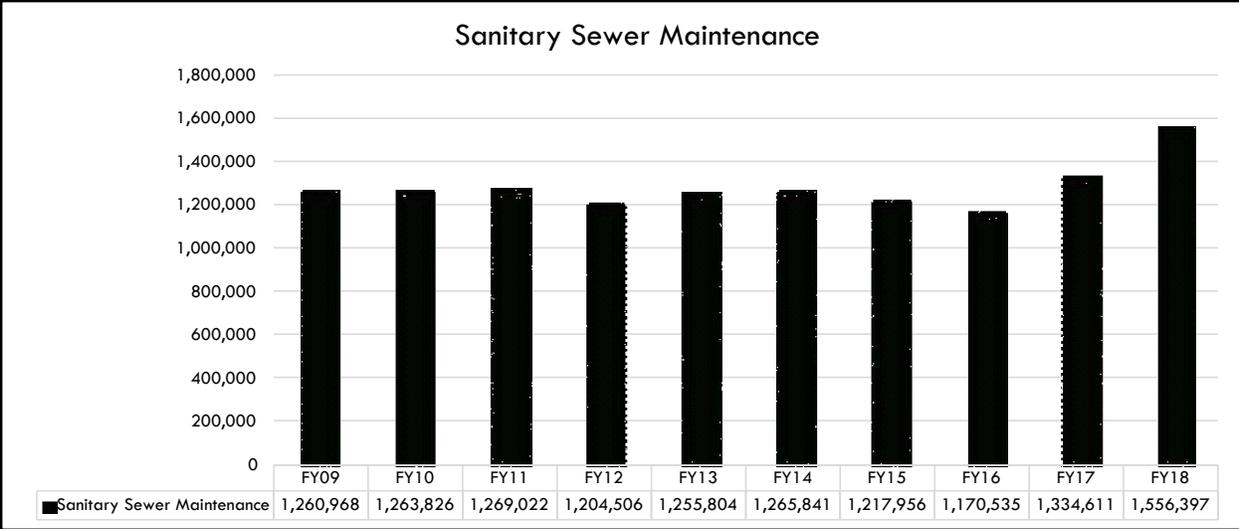
- Schedule and conduct proper preventive maintenance and repairs on all systems.
- Troubleshoot and repair all mechanical problems in a timely manner.
- Televising gravity lines and repair as necessary.
- Closely monitor run time for pumps.
- Reduce inflow and infiltration into systems to reduce treatment costs.
- Emergency repairs, and electrical maintenance of storm and sewer pump station controls, telemetry systems, and back-up generator systems.
- Upgrade stations to improve efficiency.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 562,881 | 516,270 | 743,667 | 743,667 | 597,445 | 766,504 | 3.07% |
| Employee Benefits | 355,919 | 376,079 | 445,353 | 434,996 | 421,832 | 462,765 | 3.91% |
| Contractual | 149,552 | 135,480 | 150,995 | 150,995 | 136,338 | 149,995 | -0.66% |
| Commodities | 86,950 | 63,614 | 130,881 | 141,514 | 101,089 | 99,226 | -24.19% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 62,654 | 79,090 | 77,907 | 77,907 | 77,907 | 77,907 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,217,956 | 1,170,533 | 1,548,803 | 1,549,079 | 1,334,611 | 1,556,397 | 0.49% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|----------------------------------|--------|--------|--------|--------|--------|
| Building Maintenance Worker | 0.022 | 0.023 | 0.022 | 0.022 | 0.020 |
| Electrician II | 0.732 | 0.728 | - | - | - |
| Electrician Supervisor | 0.170 | 0.170 | 0.170 | 0.246 | 0.239 |
| General Maintenance Supervisor | 0.010 | 0.010 | 0.010 | 0.005 | 0.005 |
| SR Industrial Electrician | - | - | - | - | 0.239 |
| Industrial Electrician | - | - | 0.727 | 0.714 | 0.478 |
| Irrigation and Spray Technician | 0.005 | 0.005 | 0.005 | 0.005 | 0.005 |
| Operations Supervisor/WRD | 0.500 | 0.557 | 0.520 | - | - |
| Grounds Supervisor | - | - | - | 0.010 | 0.010 |
| Grounds Technician | - | - | - | - | 0.056 |
| Utilities Maintenance Supervisor | - | - | - | 0.755 | 0.755 |
| Water Resource Technician I | 7.545 | 8.388 | 8.350 | 8.105 | 8.105 |
| Water Resource Technician II | 1.945 | 2.413 | 2.295 | 2.265 | 2.265 |
| WRD Manager | 0.600 | 0.400 | 0.400 | 0.400 | 0.400 |
| | 11.529 | 12.694 | 12.499 | 12.527 | 12.577 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|---|------------------------|
| Fee for private lateral locates. | See description below. |
| Establish and/or enforce fines and penalties for non-compliant commercial grease traps. | See description below. |

- 1) The entire sanitary sewer lateral from the property owner’s building up to and including the connection to the gravity main line is the property owner’s responsibility. Often times PW staff are asked to locate these privately owned laterals. We perform anywhere from 3 to 5 per month at about an average 2 man-hours per lateral.

EXAMPLE: 48 privately owned laterals located per year @ \$200/locate = \$19,200 per year

- 2) Public Works staff continue to observe significant grease in our gravity mains throughout some of the retail areas in the Town. This can cause sewer back-ups and/or spills. The Town can initiate an inspection program for grease trap compliance to help curb this issue. If the merchants do not comply a fee and or a penalty could be enforced to create revenue as well as keep our sanitary sewer systems clean and in good working order. The revenue would be dependent on the commercial property owners’ compliance (or not), so therefore is difficult to estimate with any certainty.

PAST EFFICIENCIES AND COST SAVING MEASURES

1988 – Public Works began to reduce 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 5th 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 2nd and 3rd 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 afterhours 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 four 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 and retrofit new motor controls, pump controls and automatic transfer switches at A43, A42, A41 and A39 to replace existing obsolete MCC and ATS.

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.

RECENT EFFICIENCIES AND COST SAVING MEASURES - EXAMPLES SINCE PREVIOUS CRTO:

- 1) Incorporate computer tablets and hand-held devices for field use to eliminate monitoring at S-2 master pump station – In the past there was a requirement that a staff member be present at the master pump station to monitor activity of pumps and any alarms. That position was unnecessary when technology provided a means of monitoring this information remotely via cell phones and/or tablets. The personnel who previously were “watch-standers” for this function were able to be reassigned to perform more field work including inspections and repairs.
- 2) Modification of truck #532-70 to incorporate television equipment for surveillance and repair – The Town staff had previously inspected the sewer collection piping only with small portable cameras that did not afford the optimum level of viewing and recording of this important infrastructure. Using a replacement vehicle purchased with Equipment Replacement Fund depreciation, the newly purchased sewer inspection camera and software has provided much greater capability and at a lesser cost than purchasing commercially available vehicles/equipment or contracting them to do the work.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Continue to seek out opportunities to upgrade equipment and controls to provide most cost-effective and efficient systems.

Subject to Town Council approval, consider seeking proposals from consultants to minimize the inflow and infiltration of rainwater and groundwater into the sanitary sewer collection systems. For example, during significant rainfall events the amount of sewage effluent pumped to the regional treatment plant increases. In an effort to reduce the cost of pumping and treating that effluent it is necessary to determine how the inflow and infiltration is occurring and what the required cost/effort is to mitigate or eliminate those causes.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: 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 completed annually, requiring about 140 man-hours. A fee for this service is already included in the Town’s fee schedule (currently \$150 each typically) and the re-inspection fee is the same amount if the work requires an

additional inspection. As an incentive/deterrent to contractors performing deficient work that requires re-inspection by Town staff, the follow-up inspection fee could be increased. The re-inspection fee could be increased to \$300 each.

Cost Savings/Revenue: 20 re-inspections @\$300 = \$6,000 annually

Comments: The inspections are required and if contractors are motivated to ensure the work is done properly, then re-inspections should decrease. This is both a compliance issue and a revenue but would ultimately improve efficiency and reduce wasted time by Town staff.

Impacts of Option: Work will be done right the first time by contractors to avoid the higher fees for a second visit, allowing the Town employee to utilize their time more efficiently in other required job functions.

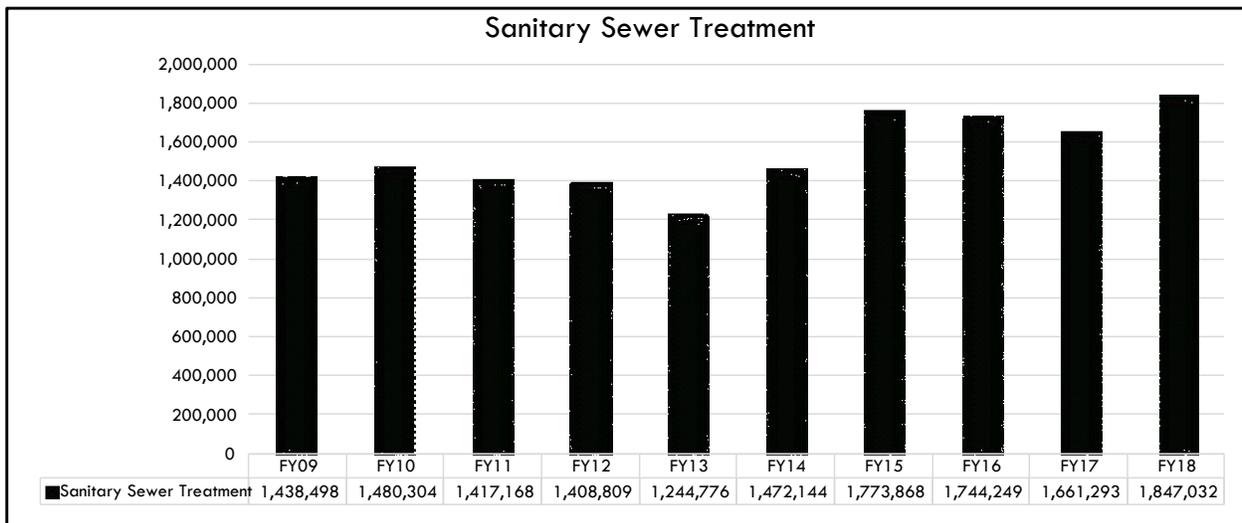
SANITARY SEWAGE TREATMENT 533

This program reflects the costs of treating the Town's sanitary sewage at the East Central Regional Water Reclamation Facility or to the East Central Regional Water Reclamation Facility (ECR).

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | - | - | - | - | - | - | 0.00% |
| Employee Benefits | - | - | - | - | - | - | 0.00% |
| Contractual | 1,773,868 | 1,744,249 | 1,870,620 | 2,003,240 | 1,544,339 | 1,847,032 | -1.26% |
| Commodities | - | - | - | - | - | - | 0.00% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,773,868 | 1,744,249 | 1,870,620 | 2,003,240 | 1,544,339 | 1,847,032 | -1.26% |

*FY17 Adjusted includes FY 17 adopted budget plus purchase orders written against the FY 16 budget but spent against the FY 17 budget.



POTENTIAL REVENUE ENHANCEMENTS

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|-----|--|
| N/A | |
|-----|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

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 in some cases 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. We have a meter that measures the flow at our S-2 station and an additional meter at West Palm Beach’s 23rd Street station that also measures the flow.

The establishment of the ECR board is to oversee the operation and maintenance of the ECR facility and is an immediate cost savings by the entity members by improving operational efficiencies and establishing proper maintenance procedures. Each budget line item is scrutinized and the staff assigned at the City of West Palm Beach is held accountable for operations.

In the past, when flow for the south end of the Town was sent to ECR via Lake Worth, the flow meter was found to be inaccurate and was replaced. This new flow meter ensured that the Town was correctly and accurately billed for sewage pumped via Lake Worth.

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.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Continue to monitor flow meters and ensure their accuracy to ensure the Town is paying the appropriate amount for sewage effluent sent to the regional treatment plant (ECR). Proper calibration and/or replacement of the flow meters as required is essential to proper accounting for Town’s share of transmission and treatment costs.

As one of the five member entities that comprise the ECR regional sewage treatment plant, the direct opportunities for cost savings are only available to the Town in terms of reducing flow that is pumped for treatment. As noted in the previous program (532 sanitary sewers), the reduction of inflow and infiltration (commonly referred to as I&I) would reduce the Town’s flows and therefore its share of operational costs.

As an example, if during Tropical Storm Philippe on October 29, 2017 the amount of flow to the ECR was doubled from 3MGD to 6MGD and the cost is \$1,561/MG then the extra cost from that event alone is about \$4,700 just in additional treatment costs for that day, excluding the additional wear and tear on pumps and equipment, electricity costs, etc.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Conduct I&I study and determine possible projects to reduce flow.

Cost Savings: Unknown.

Comments: Life cycle cost analysis would dictate whether it is feasible to reduce I&I so that treatment costs are reduced.

Impacts of Option: Some investment in consultant costs and possibly capital project costs would be necessary to achieve longer term savings.

RESIDENTIAL COLLECTION 541

Mission: This bureau exists to promote the health of the community through the efficient and effective removal of residential garbage on a regular schedule prescribed by ordinance.

Main Activities: The most important things we do to fulfill the mission are:

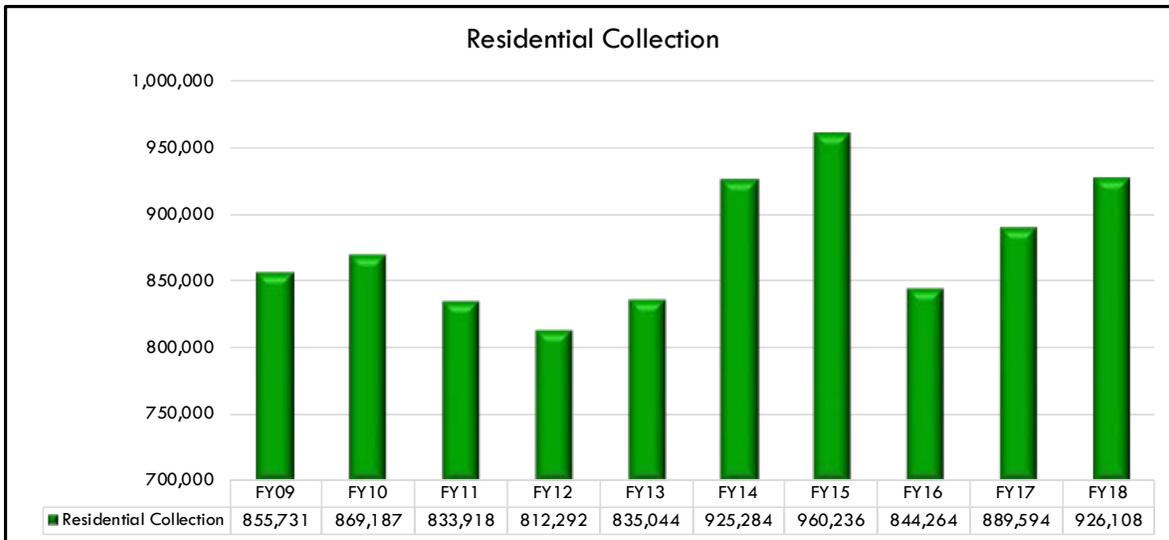
- Collect garbage four days per week and recyclable materials once per week. Minimize the impact of garbage odors, pest attraction and unpleasant appearance.
- Collect with the least disruption possible

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 489,436 | 456,934 | 467,635 | 467,635 | 484,864 | 489,824 | 4.74% |
| Employee Benefits | 347,296 | 266,136 | 285,874 | 280,572 | 287,551 | 302,112 | 5.68% |
| Contractual | 145 | 385 | 4,150 | 4,150 | 145 | 4,150 | 0.00% |
| Commodities | 41,212 | 32,420 | 46,335 | 48,579 | 40,363 | 45,633 | -1.52% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 82,147 | 88,390 | 76,671 | 76,671 | 76,671 | 84,389 | 10.07% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 960,236 | 844,265 | 880,665 | 877,607 | 889,594 | 926,108 | 5.16% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------|--------|--------|--------|--------|
| Building Maintenance Worker | 0.022 | 0.023 | 0.022 | 0.022 | 0.020 |
| Electrician II | 0.015 | 0.015 | - | - | - |
| Electrician Supervisor | 0.005 | 0.005 | 0.005 | 0.005 | 0.005 |
| Equipment Operator I | 7.200 | 7.200 | 7.200 | 7.200 | 7.200 |
| Equipment Operator 20/60 yd | 0.750 | 0.750 | - | - | - |
| Equipment Operator III /60 yd | 0.750 | 0.750 | 0.750 | - | - |
| General Maintenance Supervisor | 0.010 | 0.010 | 0.010 | 0.005 | 0.005 |
| Grounds Technician | - | - | - | 0.050 | 0.013 |
| SR Industrial Electrician | - | - | - | - | 0.005 |
| Industrial Electrician | - | - | 0.015 | 0.015 | 0.010 |
| Laborer I/Sanitation | 1.000 | 1.000 | - | - | - |
| Parks Laborer | 0.050 | 0.050 | - | - | - |
| Parks Technician | - | - | 0.050 | - | - |
| Street & Sign Painter | 0.025 | 0.025 | 0.025 | 0.025 | 0.025 |
| Grounds Supervisor | 0.005 | 0.006 | 0.005 | 0.005 | 0.005 |
| Sanitation Supervisor | 0.400 | 0.400 | 0.400 | 0.400 | 0.400 |
| Transfer Station Operator | - | - | - | 0.750 | 0.750 |
| Services Division Manager | 0.280 | 0.280 | 0.280 | 0.280 | 0.280 |
| | 10.512 | 10.514 | 8.762 | 8.757 | 8.718 |



POTENTIAL REVENUE ENHANCEMENTS

Establish and charge fee for improper or late set out. Set cost per occurrence to include manpower and equipment charge.

A fee could be developed if the Town Council has interest.

PAST EFFICIENCIES AND COST SAVING MEASURES

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. Our routes now average approximately 500 stops per day.

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 6-yd. and 20-yd. garbage trucks dump or transfer their garbage into a 65-yd. tractor trailer for transport to the Solid Waste Authority (SWA). The Pinewalk staff personnel was 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 SAVING MEASURES

Perform route optimization evaluations to ensure tasks are completed in the most efficient manner as it relates to manpower requirements, fuel usage and equipment cost per mile. Continue to maintain industry standard related to equipment right sizing, fuel efficiencies and emission standards.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Eliminate back door service and have all residential collection performed with curbside pick-up.

Cost Savings: \$87,115 + 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.

Impacts of Option: These positions are occupied and unavailable for elimination without layoff or transfer, or through attrition as vacancies occur.

Option for Cost Savings: Reduce level of service to perform residential collection only twice per week.

Cost Savings: \$174,231 + 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.

Impacts of Option: These positions are occupied and unavailable for elimination without layoff or transfer, or through attrition as vacancies occur. Future savings in the equipment replacement fund are also expected, since there would be a reduction in the number of trucks required.

Recommendation for Cost Savings: Eliminate holiday collection of residential garbage.

Cost Savings: \$17,500/year

Comments: This will eliminate paying overtime holiday pay to collection crews. This would occur at eight (8) times throughout the year.

Impacts of Option: It will result in the loss of one garbage or recycling collection day depending on the holiday. Garbage would have the possibility of being uncollected for up to five (5) days dependent on the holiday and scheduled collection day, thus creating nuisance such as offensive odors and pests.

Option for Cost Savings: Outsource residential garbage collection

Cost Savings: TBD

Comments: Town staff has reviewed the possibility of outsourcing the residential garbage collection function. Preliminary information is being reviewed with the assumption that this function could be performed similar to other areas serviced by Solid Waste Authority (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. This type of service may be limited to specific areas of town due to the size of the equipment and the operational function required to collect garbage. Staff can further explore this alternative if the Town Council desires.

STATISTICS FOR THE 541 DEPARTMENT OF PUBLIC WORKS

Commercial and Residential Garbage Collection

| Garbage Tons | FTE'S | Budget | Population-Full time | Tons/FTE | Tons/1000 Population | Cost/ton Collection | Cost/Ton Collection/ Capita |
|--------------|-------|-------------|----------------------|----------|----------------------|---------------------|-----------------------------|
| 8,857 Tons | 15 | \$2,044,948 | 8,291 | 590 | 992 | \$231 | \$38.61 |

COMMERCIAL COLLECTION 542

Mission: This bureau exists to serve the commercial and business garbage collection and disposal needs of the community.

Main Activities: The most important things we do to fulfill the mission are:

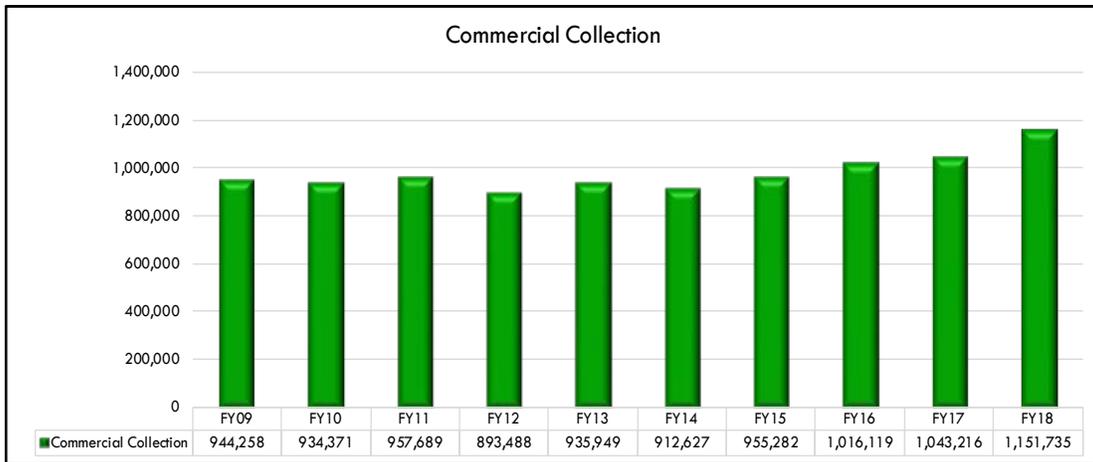
- Steady, consistently excellent scheduled service without missing pickups
- Maintain positive customer relationships with commercial customers

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 402,882 | 443,194 | 467,808 | 467,808 | 423,384 | 464,065 | -0.80% |
| Employee Benefits | 208,793 | 218,094 | 225,982 | 221,787 | 224,516 | 235,770 | 4.33% |
| Contractual | 255,415 | 248,878 | 299,737 | 314,202 | 255,699 | 305,099 | 1.79% |
| Commodities | 27,831 | 22,817 | 41,919 | 41,919 | 27,489 | 49,358 | 17.75% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 60,361 | 83,136 | 112,128 | 112,128 | 112,128 | 97,443 | -13.10% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 955,282 | 1,016,119 | 1,147,574 | 1,157,844 | 1,043,216 | 1,151,735 | 0.36% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| Equipment Operator 20/60 yd | 0.250 | 0.250 | - | - | - |
| Equipment Operator II | 1.800 | 1.800 | 2.000 | 2.000 | 2.000 |
| Equipment Operator III 20/60 yd | 0.250 | 0.250 | 0.250 | 0.250 | - |
| Laborer I | 3.000 | 3.000 | 4.000 | 4.000 | 4.000 |
| Transfer Station Operator | - | - | - | - | 0.250 |
| Sanitation Supervisor | 0.400 | 0.400 | 0.400 | 0.400 | 0.400 |
| Services Division Manager | 0.150 | 0.150 | 0.150 | 0.150 | 0.150 |
| | 5.850 | 5.850 | 6.800 | 6.800 | 6.800 |



POTENTIAL REVENUE ENHANCEMENTS

Charge fee for “call backs” and returning for servicing improper set-outs.

This is rarely encountered but a fee could be developed if the Town Council has interest.

PAST EFFICIENCIES AND COST SAVING 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 private contract haulers. The cost of compactor collection is paid for by the users.

In 2013 staff purchased two, 20 cubic yard Peterbilt rear load garbage trucks with performance standards relative to the current industry. This increased productivity, improved safety conformance, improved fuel mileage and reduced engine emissions.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Experimental hybrid vehicles (more fuel efficient) have just been produced. Future equipment purchases should include these if they prove to be effective. Prior to the 2013 purchases of the new rear loaders, hybrid option and alternate fuel vehicles were evaluated. Due to the limited number of units and short driving distances around the collection routes, the option was not economically feasible.

ADDITIONAL OPTIONS FOR COST SAVINGS

Option for Cost Savings: Evaluate the possibility of contracting out all of these services.

Cost Savings: \$1,151,735 minus cost of contracted service (net cost to be estimated).

Comments: This would require relocation of 6 existing employees. This option would require some type of franchise service agreement and in turn might require multiple vendors to perform the collection tasks.

Impacts of Option: The type of equipment used to service the customers may vary, resulting in dumpsters serviced from driveways and/or the right of way, adding to parking and traffic congestion concerns.

This can be calculated or bids solicited upon further review, if Town Council desires.

STATISTICS FOR COMMERCIAL AND RESIDENTIAL GARBAGE COLLECTION

| Garbage Tons | FTE'S | Budget | Population-Full time | Tons/FTE | Tons/1000 Population | Cost/ton Collection | Cost/Ton Collection/ Capita |
|---------------------|--------------|---------------|-----------------------------|-----------------|-----------------------------|----------------------------|------------------------------------|
| 8,857 Tons | 15 | \$2,044,948 | 8,291 | 590 | 992 | \$231 | \$38.61 |

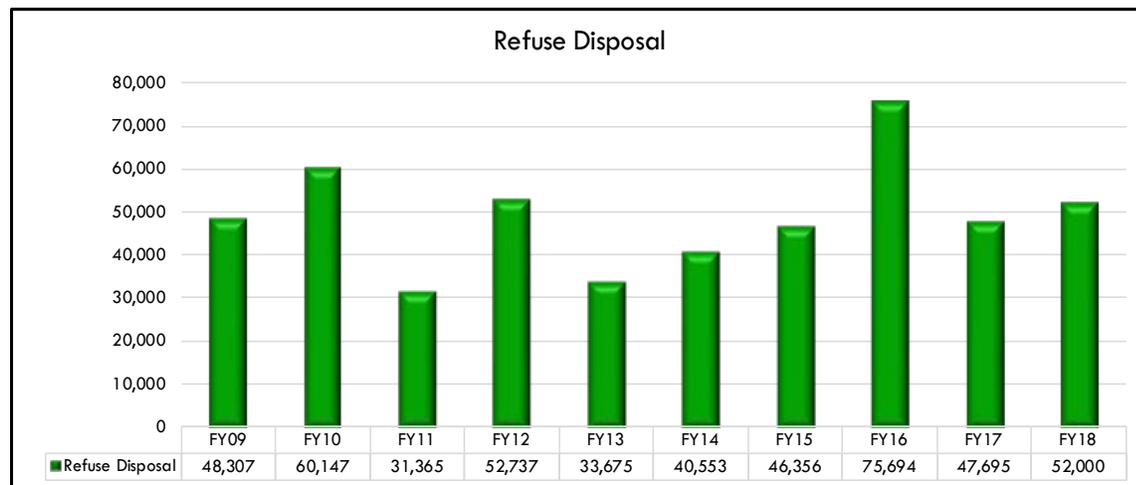
REFUSE DISPOSAL 543

Mission: This program exists to provide funds to pay tip fees in excess of the residential credits designated by the county solid waste authority. This program also supports the SWA Governmental Assessment fees related to the Public Works facilities.

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | - | - | - | - | - | - | 0.00% |
| Employee Benefits | - | - | - | - | - | - | 0.00% |
| Contractual | 46,356 | 75,694 | 51,000 | 51,000 | 47,695 | 52,000 | 1.96% |
| Commodities | - | - | - | - | - | - | 0.00% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 46,356 | 75,694 | 51,000 | 51,000 | 47,695 | 52,000 | 1.96% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.



POTENTIAL REVENUE ENHANCEMENTS

| | |
|------|--|
| None | |
|------|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

Budget was reduced in 2013 from \$100,000 based on actual cost trends.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Continue to evaluate cost trends versus budget and reduce accordingly. Actual tipping fees are unknown since they are based on actual tons disposed of.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Reduce or eliminate special pickup, this will reduce disposal tipping fees for material collected within the program. Other savings such as manpower, fuel, maintenance etc., would be recognized within the 521 program. Initiate public campaign to increase recycling participation thereby reducing extra tipping fees.

Cost Savings: Based on tons collected.

Comments: Minimal Cost savings versus service level to residents.

Impacts of Option: Multiple disposal contractors interacting with our residents.

YARD TRASH COLLECTION 544

Mission: This bureau exists to collect yard trash from streets, rights of way and off road 'stash' areas in a safe, timely, efficient and effective manner to keep the Town attractive and drainage inlets clear.

Main Activities: The most important things we do to fulfill the mission are:

- Provide weekly curbside collection, transport and disposal of yard waste from all properties in the Town
- Perform our job with commitment to leaving the pickup site clean and free of waste residue
- Keep storm drains clear for proper drainage
- Partner with other Public Works divisions to serve community drainage needs

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 805,013 | 811,130 | 854,244 | 854,244 | 932,209 | 891,994 | 4.42% |
| Employee Benefits | 516,056 | 547,918 | 601,822 | 590,616 | 602,683 | 630,412 | 4.75% |
| Contractual | 135,372 | 124,781 | 215,380 | 280,143 | 153,989 | 210,995 | -2.04% |
| Commodities | 97,475 | 79,643 | 124,670 | 124,670 | 97,545 | 129,450 | 3.83% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 126,911 | 537,598 | 197,418 | 197,418 | 197,418 | 189,041 | -4.24% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,680,827 | 2,101,070 | 1,993,534 | 2,047,091 | 1,983,844 | 2,051,892 | 2.93% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Building Maintenance Worker | 0.022 | 0.023 | 0.022 | 0.022 | 0.020 |
| Crane Operator | 3.000 | 3.000 | 3.000 | 3.000 | 3.000 |
| Electrician Supervisor | 0.005 | 0.005 | 0.005 | 0.005 | 0.005 |
| Electrician II | 0.015 | 0.015 | - | - | - |
| Equipment Operator I/Streets | 0.116 | 0.116 | 0.116 | 0.058 | - |
| Equipment Operator I | 9.000 | 9.000 | 9.000 | 9.000 | 9.000 |
| Equipment Operator II | - | - | - | 0.058 | 0.116 |
| General Maintenance Supervisor | 0.010 | 0.010 | 0.010 | 0.005 | 0.005 |
| SR Industrial Electrician | - | - | - | - | 0.005 |
| Industrial Electrician | - | - | 0.015 | 0.015 | 0.010 |
| Irrigation and Spray Technician | 0.010 | 0.010 | 0.010 | 0.010 | 0.010 |
| Laborer I | 4.000 | 4.000 | 4.000 | 4.000 | 4.000 |
| Landfill Operator | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Services Division Manager | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 |
| Street & Sign Painter | 0.010 | 0.010 | 0.010 | 0.010 | 0.010 |
| Grounds Supervisor | 0.010 | 0.010 | 0.010 | 0.010 | 0.010 |
| Trash Supervisor | 0.900 | 0.900 | 0.900 | 0.900 | 0.900 |
| | 18.398 | 18.399 | 18.398 | 18.393 | 18.391 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|---|---|
| Issuance of fines/penalties for non-compliant set out of yard debris. | The amount of fine/penalty could be reviewed or determined if Town Council desires. |
|---|---|

PAST EFFICIENCIES AND COST SAVING MEASURES

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.

The containerized collection of yard debris schedule was done on a trial basis due to street flooding concerns but was eliminated from the program and the allotted time was converted to a route using the same collection method as the other days of the week. The additional amount of sweeping required to achieve the same results was minimal. The program benefited by allowing the same crew to begin the next day’s route without the need to change the type of equipment or staff.

PLANNED FUTURE EFFICIENCIES AND COST SAVING 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. Mr. Bradford has undertaken some preliminary research on the matter. There are a number of service providers in South Florida providing yard waste collection services on a contractual basis to municipalities. Significant cost savings can be achieved if competitively awarded. 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. 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 will be necessary to obtain firm costs and level of service.

Staff will continue to evaluate the size, type and quantity of equipment required to maintain the existing level of service. The recent purchases of the trash dump was evaluated and determined that the chassis maximum load capacity could be increased from the manufacturer at a minimal cost but allowed a heavier payload to be transported, resulting in operational efficiencies. Additionally, when purchasing new equipment, fuel mileage and emission standards will be taken into consideration and recommendations made accordingly.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Collect yard waste only one day every other week.

Cost Savings: \$333,000.00 + 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.

Impacts of Option: Reduced level of service for the residents. Cost impacts to the resident if landscapers hauled debris during the non-service week. Accumulation of debris and loss of post-storm recovery ability. If the volume stays the same and frequency of service is not adequate, the cubic yard quantity may need to be restricted and residents would be required to pay contractor to haul debris generated that exceeds quantity.

Option for Cost Savings: Elimination of yard waste collection and disposal program.

Cost Savings: \$2,051,892.00 (FY18) 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 through attrition, since there are 18 employees in this work group and half of them have less than 10 years of service. There is only one (1) employee near retirement. 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.

Impacts of Option: Additional landscape vehicles making trips on and off the island traveling to disposal facilities greatly impacting traffic. Landscape truck capacity are approximately one third the size of the town dump trucks, this requiring them to make three trips hauling debris to our one trip. Since placement would not be in the right of way, landscape contractors would have the ability to work anywhere in towns limits on any day. This will create a constant noise issue at any given location in town. To avoid this, amending the ordinance would be required.

Alternatively, this service could be contracted. The cost could be included in the property owner's tax bill as an assessment. Due to the large amount of material generated, a RFI would need to be sent out to the various collection contractors.

RECYCLING 545

Mission: This bureau exists to provide recycling services for paper, plastic, and other recyclable materials accepted by the Solid Waste Authority for processing. These services are provided to the residents, businesses and visitors in an efficient, safe and courteous manner.

Main Activities: The most important things we do to fulfill the mission are:

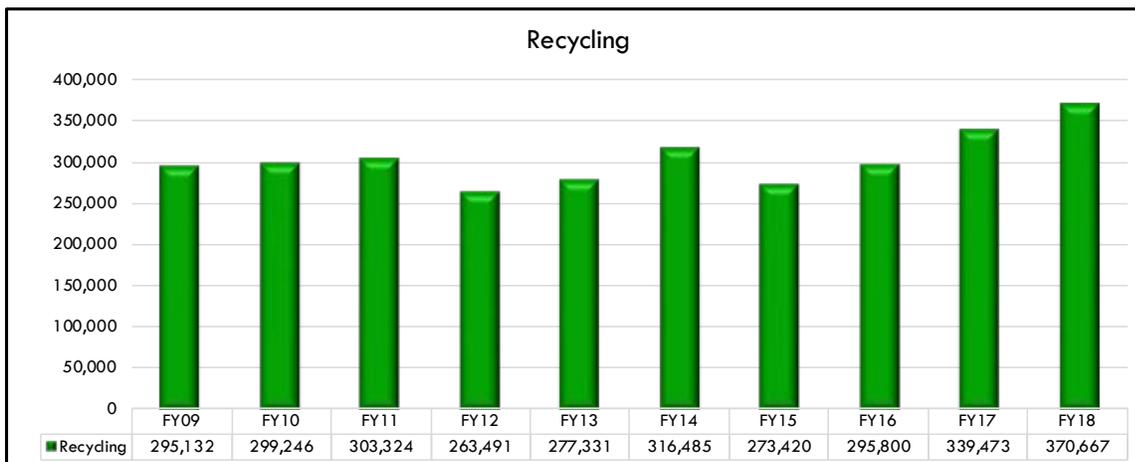
- Collect and dispose of recyclables on schedule
- Demonstrate excellent customer service in all we do
- Publicize and encourage participation in recycling programs

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 128,421 | 136,693 | 181,168 | 181,168 | 171,413 | 181,409 | 0.13% |
| Employee Benefits | 80,104 | 96,825 | 108,287 | 106,166 | 105,791 | 112,570 | 3.96% |
| Contractual | - | - | 5,000 | 5,000 | - | 16,600 | 232.00% |
| Commodities | 12,486 | 9,874 | 15,215 | 15,215 | 9,860 | 17,150 | 12.72% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 52,409 | 52,409 | 52,409 | 52,409 | 52,409 | 42,938 | -18.07% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 273,420 | 295,801 | 362,079 | 359,958 | 339,473 | 370,667 | 2.37% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Equipment Operator 20 yd/60 yd | - | - | 1.000 | - | - |
| Equipment Operator I | 1.800 | 1.800 | 1.800 | 1.800 | 1.800 |
| Equipment Operator II | 0.200 | 0.200 | - | 1.000 | - |
| Equipment Operator III | - | - | - | - | 1.000 |
| Sanitation Supervisor | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 |
| Services Division Manager | 0.170 | 0.170 | 0.170 | 0.170 | 0.170 |
| | 2.370 | 2.370 | 3.170 | 3.170 | 3.170 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|---|--|
| Explore market based recycled materials sales other than SWA. | |
|---|--|

Note that recycling revenues used to offset operational costs are based on the commodity pricing and relative to the tonnage delivered by the Town to SWA. The current inter-local agreement commits the Town to delivery of recyclables to the SWA and does not allow delivery to third-party vendors. In general, commodity prices for recyclables have been declining in recent years due to supply exceeding demand. Since entering the agreement and receiving shares the Town total revenue share is \$292,230 with \$28,368 received for FY2017.

PAST EFFICIENCIES AND COST SAVING 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. Recycling revenue trends vary annually and even on a quarterly basis, based on market supply versus demand as noted above.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Purchase more fuel-efficient vehicles as they become available. Alternative fuels will also be considered when available. On the next purchase of side load recycling trucks the Parker Hybrid Electro Hydraulic system will be evaluated for consideration. This system is designed specifically for rigorous start and stop application and improves fuel economy along with reduction in braking and driveline fatigue, ultimately reducing maintenance and repair costs. At that time, a Fontaine low entry cab modification will be evaluated as well. This allows the operator to enter and exit the cab in a more efficient safer method, improving collection efficiency and reducing fatigue and possible on the job injury.

Increased recycling reduces Program 543 – Refuse Disposal. Increase Public education to increase recycling participation.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Eliminate the commercial recycling program.

Cost Savings: \$43,577 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. Commercial is not mandatory. Residential recycling is a factor in the waste generation model and part of the SWA Master Plan. Any cost savings would be offset by increased tip fees. Elimination of the

program would not be consistent with the PBC Solid Waste Model or the Florida DEP Mandate that is a 75% recycling goal. Commercial customers could elect to obtain their own recycling providers or to choose not to recycle at all.

Impacts of Option: Tipping fees (543) increase (estimated at \$50,000 if all recycling is stopped) due to additional solid waste 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 commercial recycling ceased then costs for sanitation may increase.

ADDITIONAL BENCHMARKS

| Town of Palm Beach Recycling Data | Tons/FTE | Tons/1000 Population | Cost/ton Collection | Cost/Ton Collection/ Capita | Landfill Diversion Cost Savings | Revenue Sale of Materials |
|--|-----------------|---------------------------------|--------------------------------|--|--|--|
| 1,471 Tons | 490 | 164 | \$246 | \$36.26 | \$61,782 | \$18,676 |
| 3 FTE's | n/a | n/a | n/a | n/a | n/a | n/a |
| \$362,000 Budget | n/a | n/a | n/a | n/a | n/a | n/a |
| Population -Full Time 8,920 | n/a | n/a | n/a | n/a | n/a | n/a |

BEACH CLEANING 546

Mission: This bureau exists to positively contribute to the quality of life in Palm Beach by keeping the public beaches clean, safe and attractive by removing litter and debris.

Main Activities: The most important things we do to fulfill the mission are:

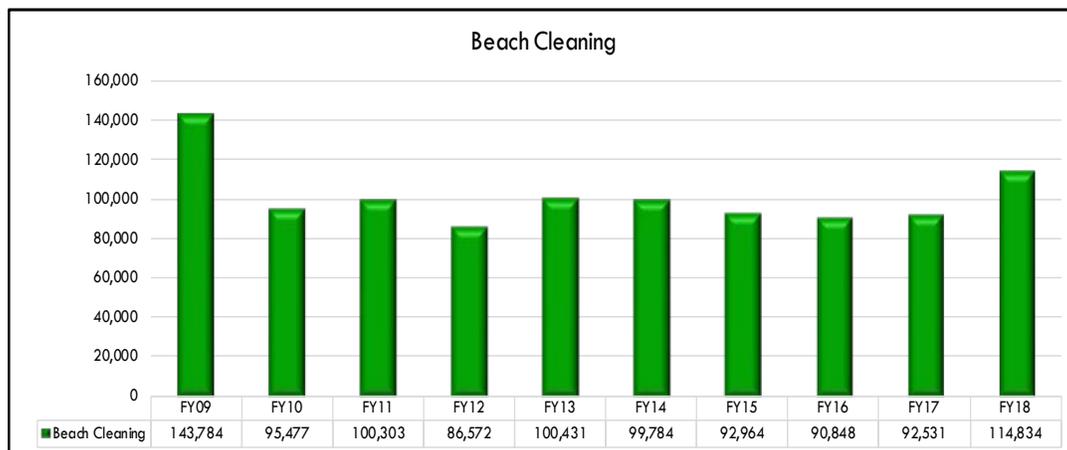
- Remove trash and litter from designated public beach areas as scheduled
- Determine ways to be most efficient and effective in our work
- Report and assist as applicable with the removal of any beach hazards

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 49,313 | 51,154 | 60,243 | 60,243 | 53,114 | 54,879 | -8.90% |
| Employee Benefits | 26,074 | 23,684 | 24,180 | 24,090 | 23,780 | 40,579 | 67.82% |
| Contractual | - | - | 3,500 | 3,500 | - | 3,500 | 0.00% |
| Commodities | 4,029 | 2,463 | 3,990 | 3,990 | 2,089 | 4,500 | 12.78% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 13,548 | 13,548 | 13,548 | 13,548 | 13,548 | 11,376 | -16.03% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 92,964 | 90,849 | 105,461 | 105,371 | 92,531 | 114,834 | 8.89% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------|--------|--------|--------|--------|
| Equip Opr I / Beach Cleaner | 1.000 | 1.000 | 1.000 | 1.000 | - |
| Equip Opr II / Beach Cleaner | - | - | - | - | 1.000 |
| Trash Supervisor | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 |
| | 1.100 | 1.100 | 1.100 | 1.100 | 1.100 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|--|--|
| | |
|--|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

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. We also initiated the mechanized Town-wide beach cleaning program in 1998. It provided 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.

Implementing the mechanized cleaning program provided a much greater level of service with no increase in staff levels. The previous manual efforts had only minimal impact. The agreement with the Citizen's Association attempted to recover costs associated with that effort, but was eliminated during the prior CRTD review.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Evaluate daily beach and surf conditions to determine the level of effort required for mechanical cleaning. This will reduce unnecessary travel and activities related to the tractor operation, reducing fuel costs and wear and tear.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Eliminate beach cleaning program.

Cost Savings: \$114,834.00 for all program expenses.

Comments: Using volunteer organizations or community service workers to police the beaches, one full-time position could be eliminated, however, it is likely that the quality and consistency of this service would be diminished as the cleaning would be done manually. The Town of Palm Beach and the City of Boca Raton are the only jurisdictions in the county that performs a mechanical raking procedure on its public beaches, thus limiting the amount of data for comparison.

Impacts of Option: Decreased aesthetics, increase in safety hazards. Buildup of seaweed resulting in offensive odors.

Option for Cost Savings: Reassign duties to lifeguards.

Cost Savings: \$114,834.00 for all Public Works program expenses. May have operational or budget implications for public safety staff.

Comments: Using lifeguards to patrol and collect hazards on the beaches, one full-time position in Public Works could be eliminated, however, it is likely that the quality and consistency of this service would be diminished as the cleaning would be done manually. As other municipalities do, patrol and litter collection efforts would be performed prior to the beach opening to the public and or after the beach has been closed at dusk, or when the beach is officially closed to public.

Impacts of Option: Decreased aesthetics, increase in safety hazards. Buildup of seaweed resulting in offensive odors.

Option for Cost Savings: Contract services out.

Cost Savings: A cost estimate was obtained from a local vendor to provide the same service level currently being performed by the Public Works Department. That service level provides mechanical raking four times/week and one time/week hand picking and evaluating public beach access points. The cost estimate was roughly \$3,000 more than the overall program budget.

However, obtaining formal sealed bids to perform the service would be necessary to determine the actual cost.

Comments: This option would still require a degree of management oversight to monitor contractor performance, invoice reconciliation, meeting representation etc.

Impacts of Option: Eliminates the ability to direct Town employee to special details and tasks associated with unforeseen or non-routine matters.

Mission: This bureau exists to maintain all Town parks, green spaces, and entry ways into the Town of Palm Beach to the highest standards.

Main Activities: The most important things we do to fulfill the mission are:

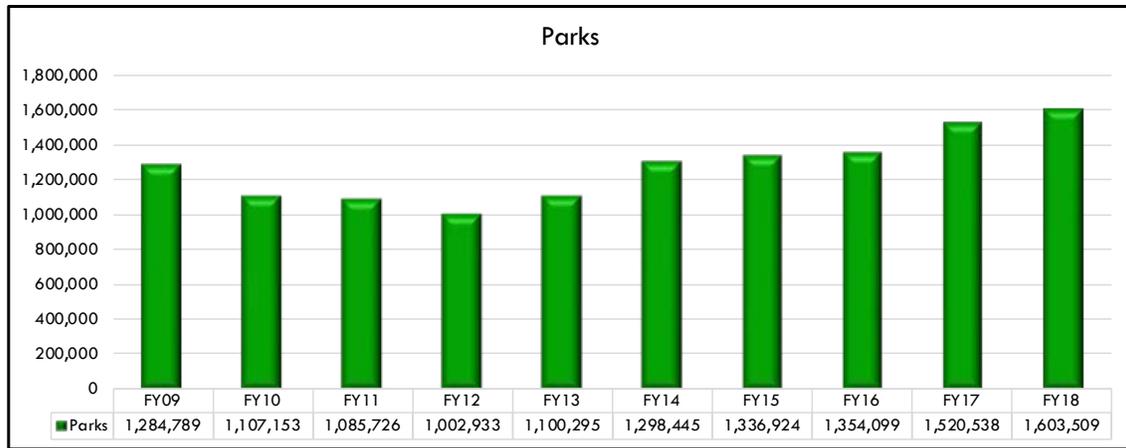
- Maintain public areas to optimum condition adhering to established work program
- Trim all Town-owned trees as needed, and consistent with desired aesthetic and safety requirements
- Provide light maintenance to some privately owned historic/specimen trees
- Manage contractor to inoculate 2600 +/- palm trees 3x yearly that are susceptible to lethal yellowing disease
- Continually seek new approaches and improved systems to enhance efficiency and effectiveness

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 223,422 | 211,272 | 264,128 | 264,128 | 229,466 | 262,555 | -0.60% |
| Employee Benefits | 147,433 | 135,168 | 145,902 | 143,022 | 138,115 | 150,087 | 2.87% |
| Contractual | 908,572 | 934,476 | 976,903 | 1,196,930 | 1,024,736 | 1,117,105 | 14.35% |
| Commodities | 39,128 | 56,356 | 44,190 | 45,555 | 70,031 | 53,680 | 21.48% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 18,369 | 16,830 | 25,940 | 25,940 | 25,940 | 20,082 | -22.58% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,336,924 | 1,354,102 | 1,457,063 | 1,675,575 | 1,488,288 | 1,603,509 | 10.05% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---|--------|--------|--------|--------|--------|
| Building Maintenance Worker | 0.068 | 0.068 | 0.070 | 0.050 | 0.050 |
| Electrician II | 0.051 | 0.054 | - | - | - |
| Electrician Supervisor | 0.011 | 0.011 | 0.011 | 0.011 | 0.011 |
| Equipment Operator I/Streets | 0.500 | 0.500 | 0.500 | 0.200 | - |
| Equipment Operator II | - | - | - | 0.300 | 0.500 |
| Facilities Maintenance Division Manager | 0.330 | 0.330 | 0.330 | 0.330 | 0.330 |
| General Maintenance Supervisor | 0.035 | 0.035 | 0.035 | 0.064 | 0.064 |
| Grounds Technician | - | - | - | 0.925 | 0.850 |
| SR Industrial Electrician | - | - | - | - | 0.018 |
| Industrial Electrician | - | - | 0.054 | 0.054 | 0.036 |
| Irrigation and Spray Technician | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 |
| Parks Laborer | 1.850 | 1.850 | - | 1.000 | 1.000 |
| Parks Technician | - | - | 1.925 | - | - |
| Street & Sign Painter | 0.013 | 0.013 | 0.013 | 0.013 | 0.013 |
| Grounds Supervisor | 0.809 | 0.808 | 0.809 | 0.844 | 0.844 |
| | 4.608 | 4.610 | 4.688 | 4.732 | 4.657 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|--|--|
| Assessing homeowners for the trimming and inoculation of palm trees. | Estimated number of palms – 1,885 @ \$48 per palm = \$90,480 |
|--|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

-Installed low flow irrigation heads at the following locations:

- Royal Palm Way medians
- Royal Poinciana Way (North only)
- Town Nursery
- Traffic Circle

-Installed “smart irrigation controllers”, rain gauges and low flow heads at the following locations:

- Bradley Park
- Wrightsmen Estate Park
- Phipps Plaza
- Police Department
- The Living Wall
- Mid-Town Beach
- South Fire Station
- Phipps Ocean Park fronting South Ocean Bl.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

-Integrate Royal Poinciana Way median irrigation with the Bradley Park controller.

-Monitor “smart” irrigation functions and water usage from the Public Works facility.

-Install additional irrigation controllers and low flow heads in high water consumption areas to reduce water usage.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Reduce turf maintenance frequency from 52 visits per location to 39 annually. This reduction would include continuing weekly visits between May and October and begin bi-weekly services between November through April.

Cost Savings: \$25,000 approximately

Comments: Turf maintenance is currently a weekly service and costs \$1,923 per service. Because of this service interval, we are able to monitor the condition of the turf and keep the appearance acceptable.

Impacts of Option: The appearance might not be as aesthetically pleasing depending on temperatures and rainfall amounts.

Recommendation for Cost Savings: Reduce hedge-trimming frequency from 10 services per year to 8 services per year. The hedges are currently serviced monthly between May and November and on a six (6) week schedule during the other months.

Cost Savings: \$16,960 approximately

Comments: The Town has adjusted the current schedule to limit trimmings in the winter months and add services during peak growing periods.

Impacts of Option: May present an unkempt look at times.

Option for Cost Savings: Shift cost of coconut palm trimming and inoculation program to the homeowners with palms in the ROW's adjacent to their property. Use assessments to cause beneficiaries to pay and avoid billing function.

Cost Savings: Approximately 1,885 coconut palms x \$48 per palm = \$90,480.

Comments: The trimming is currently performed twice annually at an approximate cost of \$18.00 per tree trimming and the tri-annual, inoculation is performed at a cost of \$4.00 per injection. The current annual cost of palm maintenance is \$48 per palm and based on FY17 costs.

Impacts of Option: Would increase affected homeowners financial obligation.

Option for Cost Savings: No new plantings or landscape projects unless related to maintenance of existing parks and green spaces.

Cost Savings: Typically \$60,000 to \$75,000 annually.

Comments: The Town has recently completed improvements to two large common areas, Town Square and Bradley Park. In both locations, maintenance costs have increased due to improvements such as tabby sidewalks, walkways, turf and additional plant materials. The following is a breakdown of maintenance costs prior to the Town Square and Bradley Park projects and the costs after completion of the project.

Impacts of Option:

Town Square:

- Pre-Improvements - \$3,100 Annually
- Post-Improvement - \$54,730 Annually

Bradley Park:

- Pre-Improvements - \$9,670 Annually
- Post-Improvement - \$31,550 Annually

FACILITY MAINTENANCE 554

Mission: This bureau's main function is to maintain Town facilities to a high standard, providing timely repairs and making residents proud of the Town.

Main Activities: The most important things we do to fulfill the mission are:

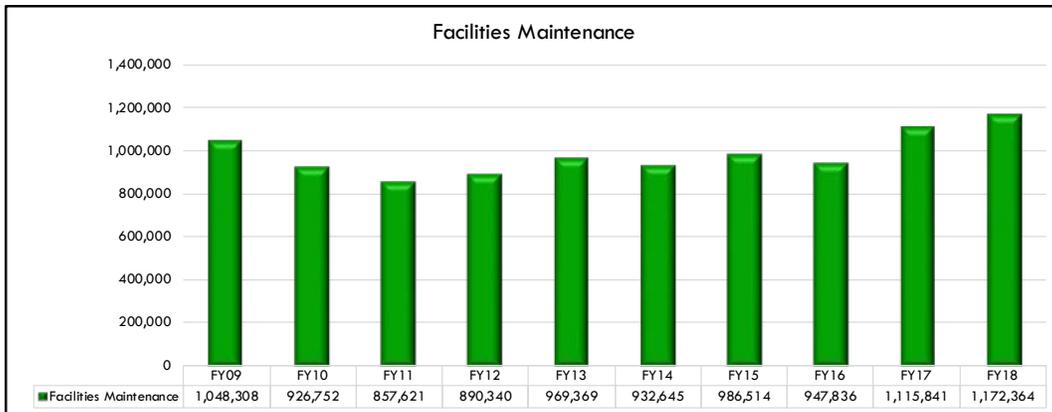
- Ensure a clean, safe, and positive work environment for staff and visitors
- Set and follow maintenance schedules
- Repair, maintain and inspect all Town structures
- Do our work efficiently always seeking better tools, techniques, materials and methods

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 166,306 | 190,002 | 182,627 | 182,627 | 192,745 | 188,929 | 3.45% |
| Employee Benefits | 89,999 | 90,327 | 96,343 | 94,010 | 94,664 | 96,664 | 0.33% |
| Contractual | 671,635 | 598,323 | 766,863 | 905,830 | 754,114 | 828,004 | 7.97% |
| Commodities | 42,722 | 55,723 | 45,826 | 45,826 | 50,875 | 45,858 | 0.07% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 15,852 | 13,464 | 13,464 | 13,464 | 13,464 | 12,909 | -4.12% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 986,514 | 947,839 | 1,105,123 | 1,241,757 | 1,105,862 | 1,172,364 | 6.08% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Building Maintenance Worker | 1.226 | 1.225 | 1.224 | 1.154 | 1.084 |
| Electrician II | 0.429 | 0.429 | - | - | - |
| Electrician Supervisor | 0.080 | 0.080 | 0.080 | 0.141 | 0.148 |
| Facility Maintenance Division Manager | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 |
| General Maintenance Supervisor | 0.645 | 0.643 | 0.643 | 0.637 | 0.600 |
| SR Industrial Electrician | - | - | - | - | 0.153 |
| Industrial Electrician | - | - | 0.431 | 0.459 | 0.306 |
| Irrigation and Spray Technician | 0.008 | 0.008 | 0.008 | 0.008 | 0.008 |
| Parks Laborer | 0.100 | 0.100 | - | - | - |
| Grounds Technician | - | - | 0.025 | 0.025 | 0.025 |
| Grounds Supervisor | 0.010 | 0.010 | 0.010 | 0.020 | 0.020 |
| Street & Sign Painter | 0.418 | 0.418 | 0.168 | 0.168 | 0.168 |
| | 3.166 | 3.163 | 2.839 | 2.862 | 2.762 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|---|---------------------------|
| FPL rebate program for building LED and power consumption & building automation enhancements. | Varies with enhancements. |
|---|---------------------------|

PAST EFFICIENCIES AND COST SAVING MEASURES

- Installation of LED lighting in Fire station vehicle bays, and Public Works building common areas, and parking lots.
- As needed replacement of air condition units with more efficient units.
- Pursuit of energy grants and rebates through FPL and other utilities as available.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Continued installation of LED lighting throughout building common areas and begin installation in office and open spaces.
- Continued replacement of outdated less efficient air condition units.
- Investigation of building automation and monitoring.
- Continue preventative maintenance and quarterly inspection program to identify and correct problems as they occur.

OPTIONS FOR COST SAVINGS

| |
|---|
| <p>Option for Cost Savings: Fire alarm and security monitoring. Transfer monitoring of fire and security alarm to Palm Beach Police Department Dispatch.</p> <p>Cost Savings: Approximately \$12,800.00.</p> <p>Comments: Currently all monitoring (except for the Police Department) of buildings is performed through a second party, Simplex Grinnell. Once an alarm is received, the alarm company notifies the PBD. This would eliminate the third party transfer of alarm calls.</p> |
|---|

Impacts of Option: May be an initial fee for transferring monitoring and security.

Option for Cost Savings: Janitorial services – Reduce daily cleanings to three time per week.

Cost Savings: Approximately \$17,730.00.

Comments: The current janitorial contract contains daily, monthly, quarterly, and yearly activities; including but not limited to, daily restroom cleaning, sweeping, mopping, vacuuming, dusting, trash removal, and floor cleaning.

Impacts of Option: Refuse build-up, unkempt appearance.

Option for Cost Savings: Air conditioning maintenance – Reduce frequency of air condition maintenance to bi-monthly maintenance.

Cost Savings: Approximately \$17,710.00.

Comments: The current air conditioning maintenance program consists of monthly maintenance of units, including filter changes, coil dusting, condensate pipe cleaning, etc.

Impacts of Option: Repair cost may increase. Potential change in air quality. Electrical cost may increase due to dirty filters.

Option for Cost Savings: Maintenance painting – Eliminate maintenance painting of various exterior and interior spaces.

Cost Savings: Approximately \$21,000.00.

Comments: The Town performs maintenance painting of various exterior and interior spaces as needed and performs annual maintenance painting of Midtown Beach sea wall, restrooms, and lifeguard station.

Impacts of Option: Soiled appearance. In some instances reduced life of asset due to UV protection. Some of these tasks can be performed in-house utilizing FTE's saved from other proposed cost savings. Other projects would not be done.

METER MAINTENANCE AND COLLECTION 558

Mission: This bureau exists to provide revenue collection and maintenance of metered parking system in order to maximize revenue.

Main Activities: The most important things we do to fulfill the mission are:

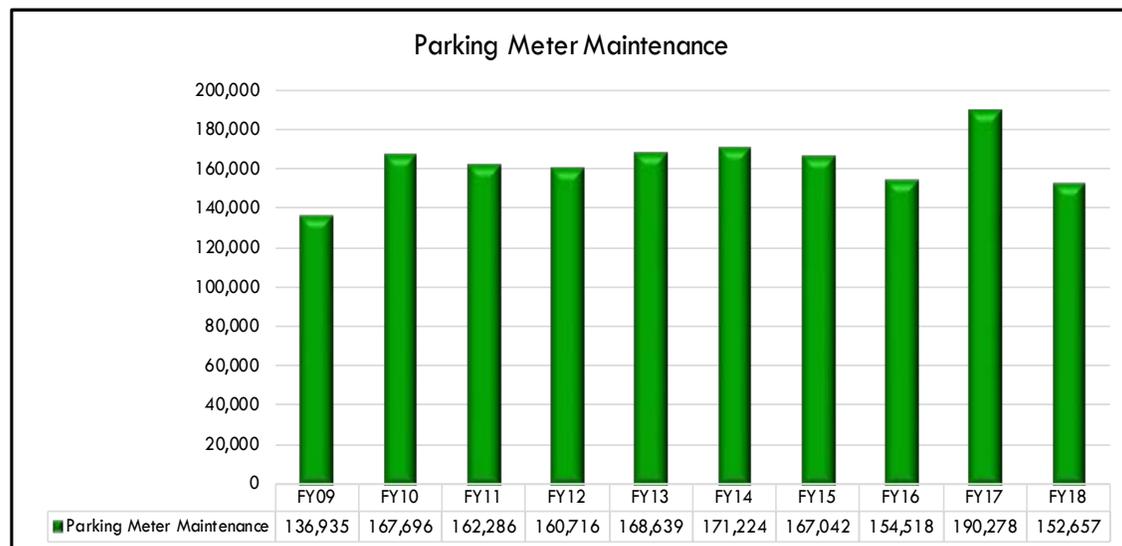
- Keep all meters reliable, accurate and in service through a regular maintenance program with the vendor

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|----------------|
| Salaries and Wages | 29,415 | 14,363 | 26,722 | 26,722 | 16,165 | 19,360 | -27.55% |
| Employee Benefits | 12,465 | 13,572 | 16,723 | 16,353 | 15,594 | 11,018 | -34.11% |
| Contractual | 60,338 | 66,650 | 61,500 | 78,150 | 82,549 | 61,960 | 0.75% |
| Commodities | 20,501 | 15,610 | 36,587 | 36,587 | 31,647 | 29,313 | -19.88% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 44,323 | 44,323 | 44,323 | 44,323 | 44,323 | 31,006 | -30.05% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 167,042 | 154,518 | 185,855 | 202,135 | 190,278 | 152,657 | -17.86% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------|--------|--------|--------|--------|
| General Maintenance Supervisor | 0.100 | 0.100 | 0.100 | 0.050 | 0.075 |
| Building Maintenance Worker | 0.400 | 0.400 | 0.400 | 0.490 | 0.261 |
| | 0.500 | 0.500 | 0.500 | 0.540 | 0.336 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|--|---|
| Install additional (new) parking kiosks. | Revenue will increase based on parking use. |
|--|---|

PAST EFFICIENCIES AND COST SAVING MEASURES

The original multi-space parking kiosks were removed and replaced in September 2017. The new parking kiosks are more reliable, resulting in approximately \$3,325 more revenue per month since the transition. If current trends continue, the expected return on parking revenue will increase by \$40,000 in FY18.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Continue with lease program.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Eliminate all parts, equipment and maintenance/warranty costs associated with ownership of the parking kiosks.

Cost Savings: \$55,073 per year.

Comments: The total budget of the 558 program is \$152,657, which includes bank service charges for credit card transactions, depreciation, and labor/materials for maintenance and repair. The new lease program includes maintenance and repair of the kiosks and the elimination of maintenance/repair parts and services that were previously paid to the prior vendor are already part of the capital lease with the new vendor. The capital lease for the new parking kiosks is \$70,511.64 per year and is paid from the Equipment Replacement Fund with the depreciation amount from the old kiosks. It is suggested that this program be transferred to Police or Finance Department, since there will no longer be any Public Works maintenance or repair responsibilities. Lease payments, depreciation and bank service charges could be managed by either of those departments.

Impacts of Option: The labor previously used to maintain the kiosks was allocated from the General Maintenance bureau, and therefore will be returned to that bureau and used to perform appropriate preventative maintenance and facility inspection duties. Performance of these tasks should benefit the Town with enhanced building maintenance at each location.

GENERAL ENGINEERING SERVICES 561

Mission: This division exists to apply sound engineering and architectural principles to plan, budget, design, and build infrastructure that maximizes functionality and minimizes maintenance, repair and replacement costs.

Main Activities: The most important things we do to fulfill the mission are:

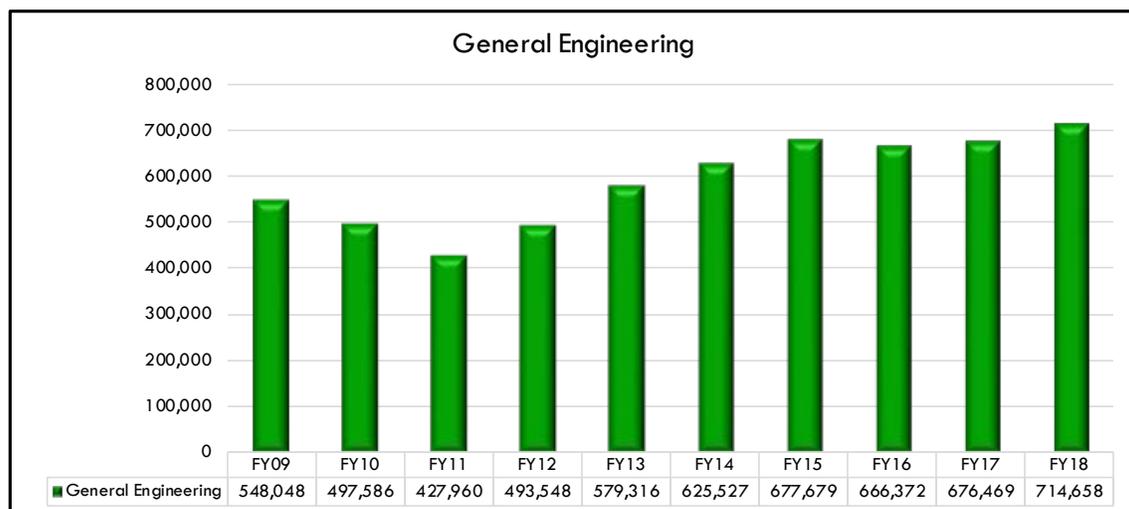
- Prepare budget estimates for infrastructure projects
- Plan, design and oversee construction of infrastructure and public facilities
- Coordinate with other entities to address engineering issues and address complaints
- Continually seek new and better ways to provide our services
- Conduct development review and contract administration

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 436,016 | 411,757 | 473,627 | 473,627 | 386,725 | 479,580 | 1.26% |
| Employee Benefits | 140,164 | 152,472 | 193,256 | 186,568 | 173,725 | 196,040 | 1.44% |
| Contractual | 80,364 | 80,500 | 19,600 | 23,335 | 91,344 | 16,600 | -15.31% |
| Commodities | 8,385 | 8,369 | 9,000 | 9,000 | 10,576 | 12,000 | 33.33% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | 12,750 | 13,274 | 14,099 | 14,099 | 14,099 | 10,438 | -25.97% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 677,679 | 666,372 | 709,582 | 706,629 | 676,469 | 714,658 | 0.72% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Senior Project Engineer | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Engineer Tech Support Spec | - | - | - | 0.500 | 0.500 |
| Project Engineer | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 |
| Town Engineer | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 4.000 | 4.000 | 4.000 | 4.500 | 4.500 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|------|--|
| None | |
|------|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

One primary past efficiency was the implementation of the Accelerated Capital Improvement Program (ACIP) Phase 1 and 2. The ACIP was founded on the concept of saving money on large, capital improvement projects, beginning with the cost of the money to fund the program. The program also allowed for the combination of similar projects, which saved both procurement and construction costs. Overall, a conservative estimate of the savings for the ACIP is approximately 10%, which translates to \$10 Million.

Another cost savings measure was two Town-Wide Assessments completed on the wastewater pump stations and the storm water pump stations. These assessments were completed in December 2015 and March 2016. By performing these assessments the Town has the ability to prepare a 10 year plan to budget for operation and maintenance expenditures to ensure these critical infrastructure facilities continue to perform as designed. This avoids failure of a station which can lead to expensive emergency rehabilitation and potential local property damage. A similar assessment is being performed on Town facilities. This will complete the assessments and provide a comprehensive plan for what needs to be budgeted for infrastructure and facilities over the next 8 to 10 years through the pay as your go capital improvement fund.

The Town began including funding for general milling and resurfacing of Town wide roadways in Fiscal Year (FY) 2011. The initial amount was \$250,000. In FY 2012 and 2013 the amount increased to \$500,000 each year. In general, these funds were available to address roadways which were identified as needing immediate attention. No long term evaluation had been done or planned at that time to identify a Town wide Pavement Management Program. In FY 2015 the full \$500,000 that was budgeted was designated for roadway rebuilding and this was the same time that the Town Engineer proposed the development of a Town wide pavement management program. With the initiation of the Town Wide Undergrounding Master Plan, Public Works realized that the pavement management plan would be subsumed by the implementation of the Town Wide Undergrounding construction. Nearly every roadway would be impacted by this program with the conversion of the overhead utilities to undergrounded utilities located primarily in the roadway rights of way. Therefore, the Master Plan assumed the two programs would be merged. The current allocation to pavement management is \$1,000,000 per year in the CIP PAYGO Fund. The merging of the two programs would allow for both efforts to be completed simultaneously and minimize the impacts of construction to the Town residents. The construction costs for the paving improvements would be funded through the shared cost of Town-Wide Pavement Management Program, the Town's capital projects that impacted roadways, the Florida Public Utility (FPU) program to move gas lines from rear yards to the road

right of way, and the City of West Palm Beach water main maintenance construction performed in conjunction with the phases of undergrounding.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

None

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Do not fill the vacancy for Engineering Technical Support (0.5 FTE).

Cost Saving: \$37,000 – Salary (midpoint) plus benefits.

Comments: This was a new position in FY 2017 supporting the engineers in the Engineering Department and the Coastal Program. The engineering department manages over \$10 million in design and construction annually through the Accelerated Capital Improvement Program Phase 2 and the PayGo program. This .5 of an FTE provided support in tracking the approval, contracting, and invoicing processes and helped ensure these efforts stated on time.

Impacts of Option: This will require the engineers to resume performing this work.

Recommendation for Cost Savings: Reduce capital program transfer.

Cost Saving: \$70,000 of CIP PayGo Annual Budget.

Comments: This reduction would reduce the amount of recommended rehabilitation of Town facilities and infrastructure. At this point staff has not identified a specific project to delay. Staff recommends finalizing the bids for construction of the identified projects within the drainage and sanitary maintenance budget and then identify what budget remains to move design forward. This allows us to use any potential unused budgeted funds from construction for design and may reduce the need to eliminate a project. If a project is delayed staff will prioritize each year based on the recommendations in the assessments for drainage and sanitary pump station. This potentially increases the risk of emergency repairs and failures of either sanitary or drainage pump stations.

Impacts of Option: This potentially increases the risk of emergency repairs and failures of either sanitary or drainage pump stations.

RIGHT OF WAY INSPECTIONS 565

Mission: This bureau exists to contribute to the well-being of the community by permitting, overseeing and inspecting work activities in the Town's rights of way and easements to ensure quality work with minimal disruption.

Main Activities: The most important things we do to fulfill the mission are:

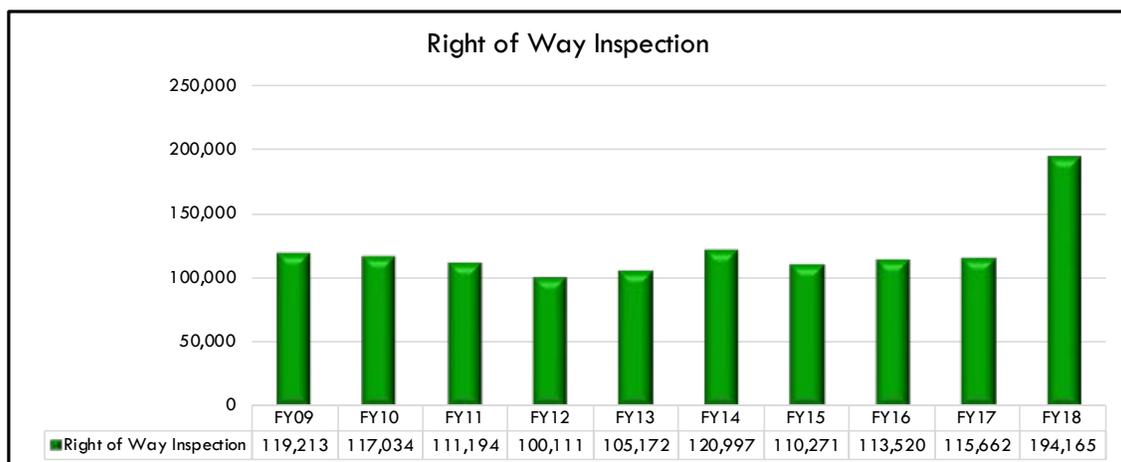
- Adhere to all guidelines set by the Town
- Issue permits in compliance with the Town's ROW manual
- Minimize inconvenience to the public
- Make sure contractors restore to Town standards and regulate to that end
- Provide permit and inspection service in a timely manner
- Observe work activities to ensure compliance with permit conditions and ROW manual regulations

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 73,785 | 76,167 | 96,977 | 96,977 | 75,210 | 130,574 | 34.64% |
| Employee Benefits | 34,246 | 33,402 | 32,813 | 32,529 | 30,268 | 42,751 | 30.29% |
| Contractual | 461 | 395 | 900 | 900 | 7,099 | 700 | -22.22% |
| Commodities | 482 | 333 | 1,650 | 1,650 | 360 | 1,850 | 12.12% |
| Capital Outlay | - | - | - | - | - | 15,565 | 100.00% |
| Depreciation | 1,297 | 3,224 | 2,725 | 2,725 | 2,725 | 2,725 | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 110,271 | 113,521 | 135,065 | 134,781 | 115,662 | 194,165 | 43.76% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------|--------|--------|--------|--------|
| Right of Way Inspector I | 0.500 | 0.500 | 0.500 | 0.500 | 1.000 |
| Right of Way Inspector II | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 1.500 | 1.500 | 1.500 | 1.500 | 2.000 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|----------------------------------|--|
| Increase ROW permit fees by 20%. | Results in approximately \$75,000 increase in revenue. |
|----------------------------------|--|

PAST EFFICIENCIES AND COST SAVING MEASURES

This division has only maintained one (1) person since its inception. The 2018 budget increased the number of FTEs to 2. The cost of this program is primarily funded through the right of way and building permit fees.

During the summer of 2017, Town staff revised the Right of Way parking guidance found in the Right of Way Manual. All fines for violations of the Right of Way use were increased to \$150 per fine.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Potential cost saving measure is to eliminate the FTE that was approved in the FY 2018 budget.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Do not hire the newly approved FTE and the associated vehicle and equipment.

Cost Savings: \$75,390.

Comments:

Impacts of Option: There has been an increase in private construction that has caused impacts to residents throughout the Town. This position was intended to increase patrolling of the Town Right of Way in an effort to increase compliance with the Right of Way permitting requirements.

EQUIPMENT OPERATION AND MAINTENANCE 571

Mission: This bureau exists to maintain the Town's fleet of vehicles and equipment in top condition at the lowest operating cost.

Main Activities: The most important things we do to fulfill the mission are:

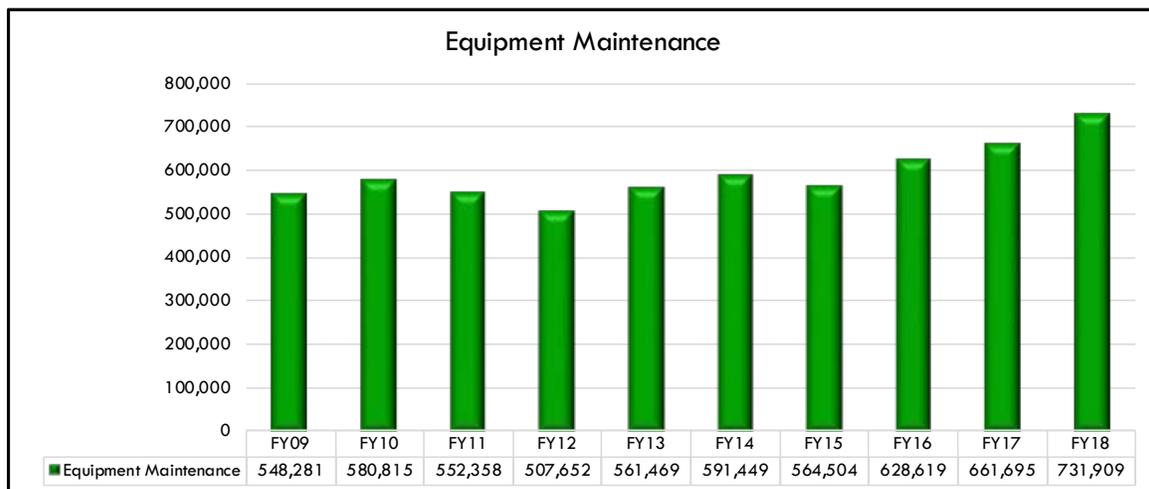
- Schedule and perform preventive maintenance inspections for the Town's vehicles and equipment
- Service and repair equipment to optimize operating time
- Prepare specifications and plan for new vehicle purchases on a scheduled replacement

Expenditure Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Salaries and Wages | 246,454 | 253,051 | 305,902 | 305,902 | 253,459 | 287,113 | -6.14% |
| Employee Benefits | 105,179 | 144,507 | 181,103 | 177,513 | 161,672 | 176,831 | -2.36% |
| Contractual | 52,681 | 35,366 | 91,023 | 96,348 | 42,612 | 74,623 | -18.02% |
| Commodities | 150,462 | 163,961 | 152,252 | 156,239 | 199,303 | 171,762 | 12.81% |
| Capital Outlay | - | 25,393 | 11,300 | 11,300 | - | 8,100 | -28.32% |
| Depreciation | 9,728 | 6,343 | 9,046 | 9,046 | 9,046 | 13,480 | 49.02% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 564,504 | 628,621 | 750,626 | 756,348 | 666,092 | 731,909 | -2.49% |

*FY17 Adjusted includes FY17 adopted budget plus purchase orders written against the FY16 budget but spent against the FY17 budget.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Mechanic I | 0.500 | 0.500 | 1.000 | 1.000 | - |
| Mechanic III | 2.000 | 2.000 | 2.000 | 2.000 | - |
| Mechanic IV | 1.000 | 1.000 | 1.000 | 1.000 | - |
| Fleet Mechanic | - | - | - | - | 3.000 |
| Fleet Mechanic Supervisor | - | - | - | - | 1.000 |
| Office Assistant II | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Services Division Manager | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 |
| | 4.600 | 4.600 | 5.100 | 5.100 | 5.100 |



POTENTIAL REVENUE ENHANCEMENTS

| | |
|---|---|
| Coordination with Purchasing on equipment auction options. 10-20 % increase is projected based on vendor's statistical profile. | Estimated to be \$500 to \$1,500 per unit but is dependent on actual vehicles surpluses and the market conditions at that time. |
|---|---|

PAST EFFICIENCIES AND COST SAVING MEASURES

Eight vehicles, including the pool vehicles and some lesser used vehicles in the Public Works fleet were replaced through surplus vehicles from other departments. FTE's were also reduced and position reclassification performed. 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-molded 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.

Purchase parts locally at lowest available cost through purchasing cooperative or national fleet contracts. Out of area purchases shipped at lowest possible shipping rate, depending upon urgency of repair.

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 has been incorporated into the Equipment Replacement Fund to ensure that vehicles are depreciated properly and replaced at the proper time.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Provide computer access for all mechanics to use Mitchell software to aid in timely repairs. This will reduce vehicle down-time and the need to send equipment out for diagnostics.

Adjust preventative maintenance schedule for automobiles and light trucks that are used minimally or at a low intensity.

Continue to analyze and identify under-utilized vehicles and equipment and remove them from the fleet.

Maintain excellent vehicle conditions both interior and exterior to maximize resale value at time of auction in addition to exploring new auction methods and resources.

Purchased electronic tire balancing machine and incorporated the routine task into the regular scheduled PM's. This improves tire and suspension wear, reducing replacement costs and improves drivability.

Purchased transmission flush machine to perform in house preventative maintenance, reducing down time and outside vendor costs.

Continue to keep current with industry standards as it relates to fuel efficiency and emission standards.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Explore procurement options for vehicles and equipment through private third party.

Cost Savings: Variable/TBD.

Comments: Explore lease options for light trucks and sedan class vehicles. Explore bid type of procurement for larger trucks and specialty equipment.

Impacts of Option: Additional staff time to prepare formal bids on all procurements.

COASTAL MANAGEMENT FUND 309

Mission: Continue implementation of the Town's long-term coastal protection plan.

Main Activities:

- Continue pursuit of required Federal permits in accordance with the State of Florida Department of Environmental Protection (FDEP) Palm Beach Island Beach Management Agreement (BMA);
- Continue BMA and permit required monitoring; and,
- Construct shore protection projects in accordance with the current 10-year long-term plan.

Revenue and Expense Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Projected | FY2018 Budget | % Change |
|----------------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|----------------|
| Revenues | | | | | | |
| Transfer from General Fund (001) | 11,377,000 | 8,015,220 | 7,265,000 | 7,265,000 | 7,410,300 | 2.00% |
| Interest on Investments | 329,203 | 157,317 | 81,038 | 72,666 | 270,000 | 233.18% |
| Grants/Local Revenue | 325,413 | 2,541,573 | - | 148,556 | 6,400,000 | 100.00% |
| TOTALS | 12,031,616 | 10,714,110 | 7,346,038 | 7,486,222 | 14,080,300 | 91.67% |
| Expenses | | | | | | |
| Projects | 25,241,942 | 20,244,384 | 2,407,000 | 470,985 | 2,171,000 | -9.80% |
| Carry Over Projects | - | - | - | - | 14,003,911 | 100.00% |
| Transfer to Debt Service | 734,613 | 731,163 | 731,413 | 731,413 | 736,038 | 0.63% |
| Transfer to ACIP (314) | - | - | - | - | 2,750,000 | 100.00% |
| Salaries and Wages | - | - | 142,278 | 143,685 | 169,540 | 19.16% |
| Employee Benefits | - | - | 64,124 | 62,697 | 67,510 | 5.28% |
| Contractual | - | - | 9,500 | 13,495 | 15,213 | 60.14% |
| Commodities | - | - | 1,600 | 2,382 | 4,100 | 156.25% |
| Capital Outlay | - | - | 800 | - | 1,963 | 145.38% |
| TOTALS | 25,976,555 | 20,975,547 | 3,356,715 | 1,424,657 | 19,919,275 | 493.42% |
| Total Revenues | | | | | | |
| Over/(Under) Expenses | (13,944,939) | (10,261,437) | 3,989,323 | 6,061,565 | (5,838,975) | |
| Beginning Fund Equity | 38,017,024 | 24,072,085 | 13,810,648 | 13,810,648 | 19,872,213 | |
| ENDING NET ASSETS | 24,072,085 | 13,810,648 | 17,799,971 | 19,872,213 | 14,033,238 | |

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------|--------|--------|--------|--------|
| Coastal Projects Manager | - | 1.000 | 1.000 | 1.000 | 1.000 |
| Engineering Tech Support Spec | - | - | - | 0.500 | 0.500 |
| Communications Specialist | - | - | - | - | 0.250 |
| | - | 1.000 | 1.000 | 1.500 | 1.750 |

POTENTIAL REVENUE ENHANCEMENTS

| | |
|----------------------|--|
| Federal Cost-Sharing | Through completion of General Reevaluation Report for Mid-Town and subsequent inclusion within a Federal budget. The next Mid-Town project is planned for FY 2021 with an estimated cost of \$17,850,000. A 50% Federal cost-share would result in the revenue enhancement of \$8,425,000 through Federal reimbursement. |
| State Cost-Sharing | Federal participation will increase ranking for Mid-Town project in seeking state grants. A 50% Federal cost-share for the FY 2021 Mid-Town project could result in the revenue enhancement of \$3,645,500 through State reimbursement. |

PAST EFFICIENCIES AND COST SAVING MEASURES

Implementation of 2007 Comprehensive Review of Town Operations

Six (6) specific cost saving measures were identified in preparation for the last Comprehensive Review of Town Operations finalized in December 2007, including:

- (1) Work with permit agencies to minimize permit conditions which require mitigation and post construction monitoring;
- (2) Manage project sequence of work and scheduling to ensure lowest possible construction bids;
- (3) Combine projects when possible to save on mobilization costs;
- (4) Seek funding assistance from other agencies such as the United States Army Corps of Engineers (USACE), Florida Department of Environmental Protection (FDEP), Palm Beach County (PBC), and Florida Inland Navigation District (FIND);
- (5) Work with USACE to place beach quality sand from inlet maintenance dredging in Reach 1 and to rebuild the Sand Transfer Plant; and
- (6) Keep Coastal Projects Administrator position vacant during time when Town is determining the future scope of the Coastal Management Program.

Each of the above-listed measures were implemented at some level. Brief examples of implementation include:

- (1) The BMA was signed by the Town of Palm Beach, FDEP, Florida Fish and Wildlife Conservation Commission (FWC), and PBC in September 2013 following extensive public participation through a series of meetings including stakeholders;
- (2) Beach Nourishment projects were solicited in a manner to provide contractors with maximum flexibility for encouraging lowest possible construction bids;

- (3) The Mid-Town Beach Renourishment Project in 2015 included interim sand placement in Phipps Ocean Park and the Phipps Ocean Park Beach Nourishment Project in 2016 included interim sand placement in Mid-Town. These efforts provided cost savings by maximizing the amount of sand utilized during each event which included the mobilization of a dredge to obtain sand from offshore borrow areas;
- (4) The Town was able to secure cost-sharing from the USACE, FDEP, PBC, and FIND for applicable coastal projects including beach nourishment (2015, 2016) and improvements to the Sand Transfer Plant (2010);
- (5) The USACE is currently placing all beach-compatible sand from their inlet maintenance dredging project on the dry beach within Reach 1 and the northern sections of Reach 2;
- (6) The Coastal Program Administrator position was kept vacant until Town Council created the Shore Protection Board in July 2008.

Coastal Management Program, Since 2008

On July 8, 2008, the Town Council created the Shore Protection Board (SPB) to “act as an advisory capacity to the Town Council and shall make recommendations to the Town Council on all matters relating to shore protection in the Town of Palm Beach”.

Coastal Management Work Plan. Per direction of the Town Council, the Shore Protection Board submitted a Coastal Management Work Plan on November 9, 2009, which the Town Council accepted as a “blue print” for future coastal management activities in the Town of Palm Beach. The 10-year plan included three options with increasing cost tiers from “Required”, “Recommended & Required”, and “Under SPB Consideration”. The last option had a 10-year estimated cost exceeding \$137 million.

During the 2010, 2011, and 2012 calendar years, the Board continued an adaptive management approach to their 10-year plan. As more information had become available, some items were adjusted. One of the largest adjustments was made during the development of the FY 2011 budget when “Plan B” was developed to replace the Board’s 2009 Plan (referred to as “Plan A”). The Plan B effort trimmed tens of millions of dollars from Plan A and identified a program that could provide an adequate level of storm protection without the reliance on State cost-sharing.

The Board’s FY 2013 budget and 10-year plan was peer reviewed by Woods Hole Group (WHG) between August 2012 and June 2013. Based on the recommendations from WHG, an FY 2014 budget and 10-year plan was adopted by Town Council in the amount of \$84.2 million. In 2015, an FY 2016 program budget and 10-year plan update was performed by Town staff at the request of Town Council. Reflecting actual costs that had occurred to date, the 10-year plan was increased to \$92.5 million.

U.S. Army Corps of Engineers Beach Placement of Inlet Dredged Sand. Since a dismissed lawsuit in 2013, the USACE has placed sand on the beach on two occasions at no cost to the Town. The current project, which includes the placement of more than 200,000 cubic yards of sand, would cost the Town more than \$8 million to truck in from an upland sand mine. Improved communication between the Town and the USACE has been maintained as monthly conference calls continue.

FDEP Palm Beach Island Beach Management Agreement (BMA) Pilot Project. In 2012, the FDEP's Beaches and Coastal Systems initiated a pilot project designed to take a regional approach to permitting beach nourishment and inlet management projects on Palm Beach Island. The BMA streamlines the state permitting processes and allows better planning for both cost-effective construction bid solicitations and monitoring events. No other community has such a cooperative partnership with the state of Florida.

Collaborative efforts among stakeholders included identifying beach nourishment and inlet management needs, cost-sharing opportunities, and permitting requirements. Not only does this help reduce the planning, permitting, and construction costs, but this collaborative process has since eliminated costly legal challenges. For example, a legal challenge in 2008 involving the coastal program cost the Town about \$2 million.

Operation and Maintenance of the Sand Transfer Plant. Prior to PBC assuming the funding responsibility, the Town spent more than \$300,000 annually on the Sand Transfer Plant. For several successive years during the budget process, the Mayor went before the Board of County Commissioners and requested that the Sand Transfer Plant costs at the Palm Beach Inlet be included in their annual budget. After repeatedly securing PBC's funding participation, PBC now includes these costs in their budget.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

There are five (5) years remaining in the Town Council-adopted 10-year plan (FY 2014 – FY 2023). The following activities are currently underway or are planned for implementation:

Sea Turtle Nesting, Physical, and Biological Monitoring

Utilizing cost-saving measures identified in the BMA, which include scope efficiencies unique to Palm Beach Island, the permit-required sea turtle nesting, physical, and biological monitoring efforts are annually being conducted.

Obtain Federal Cost-Share for Mid-Town

In order to receive Federal cost-sharing for the Mid-Town project, the Town must first participate with the USACE in a General Reevaluation Report (GRR). Such a report is expected to take approximately three years to complete at a cost of approximately three million dollars. The

Town, as a local sponsor, would be responsible for half of the cost. Starting with the Town Council approved FY 2018 Coastal Management Program budget and expected to continue for two additional years, an annual appropriation of \$500,000 has been identified to address the Towns' anticipated funding responsibility.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Do not fill the vacancy for Engineering Technical Support Specialist

0.5 Full-time Employee (FTE).

Cost Savings: \$37,000 – Salary (midpoint) plus benefits.

Comments: This was a new position in FY 2017 supporting the Engineering Division and the Coastal Program. The Coastal Program Manager currently oversees a multi-million dollar annual program. This 0.5 of an FTE provided support in tracking the approval, contracting, and invoicing process and helped ensure these efforts stayed on time. In addition, this position provided clerking services for the Shore Protection Board.

Impacts of Option: This will require the Coastal Program Manager to resume performing the work with assistance from other Public Works personnel for Shore Protection Board support and clerking duties.

Recommendation for Cost Savings: Reduce Coastal Management Program by 2%.

Cost Savings: \$186,000 in FY 2019 Estimated Coastal Management Program Budget.

Comments: Inventory, assessment, and analysis of groins throughout the Town were to be performed every five (5) years. With Federal permitting still underway, this effort will not be necessary in FY 2019 (or during the remaining years of the current 10-year Plan, through FY 2023).

Impacts of Option: This action is not expected to negatively impact implementation of a Groin Rehabilitation Plan.

OR

Recommendation for Cost Savings: Remove 3% cost escalators from remaining 5 years of 10-Year Plan

Cost Savings: \$222,309 in FY 2019 and increasing amounts through FY 2023 from Coastal Management Program forecast. See chart below:

| | Current Forecast | Without Escalator | Savings |
|------|-------------------------|--------------------------|----------------|
| 2018 | 7,410,300 | 7,410,300 | - |
| 2019 | 7,632,609 | 7,410,300 | 222,309 |
| 2020 | 7,861,587 | 7,410,300 | 451,287 |
| 2021 | 8,097,435 | 7,410,300 | 687,135 |
| 2022 | 8,340,358 | 7,410,300 | 930,058 |
| 2023 | 8,590,569 | 7,410,300 | 1,180,269 |

Comments: 55 line items within the remaining 5 years of the 10-year plan, mostly required monitoring, reporting, and analyses will hold the line item costs approved for FY 2018 and will not include a 3% annual escalator.

Impacts of Option: New Coastal Engineering Professional Services Agreements issued in 2017 should provide staff the ability to implement the required monitoring efforts of the program without any funding concerns.

Coastal Benchmark Details

Above are identifiers that can be used to provide some comparisons with coastal management programs for municipalities in the general vicinity of the Town of Palm Beach. However, each municipality has unique characteristics that make the benchmark exercise challenging. Some of these characteristics are expressed below.

Cities of West Palm Beach and City of Palm Beach Gardens. West Palm Beach and Palm Beach Gardens do not have shoreline frontage along the Atlantic Ocean. Thus, benchmark comparisons with the Town of Palm Beach are not applicable.

City of Boca Raton. Boca Raton has three (3) projects areas: North, Central, and South. The South project utilizes sand from the Boca Raton Inlet ebb shoal. Because the source of the ebb shoal sand originates from North and Central project placement, this volume of sand was not considered when determining the “Average Fill Volume per Mile per Year” (AFV/mi/yr, in cubic yards[cy]). Since 1988, the City has placed approximately 4.7 million cy within the North and Central project areas. Over the past 29 years, the placement of 4.7 million cy suggests an average

annual sand placement of approximately 162,069 cy. With a shoreline of 4.75 miles, the AFV/mi/yr is 34,119 cy.

Town of Jupiter. The beaches within Jupiter receives sand through Palm Beach County's *North County Comprehensive Shore Protection Project*. These County managed beach nourishment projects are centered on public County beaches including: Jupiter Beach Park, Carlin Park, and Juno Beach Park.

City of Delray Beach. Since 1973, Delray Beach has placed approximately 7.9 million cubic cy along their shoreline. Over the 44 year period, the placement of 7.9 million cy suggests an average annual placement of 179,545 cy. With a shoreline length of about 3 miles, the Average Fill Volume per Mile per Year is 59,848 cy. This higher volume supports Delray Beach's ability to place more sand due to the absence of environmental resources. In addition, Delray Beach places a higher volume to support their recreational needs. The 59,848 cy figure is not necessarily indicative of their current program implementation efforts. Delray Beach front-loaded their shoreline with sand early in their nourishment program. Presently, Delray Beach is on a 10-year nourishment cycle for their one project that includes the placement of nearly 1 million cy. With a 10-year nourishment cycle and a shoreline of about 3 miles, the AFV/mi/yr can be more accurately described as 33,333 cy.

Town of Jupiter Island. Since 1973, Jupiter Island has placed approximately 17 million cy along their shoreline. Over the 44 year period, the placement of 17 million cy suggests an average annual sand placement of approximately 386,363 cy. With a shoreline of about 10 miles, the AFV/mi/yr is 38,636 cy.

Town of Palm Beach. Since 1995, the Town has performed four (4) beach projects in Mid-Town and two (2) projects in Phipps Ocean Park. With each project including the placement of approximately 1 million cy of sand, the Town has placed approximately 6 million cy on the beach over a 22 year period. With a shoreline length of 12.2 miles, the AFV/mi/yr is 22,354 cy. However, an unlike most benchmarked communities, the Town's program includes additional sand placement through inlet maintenance. Including USACE dredging and bypassing from the Sand Transfer Plant, the inlet maintenance plan goal of placing at least 202,000 cy per year is met. Considering the additional inlet maintenance volume, the AFV/mi/yr is more accurately described as 38,912 cy. In summary, the amount of sand placed is consistent with the other active municipalities within the region. The Town relies on the use of sand bypassed from the Palm Beach Inlet. Because sand resources are becoming more limited and mobilization costs for dredging continue to rise, continued reliance of inlet maintenance for sand resources should provide better stability of the Town's Coastal Management Program when compared to other benchmarked communities.



Comprehensive Review of Town Operations

RECREATION DEPARTMENT

CONTENTS

| | |
|--|----|
| Recreation Department | 2 |
| Benchmarks for Recreation Department..... | 4 |
| Marina 509..... | 6 |
| Potential Revenue Enhancements..... | 8 |
| Past Efficiencies and Cost Saving Measures | 9 |
| Planned Future Efficiencies and Cost Saving Measures | 9 |
| Additional Options for Cost Savings | 10 |
| Golf Course 620..... | 11 |
| Potential Revenue Enhancements..... | 15 |
| Past Efficiencies and Cost Saving Measures | 16 |
| Planned Future Efficiencies and Cost Saving Measures | 17 |
| Additional Options for Cost Savings | 18 |
| Tennis 312..... | 21 |
| Potential Revenue Enhancements..... | 23 |
| Past Efficiencies and Cost Saving Measures | 24 |
| Planned Future Efficiencies and Cost Saving Measures | 24 |
| Additional Options for Cost Savings | 24 |
| Recreation Center 313 | 26 |
| Potential Revenue Enhancements..... | 28 |
| Past Efficiencies and Cost Saving Measures | 29 |
| Planned Future Efficiencies and Cost Saving Measures | 29 |
| Additional Options for Cost Savings | 29 |
| Administration | 31 |
| Potential Revenue Enhancements..... | 32 |
| Past Efficiencies and Cost Saving Measures | 32 |
| Planned Future Efficiencies and Cost Saving Measures | 32 |
| Additional Options for Cost Savings | 32 |

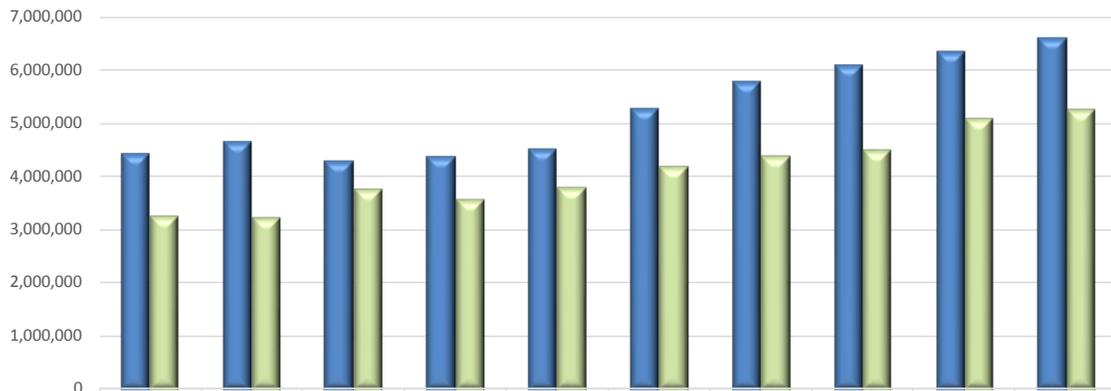
RECREATION DEPARTMENT

The goal of the Recreation Department is to provide outstanding recreational opportunities, excellent customer service, and safe, well-maintained facilities at the Town Docks, Palm Beach Par 3 Golf Course, Seaview Park and Phipps Ocean Park Tennis Centers, and the Recreation Center.

Revenue and Expense Summary

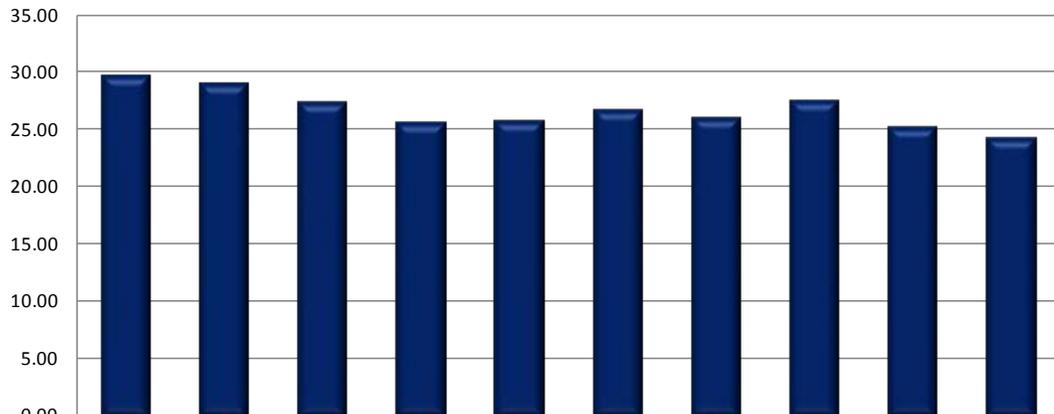
| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Projected | FY2018 Budget | % Change |
|---|------------------|------------------|------------------|---------------------|------------------|---------------|
| Revenues | | | | | | |
| Marina | 3,466,002 | 3,581,434 | 3,655,600 | 3,666,775 | 3,820,100 | 4.50% |
| Par 3 | 1,855,642 | 1,978,101 | 1,929,600 | 2,113,398 | 2,222,300 | 15.17% |
| Tennis | 218,869 | 208,370 | 233,700 | 234,958 | 250,500 | 7.19% |
| Recreation Center | 303,158 | 338,104 | 326,400 | 354,216 | 334,500 | 2.48% |
| Investment Earnings | 8,159 | 64,271 | 12,600 | 58,184 | 14,000 | 11.11% |
| Miscellaneous Revenue | 5,404 | 5,404 | - | - | - | 0.00% |
| TOTALS | 5,857,234 | 6,175,684 | 6,157,900 | 6,427,531 | 6,641,400 | 7.85% |
| Expenses | | | | | | |
| Salaries and Wages | 1,177,158 | 1,253,137 | 1,354,465 | 1,243,611 | 1,392,733 | 2.83% |
| Employee Benefits | 523,960 | 580,345 | 636,317 | 618,126 | 656,502 | 3.17% |
| Contractual | 1,363,785 | 1,395,941 | 1,556,900 | 1,449,025 | 1,523,980 | -2.11% |
| Commodities | 318,509 | 342,115 | 500,550 | 371,629 | 363,970 | -27.29% |
| Capital Outlay | - | 6,370 | 66,300 | 134,075 | 84,000 | 26.70% |
| Other | - | - | - | - | - | 0.00% |
| TOTALS | 3,383,412 | 3,577,908 | 4,114,532 | 3,816,466 | 4,021,185 | -2.27% |
| Operating Revenues | | | | | | |
| Over/(Under) Expenses | 2,473,822 | 2,597,776 | 2,043,368 | 2,611,065 | 2,620,215 | |
| Donations | - | - | - | 98,642 | 6,571,154 | |
| Grant Revenue | - | - | 50,000 | - | - | |
| Transfer from Reserves | - | - | - | - | 3,263,868 | |
| Capital Expenses | (75,565) | (164,800) | (588,489) | (533,219) | (10,207,511) | |
| Depreciation | (735,012) | (721,844) | (955,329) | (955,329) | (1,049,626) | |
| Gain/(Loss) on disposal of fixed assets | 4,168 | - | - | - | - | |
| Pension Expense-GASB 68 | (265,739) | - | - | - | - | |
| Transfer from 2013 Bond Fund | - | - | - | - | - | |
| Transfer to General Fund | (885,000) | (785,000) | (685,000) | (685,000) | (585,000) | |
| Transfer to Debt Service | (202,200) | (204,100) | (185,967) | (185,967) | (198,263) | |
| Contingency | - | - | (321,200) | - | (168,303) | |
| TOTAL REVENUES | | | | | | |
| OVER/(UNDER) EXPENSES | 314,474 | 722,032 | (642,617) | 350,192 | 246,534 | |

Recreation Enterprise Fund Operating Revenue and Expense



| | | | | | | | | | | |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Operating Revenue | 4,445,372 | 4,663,492 | 4,307,463 | 4,383,794 | 4,536,439 | 5,293,020 | 5,809,802 | 6,110,189 | 6,366,216 | 6,627,000 |
| Operating Expense | 3,253,917 | 3,222,485 | 3,765,990 | 3,570,823 | 3,781,579 | 4,193,110 | 4,382,662 | 4,503,820 | 5,095,826 | 5,269,074 |

Full Time Equivalents (Including Part Time Positions)



| | | | | | | | | | | |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Full Time Equivalent | 29.73 | 29.03 | 27.48 | 25.71 | 25.80 | 26.71 | 26.04 | 27.55 | 25.30 | 24.23 |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

BENCHMARKS FOR RECREATION DEPARTMENT

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|--|--------------|--|--|---------------------------|--|--|
| General Information | | | | | | |
| Population (BEBR) | 8,291 | 110,150 | 91,797 | 61,388 | 52,591 | 65,804 |
| Recreation Budget 2017 | \$4,114,532 | \$17,002,524 (not including special district budgets) | \$19,868,000 (not including Special Taxing Units) | \$2,553,229 | \$4,059,248 (excludes Aquatics) | \$17,029,451 |
| Staffing FTE Level | 24.232 | 175 (not including on-call staff) | 233 FT 106 FTE | 22 FT (no PT included) | 35 FT (25 PT FTE) | 125 FT |
| Funding Sources | User fees | Taxes/Grants/ User Fees | Taxes/User Fees | Taxes/User Fees | Taxes/User Fees | Taxes/Grants/ User Fees |
| General Fund Subsidy | No | Yes | Yes | Yes | Yes | Yes |
| Fee Diff. - Res. vs. Non-res | Yes | Yes | Yes | Yes | Yes | Yes |
| Use of Independent Contractors | Yes | Yes | Yes | Yes | Yes | Yes |
| | | | | | Expenses associated with Building and Grounds Maintenance included in Public Works budget. | Expenses associated with Building and Grounds Maintenance included in Public Works budget. |
| Recreation Facilities | | | | | | |
| Acres | 6.57 | 145.4 | 18 | 60 | 47.5 | 52.65 |
| Number of Acres Maintained Per FTE | 4.2 | 9.0 | .24 | 9.0 | 10.09 | 11.95 |
| Total Operating Cost Per Capita | \$71.05 | \$177.00 | \$73.84 | \$76.46 | \$94.69 | \$75.74 |
| Percentage of Operating Costs Supported By User Fees | 61% | 25% | 40.43% | 36.7% | 84% | Revenue numbers are not available |
| Costs Per Acres Maintained | \$24,431.68 | Not Calculated | \$410,277 | \$21,496.49 | \$16,833.43 | \$38,570 |
| Community Centers | Yes (1) | Yes (9) | Yes (1) 2 more in STU's | Yes (1) | Yes (3) | Yes (5) |
| a. Square Footage | 15,000 | 95,000 | 20,000 (1) | 62,000 | 75,000 | 73,100 |
| b. Use Type | Multipurpose | Multipurpose | Multipurpose | Multipurpose | Multipurpose | Multipurpose |
| Golf Course | Par 3 | Par 72 | Par 72 (1) Par 3 (1) | No | Par 72 | Par 72 |

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|----------------------------|------------------------|-----------------|--------------------|-----------|--------------------|--------------|
| a. #of Holes | 18 | 18 | 27 | N/A | 18 | 18 |
| b. Total Acres | 39 | 185+ | 221.5 | N/A | 87 | 152 |
| c. Practice Facilities | Range (R), Putting (P) | R, P | R, P, Chipping (C) | N/A | R, P | R, P, C |
| Marina | Yes | Yes (leased) | No | No | No | Yes |
| a. # of Slips | 83 | 193 | N/A | N/A | N/A | 24 |
| b. Slip Length Range | 50-262 ft. | 50-275 ft. | N/A | N/A | N/A | 55' Maximum |
| Tennis Facilities | Yes (2) | Yes (10) | Yes (3) | Yes (3) | Yes (1) | Yes (2) |
| a. # of Soft Courts | 13 | 7 | 36 | 4 | 18 | 38 |
| b. # of Hard courts/Other | 1 (hitting wall) | 31 | 17 | 10 | 4 | 6 |
| c. # Lighted | 7 | 16 | 39 | 10 | 18 | 44 |
| d. Fully Staffed | Yes | No | Yes | No | Yes | Yes |
| | | | | | | |
| | | | | | | |
| Recreation Programs | | | | | | |
| Youth Programs Offered | Yes | Yes | Yes | Yes | Yes | Yes |
| a. Enrichment | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Athletics | Yes | Yes | Yes | No (JTAA) | Yes | Yes |
| c. Camp(s) | Yes | Yes | Yes | Yes | Yes | Yes |
| d. After-School Program | Yes | Yes | No | No | Yes | Yes |
| Adult Programs Offered | Yes | Yes | Yes | Yes | Yes | Yes |
| a. Enrichment | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Fitness & Wellness | Yes | Yes | Yes | Yes | Yes | Yes |
| Community Special Events | Yes | Yes | Yes | Yes | Yes | Yes |
| a. Free Events | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Fee Based Events | Yes | No | No | No | No | Yes |

MARINA 509

Located at Lake Drive Park, the Town Marina has three main docks with a total of 83 slips. Slips are leased annually, monthly or daily. The docks provide berthing for power and sail yachts up to 260' in length.

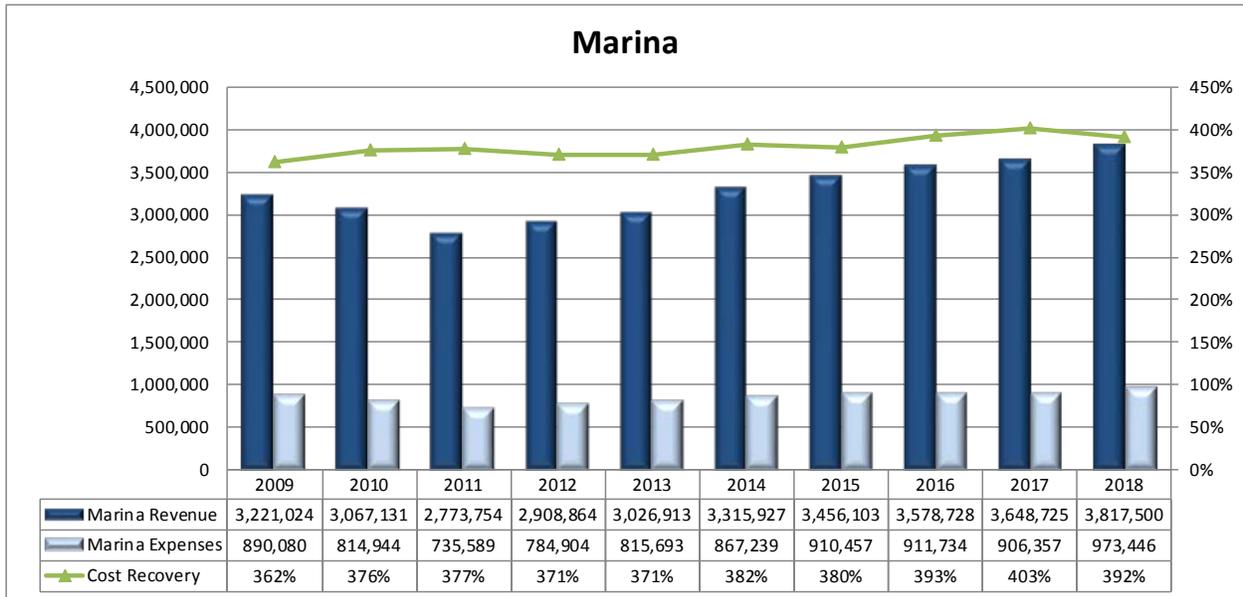
The marina property offers a variety of amenities - three dock buildings, a waste oil collection site, electrical service panels for all vessels, fresh water, WiFi, cable TV and telephone services, Captain's lounge and showers, sewage pump-out systems, and 24/7 security with surveillance cameras.

The Dockmaster is responsible for daily operations, supervision of employees (Town and contractual), slip assignments, safety, and the collection of revenues in accordance with established policies.

Revenue and Expense Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|-------------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|---------------|
| Revenues | | | | | | | |
| Annual Leases | 2,549,172 | 2,702,274 | 2,800,000 | 2,800,000 | 2,861,524 | 2,955,000 | 5.54% |
| Seasonal Leases | 271,935 | 179,009 | 185,000 | 185,000 | 218,761 | 194,300 | 5.03% |
| Transient Rental | 486,954 | 539,055 | 475,500 | 475,500 | 409,623 | 500,000 | 5.15% |
| Electricity | 144,442 | 155,390 | 140,000 | 140,000 | 169,021 | 165,000 | 17.86% |
| Waiting List Applic Fee | 3,600 | 3,000 | 3,000 | 3,000 | 3,000 | 3,200 | 6.67% |
| Ice Sales | 835 | 1,002 | 800 | 800 | 744 | 1,400 | 75.00% |
| Interest on Dock | | | | | | | |
| Replacement Reserve | 8,865 | 1,221 | 1,100 | 1,100 | 400 | 400 | -63.64% |
| Sales Tax Commissions | 179 | 324 | 200 | 200 | 306 | 300 | 50.00% |
| Miscellaneous Revenue | 20 | 159 | 50,000 | 50,000 | 3,396 | 500 | -99.00% |
| TOTALS | 3,466,002 | 3,581,434 | 3,655,600 | 3,655,600 | 3,666,775 | 3,820,100 | 4.50% |
| Expenses | | | | | | | |
| Salaries and Wages | 159,835 | 157,347 | 165,353 | 165,353 | 145,068 | 169,698 | 2.63% |
| Employee Benefits | 53,563 | 71,986 | 78,394 | 78,394 | 72,919 | 76,498 | -2.42% |
| Contractual | 687,882 | 675,321 | 777,100 | 783,397 | 672,985 | 713,550 | -8.18% |
| Commodities | 9,180 | 7,080 | 10,550 | 10,550 | 9,292 | 13,700 | 29.86% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 910,460 | 911,734 | 1,031,397 | 1,037,694 | 900,264 | 973,446 | -5.62% |
| Operating Revenues | | | | | | | |
| Over/(Under) Expenses | 2,555,542 | 2,669,700 | 2,624,203 | 2,617,906 | 2,766,511 | 2,846,654 | |

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------|--------|--------|--------|--------|
| Dockmaster | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Dock Attendant | 1.500 | 1.500 | 1.836 | 1.851 | 1.851 |
| Dock Hand | 0.850 | 0.215 | 0.200 | 0.200 | 0.200 |
| Public Works Employees | 0.131 | 0.132 | 0.131 | 0.115 | 0.079 |
| | 3.481 | 2.847 | 3.167 | 3.166 | 3.130 |



BENCHMARKS FOR MARINA

National Benchmarks

The Association of Marina Industries and Marina Dock Age Magazine have partnered to present a number of surveys aimed at gathering information to give an overview of the current state of the marina industry in the United States. These surveys were conducted in 2015 and 2017.

| Item Compared | Palm Beach Town Docks 2017 | National Benchmark Study All Marinas |
|---|----------------------------|--|
| Occupancy Rates | 99% | 23.3% of marinas report occupancy rate of 95% to 99% |
| Staff Personnel/Hours Costs as Percentage of Expenses | 25.65% | 78% |
| Facility Able to Accommodate Vessels Over 300' | Yes (1 slip) | 3% |
| Percentage of facilities experiencing increase in revenue from leased slips | Yes (2.4% increase) | 54.3% |

Area Benchmarks

| | Town of Palm Beach | Rybovich Marina | Palm Harbor Marina | Old Port Cove Marina | City of Ft. Lauderdale |
|-----------------------------|-----------------------|---------------------------------|--------------------|----------------------|------------------------|
| Marina Condition | Need to be modernized | Modern | Modern | Modern | Modern |
| Environment | Park | Suburban/active repair facility | Urban | Suburban/condos | Urban |
| Public or Private | Public | Private | Private | Private | Public |
| Amenities: | | | | | |
| <i>Store</i> | No | Yes | Yes | No | No |
| <i>Fuel</i> | No | Yes | Yes | Yes (diesel) | Yes/Truck |
| <i>Electric</i> | Yes/Outdated | Yes | Yes | Yes | Yes/Flat Rate |
| <i>Parking</i> | Yes/Short | Yes | Yes/Ample | Yes/Short | Yes/Short |
| <i>CATV</i> | Yes | No | Yes | Yes | Yes |
| <i>Repairs</i> | No | Yes | No | Yes | No |
| <i>Yacht Maint.</i> | No | Yes | No | Yes | No |
| <i>Laundry</i> | No | No | Yes | Yes | Yes |
| <i>Heads</i> | Yes | Yes | Yes | Yes | Yes |
| <i>Showers</i> | Yes | Yes | Yes | Yes | Yes |
| <i>Pump-out</i> | Yes | Yes | Yes | Yes/Boat | Yes |
| <i>Internet</i> | Yes | Yes | Yes | Yes | Yes |
| <i>Phone</i> | Not incl. | Not incl. | Not incl. | Yes | Not incl. |
| <i>Restaurant</i> | No | Yes | No | Yes | No |
| <i>Trash Coll.</i> | No | No | Yes | Yes | Yes |
| Slip Count: | 83 | 60 | 193 | 202 | 200 |
| Staff: | 3 | 5 | 12 | 10 | 9 |
| Staff to slip ratio: | 27.66 | 12.00 | 16.08 | 20.20 | 22.22 |

POTENTIAL REVENUE ENHANCEMENTS

Increase Utility Fees for Transient Boats

Potential Additional Revenue: Approximately \$41,000 a year

Comments: Raising the electric utility fee, which is a per day/per cord assessment, for transient boaters will enable the Town to recoup the costs directly associated with wifi, water, electric, cable, trash and waste water. This fee increase would not price us outside the current market rates.

Late Fees for Utility Fees not Paid by the End of the Month Due

Potential Additional Revenue: Approximately \$2,000 a year

Comments: Imposing a late fee for utility fee invoices not paid by the date due can help to encourage timely payment. However, this policy may also create feelings of bad will with clients.

Yearly registration fee for contractors completing work on vessels at the Town Docks

Potential Additional Revenue: Approximately \$5,000 a year

Comments: The registration of non-tenant contractors completing work on vessels at the docks would allow for greater control over whom is granted access to the facility. It would also enable the collection of certificates of insurance from vendors, providing additional protection for the Town.

Increase all dockage rates

Potential Additional Revenue: Approximately \$305,531

Comments: Raise annual leases and transient rates within market parameters.

PAST EFFICIENCIES AND COST SAVING MEASURES

- In fiscal year 2010 eliminated Assistant Dock Master position through attrition.
- In fiscal year 2013, realized cost savings through streamlining organizational structure by creating a direct report from Dock Master to Director of Recreation.
- In fiscal year 2014, completed electrical upgrades of t-heads funded solely through donations.
- In fiscal year 2016, staff resolved contractual challenges with existing security agency, resulting in contractual renewal at negotiated hourly rate.
- In fiscal year 2017, improved the waste oil recycling area, resulting in a reduction of staff time needed to maintain and clean facility.
- Utilization of contractual employees, in place of Town hired staff.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Continue to investigate marina management software platforms that will help to streamline the transient reservation system and provide enhanced invoicing and reporting functions.
- Pursue grant funding assistance for projects and programs.

- Development of the Master Plan for the Town Docks will provide a framework for the future design, ensuring an understanding of site issues and opportunities.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Remove the used oil collection recycling service for the removal of oil and filters.

Cost Savings:

\$3,000

Impacts of Option: Used oil is considered a hazardous waste and if not handled properly it can contaminate soil and waterways resulting in environmental damage and costly clean-up. Ceasing to provide this service can result in improper handling. Patrons will be required to handle the proper dispose of oil and filters.

Option for Cost Savings: Eliminate private security

Cost Savings:

\$75,000

Impacts of Option: A private professional firm currently provides security guards at the Town Docks from 5:00 pm to 8:00 am. This ensures monitoring of the facility 24 hours a day, 7 days a week. Removal of this service would result in the Docks being unmonitored during the evening and could result in security concerns and additional workload placed upon the Town Police Department.

Option for Cost Savings: Eliminate the yearly Captain's Party

Cost Savings:

\$2,500

Impacts of Option: This event provides the opportunity for staff and patrons to socialize. It is an annual event that generates good will and sends a message of appreciation to our patrons.

GOLF COURSE 620

The Par 3 Golf Course is a scenic and challenging facility, featuring holes which range up to 211 yards. The new clubhouse, which opened in January 2014, offers a full-service pro shop and food and beverage services. There is a staff of qualified PGA instructors who conduct adult and junior clinics and private lessons. The Par 3 hosts outings, tournaments, and league play. The maintenance building is located on the west side of South Ocean Blvd.

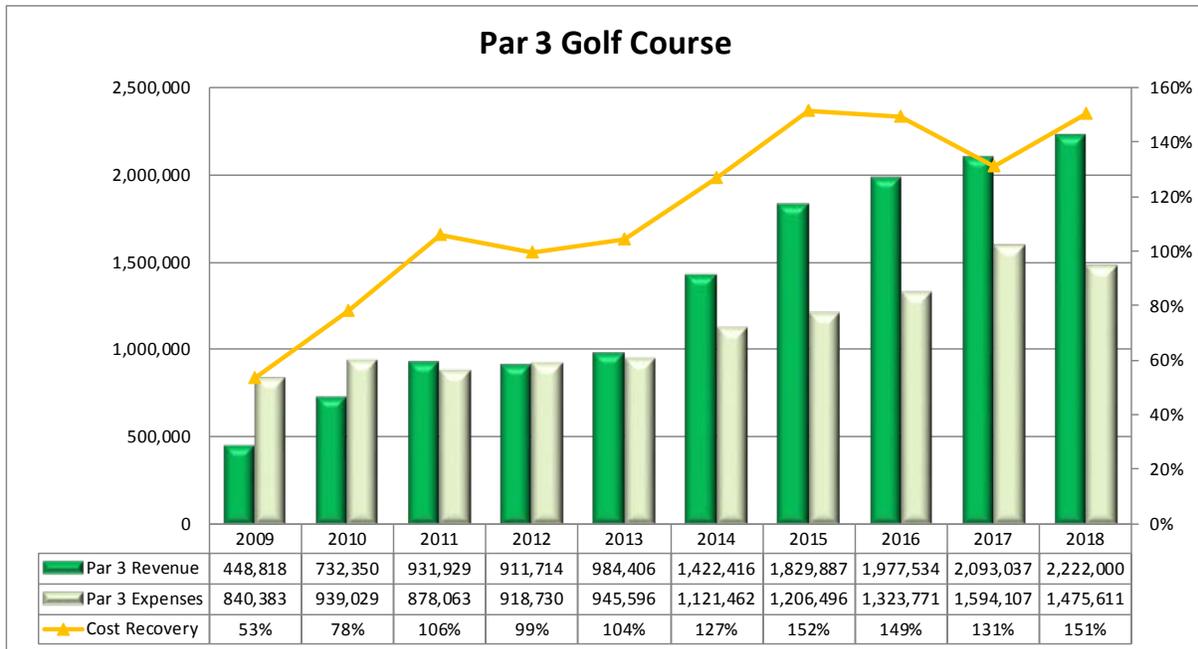
The Golf Course Manager is responsible for daily supervision of the golf course with the assistance of the Superintendent and a variety of full, part-time and contractual labor service employees. The Manager also administers the golf instruction services contract.

The Golf Course has two reserves for maintenance and improvement. One is for the golf course and is funded via a small charge added to each round of play. The other reserve is for the clubhouse and is funded with one half of the profits of the golf course, annually. of the golf course, annually.

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|-----------------------------------|--------|--------|--------|--------|--------|
| Golf Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Golf Course Superintendent | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Crew Forman/Irrigation Specialist | - | - | 1.000 | 1.000 | 1.000 |
| Golf Course Facility Supervisor | 1.000 | - | - | - | - |
| Golf Course Mechanic | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Pro-Shop Assistant | - | 1.500 | 1.610 | 1.515 | 1.515 |
| Maintenance Worker | - | - | - | - | 1.000 |
| Senior Golf Associate | - | 1.000 | 1.000 | 1.000 | - |
| Equipment Operator | 0.450 | 0.500 | 0.500 | 0.250 | 0.250 |
| Registration Clerk I / PAR 3 | 0.721 | - | - | - | - |
| Golf Course Associate | 0.259 | 1.110 | 1.257 | 1.002 | 0.850 |
| Golf Course Attendant | 1.220 | 0.750 | 0.750 | 0.461 | - |
| Public Works Employees | 0.081 | 0.081 | 0.081 | 0.090 | 0.090 |
| | 6.731 | 7.941 | 9.198 | 8.318 | 7.705 |

Revenue and Expense Summary

| | FY2015 | FY2016 | FY2017 | FY2017 | FY2017 | FY2018 | % |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|
| | Actual | Actual | Budget | Adjusted* | Projected | Budget | Change |
| Revenues | | | | | | | |
| Golf Teaching Services | 31,849 | 27,424 | 34,000 | 34,000 | 31,911 | 35,000 | 2.94% |
| Resident Pass Fees | 16,245 | 17,250 | 19,500 | 19,500 | 18,600 | 19,300 | -1.03% |
| Non-resident Pass Fees | 10,600 | 6,830 | 8,000 | 8,000 | 4,800 | 8,000 | 0.00% |
| 12 Play Pass - Regular Rate | 5,262 | 2,340 | 2,000 | 2,000 | 2,540 | 3,000 | 50.00% |
| 12 Play Pass - Guest/Hotel Rate | - | - | - | - | - | - | 0.00% |
| 12 Play Pass - Resident Rate | 11,626 | 10,240 | 11,000 | 11,000 | 7,154 | 9,000 | -18.18% |
| Greens Fees - Regular Rate | 554,920 | 584,295 | 562,000 | 562,000 | 637,220 | 655,000 | 16.55% |
| Greens Fees - Guest/Hotel Rate | 37,123 | 36,593 | 40,000 | 40,000 | 16,865 | 30,000 | -25.00% |
| Greens Fees - Resident Rate | 134,970 | 130,956 | 146,800 | 146,800 | 151,291 | 145,000 | -1.23% |
| Merchandise Sales | 166,224 | 163,220 | 176,000 | 176,000 | 160,199 | 167,000 | -5.11% |
| Food and Beverage Sales | 343,040 | 441,893 | 387,000 | 387,000 | 436,980 | 467,000 | 20.67% |
| Riding Cart Rental - Resident Rate | 186,984 | 225,775 | 207,000 | 207,000 | 252,249 | 53,500 | -74.15% |
| Riding Cart Rental - Regular Rate | - | - | - | - | - | 255,000 | 100.00% |
| Pull Cart Rental | 33,172 | 34,220 | 35,000 | 35,000 | 37,601 | 41,500 | 18.57% |
| Club Rentals | 46,184 | 55,962 | 51,000 | 51,000 | 57,278 | 57,000 | 11.76% |
| Driving Range | 78,661 | 72,866 | 79,000 | 79,000 | 79,168 | 82,000 | 3.80% |
| Driving Range - 10 bucket program | 18,480 | 8,910 | 15,000 | 15,000 | 11,176 | 10,000 | -33.33% |
| Programs and Special Events | 52,504 | 13,094 | 16,000 | 16,000 | 1,966 | 5,000 | -68.75% |
| Golf Pro Administrative Fee | 10,000 | 11,930 | 2,000 | 2,000 | 13,909 | 15,000 | 650.00% |
| Golf Outings | 12,558 | 54,154 | 32,000 | 32,000 | 53,557 | 65,000 | 103.13% |
| Gift Certificates Sold | 7,491 | 4,832 | 5,000 | 5,000 | 5,598 | 5,000 | 0.00% |
| Maint. And Improvement Fee | 71,995 | 74,751 | 101,000 | 101,000 | 109,703 | 90,000 | -10.89% |
| Sales Tax Commission | 360 | 360 | 300 | 300 | 360 | 300 | 0.00% |
| Electricity - Par 3 | - | - | - | - | 3,273 | 4,200 | 100.00% |
| Par 3 Golf Course Restoration | - | - | - | - | - | - | - |
| Donations | 25,000 | - | - | - | 20,000 | - | 0.00% |
| Miscellaneous Revenue | 394 | 206 | - | - | - | 500 | 100.00% |
| TOTALS | 1,855,642 | 1,978,101 | 1,929,600 | 1,929,600 | 2,113,398 | 2,222,300 | 15.17% |
| Expenses | | | | | | | |
| Salaries and Wages | 356,372 | 403,215 | 443,500 | 443,500 | 428,583 | 459,015 | 3.50% |
| Employee Benefits | 167,251 | 188,117 | 212,547 | 212,547 | 209,081 | 232,576 | 9.42% |
| Contractual | 416,902 | 443,079 | 474,300 | 474,550 | 470,888 | 499,170 | 5.24% |
| Commodities | 265,976 | 289,361 | 420,700 | 459,302 | 307,803 | 284,850 | -32.29% |
| Capital Outlay | - | - | - | - | 67,775 | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 1,206,501 | 1,323,772 | 1,551,047 | 1,589,899 | 1,484,130 | 1,475,611 | -4.86% |
| Operating Revenues Over/(Under) | | | | | | | |
| Expenses | 649,141 | 654,329 | 378,553 | 339,701 | 629,268 | 746,689 | |



BENCHMARKS FOR GOLF COURSE

| | Palm Beach Golf Course | Red Reef 9 Hole | Largo Executive | Links @ Boynton Beach | Lake Worth GC | Jupiter Dunes |
|----------------------------|--------------------------------|------------------------|------------------------|--------------------------------|---------------------------|----------------------------------|
| POPULATION (BEBR) | 8,291 | 91,797 | 81,966 | 73,992 | 37,946 | 270 UNITS (POA, PRIVATELY OWNED) |
| Acres | 39 | 20 | 46 | 150 | 110 | 31 |
| # of Holes | 18 | 9 | 18 | 27 holes 18/ 9 hole Exec. | 18 | 18 |
| Yardage | 2,572 | 1,357 | 3,335 | 6,300 / 2,000 | 6,162 | 2,230 |
| Practice Facilities | Driving Range Putting Green | Putting Green | Putting Green | Driving Range Putting Green | Putting Chipping Green | Putting Green Net Bunker |
| Par | 54 | 32 | 62 | 71 / 30 | 70 | 54 |
| Avg. Rounds (Last 3 Years) | 36,332 | 25,000 | 41,000 | 47,000 / 18,000 | 40,000 | 17,750 |
| Resident Play | 20% | 30% | 50% | 70% | 40% | 35% |

| | Palm Beach Golf Course | Red Reef 9 Hole | Largo Executive | Links @ Boynton Beach | Lake Worth GC | Jupiter Dunes |
|--|--|------------------------|--------------------------------|------------------------------|----------------------|----------------------|
| Greens: Turf Type | Paspalum | Paspalum | TifEagle | TifEagle | Tifdwarf | Paspalum |
| Fairways/Rough: Turf Type | Paspalum | Paspalum | Bermuda 419 | Celebration | Celebration | Paspalum |
| Water Source | Fresh water wells with WPB backup | City of Boca | Fresh Water Wells and Effluent | On-site Lakes | On-site Wells | On-site Lakes |
| Estimated Annual Water Bills | \$33,000 | \$20,000 | \$50,000 | \$5,000 | \$18,159 | \$4,200 |
| Operating Budget FY 2017 | \$1,594,898 | \$595,000 | \$1,034,700 | \$2,043,792 | \$2,103,840 | \$709,200 |
| Estimated Maintenance Budget | \$680,905 | \$300,000 | \$550,000 | \$909,000 | \$594,000 | \$383,500 |
| Revenue FY 2017 | \$2,110,124 | \$391,955 | \$999,900 | \$1,743,792 | \$1,022,237 | \$662,500 |
| Cost Recovery | 132% | 66% | 97% | 85% | 49% | 93% |
| Owner's (Cost) Profit Per Round Played | +\$14.18 | (\$8.12) | (\$1.18) | (\$4.62) | (\$27.04) | (\$2.63) |
| Percentage of Operating Costs Supported By User Fees | 100% | 66% | 97% | 85% | 49% | 93% |
| Total Operating (Cost) Profit Per Capita | +\$59.29 | (\$2.11) | (\$.42) | (\$3.97) | (\$28.60) | (\$172.96) |
| Maintenance Cost Per Acre Maintained | \$17,459 | \$15,000 | \$11,956 | \$6,060 | \$5,400 | \$12,371 |
| Pro-Shop Staff | 2FT shop 1FT starter 1.365PT 4 Contractual no-benefit employees | 1.6 FT, 9PT | 1FT, 4 PT w/ Benefits | 4FT/ 6PT 10 volunteers | 1 FT 7PT | 1FT 4PT |
| Maintenance Staff | 3.75FT/.25PT 6 Contractual no-benefit | 3FT | 3FT/ 2 PT | 4FT, 7PT | 12FT | 6 FT |

| | Palm Beach Golf Course | Red Reef 9 Hole | Largo Executive | Links @ Boynton Beach | Lake Worth GC | Jupiter Dunes |
|--|--|------------------------|------------------------|------------------------------|----------------------|----------------------|
| Number of Acres Maintained Per FTE Maintenance Staff | 10.4 acres each Town Staff 3.69 acres each with contractual employees | 6.66 acres | 9.2 acres | 13.64 acres | 9.2 acres | 5.16 acres |

POTENTIAL REVENUE ENHANCEMENTS

Fee Structure Revision – Creation of higher greens fees for Friday, Saturday and Sunday.

Potential Additional Revenue: approximately \$14,500 a year

Comments: Raising the greens fee by \$1.00 per round on Friday, Saturdays and Sundays could generate a substantial revenue increase. Charging a premium rate for the most heavily played days of the week is a practice utilized at many courses. The creation of this fee should not impact level of play.

Supersize rental club sets by adding a sleeve of 3 balls.

Potential Additional Revenue: approximately \$5,500/year

Comments: The fee for rental clubs is currently \$30. The proposed new fee for the rental clubs with a sleeve of balls will be \$35.00. The cost for a sleeve of balls is \$2.50. In fiscal year 2017, approximately 2,200 golf club sets were rented. The additional fee of \$5.00 for the rental of the golf clubs with the sleeve of balls, should not impact the number of rentals.

Player Development Program

Potential Additional Revenue: approximately \$5,800/year

Comments: Creation of a Player Development Program which provides for unlimited rounds of golf during predesignated times, which are typically utilized. This program would charge of a monthly fee of \$49. Cart fees not included.

Purchase ten (10) additional golf carts.

Potential Additional Revenue: approximately \$31,500/year

Comments: The Par 3 Golf Course currently owns 20 gas golf carts. In addition, 7 carts are rented for 6 months and 3 additional carts are rented for 12 months. Each cart averages approximately \$9,000 a year in revenue. During the low cart rental period, carts are

frequently unavailable. Purchasing an additional 10 gas golf carts, bringing the year round fleet to 30 carts would minimize the unavailability of carts. The cost analysis for this purchase verses lease is as follows:

| <u>Purchase Option</u> | <u>Per Cart</u> | <u>Total</u> |
|--|------------------------------------|---------------------------------|
| 10 New 2018 Gas Carts | \$5,400 | \$54,000 |
| <u>Trade After Three Years</u> | | |
| 10 Estimated Resale Value of Gas Carts | \$2,400 | \$24,000 |
| Net Purchase Cost After Resale | | \$30,000 |
| <u>3 Year Lease Option</u> | | |
| 10 New 2018 Gas Carts | <u>Per Cart Per Month</u> \$100 | <u>Annual Total</u> \$12,000 |
| Total Cost for Three Years | | \$36,000 |
| NET SAVINGS PURCHASE TO LEASE | \$6,000 | |

PAST EFFICIENCIES AND COST SAVING MEASURES

- Utilization of contractual employees, in place of Town hired staff.
- Use of Just-in-Time Inventory strategy, ensuring products are available to meet demand, but not to the point of excess, which assists in increasing efficiency and decreasing waste by receiving goods only as needed, thereby reducing our inventory costs.
- Consolidation of golf course marketing services and the electronic tee sheet program into one agreement, which resulted in the reduction of tee time exchanges by twelve (12) tee times per week.
- Renegotiation of electronic tee sheet and point of sale software agreement to include providing three (3) POS computer terminals, two (2) cash drawers, credit card readers and receipt printers at no additional cost to the Town.
- Creation of a new website which includes on-line tee time reservations for the general public, password protected reservation system for residents and an on-line store.

- Proposals for a golf instruction services agreements were solicited in 2016. The restructured agreement resulted in a growth in revenue of over 16% for the first contract year it was in effect.
- In early 2010, the conversion of the water source from city water to brackish water, for the irrigation of the course, was completed resulting in a savings of over \$100,000 in water costs from the previous fiscal year.
- All tree and hedge trimming is handled by in-house contractual staff, resulting in an estimated savings of \$40,000.
- Yearly restoration of two (2) miles of cart path is now completed in 2.5 days versus 2 weeks due to improved work processes.
- The irrigation decoders for the fairways, roughs and tees were all changed out by Toro, at no cost to the Town, due to challenges with the way the decoders were communicating with the system software.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Recommendation: Staffing reclassifications and reorganization of job responsibilities upon retirement of Senior Golf Associate in March of 2018. The growth of the facility has generated a need to enhance staff efficiencies and balance the levels of responsibilities, capitalizing on strengths of team members. Four positions are impacted by this reorganization/reclassification as follows:

| <u>Position</u> | <u>Job Function Overview</u> |
|--|---|
| Golf Manager Operations | Business Development, Clubhouse & Pro Shop |
| Golf Course Superintendent | Course, Building & Equipment Maintenance |
| Pro Shop Assistant to Assistant Manager Operations | Administrative support to Manager & Superintendent, assist Prop Shop operations, buyer for Pro Shop merchandise |
| | Maintain course website, and on-line sales and reservation system. |
| Senior Golf Associate to janitorial Maintenance Worker | Interior and exterior clubhouse maintenance and functions, grounds maintenance for high profile areas. |

Cost for reclassifications will result in a final savings of approximately \$1,331.11 for the first year, due to the retirement of the Senior Golf Associate and the compensation for the new position, Maintenance Worker, being at a lower rate of pay. If Maintenance Worker becomes a contractual employee additional savings of approximately \$27,411 would be realized from insurance and retirement contributions. Additional responsibilities being assigned to the Golf Course Superintendent and the reclassification of the Pro Shop Assistant would result in a 5% pay increase for each, encompassing a portion of the initial savings realized as a result of retirement of the Senior Golf Associate.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Eliminate use of green sand for top dressing divots during season.

Cost Savings: \$2,050

Impacts of Option: Green colored divot mix sand is becoming increasingly popular. Although there is an added expense, the aesthetic benefits are significant. Filling the divots with standard sand will be less attractive and may detract from the overall golfing experience.

Option for Cost Savings: Replace/refresh bunker sand every other year.

Cost Savings: \$2,100 every other year

Impacts of Option: Bunker sand performs a variety of functions. Color is important from the aesthetic viewpoint but does not affect performance. Assessment of the ball-lie characteristics determines how the ball sits in the sand after impact. How well the sand drains after rain or irrigation and whether the sand forms a hard layer on top after rain or irrigation are all important aspects of the quality of bunker sand. Reducing the replacement and refreshing of bunker sand to every other year may affect the playability of this aspect of the course.

Option for Cost Savings: Elimination of all professional development for staff.

Cost Savings: \$1,700

Impacts of Option: Providing the opportunity for professional development allows our staff to sharpen their knowledge, develop skills, keep up to date on best practices and changing regulations, encourages networking with other professionals and can reenergize their dedication and creativity.

Option for Cost Savings: Eliminate all promotional advertising.

Cost Savings: \$5,000

Impacts of Option: Funding for this category is limited, however it does provide tremendous benefits by increasing awareness, working to increase customer traffic, helps to build sales and rounds of golf and provides important information about upcoming programs and activities. The elimination of this funding may result in a reduction of revenue due to a decrease in public awareness.

Recommendation for Cost Savings: Rental club replacement schedule reduced to every other year.

Cost Savings: \$6,000 every other year

Impacts of Option: Approximately ten (10) sets of rental clubs, from the inventory of 21 rental sets, are replaced each year, at a cost of \$600 per set. This replacement cycle is necessary due to high demand for this product by patrons that frequent our facility. During fiscal year 2017, revenue from rental clubs was over \$57,275, averaging \$2,725 in revenue per set. The failure to replace these sets of rental clubs could result in a reduction in revenue due to a decline in the quality of the product that is being offered.

Recommendation for Cost Savings: Pull cart replacement schedule reduced to every other year

Cost Savings: \$2,000 every other year

Impacts of Option: Approximately 12 pull carts, from a fleet of 27, are replaced each year. These carts are kept outdoors, due to a lack of interior storage space. The harsh environmental elements cause extensive rusting, requiring a frequent replacement cycle to ensure they are functioning properly. Revenue from pull carts in fiscal year 2017 totaled over \$37,600, averaging \$1,390 per cart. Carts cost approximately \$120 to purchase. Failure to

replace these pull carts could result in a reduction of revenue due to the malfunction of the existing inventory.

Option for Cost Savings: Reduction in the number of hours for the contractual labor for the maintenance staff.

Cost Savings: \$13,000

Impacts of Option: This budgetary reduction would result in the loss of 1032 hours of grounds maintenance work being completed at the golf course. This could result in a significant reduction in the quality of play.

Option for Cost Savings: Reduce the application of fertilizer on the golf course.

Cost Savings: \$2,700

Impacts of Option: Fertilizer is used as a supplement to improve turf health. Areas of the course that have infertile, sandy soil and heavy golf traffic require supplemental nutrition to achieve the desired turf quality. Failure to meet these needs can result in unhealthy turf and a decline in playing conditions.

Recommendation for Cost Savings: Refurbish 50% of cart paths each year instead of full restoration.

Cost Savings: \$5,500

Impacts of Option: A portion of the cart paths at the Par 3 are comprised of crushed rock. This organic material must be replaced due to erosion, weathering and decomposition. Refurbishing a portion of the cart paths every year could impact the aesthetics of the course and may add to the manpower needed for maintenance to ensure paths remain safe and clear of ruts and holes.

TENNIS 312

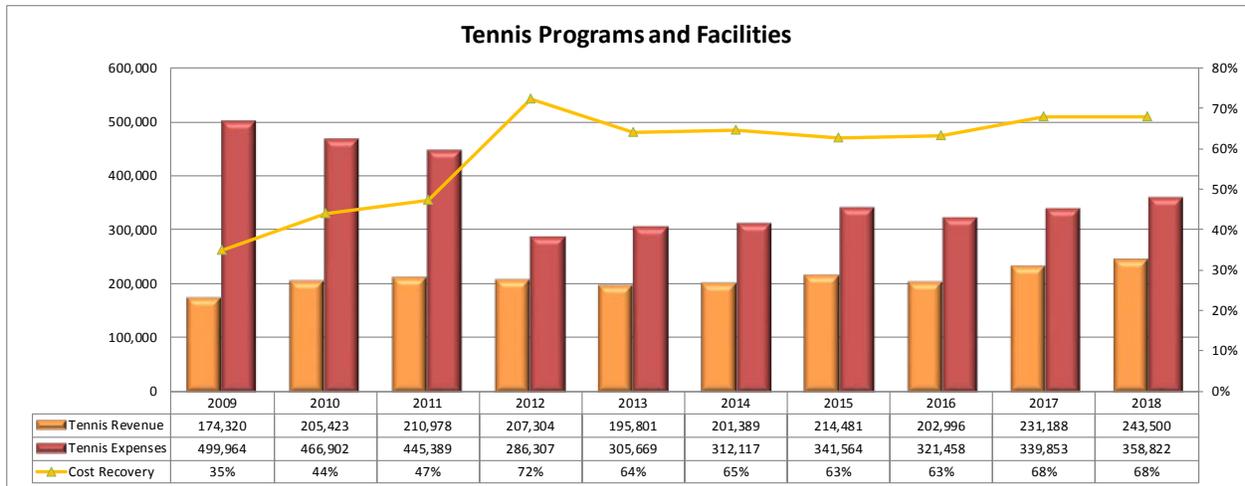
The Tennis program offers drop-in play, lessons, clinics, mixers, tournaments, special events, and league play for children and adults throughout the year. A total of thirteen (13) hydrogrid clay tennis courts are provided at the Seaview Park and Phipps Ocean Park Tennis Centers. A contractual Head Tennis Professional coordinates the teaching services at both facilities, as well as the retail concession for tennis equipment related merchandise. Assistant Tennis Instructors are hired and compensated by the Head Tennis Professional.

The tennis program is supervised by the Assistant Recreation Director. Daily operations are managed by the Facility Supervisor, with assistance from the Facility Assistant and part time_ and contractual labor staff. Recreation maintenance personnel provide routine and seasonal tennis court maintenance services.

Revenue and Expense Summary

| | FY2015 | FY2016 | FY2017 | FY2017 | FY2017 | FY2018 | % |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| | Actual | Actual | Budget | Adjusted* | Projected | Budget | Change |
| Revenues | | | | | | | |
| Daily Tennis Court Fees | 30,975 | 28,242 | 31,000 | 31,000 | 26,878 | 27,500 | -11.29% |
| Tennis Program Fee | 2,115 | 1,154 | 1,800 | 1,800 | 347 | 1,200 | -33.33% |
| Annual Pass Tennis Court Fees | 53,724 | 53,856 | 55,000 | 55,000 | 46,931 | 49,000 | -10.91% |
| 12 Play Pass | 32,627 | 33,639 | 35,500 | 35,500 | 38,843 | 42,000 | 18.31% |
| Tennis Mixers | 3,950 | 4,002 | 4,300 | 4,300 | 3,387 | 4,000 | -6.98% |
| Tennis Pro Admin. Fees | 13,200 | 13,300 | 13,500 | 13,500 | 13,500 | 13,500 | 0.00% |
| Tennis Teaching Services-Town Share | 66,337 | 57,517 | 65,000 | 65,000 | 81,306 | 77,000 | 18.46% |
| Town Share Tennis Merchandise Sales | 3,693 | 2,416 | - | - | 1,526 | 2,300 | 100.00% |
| Facility Rental Fees | 4,387 | 5,373 | 3,500 | 3,500 | 3,770 | 7,000 | 100.00% |
| Maintenance & Improvement Fee | 7,861 | 7,532 | 8,100 | 8,100 | 7,290 | 14,000 | 72.84% |
| Merchandise Sales | - | 1,339 | 16,000 | 16,000 | 11,180 | 13,000 | -18.75% |
| TOTALS | 218,869 | 208,370 | 233,700 | 233,700 | 234,958 | 250,500 | 7.19% |
| Expenses | | | | | | | |
| Salaries and Wages | 176,990 | 156,538 | 173,499 | 173,499 | 137,307 | 169,095 | -2.54% |
| Employee Benefits | 92,460 | 86,236 | 93,861 | 93,861 | 91,247 | 94,677 | 0.87% |
| Contractual | 54,993 | 64,584 | 61,400 | 61,600 | 88,231 | 66,950 | 9.04% |
| Commodities | 17,122 | 14,102 | 31,400 | 31,400 | 21,579 | 28,100 | -10.51% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 341,565 | 321,460 | 360,160 | 360,360 | 338,364 | 358,822 | -0.37% |
| Operating Revenues Over/(Under) | | | | | | | |
| Expenses | (122,696) | (113,090) | (126,460) | (126,660) | (103,406) | (108,322) | |

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Assistant Director | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 |
| Tennis Facility Supervisor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Maintenance Worker/Tennis | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Tennis Facility Assistant | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Tennis Attendant | 2.249 | 1.755 | 1.559 | 1.257 | 1.208 |
| Laborer | 0.641 | 0.400 | 0.421 | 0.024 | 0.022 |
| Public Works Employees | 0.117 | 0.118 | 0.118 | 0.106 | 0.090 |
| | 5.757 | 5.023 | 4.848 | 4.137 | 4.070 |



BENCHMARKS FOR TENNIS

| | Town of Palm Beach | Village of North Palm Beach | Village of Wellington | City of Palm Beach Gardens |
|--|--|--|---|---|
| Facilities | 13 soft courts (7 lit) 2 pro shops at 2 facilities | 10 soft courts (all lit) 1 pro shop at 1 facility | 21 soft courts (all lit) 1 pro shop (with rooftop balcony) at 1 facility | 18 soft courts (all lit) 1 pro shop (2 story tennis clubhouse being built now) at 1 facility |
| FY 2017 Budget | \$359,667 | \$442,600.73 | \$845,187 | \$719,524 Special Revenue Fund \$171,490 General Fund Total: \$891,014 |
| FY 17 Revenue | \$234,907 | \$451,009 | \$675,000 | \$872,159 Special Revenue Fund |
| Cost Recovery % | 69.0% | 102% | 80% | 98% |
| Full-Time Employees | 1 Facility Superv. 1 Facility Assistant .50 Maintenance | 1 Facility Superv. (court maintenance performed by independent contractor) | 2 full-time staff (court maintenance performed by independent contractor) | 1 Facility Manager 2 Facility Supervs. 2 Maintenance staff |
| Full-Time Equivalents | 1.281 FTE of PT Tennis Attendants and Laborers | 3.12 FTE | 1.50 FTE | 4.05 FTE |
| Tennis Professional Services Agreement | Contractual Head Professional, Town receives between 18-23% Head Pro pays Assistant Pros Pays monthly administrative fee. | Professionals are part-time employees and paid a % of revenue | 7 contractual professionals, village receives 25% of revenue | Individually contracted hourly, city receives all revenue, pays hourly rate to professionals |
| Type of Youth Programs | Private or group lessons, clinics, tournaments/events, | Afterschool clinics, Saturday clinics, school break half | Lessons, clinics, school break camps | Private or group lessons, group tournament training |

| | Town of Palm Beach | Village of North Palm Beach | Village of Wellington | City of Palm Beach Gardens |
|--|---|---|---|---|
| | school break half day camps, Palm Beach Day Academy enrichment classes and team coach | day camps | | and drop-in drills, tournaments/events, school break camps |
| Type of Adult Programs | Private or group lessons, clinics, drop-in drills, tournaments/events, open play, ladders, mixers, ladies and men's team tennis | Private lessons, clinics, social play, events, public round robin, ladies and men's team tennis | Private lessons, clinics, ladders, tournaments/events, ladies and men's team tennis | Private lessons, clinics, drop-in drills, in-house leagues, tournaments, round robins |
| Differential fee for resident/non resident | Yes | Yes | Yes | Yes |

POTENTIAL REVENUE ENHANCEMENTS

Increase cost of mixers for residents from \$1.00 to \$2.00 and non-residents from \$1.00 to \$4.00 and offer multiple mixer packages.

Potential Additional Revenue: approximately \$4,000 a year

Comments: The current fee of \$1.00, plus court fees, to participate in mixers, has been in effect since approximately 2010. Raising the rates of mixers and offering discounted multiple mixer packages, would significantly increase revenue. This increase could cause some patron dissatisfaction and may result in a reduction in participation.

Solicit corporate sponsorship for events and programs.

Potential Additional Revenue: Approximately \$6,500 a year

Comments: The use of select corporate sponsorship for programs and events would assist in increasing the cost recovery of the tennis operation. Areas available for sponsorship could include the quarterly newsletter, mixers and town sponsored championships.

Tennis Academy

Potential Additional Revenue: Approximately \$5,000 a year

Comments: The creation of a tennis academy at Phipps Tennis Center would limit the availability of courts to the public, due to the need to dedicate usage to the proposed academy. A tennis academy is typically geared toward high performing youth involved in an intensive training environment. The creation of this program would require the exclusive use

of 2 courts, Monday – Friday.

Increase all daily court rates

Potential additional revenue: Approximately \$4,500 per year

Comments: Raise daily court fees and 12 play passes within market parameters.

PAST EFFICIENCIES AND COST SAVING MEASURES

- In Fiscal Year 2012, the maintenance staff was reduced from 1.2 FTE to .5 FTE through attrition.
- In Fiscal Year 2012, one Tennis Facility Supervisor position was eliminated through attrition.
- Contractual, part-time, no benefit staff is utilized in place of Town hired employees to staff Pro Shops and assist with court maintenance.
- Proposals for a new professional tennis instruction service agreement was solicited in 2016. The restructured agreement resulted in a growth in revenue of almost 40% for the first contract year it was in effect.
- Assumed sales of tennis apparel, tennis accessories, snacks and beverages in 2016 resulting in over 50% revenue growth.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Investigating use of a mobile application to dispense tennis court information.
- Use of Recreation staff during construction of new Recreation Center, minimizing the need to utilize part-timers to staff the Tennis Pro Shop.
- Pursue grant funding opportunities for projects and programs.
- Evaluation of facility usage, during major holidays to ensure operating hours reflect participant demand.

OPTIONS FOR COST SAVINGS

Recommendation for Cost Savings: Phipps Tennis Center closure on Fridays, Saturdays and Sundays at 12:30 pm, year round.

Cost Savings: approximately \$2,300

Impacts of Option: Based upon usage records, closure of Phipps Tennis Center at 12:30 pm on Fridays, Saturdays and Sundays would impact approximately 56 players a month. The cost savings come as a result of a reduction in staff hours needed to operate the Tennis Center.

Recommendation for Cost Savings: Close all year round on Thursday – Monday at 6:30 pm at Seaview Tennis Center, except for special events and programs.

Cost Savings: approximately \$2,500

Impacts of Option: Based upon usage records, closure of Seaview Tennis Center at 6:30 pm on Thursday – Mondays would impact approximately 30 players a month. The cost savings come as a result of a reduction in staff hours needed to operate the Tennis Center.

Recommendation for Cost Savings: Eliminate ten (10) Town sponsored themed special events.

Cost Savings: approximately \$3,400

Impacts of Option: Approximately 175 patrons participated in the Town sponsored themed tennis events in fiscal year 2017 resulting in revenue of approximately \$2,100. Discontinuing these programs lowers our level of service which could result in participant dissatisfaction. However, the option to continue these events can be offered to the contractual tennis pro, whom can provide this service at a higher fee to the participant.

RECREATION CENTER 313

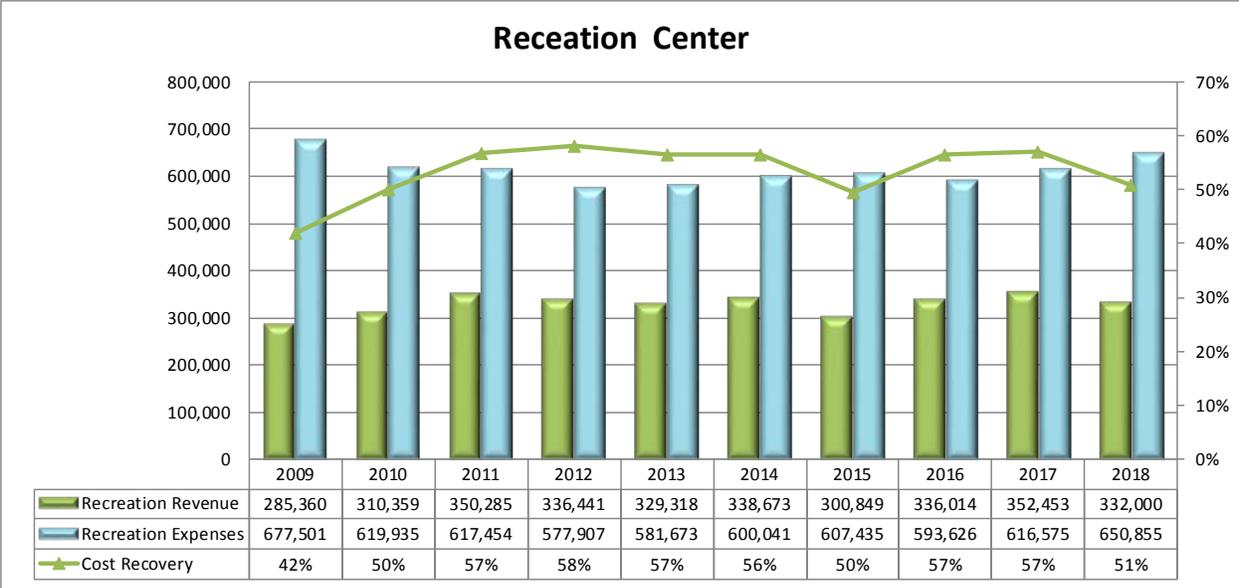
The Recreation Center offers recreational programs to the residents and visitors of Palm Beach. Examples of adult programs offered include a variety of fitness/wellness, foreign languages, art, dancing, and technology offerings. Youth programs include athletics, arts & crafts, dance, self-defense, pre-school programs and a variety of other instructional/enrichment classes. In addition to these activities, an after school program and day camps are offered, along with special events. The Recreation Center program also manages the maintenance of the Seaview Park amenities. This includes the coordination, monitoring, and oversight of daily maintenance, preventative maintenance, and special projects.

The Recreation Center is managed by the Assistant Recreation Director. Daily operations are overseen by two Recreation Supervisors who supervise a variety of part-time and contractual staff in planning, implementing, and evaluating the maintenance, programs and events.

Revenue and Expense Summary

| | FY2015 | FY2016 | FY2017 | FY2017 | FY2017 | FY2018 | % |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| | Actual | Actual | Budget | Adjusted* | Projected | Budget | Change |
| Revenues | | | | | | | |
| Youth Program Fees | 276,767 | 308,670 | 295,500 | 295,500 | 329,390 | 306,000 | 3.55% |
| Facility Rental Fees | 840 | 700 | 1,500 | 1,500 | 448 | 500 | -66.67% |
| Adult Program Fees | 24,083 | 27,344 | 27,000 | 27,000 | 23,063 | 26,000 | -3.70% |
| Promotional Merchandise | 880 | 859 | 1,200 | 1,200 | 895 | 1,000 | -16.67% |
| Seaview Park Concession | 588 | 531 | 1,200 | 1,200 | 420 | 1,000 | -16.67% |
| TOTALS | 303,158 | 338,104 | 326,400 | 326,400 | 354,216 | 334,500 | 2.48% |
| Expenses | | | | | | | |
| Salaries and Wages | 280,941 | 254,240 | 274,480 | 274,480 | 248,818 | 278,917 | 1.62% |
| Employee Benefits | 109,219 | 103,271 | 111,725 | 111,725 | 109,497 | 108,928 | -2.50% |
| Contractual | 194,705 | 207,372 | 233,400 | 233,700 | 209,954 | 231,410 | -0.85% |
| Commodities | 22,574 | 28,744 | 32,300 | 32,300 | 28,766 | 31,600 | -2.17% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 607,439 | 593,627 | 651,905 | 652,205 | 597,035 | 650,855 | -0.16% |
| Operating Revenues | | | | | | | |
| Over/(Under) Expenses | (304,281) | (255,523) | (325,505) | (325,805) | (242,819) | (316,355) | |

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Assistant Director | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 |
| Recreation Supervisor | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 |
| Maintenance Worker/Tennis | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Activity Leader | 3.760 | 2.983 | 2.983 | 2.500 | 2.500 |
| Laborer | 0.550 | 0.490 | 0.490 | 0.440 | 0.061 |
| Bus Driver | 0.500 | 0.480 | 0.480 | 0.365 | 0.410 |
| Public Works Employees | 0.029 | 0.129 | 0.130 | 0.121 | 0.106 |
| | 7.589 | 6.832 | 6.833 | 6.176 | 5.827 |



BENCHMARKS FOR RECREATION CENTER

| | Town of Palm Beach | City of Greenacres | Village of Palm Springs | Village of Tequesta |
|--|--|---|--|---|
| FY 2017 Budget | \$651,905 | \$1,200,000 | \$1,146,774 | \$696,500 |
| Population | 8,690 | 40,013 | 24,051 | 5,990 |
| Number of Community/Recreation center(s) | 1 | 1 | 1 | 1 |
| Cost Recovery % | 57.4% | N/A (not required to calculate) | 35% | 13% |
| Full-Time Recreation Programming Employees | 2 | 11 | 3 | 2 |
| Full-Time Equivalents | 2.971 | 22.0 | 11.5 | 2.0 |
| Number of Youth Programs | 16 Enrichment 1 After School Program 3 Camps/year 7 Athletics | 8 Enrichment 3 Athletics 3 Camps/year 1 After School Program | 4 Athletics 3 Camps/year | 22 Enrichment 2 Camps/year |
| Number of Adult Programs | 15 Enrichment/Fitness | 6 Enrichment | None – all “adult programs are rentals” | 5 Enrichment 3 Special Event type programs |
| Number of Special/family Events | 2 | 8 | 12 (1 per month) | 1 Series 18 Special Events |
| Cost/Fee for Events | No | Yes | No: major events Yes: small events w/food | No: residents Yes: nonresidents |

POTENTIAL REVENUE ENHANCEMENTS

Raise non-resident differential from 15% to 20% over resident rates.

Potential Additional Revenue: approximately \$10,000 a year

Comments: Many non-residents utilize recreation services but make no direct tax contributions to help support town services. It is not equitable for these participants to enjoy the facility or service while residents are taxed for the support services. Therefore, it is reasonable to incorporate higher non-resident participation fees.

Solicit corporate sponsorship for events and programs.

Potential Additional Revenue: Approximately \$7,000 a year

Comments: The use of select corporate sponsorship for programs and events would assist in increasing the cost recovery of the recreation center operation. Areas available for sponsorship could include the Rec-Connect quarterly publication, special events, adult lecture series and youth programs.

Creation of a Maintenance & Improvement Fund for the Recreation Center

Potential Additional Revenue: Approximately \$7,500 a year

Comments: A separate reserve to cover costs associated with non-routine maintenance and improvement projects would assist in ensuring that funds are available for to support capital improvement projects and unanticipated maintenance projects. A minimal charge would be added to each activity registration ranging from \$1.00 for a single day/drop in to \$5.00 for a multiple class enrollment.

Restructure existing instructor agreements

Potential Additional Revenue: approximately \$1,500 a year

Comments: Town of Palm Beach and recreation instructors share a percentage of the program fees collected from registered participants. Changing the percentages and standardizing them for all instructors could produce additional revenue for the Town. This model allows the instructor to focus on program design and facilitation, while the Town handles participant payment, registration and facility set up.

Institute a fee for community based special events.

Potential Additional Revenue: approximately \$2,500 a year

Comments: The Recreation Center hosts two (2) community based special events each year,

the Spring Celebration and Halloween Happenings. These programs have traditionally been offered at no cost to the participant. The institution of a participation fee would cover the cost of these programs, but may impact the number of patrons in attendance.

PAST EFFICIENCIES AND COST SAVING MEASURES

- In Fiscal Year 2012, .8 FTE Maintenance Worker position eliminated through attrition.
- Yearly evaluation of activity fees to ensure program costs are covered and remain competitively priced.
- Cross training of staff to increase flexibility in scheduling.
- Restructuring of camp programs to include early care and late care, acceptance of 5 year olds into program and increased registration and field trip fees.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

- Pursue grant funding assistance for projects and programs.
- Explore use of interns and other volunteers to cost effectively increase staff capacity.
- Staff reassignment during proposed construction of Recreation Center.
- Exploration of mobile application availability to enhance communication regarding program information and changes.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Eliminate free community special events (Halloween Happenings and Spring Celebration)

Cost Savings: \$5,800

Impacts of Option: The Town of Palm Beach hosts two (2) free events each year. These highly popular events have been a mainstay for over 25 years. Attendance remains consistent year after year with both residents and non-residents participating in this family favorite. These community events help to strengthen our connection to those we serve, showcases the Recreation Center and encourages face to face connections with others in the community.

Option for Cost Savings: Increase Activity Leader to participant ratio for camps and afterschool programs to 1:15.

Cost Savings: approximately \$19,000/year

Impacts of Option: The American Camp Association (ACA) recommends 1 counselor for every 10 participants for day programs for children between 9 and 14 years old and 1 counselor for every 8 participants for day programs for children between 6 – 8 years old. The Town of Palm Beach currently meets these standards for the camp and afterschool programs. Raising the participant to counselor ratio to 1:15 for all groups would greatly reduce the quality of the programming, could produce safety concerns due to less supervision and may result in the ability to frequent certain field trip sites due to ratio standards. It is anticipated that revenue would decline due to a decrease in parental/guardian satisfaction with the quality of the program.

Option for Cost Savings: Eliminate rental equipment for Camp Fun Day.

Cost Savings: \$1,500

Impacts of Option: Camp Fun Day has traditionally been featured as an end of summer celebration, with parents, grandparents, children and sibling coming to the Recreation Center to engage in a bar-b-que with games and bounce houses/water slides. The elimination of the bounce houses/slides would change the event to a cook out. The children look forward to this event and we believe they would be very disappointed should we change the format.

Option for Cost Savings: Elimination of all professional development for staff.

Cost Savings: \$1,700

Impacts of Option: Providing the opportunity for professional development allows our staff to sharpen their knowledge, develop skills, keep up to date on best practices and changing regulations, encourages networking with other professionals and can reenergize their dedication and creativity.

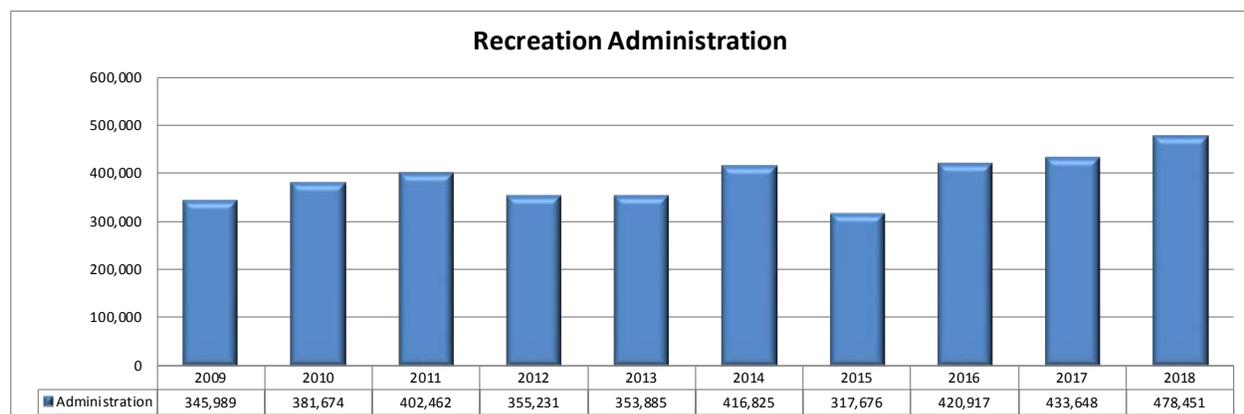
ADMINISTRATION

Administrative management responsibilities include providing leadership and organizational management of all Recreation Department operations. 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 communication with the Town Manager and the Mayor and Town Council. The administrative management team consists of the Director of Recreation, Assistant Recreation Director, Office Manager and Administrative Clerk.

Expense Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Adjusted* | FY2017 Projected | FY2018 Budget | % Change |
|--------------------|------------------|------------------|------------------|---------------------|---------------------|------------------|--------------|
| Salaries and Wages | 203,020 | 281,797 | 297,633 | 297,633 | 283,835 | 316,008 | 6.17% |
| Employee Benefits | 101,467 | 130,735 | 139,790 | 139,790 | 135,382 | 143,823 | 2.89% |
| Contractual | 9,303 | 5,585 | 10,700 | 10,700 | 6,967 | 12,900 | 20.56% |
| Commodities | 3,657 | 2,828 | 5,600 | 5,600 | 4,189 | 5,720 | 2.14% |
| Capital Outlay | - | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | - | 0.00% |
| Other | - | - | - | - | - | - | 0.00% |
| TOTALS | 317,447 | 420,945 | 453,723 | 453,723 | 430,373 | 478,451 | 5.45% |

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---|--------------|--------------|--------------|--------------|--------------|
| Director of Recreation | - | - | 1.000 | 1.000 | 1.000 |
| Director of Recreation and Special Projects | 0.900 | 0.900 | - | - | - |
| Assistant Director of Recreation | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 |
| Office Assistant II | 0.750 | 1.000 | 1.000 | 1.000 | 1.000 |
| Office Manager | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | 3.150 | 3.400 | 3.500 | 3.500 | 3.500 |



POTENTIAL REVENUE ENHANCEMENTS

This Division does not generate revenue.

PAST EFFICIENCIES AND COST SAVING MEASURES

- Cross training of staff to increase flexibility in scheduling.
- Reclassification of Office Assistant II to Administrative Assistant resulting in a savings of over \$4,000 in salary.
- In fiscal year 2013, Assistant Director position eliminated through attrition.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

Staff reassignment during proposed construction of new Recreation Center.

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Elimination of all professional development for staff.

Cost Savings: \$3,000

Impacts of Option: Providing the opportunity for professional development allows our staff to sharpen their knowledge, develop skills, keep up to date on best practices and changing regulations, encourages networking with other professionals and can reenergize their dedication and creativity.



Comprehensive Review of Town Operations

EMPLOYEE COMPENSATION

CONTENTS

| | |
|---|----|
| Timeline of Non-Insurance Benefit Changes: | 2 |
| Benefits & Incentives (excluding Retirement and Insurance) | 3 |
| Leave Benefits | 3 |
| Benchmark Leave Benefits..... | 4 |
| Tuition Reimbursement | 7 |
| Benchmark Tuition Reimbursement..... | 7 |
| Options for Cost Savings | 8 |
| Option for Cost Savings: Eliminate entirely | 8 |
| Recommendation for Cost Savings: Cap of 9 Credit Hours Maximum Reimbursed..... | 8 |
| Recommendation for Cost Savings: Eliminate reimbursement of fees and books | 9 |
| Compensation | 9 |
| Incentive Benchmarks..... | 9 |
| Recommendation for Cost Savings: Amend cell phone stipend amounts | 12 |
| Executive Benefits..... | 13 |
| Longevity Compensation | 14 |
| Option for Cost Savings: Freeze, Cap or Eliminate the Benefit | 14 |
| Performance Bonus Program..... | 15 |
| Option for Cost Savings: Eliminate the Benefit or Amend the Benefit Payments..... | 17 |
| Pay Range & Merit Pay Systems | 18 |
| Pay Range Structure..... | 18 |
| Preliminary Market Study | 19 |
| Merit Pay System | 19 |
| Options for Consideration | 21 |
| Recommendation for Cost Savings: Schedule of Pay Range Adjustments..... | 21 |
| Recommendation for Cost Savings: Adjust Merit Pay System with Lump Sum Option | 22 |

TIMELINE OF NON-INSURANCE BENEFIT CHANGES:

| | |
|------|--|
| 2004 | <ul style="list-style-type: none"> October 1, 2004, longevity compensation program was closed to new hires and replaced with a performance bonus program. |
| 2006 | <ul style="list-style-type: none"> October 11, 2006, Reduced the maximum allowed accrual of vacation hours for new hires not to exceed annual accrual. |
| 2008 | <ul style="list-style-type: none"> January 31, 2008: Town Council reviews the Comprehensive Review of Town Operations (CROTO) report. April 9, 2008: Reduced the maximum allowed accrual of sick leave for new hires from 1,600 to 1,040. |
| 2009 | <ul style="list-style-type: none"> Following review by and recommendation from the December 16, 2008 Finance and Tax Committee Meeting, Extraordinary Longevity compensation was eliminated at the January 13, 2009 meeting of the Town Council. |
| 2010 | <ul style="list-style-type: none"> April 6, 2010: Town of Palm Beach Pension Plans, Town Manager's Report and Recommendations issued at Special Town Council Meeting, April 6, 2010. Reduction in retirement plan benefits was ordered; this required bargaining in good faith with both Police and Fire unions. FY10 Hiring freeze and no pay increases provided. Amendment to the Town's policy relative to use of Federally mandated compensatory time, requiring its use before any other leave and payout of any accrued compensatory time prior to any salary increase to include but not limited to merit, step, and/or promotional increases. |
| 2011 | <ul style="list-style-type: none"> September 2011, regardless of hire date, all Certified Fire-Rescue Bargaining Unit Supervisory and Non-Supervisory employees will be provided with a performance bonus due to collective bargaining agreement. FY11 Hiring Freeze and no pay increases provided. |
| 2012 | <ul style="list-style-type: none"> May 1, 2012: Second reading of Town Ordinance adopting changes to retirement plan benefits for all employees, providing for a hybrid retirement plan in lieu of only defined benefit program. October 2012, all sworn Police Officer and Sergeants will be provided with a performance bonus regardless of hire date due to collective bargaining agreement. |
| 2016 | <ul style="list-style-type: none"> August 16, 2016: Second reading of Ordinance adopting changes to retirement plan benefits for Police Officers and non-union Firefighters eliminating the hybrid plan and implementing a defined benefit plan, effective October 1, 2016. |
| 2017 | <ul style="list-style-type: none"> February 14, 2017: Second reading of Ordinance adopting changes to retirement plan benefits for General employees, retaining and amending the existing provisions of the hybrid plan effective May 1, 2017. August 9, 2017: Second reading of Ordinance amending the retirement benefits provided to union Firefighters pursuant to the collective bargaining agreement between the Town and the IAFF, eliminating the hybrid plan and implementing a defined benefit plan, effective August 12, 2017. |

BENEFITS & INCENTIVES (EXCLUDING RETIREMENT AND INSURANCE)

LEAVE BENEFITS

The Town offers a variety of leave benefits that are common in the market, as follows: Vacation Leave, Sick Leave, Personal Leave, Exempt Leave, Bereavement Leave, and Holidays. These benefits were compared to the peer market benefits and included below. In 2006, the Town reduced the maximum accrual of vacation leave earned by employees; however, peers did not follow this practice and their benefits with respect to vacation leave accrual exceed the Town's benefit. However, the Town does offer other leave benefits such as 12 (versus 11) holidays, and personal leave (slightly greater than peers) that helps to balance the overall leave benefit package. While there are some variations among peer leave benefits, the Town's position overall is competitive with the market and any reductions would cause a misalignment below the market.

BENCHMARK LEAVE BENEFITS

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | PBG | Delray |
|--|--|---|--|--|--|---|
| Vacation Leave | | | | | | |
| Maximum Accrual <i>(_x number of hours accrued/yr)</i> | 1x | 2x | 2x | 360 hours | PTO Policy | - 288 hours - 432 Fire Rescue shift |
| General Employees | | | | | | |
| Hours Per Year (Years of Service) | 80 (0-4) 120 (5-9) 136 (10-14) 160 (15+) | 80 (0-5) 104 (6-10) 120 (11-15) 144 (16-20) 160 (21+) | 96 (0-4) 120 (5-9) 128 (10) 136 (11) 144 (12) 152 (13) 160 (14+) | 96 (0-5) 120 (5-10) 144 (10-15) 168 (15+) | 192 hrs/yr PTO includes vacation, sick, and personal time | 96 (1-3) 112 (3-7) 128 (7-11) 144 (11+) |
| FR Shift | | | | | | |
| Hours Per Year (Years of Service) | 256 (0-4) 280 (5-9) 304 (10-14) 352(15+) | 144 (0 – 4) 157 (5 -9) 181 (10 – 14) 216 (15 – 19) 242 (20+) | n/a | | 184.8 hrs/yr PTO includes vacation, sick, and personal time | 144 (1-3) 168 (3-7) 192 (7-11) 216 (11+) |
| Police Shift: | | | | | | |
| Hours Per Year (Years of Service) | 176 (0-4) 216 (5-9) 232 (10-14) 256 (15+) | 104 (0-4) 136 (5-9) 160 (10-14) 168 (15-19) 176 (20+) | 96 (0-4) 120 (5-9) 128 (10) 136 (11) 144 (12) 152 (13) 160 (14+) | | 192 hrs/yr PTO includes vacation, sick, and personal time | 96 (1-3) 112 (3-7) 128 (7-11) 144 (11+) |
| Sick Leave | | | | | | |
| Sick Leave Accrual | 96 hrs/yr | 96 hrs/yr (hired prior to 12/31/2012) 80 hrs/yr (hired on or after 1/1/2013) | 96 hrs/yr | 96 hrs/yr | 192 hrs/yr PTO includes vacation, sick, and personal time | 96 hrs/yr |

| | | | | | | |
|--|---|---|---|---|---|---|
| Maximum Accrual | Hired prior to 4/9/2008: 1,600 hrs full-time 800 hrs part-time Hired after 4/9/2008: 1,040 hrs full-time 500 hrs part-time | Prior to December 31, 2012 Max 960 hours January 1, 2013 (Present) max 416 hours | No Maximum | 960 hours > 960 are paid off annually at 50% | | Maximum 1,120 hrs |
| Other Leave | | | | | | |
| Personal Leave | 24 hrs (36 hrs Fire Shift) Does not accrue or carry-over. | At the end of the last pay period of each payroll calendar year, an employee shall be provided a credit of personal leave for every three hours of sick leave over the maximum. | 8 hrs/fiscal year Does not accrue or carry-over. | | 192 hrs/yr PTO includes vacation, sick, and personal time | N/A |
| Exempt Leave | Exempt employees are awarded 32 hrs (48 hrs for Fire) per calendar year, granted upon request and approval by supervisor or dept. head. Does not accrue or carry over. | No | Maximum accrual is 60 hours; carries no cash value for payouts | | Exempt employees are awarded 5 Administrative Days (40 hrs) per calendar year, granted upon request and approval by supervisor or dept. head. Does not accrue or carry over. | 16-40 hours dependent upon position |
| Bereavement Leave | 24 hrs for in-state, 40 hrs outside FL | 3 days | 3 days in state, 5 days out of state | 3 days in state, 5 days out of state | Up to 3 days in state, 5 days out of state | 3 days 5 days out of state |
| Holidays/Calendar Year: Holidays Include: | 12 • New Year's Day • Martin Luther King Day • President's Day • Memorial Day • Independence Day | 11 • New Year's Day • Martin Luther King Day • President's Day • Memorial Day | 10 • New Year's Day • Martin Luther King Day • President's Day • Memorial Day | 10 • New Year's Day • Martin Luther King Day • President's Day • Memorial Day | 11 • New Year's Day • Martin Luther King Day • President's Day • Good Friday • Memorial Day | 11 • New Year's Day • Martin Luther King Day • President's Day • Memorial Day • Independence Day |

| | | | | | | |
|--|--|---|--|---|---|--|
| | <ul style="list-style-type: none"> • Labor Day • Veteran’s Day • Thanksgiving Day • Day after Thanksgiving • Christmas Eve • Christmas Day • New Year’s Eve | <ul style="list-style-type: none"> • Independence Day • Labor Day • Columbus Day • Veteran’s Day • Thanksgiving Day • Day after Thanksgiving • Christmas Day | <ul style="list-style-type: none"> • Independence Day • Labor Day • Veteran’s Day • Thanksgiving Day • Christmas Eve • Christmas Day | <ul style="list-style-type: none"> • Independence Day • Labor Day • Columbus Day • Veteran’s Day • Thanksgiving Day • Christmas Day | <ul style="list-style-type: none"> • Independence Day • Labor Day • Veteran’s Day • Thanksgiving Day • Day after Thanksgiving • Christmas Day | <ul style="list-style-type: none"> • Labor Day • Veteran’s Day • Thanksgiving Day • Day after Thanksgiving • Christmas Eve • Christmas Day |
| Floating Holidays: | 1 | 0 | 1 (Day after Thanksgiving) | 3 | 1 | 1 |
| Jury Duty Leave | Paid for every day of service. | Paid for every day of service. | Paid for every day of service. | | Paid for every day of service | Paid for every day of service |
| Describe any policy relative to receipt of jury duty leave: | Proof of service required. | Proof of service required | | | Proof of service required | Proof of service required |

TUITION REIMBURSEMENT

Regular full-time and regular part-time employees are eligible to receive tuition reimbursement for degree seeking courses. Prior to enrolling at a college, university, or other approved and accredited institution, an employee who wishes to be reimbursed for educational expenses must submit an application for educational assistance first to his/her department director for approval and then to the Human Resources Department. Subject to approval by the department director and Director of Human Resources, reimbursement is provided on the following basis:

- a. Approved undergraduate degree program and all job-related courses of a non-degree program: 100% for an "A" or "B"; and 75% for a "C" for regular full-time employees; and 50% for an "A" or "B"; and 37.5% for a "C" for regular part-time employees.
- b. Approved graduate degree programs: 100% for an "A" or "B" for regular full-time employees and 50% for an "A" or "B" for regular part-time employees. No reimbursement will be made for grades below a "B" for graduate level courses

Maximum tuition reimbursement is based on the higher tuition cost charged by either Palm Beach State College for similar state college programs or Florida Atlantic University for similar university programs. Reimbursement based on the above schedule for grades received also covers all books, materials, and other fees required by the school specific to the course(s) taken.

BENCHMARK TUITION REIMBURSEMENT

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | PBG | Delray |
|--|--|---|---|--|-----|---|
| Tuition Reimbursement | 100% for A or B, 75% for C <i>(no reimbursement for graduate degree of C or lesser)</i> | 100% for C or better | 100% for A or B, 75% for C | 100% if grade is consistent with the degree requirements | N/A | 100% for C or better in AA/BA program. 100% for B or better in graduate program |
| Ancillary Costs (Fees, books, etc.) | Yes, covered per degree earned | Yes, up to \$250 for books and fees | No, only credits | | N/A | Yes. 100% for books, supplies, and lab fees |
| Capitation and/or Limit per Year or other | None | 6 credits per semester up to a max of 12 credits per year | 5 courses per fiscal year, up to \$5,550 | | N/A | 12 credits per fiscal year |
| Rate Tuition is Reimbursed | PBSC and FAU | FAU Rate | AA = \$101 per credit BA = \$201.29 per credit | State Rate | | State Rate |

| | | | | | | |
|-------------------------------------|------------------------|--|--|------------------------|----|---|
| | | | MA = \$369.82 per credit | | | |
| Repayment Service Obligation | Less than 1 year: 100% | Less than 1 year: 100% More than 1 year but less than 2 years: 50% | Leaving 0-1 Years: AA/BA/MA = 100% Leaving 1-2 Years: AA/BA/MA = 75% Leaving 2-3 Years: BA/MA = 50% Leaving 3-4 Years: MA = 25% | Less than 1 year: 100% | NA | Less than 1 year: 100% |
| Specified Exclusions | None | Grants or funding that the employee does not have to repay is not reimbursed, only reimburse for actual expenses incurred. | Grants or funding that the employee does not have to repay is not reimbursed, only reimburse for actual expenses incurred. | | NA | Grants or funding that the employee does not have to repay is not reimbursed , only reimburse for actual expenses incurred. |

OPTIONS FOR COST SAVINGS

Option for Cost Savings: Eliminate entirely

Cost Savings: \$48,965

Summary: In FY17, the cost to fund the Tuition Reimbursement program was \$48,965. This cost covered tuition, fees, and books as described above.

Impact of Option: Employees currently pursuing a degree, or considering doing so in the future, would not have the benefit of tuition reimbursement from the Town in the future.

Recommendation for Cost Savings: Cap of 9 Credit Hours Maximum Reimbursed

Savings: \$16,300

Summary:

On average, an employee receiving a tuition reimbursement receives \$3,000 a year. A capitation to the maximum credit hours reimbursed in the program would equalize the benefit among employees and limit the overall benefit of the program paid. Full-time enrollment is

12 credit hours, and is often difficult to achieve for full-time employees. In addition, this change would be in alignment with what most others in our peer market provide.

Impact of Option:

Employees either currently in a degree-seeking program, or pursuing one in the future, would either progress thru the program at a slower pace due to reduced reimbursement or they would supplement the reimbursement with their own money to maintain full-time enrollment of 12 credit hours. Staff recommends implementation of this amendment to the tuition reimbursement program due to its comparison in the market. Further, individuals hold degrees and while these credentials provide a benefit to the employer, the degree remains with the employee should they leave employment and it is not uncommon in either private or public sector for employees to invest in their own pursuit of a college degree.

Recommendation for Cost Savings: Eliminate reimbursement of fees and books

Savings: \$2,750

Summary:

There are various fees and additional costs with respect to text books associated with taking college courses. The advent of e-books has dramatically reduced the cost of text books borne in prior years with hard cover/paper text books. In FY17, the cost to reimburse fees and books was \$2,750.

Impact of Option:

Employees would need to invest their own funds to cover the cost of fees and books associated with their degree program. While this does increase the employees' personal investment in their pursuit of a degree, staff maintains its position to recommend this change due to market comparison.

COMPENSATION

The Town's compensation program is comprised of base salary, longevity or performance bonus based on hire date and job classification, job related incentives, and any mandatory overtime or compensatory time paid based on Federal employment law.

The following provides an overview of the components of the Town's compensation program for employees.

INCENTIVE BENCHMARKS

Incentives provide compensation to certain job classifications based on the duties performed.

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | PBG | Delray |
|--|---------------------------------|---|---|------|-----|---|
| Cell Phone Basic (no data) Basic + Data | \$600.28 \$1,200.55 | \$300/year \$600/year | \$300/year \$1020/year Based on business needs | | | \$300/year stipend voice \$540/year stipend voice/data |
| Construction/Inspector Certifications | \$750/cert Max: \$4,500 | No | \$250/cert Max: \$750 in each position held | | | |
| Call Back Pay | Min 4 hours | | Min 2 hours | | | Minimum 2 hours |
| Clothing Allowance | \$250-\$500 Select positions | Police: \$650 cleaning allowance Fire: \$950 uniform cleaning allowance | \$500 annual cleaning allowing for Chief, Deputy Chief, Captains, Majors, Sergeants, Police Officers All other uniforms purchased by Town Boot allowance of \$150 for Service Workers (Parks and Public Works) | | | N/A |
| Tool Allowance (for Mechanics) | \$500 | \$300.00 Fleet Mechanic, Emergency Vehicle Mechanic, HVAC Mechanic, Street Lighting Technician, Fleet Preventive Maintenance Technician, Tire Repair Worker, | \$250 for mechanics | | | N/A |

| | | | | | | |
|------------------------------------|--------------------------|-----------------------|--------------------------|--|---|---------------------------|
| | | Facility Maintenance | | | | |
| Fire Rescue: | | | | | | |
| Community Education Officer | \$1,200 | | | | n/a, part of life safety fire inspector duties | |
| Field Training Officer | \$2,000 | | | | n/a performed as special project appointed by Chief | Step Trainer 2hrOT/24hr |
| Public Information Officer | \$1,200 | | | | n/a performed by one of the Deputy Fire Chiefs | EMS Supv. \$1/hour |
| Self Cont. Breathing App | \$1,200 | | | | n/a performed as special project appointed by Chief | 40hour shift \$1/hour |
| Station Commander | \$2,400 | | | | n/a Captain serves as Station Commander | |
| Boots | \$100 | | | | Part of uniforms, IAFF CBA Article 21 | |
| EMT/Medic (Ocean Rescue) | \$1,800 | | | | n/a | \$1/hr EMT – OR Lifeguard |
| AS Degree | \$600 state reimbursed | | | | State Program Amount | |
| BS Degree | \$1,320 state reimbursed | \$600 state reimburse | | | State Program Amount 1,320 | |
| Fire - Other | | | | | | |
| Police | | | | | | |
| BA/BS Degree | \$720 state reimbursed | | \$720 state reimbursed | | State Program Amount | \$2 per hour |
| AA/AS Degree | \$360 state reimbursed | | \$360 state reimbursed | | State Program Amount | \$1 per hour |
| Max for Degrees | \$1,560 state reimbursed | | \$1,560 state reimbursed | | State Program Amount | |
| Motorcycle | \$2,200 | | | | 5% assignment pay | |

| | | | | | | |
|------------------------|---------|------|--|--|---|---|
| | | | | | calculated on base salary | |
| FTO - Sworn | \$5,000 | | | | 3% assignment pay calculated on base salary | |
| FTO - Sergeant | \$3,000 | | | | 5% assignment pay calculated on base salary | |
| Shoe Allowances | \$100 | \$80 | | | \$125 per year | |
| Police – Other: | | | | | See PBA CBA Articles 3, 25, 32 (5), 42, 43, | Career Officer program: \$.50 per hour each step Shift diff: \$.75 per hour for shifts after 5pm Language incentive: \$.43 per hour. |

RECOMMENDATION FOR COST SAVINGS: AMEND CELL PHONE STIPEND AMOUNTS

Savings: \$35,370

Summary:

Based on the market data collected the Town’s current reimbursement exceeds peer data and therefore we recommend a reduction of this stipend. Voice stipends would be reduced from \$600 per year to \$300 per year, voice and data stipends would be reduced from \$1,200 per year to \$600 per year.

Impact of Option:

The benefit currently provided to be employees is based on job necessity and use of personal devices for work related matters. Amending this benefit would reduce the amount currently provided to employees and recommended by staff to provide this work related benefit in a manner that aligns with our peer market.

EXECUTIVE BENEFITS

Incentives and allowances provided in annual amounts:

Other

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | PBG | Delray | | | | | | | | | | | | | | | |
|-----------------------------|--|--|---------|------|-----------|--------------------------------------|-----|-----------|-----|-----|-------------|-----|-----|-----------|-----|-----|----|--|--|-----|-----|
| Insurance | <ul style="list-style-type: none"> • Health: 100% of HMO premium rate for ee and dependents • Dental: 100% of premium for ee and dependents • Stipend provided to Department Directors, Assistant Director, Division Manager, Police Captain (and above), Fire Battalion Chief (and above) level positions to cover this expense. | Health: 100% paid for employee and eligible dependents Dental: 100% paid for employee and eligible dependents | | | N/A | N/A | | | | | | | | | | | | | | | |
| Car Allowance | \$5,400/year for Department Directors (excluding public safety with take home cars) | \$6,000 to City Administrator, Deputy City Administrator, Assistant City Administrator and City Attorney | | | N/A | \$220 or \$110 depending on position | | | | | | | | | | | | | | | |
| Adjusted Leave Banks | <table border="1"> <thead> <tr> <th></th> <th>Hrs/Yr</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>0-4 Years</td> <td>120</td> <td>216</td> </tr> <tr> <td>5-9 Years</td> <td>136</td> <td>248</td> </tr> <tr> <td>10-14 Years</td> <td>160</td> <td>296</td> </tr> <tr> <td>15+ Years</td> <td>200</td> <td>376</td> </tr> </tbody> </table> | | Hrs/Yr | Max | 0-4 Years | 120 | 216 | 5-9 Years | 136 | 248 | 10-14 Years | 160 | 296 | 15+ Years | 200 | 376 | No | | | N/A | N/A |
| | Hrs/Yr | Max | | | | | | | | | | | | | | | | | | | |
| 0-4 Years | 120 | 216 | | | | | | | | | | | | | | | | | | | |
| 5-9 Years | 136 | 248 | | | | | | | | | | | | | | | | | | | |
| 10-14 Years | 160 | 296 | | | | | | | | | | | | | | | | | | | |
| 15+ Years | 200 | 376 | | | | | | | | | | | | | | | | | | | |
| Other | No | No | | | No | | | | | | | | | | | | | | | | |

LONGEVITY COMPENSATION

As part of the historical cost saving efforts made in the Town, the Longevity Compensation program was closed to new hires as of October 1, 2004, and any employees hired prior to that date were grandfathered and continue to receive the benefit. Currently there are 85-grandfathered employees in the Longevity Compensation program. The longevity payment received by grandfathered employees is calculated at a rate of one-half (1/2) percent for each year of service, up to and including the twentieth year of service, not to exceed 10% of base annual rate of pay. Payments are provided as a lump sum on or about December 1 annually.

In the market, this is no longer a benefit offered to new hires. Following the Town's action in 2004, peers acted in a similar manner and either froze or grandfathered employees into this benefit. Freezing the benefit means that the dollar amount was frozen on that date and while the benefit would continue to be paid, it would not increase on any future date. Grandfathering means that the benefit continues to accrue for eligible employees in the same manner as provided prior.

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | PBG | Delray |
|-----------------------|--------------------|--------------------|----------------------|----------------------|---|--------|
| Frozen Benefit | None | None | Still uses longevity | Still uses longevity | PBA & IAFF 10/1/12, and 9/30/11 for SEIU and Non-Union. | |
| Grandfathered | Effective 10/1/04 | Effective 09/30/09 | | | | |

OPTION FOR COST SAVINGS: FREEZE, CAP OR ELIMINATE THE BENEFIT

Cost Savings: Up to \$606,511

Summary:

FY18 cost of longevity compensation was \$626,725 for 85 employees. The FY18 longevity payments range from \$3,005 to \$19,652, with an average payment of \$7,373. This amount will continue to increase until all existing employees grandfathered remain employed. Alternatively, the Town may consider capping or freezing this benefit at the FY18 level paid therefore eliminating future increasing costs. However, staff does not recommended that changes to either the longevity and/or performance bonus program be considered in isolation; rather, they should be considered in association with any potential changes to merit pay and pay ranges.

The current plan provides for a percentage cap of 10%; therefore, the cost of this benefit will increase at the same pace at which individual salaries increase. Freezing the benefit and/or placing a capitation to this benefit would limit future increases. Approximately 80% of grandfathered longevity benefit earning employees received less than \$10,000 in FY18. If the cap of \$10,000 were set in FY18 the total payment would have been \$576,480 (\$50,200 savings).

Alternatively, the benefit could be replaced with the existing Performance Bonus program provided to all other employees who were hired on or after 10/1/2004; or, the benefit could be eliminated.

The following provides a summary of the FY19 Longevity Compensation benefit. In FY19 the total expenditure estimate is \$606,511, if the program were eliminated that expenditure would be savings. Alternatives include freezing the benefit (so no additional dollars are accrued) and that would yield \$38,607 in savings. Another alternative is freezing the benefit for those in excess of \$6,000, and allowing those below \$6,000 to accrue compensation until they reach that cap (savings of \$28,505 estimated) . Finally, \$175,000 in savings could be achieved if all participants were placed at a \$6,000 cap. This is further outlined below.

| Summary of Longevity Options | FY19 |
|--|--------------------|
| Current Longevity Program | \$606,511.59 |
| Savings each year under current program | \$18,016.58 |
| Freeze everyone at FY18 payout | 567,904.33 |
| Savings over current program | 38,607.26 |
| Freeze all at FY18 levels except under \$6k | 578,005.72 |
| Savings over current program | 28,505.87 |
| Freeze everyone at a \$6k cap | 430,894.89 |
| Savings over current program | 175,616.70 |

Full elimination is not recommended by management at this time; however a fuller discussion regarding the impact to total employee compensation may be warranted.

PERFORMANCE BONUS PROGRAM

In 2004, the Town closed the longevity compensation program to new hires. A bonus program was implemented in its place for new hires, eligible after a five-year waiting period, in order to remain competitive in the market since peers did not take the same action to eliminate longevity at that time. The original bonus program was based on years of service and performance. In 2011, a Florida State Statute was enacted that required any bonus program, if offered, in a municipality to be based exclusively on performance. In order to maintain compliance with state statute, the Town's program was changed eliminating the years of service incremental component and based the program on performance. Additionally, existing collective bargaining agreements with police and fire also amended the benefit to those members eliminating the longevity and providing the performance bonus program to all members, regardless of hire date. The current program complies with state statute and is available to new hires after a five-year waiting period.

**Administrative
Performance Pay Chart
effective 10/1/XX**

| <u>Percentile</u> | <u>Performance Pay Increases</u> | <u>Performance Score Range</u> | <u>Bonus Amount</u> <i>(for December 2016 eligible payments)</i> |
|-------------------|--------------------------------------|------------------------------------|---|
| 100th | 7.50% | 4.32 - 5.00 | \$6,000 |
| 90th | 7.00% | 4.24 - 4.31 | \$5,000 |
| 80th | 6.50% | 4.04 - 4.23 | \$4,000 |
| 70th | 6.00% | 3.90 - 4.03 | \$3,500 |
| 60th | 5.50% | 3.84 - 3.89 | \$3,000 |
| 50th | 5.00% | 3.75 - 3.83 | \$2,500 |
| 40th | 4.50% | 3.71 - 3.74 | \$2,000 |
| 30th | 4.00% | 3.60 - 3.70 | \$1,500 |
| 20th | 3.50% | 3.47 - 3.59 | \$1,000 |
| 10th | 3.00% | 3.00 - 3.46 | \$500 |

The performance bonus amount received is based on the respective Performance Pay Chart (PPC) used in the merit pay system. The PPCs are based on actual rolling five-year average of performance scores for employees within the applicable PPC group. The range of values obtained from the rolling five-year average of scores is equally distributed into 10% increments, resulting in a range of scores from the 10th to 100th percentile. Performance bonus payments are based on 10% increments of performance scores within the PPCs, starting at \$500 and increasing to a maximum payment of \$6,000.

There are currently no peer organizations offering a merit based bonus program due mostly to lack of merit based pay systems. However, the far majority of peer organizations (4 out of 5) provide lump sum payments to employees. When an employee cannot receive the full amount of their eligible pay increase due to being at or near the maximum of their assigned pay range, the remaining balance of the increase is paid as a lump sum that is not applied to base salary nor is it cumulative to future increases. This is discussed further within the Merit Pay section of this report.

Staff does not recommended that changes to either the longevity and/or performance bonus program be considered in isolation; rather, they should be considered in association with any potential changes to merit pay and pay ranges. Compensation programs such as merit pay, lump sum and/or performance bonus programs are attractive compensation benefits that are promoted during the recruitment process and help to reinforce the “always exceptional” performance expectations of the Town. Full elimination is not recommended by management at this time; however a fuller discussion regarding the impact to total employee compensation may be warranted.

OPTION FOR COST SAVINGS: ELIMINATE THE BENEFIT OR AMEND THE BENEFIT PAYMENTS

Cost Savings: Up to \$366,000

The performance bonus amount received, as shown in the sample above, is based on the respective Performance Pay Chart (PPC) used in the merit pay system. Should consideration be warranted two models were generated amending the existing Performance Bonus program. Model A is the current program where payments range from \$500 to \$6000 so long as the employee has achieved 5 years of service and earns an evaluation score above 3.0. Models B and C are shown below and provide payments to employees who achieve 5 years of service and perform at or above the 20th percentile, working in a manner that goes beyond meeting expectations of the job. Model B eliminates the payment at the 10th percentile and does not amend the payment levels otherwise, providing a savings of \$2,500. Model C also eliminates the payment at the 10th percentile but also reduces each payment level by \$1,000 as shown in the table below, providing a savings of \$92,500.

| | A - Current | B | C |
|---------------------------|-------------------|-------------------|--------------------|
| 100th | \$ 6,000 | \$ 6,000 | \$ 5,000 |
| 90th | \$ 5,000 | \$ 5,000 | \$ 4,000 |
| 80th | \$ 4,000 | \$ 4,000 | \$ 3,000 |
| 70th | \$ 3,500 | \$ 3,500 | \$ 2,500 |
| 60th | \$ 3,000 | \$ 3,000 | \$ 2,000 |
| 50th | \$ 2,500 | \$ 2,500 | \$ 1,500 |
| 40th | \$ 2,000 | \$ 2,000 | \$ 1,000 |
| 30th | \$ 1,500 | \$ 1,500 | \$ 500 |
| 20th | \$ 1,000 | \$ 1,000 | \$ 500 |
| 10th | \$ 500 | \$ - | \$ - |
| FY18 Sum/Estimated | \$ 360,000 | \$ 357,500 | \$ 267,500 |
| Difference | n/a | \$ (2,500) | \$ (92,500) |

In FY18 the Performance Bonus expense was \$366,000 for 97 employees, the average payment is \$3,500.

Impact of Option:

The performance bonus program is less expensive than the prior longevity compensation program. Performance Bonus eligible employees were to receive the longevity benefit, the total expense would have been approximately \$464,600, with an average benefit of \$4,700. This compensation benefit also provides the Town with an advantage over peer organizations when comparing compensation structures during recruitment and retention, allowing us to reinforce the “always exceptional” expectations of performance that support the Town’s vision and values. However, any changes to either the longevity and/or performance bonus programs including amendment of compensation and/or elimination, this should be done equally to both programs to ensure continuity and cost savings.

PAY RANGE & MERIT PAY SYSTEMS

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 in terms of expected performance at work. The compensation philosophy is linked to the Town’s mission and core competencies. Because providing a high level of services to its residents 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.

There are two primary components of the town’s compensation system: merit pay and pay range.

PAY RANGE STRUCTURE

Individuals are hired by the Town to perform a certain job, the value of that job in our market is assigned a pay range. The salary of an employee moves within, and not to exceed, that pay range depending on the quality of his or her performance in the job in accordance with the merit pay structure. There are 170 unique job titles (or classifications) within the Town spread across nine departments as follows:

| Departments | # Unique Job Titles |
|--------------------------------|---------------------|
| Finance | 13 |
| Fire Rescue | 18 |
| Human Resources | 7 |
| Police | 31 |
| Public Works | 44 |
| Planning Zoning & Building | 18 |
| Recreation | 25 |
| Town Manager’s Office | 14 |
| <i>Total Unique Job Titles</i> | <i>170</i> |

Common compensation practice provides that the midpoint of a pay range would be tied to the 50th percentile for the market. However, the Town has a long-standing philosophy for employee compensation to be in the top quartile (or 75th percentile) of the market. Therefore, the target midpoint of the pay range is the 75th percentile for benchmark market positions.

PRELIMINARY MARKET STUDY

Staff conducted a salary study using data available, to include pay ranges and job descriptions, from the designated peer market (Boca Raton, Delray Beach, Jupiter, Palm Beach Gardens, and West Palm Beach). There were 102 job classifications of the 170 unique classifications evaluated, or 60% of all classifications.

The preliminary market evaluation identified 57 classifications (56% evaluated) with pay range midpoints below the 75th percentile, and 32 (31% evaluated) with pay range midpoints below the market average. The study included a small sample of the market, only 5 possible data points of comparison. However, this initial review has identified cause for concern for below market pay grades for 56% of the classifications evaluated. Prior to making any changes to pay grades due to lack of market competitiveness, staff recommends conducting a broader study of all public employers in Palm Beach County. This recommendation is discussed further in the options for consideration below.

MERIT PAY SYSTEM

Town employees receive formal job performance evaluations following the completion of their probationary period, and each year thereafter throughout their employment with the Town. The amount which their salary may increase is based on their performance and structured in a way to ensure that the top performing employees receive higher pay opportunities. 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%. Consistently 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 and are placed on a performance improvement plan. Failure to successfully complete the performance improvement plan results in termination of employment.

When an employee's pay reaches the top (or maximum) of the pay range, no further pay increases 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. Approximately 31% of all full-time employees were at the maximum of their pay ranges in FY17. Pay ranges were adjusted in FY18 by 2.5% and therefore approximately 104 employees at the maximum of their pay range will not receive a pay increase in excess of 2.5% in FY18, regardless of the eligible pay increase they may have earned based on performance.

Performance pay increases are provided to eligible employees within the parameters of the Performance Pay Chart (PPC) that relates performance scores to pay increases, subject to the limitations of the budget approved by the Town Council. The PPCs are applicable to the following eligible employees based on their assigned department at the time of their evaluation due date.

- Administrative PPC Group – applies to all eligible personnel employed within Finance, Human Resources (including Clinic), Information Technology, Planning, Zoning & Building, Purchasing, Recreation, Risk Management, Town Clerk, and Town Manager.
- Fire Rescue PPC Group – applies to all eligible personnel employed within Fire Rescue, including Ocean Rescue.
- Police PPC Group – applies to all eligible personnel employed within Police.
- Public Works PPC Group – applies to all eligible personnel employed within Public Works.

The PPCs are based on actual rolling five (5) year average of performance scores for employees within the applicable PPC group. The range of values obtained from the rolling five (5) year average of scores is equally distributed into 10% increments, resulting in a range of scores from the 10th to 100th percentile. Performance pay increases are based on 10% increments of performance scores (or score percentiles) providing a 3% increase for the 10th percentile, and increasing by ½% for each additional 10th percentile, leading to a maximum 7.5% increase for the 100th percentile.

The PPCs are amended annually on October 1, and used to provide pay increases for that same October 1 through September 30. Using the sample PPC below, an employee in the Administrative PPC who scores a 3.65 on his or her evaluation would be eligible to receive a 4.5% increase, not to exceed the maximum of the assigned pay grade for his or her position.

**Administrative
Performance Pay Chart
effective 10/1/20XX**

| <u>Percentile</u> | <u>Perf Pay Increase</u> | <u>Perf. Score Range</u> |
|-------------------|--------------------------|--------------------------|
| 100th | 7.50% | 4.40 - 5.00 |
| 90th | 7.00% | 4.24 - 4.39 |
| 80th | 6.50% | 4.12 - 4.23 |
| 70th | 6.00% | 3.99 - 4.11 |
| 60th | 5.50% | 3.84 - 3.98 |
| 50th | 5.00% | 3.73 - 3.83 |
| 40th | 4.50% | 3.61 - 3.72 |
| 30th | 4.00% | 3.53 - 3.60 |
| 20th | 3.50% | 3.46 - 3.52 |
| 10th | 3.00% | 3.00 - 3.45 |

OPTIONS FOR CONSIDERATION

RECOMMENDATION FOR COST SAVINGS: SCHEDULE OF PAY RANGE ADJUSTMENTS

Savings: TBD

Summary:

Historically ranges adjustments were intended to align with the consumer price index and fluctuations in our local market for cost of living. However, it is a common best practice in performance based pay organizations to adjust the pay ranges based on market driven data versus cost of living or consumer price index. Therefore, in order to maintain the Town as a performance pay organization **staff recommends** to forego annual pay range adjustments and conduct market analysis on 20% of Town job classifications each year, allowing all classifications to be evaluated every five years on a rotating basis and adjusted to the 75th percentile of the market. Position classifications included in the first round of adjustments would be those that have either high turnover (such as Public Safety) or are far below the market. This would result in conducting a study and making adjustments on only 1/5th of the total classifications (or approximately 35-position classification per year), making adjustments to pay ranges according to the market 75th percentile, and providing a market appropriate range for employee compensation allowing performance based merit increases to drive employee movement through the range.

Impact of the Option:

Placing all job classifications on a five-year rotating evaluation of market pay ranges means that approximately 35 positions will be evaluated across all public employers in Palm Beach

County and adjusted on an annual basis. This would replace the annual pay range adjustment of all positions that occurs during the annual budget process with market driven pay range management.

Those positions not evaluated may be below the market for up to four years based on the rotation schedule as only 1 out of every 5 job classifications will be studied each year. High-performing employees in those classifications not studied will have no pay increases regardless of performance if they are being compensated at the maximum of their pay range. Therefore, staff recommends consideration of implementing a “lump-sum” policy, as described below, to ensure there is monetary motivation to perform well in their jobs without increasing pensionable compensation or liability.

RECOMMENDATION FOR COST SAVINGS: ADJUST MERIT PAY SYSTEM WITH LUMP SUM OPTION

Savings: \$222,433

Summary:

Several alternative models were developed to amend the current merit system. During this analysis the result of each model was compared to the average eligible pay increase, average actual pay increase, and total estimated cost difference. It is important to note that there is a difference between eligible and actual pay increase due to no employee being able to be paid over the maximum of his or her assigned pay range. Therefore, the percent an employee may be eligible to receive may vary from that which they actually receive, as their base salary is limited to the pay range.

The following table provides the various types of annual step, across the board, and/or performance based compensation structures employed among our peer organizations.

| | Town of Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach |
|------------------------------|--------------------|------------------------------|------------|---------|---|-------------------------|
| FY18 Merit | 3% -7.5% | N/A | N/A | 0% - 6% | N/A | 0% to 5% |
| FY18 Step | N/A | Varies, IAFF & PBA (5% avg)* | N/A | N/A | N/A | Varies, IAFF (4.5% avg) |
| FY18 Across-the-Board | N/A | 4% | 4% | N/A | 3% Non-Union & SEIU; 6% PBA; 2.5% IAFF* | N/A |
| Over Max Lump sum | No | Yes | No | Yes | Yes | Yes |

During the review of compensation structures among peer organizations variations the practice by which each manages those employees whose compensation have reached the top of their assigned pay grade was identified. Four of the initial 5 peers surveyed provide lump sum payments. When an employee cannot receive the full amount of their eligible pay increase due to being at or near the maximum of their assigned pay range, the remaining balance of the increase is paid as a lump sum that is not applied to base salary nor is it cumulative to future increases. A broader review of compensation structures across public

employers was conducted to more fully evaluate the Town’s practices compared to its peers. Results, the lump sum practice is common among the far majority of public employers in our area.

Further, lump sum payments would not be considered as base pay and therefore would not be considered as pensionable compensation. This provides a means by which to provide compensation based on performance without increasing pensionable compensation or liability.

Impacts of Option:

Analysis was conducted to evaluate the current merit structure (Model A), and three alternative models (Models B, C, D and E). The analysis used FY17 performance review scores earned by employees, assumed the same would be earned by employees in FY18, and applied respective actual pay increases not to exceed the FY18 pay range maximums. Results are shown in the table below. Model A, the current structure, provides for an eligible increase that starts at 3.0% and increases by .5% up to 7.5%. The alternative models were selected based on the range of merit increases provided by peers in our market who offer a performance based compensation system, versus step or across-the-board system.

| | A-Current% | B | C | D | E | %Population |
|--------------------------------|------------|--------------|--------------|--------------|--------------|-------------|
| 100th | 7.5% | 5.0% | 6.0% | 6.0% | 4.0% | 17% |
| 90th | 7.0% | 4.5% | 5.0% | 5.0% | 4.0% | 13% |
| 80th | 6.5% | 4.0% | 4.5% | 4.0% | 4.0% | 15% |
| 70th | 6.0% | 3.5% | 4.0% | 3.5% | 4.0% | 11% |
| 60th | 5.5% | 3.0% | 3.5% | 3.0% | 4.0% | 10% |
| 50th | 5.0% | 2.5% | 3.0% | 2.5% | 4.0% | 7% |
| 40th | 4.5% | 2.0% | 2.5% | 2.0% | 4.0% | 5% |
| 30th | 4.0% | 1.5% | 2.0% | 1.5% | 4.0% | 6% |
| 20th | 3.5% | 1.0% | 1.5% | 1.0% | 4.0% | 4% |
| 10th | 3.0% | 0.5% | 1.0% | 0.5% | 4.0% | 10% |
| *Score of 3.0 or less | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2% |
| Avg Eligible % | 5.8% | 3.3% | 3.8% | 3.5% | 4.0% | |
| Actual Avg. % | 4.4% | 2.8% | 3.2% | 2.9% | 3.5% | |
| Reduction in Average Increase: | n/a | -1.7% | -1.3% | -1.5% | -1.0% | |
| Sum of Salary Increase | \$ 907,309 | \$ 608,768 | \$ 684,875 | \$ 639,437 | \$ 696,838 | |
| Diff from Current Model A | n/a | \$ (298,541) | \$ (222,433) | \$ (267,872) | \$ (210,471) | |

*Currently, evaluation scores below 3.0 are not eligible for merit increase. In Models B, C, and D employees must earn a score equal or greater than 3.1 to be eligible for an increase.

Model B provides the largest potential for savings, approximately \$300,000. However, pay increases in Model B range from 1% to 5% and would place the Town’s merit compensation structure below the comparable market. The average employee who currently receives a 4.4% increase would receive 2.8% (1.7% less than received in prior years for the same level of performance).

Step increases are provided in the market as an alternative to merit increases. Step increases provide the same across the board increase to all employee regardless of their performance level. Currently the average step increase in the market is 4%; Model E provides a 4% increase to all employees. This model does not allow the Town to acknowledge outstanding performers and provides the least amount of savings.

Those in the market who provide merit increases and have organizationally decided incentivize outstanding employee performance provide a merit range of up to 6%. Models C and D provide merit ranges that are within the comparable market and savings of approximately \$220,000 or \$260,000 respectively. Staff recommends Model C for implementation, providing savings in a manner that is the least intrusive to employees, reducing the average increase by 1.3%, while continuing to reward higher performing employees. The lump sum policy is also recommended for consideration due to its ability to compensate employees based on performance without increasing pensionable compensation or liability.



Comprehensive Review of Town Operations

EMPLOYEE SELF FUNDED &
OPEB TRUST INSURANCE PROGRAMS

CONTENTS

| | |
|--|----|
| Budget Program Summary..... | 2 |
| Self-Insurance Fund (Health Benefit) 502..... | 2 |
| Health Insurance Trust 610..... | 3 |
| Operational Program Overview | 4 |
| Active Employee Health Insurance & Rates..... | 5 |
| Retiree Health Insurance & Rates..... | 6 |
| Active Employee Dental Insurance & Rates..... | 8 |
| Retiree Dental Insurance & Rates..... | 9 |
| Past Efficiencies and Cost Saving Measures | 10 |
| Planned Future Efficiencies and Cost Saving Measures | 12 |
| Addition of International Prescription Provider (IPP)..... | 12 |
| Amendment of Stop Loss coverage | 12 |
| Options for Cost Savings: Health Insurance Plan..... | 14 |
| Recommendation for Cost Savings: Dependent Audit | 14 |
| Option for Cost Savings: Claim Audit | 15 |
| Option for Cost Savings: Enhance Wellness Program..... | 16 |
| Option for Cost Savings: Change Plan Design | 16 |
| Options for Cost Savings: Dental Insurance Plan..... | 16 |
| Recommendation for Cost Savings: Include a DHMO plan with option to buy up to the DPPO Plan..... | 16 |
| Basic Life Insurance & Accidental Death & Dismemberment..... | 17 |
| Option for Cost Savings: Eliminate Employer Paid Life Insurance..... | 17 |
| Long-term Disability..... | 18 |
| Voluntary Short Term Disability..... | 18 |
| Flexible Spending Account | 18 |
| Retirement Health Savings | 19 |
| Market..... | 20 |

BUDGET PROGRAM SUMMARY

SELF-INSURANCE FUND (HEALTH BENEFIT) 502

This program provides for the management of the employee health insurance program. Responsibilities include: planning, organizing, implementing, and directing the self-insurance fund of the Town's Health Insurance Program in accordance with State and Federal regulations.

Revenue and Expense Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Projected | FY2018 Budget | % Change |
|--------------------------|------------------|------------------|------------------|---------------------|------------------|--------------|
| Revenues | | | | | | |
| Employer Contributions | 3,949,628 | 3,949,050 | 3,961,200 | 3,961,200 | 3,961,200 | 0.00% |
| Employee Contributions | 853,423 | 850,634 | 845,700 | 833,935 | 1,018,296 | 20.41% |
| Miscellaneous Revenue | 124,652 | 109,918 | - | 77,459 | - | 0.00% |
| Interest Income | 32,806 | 77,293 | 45,000 | 34,534 | 45,000 | 0.00% |
| TOTALS | 4,960,509 | 4,986,895 | 4,851,900 | 4,907,128 | 5,024,496 | 3.56% |
| Expenses | | | | | | |
| Salaries and Wages | 60,564 | 69,123 | 75,518 | 68,360 | 77,819 | 3.05% |
| Employee Benefits | 4,126,095 | 4,092,251 | 4,628,357 | 4,233,923 | 4,908,065 | 6.04% |
| Contractual | 57,111 | 57,260 | 137,390 | 53,390 | 98,113 | -28.59% |
| Commodities | 1,004 | 1,791 | 2,286 | 2,091 | 2,103 | -8.01% |
| Capital Outlay | - | - | - | - | - | 0.00% |
| Depreciation | - | - | - | - | - | 0.00% |
| Other (Contingency) | - | - | 500,000 | - | 500,000 | 0.00% |
| TOTALS | 4,244,774 | 4,220,425 | 5,343,551 | 4,357,764 | 5,586,100 | 4.54% |
| Total Revenues | | | | | | |
| Over/(Under) Expenses | 715,735 | 766,470 | (491,651) | 549,364 | (561,604) | |
| Beginning Net Assets | 5,025,134 | 5,740,869 | 6,507,339 | 6,507,339 | 7,056,703 | |
| ENDING NET ASSETS | 5,740,869 | 6,507,339 | 6,015,688 | 7,056,703 | 6,495,099 | |

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------------------------------|--------|--------|--------|--------|--------|
| Director of Human Resources | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 |
| Assistant Director of Human Resources | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 |
| Office Asst II/OHC | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 |
| Occupational Health & Wellness Nurse | - | - | 0.170 | 0.170 | 0.170 |
| Human Resources Coordinator | 0.320 | 0.320 | 0.320 | 0.320 | 0.320 |
| Human Resource Analyst | 0.050 | 0.050 | 0.050 | 0.100 | 0.100 |
| | 0.795 | 0.795 | 0.965 | 1.015 | 1.015 |

HEALTH INSURANCE TRUST 610

The Town makes post-employment health care benefits available to retirees and funds a portion of the retiree health insurance benefits in accordance with Florida State Statute 112.0801. In FY2007, the Town established a Health Insurance Trust for the funding of these postemployment benefits other than pensions (OPEB). The trust was established with an initial deposit of \$16,000,000 transferred from the reserves from the Health Insurance Fund. The Town's Investment Advisory Committee oversees the investment of the assets of this trust.

An actuarial valuation of the retiree health plan was conducted as of October 1, 2016. The Town's biannual Actuarial Accrued Liability as of October 1, 2016 was determined to be \$34,693,373. The annual budgeted contribution for FY2018 is \$960,000.

The Town provides to the retirees self-insured HMO, POS and PPO medical plans administered by Florida Blue. The prescription drug plan is administered by CVS/Caremark.

Revenue and Expense Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Projected | FY2018 Budget | % Change |
|----------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|----------------|
| Revenues | | | | | | |
| Town Funding | 1,577,000 | 1,180,000 | 1,339,000 | 1,339,000 | 960,000 | -28.30% |
| Retiree Funding | 1,185,104 | 1,235,489 | 1,230,000 | 1,260,410 | 1,184,835 | -3.67% |
| Medicare Reimbursement | 74,260 | 82,497 | 80,000 | 14,286 | - | -100.00% |
| Miscellaneous Revenue | 2,310 | - | - | 5 | - | 0.00% |
| Gain/(Loss) on Investments | (1,586,899) | 1,725,040 | 500,000 | 784,159 | 500,000 | 0.00% |
| TOTALS | 1,251,775 | 4,223,026 | 3,149,000 | 3,397,860 | 2,644,835 | -16.01% |
| Expenses | | | | | | |
| Salaries and Wages | 61,681 | 69,666 | 77,337 | 75,491 | 80,986 | 4.72% |
| Employee Benefits | 2,082,488 | 2,273,268 | 2,287,178 | 2,346,247 | 2,048,557 | -10.43% |
| Contractual | 107,124 | 107,724 | 125,619 | 72,188 | 87,627 | -30.24% |
| Commodities | 185 | 281 | 300 | 344 | 300 | 0.00% |
| TOTALS | 2,251,478 | 2,450,939 | 2,490,434 | 2,494,270 | 2,217,470 | -10.96% |
| Total Revenues | | | | | | |
| Over/(Under) Expenses | (999,703) | 1,772,087 | 658,566 | 903,590 | 427,365 | |
| Beginning Net Assets | 27,628,798 | 26,629,095 | 28,401,182 | 28,401,182 | 29,304,772 | |
| ENDING NET ASSETS | 26,629,095 | 28,401,182 | 29,059,748 | 29,304,772 | 29,732,137 | |

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------------------------------|--------|--------|--------|--------|--------|
| Director of Human Resources | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 |
| Finance Director | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 |
| Assistant Director of Human Resources | 0.200 | 0.200 | 0.200 | 0.200 | 0.200 |
| Occupational Health Nurse | - | - | 0.170 | 0.170 | 0.170 |
| Human Resource Coordinator | 0.330 | 0.330 | 0.330 | 0.330 | 0.330 |
| Human Resource Analyst | 0.050 | 0.050 | 0.050 | 0.100 | 0.100 |
| | 0.730 | 0.730 | 0.900 | 0.950 | 0.950 |

OPERATIONAL PROGRAM OVERVIEW

These programs, managed by the Human Resources Department, represent the costs related to the coordination and management of group health insurance for active employees and retirees of the Town.

The chief objectives of the Town's group health benefit plan are to meet employee healthcare needs in a cost-effective yet competitive manner. These objectives are pursued within the framework of cost containment that includes efforts to help reduce the number of high-risk individuals and lower claims. Health coverage is provided through a combination of Florida Blue preferred provider organizations (PPO), point-of-service (POS), 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.

These programs provide health care insurance for the employees/retirees and their dependents; prescription drug program coverage; dental insurance; disability insurance, life insurance, and preventive health and wellness benefits.

Most employers, including the Town, provide group health coverage for employees, including hospital, surgical, major medical, dental, and disability protection. The medical coverage offered protects employees/retirees and their families from the total cost burden of the treatment of disease, illness, accidents, and the prevention of disease. Prescription drug coverage is also provided. The cost of the coverage is shared between the Town and the employees/retirees through employee contributions, deductibles, and coinsurance.

The Town's dental plan covers treatment and preventive care. It does not cover cosmetic or voluntary procedures. The Town pays the premiums for employees; however, the cost for dependent coverage is paid for entirely by the employee.

The Town's health and dental insurance programs are self-funded. Rather than paying a premium to an insurance carrier, the employer essentially insures the plan, paying for fixed costs and variable costs. Therefore, the Town assumes the liability for all or a portion of covered members' healthcare costs. The fixed costs include enrollment administrative fees and stop-loss premiums. Florida Blue, CVS/Caremark, and Humana are the third party administrators for the health, prescription and dental plans respectively; Symetra is the Town's stop loss carrier.

The variable costs are claims and vary month to month. The Town has elected to acquire Stop Loss insurance coverage to mitigate its risk associated with being a self-insured organization versus the possibility associated with the potential financial impact based on the experience of catastrophic medical claims. As the name implies, this insurance stops losses at a predetermined level by paying the members medical expenses after the expense meets or exceeds a

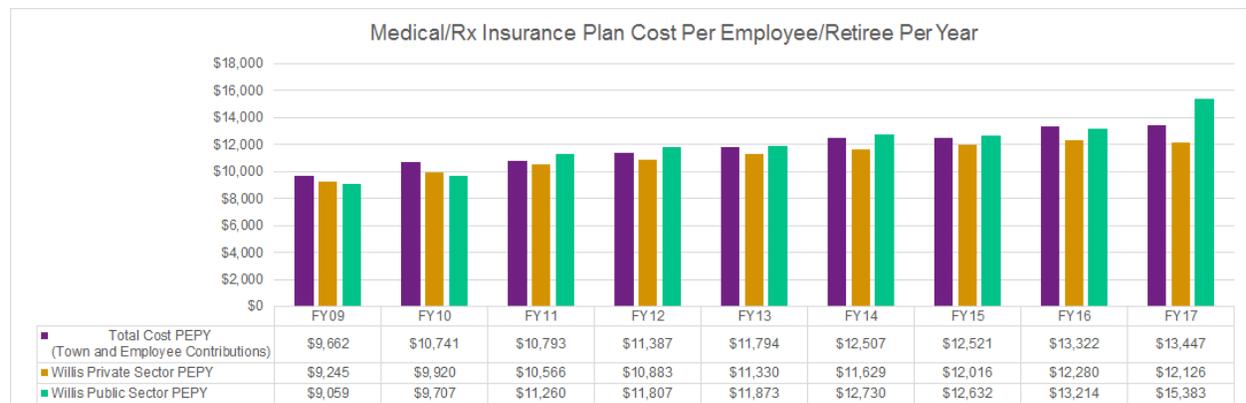
predetermined amount. Since the employer is making payments of claims, the fund will only want to assume a risk level that it could financially tolerate. To insure that losses do not exceed that predetermined level based on the assessed risk, Stop Loss insurance is purchased. This coverage is closely monitored as fluctuations can occur due to high cost claims and premiums.

Analysis is conducted annually evaluating the stop loss coverage level compared to the level of risk associated in terms of high-risk claims and potential Town cost. Due to historical claims, low potential risk, and reduced premiums, the excess reimbursement level was changed in FY09 from \$65,000 to \$100,000 resulting in a decreased premium.

TOTAL COST PER EMPLOYEE (AND RETIREE) PER YEAR (PEPY)

The Town’s benefits policy regarding external competitiveness has been set at the top quartile of the labor market. While the Town believes it is important to offer quality insurance benefits to employees to attract and retain employees, we also believe this should be done in the most fiscally responsible manner possible. The Town works with Willis Towers Watson, an insurance broker, to continuously monitor plan designs, options, and trends, making changes in the best interest of the Town and its employees, in order to meet if not exceed plan objectives.

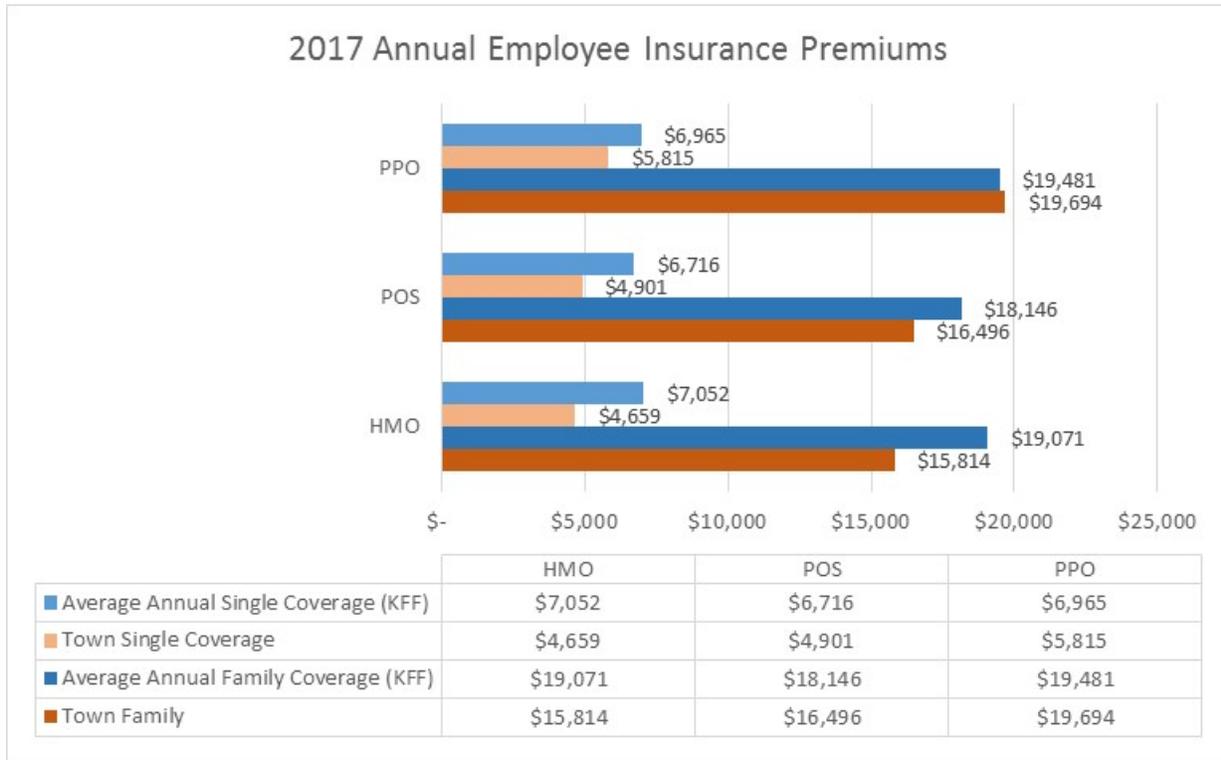
The following chart provides a 10 year history of the Town’s health plan total cost on a per employee/retiree per year (PEPY) basis compared to both private and public sector employers within Willis Towers Watson’s book of business. The PEPY provides us with the total healthcare spend per employee per year, we monitor this and claim trends on an on-going basis in order to implement strategies targeted at mitigate increases in overall plan costs. Historically, the Town’s insurance plan has performed better on a PEPY basis compared to private and public sector businesses.



ACTIVE EMPLOYEE HEALTH INSURANCE & RATES

The Town’s 2017 employee insurance premiums were compared to the national marketplace. According to the 2017 Employer Health Benefits Survey, released on September 19, 2017 by the Kaiser Family Foundation, the Town’s premiums combined are **less** the national average by about

\$1,700 for single coverage and \$1,500 for family coverage. The following chart provides the premiums by plan type for the Town and the averages reported by the Keiser report.



The Town’s total premium is among the lowest in the market and cost sharing is competitive. It is important to note that the Town’s base benefit is the HMO plan; therefore, any additional premium contributions for the PPO and POS plans that are beyond the value of the HMO plan is paid for by the employee. Refer to the Market section for additional details regarding premiums and cost sharing, which starts on page 20 of this document.

RETIREE HEALTH INSURANCE & RATES

Public employers are required by Florida State Statute 112.0801 to offer retiring employees the option to continue participation within the group insurance plan offered during employment. The law further stipulates that the retirees must be offered the same coverage offered to active employees at a premium not to exceed the premium cost for active employees. The employer is required to comingle the claims experience of the retiree group with the claims experience of the active employees. Retirees covered under Medicare may be experience rated separately from the retirees not covered by Medicare and from active employees. If the Medicare retirees are rated separately the rates they are charged cannot exceed the lesser of 100% of their experience rate and 100% of the cost for the active group.

Historically, the Town used the surplus from the health care budget each year to fund the future liability of post-employment health care costs. Effective June 2004, the Governmental

Accounting Standards Board (GASB) enacted GASB45 requiring government employers to measure and report the liabilities associated with other (than pension) post-employment benefits (or OPEB). When enacted 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. Per Ordinance 9-06, the Town continues to manage an irrevocable trust to comply with GASB45 and prefund known obligations for post-employment benefits other than pensions. The investments of the OPEB trust are managed under the guidance of the Town's Investment Advisory Committee administered by the Finance Department. As of September 30, 2017, there are \$31,500,132 in assets which provide 82% of the actuarially determined liability is funded by the OPEB trust.

Following separation of employment and commencement of retirement, 10 year vested retirees have a one-time option to voluntarily elect insurance coverage. Should a retiree decline coverage at any time they may not elect coverage in the future. Prior to 2009, the Town provided a 50/50 cost share on premiums for retirees which provided employer required premium cost sharing beyond what was statutorily required. On June 16, 2009, staff recommended and Town Council approved several changes to adjust the cost sharing of medical premiums for retirees and create greater engagement of employees in contributing toward future health care expenses as follows:

1. Any employee hired on or after October 1, 2009:
 - a. Upon voluntarily electing insurance coverage upon retirement, would be charged the maximum allowable per state statute; and
 - b. is required to make mandatory payroll contributions to a Retirement Health Savings Plan (RHS).
2. Employees hired prior to October 1, 2009:
 - a. Upon voluntarily electing insurance coverage upon retirement, pre-October 1, 2009 employees would pay a premium according to a sliding scale for cost sharing that encompasses both years of service and monthly pension earnings of a retiree/ This is further described below; and
 - b. Employee would be required to contribute to a Retirement Health Savings Plan (RHS) based on their job family classification.

The Retirement Health Savings Plan (RHS) is an IRS approved integral part trust plan that provides a means for public sector employees to make tax-deferred contributions and accumulate earnings while employed. The employees assets accumulated can exclusively be used to pay for qualified health related expenses on a tax-free withdrawal basis for the employee, their spouse, and/or eligible dependents upon retirement and/or separation of employment. Qualified health related expenses are defined in Internal Revenue Code Section 213 and generally include, but are not limited to, health insurance premiums, co-pays, and over-the-counter medications. The Town does not contribute to the RHS on behalf of employees.

The sliding scale cost sharing system developed in 2009 encompasses both years of service and monthly pension earnings of retirees. The percentage of premium paid by a retiree ranges from 50% (for retirees with over 25 years of service to the Town and pensions in the bottom quartile) to the maximum allowed to be charged by the Town pursuant to state statute (for retirees with less than 15 years of service to the Town or pensions in the top quartile). The following table provides a current summary of the sliding scale cost sharing system for 2018.

| | | Q1 | Q2 | Q3 | Q4 |
|-------------------------|----------------------------|-------------------------|------------------------------------|------------------------------------|----------------------|
| <i>Years of Service</i> | <i>Annual Pension</i> | less than \$21,148/year | between \$21,148 and \$37,138/year | between \$37,139 and \$59,607/year | over \$59,607/year |
| 25 + | <i>%Retiree Cost Share</i> | 50% | 52% | 56% | Maximum ¹ |
| | <i># of Retirees</i> | 4 | 8 | 25 | 31 |
| | <i>Average Age</i> | 96 | 78 | 66 | 62 |
| 20 - 24 | <i>%Retiree Cost Share</i> | 52% | 56% | 58% | Maximum ¹ |
| | <i># of Retirees</i> | 1 | 15 | 12 | 18 |
| | <i>Average Age</i> | 82 | 71 | 67 | 60 |
| 15 - 19 | <i>%Retiree Cost Share</i> | 56% | 58% | 60% | Maximum ¹ |
| | <i># of Retirees</i> | 7 | 17 | 8 | 5 |
| | <i>Average Age</i> | 79 | 71 | 67 | 67 |
| 10 - 14 | <i>%Retiree Cost Share</i> | Maximum ¹ | Maximum ¹ | Maximum ¹ | Maximum ¹ |
| | <i># of Retirees</i> | 7 | 6 | 2 | 0 |
| | <i>Average Age</i> | 63 | 63 | 54 | n/a |

¹This represents the maximum percentage the Town may charge retirees for insurance premiums per F.S. 112.085.

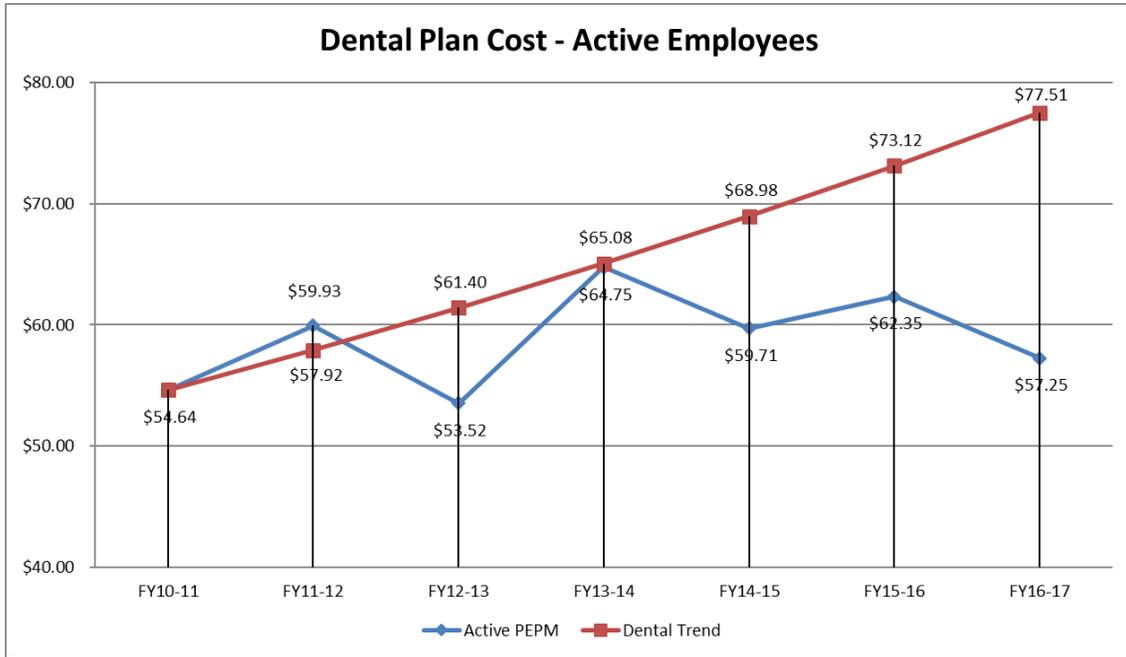
As of January 1, 2018, there were 382 active Town retirees and 40% (or 154) elect insurance coverage. In 2018, four (4) retirees receive 50/50 premium cost sharing with the Town compared to 63 retirees who are responsible for paying the maximum allowed which is 61% to 71% of the premium. The maximum amount fluctuates each year based on actuarially determined premiums calculated pursuant to state statute. The following provides general demographic data of those in the 50/50 and maximum cost sharing groups.

| Cost Sharing | # Retirees | Average Age | Average Years of Service | Average Annual Pension | Average Annual Insurance |
|--------------|------------|-------------|--------------------------|------------------------|--------------------------|
| 50/50 | 4 | 91 | 29 | \$9,400 | \$3,479 |
| Maximum | 63 | 62 | 22 | \$72,127 | \$10,424 |

ACTIVE EMPLOYEE DENTAL INSURANCE & RATES

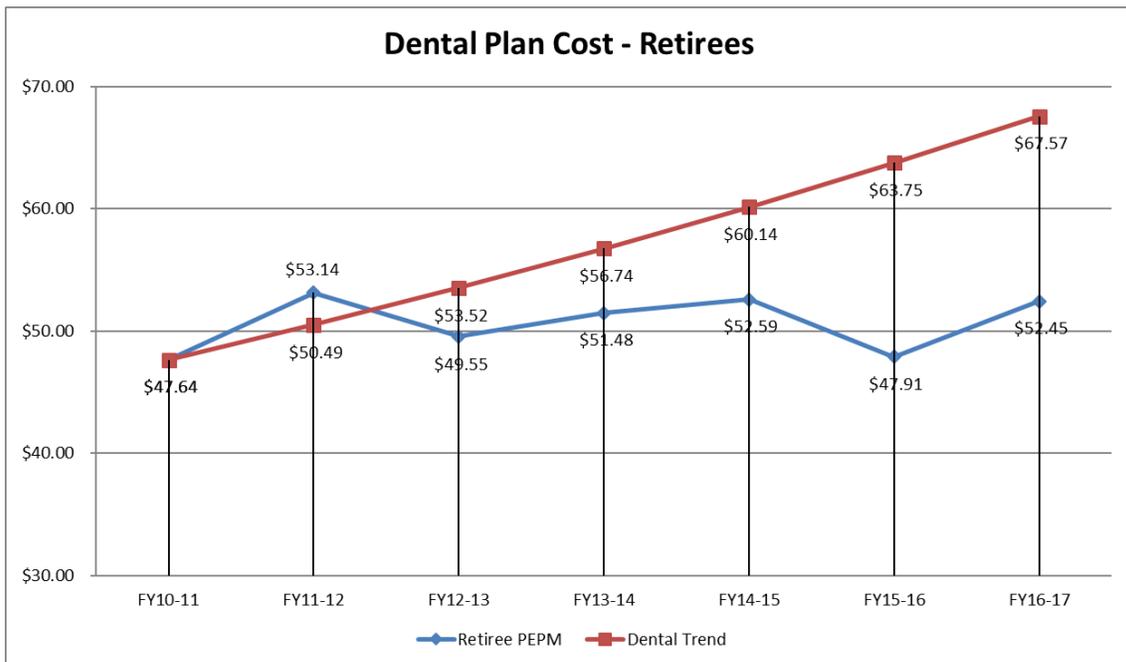
On January 1, 2009, the Town's dental plan changed from a fully insured to a self-insured plan and on January 1, 2011, the Town changed dental carriers from Ameritas to Humana Specialty Benefits. The combination resulted in a reduction of administrative fees and claim expenses, allowing premiums to remain virtually flat since 2009.

The charts below shows the Town's per employee per month cost along with the dental trend. The dental trend line represents what the per employee per month rate would have been if the Town's premiums were in-line with trend.



RETIREE DENTAL INSURANCE & RATES

The Town offers retirees dental coverage. This plan is 100% funded by the retiree.



PAST EFFICIENCIES AND COST SAVING MEASURES

- No adjustments to either the employee or Town contributions since 2013, maintaining four years of no increase to insurance premiums and remaining under budget funding.
- Proactively pursued reimbursement from the Federal Early Retiree Reinsurance program, receiving a total of \$54,841 in 2010. Federal funding of this program is no longer available. The money from this program was used to offset total retiree plan costs.
- Proactively pursued reimbursements from the Federal Retiree Drug Subsidy program receiving a total of \$528,904 from FY06 thru FY16. Eligibility for subsidy funds is based in part on the amount charged to retirees for prescription insurance coverage. Due to the Town's premiums charged to retirees, we are not currently eligible for federal subsidy funds. In order to qualify for reimbursement, the Town would have to reduce retiree contributions by approximately 16%. Staff has evaluated the cost benefit of reducing premiums in order to receive subsidy money and determined that the subsidy funds would not exceed the Town's additional contribution to premium coverage. Staff continues to evaluate the feasibility of obtaining future reimbursements each plan year. The money from this program was used to offset total retiree plan costs.
- Implemented the Town's Retirement Health Savings plan in 2009. This plan is fully funded by employee contributions toward post-employment health care expenses and increases the employee's role and responsibility in retirement health care costs.
- Plan modifications such as copay and deductible changes, reduction in administrative service fee charges, and conversion from a fully insured to self-insured dental plan in FY09 provided an estimated \$285,000 in savings.
- Amended the stop-loss excess premium coverage from \$65,000 to \$100,000, yielding a premium savings of \$99,029 in FY10
- Amended the cost sharing of medical premiums for retirees in 2010. Retiree contributions toward premiums increased by \$58,018 in 2010. Future retiree contributions toward premiums for employee hired on or after October 1, 2009 was established at the maximum allowed per Florida state statute.
- Amended the cost sharing of premiums between the Town and employees in 2010 and providing that the maximum the Town would pay for single coverage insurance would be at base HMO plan rates, thereby increasing employee contribution toward premiums to offset employer costs and providing an estimated annual savings of \$386,542.
- Implemented a health insurance opt out incentive in 2010, encouraging employees who have insurance coverage from another provider to opt out of coverage with the Town. Since its inception the program has provided an estimated savings of \$ 502,012.
- Amended the rules for processing medical claims for Medicare-eligible retirees and their dependents in FY10. Retirees and their eligible dependents who are Medicare-eligible and

have not elected Medicare Part A and B are responsible for paying some or all of the medical claims.

- Conducted a dependent audit in FY10 providing a savings of \$132,464.
- Increased the Specific Stop Loss deductible coverage from \$65,000 to \$100,000 in FY10 resulting in net savings of approximately \$81,000.
- Changed dental carriers in 2011 to Humana Specialty Benefits. The change resulted in a 33% decrease in administrative service fees. When claims under the new services were compared to the same time-period in the prior year, claim expenses were down 17.5%. Year-end projections on overall plan costs were estimated to be 11% below the prior year.
- Instituted a wellness program in 2014 and since that time have received \$126,000 from FloridaBlue and Human Specialty Benefits to be used exclusively for wellness program related efforts.
- Transitioned from commission to fee based insurance brokerage services in 2012, resulting in savings of approximately \$34,500. Engaged in an annual contract with Willis Towers Watson in the amount of \$78,000 that has not increased since inception on October 1, 2012.
- Changed Group Life, Accidental Death & Dismemberment and Supplemental Life Insurance carriers in 2013, engaging with Minnesota Life to provide services 53% less than the existing provider.
- Amended the insurance plan design, replacing a preferred provider option plan with point of service plan in 2014, reducing the overall plan cost by an estimated 2.2% and allowing the Town to avoid the federally mandated excise/penalty tax, also referred to as the “Cadillac Tax”, in the future. [Special note: In December 2015, Congress delayed implementation of the Cadillac tax, currently scheduled to be implemented in 2020 pending any changes to the federal health care plan mandates.]
- Amended the Town’s Retirement Health Savings plan in 2014. This plan is fully funded by employee contributions toward post-employment health care expenses and increases the employees role and responsibility in retirement health care costs.
- Closely monitored performance measures of existing broker service contract with Willis Towers Watson, and received a consulting service refund of \$11,700 in 2017 due to unmet service needs.
- Introduced telemedicine services in 2017 providing employees, retirees, and dependents on the insurance plan with 24/7/365 access to medical care through phone and video consults. Total claims savings thru December 2017 is \$48,177 due to the use of telemedicine versus in office, urgent care, or non-urgent emergency room visits.
- Changed the long-term disability provider to Prudential Life Insurance Company in 2017 resulting in a premium savings of \$45,760.
- Changed the prescription drug insurance carrier to RxBenefits in 2015, resulting in a savings of \$320,000.

PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES

ADDITION OF INTERNATIONAL PRESCRIPTION PROVIDER (IPP)

Projected Savings: \$95,000

Summary:

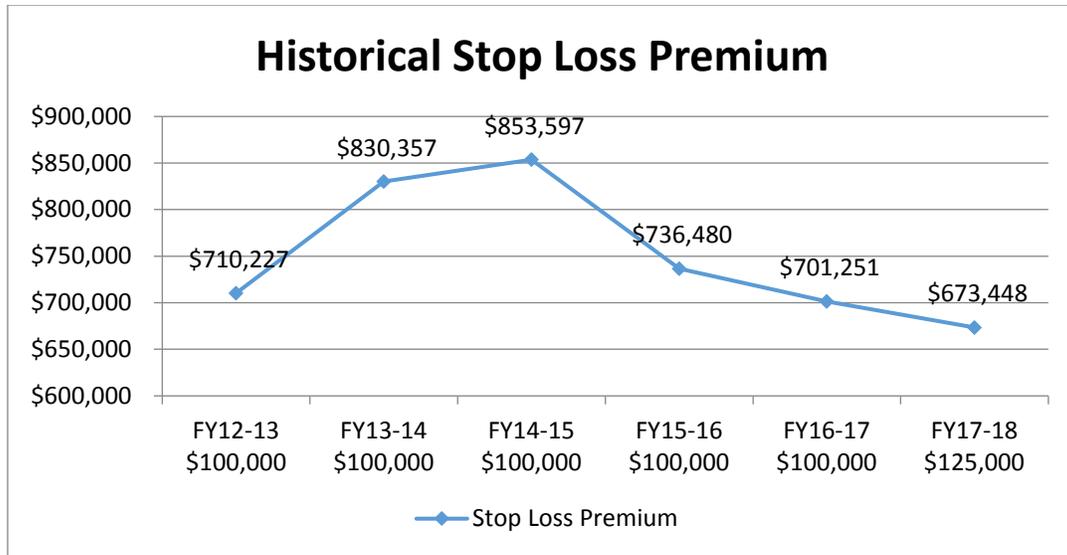
During the latter half of the 2017 insurance plan year, staff researched available alternatives beyond those provided by the carrier to mitigate the rising costs of prescription claims. Based on options available staff established plans to incorporate an international prescription provider (IPP) via CanaRx to the prescription plan, providing safe discounted name brand maintenance medications at a reduced cost, and providing an estimated \$95,000 savings in the 2018 plan year. Due to the timing of developing this program and since the insurance plan runs on a calendar year, not fiscal year basis, these savings were not included in FY18. However, the IPP will be implemented in FY18, savings will be realized in FY18 (which is the 2018 insurance plan year) and will continue in FY19 and 2019 insurance plan year and beyond.

AMENDMENT OF STOP LOSS COVERAGE

Projected Savings: \$33,219

Summary:

In 2017 similar analysis was conducted resulting in amendments to the excess reimbursement on January 1, 2018 from \$100,000 to \$125,000 resulting in an overall premium savings of \$27,763. The chart below provides a summary of stop loss premiums adjustments made in part due to renegotiated contracts and changes to the excess coverage level. The Town averages 2 claims a year that exceed the \$100,000 excess coverage level. However, increased risk due to higher than average years (5 in FY12 and 3 in FY13) caused the premium to rise in FY15. High-risk claims have returned to be at or below average since FY15 and we were able to renegotiate premiums. More information regarding the stop-loss coverage change in FY09 can be found within the PAST EFFICIENCIES AND COST SAVING MEASURES section and FY18 changes can be found within the PLANNED FUTURE EFFICIENCIES AND COST SAVING MEASURES section.



In September 2017, Willis Towers Watson reviewed the proposed 2018 Symetra Individual Stop Loss (ISL) premiums and deductibles to determine the financially optimal ISL deductible. Analysis was conducted using a Monte Carlo simulation, based on standard claims distribution and adjusted for Town of Palm Beach average PEPY claims. The optimal ISL deductible was determined by comparing the differences in the claims reimbursement and the differences in ISL premiums under each deductible option. The results showed that the reduction in premium by selecting the \$125,000 or \$150,000 ISL deductible exceeds the expected increase the claim liability due to the higher claim limit. Based on the average claim reimbursement, the increase in the claim liability under the \$125,000 ISL deductible compared to the \$100,000 deductible is \$124,759. However, the net reduction in premium is \$157,978 resulting in a net gain of \$33,219. While the ISL deductible at \$150,000 has a greater net gain than the \$125,000 and \$100,000 ISL deductibles, the Town’s liability increases by \$25,000 per claim incurred. On average, we incur 2 claims that require stop loss coverage, should we exceed the average the savings realized from the \$150,000 deductible premium would be fully diminished. Therefore, it was decided to amend the ISL deductible from \$100,000 to \$125,000 for the 2018 insurance plan year, to take advantage of the premium savings in a manner that poses the least amount of risk to the Town. The following table from Willis Towers Watson provides a summary of the analysis conducted.

| | | | |
|--|------------------|------------------|------------------|
| Assumed Enrollment | 450 | | |
| ISL Deductible | \$100,000 | \$125,000 | \$150,000 |
| Proposed 2018 ISL Premium PEPM | \$144.78 | \$115.53 | \$94.85 |
| Annual ISL Premium | \$781,821 | \$623,843 | \$512,207 |
| Change in Premium from \$100,000 Renewal | | \$157,978 | \$269,614 |
| Based on the Average Claim Reimbursement | | | |
| Estimated Claim Reimbursement | \$639,824 | \$515,065 | \$425,170 |
| Increase in Claim Liability over \$100,000 ISL Deductible | \$0 | (\$124,759) | (\$214,653) |
| Net Gain / (Loss) over \$100,000 ISL Deductible | \$0 | \$33,219 | \$54,961 |
| Based on the 25th Percentile of Claim Reimbursement | | | |
| Estimated Claim Reimbursement | \$289,952 | \$188,183 | \$117,493 |
| Increase in Claim Liability over \$100,000 ISL Deductible | \$0 | (\$101,769) | (\$172,459) |
| Net Gain / (Loss) over \$100,000 ISL Deductible | \$0 | \$56,209 | \$97,155 |
| Based on the 50th Percentile of Claim Reimbursement | | | |
| Estimated Claim Reimbursement | \$510,981 | \$381,294 | \$287,335 |
| Increase in Claim Liability over \$100,000 ISL Deductible | \$0 | (\$129,687) | (\$223,646) |
| Net Gain / (Loss) over \$100,000 ISL Deductible | \$0 | \$28,291 | \$45,968 |
| Based on the 75th Percentile of Claim Reimbursement | | | |
| Estimated Claim Reimbursement | \$839,841 | \$690,510 | \$579,576 |
| Increase in Claim Liability over \$100,000 ISL Deductible | \$0 | (\$149,331) | (\$260,265) |
| Net Gain / (Loss) over \$100,000 ISL Deductible | \$0 | \$8,647 | \$9,349 |

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Due to the timing of this analysis, plan year, and premium renewal schedule these savings were not included in the FY18 budget. However, this was to be implemented in the 2018 insurance plan year and will be reflected in the FY19 budget.

OPTIONS FOR COST SAVINGS: HEALTH INSURANCE PLAN

RECOMMENDATION FOR COST SAVINGS: DEPENDENT AUDIT

Estimated Savings: \$40,000

Summary:

The Town has a fiduciary responsibility to administer the plan according to the provisions. That includes ensuring that only eligible dependents are covered under the health plan. In addition, insurance carriers may question the payment of a claim if they investigate the validity of a dependent and find them to be ineligible. Employers also perform these audits to educate their employees on the value of their health plan and for financial reasons.

A carefully planned audit of dependents can help uncover ineligible members and realize potentially significant cost savings over multiple years in the future. In general, a 5% to 15% reduction in the number of covered dependents after an eligibility audit can produce a cost

savings on average of \$2,500 - \$5,000 per eliminated dependent in claims, and even more in overall premium costs.

Impacts of Option:

In 2010, the Human Resources department performed a dependent audit at a cost of \$7,500. Seventeen ineligible dependents were removed from the plan. Another 16 were removed because the employee failed to provide proper documentation. The estimated savings to the plan came to approximately \$132,464. The expected cost to perform the audit is \$7,500; however, the final fee will be based on the actual number of employees covering dependents. Staff recommends this option as the cost to implement is low, there is a potential modest return on investment of \$40,000, and record audits of this type continue to ensure the integrity of the plan

OPTION FOR COST SAVINGS: CLAIM AUDIT

Estimated Savings: \$38,206 contingent on maximum claim expense evaluation and positive recovery as described below.

Summary:

There are two primary reasons why organizations conduct claim audits. One is to perform due diligence reviews to confirm that the benefit plans are being administered properly and in accordance with Summary Plan Descriptions (SPDs), and to confirm they comply with fiduciary responsibilities. Audits help manage escalating health care costs and ensure that vendor partners are fiscally responsible in the administration of the plan.

The audit program will achieve the following:

- Ensure that only eligible participants are receiving medical benefits
- Validate that the Town's benefit plan designs are being administered correctly
- Evaluate the administrators' plan management capabilities and effectiveness as compared to industry standards and best practices
- Establish baselines for plan administration performance and aid in development or enhancement of performance standards
- Indicate to the administrators that the Town is actively involved in the effective management of its benefit plans and the service provided to its employees and retiree
- Exhibit that due diligence is exercised in the management of the Town's benefit programs

Claim audits are very costly with conservative savings estimates ranging from 1% to 3% of claim expenses annually (\$34,402-\$103,206). According to Willis Towers Watson, overpayments exceeded underpayments in approximately 74% of the audits resulting in a partial or full offset

of audit fees. While the administrator is expected to correct any errors identified during the audit, the Town will not have discretion regarding resolution (payment or recovery) of the issues. While recovery of funds may not be possible, this process would set the plan up for improved operational efficiencies that are not directly allowed to be monitored by Town staff due to HIPPA privacy regulations going forward.

The cost to perform a claims audit is based on the number of claims reviewed. The table below includes pricing of audit services based on the number of claims.

| Number of Claims | Fee |
|------------------|-----------|
| 115 Claims | \$ 35,000 |
| 150 Claims | \$ 40,000 |
| 210 Claims | \$ 45,000 |
| 350 Claims | \$ 65,000 |

OPTION FOR COST SAVINGS: ENHANCE WELLNESS PROGRAM

The Town’s current wellness program includes health screening activities to identify health risks. Due to lack of administrative oversight, we have not fully developed a well-rounded disease management focused wellness program that would include interventions to reduce risks in addition to promoting healthy lifestyles. Wellness programs that prevent at-risk employees from becoming ill and help chronically ill employees stabilize their conditions can reduce claims. More information and options for cost savings can be found in the Human Resources Department CROTO document.

OPTION FOR COST SAVINGS: CHANGE PLAN DESIGN

Staff continues to evaluate plan design on an annual basis with recommendations presented during the budget process. Between now and the delivery of the annual budget for FY19, staff will work with Willis Towers Watson to evaluate all plan options. Options under consideration include consolidating or eliminating existing plan tiers, introducing copay and coinsurance changes to redirect utilization, and offering high deductible plan options. The Town’s insurance program runs on a calendar year basis. Therefore, any changes proposed would not take effect until January 2019

OPTIONS FOR COST SAVINGS: DENTAL INSURANCE PLAN

RECOMMENDATION FOR COST SAVINGS: INCLUDE A DHMO PLAN WITH OPTION TO BUY UP TO THE DPPO PLAN

Estimated Cost Savings: \$96,000

Summary:

Change the Town’s dental plan offerings to include a Dental Health Maintenance Organization (DHMO) for employees, with an option to buy-up to a Dental Preferred Provider Organization

(DPPO) plan. Staff recommends this change as this mimics the medical plan model, where the base plan provided to employees is an HMO and employees must buy-up to receive other coverage in either the PPO or POS plans.

Impacts of Option: Humana, the Town's current dental provider, conducted a disruption analysis in order to determine how the new network would affect employees. Using the top 250 dentist utilized in 2017, Humana determined that only 32% (80 dentist) are providers in the DHMO network. This means that most employees would be forced to find a new dentist as the DHMO does not maintain the same network of providers as the DPPO/DPOS or offer out-of-network coverage. Employees would have the option to buy-up to the DPPO/DPOS plan in order to maintain their dentist.

BASIC LIFE INSURANCE & ACCIDENTAL DEATH & DISMEMBERMENT

The Town provides all benefit-eligible employees Basic Term Life Insurance. This benefit includes Accidental Death and Dismemberment (AD&D) insurance that pays in addition to, and in an amount equal to, the Basic Term Life Insurance benefit when death occurs as a result of an accident. The Town pays 100% of the premiums for this benefit. The amount of the basic life insurance benefit for each employee is equal to their annual earnings, rounded to the next highest one thousand dollars, with a minimum basic life insurance of \$20,000 and a maximum basic life insurance of \$100,000. If the total basic life insurance payment is less than \$100,000, the Town will supplement the difference between the basic life insurance amount paid and \$100,000, to assure a total life insurance payment of \$100,000 to every employee's beneficiary.

In addition, employees have the option to purchase additional Life Insurance through a Supplemental Term Life Program. Insurance purchased under the supplemental program is 100% employee paid.

OPTION FOR COST SAVINGS: ELIMINATE EMPLOYER PAID LIFE INSURANCE

Estimated Cost Savings: \$ 86,800

Summary:

Initially, staff evaluated the potential of changing the insured coverage amount and increasing the Town's self-funding of this benefit due to low occurrence. However, analysis revealed that the reduced premium would not realize savings. Current coverage is 1 times base salary not to exceed \$100,000. Over last 10 years, 3 incidents have occurred with average Town payment of \$68,000. Change to the existing policy coverage from \$100,000 to \$75,000 would reduce the premium by \$4,000 per year. However, the Town incurs more risk of by increasing the self-

funding of this benefit. If the coverage were \$75,000 instead of the existing \$100,000 to \$75,000, the Town would have paid \$25,000 for each incident (\$75,000 total) and it would take us 12 years to realize the premium savings by reducing the coverage level. Therefore, the only cost savings identified would be the nearly full elimination of the benefit.

Impact:

Based on the market data contained herein; elimination of the benefit would make us non-competitive with our peers. In addition, F.S. 112.19 requires the Town to provide death benefits in the form of life insurance to all law enforcement officers. Eliminating the benefit for all employees with the exception of certified police officers would cause internal inequity.

LONG-TERM DISABILITY

The Town provides Long Term Disability (LTD) insurance to all benefit eligible employees. LTD insurance is “income replacement” insurance that pays a percentage of monthly earnings if an employee is unable to work due to illness or a non-work related injury. The employee must be employed for a minimum of 180 calendar days and be suffering a disability that causes an absence for a total of 180 days. The Town pays for this benefit 100% and enrollment is automatic.

In FY17 Willis Towers Watson, the Town’s health insurance broker conducted a marketing analysis for long-term disability and other supplemental benefits. Results showed the Town would be able to bundle long-term and short-term disability benefits along with administration of family medical leave for a lower cost than providing the long-term disability benefit alone. The LTD premium was approximately \$113,720 per year. The overall cost to bundle the benefit came to \$81,067; a 40% savings. Other than these recent changes, staff was unable to identify additional cost savings to this benefit.

VOLUNTARY SHORT TERM DISABILITY

Short Term Disability coverage pays a weekly benefit to employees for disabilities due to non-occupational sickness or injury. This benefit is 100% employee paid. Staff has no changes recommended to this fully employee paid voluntary benefit.

FLEXIBLE SPENDING ACCOUNT

The Town offers Flexible Spending Accounts (FSAs) on a voluntary basis to all eligible employees. Employees who enroll in a healthcare FSA account can use tax-free contributions to pay for qualified healthcare expenses such as co-pays, coinsurance, and prescriptions. A dependent care FSA can be used to pay for eligible dependent care expenses such as day care and after care tuition. Offering this benefit to employees is advantageous for the Town because it lowers

payroll and FICA, Federal unemployment and worker's compensation taxes. This benefit is 100% employee paid.

Improvements to services have been made. Debit cards were introduced allowing employees to pay for services and medications at the point of sale/service. Additionally, for expenses in which the card could not be used, online reimbursements and direct deposit became available giving employees' access to their money quicker.

Over the past year, staff and employees have experienced service issue with the current vendor. As a result, after complete market evaluation with Willis Towers Watson, the decision was made to change vendors. The new vendor will provide the same services and in addition to a mobile app which employees can use to view account balances, transaction history and attach receipts. Staff has no changes recommended to this fully employee paid voluntary benefit.

RETIREMENT HEALTH SAVINGS

The Retirement Health Savings Plan (RHSP) through ICMA-RC provides a means for public sector employees to make tax-deferred contributions and accumulate earnings. In accordance with IRS rules, the account assets are used to pay for qualified health-related expenses on a tax-free withdrawal basis for the employee, their spouse, and/or eligible dependents upon retirement and/or separation of employment. Qualified health-related expenses are defined in Internal Revenue Code Section 213 (i.e., medical costs that would otherwise be deductible to the employee on his or her individual income tax return) and generally include, but are not limited to, health insurance premiums, co-pays, and over-the-counter medications. ICMA-RC has a private letter ruling from the IRS authorizing the RHSP in the public sector, through an integral part trust plan with certain limitations (chief among those being that the plan must mandate participation by all similarly situated employees). There is no waiting period for participation in the RHSP. This benefit is 100% employee paid.

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | Palm Beach Gardens | Delray |
|--|-----------------------------|---|--|----------------|---|---|
| Insurance Lives Covered: <i>(includes dependents)</i> <ul style="list-style-type: none"> • Active Employees • Retirees | 719 (279 EEs, 440 Dep) | Non Responsive | 814 (343 EEs, 471 dep) | Non Responsive | Active lives 1,155 Retirees lives 83 | 2385 (778 EEs, 1,607 Dep) 174 (74 Retirees, 100 dep) |
| Who is your insurance broker? | Willis of Florida | Gehring Group | Gehring Group; currently out to bid for March 1 2018 contract date | Non Responsive | Gallagher Benefit Services, Inc | Non Responsive |
| HEALTH AND DENTAL BENEFITS | | | | | | |
| What types of Health plans do you offer? | HMO (Open Access), POS, PPO | Base OAPIN High Deductible Health Plan (HDHP) and Buy-Up OAPIN High Deductible Health Plan (HDHP) | HMO and HSA | Non Responsive | HMO, PPO and HDHP | Two Open Access HMO Plan High Deductible PPO with a City Funded HRA |
| What is the total monthly premium for the lowest Health insurance benefit offered, single/employee coverage? | \$418.31 for HMO Plan | \$543.10 | \$649.50 for employee only HSA Plan | Non Responsive | \$491.47 for HMO Employee coverage | \$401.84 |
| What health insurance carrier do you use? | Florida Blue | Cigna | Cigna | Non Responsive | Florida Blue | United Healthcare |

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | Palm Beach Gardens | Delray |
|--|---|-----------------|--|----------------|---|--|
| Is your insurance program fully-insured or self-funded? | Self-Insured | Self-insured | Partially self-insured; catastrophic coverage for claims over \$100k | Non Responsive | Self-Insured | Self-Insured |
| If self-funded what is your fixed per employee TPA cost? | \$49.97 | Non Responsive | \$66.17 | Non Responsive | \$45.32 | Non responsive |
| Do you offer a wellness benefit? If so, describe. | Employee has the option to participate in a 3-step program that includes a biometric screening, completion of a personal health assessment and tobacco-free affidavit. Upon completion, employees receive a 12% discount on their premiums. | Non Responsive | Wellness program with wellness initiatives and challenges; No defined wellness benefit but opportunities to win prizes | Non Responsive | Various voluntary wellness incentives. Looking into additional options now. | 2- Step program that includes a biometric screening, completion of a personal health assessment. Upon completion, employees receive discounted premiums. |
| Do you offer Telemedicine Services? If yes, answer the questions below: | Teladoc | No | No | Non Responsive | Yes Carehere Services | Yes |
| What is the per employee cost? | \$2/employee | N/A | N/A | Non Responsive | \$0 | Included in United Healthcare |
| Are dependents included? | Yes | N/A | N/A | Non Responsive | Yes | Yes |
| What is the copay? | \$0 | N/A | N/A | Non Responsive | Not provided | \$40 in HMO Coinsurance in PPO |
| What types of Dental plans do you offer | PPO | DHMO and PPO | DHMO and PPO | Non Responsive | PPO | DHMO and PPO |

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | Palm Beach Gardens | Delray |
|--|---|--|---|----------------|---|---|
| What dental insurance carrier do you use? | Humana | Cigna | Cigna | Non Responsive | Ameritas | MetLife |
| What is the total monthly premium for the lowest Dental insurance offered, single/employee coverage? | \$41.74 | \$11.21 | \$15.38 for employee only DHMO | Non Responsive | \$23.16 | \$10.42 |
| Is your dental insurance fully-insured or self-funded? | Self-funded | Non-Responsive | Fully-insured | Non Responsive | Self-insured | Fully Insured |
| If self-funded what is your fixed per person TPA cost? | \$4.00/employee | Non-Responsive | N/A | Non Responsive | Non Responsive | N/A |
| Percentage of the health and dental insurance premium paid by Employer: | | | | | | |
| Employee/Single Health coverage | HMO = 100% Employee pays difference to buy up to POS or PPO | 95% | HMO – 71% HAS – 80% | Non Responsive | HMO, PPO, HDHP 100% covered by Employer | Funded by HRA |
| Dependents Health Coverage | HMO = 75% Employee pays difference to buy up to POS or PPO | 75% | | Non Responsive | HMO = 90% PPO = 85% HDHP = 95% | Funded by HRA |
| Employee/Single Dental | 100% | 100% | | Non Responsive | 100% | Non Responsive |
| Dependent Dental Coverage | 0% | 70% | | Non Responsive | 100% | Non Responsive |
| ANCILLARY BENEFITS | | | | | | |
| LTD | 66 ² / ₃ % of the monthly salary, up to \$9,000 per month; 180 calendar day | 60% of basic monthly Earnings up to \$5,000 per month; | 60% of base salary up to \$10,000 per month; 180 day waiting period | Non Responsive | <u>General and SEIU/FPSU Employees</u> 60% of monthly earnings to a maximum of | 60% of salary paid for duration of disability; two-year maximum benefit for |

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | Palm Beach Gardens | Delray |
|---------------------------------|---|---|--|--|---|--|
| | benefit waiting period Benefit provided at no cost to employee | 90 calendar day benefit waiting period Benefit provided at no cost to employee | Benefit provided at no cost to employee | | \$5,000/month; 180 calendar day benefit waiting period ; This benefit is paid for by the City <u>Law Enforcement and Firefighters</u> 60% of monthly earnings to a maximum of \$1,500/month; Voluntary benefit paid for by the employee | mental illness, alcoholism and drug abuse; 60 calendar day benefit waiting period Benefit provided at no cost to employee |
| Short Term Disability | 66 ² / ₃ % of weekly earnings, up to a maximum of \$1,000; Benefit waiting period is 14 days. Employee Paid | Not offered | AFLAC and ALLSTATE available to employee as supplemental insurance. Employee paid | Non Responsive | 60% of employee's salary; Benefit waiting period is 7 days for General and SEIU/FPSU employees/14 days for Police PBA and Fire IAFF Benefit provided at no cost to employee | 60% of employee's salary; Benefit waiting period is 7 days; maximum benefit period of 8 weeks. |
| Basic Life with AD&D | 1 times Annual earnings, rounded to the next highest \$1,000, minimum of \$20,000 and a maximum of \$100,000. | <u>Police, Fire and Full time non-union employees:</u> 1 times annual earnings, rounded to the next higher \$1,000, to a | 2 times annual salary up to a maximum benefit of \$100,000. Provided at no cost to employee | 2 times annual salary up to a maximum benefit of \$100,000. Provided at no cost to employee | Two times annual earnings up to a maximum of \$100,000. Provided at no cost to employee | Assistant City Attorneys, Police Legal Advisors, Assistant Department Heads, Division Heads, |

| Town of Palm Beach | West Palm Beach | Jupiter | Boca | Palm Beach Gardens | Delray |
|---------------------------------|---|-------------------------|------|--------------------|--|
| Provided at no cost to employee | <p>maximum of \$100,000</p> <p><u>Full Time union employees:</u> 1 times annual earnings plus \$25,000, rounded to the next higher \$1,000, to a maximum of \$100,000</p> <p><u>Management in Class 1:</u> 1 times annual earnings plus \$100,000, rounded to the next higher \$1,000, to a maximum of \$250,000</p> <p><u>Management in Class 2:</u> 1 times annual earnings plus \$50,000, rounded to the next higher \$1,000, to a maximum of \$250,000</p> <p>Benefit provided at no cost to employee</p> | \$200k for Town Manager | | | <p>Battalion Chiefs, and Police Lieutenants earning \$75,000 or more annually - \$100,000; Assistant City Attorneys, Police Legal Advisors, Assistant Department Heads, Division Heads, Battalion Chiefs, and Police Lieutenants earning less than \$75,000 - \$75,000; All other active employees earning \$60,000 or more annually - \$75,000; All other employees earning \$40,000 but less than \$60,000 - \$60,000; All other employees earning less than \$40,000 annually - \$50,000</p> <p>Benefit provided at no cost to employee</p> |

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | Palm Beach Gardens | Delray |
|--|--|--|--|--|--|--|
| Accidental Death & Dismemberment (AD&D) | Pays in addition to, and in an amount equal to, the Basic Term Life Insurance benefit when death occurs as a result of an accident | Pays in addition to, and in an amount equal to, the Basic Term Life Insurance benefit when death occurs as a result of an accident | Pays in addition to, and in an amount equal to, the Basic Term Life Insurance benefit when death occurs as a result of an accident | Pays in addition to, and in an amount equal to, the Basic Term Life Insurance benefit when death occurs as a result of an accident | Pays in addition to, and in an amount equal to, the Basic Term Life Insurance benefit when death occurs as a result of an accident | Paid in addition to, and in an amount equal to, the Basic Term Life Insurance benefit when death occurs as a result of an accident |
| Employee Supplemental Life Insurance | \$10,000 increments, up to \$300,000; Guaranteed amount for New Hires up to \$100,000; Employee paid; Age banded. | Non Responsive | Increments of \$10,000 not to exceed the lesser of 5x EE's annual salary, max of \$500,000; Employee paid and age banded | Non Responsive | 2x salary up to \$100,000 | May elect 1 to 5 times their annual salary; Employee paid Age banded |
| Employee Supplemental Life Insurance | \$5,000 increments, up to \$150,000; Coverage may not to exceed 100% of employee's basic and supplemental total coverage; Guaranteed amount for New Hires up to \$25,000; Employee paid; Age banded. | Non Responsive | Increments of \$5,000 to a max of \$100,000; Employee paid and age banded | Non Responsive | \$5,000 on spouse 100% Employer paid | May elect \$5,000 to \$250,000 100% employee paid Age banded |
| Child Supplemental Life Insurance | \$10,000 per child; Children age 14 days to 6 months receive \$1,000; Employee paid. | Non Responsive | \$10,000 per child; Employee paid \$1.31 per month – premium covers all children | Non Responsive | \$5,000 per child 100% Employer paid | \$10,000 per child Employee paid \$1.80 per month |
| Vision | National Vision Administrators 100% Employee Paid | EyeMed 100% Employer Paid | Cigna 100% employee paid | Non Responsive | Superior 100% employee paid | EyeMed 100% employee paid |

| | Town of Palm Beach | West Palm Beach | Jupiter | Boca | Palm Beach Gardens | Delray |
|--|---|--|---|--|--|---|
| Flexible Spending | Healthcare FSA with \$2,600 maximum Dependent Care FSA with 5,000 maximum | Healthcare FSA with \$2,600 maximum Dependent Care FSA with \$5,000 maximum | Available benefit. Details not provided in the benefits summary | Healthcare FSA with \$2,650 maximum Dependent Care FSA with 5,000 maximum | Healthcare FSA with \$2,600 maximum Dependent Care FSA with 5,000 maximum | Healthcare FSA with \$2,600 maximum Dependent Care FSA with \$5,000 maximum |
| Supplemental Accident/Injury (e.g AFLAC or similar) | None | Non Responsive | AFLAC and Allstate | Non Responsive | AFLAC | -Allstate = Group Accident and Supplemental Health -Trustmark = Disability, Critical Illness, Universal Life |
| Retirement Health Savings | Employee hired after 10/1/2009 contribute as follows: 1-9 YOS is 1% 10+ YOS is 2% Upon separation, 50% of accrued eligible sick leave is contributed to RHSP account | Non Responsive | Not offered | Non Responsive | Not offered | Not offered |



Comprehensive Review of Town Operations

RETIREMENT PROGRAM

CONTENTS

| | |
|---|----|
| Ten Year Timeline of Retirement Plan Changes | 3 |
| Financial Overview: Defined Benefit (Pension) Plan | 5 |
| Financial Overview: Defined Compensation Plan..... | 7 |
| Options for Cost Savings | 8 |
| Recommendation: Amending the scheduled Actuarially Determined Employer Contribution (ADEC) requirement..... | 8 |
| Recommendation: Amend Town Code of Ordinance Section 82-53 with respect to minimum working hours per year for benefit eligibility | 9 |
| Recommendation: Replace Contracted Retirement Plan Administration with In-House Staff | 10 |
| Option: Increase General Employee Defined Benefit Contribution by 1%..... | 11 |
| Option: Provide New Hire General Employees with a Defined Contribution Plan and Closing the Defined Benefit Plan to New Entrants..... | 12 |
| Market Study..... | 13 |
| General Employee Retirement Benefits Market Comparison | 13 |
| Police Officer Retirement Benefits Market Comparison | 15 |
| Firefighter Retirement Benefits | 17 |
| Executive Retirement Benefits | 19 |

TEN YEAR TIMELINE OF RETIREMENT PLAN CHANGES

2008

- January 31, 2008: Town Council reviews the Comprehensive Review of Town Operations (CROTO) report. Upon consensus of the Town Council, more information was needed and the various retirement boards would study the issue and present recommendations to Town Council, to include consideration of hiring a pension consultant to review and provide program recommendations.
- April 8, 2008: Responses to an RFP for a consultant to assist the Town Council in reviewing the Town's retirement system were reviewed. Retirement boards unanimously advised Town Council to retain the status quo for retirement benefits. Town Council unanimously voted not to obtain a consultant to assist the Town Council in reviewing the Town's retirement plan.
- October 12, 2008: Thru consensus of the Town Council, the Finance and Taxation Committee was directed to review the Future Funding of Town Pension Plans and Defined Benefit vs. Defined Contribution Plans at the December 2008 committee meeting.
- December 16, 2008: Finance and Taxation Committee met and received information regarding the actuarial process, smoothing and funding of the pension plan, investment and other actuarial assumption options, DROP benefit impacts, combining the Police and Fire retirement boards, and the benefits and disadvantages of both defined benefit and defined contribution plans.

2009

- March 16, 2009: Finance and Tax Committee assigned Al Parven, a Town resident acting as chair of the general employee retirement board and member of the Civic Association, as special advisor to the committee to study and report on the Town's retirement plan.
- April 27, 2009: Al Parven provides a report to the Finance & Tax Committee regarding the Town's Pension Plan, recommending further analysis by an external consultant with plan design options.
- July 2009: In early summer, the Town completed a national competitive selection process by hiring the Cavanaugh Macdonald Consulting, LLC, to provide expert advice and assistance in studying the retirement plan.
- October 30, 2009: Cavanaugh Macdonald issued its independent report, which contained a menu of more than 50 different options for modifying Town pensions. That report was reviewed in public meetings of the Town's three pension boards during November 2009.
- December 3, 2009: The Mayor and Town Council reviewed the Cavanaugh Macdonald report and received public input at a special Town Council meeting. Town Manager Elwell was assigned to make specific recommendations for Town Council consideration.

2010

- April 6, 2010: Town of Palm Beach Pension Plans, Town Manager's Report and Recommendations issued at Special Town Council Meeting, April 6, 2010. Reduction in retirement plan benefits was ordered; this required bargaining in good faith with both Police and Fire unions.
- June 2010: The Palm Beach County Property Appraiser imposed upon the Town a 12.4% decrease in property values, which resulted in a \$5 million decrease in property tax revenue. The Town Council ordered additional cost-cutting measures. Retirement plan benefits were further reduced. Union negotiations reflected this change.

2011

- April 21, 2011: Impasse hearing with the International Association of Firefighters, resulting in imposition of retirement plan changes to the hybrid plan (among other changes).

2012

- January 18, 2012: Impasse hearing with the Fraternal Order of Police, resulting in imposition of retirement plan changes to the hybrid plan (among other changes).

| | |
|------|--|
| 2013 | <ul style="list-style-type: none"> • May 1, 2012: Second reading of Town Ordinance adopting changes to retirement plan benefits for all employees, providing for a hybrid retirement plan in lieu of only defined benefit program. |
| 2014 | <ul style="list-style-type: none"> • August 16, 2013: Retirement Board of Trustees approves removal of 2% reduction applied to non-grandfathered General Employees choosing DROP participation as it was no longer actuarially valid to ensure cost neutrality of the plan. |
| 2015 | <ul style="list-style-type: none"> • Retirement board requests an experience study from the actuary. |
| 2016 | <ul style="list-style-type: none"> • Experience Study requires several demographic assumption changes. • March 30, 2016: Police and Fire Compensation and Benefits Survey, requested by Palm Beach Civic Association and Palm Beach Police Foundation and conducted by Mercer, issued to the Finance and Tax Committee • April 12, 2016: Town Council orders changes to the investment earnings assumption for the retirement plan, decreasing from 7.5% to 7.4% and will further decrease by 10 basis points each year until the assumed rate of investment reaches 7.0% effective with the September 30, 2010 annual valuation. • August 16, 2016: Second reading of Ordinance adopting changes to retirement plan benefits for Police Officers and non-union Firefighters eliminating the hybrid plan and implementing a defined benefit plan, effective October 1, 2016. • Assumption change due to mortality table changes |
| 2017 | <ul style="list-style-type: none"> • February 14, 2017: Second reading of Ordinance adopting changes to retirement plan benefits for General employees, retaining and amending the existing provisions of the hybrid plan effective May 1, 2017. • August 9, 2017: Second reading of Ordinance amending the retirement benefits provided to union Firefighters pursuant to the collective bargaining agreement between the Town and the IAFF, eliminating the hybrid plan and implementing a defined benefit plan, effective August 12, 2017. |

FINANCIAL OVERVIEW: DEFINED BENEFIT (PENSION) PLAN

Revenue and Expense Summary

| | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2017 Projected | FY2018 Budget | % |
|--|--------------------|--------------------|--------------------|---------------------|--------------------|---------------|
| | | | | | | Change |
| Revenues | | | | | | |
| Employer Contributions | 5,626,652 | 6,876,923 | 8,179,695 | 8,087,085 | 9,320,235 | 13.94% |
| Transfer from Prepaid Town Contributions | 750,000 | - | - | - | - | 0.00% |
| Employee Contributions | 591,047 | 541,133 | 750,000 | 963,708 | 755,000 | 0.67% |
| Gain/(Loss) on Investments | (10,314,333) | 13,248,261 | 14,837,114 | 18,045,063 | 14,886,649 | 0.33% |
| Miscellaneous | 103,396 | 13,310 | 2,500 | 3,309 | 2,500 | 0.00% |
| Interest on Investments | 1,778,887 | 1,368,443 | 2,000,000 | 3,582,546 | 1,750,000 | -12.50% |
| Transfer from General Fund | - | - | 2,500,000 | 2,800,000 | 4,759,016 | 90.36% |
| TOTALS | (1,464,351) | 22,048,070 | 28,269,309 | 33,481,711 | 31,473,400 | 11.33% |
| Expenses | | | | | | |
| Salaries and Wages | 32,572 | 51,772 | 52,247 | 51,803 | 52,910 | 1.27% |
| Employee Benefits | 21,341 | 25,804 | 28,009 | 27,364 | 29,558 | 5.53% |
| Contractual | 23,718,618 | 18,724,304 | 19,501,658 | 18,533,804 | 20,272,050 | 3.95% |
| TOTALS | 23,772,531 | 18,801,880 | 19,581,914 | 18,612,971 | 20,354,518 | 3.95% |
| Total Revenues Over/(Under) | | | | | | |
| Expenses | (25,236,882) | 3,246,190 | 8,687,395 | 14,868,740 | 11,118,882 | |
| Beginning Net Assets | 216,001,372 | 190,764,490 | 194,010,680 | 194,010,680 | 208,879,420 | |
| ENDING NET ASSETS | 190,764,490 | 194,010,680 | 202,698,075 | 208,879,420 | 219,998,302 | |

| Full Time Equivalent Employees | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Finance Director | 0.0240 | 0.0240 | 0.1000 | 0.1000 | 0.1000 |
| Assistant Finance Director | 0.0190 | 0.0190 | 0.0250 | 0.0250 | 0.0250 |
| Accounting Supervisor | 0.0230 | 0.0230 | 0.0500 | 0.0500 | - |
| Budget Analyst | - | - | - | - | 0.0500 |
| Accounting Specialist II | - | - | - | - | 0.2000 |
| Accounting Specialist | 0.0120 | 0.0120 | 0.0120 | 0.0120 | 0.0120 |
| Director of Human Resources | 0.0240 | 0.0240 | 0.0240 | 0.0240 | 0.0240 |
| Human Resources Specialist | 0.3750 | 0.3700 | 0.3750 | 0.3750 | 0.3750 |
| Payroll Specialist | 0.2310 | 0.2310 | 0.2000 | 0.2000 | - |
| | 0.7080 | 0.7030 | 0.7860 | 0.7860 | 0.7860 |

The Town's total contribution for the defined benefit and defined contribution plans for FY17 and FY18 is shown on the table on the following page:

| Town Retirement Contributions | FY2017 | FY2018 | Change | % Change |
|-----------------------------------|-------------|-------------|-----------|----------|
| General Employees DB | \$2,414,960 | \$2,997,898 | \$582,938 | 24.14% |
| Lifeguards DB | 163,443 | 188,431 | 24,988 | 15.29% |
| Police DB | 2,832,558 | 2,870,523 | 37,965 | 1.34% |
| Fire-Rescue DB | 2,676,124 | 3,263,383 | 587,259 | 21.94% |
| Total DB Contribution | \$8,087,085 | \$9,320,235 | 1,233,150 | 15.25% |
| DC Contributions | 1,029,957 | \$634,828 | (395,129) | -38.36% |
| Total Town DB And DC Contribution | \$9,117,042 | \$9,955,063 | \$838,021 | 9.19% |

The actuarial determined employer contribution history for the defined benefit pension for the last five years is shown below:

| | FY2014 | FY2015 | 2016 | 2017 | 2018 |
|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General | \$1,873,887 | \$1,856,320 | \$1,908,865 | \$2,414,960 | \$2,997,898 |
| Lifeguards | 144,734 | 152,086 | 157,411 | 163,443 | 188,431 |
| Police | 1,979,219 | 2,144,661 | 2,233,214 | 2,832,558 | 2,870,523 |
| Fire-Rescue | 2,071,503 | 2,223,585 | 2,285,579 | 2,676,124 | 3,263,383 |
| Total | \$6,069,343 | \$6,376,652 | \$6,585,069 | \$8,087,085 | \$9,320,235 |

Due to concerns about the rising unfunded liability in the pension fund, a transfer of \$2,500,000 from the Town's undesignated fund balance to the Retirement fund was approved by the Town Council to start to reduce the UAAL in FY17. In FY 18 an extraordinary transfer of \$5,420,000 was approved by the Town Council to the Retirement Fund. A new policy was adopted that would require annual appropriations of the annual required contribution plus \$5,420,000 to be capped at \$16 million. The extraordinary contribution is made up of \$4,759,016 from the General Fund budget including \$3.5 million from reserves, excess contributions above the annual required contribution (ARC) totaling \$360,984 and \$300,000 from the FY17 budget DC savings and forfeiture revenue.

The funded ratio for the each of the pension plans is shown in the chart below.

| As of Fiscal Year End | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|-----------------------|--------|--------|--------|--------|--------|
| General Employees | 80.7% | 81.3% | 82.0% | 75.1% | 74.1% |
| Lifeguards | 64.3% | 64.2% | 65.2% | 63.9% | 64.0% |
| Police | 76.2% | 73.5% | 73.0% | 70.2% | 68.6% |
| Fire-Rescue | 70.5% | 68.1% | 68.3% | 66.2% | 62.6% |

The table below shows the breakdown in costs between Normal Cost and the amortization of the UAAL by benefit tier (Plan B and Legacy), for the plan as a whole and each employee group. A small number of grandfathered employees continue to accrue benefits under the legacy plan and their normal cost is included in the legacy plan below. The charts includes the General Employee benefit change, but was prepared prior to the recent union Firefighter benefit change.

| Actuarially Determined Contribution Breakdown by Benefit Tier | | | | | |
|--|---------------------|--------------------|---------------------|---------------------|---------------------|
| Valuation Date: September 30, 2016 | | | | | |
| | Total Plan | General | Ocean Rescue | Police | Firefighters |
| Participants | 268 | 165 | 4 | 48 | 51 |
| Total Plan | | | | | |
| Employer Normal Cost | 7.39% | 6.70% | 6.92% | 9.79% | 7.07% |
| Amortization of UAAL | 41.29% | 19.34% | 97.62% | 67.08% | 78.99% |
| Total | 48.68% | 26.04% | 104.54% | 76.87% | 86.06% |
| Town Contribution | \$ 9,055,557 | \$2,881,982 | \$ 181,145 | \$ 2,870,523 | \$ 3,121,907 |
| Plan B - Ongoing Plan | | | | | |
| Employer Normal Cost | 6.72% | 5.80% | 6.92% | 9.11% | 7.07% |
| Amortization of UAAL | 0.45% | 0.44% | 0.29% | 0.51% | 0.41% |
| Total | 7.17% | 6.24% | 7.21% | 9.62% | 7.48% |
| Town Contribution | \$ 1,333,686 | \$ 690,613 | \$ 12,493 | \$ 359,236 | \$ 271,344 |
| Plan A - Legacy Plan | | | | | |
| Employer Normal Cost | 0.67% | 0.90% | 0.00% | 0.68% | 0.00% |
| Amortization of UAAL | 40.84% | 18.90% | 97.33% | 66.57% | 78.58% |
| Total | 41.51% | 19.80% | 97.33% | 67.25% | 78.58% |
| Town Contribution | \$ 7,721,871 | \$2,191,369 | \$ 168,652 | \$ 2,511,287 | \$ 2,850,563 |

FINANCIAL OVERVIEW: DEFINED COMPENSATION PLAN

Based on recent pension changes, the Town no longer provides a Defined Contribution (DC) plan for public safety employees. For General Employees and Lifeguards, the new plan was modified and now the Town contributes a mandatory match of 3% and an optional match of 2% to the DC plan.

Total employer contributions to the DC plan per year are shown below:

| | FY2014 Actual | FY2015 Actual | FY2016 Actual | FY2017 Budget | FY2018 Budget |
|--------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| General | \$699,122 | \$756,792 | \$817,696 | \$923,990 | \$626,050 |
| Lifeguards | 10,943 | 12,410 | 14,850 | 13,357 | 8,778 |
| Police | 265,191 | 294,148 | 287,545 | 0 | 0 |
| Fire-Rescue | 174,650 | 154,893 | 153,963 | 92,610 | 0 |
| Total | \$1,149,906 | \$1,218,243 | \$1,274,054 | \$1,029,957 | \$634,828 |

OPTIONS FOR COST SAVINGS

RECOMMENDATION: AMENDING THE SCHEDULED ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION (ADEC) REQUIREMENT

Cost Savings: \$240,820 for FY18, FY19 estimate \$250,000

Summary:

Staff requested the Town's retirement plan actuary to evaluate whether savings could be realized by amending the schedule by which the Town's Actuarially Determined Employer Contribution (ADEC) requirement is deposited into the trust. The following evaluation was provided by Pete Strong, Senior Consultant and Actuary with Gabriel Roeder Smith.

The ADEC for FY 2017 was \$7,850,390, assuming mid-year average timing of payments. This amount was paid in full by November 23, 2016. The earlier contribution timing results in interest savings of \$236,676 as of September 30, 2017. This amount can be applied as a prepaid contribution towards the ADEC for FY 2018.

The ADEC for FY 2018 is \$9,195,946¹, again assuming mid-year average timing. If the \$236,676 in interest savings from FY 2017 is applied towards this ADEC, the ADEC for FY 2018 decreases to \$8,950,760 (assuming mid-year timing for the remaining payments), a reduction of \$245,186 as of the middle of the year. \$2,298,987 was contributed toward the FY 2018 ADEC on October 27, 2017. If the remaining required contribution is deposited on November 16, 2017, the required payment would be \$6,410,953. The Town would pay a total of \$8,709,940 for FY 2018, as opposed to \$8,950,760 if payment were made mid-year (on average). As a result, the Town would save \$240,820 in interest during FY 2018 by making the remaining contribution by November 16, 2017. The grand total interest savings for FY 2017 and FY 2018 would be \$486,006 (= \$9,195,946 - \$8,709,940).

The assumed investment return used in the savings calculation was 7.4% for FY 2017 and 7.3% for FY2018. The above calculations rely on the contribution dates and amounts you provided via e-mail on November 1, 2017.

¹Please see the Actuarial Valuation Report as of September 30, 2016, dated February 15, 2017, the March 6, 2017 Actuarial Impact Statement for General and Ocean Rescue Employees, and the August 4, 2017 Actuarial impact Statement for Firefighters for additional information.

Based on the evaluation conducted Staff recommends amending the existing quarterly deposit to an annual deposit schedule in order to take advantage of the interest savings (\$240,820 in FY18) and application of the same toward the Town's obligatory payment.

RECOMMENDATION: AMEND TOWN CODE OF ORDINANCE SECTION 82-53 WITH RESPECT TO MINIMUM WORKING HOURS PER YEAR FOR BENEFIT ELIGIBILITY

Cost Savings: No cost savings but improved operational services by having the ability to increase work hours of part-time staff without incurring additional expense of retirement benefits (\$18,355 per FTE in FY18).

Summary:

Section 82-53 of the Town’s Code of Ordinances, entitled Membership; Termination of Membership, includes the minimum hours per year an employee must work to become eligible for retirement benefits. Currently, any employee working 1,040 hour (average of 20 hours per week) or more in a fiscal year are eligible for retirement benefits. Federal law mandates that insurance be offered to employees after working 1,560 hours per fiscal year (average of 30 hours per week).

The table below provides the per FTE costs for insurance and retirement in FY18:

| FY18 Per FY18 | |
|---|-----------------|
| Insurance | \$11,143 |
| Defined Benefit Retirement | \$15,237 |
| Defined Contribution Retirement (Average) | \$3,118 |
| Total | \$29,498 |

Total amount of full-time positions were reduced after the recession and on-call temporary or part-time, no benefit (PTNB) positions were used in place due to reduced benefit costs associated with those positions. PTNB positions work less than 20 hours a week, 1,040 per year, to ensure neither insurance nor retirement benefit eligibility is not attained. While the use of reduced work hour positions works in some departments, such as on-call Lifeguards, there are other instances where this practice has not worked. For instance, four recruitments for the PTNB Right of Way Inspector were conducted since 2016; while job offers were extended all were declined by the candidates as they had found other positions that provided additional work hours and benefits.

Based on the above, we recommend increasing the minimum hours worked within Sec. 82-53 of the Code that provides retirement eligibility from 1,040 to 1,850 hours per fiscal year. Those working 35 hours or more per week would earn retirement and insurance benefits; those working less than 35 but more than 30 would earn only insurance as required per Federal law, and those working less that 30 would earn neither insurance nor retirement.

Impacts of Option:

This change would allow us to increase the hours worked by PTNB positions without incurring additional benefit cost (so long as the hours worked do not exceed 30 per week which requires federally mandated insurance eligibility). Further, we could consider improving our competitive attractiveness in the employment market by offering only

insurance benefits to PT employees who work no more than 35 hours per week. The cost of insurance (\$11,143) is less the cost of retirement (\$18,355) on a per FTE basis, and there would be no long-term liability associated with the position due to lack of enrollment with retirement benefits.

The table below provides a sampling of the impact of this change to an average part-time position.

| <i>PROPOSED</i> | 20 Hours/Week <i>(not to exceed 29)</i> | 30 Hours/Week <i>(not to exceed 35)</i> | At least 35 Hours/Week |
|---|--|--|---------------------------|
| Minimum Hourly Rate | \$19.1335 | \$19.1335 | \$19.1335 |
| Hours per Year | 1,040 | 1,560 | 1,820 |
| % Increase in Hours over Min 1,040 | 0 | 33% | 75% |
| Est. Annual Salary | 19,898 | \$29,848 | \$34,823 |
| Insurance | N/A | \$11,143 | \$11,143 |
| Retirement | N/A | N/A | \$18,355 |
| Total | 19,898 | \$40,991 | \$64,321 |
| Additional Cents Per Dollar to Offer Benefits | 0.00 | 0.37 | 0.85 |

This change was reviewed by Jim Linn, counsel to the retirement board and special advisor on retirement plan law matters, who advised as follows:

The requirement that employees who work more than 1,040 hours annually are eligible to participate in the Town's retirement plan is not mandated by federal or state law. Federal law (ERISA) does set a 1,040 hour threshold for participation in a qualified pension plan, but this does not apply to governmental plans. Thus, the Town's retirement plan may be amended to increase the number of hours an employee must work to be eligible to participate in the plan. The number of hours could be increased to 35 hours per week (1,820 hours per year) without jeopardizing the plan's qualified status.

The Town currently employs approximately 23 part-time no benefit employees who can only work 20 hours per week. This change would allow us to increase their hours worked per week up to 29 without incurring retirement or insurance benefit costs, and up to 35 hours per week if budget approval for insurance benefit was obtained. Further, offering additional hours and also insurance benefits may allow us to attract candidates to part-time positions placing those types of position in a more marketable position.

RECOMMENDATION: REPLACE CONTRACTED RETIREMENT PLAN ADMINISTRATION WITH IN-HOUSE STAFF

Cost Savings: \$157,500

Summary:

The current pension administrator is a contractual position at an annual contract of \$157,500. The duties of the pension program are shared between the contractual administrator, the Finance Department and Human Resources. Staff is proposing assuming the current duties of the contractual administrator and distributing these duties between

Finance and Human Resources. In order for Finance and Human Resources to assume these duties, Finance has proposed to outsource the special assessment function and Human Resources is proposing to reorganize the Occupational Health Clinic including outsourcing clinical duties, reclassifying administrative duties, and eliminating .5 FTE from the department.

Impacts of Option:

The consolidation would share the duties between two in house departments rather than two departments and a contractual administrator. There are times when the current model is disjointed and employees may not always receive the full level of service when seeking information about their retirement plan benefits. For employees, it will reduce confusion and provide one source for information on either their defined benefit, defined contribution, or optional retirement plan investments. Other services rendered by the contracted administrator, beyond the management of the employee/member enrollment and education, mirrors tasks already being provided by Town staff overseeing the Investment Advisory Committee. Therefore, while the volume of work may increase by bringing the services in-house versus using contracted services, the type of work performed is something staff can complete without any additional training. We believe that the administration of the board and the meetings can be done in house and between the two departments, in addition to providing enhanced services and streamlining existing processes as they relate to employees, retirees and investments.

OPTION: INCREASE GENERAL EMPLOYEE DEFINED BENEFIT CONTRIBUTION BY 1%

Cost Savings: \$110,108

Summary: General and Ocean Rescue employees currently contribute 3% into the defined benefit plan. They also contribute 3% into the Defined Contribution plan with a 3% match. There is a voluntary option of an additional 2% employee contribution to the defined contribution plan with a 2% Town match. The proposal would increase the general and ocean rescue employee contribution from 3% to 4%. Another option would be to increase the contribution by .5% to 3.5%, which would reduce the savings to \$55,054.

Grandfathered General Employee contributions would also change from 6.47% to 7.47%. Currently there is only one grandfathered general employee.

Public Safety employees currently contribution on a sliding scale from 8% -12% and would not be affected by this change.

Impact of Options: Additional burden on employees to contribute more to retirement system and lower their net pay. Some employees may choose to reduce their optional DC contribution amount to offset the increased contribution, which will lower the amount they save for retirement.

OPTION: PROVIDE NEW HIRE GENERAL EMPLOYEES WITH A DEFINED CONTRIBUTION PLAN AND CLOSING THE DEFINED BENEFIT PLAN TO NEW ENTRANTS

Cost Savings: None until 2025

Summary: We requested that the actuary project the impact of closing the General and Ocean Rescue plan to new entrants. Because the defined benefit plan would be closed to new hires, the costs for the defined benefit plan increase. The increase in the first year would be \$531,287 plus the employer match to a new defined contribution only plan. We calculated the cost of an employer DC match of 7.5%, which would equate to \$58,129 in the first year and 10% which would be \$77,506. Below is a spreadsheet detailing the 10 year forecast of costs and change in UAAL. The benefit of this option would be a UAAL reduction and eventually a cost reduction in future years depending on the DC plan offered. These calculations are based on current pension assumptions and the actuaries' assumptions for new employee payroll costs.

Impact of Options:

Based on the market data collected for DC only plans, the City of West Palm Beach provides 7.5% employer contribution. Jupiter Island provides employees with the option to contribute to the defined contribution plan up to 3.5%; employer matches the employee contribution and provides 10% in addition to the match providing a total of 13.5% employer contribution.

| General Employee and Ocean Rescue DC Plan Projections | | | | | | | |
|---|----------------------|--------------------|-------------------|--|--|------------------------------------|---|
| Closing Plan to New Hires | | | | Employer Contribution Options | | | |
| Year | New Employee Payroll | Employer DC @ 7.5% | Employer DC @ 10% | Increase/ (Decrease) due to closing plan | Total Additional Cost/ (Savings) for 7.5% plan | Total Additional Cost for 10% Plan | UAAL Reduction Assuming Current Assumptions |
| 2017 | - | - | - | 531,287 | 531,287 | 531,287 | - |
| 2018 | 775,057 | 58,129 | 77,506 | 455,981 | 514,110 | 533,487 | (604,396) |
| 2019 | 1,301,902 | 97,643 | 130,190 | 385,119 | 482,762 | 515,309 | (492,678) |
| 2020 | 1,725,581 | 129,419 | 172,558 | 278,192 | 407,611 | 450,750 | (1,017,214) |
| 2021 | 2,234,268 | 167,570 | 223,427 | 142,185 | 309,755 | 365,612 | (1,534,568) |
| 2022 | 2,702,773 | 202,708 | 270,277 | 11,710 | 214,418 | 281,987 | (1,959,989) |
| 2023 | 3,158,944 | 236,921 | 315,894 | (112,232) | 124,689 | 203,662 | (2,295,299) |
| 2024 | 3,740,568 | 280,543 | 374,057 | (236,590) | 43,953 | 137,467 | (2,519,427) |
| 2025 | 4,286,453 | 321,484 | 428,645 | (346,705) | (25,221) | 81,940 | (2,601,331) |
| 2026 | 5,027,501 | 377,063 | 502,750 | (459,895) | (82,832) | 42,855 | (2,589,108) |

MARKET STUDY

GENERAL EMPLOYEE RETIREMENT BENEFITS MARKET COMPARISON

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach | FRS DB Plan | FRS DC Plan |
|-------------------------|------------------------------------|-----------------|---|---------|-----------------------|--|---|-------------|
| Union Group | No | Yes | Yes | | Yes - SEIU & NonUnion | SEIU, OBA | | |
| FY18 #FTE Benefit Group | 215 | | 540 as of 09/30/15 | | | | N/A | N/A |
| Defined Benefit Plans: | | | | | | | | |
| Funding Ratio as of:___ | 73.5% as of 09/30/15 | N/A | 90.64% as of 09/30/15 | See FRS | See FRS | 98.1% As of 09/30/15 | 84.3% as of 01/01/17 | |
| Return Assumption | 7.4% dropping by .1% to 7% | N/A | | See FRS | See FRS | 7.25% | 7.6% | |
| Wage Assumption | 3.25% dropping by .25% to 2.75% | N/A | | See FRS | See FRS | 4.4%-7.2% | 3.25% | |
| Vesting Period | 10 Years | N/A | 10 Years | See FRS | See FRS | 50% after 5 years plus 10% each additional year | 8 years | |
| Age Benefit Eligible | 62 and 10 years | N/A | Age 65; or Age 55 w/ 20 yrs; or Age 53 w/ 30 yrs; or Rule of 68 – age & service = 68, min 50 age /15 yrs | See FRS | See FRS | Hired on/before 10/05/10: Age 62 and 10 years, or 30 years regardless of age. Hired after 10/05/10: Age 65 and 10 years | Age 65 with at least 8 years of service or have 33 years of service regardless of age | |
| DB Multiplier | 1.7% | N/A | 1.75%; or 1.5% under Rule of 68 | See FRS | See FRS | 2.5% with max of 75% or option of 3% with maximum benefit of 90%. | <ul style="list-style-type: none"> •Age 65 or up to 33 yrs svc: 1.60% •Age 66 or with 34 yrs svc: 1.63% | |

| | | | | | | | | |
|-----------------------------|-------------------------------|--|---------------------------|---------|---------|--|--|---------|
| | | | | | | Employees have to pay an additional 3.45% for this benefit.. | <ul style="list-style-type: none"> •Age 67 or with 35 yrs svc: 1.65% •Age 68 or with 36+ yrs svc: 1.68% | |
| DB Employee Contribution | 3.5% | N/A | 6% | See FRS | See FRS | 3.05% unless employee chooses higher benefit then 6.5% | 3% | |
| COLA | No | N/A | Yes, each odd number year | See FRS | See FRS | | Each July 1 after retirement, Pension Plan members will earn a 3% COLA for all service prior to July 1, 2011. Any retirement service earned on or after July 1, 2011 will not be subject to a COLA | |
| Pension Obligation Bonds | No | N/A | | See FRS | See FRS | | | |
| Defined Contribution Plans: | | | | | | | | |
| DC Employee Contribution | 3.0% Mand.; Up to 2% Optional | 7.5% | N/A | See FRS | See FRS | Optional | | 3% |
| DC Employer Contribution | 3.0% Mand.; Up to 2% Match | 6.5%, increasing to 7.5% as of the 6 th year of service | N/A | See FRS | See FRS | Up to 3% match for key employees | | 3.3% |
| Vesting Period | 10 Years | None | N/A | See FRS | See FRS | N/A | | 1 year |
| Age Benefit Eligible | Per IRS (59 ½) | Per IRS | N/A | See FRS | See FRS | Per IRS | | Per IRS |

POLICE OFFICER RETIREMENT BENEFITS MARKET COMPARISON

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach | FRS DB Plan | FRS DC Plan |
|-------------------------------|---------------------------------|--|--|---|------------------------------------|---|---|-------------|
| Union Group? | No | Yes | Yes | Yes | Yes | Yes | | |
| FY18 #FTE Benefit Group | 70 | 221 | No response | 100 | 78 | | N/A | N/A |
| Retirees as of FY16 CAFR | | 248 | | 64 | 75 | 246 (police and Fire) | | |
| Defined Benefit Plans: | | | | | | | | |
| Funding Ratio as of: __ | 68.6% as of 09/30/16 | 81% | 74.58% As of 10/1/16 | 85% fiduciary net position | 75.71% fiduciary net position | 63.89% As of 10/1/15 | 84.3% as of 01/01/17 | |
| Return Assumption | 7.4% dropping by .1% to 7% | 8% | 7.95% | 7.5% | 6.9% Lowering it by .1% until 6.5% | 7.65% | 7.6% | |
| Wage Assumption | 3.25% dropping by .25% to 2.75% | 5% | 2.92% for UAAL; 4.0% for city funding requirements | 5-12.27% | 3-4.5% | 0-3.7% | 3.25% | |
| Vesting Period | 10 years | 10 years | 10 years | 10 years | 10 years | 10 years | 8 years | |
| Age Benefit Eligible | 56 | 25 or more years' service; age 50 and 20 years; or age 55 and 10 years | 20 yrs svc; or Age 55 & 10 yrs. | 55 with 10 years of service or 25 years | 59 with 10 years of service | 55 and 10 years of service of 25 years regardless of age. | <ul style="list-style-type: none"> • Age 60 or older and 1 or more years of combined Pension Plan and Investment Plan service; or • Age 57 or older and 30 or more years of Special Risk and military service; or • Any age and 30 or more years of Special Risk service | |

| | | | | | | | | |
|-----------------------------|--------------------------|---|-------|---|--|--|--|--------|
| DB Multiplier | 2.75% | 2.68% service after 09/30/2011; 3.0% service between 03/31/1987-09/30/2011 | 3.5% | 2.75% plus supplemental benefit of the lesser of \$150 per month or the greater of \$30 or \$5 times credited service | 2.75 to max of 75% plus monthly supplemental benefit of \$12.50 per year of service. | 2.5% up to 20 years then 3% in excess of 20 years to max of \$108,000. Optional 3.5% to max of 87.5% for additional 3% contribution. | 3% Special Risk Class | |
| DB Employee Contribution | 8-12%; Current 10.09% | 11% | 10.2% | 10% | 8.6% | 9% | 3% | |
| COLA | No | 3% annually after age 65 | | 3% | None | 1% per year | Each July 1 after retirement, Pension Plan members will earn a 3% COLA for all service prior to July 1, 2011. Any retirement service earned on or after July 1, 2011 will not be subject to a COLA | |
| Pension Obligation Bonds | No | Yes \$50 Million in 2016 | No | No | No | No | No | |
| Defined Contribution Plans: | | | | | | | | |
| DC Employee Contribution | | N/A | N/A | N/A | N/A | N/A | | 3% |
| DC Employer Contribution | | N/A | N/A | N/A | N/A | N/A | | 11% |
| Vesting Period | | N/A | N/A | N/A | N/A | N/A | | 1 year |

FIREFIGHTER RETIREMENT BENEFITS

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach | FRS DB Plan | FRS DC Plan |
|---|---------------------------------|--|--|-------------------|--|---|---|-------------|
| Union Group? | Yes | No | Yes | N/A – County Fire | | | | |
| FY18 #FTE Benefit Group | 70 | 190 | | | 96 | | N/A | N/A |
| Retirees as of FY16 CAFR | | 194 | | | 38 | 246 | | |
| Defined Benefit Plans: | | | | | | | | |
| Funding Ratio as of: September 30, 2016 | 62.6% as of 09/30/15 | 71% | 78.97% as of 10/1/16 | | 78.41% Fiduciary net position | | 84.3% as of 01/01/17 | |
| Return Assumption | 7.4% dropping by .1% to 7% | 8% | 7.95% | | 7.45% | 8% | 7.6% | |
| Wage Assumption | 3.25% dropping by .25% to 2.75% | 5.0% to 5.5% including inflation | 2.92% for UAAL; 4.0% for city funding requirements | | 2.5% | 5%-6.25% | 3.25% | |
| Vesting Period | 10 years | 10 years | 10 years | | 10 years | 10 years | 8 years | |
| Age Benefit Eligible | 56 | Age 50 and 15 years; or age 55 and 10 years; or 26 years regardless of age | 20 yrs svc; or Age 55 & 10 yrs. | | 52 with 10 years of service or 25 years of service regardless of age | 55 and 10 years of service of 20 years regardless of age. | <ul style="list-style-type: none"> • Age 60 or older and 1 or more years of combined Pension Plan and Investment Plan service; or • Age 57 or older and 30 or more years of Special Risk and military service; or Any age and 30 or more years of Special Risk service | |

| | | | | | | | | |
|-----------------------------|------------------------|---|-------|--|--|---|--|--------|
| DB Multiplier | 2.75% | 3% on and after 05/13/12; 4% for service prior to 05/13/12 | 3.4% | | 3% to max of 75% | 3% max benefit \$100k increased at 2% per year. | 3% Special Risk Class | |
| DB Employee Contribution | 8-12%; Currently 10.0% | 13.1% | 10.2% | | 6% | 9% | 3% | |
| COLA | No | 1.17% per year if aggregate gains from all sources do not limit it. | Yes | | 1% at ag 53, 2% at age 54 and 3% for age 55 or greater | 1% Per year | Each July 1 after retirement, Pension Plan members will earn a 3% COLA for all service prior to July 1, 2011. Any retirement service earned on or after July 1, 2011 will not be subject to a COLA | |
| Pension Obligation Bonds | No | | No | | No | NO | No | |
| Defined Contribution Plans: | | | | | | | | |
| DC Employee Contribution | | | | | | | | 3% |
| DC Employer Contribution | | | | | | | | 11% |
| Vesting Period | | | | | | | | 1 year |

EXECUTIVE RETIREMENT BENEFITS

| | Palm Beach | West Palm Beach | Boca Raton | Jupiter | Palm Beach Gardens | Delray Beach | FRS DB Plan | FRS DC Plan |
|------------------------------------|------------|--|------------------------|---------|--------------------|--------------|-------------|-------------|
| Union Group? | N/A | | | | | | N/A | N/A |
| FY18 #FTE Benefit Group | N/A | | | | FRS | | N/A | N/A |
| Defined Benefit Plans: | | | | | | | | |
| Funding Ratio as of: __ | N/A | N/A | 73.83 as of 10/1/15 | N/A | N/A | N/A | | N/A |
| Return Assumption | N/A | N/A | 7.5% as of 10/1/15 | N/A | N/A | N/A | | N/A |
| Wage Assumption | N/A | N/A | | N/A | N/A | N/A | | N/A |
| Vesting Period | N/A | N/A | 6 years | N/A | N/A | N/A | | N/A |
| Age Benefit Eligible | N/A | N/A | 65 and 6; or 55 and 10 | N/A | N/A | N/A | | N/A |
| DB Multiplier | N/A | N/A | See Below | N/A | N/A | N/A | | N/A |
| DB Employee Contribution | N/A | N/A | 11% | N/A | N/A | N/A | 3% | N/A |
| COLA | N/A | N/A | Yes | N/A | N/A | N/A | | N/A |
| Pension Obligation Bonds | N/A | N/A | No | N/A | N/A | N/A | | N/A |
| Defined Contribution Plans: | | | | | | | | |
| DC Employee Contribution | N/A | 7.5% | N/A | N/A | N/A | N/A | | 3% |
| DC Employer Contribution | N/A | 6.5% increasing to 7.5% after six year | N/A | N/A | N/A | N/A | | 4.67% |
| Vesting Period | N/A | None | N/A | N/A | N/A | N/A | | 1 year |

Boca/Executive: "Accrued benefit" shall mean a monthly annuity benefit equal to the percentage of average final compensation corresponding to the division as provided herein, multiplied by benefit service, payable in the standard benefit form beginning at the normal retirement date. "Average final compensation" shall mean one-twelfth (1/12) of the arithmetic average of annual compensation paid for the highest 130 pay periods within the last 260 pay periods of vesting service which yield the highest average, or such shorter period if less than 130 pay periods, so that compensation may be counted up to the actual date of termination. Notwithstanding the foregoing, for a division 4 member, "average final compensation" shall mean one-twelfth (1/12) of the arithmetic average of annual compensation paid for the highest 52 pay periods within the last 260 pay periods of vesting service which yield the highest average, or such shorter period if vesting service is less than 52 pay periods, so that compensation may be counted up to the actual date of termination.