



Comprehensive Review of Town Operations

EXECUTIVE SUMMARY

Final Report

Presented on: March 5, 2018

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INTRODUCTION

The Executive Summary was prepared to facilitate the review of the final CRTO recommendation to the Mayor and Town Council in one meeting.

This Executive Summary is the final version of the draft summary prepared and released on January 31, 2018. Upon the appointment of new Town Manager, Kirk Blouin, on February 13, 2018, he met with Deputy Town Manager, Jay Boodheshwar, and Director of Finance, Jane Struder, to develop a review plan for the entire draft CRTO report with each department head and other key members of the staff. After two week weeks of discussion and analysis, the final Executive Summary was completed. Said summary includes some items that were included in the initial executive summary but were either removed or modified in the final report after further discussion with department heads.

OVERVIEW OF CRTO

Town staff reviewed available options and brainstormed 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 will be challenged to continue finding ways to deliver services through the most cost effective means. 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.

There are three tables (A, B and C) in the executive summary used to categorize the cost reduction and revenue enhancement recommendations/options identified by staff.:

- A. This table includes a summary of staff's recommendations for savings that we will be implementing immediately and/or beginning with the FY19 budget.
- B. This table includes potential revenue options and other expenditure reduction options requiring policy decisions by the Town Council.
- C. This table includes a list of other options for future cost savings that are not recommended at this time but the Town Council could consider if necessary.

TOWNWIDE BENCHMARKS

Listed below are Townwide statistics such as population, taxable value, millage rates and other relevant information, as compared to those of our benchmark communities, which includes West Palm Beach, Boca Raton, Jupiter, Palm Beach Gardens, and Delray Beach.

	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%
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

	Palm Beach	West Palm Beach	Boca Raton	Jupiter	Palm Beach Gardens	Delray Beach
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

TABLE A - COST SAVINGS MEASURES TO BE IMPLEMENTED IMMEDIATELY OR IN FY19 BUDGET

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 **\$2,732,647**, 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. Other recommendations need further analysis to determine the total impact to future budgets. These items show a “TBD” (To be Determined) in the FY19 budget impact section.

No.	Recommendation	Description	FY19 Budget Impact
Fire-Rescue Department			
1	Quint at Central Fire Station	Eliminate a ladder truck and fire engine at Central Fire Station and replace with a single unit (Quint) – page 13	One time savings \$649,751
2	Elimination of 3 firefighter positions	Eliminate 3 firefighter positions through attrition due to the implementation of the Quint – page 13	\$179,052 plus benefits
3	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. – page 23	\$32,000

No.	Recommendation	Description	FY19 Budget Impact
4	Reclassify Administrative Coordinator Position	Through attrition, reclassify this position to an administrative clerk position. – page 8	TBD
5	Reclassify Office Manager Position	Through attrition, reclassify this position to an Administrative Assistant Position – page 8	TBD
Finance Department			
6	P Card Rebate	Implement new Purchasing Card system and use P Card to pay many of the Town’s vendors. – page 11	\$42,507
7	Eliminate PT Warehouse Position by Implementing 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 excess inventory. – page 14	\$18,088
8	Eliminate printing of annual budget document	Final budget document will be available online – page 7	\$2,000
9	Sale of surplus equipment	Pursue online sources for the sale of surplus equipment and vehicles – page 12	Increased salvage value for all equipment
10	Review Purchasing positions as staff retires	Conduct a review of purchasing staff positions as retirements occur and possibly reduce a position through planned efficiency measures – page 15	TBD
11	Purchase Electric Cars	Purchase electric cars on state contract for some of the fleet and Nissan will provide 3 free charging stations. Explore the possibility of a pilot program for little or no cost. – page 17	TBD
Police Department			
12	Eliminate Public Safety Director Position	The Town Manager will directly supervise both Police and Fire Rescue Departments. – page 7	\$216,181 plus benefits

No.	Recommendation	Description	FY19 Budget Impact
13	Reclassify Records Manager	Reclassify to Police Records Specialist - page 11	\$46,079 plus benefits
14	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 through attrition – page 14	\$25,604 plus benefits
15	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. – page 14	\$1,000-\$5,000
16	Reduce Officer Overtime	Hire contractual officers at a rate of \$30-\$35 per hour to work instead of officers working overtime at an average rate of \$45. – page 25	\$50,000 (based on 2,500 hours which is approximately 50% of total)
17	Eliminate (1) Business & Community Relations Officer	The department currently has 2 BCR officers. – page 25	\$52,275 - \$91,528 plus benefits
18	Master Mechanic Reclassification	Reclassify the Master Mechanic position to Mechanic. – page 26	Approx. \$20,000
19	Special Assignment OT	Hire contractual police officers to fill Special Assignment Overtime Details – page 25	\$6,240
20	Vehicle Washer/Oil Changer	Hire a temporary position with no benefits to wash and detail police cars – page 26	TBD
Human Resources and Pay and Benefits			
21	Merit Pay	Modify the pay for performance ranges effective October 1, 2018 to Model C shown on the following table – Employee Compensation, page 22	\$222,433

No.	Recommendation	Description	FY19 Budget Impact					
			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.						
22	Review Ranges	Review 1/5 th of all positions each year to determine if pay ranges are in line with the market. Forego annual pay range adjustments and provide a lump sum performance increase for employees at top of range. – Employee Compensation, page 21						TBD
23	Freeze the Longevity program	Freeze longevity program at the FY18 payout and allow a one-time option for employees in this program to transfer to the merit based bonus program. – Employee Compensation, page 14						\$38,607
24	Amend Bonus Program	Amend bonus program to eliminate 10 th percentile payments – Employee Compensation, page 15						\$2,500
25	Amend Cell Phone Stipend	Reduce stipend for cell phone use due to business necessity based on peer/market data. – Employee Compensation, page 12						\$35,370

No.	Recommendation	Description	FY19 Budget Impact
26	Amend Tuition Reimbursement benefit	Establish a reimbursement cap of \$3,000 per year for an undergraduate degree and \$4,000 per year for a graduate degree. Restrict eligibility for employees with less than 3 years of service with the Town and employees in the DROP Program. – Employee Compensation, page 8	TBD
27	Cap Reimbursement for Fees and Books	Cap the reimbursement for fees and books to \$250 per year. – Employee Compensation, page 9	TBD
28	Reduce call back pay	Reduce call back pay from a minimum of 4 hours to 2 hours for all employees. – Employee Compensation, page 10	TBD
29	Contract Nursing services and reorganize program	Eliminate the Occupational Health Nurse but replace with on-site contracted services; reclassify a current employee to provide for wellness, and oversight of required employment related medical and leave related matters. – page 10	Savings TBD plus; \$117,350 in projected health claim savings (502 Health Fund impact)
30	Reduce townwide training	Eliminate interview selection training and management training in FY19. – page 16	\$15,600
31	Assessment system	Eliminate behavioral based interview assessment system – page 18	\$10,500
Public Works Department			
32	Eliminate vacant PW Office Assistant position.	Temporary external assistance would be used as necessary. – page 13	\$45,000 plus benefits.
33	Sidewalk replacement program – Change the program to include grinding down tripping hazards in sidewalk in lieu of replacement in certain cases.	The current program repairs structural cracking, replaces damaged flags of sidewalk that have become tripping hazards in the town’s right of way. Replacement of sidewalks will still occur, but small repairs may now be grinded down – page 15	\$2,000

No.	Recommendation	Description	FY19 Budget Impact
34	Outsource the beach cleaning program	Town staff has developed a scope of work to obtain bids on the beaching cleaning performed at public beaches. The employee that had been performing this function has retired. If the cost savings are favorable, the work will be contracted out. An alternative (if bids are not favorable) may be to hire a part-time employee and have that worker assigned to the Lifeguard group who would manage the beach cleaning task. – page 54	TBD (Depends on bid results obtained)
35	Commercial Street Sweeping	Reduce frequency of services from 3 times per week to twice per week – page 16	\$32,000
36	Lake Trail Sweeping	Reduce to once every other week, year around in lieu of once per week off season and twice per week during peak season. – page 16	\$4,160
37	Generator Training	Train technician I position to allow for in-house repairs and maintenance – page 28	\$5,000

No.	Recommendation	Description	FY19 Budget Impact
38	Conduct an investigation of inflow & infiltration into the Town's sanitary sewer system.	Currently, the Town's sanitary sewer collection system must handle not only sewage effluent but also groundwater or rainwater that enters the system (through damaged piping, cross-connects from stormwater drains, high groundwater table, etc). The additional flow results in higher electric bills, more wear and tear on pumping systems, and greater sewage treatment costs. A consultant would be able to provide technical assistance in evaluating and determining causes and solutions. Resulting projects could be identified and a life-cycle cost analysis would determine what the payback would be to implement a solution. – page 36	TBD
39	Fire Alarm and security monitoring	For Town buildings, eliminate the second party security monitoring and have PBPD monitor the alarm calls – page 61	\$12,800
40	Convert existing street lights to LED fixtures	For Town-owned street lights, when they require repair or replacement, the new lights will be converted to LED to save costs for electricity and maintenance. Retrofit kits are available to convert existing street lights to the LED fixture, and that will be done as opportunities are available. – page 23	TBD -Life cycle cost savings over life of the street light
41	Transfer maintenance to PBC	Transfer maintenance to PBC for all 18 town owned signalized traffic intersections – page 19	TBD
42	Air Conditioning Maintenance	Reduce frequency of air conditioning maintenance to bi-monthly maintenance – page 62	\$17,710

No.	Recommendation	Description	FY19 Budget Impact
43	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. – page 58	\$16,960
44	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. – page 64	\$55,073/yr.
45	Eliminate Engineering Technical Support position – Engineering Program and Coastal Protection Fund	This was a new position in FY 2017 supporting the engineers in the Engineering Department and the Coastal Program. – page 67	\$74,000/yr. – Salary (midpoint) plus benefits.
46	Eliminate the recently approved FTE for a 2 nd ROW inspector position 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 but staff believes we can accomplish this goal without this additional position. – page 69	\$75,390 salary plus benefits.
Town Manager and Related Programs			
47	Reduce Emergency Management Budget	Reduce most of the Emergency Management Budget and move duties to Fire-Rescue – page 27	\$50,404
48	Eliminate Administrative Assistant position in Town Clerk Office	Reallocate duties of this eliminated position among staff in the TMO and Town Clerk's office – page 24	\$38,724 plus benefits
49	Eliminate Communications Specialist position	Eliminate the vacant communications specialist position – page 13	\$100,000 plus benefits
50	Reduce Memberships	Eliminate membership in Rotary Club and Urban Land Institute – page 14	\$2,000

No.	Recommendation	Description	FY19 Budget Impact
51	Reduce travel for training	Reduce travel and training for TMO Staff – page 14	\$1,500
52	Outsource IT functions	As additional technology is adopted, we will look for ways to outsource some of the IT services through attrition. – page 21	TBD
53	Paperless Agenda Packets	Savings in printing costs and labor – page 23	\$7,500
54	Eliminate paper copies of Code Supplement	Everyone will be able to access the Code online. – page 24	\$8,000
55	Professional Memberships	Reduce funding for professional memberships and education reimbursement for TCO – page 24	\$4,000
56	Workers Compensation	Follow Florida Statute 440 wage payments and allow the employee to supplement wages by using their accumulated leave if necessary. – page 29	TBD
57	ERF Depreciation	Extend the life of all necessary equipment by 1 year – New	TBD
Planning Zoning and Building Department			
58	Document Management Position	Re-classify position to a lower pay grade – page 16	\$22,500
59	Turnaround permits	Issue turnaround permits that will not need to be reviewed – page 16	Unknown Savings
60	Inspection	Accept affidavits for certain types of permit inspections – page 19	Unknown Savings
61	Eliminate summary letters for ARCOM and Landmark Preservation Commissions	Written summaries are done for all ARCOM and Landmark Preservation Commission projects once complete. Letters take 30 minutes of staff time on average and 212 letters were written in FY 2017. – page 16	Improved Efficiency
62	Landmarks	Eliminate or charge a fee for Certificate of Appropriateness letters – page 21	29 hours of staff time or \$2,000 of revenue

No.	Recommendation	Description	FY19 Budget Impact
63	LPC Fees	Increase COA fees for modification of landmarked houses – page 21	Up to \$56,000
64	Eliminate Assistant Director Position	Eliminate the Assistant Director position and reallocate duties within the department – page 12	\$100,000 + benefits
Retirement Fund			
65	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) – page 8	\$250,000
66	Minimum Working Hours	Amend code to increase working hours in order to be eligible for retirement benefits from 1,040 to 1,850 – page 9	Improved operations and less turnover
Health Insurance Program			
67	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 if allowable. – page 12	\$95,000
68	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. – page 12	\$33,219

No.	Recommendation	Description	FY19 Budget Impact
69	Conduct a Dependent Eligibility Audit	Strengthen existing diligent practices of requiring proof and proper legal documentation proving dependent eligibility within employer sponsored insurance plan. Large-scale audit conducted and best practices implemented in 2010 to ensure non-fraudulent dependent enrollment. However, to ensure complete adherence to eligibility rules the active employee and retiree insurance groups shall be audited to ensure there are no dependents inadvertently enrolled on the plans. – page 14	\$40,000
70	Review the possibility of dental coverage thru a DHMO plan, with optional buy-up to DPPO/DPOS plan.	Review changing 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. Review will take place in 2018 for possible implementation in 2019. – page 16	TBD
71	Health Insurance	Evaluate plan design to identify additional potential savings – page 16	TBD
Recreation Enterprise Fund			
72	Reduction in Hours of Private Security	A private professional firm currently provides security guards at the Town Docks from 5:00 pm to 8:00 am, 7 days per week. . A minor adjustment of service hours to 5:00 pm to 6:00 am would result in a savings of approximately \$10,000 a year. – page 10	\$10,000

No.	Recommendation	Description	FY19 Budget Impact
73	Re-classify Senior Golf Associate position	Through attrition, evaluate the pros and cons of either re-classifying the Senior Golf Associate position, contracting duties and/or reallocating responsibilities among existing staff. – page 17	Up to \$27, 411 (plus benefits)
74	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 so they must be replaced no less than every other year. – page 19	\$2,000 every other year
75	Close all year round on Thursday – Monday at 6:30 pm, from May to October at Seaview Tennis Center, except for special events and programs.	According to usage records, closure of Seaview Tennis Center from May to October at 6:30 pm on Thursdays – Mondays would have minimal impact on patrons. On average, one player a day utilizes the facility from 6:30 pm to 8:30 pm. – page 25	\$1,250
	Approximate Total – General Fund	(Plus Benefits for personnel cuts)	\$2,732,647
	Approximate Total – Recreation Fund	(Plus Benefits for personnel cuts)	\$40,661

UPDATED FINANCIAL STATUS – AFTER STAFF RECOMMENDATION

The next section contains potential new revenues or revenue increases for the Town Council to consider, it also includes expenditure cuts that staff believes require Town Council input. The conservative total of all of the options that relate to the General Fund shown below is approximately \$1,108,071.

TABLE B – POTENTIAL REVENUE OPTIONS AND OTHER EXPENDITURE CONSIDERATIONS

This section contains potential revenue increases or new sources as well as other expenditure reductions that may result in minor reductions in service and would require Town Council policy decisions.

No.	Revenue	Description	Annual Revenue
Town Manager			
1	4 th on Flagler Funding	Reduce or eliminate funding for Fourth on Flagler event – page 11	\$12,000
2	Legal services	Consider other options for Town attorney services. Review options for an in-house attorney and/or contractual services – page 17	TBD
Finance Department			
3	Lien Search Fees	Increase lien search fees from \$35 to \$75 and expedited review from \$100 to \$150. - New	\$40,000
Police Department			
4	Dispatching Fees	Offer consolidated Emergency/Non-Emergency Dispatching services to other surrounding municipalities (i.e. South Palm, Manalapan, Ocean Ridge) – page 16	\$50,000 - \$150,000 depending on # of agencies
5	Voluntary ID Card Fee	Increase the Voluntary ID Card fee from \$15 to \$20 per card. – page 19	\$9,850 (based on avg. # past 2 years)
6	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. – page 22	TBD
7	Add Kiosks throughout Town Increase Parking Meter Rates	Add kiosks at high demand parking areas and/or – Increase meter rates by \$1 per hour – page 30	\$845,626 \$250,000

No.	Revenue	Description	Annual Revenue
8	Valet Parking Permit Fees	Increase valet parking permit fees from \$300 to \$400 per year. – Executive Summary, page 11	\$2,800 annually
Planning, Zoning and Building			
9	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) – page 11	\$20,000
10	Create digital submission for all building permit, business tax receipt, Zoning, ARCOM and Landmark application	Create a process for digital submission and review of all applications. If manually submitted there will be a higher fee. – page 15	Unknown
11	Fee for searching online for warranty deeds, insurance certificates and other information needed for permit submittal	There currently is no fee for searching and printing warranty deeds, insurance certificates etc, needed for permit application submittal. (\$50) – page 14	\$20,000
12	ARCOM Deferral Fee	Charge a fee for ARCOM application deferrals requested by the applicant. In addition, charge a fee for resubmittal of revised plans. Currently, there is no charge for a deferral and/or resubmittal. (\$600) – page 14	\$24,500
13	Increase LPC application fees	Per the LPC benchmarks, COA fees are not covering the cost of administering the COA process. Fees would need to be raised from \$150 to \$500 for minor and \$750 to \$2,000 for major projects to cover the Town’s cost. Alternatively, the Town Council could choose to phase in the cost over several years. – page 21	\$122,623

No.	Revenue	Description	Annual Revenue
14	Fees for land development applications	Zoning application fees for site plan reviews, special exceptions and variances have not increased in ten years. To account for inflation, the fees would need to be raised by about 20% - New	\$41,485
15	ARCOM Fees	ARCOM fees for staff level, minor, and major projects are \$150, \$250, and \$750, respectively. These fees have not increased in 10 years while the amount of staff time and inflation has increased over this time. We recommend increasing fees to \$300, \$500, and \$2000. – New	\$200,350
	Public Works		
16	Increase rates on Special Pick Up Service.	Increasing current rates of \$88 for ¼ truck, \$176 for ½ truck, \$264 for ¾ truck or, \$350 for full truck by 20% would raise revenue (based on current loads). – page 15	\$3,855/yr.
17	Outsource the collection of vegetative debris (yard trash) from the right-of-way	Town staff recommends a pilot program to use contracted services to accomplish the collection of yard trash, and to bid out the service for one zone/route in Town on a trial basis. If the cost savings and customer satisfaction is positive, the pilot program can be expanded Town-wide in a multi-year approach. A transition plan to reallocate current employees would be developed. – page 47	TBD (Depends on bid results obtained)
18	Fee for private lateral locates.	Charge the property owner for privately owned lateral locates. Approximately 48 per year. – page 30	\$12,000/yr. (if charged \$250 ea.)
19	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. – page 30	TBD

No.	Revenue	Description	Annual Revenue
20	Charge a cap-off and connection fee	Cap-off and connection inspections are required when a private sewer lateral connection is installed or repaired and whenever a connection inspection is performed. \$300 fee – page 32	\$6,000
21	Increase ROW permit fees by 20%	Current fees vary according to the permit requested. Raising all of the applicable fees by 20% is estimated to result in approximately \$75,000 or more in additional revenue. – page 69	\$75,000
Personnel and Benefits			
22	Amend the PERC	Allow commission member to serve on PERC as well as another Town board at the same time – Human Resources, page 20	No Cost
23	Increase General Employee DB Contribution	Increase General and Ocean Rescue employees DB Contributions. Every 1% increase results in \$100,108 in additional contributions – Retirement, page 11	\$110,108
24	DC Plan for new hires	Provide a DC only plan for new hire General Employees and Ocean Rescue and close DB plan to new entrants – Retirement, page 12	No initial cost savings.
Coastal Protection			
25	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. – Public Works, page 74	\$8,425,000 per project through Federal reimbursement. Estimated 1 project every 7-8 years.

No.	Revenue	Description	Annual Revenue															
Recreation Enterprise Fund																		
26	Increase Utility Fees for Transient Boats	<p>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.</p> <table border="1"> <thead> <tr> <th>Shore Power</th> <th>Current Cost per day/per cord</th> <th>Proposed Fee</th> </tr> </thead> <tbody> <tr> <td>up to 50 amp</td> <td>\$10.00</td> <td>\$15.00</td> </tr> <tr> <td>100amp single phase</td> <td>\$20.00</td> <td>\$30.00</td> </tr> <tr> <td>100 amp three phase</td> <td>\$50.00</td> <td>\$60.00</td> </tr> <tr> <td>200 amp 3-phase 480 V</td> <td>\$150.00</td> <td>\$200.00</td> </tr> </tbody> </table> <p>- Page 8</p>	Shore Power	Current Cost per day/per cord	Proposed Fee	up to 50 amp	\$10.00	\$15.00	100amp single phase	\$20.00	\$30.00	100 amp three phase	\$50.00	\$60.00	200 amp 3-phase 480 V	\$150.00	\$200.00	\$41,000
Shore Power	Current Cost per day/per cord	Proposed Fee																
up to 50 amp	\$10.00	\$15.00																
100amp single phase	\$20.00	\$30.00																
100 amp three phase	\$50.00	\$60.00																
200 amp 3-phase 480 V	\$150.00	\$200.00																
27	Late Fees for Utility Fees not Paid by the End of the Month Due	Imposing a late fee of 10% of any outstanding monies due for utility fee invoices not paid by the date due, can help to encourage timely payments – page 8	\$2,000															
28	Increase all dockage rates.	The recommendation to increase in dockage rates for annual leases and transient visitors is based upon current market and economic conditions. Rate increases are being proposed at a percentage similar to last fiscal year with annual lease increases at 8% for single phase, 10% for 100 amp three phase and 14% for 200 amp three phase. Transient rate increases of 6% increase for single phase, 10% for three phase spots and 16% for 200 amp three phase are being proposed. – page 9	\$305,531															

No.	Revenue	Description	Annual Revenue
29	Fee Structure Revision – Creation of higher greens fees at Par 3 for Friday, Saturday, Sunday and Holidays	Raising the greens fee by \$2.00 per round on Friday, Saturdays, Sundays and Holidays will generate a revenue increase. Charging a premium rate for the most heavily played days of the week is a practice utilized at many courses. – page 15	\$25,000
30	Enhance rental club sets by adding a sleeve of 3 balls and seek alternative vendors for rental club set purchases to reduce cost.	The fee for a premium set of rental clubs is currently \$30. The proposed new fee for the premium rental clubs with a sleeve of balls will be \$40.00. The cost for a sleeve of balls is \$2.50. In fiscal year 2017, approximately 2,200 golf club sets were rented. – page 15	\$5,500
31	Establish an Off-Season Pass Program	Program would run from June – October. This program would include discounted greens fees and range use, as well as merchandise discounts. The cost would be \$250 for 5 months. – page 15	\$5,000
32	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. Carts are frequently unavailable during the reduced inventory times of the year resulting in lost revenue. Purchasing an additional 10 gas golf carts in lieu of the rentals, bringing the year round fleet to 30 carts would minimize the unavailability of carts and produce additional revenue. The funding source for the purchase of these carts would be the Golf Course Maintenance & Improvement Fund. – page 15	\$31,500

No.	Revenue	Description	Annual Revenue
33	Extend hours of operation of golf course.	The extension of play time to 7:00 am to 8:30 pm from March 1 to October 31, creates a potential for over 36 additional player rounds and increased usage at the driving range. The cost associated with these additional operating hours is estimated at \$27,000. This cost includes staffing for the Pro Shop and Cart Area. Cost increases are also expected for maintenance of the course. Labor costs will rise as a result of the need for staff to work between play in the morning, causing a delay in work being completed. Conservative estimates for revenue generated from the extension of hours is approximately \$88,000. – New	\$61,000
34	Increase cost of tennis mixers program	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 from \$1.00 to \$2.00 and non-residents from \$1.00 to \$4.00 and offer multiple mixer packages, would increase revenue. – page 23	\$4,000
35	Solicit corporate sponsorship for tennis events and programs.	The use of select local business sponsorships for programs and events would assist in increasing the cost recovery of the tennis operation. Guidelines and policies would be established to clearly define partnership parameters. Areas available for sponsorship could include the quarterly newsletter, mixers, tournaments and special events. – page 23	To Be Determined
36	Increase all daily court rates.	Raise daily court fees by .50 and 12 play passes (buy 12 get 1 free) by \$6.00 will assist in enhancing the cost recovery goals for the facility. This raise in fees does keep the facility within local market parameters. – page 24	\$6,000

No.	Revenue	Description	Annual Revenue
37	Raise non-resident differential from 15% to 25% over resident rates.	A 25% fee differential is reasonable and not inconsistent with pricing policies for non-residents in other communities – page 28	\$12,500
38	Solicit corporate sponsorship for Recreation Center events and programs.	The use of select local business sponsorship for programs and events would assist in increasing the cost recovery of the recreation center. Guidelines and policies would be established to clearly define partnership parameters. Areas available for sponsorship could include the Rec-Connect quarterly publication, special events, youth athletics and adult programs. – page 28	To Be Determined
39	Create 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 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. – page 28	\$7,500
40	Restructure existing instructor agreements	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. – page 28	\$1,500
41	Institute a non-resident fee for community based special events.	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 non-resident participation fee of \$5.00-\$10.00 would help to defray cover the cost of these programs. – page 28	\$1,500 - \$3,000

OTHER FUND CONSIDERATIONS – POLICY ACTION

We are requesting guidance on the following policy matters that would impact the Other Funds of the Town.

1. The Debt Service Reserve
 - a. The debt service fund has excess reserves totaling \$1,500,000. These funds have accrued since the issuance of the 2013 bond issue.
 - i. We could utilize these reserves to lower the annual transfer to the debt service. We would recommend lowering it over a period of 8 years reducing the annual transfer by \$187,500 per year.
 - ii. A second option would be to use the reserves for a one-time use, for example, the partial payment for the Town's share of the Recreation Center.
2. OPEB Trust
 - a. The new GASB standards were implemented this year. The actuarial report has been finalized and it resulted in a positive result. The Funded ratio for the OPEB trust is 113.2%. The Town has the opportunity to reduce or eliminate the funding into the plan for a few years. The FY18 budget had a transfer of \$960,000 to the OPEB trust. The FY19 budget transfer can be reduced or eliminated. The current overfunded amount is \$3,865,440. It may be possible to reduce or eliminate the FY20 and FY21 funding depending on future experience.
3. One-Cent Sales Tax
 - a. Town received a portion of the new one-cent sales tax enacted in Palm Beach County. These proceeds have to be allocated to infrastructure improvements.
 - b. The Town expects to receive approximately \$5,000,000 over the 10-year period.
 - c. The Town Council approved allocating ½ of the distribution to the Underground Utility Project totaling \$2,500,000 over 10 years.
 - d. The Town Council has not yet allocated the balance of the proceeds to any specific project(s).
4. Employer Retirement Contribution – No action needed. Information only.
 - a. The September 30, 2017 actuarial report was recently released. The results were more favorable than had been forecasted in the Long Term Financial Plan. The contribution will be approximately \$250,000 less than had been forecasted.

TABLE C- ADDITIONAL OPTIONS FOR FUTURE COST SAVINGS – NOT RECOMMENDED

Below is a list of additional options for cost savings. Many of these options represent a reduction in level of service and are not on the list of recommendations. Some of these options may be considered in the future, but are currently not recommended.

No.	Department and Option	Description	Cost Estimates
Town Manager			
1	Lobbying	Reduce or eliminate lobbying services – page 8	Up to \$140,500
2	Memberships - Legislative	Reduce or eliminate memberships in government associations – page 8	\$10,000
3	Travel - Legislative	Reduce or eliminate travel – page 9	\$2,500
4	Holiday decorations	Reduce or eliminate holiday decorations – page 11	Up to \$88,000
Human Resources			
5	Recruitment	Payback for Recruitment – page 14	\$6,127
6	Training	Eliminate townwide training, new hire orientation, technical training and web based training – page 16	\$28,680
7	Eliminate transition to electronic Documents	Eliminate proposal to scan all historical HR documents – page 19	\$38,000
8	Staff development	Eliminate department staff development – page 18	\$13,000
9	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. – page 15	\$22,000
Finance			
10	Eliminate First Floor Receptionist	Replace with automated telephone attendant and send customers to second floor for payments – page 8	\$39,817 + Benefits
11	Outsource Payroll	Outsource payroll with ADP or other vendor – page 8	No savings at this time - cost of \$27,395
12	Eliminate Training Budget	Training needed to maintain certifications – page 9	\$6,900

No.	Department and Option	Description	Cost Estimates
13	Lease of light vehicles - Enterprise	Review fleet and determine if leasing is better option – page 16	TBD
Planning Zoning and Building			
14	ARCOM	Reduce or eliminate paper ARCOM mini-sets – page 16	Unknown
15	New Business	Establish an application fee for new businesses – page 18	\$13,300
16	New Business	Establish an inspection fee for new businesses – page 18	\$9,975
17	Additional fees	Establish a fee for searching for and printing required licenses, etc. – page 18	\$3,000
Fire Rescue			
18	Central Fire	Elimination of Central Fire Station – page 15	\$1,133,070
19	Incentive for FTO	Eliminate the incentive for Field Training Officers – page 19	\$12,012
Public Works			
20	Pressure Washing	Reduce or eliminate cleaning of town sidewalks, concrete planting areas, benches, street markers, buildings, etc. – page 15	\$20,000
21	Eliminate special collection services	Eliminate collection for household discards – page 16	\$28,845
22	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. – page 40	\$17,500/yr.
23	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. – page 58	\$25,000
24	Residential Street Sweeping	Reduce from once per week to once every two weeks. – New	\$38,107
25	Street light painting	Eliminate street light painting program – page 24	\$31,000

No.	Department and Option	Description	Cost Estimates
26	Eliminate back door service	All residential garbage pickup would be curb side – page 39	\$87,115 + benefits (2 positions)
27	Residential Garbage Service	Reduce to only twice per week – page 39	\$174,231 + benefits (4 positions)
28	Outsource Residential Garbage	Contract out the residential garbage collection service – page 40	TBD
29	Commercial Garbage Service	Contract all of these services – page 42	\$1,151,735 less cost of contracted service.
30	Yard Waste	Collect yard waste only one day every other week – page 48	\$333,000 + benefits (8 positions)
31	Recycling	Eliminate the commercial recycling program – page 51	\$43,577 plus benefits and \$15,000 in ERF
32	Assess homeowners for the trimming and inoculation of palm trees.	Estimated number of palms – 1,885 @ \$48 per palm = \$90,480 – page 58	\$90,480
33	No new plantings	No new plantings or landscape projects unless related to maintenance of existing parks and green spaces – page 59	TBD
34	Janitorial services	Reduce daily cleaning to three times per week – page 62	\$17,730
35	Maintenance Painting	Eliminate maintenance painting of various exterior and interior facility spaces – page 62	\$21,000
Other			
36	Reduce capital program transfer.	This reduction would reduce the amount of recommended rehabilitation of Town facilities and infrastructure. – Public Works, page 67	\$70,000 of CIP PayGo Annual Budget.

No.	Department and Option	Description	Cost Estimates
37	Coastal Transfer	Reduce coastal transfer and apply for Federal Funding – or	\$186,000
		Remove 3% cost escalators from remaining 5 years of 10-year plan – page 77	\$222,309 in FY19
38	Unassigned fund Balance	Lower the policy from 25% to 17% of General Fund Operating Expenses – New	\$5,183,774 would become available as excess
Personnel and Benefits			
39	Retirement Administrator	Replace contracted retirement plan administrator with in-house staff – Retirement, page 10	\$157,500
Compensation and Health Benefits			
40	Health Insurance	Claim Audit – page 15	\$38,206
41	Life Insurance	Eliminate employer paid life insurance – page 17	\$86,800
Recreation Enterprise Fund			
42	Remove the used oil collection recycling service	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. Patrons will be required to handle the proper disposal of their used oil and filters. – page 10	\$3,000
43	Eliminate the yearly Captain’s Party	This event provides the opportunity for staff to thank dock customers for their business. – page 10	\$2,500
44	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 material must be replaced frequently due to erosion, weathering and decomposition. Refurbishing a portion of the cart paths every year could impact the aesthetics and safety of the course. – page 20	\$5,500

No.	Department and Option	Description	Cost Estimates
45	Reduction in the number of hours for the contractual labor for the maintenance staff.	This budgetary reduction would result in the loss of 1,032 hours of ground maintenance work being completed at the golf course, which would result in a reduction in the quality of course conditions. – page 20	\$13,000
46	Reduce the application of fertilizer on the golf course.	A reduction in fertilizing can result in unhealthy turf and a decline in playing conditions. – page 20	\$2,700
47	Replace/refresh bunker sand every other year.	Reducing the replacement and refreshing of bunker sand to every other year may affect the aesthetics and playability of the course. – page 18	\$2,100 every other year
48	Eliminate all promotional advertising	The elimination of this funding may result in a reduction of revenue due to a decrease in public awareness – page 19	\$5,000
49	Eliminate use of green sand for top dressing divots during season.	Although there is added expense, the aesthetic benefits of green sand are significant. Filling the divots with standard sand will be less attractive and may detract from the overall golfing experience. – page 18	\$2,050
50	Eliminate ten (10) Town sponsored themed special events at the tennis centers.	Approximately 175 patrons participated in the Town sponsored themed tennis events in fiscal year 2017. Players pay a fee of \$12.00 to help cover the cost of these events. Discontinuing these programs lowers our level of service, which could result in participant dissatisfaction. – page 25	\$3,400
51	Closed Phipps Tennis Center 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. – page 24	\$2,300

No.	Department and Option	Description	Cost Estimates
52	Tennis Academy	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 exclusive use of 2 courts, Monday – Friday. – page 23	\$5,000
53	Eliminate free community special events (Halloween Happenings and Spring Celebration) at the Recreation Center.	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 these family favorites. These community events help to strengthen our relationship to those we serve and showcases the Recreation center and its other programs. – page 29	\$5,800

No.	Department and Option	Description	Cost Estimates
54	Increase Activity Leader to participant ratio for camps and after school programs to 1:15.	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 after school programs. Raising the participant to counselor ration 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 inability to frequent certain field trip sites due to ratio standards. – page 29	\$19,000
55	Eliminate rental equipment for Camp Fun Day.	Camp Fun Day has traditionally been featured as an end of the summer celebration, with parents, grandparents, children and siblings coming to the Recreation Center to engage in a bar-b-que with games, bounce houses and water slides. The elimination of the bounce house and water slides would change the event to a cook out. – page 30	\$1,500
56	Eliminate all professional development for staff.	Providing the opportunity for professional development allows staff to increase knowledge, develop skills, keep up to date on best practices and changing regulations, and encourages networking with other professionals. – page 30	\$1,700

LONG TERM FINANCIAL PLAN - UPDATE

Once the CROTO review is completed, staff will update the Long Term Financial Plan to include the recommended budget reductions and revenue enhancements. The Long Term Financial Plan will be presented at the April 10, 2017, Town Council meeting.