



# Comprehensive Review of Town Operations

## EXECUTIVE SUMMARY

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## 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
<b>Fire-Rescue Department</b>		
<b>Quint at Central Fire Station</b>	Eliminate a ladder truck and fire engine at Central Fire Station and replace with a single unit (Quint)	One time savings \$649,751
<b>Elimination of 3 firefighter positions</b>	Eliminate 3 firefighter positions due to the implementation of the Quint	\$179,052 plus benefits
<b>Reduce Midtown beach lifeguard staffing</b>	Reduce the staffing at the Midtown beach from 3 lifeguards to 2 lifeguards except on busy holidays or summer days.	\$32,000
<b>Finance Department</b>		
<b>P Card Rebate</b>	Implement new P Card system and use P Card to pay many of the Town's vendors.	\$42,507
<b>Just-in Time Inventory</b>	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
<b>Eliminate printing of annual budget document</b>	Final budget document will be available online	\$2,000
<b>Police Department</b>		
<b>Eliminate Public Safety Director</b>	The Town Manager will indirectly oversee both Police and Fire Rescue Departments for FY19.	\$216,181 plus benefits
<b>Reclassify Records Manager</b>	Reclassify to Police Records Specialist	\$46,079 plus benefits
<b>Reclassify (1) Office Assistant to Part-time no benefits</b>	Reclassify the Office Assistant in the Training & Community Relations Unit to a part-time no benefits	\$25,604 plus benefits
<b>Cross-Over Training Reimbursement</b>	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
<b>Reduce Officer Overtime</b>	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)
<b>Eliminate (1) Business &amp; Community Relations Officer</b>	The department currently has 2 BCR officers.	\$52,275 - \$91,528 plus benefits
<b>Master Mechanic Reclassification</b>	Reclassify the Master Mechanic position to Mechanic. Savings to be determined by Human Resources.	\$20,000 (lower pay range).
<b>Human Resources and Pay and Benefits</b>		
<b>Merit Pay</b>	Modify the pay for performance ranges effective October 1, 2018	\$222,433
<b>Amend Cell Phone Stipend</b>	Reduce stipend for cell phone use due to business necessity based on peer/market data.	\$35,370
<b>Amend Tuition Reimbursement benefit</b>	Provide a capitation to the benefit paid of 9 credit hours per year and eliminate the reimbursement of fees and books.	\$19,050
<b>Contract Nursing services and supplement retirement administration and wellness for claims savings.</b>	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>
<b>Elimination of recruitment advertising expenses</b>	Due to recent changes to e-recruitment, job applicants have doubled due to access to on-line resources within the system.	\$22,000
<b>Public Works Department</b>		
<b>Do not fill vacant position in PW 511.</b>	External assistance would be used as necessary.	\$45,000 plus benefits.

Recommendation	Description	FY19 Budget Impact
<b>Reduce various line item costs in 511 program.</b>	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.
<b>Sidewalk replacement program – Permanently change the program to include grinding down tripping hazards in sidewalk in lieu of replacement.</b>	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
<b>Pressure Washing</b>	Reduce or eliminate cleaning of town sidewalks, concrete planting areas, benches, street markers, buildings, etc.	\$20,000
<b>Street Sweeping</b>	Reduce frequency of services from 3 times per week to once per week	\$64,210
<b>Special Collection Services</b>	Eliminate Special Collection Services	\$28,845
<b>Generator Training</b>	Train technician I position to allow for in-house repairs and maintenance	\$5,000
<b>Conduct I&amp;I Study</b>	To determine possible projects to reduce flow to ECR	Unknown
<b>Eliminate holiday collection of residential garbage.</b>	This will eliminate paying overtime holiday pay to collection crews. This would occur at eight (8) times per year.	\$17,500/yr.
<b>Reduce turf maintenance frequency from 52 visits per location to 39 annually.</b>	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
<b>Reduce hedge-trimming frequency from 10 services per year to 8 services per year.</b>	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
<b>Eliminate all parts, equipment and maintenance/warranty costs associated with ownership of the parking kiosks.</b>	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.
<b>Do not fill the vacancy for Engineering Technical Support (0.5 FTE). – Engineering Program</b>	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.
<b>Reduce capital program transfer.</b>	This reduction would reduce the amount of recommended rehabilitation of Town facilities and infrastructure.	\$70,000 of CIP PayGo Annual Budget.
<b>Do not hire the newly approved FTE for ROW and the associated vehicle and equipment.</b>	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.
<b>Do not fill the vacancy for Engineering Technical Support Specialist 0.5 Full-time Employee (FTE). – Coastal Protection Program portion</b>	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.
<b>Town Manager and Related Programs</b>		
<b>Reduce Emergency Management Budget</b>	Reduce most of the Emergency Management Budget	\$50,404
<b>Reallocate TMO and TC positions</b>	Reallocate duties in the TMO and Town Clerk’s office and reduce a position	\$38,724 plus benefits
<b>Paperless Agenda Packets</b>	Savings in printing costs and labor	\$7,500

Recommendation	Description	FY19 Budget Impact
<b>Eliminate paper copies of Code Supplement</b>	Everyone will need to access the Code online.	\$8,000
<b>Planning Zoning and Building Department</b>		
<b>Document Management Position</b>	Re-categorize position to lesser position	\$15,000
<b>Other Funds</b>		
<b>Coastal Transfer</b>	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
<b>Debt Service Reserve</b>	Use the debt service reserves to lower the transfer from the General Fund	\$187,500
<b>Retirement Fund</b>		
<b>Timing of Retirement Contribution</b>	Make entire contribution to Retirement fund on October 1, each year (FY17 savings to be applied \$236,676 and FY18 \$245,186)	\$250,000
<b>Minimum Working Hours</b>	Amend code to increase working hours in order to be eligible for retirement benefits from 1,040 to 1,850	Improved operations
<b>In-house Retirement Administration</b>	Replace contract administrator with in house staff	\$157,500
<b>HEALTH INSURANCE PROGRAM SAVINGS</b>		
<b>Addition of international prescription provider (IPP)</b>	Incorporate an international prescription provider (IPP) to the prescription plan, providing safe discounted name brand maintenance medications at a reduced cost.	\$95,000
<b>Amend stop loss coverage</b>	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
<b>Conduct a Dependent Audit</b>	Ensure that only eligible dependents are covered under the health plan, in the same manner as performed in 2010.	\$40,000
<b>Provide base dental coverage thru a DHMO plan, with optional buy-up to DPPO/DPOS plan.</b>	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
<b>Approximate Total</b>	<b>(Plus Benefits for personnel cuts)</b>	<b>\$3,431,565</b>

**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
<b>Dispatching Fees</b>	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
<b>Voluntary ID Card Fee</b>	Increase the Voluntary ID Card fee from \$15 to \$20 per card.	\$9,850 (based on avg. # past 2 years)
<b>Reimbursement of POTUS Overtime</b>	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
<b>Hire retired/part-time no benefits officers to fill Special Assignment Overtime Details</b>	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)
<b>Add Kiosks throughout Town Increase Parking Meter Rates</b>	Add kiosks at high traffic areas or – Increase meter rates by .50 cents per hour	\$845,626 \$125,000
<b>Valet Parking Permit Fees</b>	Increase valet parking permit fees from \$300 to \$400 per year.	\$2,800 annually
<b>Provide Zoning Determination Letters for a fee</b>	Zoning staff currently does not provide Zoning Determination letters. This service could be offered for a fee. (\$100)	\$20,000
<b>Registration fee for service vehicles</b>	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
<b>Fee for warranty deeds, insurance certificates etc.</b>	Charge for searching online and printing warranty deeds, insurance certificates needed for permit application submittal	\$2,000
<b>ARCOM deferral fee</b>	Charge a fee for ARCOM application requested deferrals (\$50)	\$1,750
<b>Establish Application Fee for new businesses</b>	New businesses currently do not pay a new license fee. This service is not being compensated for.	\$13,300 at \$175 per application
<b>Establish Inspection Fee for new businesses to ensure compliance with Building Codes</b>	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
<b>Fee for evidence of registration</b>	Charge a fee for searching for and printing required licenses, evidence of corporate or fictitious name registration (\$5)	\$3,000

Revenue	Description	Annual Revenue
<b>Create a Unity of Title fee</b>	Zoning staff currently processes Unity of Title agreements at no cost. A processing fee will be established for this service.	\$3,000
<b>Increase LPC application fees</b>	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
<b>Fee for LPC Consulting</b>	Increase LPC application fees Explore grants, both public and private, for LPC consulting expenses	\$56,000
<b>LPC Deferral fee</b>	Charge a fee for LPC applicant requested deferrals (\$50)	\$250
<b>Increase rates on Special Pick Up Service.</b>	Increasing current rates by 20% would raise revenue (based on current loads).	\$3,855/yr.
<b>Fee for private lateral locates.</b>	Charge the property owner for privately owned lateral locates. Example, 48 per year.	\$19,200/yr. (if charged \$200 ea.)
<b>Establish and/or enforce fines and penalties for non-compliant commercial grease traps.</b>	The revenue would be dependent on the commercial property owners' compliance, so therefore is difficult to estimate with any certainty.	TBD
<b>Assessing homeowners for the trimming and inoculation of palm trees.</b>	Estimated number of palms – 1,885 @ \$48 per palm = \$90,480	\$90,480
<b>Increase ROW permit fees by 20%.</b>	Results in approximately \$75,000 increase in revenue.	\$75,000
<b>Coordination with Purchasing on equipment auction options. 10-20 % increase projected.</b>	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
<b>Total Potential new General Fund Revenue</b>		<b>\$1,374,171</b>

Revenue	Description	Annual Revenue
<b>Federal Cost-Sharing</b>	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
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 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	<b>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.</b>	\$41,000
Late Fees for Utility Fees not Paid by the End of the Month Due	<b>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.</b>	\$2,000
Yearly registration fee for contractors completing work on vessels at the Town Docks	<b>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.</b>	\$5,000
Increase all dockage rates.	<b>Raise annual leases and transient rates within market parameters.</b>	\$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.	<b>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.</b>	\$14,500
Supersize rental club sets by adding a sleeve of 3 balls.	<b>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.</b>	\$5,500
Player Development Program	<b>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.</b>	\$5,800

Revenue	Description	Annual Revenue
Purchase ten (10) additional golf carts.	<b>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.</b>	\$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
<b>Staffing reclassifications and reorganization of job responsibilities upon retirement of Senior Golf Associate in March of 2018.</b>	<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
<b>Rental club replacement schedule reduced to every other year</b>	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
<b>Pull cart replacement schedule reduced to every other year</b>	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
<b>Refurbish 50% of cart paths each year instead of full restoration.</b>	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.	<b>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.</b>	\$4,000
Solicit corporate sponsorship for events and programs.	<b>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.</b>	\$6,500
Increase all daily court rates.	<b>Raise daily court fees and 12 play passes within market parameters.</b>	\$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
<b>Phipps Tennis Center closure on Fridays, Saturdays and Sundays at 12:30 pm, year round.</b>	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><b>Close all year round on Thursday – Monday at 6:30 pm at Seaview Tennis Center, except for special events and programs.</b></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><b>Eliminate ten (10) Town sponsored themed special events.</b></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.	<b>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.</b>	\$10,000
Solicit corporate sponsorship for events and programs.	<b>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.</b>	\$7,000
Creation of a Maintenance & Improvement Fund for the Recreation Center	<b>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.</b>	\$7,500

Revenue	Description	Annual Revenue
Restructure existing instructor agreements	<b>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.</b>	\$1,500
Institute a fee for community based special events.	<b>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.</b>	\$2,500