



Interoffice Communication

TO: Shelley Vana, Mayor
& Members of the Board of County Commissioners

FROM: Liz Bloeser, Director *Liz Bloeser*
Office of Financial Management & Budget

DATE: July 30, 2015

SUBJECT: Responses to Budget Workshop Requests/Questions

At the Budget Workshop on July 21st, the Board requested information and had questions regarding proposed funding for various programs. The following is being presented in response to these inquiries:

1. Copy of Tax Collector justification for mid-year pay increase.

See Attachment 1

2. Provide a history of Code Enforcement Officer positions.

Below is the position history for the entire division.

Position Title	2016 Proposed	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Sr Clerk Typist	2	2	2	2	2	2	2	3	3	3	3	4
Secretary	2	2	2	2	2	2	2	2	2	2	2	2
Sr Secretary	1	1	1	1	1	1	1	1	1	1	1	1
Research Specialist	1	1	1	1	1	1	1	1	1	1	1	1
Code Enforcement Officer	25	23	23	24	24	26	28	28	30	32	30	29
Sr Code Enforcement Officer	5	5	5	5	5	6	6	6	6	6	6	7
Director Code Enforcement	1	1	1	0	0	0	1	1	1	1	1	1
	37	35	35	35	35	38	41	42	44	46	44	45

During this period, these reductions are consistent with other County Departments.

Examples:

	<u>2008</u>	<u>2015</u>	<u>% Decrease</u>
Engineering	499	424	15%
FDO	386	305	21%
Parks	699	571	18%

3. Are the services proposed by Paragon currently being provided?

The table (see Attachment 2) itemizes the services proposed by Paragon in their request. Since the July Workshop, Paragon has revised their request from \$90,000 to \$40,000. The table also identifies if our current economic development partners and the Department of Economic Sustainability provide these same services. There are no services being proposed that are not currently being provided either directly through the County or by one of our current economic development partners.

4. Detailed funding history for the Business Development Board.

Please see Attachment 3.

5. During discussion of the Financially Assisted Agencies FY 2016 funding allocations presented to the Board on July 21st, Commissioner Taylor asked if the Urban League of Palm Beach County was receiving funding from any County program. (They were not recommended for FAA FY 2016 funding.)

The chart below provided by the Department of Economic Sustainability provides a ten-year funding history for the Urban League.

Fiscal Year	Program	Funding	Purpose
FY 2005-06	CDBG	\$146,000	Housing Counseling
FY 2006-07	CDBG ESGP	\$140,000 \$10,000	Housing Counseling Homeless Prevention
FY 2007-08	CDBG	\$25,279	Housing Counseling
FY 2008-09	CDBG ESGP HOME SHIP	\$21,959 \$15,000 \$337,096 \$350,000	Housing Counseling Homeless Prevention Henrietta Townhomes (MF construction)
FY 2009-10	CDBG-R	\$95,000	Foreclosure Mitigation Counseling
FY 2010-11	CDBG ESGP	\$60,000 \$10,000	Housing Counseling Homeless Prevention
FY 2011-12	CDBG ESGP	\$42,930 \$5,000	Housing Counseling Homeless Prevention
FY 2012-13	CDBG	\$13,551	Housing Counseling
FY 2013-14	CDBG	\$14,774	Housing Counseling
FY 2014-15	CDBG	\$14,708	Housing Counseling
FY 2015-16	CDBG	\$14,420	Housing Counseling
	TOTAL	\$1,315,717	

Please advise if you have any questions.

- cc: Robert Weisman, County Administrator
Management Team
Rebecca Caldwell, Executive Director, Planning, Zoning, and Building
Edward Lowery, Director, Department of Economic Sustainability
Anne M. Gannon, Constitutional Tax Collector



ANNE M. GANNON
CONSTITUTIONAL TAX COLLECTOR
Serving Palm Beach County

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MEMO

TO: Cathy Galavis
FROM: Anne Gannon
DATE: May 15, 2015
SUBJECT: Budget Amendment

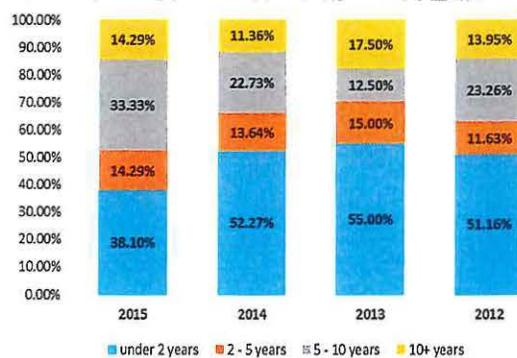
Cathy, thank you for speaking with me about our anticipated budget amendment. After our discussion, I believe you have a better understanding of our current labor market challenges and their impact on our longer term planning horizon.

We currently are funded for 316 positions, 186 of which are Client Service Specialists who provide service to the public in person, by mail/internet, or by phone. We eliminated specialization in 2008, opting to cross-train Client Service Specialists at each of our eight locations so that each employee can process driver's license, DMV, real estate, hunting/fishing and business tax transactions. Although cross-training represents a substantial investment of time and resources, it has enhanced productive time and helped address client wait times which increased as a consequence of our absorption of driver's license responsibilities.

At present, Client Service Specialists are required to have 30 hours of college credit and earn a starting rate of \$14.42 per hour. Their first year of employment is devoted to classroom and hands-on learning in four major product lines, each introduced at the start of each quarter of employment. On-boarding and training costs associated with each new hire are approximately \$20,000 per hire, as indicated on the attached cost estimate.

Since 2012, 127 employees have left the agency with the bulk of the turnover resulting from competing job offers after less than two years of employment. The loss of over 100 employees is significant given the "start up" costs associated with each hire.

Since 2010, we have hired 188 Client Service Specialists among whom we experience 20% annual turnover compared to an annual agency turnover rate of 15%. Retention of Client Service Specialists represents a significant financial and planning challenge for the following reasons:



WORKFORCE COMPOSITION:

Our current pay range and minimum qualifications result in our hiring an increasing number of "Millennial" employees who, although capable, are significantly more motivated by income than stability. A higher starting wage would enable us to attract and retain Millennials and more seasoned workers whose life experience has taught them the value of both income and stability.

LABOR MARKET COMPOSITION:

At present, unemployment in Palm Beach County has dropped to an eight year low of 4.7%*, resulting in wage increases in industries with which we compete for talent. A local salary study indicated that the market average midpoint of \$37,270 for jobs similar in complexity to Client Service Specialist, and a starting rate of \$16.24 per hour – nearly \$2.00 an hour more than our current starting rate.

* [Palm Beach Post - May 15, 2015.htm](#)

IMPACT ON LONGER TERM PLANNING:

An increasing number of our employees have a well-deserved retirement in sight, leaving the agency at risk for loss of institutional knowledge and leadership talent. To that end, we plan to change our entry-level hiring criteria to include completion of 60 hours of college credit, a move that will afford us several benefits as follows:

- The ability to attract applicants with greater analytical skills necessary for complex processes and data analysis;
- A pool of talent with enhanced prospects for promotion to key leadership and administrative vacancies which are anticipated in the next 5 – 10 years;
- The ability to transition from a continued focus on on-the-job training to a greater emphasis on developmental training.

Our agency performs important functions for our community, giving back in excess of \$30M in fees each year since 2009. Since joining the agency, I have endeavored to modernize operating systems to support efficiency and data analysis, and have aggressively pursued opportunities to increase collections in all areas. While I am proud of our successes, staff retention represents a substantial cost to the agency and to taxpayers.

While the County is anticipating an increase for their employees this sometimes annual "across the board" increase will not address our critical challenge of retention. To that end, I am requesting consideration of a budget amendment of \$141,345 through the end of our current 2015 calendar year, representing a 5% increase for agency employees.

I appreciate your consideration and am happy to discuss it with you further. A copy of this request will be forwarded to Palm Beach County.

ATTACHMENTS:

- On-Boarding/Training Cost Analysis
 - Excess Fee Report, 2009 – present
 - 2015 HRCC Compensation Study Market Analysis Report
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**Palm Beach County Tax Collector
Revenues, Expenditures and Excess Fees**

FY= October 1 thru September 30

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015*
Actual Revenues	63,864,128	61,980,320	59,743,282	59,719,542	59,278,197	59,452,274	54,008,435
Actual Expenditures							
Personal services	15,699,486	15,971,364	17,092,440	17,601,780	18,378,408	19,606,536	11,246,275
Operating expenses	4,925,142	4,397,496	3,703,061	4,053,940	3,970,059	3,935,796	2,533,902
Capital outlay	232,376	1,271,047	1,900,148	349,582	26,821	2,064,376	2,383,935
Total expenditures	20,857,004	21,639,907	22,695,649	22,005,302	22,375,288	25,606,708	16,164,112
Budgeted Expenditures	23,921,004	24,398,344	25,228,713	23,945,494	23,470,920	26,919,505	35,897,333
% of Actual to Budget	0.87	0.89	0.90	0.92	0.95	0.95	0.45
Number of Budgeted Positions	264	264	305	314	314	314	315
Excess Fees and Commissions	43,007,124	40,340,413	37,047,633	37,714,240	36,902,909	33,845,566	-

*As of April 30, 2015

Palm Beach Tax
Market Report

Grade	Role & Level	Job Title	Current Annual Salary OR Avg Ann Salary	Current Grade Midpoint	Proposed Midpoint	Market Average Pay Range Midpoints	Compa Ratio (Annual Salary/ Current Midpoint)	Compa Ratio (Annual Salary/ Proposed Midpoint)	Compa Ratio (Annual Salary/ Market Avg)	Compa Ratio (Current Midpoint/ Market Avg)	Compa Ratio (Proposed Midpoint/ Market Avg)
5	T04	Contracts/Records Specialist	\$ 53,300	\$ 55,000	\$ 55,000	\$ 43,385	97%	97%	123%	127%	127%
5	T04	Facilities Manager	\$ 65,000	\$ 55,000	\$ 55,000	\$ 44,912	118%	118%	145%	122%	122%
5	T04	Legal Assistant	\$ 53,791	\$ 55,000	\$ 55,000	\$ 55,594	98%	98%			
5	T04	Paralegal	\$ 53,689	\$ 55,000	\$ 55,000	\$ 55,594	98%	98%			
5	T04	Quality Assurance Analyst	\$ 46,570	\$ 55,000	\$ 55,000	\$ 59,616	85%	85%	78%	92%	92%
5	T04	Service Center Asst Manager	\$ 54,865	\$ 55,000	\$ 55,000	\$ 57,492	100%	100%	95%	96%	96%
5	T04	Tax Services Assistant Manager	\$ 61,951	\$ 55,000	\$ 55,000		113%	113%			
4	T03	Accounting Specialist III	\$ 41,376	\$ 48,000	\$ 48,000	\$ 45,696	86%	96%	91%	105%	#N/A
4	T03	Deputy Tax Collector	\$ 46,386	\$ 48,000	\$ 48,000	\$ 49,751	97%	97%	93%	96%	96%
4	T03	IT Support Analyst	\$ 46,253	\$ 48,000	\$ 48,000	\$ 50,215	96%	96%	92%	96%	96%
4	T03	Mail Process Asst Manager	\$ 47,355	\$ 48,000	\$ 48,000		99%	99%			
4	T03	Tax Analyst	\$ 40,043	\$ 48,000	\$ 48,000	\$ 46,710	83%	83%	86%	103%	103%
3	A03	Administrative Assistant	\$ 41,719	\$ 41,000	\$ 43,000	\$ 44,402	102%	97%	94%	92%	97%
3	A03	Employment Assistant	\$ 47,095	\$ 41,000	\$ 43,000	\$ 41,396	115%	110%	114%	99%	104%
3	A03	Sr Client Service Specialist	\$ 38,312	\$ 41,000	\$ 43,000	\$ 43,606	93%	89%	88%	94%	99%
3	A03	Training Assistant	\$ 58,931	\$ 41,000	\$ 43,000	\$ 45,951	144%	137%	128%	89%	94%
3	A03	Accounting Specialist II	\$ 35,055	\$ 41,000	\$ 43,000	\$ 40,910	86%	82%	86%	100%	105%
3	T02	Buyer	\$ 47,642	\$ 41,000	\$ 43,000	\$ 47,462	116%	111%	100%	86%	91%
2	A02	Client Service Specialist	\$ 32,795	\$ 35,000	\$ 37,000	\$ 37,270	94%	89%	88%	94%	99%
2	A02	Mail Processing Specialist	\$ 37,264	\$ 35,000	\$ 37,000		106%	101%			
2	A02	Accounting Specialist I	\$ 33,825	\$ 35,000	\$ 37,000	\$ 35,979	97%	91%	94%	97%	103%

Attachment 2

Paragon Florida, Inc. - Grant Request for Small Business Lending and Economic Development Activities

Paragon	TED	CEO	EDC	BBIC	Research Park at FAU	BDB	County DES
Small Business Loans	NO	YES	NO	YES	NO	NO	YES
Loan Amounts from \$10,000 to \$100,000	NO	Loans up to \$50,000	NO	Loan guarantees \$10,000 to \$700,000	NO	NO	Loans from \$10,000 and up
Training	YES	YES	YES	NO	YES	NO	NO
Counseling and Technical Assistance	YES	YES	YES	YES	YES	NO	YES
EPICenter/Co-Working Space (incubator)	YES	NO	YES	NO	YES Strictly High Tech Incubator	NO	NO
Community Development Financial	NO	YES	NO	NO	NO	NO	NO
\$40,000	\$151,000	\$80,000	\$51,000	\$54,000	\$50,000	\$1,131,470	\$588,460

- BDB:** Business Development Board of the Palm Beaches, Inc.
- BBIC:** Palm Beach County Black Business Investment Corporation
- CEO:** Center for Enterprise Opportunity (CEO)
- DES:** Department of Economic Sustainability
- EDC:** Enterprise Development Corporation of South Florida (EDC)
- FAU:** Florida Atlantic University
- TED:** The Center for Enterprise Development and Technology, Inc. (TED)

**DEPARTMENT OF ECONOMIC SUSTAINABILITY
Business Development Board
Funding Detail
FY 2007 – FY 2015**

	<u>9/12/2006 Contract</u>					<u>12/6/2011 Contract</u>			
	1 st Year <u>FY 2007</u>	2 nd Year <u>FY 2008</u>	3 rd Year <u>FY 2009</u>	4 th Year <u>FY 2010</u>	5 th Year <u>FY 2011</u>	1 st Year <u>FY 2012</u>	2 nd Year <u>FY 2013</u>	3 rd Year <u>FY 2014</u>	4 th Year <u>FY 2015</u>
• Base Amount	1,032,100	1,032,100	980,495*	931,470**	931,470	931,470***	931,470	931,470	931,470
• Supplemental	0	0	0	0	0	200,000#	0	100,000^	100,000^
Total Funding	1,032,100	1,032,100	980,495	931,470	931,470	1,131,470	931,470	1,031,470	1,031,471

*Contract in the amount of \$1,032,100 for period 10/1/2006 to 9/30/2011. Amendment #1 reduced funding to \$980,495 on 12/2/2008.

**Amendment #3 reduced funding from \$980,495 to \$931,470 beginning with FY 2010 disbursement (scope of services also amended).

*** 1st year of 12/6/2011 contract for period 10/1/2011 to 9/30/2016.

#Supplemental funding specifically for implementation of New Marketing Initiatives 1.0

^Supplemental funding not designated for any specific purpose.