



Interoffice Communication

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

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

DATE: June 24, 2015

SUBJECT: Responses to Budget Workshop Requests/Questions

At the Budget Workshop on June 9th, the Board requested information and had questions regarding proposed funding for various programs. The following is being presented in response to these inquiries:

- 1. Can the Land Management Assistant position requested by the Department of Airports be contracted out with one of the conservation agencies in the county versus hiring a new employee?**

This position will be responsible for the following:

- 1) Wildlife management: setting animal traps, monitoring and disposing of wildlife (iguanas, raccoons, etc...);
- 2) Annual obstruction survey: assist tree trimmers at PBI and GA airports;
- 3) Assist irrigation technicians. Much of the irrigation system at PBI is 27 plus years old and repairs to mainline breaks are becoming frequent. These repairs involve a lot of manual labor;
- 4) Assist chemical spray technicians with ornamental turf and aquatic weed control;
- 5) Assist other road & grounds crew with landscape and airside assignments.

As you can see this includes many day to day duties where close contact with supervisors is required and the volume of work will be 40 hours per week.

Knowledge and access to some of these areas will require a continuation of knowledge that a full time employee is better equipped to retain versus a contract employee that may not be the same person over the long period. While the position could be contracted, based on the job responsibilities and required contact with supervisors, staff recommends this be a county position. The Department of Airports has made the management decision to retain county employees in many of their maintenance positions to insure they have a core staff available to handle regular duties and emergency issues.

- 2. Department of Economic Sustainability - Re-look at funding request for ad valorem support of positions currently funded with grants.
Can the County identify other funding sources?
Can program revenue be used to fund these positions?**

Please see Attachment 1

- 3. Can new code enforcement officers be supported by new revenue?**

No. The annualized cost of two new code enforcement officers is \$127,008.
These positions would generate approximately \$56,000 in revenue.

- 4. For capital projects with prior year funding, what is the detail breakdown?**

Please see attachment 2. This schedule provides the prior year funding details for ad valorem projects with proposed FY 2016 funding.

cc: Robert Weisman, County Administrator
Management Team
Bruce Pelly, Director, Airports
Rebecca Caldwell, Executive Director, Planning, Zoning, and Building
Edward Lowery, Director, Department of Economic Sustainability



**Department of
Economic
Sustainability**

Administration

100 Australian Avenue
Suite 500

West Palm Beach, FL 33406

(561) 233-3600

FAX: (561) 233-3651

www.pbcgov.com/des

**Palm Beach County
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Shelley Vana
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MEMORANDUM

To: John Wilson, Budget Director
OFMB

From: Edward W. Lowery, Director *EWL*
Sherry Howard, Deputy Director *SH*
DES

Date: June 16, 2015

RE: FY 2016 Budget Request

The following is provided in response to your questions pertaining to Economic Sustainability's request for additional funding:

1. Can the County identify other funding sources?

No other funding sources have been identified. However, the Department routinely researches opportunities for outside funding to support the Board of County Commissioners' priorities including funding for the homeless, affordable housing, infrastructure and economic development.

Existing and newly available Grant Administration funds can only be used specifically for that particular grant's activities and cannot be utilized for activities outside the grant.

2. Can program revenue be used to fund these positions?

The new request of \$604,681 for staff support is comprised of four activities; **(1) Ad Valorem funded economic development programs, (2) Ad Valorem funded grants, contracts and activities (3) Federally funded economic development programs (4) and public facilities, and will support 12 employees on a part time basis.**

A. Ad Valorem Funded Economic Development Programs

Approximately \$177,728 of the supplemental request is needed to support economic development and other activities not covered by grants. There has been a significant increase in economic development leads for Enterprise Florida's Qualified Target Industry and Quick Action Closing Fund Programs resulting in additional business meetings, financial analysis, economic impact analysis, contract negotiation, drafting of agreements and monitoring to ensure compliance with performance measures.

The Department is actively managing 36 economic development projects. Of these, 12 are in the due diligence phase, 9 have been conceptually approved and 15 have active contracts. Since FY 2013, the projected projects implemented by the Department represent an estimated five-year economic impact of \$9 Billion. There is no ability to project the additional projects that may arise beyond these; however, since the beginning of the year we have been averaging five new projects a month.

Revenue Bond Program - Since 2010, the Department has processed 22 Revenue Bond applications. These applications represent a five-year economic impact of \$1 Billion.

Nearly \$300 M in county business investments, tax exemptions and bonds have leveraged more than \$791 M in economic development capital investments and created more than 8,200 jobs.

B. Ad Valorem funded grants, contracts and activities

Approximately \$157,748 of the supplemental request is needed to support other Ad Valorem funded grants, contracts and activities.

The Department manages a significant number of programs/contracts that were never grant funded and require Ad Valorem support to continue. These include:

- a. Business Development Board Contract
- b. Max Planck Grant Agreement
- c. Scripps Grant Agreement
- d. Black Business Investment Corp. Contract
- e. Film and Television Commission Contract
- f. Required State Economic Development reporting
- g. Development of the County's Disaster Housing Strategy for Emergency Management
- h. Housing Finance Authority Administration
- i. Management of the Palm Beach Interactive Data Base
- j. Evaluation of other programs assigned by Administration including but not limited to PACE Energy Program

C. Federally-Funded Economic Development Programs

Approximately, \$25,334 of the supplemental request is needed to supplement Federally-funded economic development programs.

The Federally-funded business loan program fees are utilized to cover staff, however depending on the amount of activity the fees are not always sufficient to service and monitor the programs. Since 2009, DES has closed a total of \$22 M in business loans leveraging a total capital investment of \$84 M.

D. Federally-Funded Housing Programs

Approximately, \$243,871 of the supplemental request is needed to support ongoing housing programs that do not provide enough program income to support the programs. These include the Neighborhood Stabilization Program, HOME Investment Partnerships Program, Disaster Recovery Initiative, State Housing Initiatives Partnership Program and public facility grants through the Community Development Block Grant and Disaster Recovery Initiative Programs.

These activities include mortgages, hurricane hardening, rehabilitations, new development, and partnerships with municipalities, Housing Authorities and Developers. When program income (revenue) from activities is acquired, only 3% to 10% of those funds, depending on the program, can be utilized for program administration for the grant that generated the income. In reality, to sufficiently manage the programs, approximately 25% of the grants funds are needed for administration. Use of these funds for administration is currently in practice, but is not sufficient to comply with the ongoing monitoring requirements and outside activities.

An example of activities where additional staff support is needed includes:

- Monitoring multi-family projects for occupancy by income eligible tenants
- Housing Quality Standard inspections
- Monitoring homebuyers with Annual Residency Certifications
- Servicing of developer mortgages
- Mortgage modifications/subordinations

Over the last three years, over 2,500 affordable housing units have been rehabilitated, hurricane hardened or newly constructed leveraging more than \$74 M in private development costs, and \$37 M in infrastructure investments have been implemented. More than \$5.1 M has provided public services and emergency shelter for 22,000 county residents and \$6 M was utilized from these grants to construct the County's first homeless resource center.

The Department of Economic Sustainability is one of the only, if not the only department where staff is not traditionally supported by the general fund. The Department currently manages over \$200 M in grant-funded projects and over the last three years has received a total of \$2 M for staff support.

c: Shannon LaRocque, Assistant County Administrator
Liz Bloeser, Director, Financial Management & Budget

Capital Projects - Proposed FY 2016 Ad Valorem Projects with Prior Year Funding

Dept	Project Title	Prior Year Funding by Year							Total Funding Prior FY's	Requested Ad Valorem	County Administrator's Cut	Revised Ad Valorem
		Prior to 2010	2010	2011	2012	2013	2014	2015				
Countywide Ad Valorem Projects with Prior Year Funding												
ERM	Environmental Restoration	6,368,000	250,000	250,000	250,000	275,000	250,000	250,000	7,893,000 ¹	1,250,000	(500,000)	750,000
ISS	Geographic Information System (GIS)	9,744,000	85,000	-	-	300,000	300,000	-	10,429,000	300,000	(50,000)	250,000
ISS	Network Equipment and Vendor Support	1,400,000	1,100,000	1,200,000	900,000	800,000	750,000	700,000	6,850,000	950,000	(120,000)	830,000
ISS	Fiber Build-out of Enterprise Network	2,525,000	300,000	780,000	750,000	-	520,000	600,000	5,475,000	750,000	(250,000)	500,000
ISS	Enterprise Backup Growth and Replacement	450,000	-	-	1,275,000	-	150,000	450,000	2,325,000	450,000	(250,000)	200,000
ISS	Wintel/UNIX Power Storage Consolidation	-	-	-	-	-	500,000	115,000	615,000	850,000	(400,000)	450,000
ISS	Network/Internet Security/Threat Management	1,500,000	250,000	150,000	150,000	250,000	100,000	50,000	2,450,000	770,000	(100,000)	670,000
ISS	Data Center(s) Upgrade to 10/100/1,000 Gigabyte	2,100,000	375,000	300,000	200,000	400,000	250,000	300,000	3,925,000	300,000	(100,000)	200,000
ISS	Wireless Connectivity	1,125,000	321,000	200,000	150,000	75,000	150,000	150,000	2,171,000	150,000	-	150,000

¹ Prior year funding includes Ad Valorem as well as other funding sources, such as grants.