



# Cost Saving & Revenue Ideas Update

May 11, 2010

# Outline

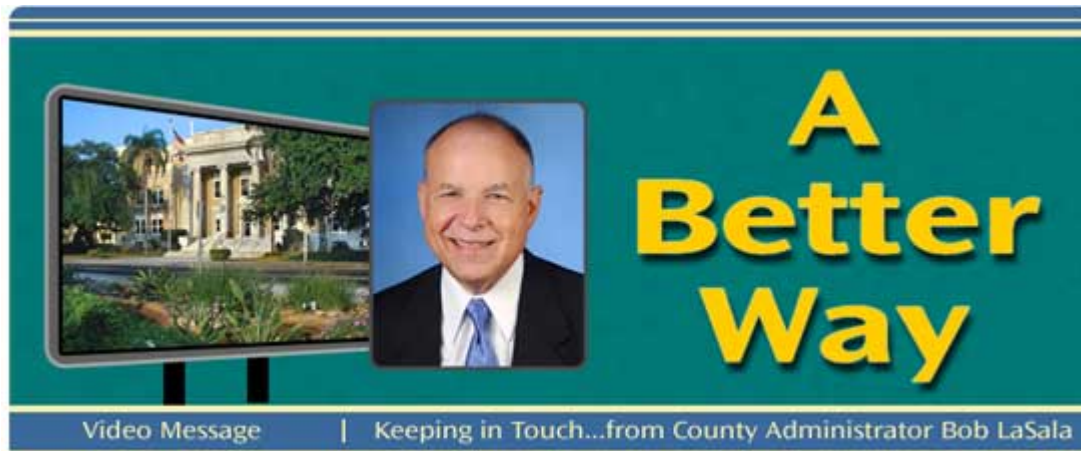
- ◉ **Better Way program**
- ◉ **Summary of FY2010 implemented ideas**
- ◉ **Ideas under consideration for FY2011 budget process**
  - **Cost-Saving ideas**
  - **Revenue ideas**
- ◉ **Next steps**



# Better Way Program

# Employee Suggestions

- **Re-activated “A Better Way” website**
  - **Employee suggestions for cost-saving and revenue ideas**
    - **480 received to date (January through April)**
  - **Keep in touch with employees regarding latest budget information**



[Submit Employee  
Suggestions Here](#)



# Citizen Suggestions

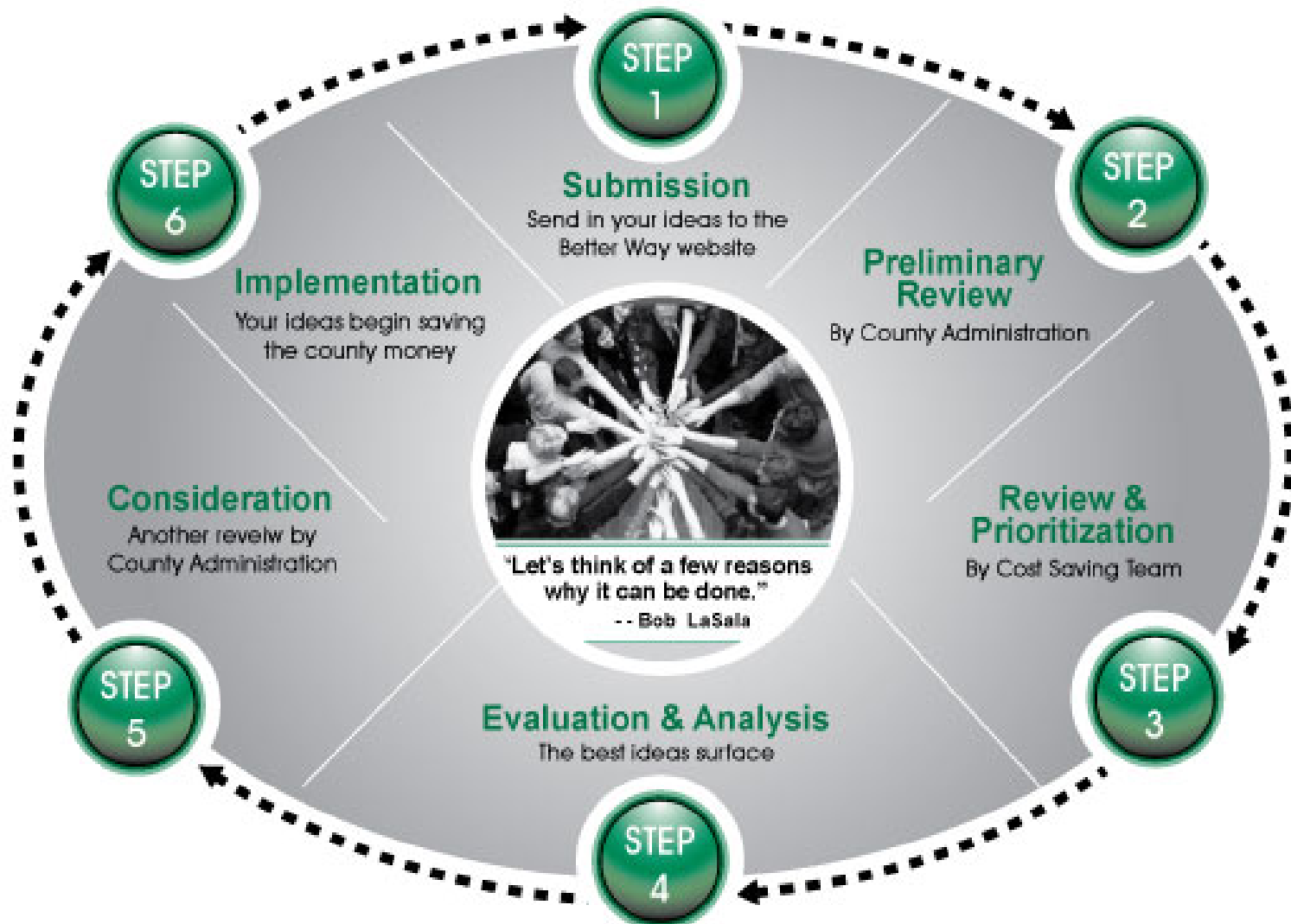
- **Citizen input through County's website**
  - **Submit suggestions**
    - 178 (January through April)
  - **Sign up for budget news**
    - 1,600 signed up over last four years
  - **Link to Citizens' Guide to the Budget website**
    - 4,181 hits since January



# Cost-Saving and Revenue Teams

- **Two teams re-activated for FY2011 budget process:**
  - **Cost-saving ideas**
  - **Revenue ideas**
- **Composed of directors and other key staff**
- **Turn ideas into actionable options to help offset reductions**
- **Teams review ideas with organization-wide implications**
  - **Department specific ideas are forwarded to department directors**

# Better Way Process





# Summary of FY2010 Implemented Ideas



# Summary of FY2010 Implemented Ideas

- Printer Optimization and Elimination of Fax Machines

- Eliminate individual desktop printers in favor of shared work group printers
- Elimination of stand-alone fax machines due to the ability to receive faxes via software on a standard personal computer



- Project completion estimated by end of 2010
- Estimated to save \$250,000 annually

# Summary of FY2010 Implemented Ideas

- **Facilities Energy and Conservation Projects**

- **Three energy and water conservation projects which will provide savings to operating and maintenance costs of running County facilities**
- **Projects are underway and expected to be completed by end of FY2010**
- **Estimated to save \$325,000 annually**



# Summary of FY2010 Implemented Ideas

- **Metro Ethernet**

- **Project will support the migration from a wide-area network to a consolidated Metro Ethernet service provider solution**
- **Will consolidate telephone and data traffic into a single circuit per location which will provide a significant increase in performance in many cases, a ten-fold improvement in speed**



- **Projects are underway and expected to be completed by end of 2010**
- **Estimated to save \$440,000 annually**

# Summary of FY2010 Implemented Ideas

- Internal PC Replacement Program

- Transition from external personal computer lease program with Dell to an internal program administered by BTS department
- Allows for more control over the PC environment and provides flexibility to extend the life of certain components such as monitors
- Began in Spring 2009
- Estimated to save at least \$1 million annually once fully implemented



# Summary of FY2010 Implemented Ideas

- **Consolidation of Procurement and Communication Functions**
  - **Procurement functions were consolidated from Public Works and Utilities to the Purchasing Department**
    - **Greatly reduced touch points in the procurement process which created a more efficient and ultimately effective procurement process**
  - **Communications functions were consolidated from Utilities into the Communications Department**
    - **The consolidation created cost-savings for items such as printing, binding, and marketing and resulted in greater coordination in communications efforts across the organization**
  - **Implemented as part of FY2010 budget process**
  - **Estimated combined savings of \$725,000 annually**

# Summary of FY2010 Implemented Ideas

- Optimization of Office Space

- Consolidate office space and move departments and agencies from leased space to County-owned space
  - Numerous opportunities due to reductions in force over last three years
- Initially planned for Spring 2010, but recently re-scheduled to Fall 2010 to incorporate any additional opportunities from this year's anticipated reductions in force
- Estimated to save \$725,000 annually





# Summary of FY2010 Implemented Ideas

- **Fleet Optimization**

- During FY2010 budget process, 95 vehicles or pieces of equipment were turned in
- This initiative will continue in FY2011 with the creation of several fleet pools and rental contracts
- Estimated to save \$659,000





# Ideas for Consideration in FY2011 Budget Process



# Cost Saving Ideas

- Cell Phone Stipend
- Take Home Vehicles
- Idling Policy
- Voice Over Internet Protocol (VOIP)
- Lighting Retrofits
- Detention Facility Water Conservation
- Demand Control Ventilation
- Centralized Chiller Facility
- Consolidation of Mowing Function
- Uniforms and Safety Shoes
- Solar Power
- Hybrid Vehicles
- LED Street Lighting

# Cell Phone Stipend

- ◉ Eliminate County pagers/cell phones/PDA's
- ◉ Transition from current internal program to a stipend system for pagers, cell phones, and smart phones
- ◉ Includes re-justification of all devices
- ◉ Creates stipend tiers based on type of device
- ◉ Opportunities for savings include:



- Reduced number of devices in the organization
- Reduction of one BTS position for monitoring current program
- Reduced yearly cost to provide service
- Reduced administrative effort in departments currently spent reconciling bills and remunerating personal calls

# Take Home Vehicles & Idling Policy

- **Take Home Vehicles**

- **Eliminated three remaining take-home vehicles in departments under the BCC at the end of FY2010**
- **Pinellas County may be the only local government without permanently assigned take home vehicles**

- **Enhanced Idling Policy**

- **Implements a zero tolerance policy this year**
- **Fleet provides reports that compare vehicle hours to vehicle mileage to determine extent of idling**
- **May save \$350,000 in fuel costs**

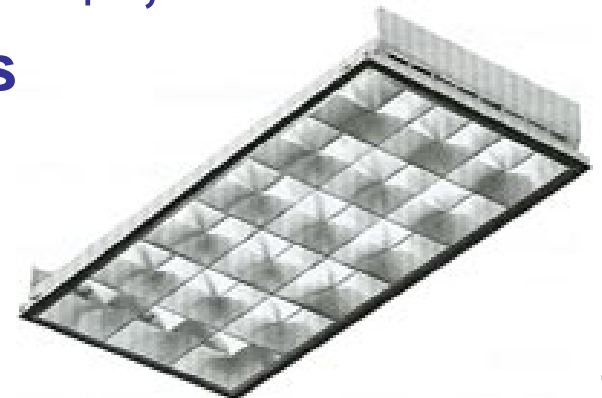
# Voice Over Internet Protocol (VOIP)

- **Project reduces 17 telephone systems to one**
- **Requires \$2 million of one-time capital costs for migration to a new system**
  - Includes replacement of existing telephones
  - Opportunity to reduce the number of units and phone lines
- **Opportunities for savings are \$770,000 annually**
  - Staff reductions (\$300,000)
  - Conversion from Verizon trunk to SIP trunk (\$300,000)
  - Siemens annual maintenance contract cost reduction (\$170,000)
- **Payback is less than four years**



# Lighting Retrofits

- ◉ Conversion from inefficient bulbs and ballasts to compact fluorescent bulbs with electronic ballasts and light emitting diode (LED) technology
- ◉ Consideration for implementation in nine buildings
- ◉ Requires \$850,000 of one-time capital costs
- ◉ Opportunities for energy savings are \$125,000 annually and a one-time rebate of \$7,000
- ◉ Payback is less than eight years



# Detention Facility Water Conservation

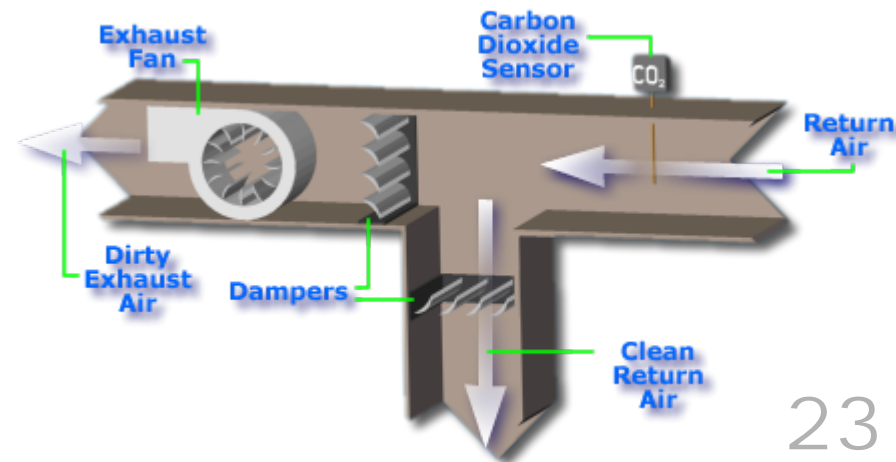
- ◉ Security controlled automatic water shutoff devices for inmate housing areas at the County Jail
  - Identified as part of a Progress Energy utilities audit
- ◉ Represents second phase of a cost savings idea funded last year at \$1.2 million (Facilities Energy & Conservation Projects)
  - Pilot project demonstrated water/sewer cost savings of 50%
  - Leverages economies of scale utilizing same contractor for both phases
- ◉ Requires \$1 million of one-time capital costs



- ◉ Opportunities for savings are \$250K-\$300K annually
  - Savings composed of reduced water/sewer costs, operating supplies, and manpower
- ◉ Payback is less than four years

# Demand Control Ventilation

- Automated HVAC damper regulated outside air, based on carbon-dioxide levels
  - Identified as part of a Progress Energy utilities audit
- Represents second phase of a cost savings idea funded last year at \$130,000 (Facilities Energy & Conservation Projects)
- Requires \$93,000 of one-time capital costs
- Opportunities for energy savings are \$20,000 annually and a one-time rebate of \$10,500
- Payback is less than five years



# Centralized Chiller

- Third party contractor to design, construct, and operate centralized chiller facility for downtown Clearwater campus
  - County provides land and owns facility
  - County will purchase chilled-water at a set rate, established in a long-term contract based on initial investment by the County
- Requires \$8.5 million of one-time capital costs
  - Project cost is \$10 million
  - Department of Energy grant will offset \$1.5 million
- Opportunities for savings are \$507,000 annually including utilities, operating supplies, and staff
- CIP life cycle equipment replacement cost avoidance of \$3.8 million; life cycle of project is estimated at 25 years
- Opportunities for revenue include selling chilled water (\$300K to \$400K annually); correlates with initial investment amount
- Payback is less than ten years, excluding revenue and potential federal government rebates





# Mowing Function

- ◉ **Consolidate mowing functions**
  - Consolidate under one department; currently six departments have mowing activities
  - Develop standard contract specifications for service levels
  - Determine mix of in-house vs. contracted services



- ◉ **Opportunities for savings include:**
  - Standardized levels of service
  - Consolidation of private contracts

# Uniforms and Safety Shoes



- **Standardize uniform procurement across all BCC departments**
  - Currently eight departments provide uniforms
- **Opportunities for savings include:**
  - Reduce number of employees in uniform
  - Eliminate customization
  - Consider reduction in the allotment of uniforms
  - Consider reduction in the allowance for safety shoes

# Solar Power

- ◉ Installing solar panels on County facilities
- ◉ Implementation costs average \$150,000 per facility
- ◉ Opportunities for savings include:
  - Energy savings of about \$10,500 annually
- ◉ Payback is estimated at 15 years
- ◉ Drawbacks
  - Long payback period and high implementation costs
  - Could result in higher future roof replacement costs
  - Government facilities have less incentives than private sector
- ◉ Continue to monitor technology improvements
  - Consider incorporating electrical system infrastructure in new construction



# Hybrid Vehicles

- **Purchase of hybrid vehicles instead of conventional vehicles**
  - Cost of hybrid vehicles 28% (\$4,716) higher than conventional vehicles
  - Cost recovery based on annual fleet miles traveled and current fuel prices
- **Opportunities for savings include fuel costs**
- **Payback is estimated at 10 years, based on current average County fleet miles traveled**
  - Geographic nature of the County results in less than usual miles driven per year resulting in lengthy payback period
- **Drawbacks**
  - Long or uncertain payback period
  - Limited maintenance history of hybrids
  - Battery life 8 years. Replacement cost = \$2,800
- **Continue to monitor technology improvements**
  - Evaluate potential for use of electric vehicles
  - Consider use of hybrid vehicles in high utilization environments



# LED Streetlights

- **Retrofit streetlights with LED fixtures**
  - Progress Energy owned streetlights
  - Pinellas County leased streetlights from Progress Energy
  - On arterial roads, State owns the streetlights and Pinellas County performs maintenance
- **Implementation costs are prohibitive**
  - Progress Energy has limited incentive to retrofit
  - Implementation costs (fixture, bulbs, labor) exceed recurring savings from electrical usage and reduced maintenance
- **Drawbacks**
  - High cost of initial retrofit and limited incentives for leased units
- **Continue to monitor technological improvements and price changes**
  - Pilot project planned for under deck and sign lighting for County owned systems
  - Consider partnership for pilot with Progress Energy for McMullen Booth corridor north of Curlew Road







# Cost-Saving Questions

# Revenue Ideas

- **Fort De Soto Park Entrance Fee/Annual Pass**
- **Entrance Fee Annual Pass to regional parks, preserves and special attractions (i.e. Heritage Village, Florida Botanical Gardens)**
  - Over 15,000,000 annual visitors to County's parks, preserves and special attractions
  - Entrance Fees at County facilities may generate in excess of \$3,500,000 annually
  - Recurring annual expense associated with operation and maintenance of collection devices, and associated collection and enforcement of entrance fees
  - New fees would not replace existing parking fees at beach access areas.

# Fort De Soto Park Entrance Fee

- **Collect a new fee for entering the park modeled on State park system (ex. Honeymoon Island)**
  - **\$8 vehicle fee**
  - **\$75 annual pass**



- **Fee inclusive of boat ramp parking (current fee is \$6 for vehicles with trailer, \$2 for passenger vehicles)**
  - **Fee would not be assessed to bicyclists and pedestrians**
- **Utilize the FDOT toll booth or construct new one**
  - **Other collection methods also under review**
- **Revenue may help sustain service levels in the parks and preserves system**



# Entrance Fee to Regional County Parks, Preserves, and Special Attractions

- **Collect a new fee for entering the County's regional parks, preserves, and special attractions**
  - \$3 daily entrance fee
  - Fee would not be assessed on bicyclists and pedestrians
  - Fee inclusive of boat ramp parking (current fee is \$6 for vehicles with trailer, \$2 for passenger vehicles)
  - Focus primarily on pay and display, which is consistent with current boat ramp parking procedures
- Locate stations on pull out lanes and other convenient locations throughout the parks
- One-time capital costs of \$735,000 for equipment and \$500,000 for modifications (pull out lanes, etc.)
- **Revenue may help sustain service levels in the parks and preserves system**



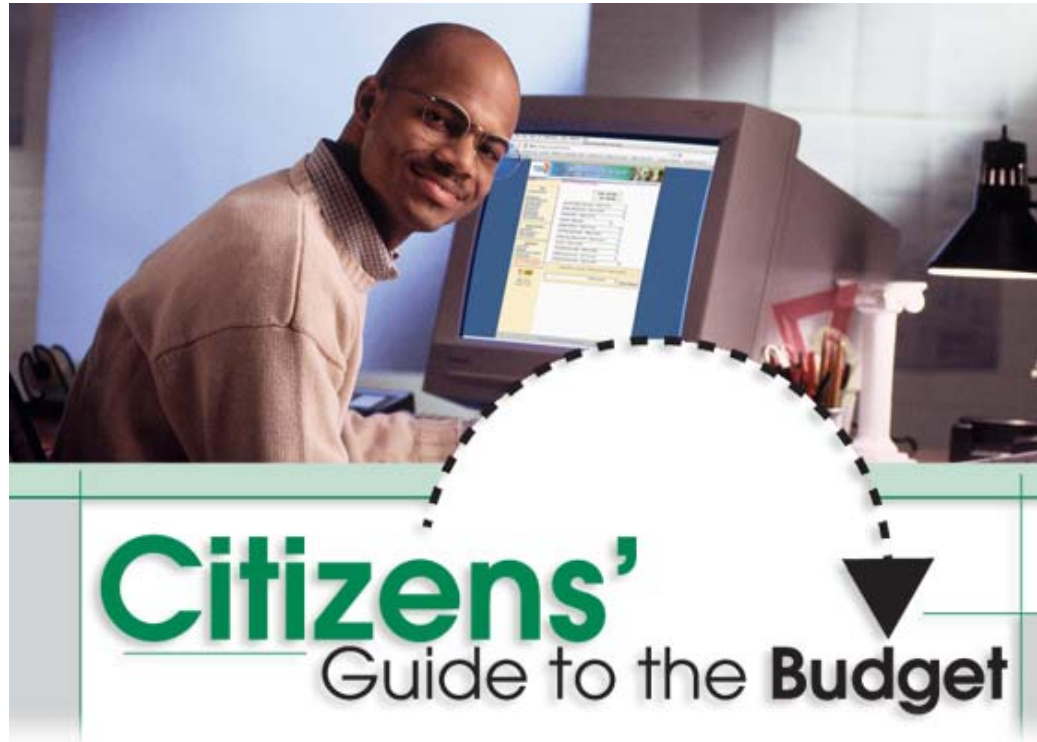


# Revenue Questions

# Next Steps

- **Based on BCC feedback, ideas will be incorporated into the FY2011 Proposed Budget that will be presented on July 13<sup>th</sup>**
  - Projects would likely be funded by non-recurring (one-time) funds
- **Cost Saving and Revenue Teams**
  - Continue to review and refine ideas
  - Provide status report to employees based on ideas submitted to date

# Information on the Pinellas County Budget



[www.pinellascounty.org](http://www.pinellascounty.org)