

## Productivity Committee - Efficiency & Effectiveness Study



Board of County Commissioners  
June 13, 2006

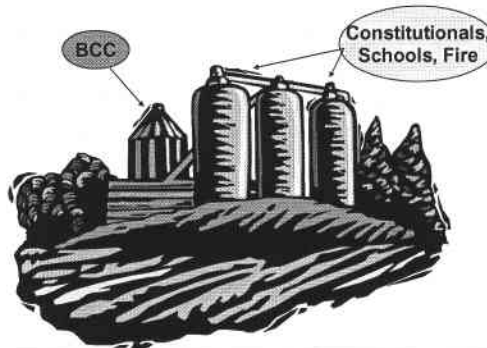
## Current Situation - A Sound Base for Improvement

1. Dedicated core of talented, motivated public employees
2. Sophisticated management processes
  - LRP and annual budgets
  - Performance standards & benchmarking
  - Customer feedback
3. Leadership commitment to improvement
4. And more.....

## Today's Presentation

1. **Introduction & Overview**  
Steve Harrison
2. **Human Resources**  
Larry Baytos
3. **IT Planning & Coordination**  
John Bartow
4. **Capital Projects Planning & Execution**  
Brad Boaz
5. **Financial Planning, Processes & Control**  
Steve Harrison

## County "Silo" Structure



## Current Situation – A Dynamic Environment

1. Many years of double digit growth
2. Some unmet public needs
3. Availability/productivity of quality staff
4. Shortages of affordable workforce housing



## Silo Organization Risks

- ✓ Different goals/agendas
- ✓ Competing for resources
- ✓ Contention & distrust
- ✓ Loosely coordinated actions = duplicated efforts and/or expense
- ✓ Under-leverage economies of scale



## Some Organization Options

1. Charter Government
2. Outsourcing
  - a. captive
  - b. independent
3. Intensified cooperation between agencies



## Drivers of Productivity

1. Common Goals
2. Employee level performance planning
3. Performance Measurements
4. Cost/Benefit Analysis



## Charter County Government

a.k.a. Home Rule



### Charter Govt. Prevails

1. Approx. 80% of Floridians live in Charter counties
2. In SW FL: Charlotte, Lee, Hillsborough, Pinellas, Sarasota

### Charter Govt. Process

1. Commissioners appoint charter commission
2. 18 mo. to study and recommend to voters
3. Voters decide

## Human Resources Productivity

Larry Baytos



**BCC Divisions**  
Recruitment & Retention

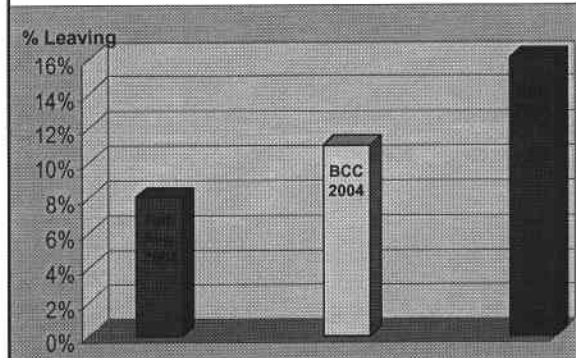
**All Agencies**  
Policy & Benefits Standardization

## Eroders of Productivity

1. Conflicting goals/agendas
2. Fragmented work processes
3. Complexity
4. Non-standard processes
5. Fire fighting
6. Meetings and interruptions
7. Management layers



## B.C.C. Employee Turnover Trend

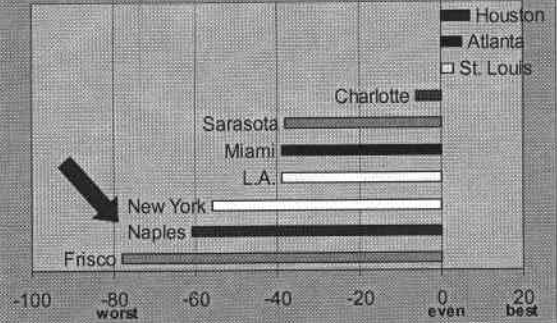


## B.C.C. Recruitment & Retention Issues

1. Turnover 1 in 6
  - pay issues dominate
  - Avg. age 44
2. More openings, slower fill rate, more job offers rejected
3. Impact on productivity & customer service

## Gaps in Govt. Salaries vs. Cost Of Living

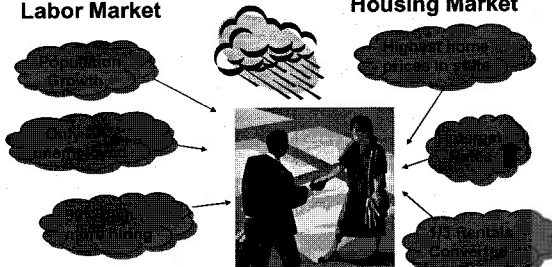
a.k.a. - Index of Financial Stress  
(for professional, technical employees)



## Collier County Recruitment - Caught in the "Perfect Storm"?

Labor Market

Housing Market



## Recruitment: Relocation Incentive

Salaried employees above grade ??

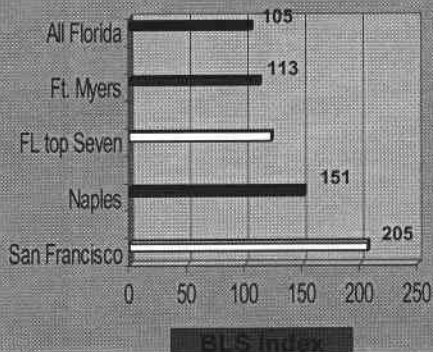
Housing cost differential, e.g. \$100,000  
(determined by consultant)

Incremental interest to carry \$7,000

Relocation incentive = \$7,000 x 2 years  
= \$14,000 payment at closing

+ boost limit on relocation expenses (now 1 mo. Sal.)

## Total Cost of Living



## Current B.C.C. Pay Policy

Sets pay ranges 5% above "market"

"Market" Survey respondents:

- 11 FL Counties
- 11 FL Cities
- 3 Carolina cities
- 3 Collier private sector



Pay policy does not reflect Collier living costs

## Enhanced B.C.C. Pay Policy



Pay 10% above "market" rather than 5%

apply beginning of FY '07 (+budget %)

evaluate in 6 months

Incremental Expense = \$4.3 mill. FY 2007

Increment may be offset thru '07 staff vacancies

## County Govt. Centers vs. 2026 Customer & Housing Centers



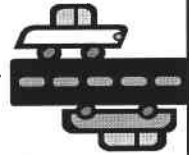
## Recruitment & Retention – Work Location as an Issue

1. Traffic congestion in peak season
2. Distance to affordable housing

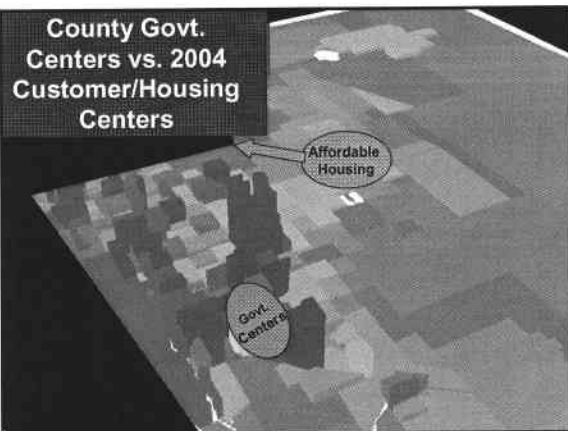


## Recommendations: Employee Commute Issues

1. Accelerate shift of where work is done – for employee and customer convenience
  - a. Minimize S.W. Collier additions
  - b. Distribute functions & satellites – e.g. serve Immokalee zone
  - c. Expand outsourcing



## County Govt. Centers vs. 2004 Customer/Housing Centers



## Reommendations: Employee Commute Issues

1. Accelerate shift of where work is done
2. Expand creative work plans as a mgt. tool
  - a. Flexible hours
  - b. At home
  - c. 4-10
3. Technology for mobile workers productivity



## Many Employee Benefits & Allowance Variations



<u>Policy</u>	<u>Current Range</u> <u>Per Division</u>
Employee share of health ins. \$	0% – 20%
Max vacation accrual	120 – 223 hours
- Max paid at termination	120 – 500 hours
Annual Sick Pay Accrual	96 – 129 hours
- Max paid at termination	0 – 350 hours
Personal time off	0 – 16 hours

**Florida Retirement System for all**

## Benefit & Payroll Allowance Recommendations

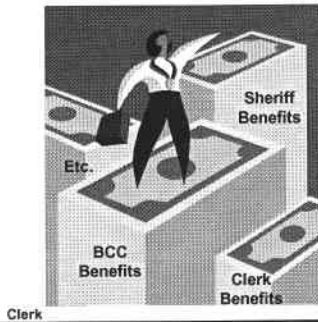
1. Standardize across all Agencies – **without aggregate cost increase**
  - ✓ Benefit levels/contributions
  - ✓ Payment for unused allowances
  - ✓ Overtime pay policy & rates
2. Consolidate payroll processing (outsource?)
3. Paperless payroll - all employees on direct deposit

**Tailor policies for at-risk employees**

## Multiple Programs in One Workplace – Orange Blossom

### O.B. Units

- BCC
- Sheriff
- Clerk of Courts
- Tax Collector
- Tax Appraiser
- Supv. of Elections
- Etc.



Clerk

## IT Planning & Coordination

John Barlow



## Employee Benefit & Payroll Allowance Issues



1. Difficult to present "One County Government" face during recruiting
2. Can lead to candidate "shopping" of benefits
3. Adds complexity & expense to payroll processing (100 employees review time & attendance reports)

## IT Policy & Procedures Issues

1. Technology is the "backbone" of many County business processes
2. Each Constitutional office selects technology deemed in their best interests
3. Newer technologies may warrant replacement of older, less productive technologies.



## IT Policy & Procedures Recommendations

### Establish independent IT Policy and Procedures Board:

- a. Develop a County-wide IT Strategic Plan
- b. Develop an IT Disaster Recovery Plan
- c. Plan for Enterprise Data Integration
- d. Review and Recommend IT Project Plans with a 1-3 year horizon.

## Core Computer Applications Issues

1. Finance, HR & Purchasing systems are critical to all County Government's department needs
2. Current (non SAP) computer architecture requires separate licenses, internal/external support documentation & training
3. Access and integration of data is sub-optimized

## IT Policy Board Benefits



1. Higher priority County-Wide needs are recommended for funding
2. Provides an IT plan in sync with County's projected growth & an emergency backup plan that is bullet proof
3. Faster Department/Agency access to latest technologies
4. Phase out redundant & obsolete technologies

## Financial Applications Recommendations

1. Accelerate (re) implementation of SAP
2. Plan for SAP use in additional agencies
3. Phase out support for non-SAP applications

### Benefits

1. Broader access to data
2. Less effort
3. Less spending duplication
4. Enables more staff specialization



## Core Software Systems Proliferation Issues

1. BCC departments, SOE currently use new (SAP) systems, Clerk of Courts comes on-line in October
2. Other County agencies use other financial software
3. Each system has own servers, network & support

### Positives

1. Cooperation exists between IT organizations
2. Initial SAP implementation problems being resolved

## Data Input Duplication

### Issues

1. Similar applications have different keys & data bases, results in reentry of similar data
2. Data common to related systems often re-entered

### Recommendations

1. Standardize data definitions & modify frequently used files
2. Create mechanism to control creation of new data definitions
3. Use robust Data Security facility (like encryption) to protect non-public data

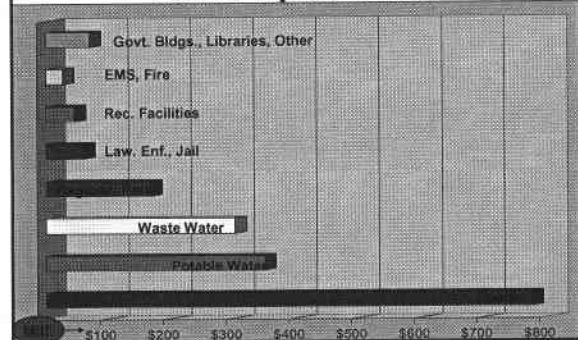


## Data Input Proposal Benefits



1. Streamlines requirements for maintenance
2. Makes data portable across applications
3. Allows public data requests across departmental lines available to citizens by direct internet access
4. Enables consolidation of data bases and db admin

## Nearly \$2 Bill. 2006 – 2010 AUIR Expenditures



## Fiber Optic Communications Network



### Opportunity

Joint Project between the School Board, BCC IT, BCC Transportation Division which is constructing a county-wide fiber optic network

### Recommendations

1. Evaluate the status of the combined project. Secure additional Constitutional agencies involvement.
2. Review the plans to network remote county facilities and share infrastructure across constitutional agencies.
3. Implement Voice Over Internet Protocol (VoIP) where justified. VOIP is being extended in BCC agencies.

## Project Planning Issues

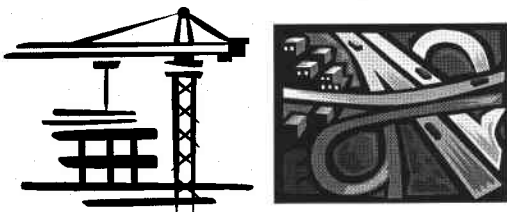
1. Project designs subject to continuing changes
  - Budgets - Regulations
  - Materials Availability
  - Engineering assumptions
  - Preferences



2. Time delays in planning often yield
  - higher project costs
  - public criticism

## Capital Projects - Planning & Execution

Brad Boaz



## Project Planning Recommendations

1. Establish target timelines for various size projects
2. Assign more resources to shorten planning timelines
3. Use independent "value engineers"
4. Freeze designs as early as possible

### Benefits

1. Faster, better project plans
2. More predictable completion of plans
3. Control of change orders
4. Lower costs to complete

## Project Execution

### Issues

Project volume and staff specialization complicates control over projects

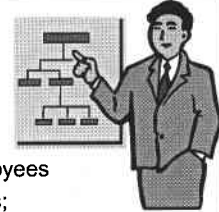
### Recommendations

1. Acquire commodity materials well in advance of need
2. Regular assessment of cost and time to complete
3. Increase project manager accountability for budget control
4. Increase use of contract post-audits

### Benefits

1. Lower costs
2. More individual accountability

## Finance & Control Organization Issues



Each County division has employees performing accounting functions;

1. Sometimes using different computer systems
2. Small groups limit specialization and economies of scale opportunities
3. Mix of admin and mission critical employees may create pay inequities

## Project Funding

### Issue

Projects not funded until design & timing final



### Recommendations

1. Early planning of bond issue amount & timing
2. Take advantage of periods of lower interest rates
3. Consider hiring a treasurer to manage debt service, refinancings, interest expense, etc.

### Benefits

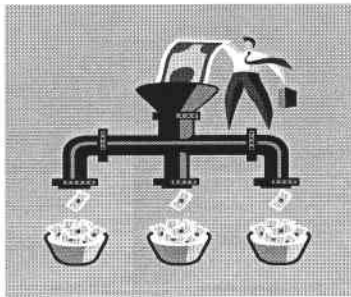
Lower project costs

## Financial Organization Recommendations

1. Consolidate all Accounting, Auditing and Financial Reporting
2. Consolidate dispersed accounting work & streamline
3. Consolidate all financial information systems
4. Develop and implement more effective management information on staff utilization, cost control and cost of services provided
5. Hire/develop staff with skills needed for growth

## Financial Planning, Processes & Control

Steve Harrison



## Functional Accounting Issues

### 1. Budgeting & bookkeeping

focus on funding source, not

- Who is managing expenditures?
- How efficiently managed?



### 2. Transaction accounting

requires verification and review of fund charged, but not efficacy of expenditures



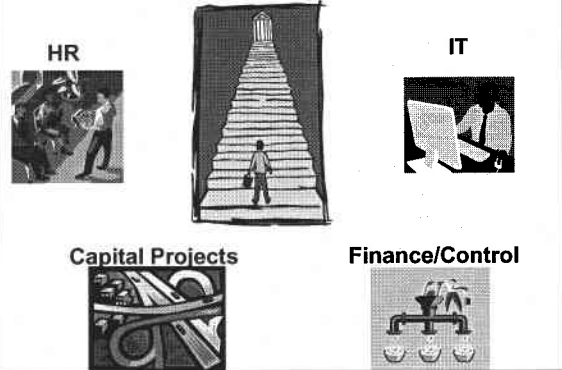
### Functional Accounting Recommendations

1. Continue to reduce the number of funds
2. Emphasize Functional Accounting in all Management Accounting & Reporting

#### Benefits

1. Simpler transactions coding
2. Improved Management accounting

### Next Steps??



### Staff Utilization & Management

1. Department staffing budgets based on assumptions about nature of work to be done
2. Budget process focuses only on additional work anticipated



### Summary of HR Recommendations

1. Raise BCC pay scale & relocation allowances
2. Shift B.C.C. focus from S.W. Collier, increase outsourcing
3. Creative work scheduling to ease commuting
4. Standardize all insurance benefits & employee contributions, allowances

### Staff Utilization & Management Recommendations

1. At least annually identify "low value" work for elimination or automation
2. Consolidate fragmented work among fewer
3. Budget expected utilization by task
4. Require cost justification of headcount adds
5. Review planned versus actual utilization of each employee
6. Use technology to call people to meetings as needed

**Benefit:** Increased attention to streamlining work content and staff utilization

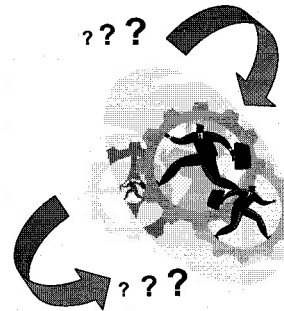
### Summary of IT Recommendations

1. Form IT planning & control group
2. Prepare long range IT plan
3. Prepare IT disaster recovery plan
4. Convert to SAP
5. Install more SAP modules
6. Uniform data definitions and data bases
7. Construct links to CCSD fiber optics network

### **Summary of Capital Project Recommendations**

1. Continue to enhance capital project planning
2. Formalize value engineering procedures
3. Expand contract administration role and project accountability
4. Enhance treasury role in project funding alternatives

### **Your Questions Please...**



### **Summary of Finance & Control Recommendations**

1. Consolidate accounts payable/cash disbursement under Clerk
2. More management info other than fund accounting
3. More electronic purchasing, invoicing and payments

### **Implementation Steps?**

1. Form teams to implement recommendations adopted
2. Prepare associated transition plans & budgets
3. Meet again in 2 - 4 months
4. Consider more basic organization change if little progress