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ADD ON

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: August 13, 2013 Consent Regular
Department: Inspector General/
Administration Workshop Public Hearing

I. EXECUTIVE BRIEF

Motion and Title: Staff requests direction regarding FY 2014 funding for the Office of Inspector General (OIG).

Summary: The proposed FY 2014 budget submitted by the Inspector General is \$3.7 million. This budget includes 40 positions, of which 23 are currently filled. The funding source for this budget is the County, Children Services Council, Solid Waste Authority, and municipalities. The proposed FY 2014 budget assumes municipalities would fund \$1.5 million of the total budget.

As a result of the law suit brought by the municipalities regarding the OIG funding, it is unlikely that there will be any resolution that would provide the OIG with any significant municipal funding during FY 2014. Additionally, the Health Care District cancelled their agreement resulting in a loss of revenue of \$298,000. If the OIG budget was reduced to only fund the currently filled positions (23), the total budget would be \$2.75 million. To maintain staffing at the existing level, an additional \$687,000 would be required from the County's General Fund. No funds are currently available in the FY 2014 budget at this time. If the Board chooses to fund this request, amendments to the FY 2014 proposed budget will be included in the 1st Public Hearing scheduled for September 9th. These amendments would increase the funding contribution from the County and reduce the overall budget to reflect only the 23 filled positions. Should the Board take this action, the 17 currently vacant positions will be reinstated once the municipal funding is implemented.


Without the additional funding from the County, the Inspector General will need to layoff six (6) employees by September 27th and another three (3) by December 27th. Countywide (LB)

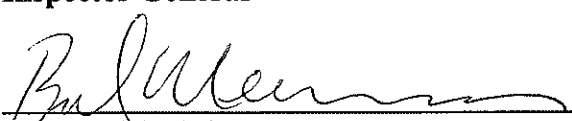
Background and Policy Issues:

In May 2011, the Board of County Commissioners adopted the OIG ordinance. The ordinance includes a funding formula, which proportionately distributes the cost between the County and municipalities based on actual expenditures levels. In November 2011, fifteen municipalities filed suit questioning the legality of this funding mechanism of the OIG. In response to this suit, the Clerk and Comptroller refused to allocate municipal revenues to fund the OIG. Given that the litigation with the cities is ongoing and not likely to end in this near future, the prospect of recovering from the cities any amount over and above the County's share required by ordinance is uncertain. The County Attorney's Office has consistently recommended against putting funds at risk in the face of ongoing litigation, but recognizes the Commission's prerogative in determining that it serves a public purpose to advance this amount.

Attachments:

1. Letter from Inspector General
2. General Fund Impact Summary and Budget Comparison

Recommended by:  8/8/13
Inspector General Date

Approved By:  8/8/13
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years:	2013	2014	2015	2016	2017
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT					

ADDITIONAL FTE
POSITIONS (Cumulative) _____

Is Item Included In Current Budget? Yes ___ No ___

Budget Account No: Fund ___ Agency ___ Org. ___ Object ___

B. Recommended Sources of Funds/Summary of Fiscal Impact:

III. REVIEW COMMENTS

The proposed FY 2014 budget is \$3,703,143. The funding source for this budget is the County, Children Services Council, Solid Waste Authority, and municipalities.

A. OFMB Fiscal and/or Contract Dev. and Control Comments:



OFMB

NA

Contract Dev. and Control

B. Legal Sufficiency:



Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.



OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY

Sheryl G. Steckler
Inspector General

August 7, 2013

Board of County Commissioners
301 North Olive Ave. Suite 1201
West Palm Beach, FL 33401

Dear Mayor Abrams and Board of County Commissioners,

I have been recently informed by County staff that there will not be a proposal put forth to you to fully fund our office for the remainder of the lawsuit which was filed by the 14 municipalities, as once discussed. This office cannot continue to operate at current capacity without a stable funding base each year. Currently we have only 23 (57.5%) of our 40 allocated positions filled. However, due to the continued absence of municipal funding, with those 23 positions we anticipate a shortfall for FY2013-14 of \$815,000.

There are only two options for resolving this gap. One option is for the Board of County Commissioners to agree to fund this shortfall, and ultimately seek restitution from the municipalities. The only other option is for me to reduce OIG personnel services to coincide with anticipated funding. Because salaries constitute the major component of our costs, notification of layoffs must occur immediately beginning with 26% of staff being affected by end of September 27, 2013 and subsequent additional layoffs of approximately 13% of staff would be affected by December 27, 2013.

I respectfully request that this issue be placed on the agenda to go before the Commission for its consideration, and decision at its meeting next Tuesday, August 13, 2013. A decision by the Commission next Tuesday to hopefully fund this shortfall will place our staff at ease and enable us to continue with our current level of operations. If this item is not placed on the agenda for Tuesday, I will have no choice but to immediately issue employee layoff notices in order to provide staff with a professional level of notice.

Thank you for your consideration in this urgent matter.

Respectfully,

Sheryl G. Steckler
Inspector General

Cc: Robert Weisman, County Administrator

"Enhancing Public Trust in Government"

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Palm Beach County
General Fund Impact Summary and Budget Comparison

General Fund Impact Summary

Loss of Municipal Revenue	1,488,672
Reduced Budget Eliminating 17 Vacant Positions	(950,411)
Loss of Other County Department Revenues	148,996
Total General Fund Impact	687,257

Expense	Proposed Budget		Change
	Current	Revised	
Personnel Services	3,164,078	2,213,667	(950,411)
Operating	479,065	479,065	-
Operating Capital	10,000	10,000	-
Reserves	50,000	50,000	-
Revenue Budget	3,703,143	2,752,732	(950,411)
Revenue	Current	Revised	Change
General Fund	1,276,134	1,963,391	687,257
Other County Departments	514,024	365,028	(148,996)
Municipalities	1,488,672	-	(1,488,672)
Sub-total	3,278,830	2,328,419	(950,411)
Other Agencies	414,213	414,213	-
Miscellaneous	10,100	10,100	-
Total Revenue Budget	3,703,143	2,752,732	(950,411)
Positions	40	23	(17)