

Enhanced Services Review and Analysis

Prepared for:

City of Hollywood Community Redevelopment Agency
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Introduction

This document presents the methodology, analysis and results of a study conducted for the City of Hollywood's Community Redevelopment Agency (CRA) by Marie L. York, FAICP, of York Solutions LLC. The purpose of the study is to identify the costs for enhanced services provided by the City to the CRA and thereby create the background documentation for an Enhanced Services Agreement between the CRA and the City for payment of those services.

The Hollywood CRA, established in 1979, is regulated by Part III, Chapter 163, Florida Statutes, "The Community Redevelopment Act." This legislation grants local governments authority to plan and implement redevelopment activities. Development in the CRA is guided by the City's Comprehensive Plan (Citywide Master Plan) and Zoning Code, Article 4, Section 4.6.1, as well as the Hollywood Community Redevelopment Plans, which are adopted by the CRA governing board. The CRA Plans state that the mission of the Hollywood CRA is to eliminate slums and blight by:

- stimulating private investment and economic growth,
- upgrading public infrastructure and public spaces,
- mobilizing community stakeholders,
- partnering with the City of Hollywood and other government agencies, and
- providing leadership for CRA Districts.

The CRA Plans also outline the goals and objectives of the CRA.

These governing regulations and plans establish standards for development specific to the CRA districts, which are generally more prescriptive than the regulations that apply to development in the City in areas that are outside the CRA boundaries.

Therefore, although the City provides basic levels of services to all areas including those within the CRA boundaries, the private and public development within the boundaries of the CRA districts generate a demand for enhanced services, that is, additional services that would otherwise not be provided were it not for the CRA generated activities. An example of enhanced services beyond the basic level is that of community policing. Another is the additional staff input required for architectural and engineering services for capital and infrastructure projects funded by the CRA within the CRA districts.

A key component of the Hollywood CRA's ability to encourage and support new development is funding. This is primarily garnered through the capture of the tax increment, known as tax increment financing (TIF), that is generated within each district and the reinvestment of those funds back into the area. The accumulation of the additional increment of tax revenues into the redevelopment trust funds began with the base year for each district, with the initial formation of the CRA districts, which are considered the base year. There are four jurisdictions that contribute their increment of increased taxes beyond the base year: Broward County, the City of Hollywood, the Children Services Council, and the South Broward Hospital District.

There are two districts within the Hollywood CRA area—the Downtown and the Beach. The approximate split of CRA revenues generated and expenditures spent is 80/20—80% allocated to the Beach District and 20% to the Downtown District. Florida law requires that the funds generated and payments of services provided within each district not be commingled. Nor can CRA TIF generated funds be commingled with general revenue funds of the City of Hollywood. However, it is appropriate and legal to transfer CRA funds to the City for the cost of enhanced services that are provided by City departments to the CRA districts.

Methodology

This study included review of plans and documents that relate to the functions of the Hollywood CRA and multiple meetings with and interviews of department staff who provide the enhanced services to the CRA areas.¹ Documents reviewed for this study include:

- Draft Hollywood Beach Community Redevelopment Plan, 2015
- Hollywood Community Redevelopment Plan, 1997
- CRA Five Year Capital Improvement Plan (CIP), September 2, 2015
- Beach District CRA, Powerpoint presentations, June 2015
- Audit report conducted by HCT, certified public accountants, June 3, 2015
- CRA Board Meeting discussion items, September 2, 2015
- Full Cost Allocation Plan, Draft III, June 9, 2015

¹ See Appendix

- Department of Public Works:
 - Proposed Waterway Maintenance Program
 - Hollywood Beach Maintenance and Operations
 - Comparison of Municipal Beach Cleaning
 - Funding Options
 - City of Hollywood—City Parks, ROWs & Urban Forestry Maintenance Program
- Hollywood Fire Rescue FY15 Staffing Study, April 10, 2015
- Hollywood Fire Rescue & Beach Safety Memo, June 8, 2004
- Hollywood Fire Rescue & Beach Safety Memo, September 16, 2015
- City of Hollywood Professional Services Agreements for Architectural Design Services, PW 14-016 (Synalovski, Saltz, Bermello), 2015
- Department of Public Works Inter-office memo, file: PW-16-005, October 6, 2015
- Police Department, FY 16 Projected Cost of Service/Support Provided for the Beach and Downtown CRA (prepared November 7, 2015)
- Police Department, FY15 Estimated Cost of Service/Support Provided for the Beach and Downtown CRA (prepared November 7, 2015)

The documents listed above provide the context and background information regarding the program services overall. The CRA Redevelopment Plan identifies the goals and objectives. The implementation of the plans are fulfilled through the CRA Five Year Capital Improvement Plans (CIP). The Beach CRA's estimated TIF revenue for fiscal year 2016 is projected to be over \$27 million and the 2016 planned capital projects total nearly \$23.7 million. The Downtown CRA capital projects slated for the upcoming fiscal year are valued at approximately \$2.6 million.

Summary of Management and Staff Input

Administration

The City of Hollywood's consulting firm, MGT of America, Inc., conducted a cost allocation plan (CAP) for calculation of central services, including indirect costs for management and administrative services, such as those provided by the City Manager's office, the Department of Financial Services and Human Resources. This CAP is used by the City to charge non-general fund departments for indirect costs that are incurred by some City departments that benefit other City departments. MGT of America, Inc. used a double-step down allocation methodology

to allocate the allowable costs, while recognizing the cross support provided between central service departments.

There are several areas of administration and management services identified in the 2015 CAP that fall into the category of enhanced services provided to and currently being paid for by the CRA.

The CAP² lists the breakout of various administrative and management functions that were assigned to the CRA, totaling \$519,645. The breakout of those expenses is below.

City Clerk	92,910 ³
City Attorney	174,417
Human Resources	36,656
General Accounting & Payroll	11,145
Cash & Recv Management	37,735
Procurement	62,581
Public Works Building Trades	54,411
Public Works Building Maintenance	49,789

Additional Needs/Costs within the Administration Category

It is planned that several significant CRA capital improvement projects will be coming forward within the upcoming fiscal year. Assessment of the current staffing levels for procurement indicates that current staff is working at full capacity and thus, an additional staff person is needed to process the CRA current and incoming projects. An option in addressing this need is to hire an additional procurement staff person whose major purpose will be to process the CRA's requests. The Procurement Services Director estimates that cost would be \$124,388 annually.⁴

² Page 13 of 188, CAP pdf file, June 9, 2015

³ The Clerks' office breakdown of those costs include: \$43,617 for agenda preparation, \$37,252 for general CRA support, \$3,496 for bid openings and \$8,545 for the copy center.

⁴ This includes salary, social security, pension, insurance and other benefits (Email from Joel Wasserman to Yvette Scott-Phillip, December 1, 2015). Current amount being paid to Procurement through the CAP assessment is \$62,581.

Police Department

Community Policing

Chapter 163.360 of the Florida Statutes specifically identifies community policing efforts within CRAs as an enhanced service. Following nationally accepted public safety practices, the Hollywood Police Department provides enhanced police and code enforcement services to the 293 acres of the CRA Beach District and 580 acres of the Downtown District.

Through their community policing efforts, the City of Hollywood officers who patrol the CRA Districts strive to become partners with the business owners and local residents. In addition to standard patrol cars, these officers utilize foot and bicycle patrols, and Polaris ATVs as well as citizen patrols. In the Beach District, the main area of service is the 2 1/2 mile long Broadwalk, which runs along the Atlantic Ocean shoreline. The Broadwalk has over 50 restaurants, 30 shops, 30 small hotels as well as three oceanfront resorts and three oceanfront parks. Live music events are held weekly in the Broadwalk area. The overall \$65 million investment in infrastructure fostered the redevelopment success of the Broadwalk and subsequently has created a significant increase in demand for police services.

According to the Police Department, the redevelopment of these areas has also generated a significant increase in traffic congestion—vehicular, pedestrian and bicycle. Much of the traffic congestion is closely linked to increased visitors and parking constraints as surface parking lots and open spaces have disappeared with site development. Additional public parking garages are planned that will help to alleviate these conditions, but meanwhile drivers circle in search of available parking and subsequently congestion increases. When police officers close off the beach area parking garages because there are no available parking spaces, tensions rise, especially for the local population who live with the congestion on a regular basis.

Other policing issues specific to the Beach CRA District include the enforcement of open container laws, addressing complaints about loud music or parked cars blocking private access points. Additionally, undercover officers circulate through the bars and restaurants to keep tabs on what is occurring.

Code Enforcement⁵

The City of Hollywood has adopted ordinances that greatly affect the Beach CRA. For example, the City's Marine Turtle Lighting ordinance requires special lighting and shielding to protect the adjacent marine turtle nesting areas on the beach. Violations of the lighting regulations require that the CRA and City code enforcement officers issues warnings or write citations, which are turned over the Department's code enforcement section. Code enforcement personnel process the paperwork for hearings before the Court Magistrate, all involving substantial paperwork.⁶

These issues may be perceived by personnel as CRA directives when such activity occurs within the CRA areas, but these are examples of City ordinances and thus time spent on enforcement or development review should not be considered an enhanced service.

Special Events

The largest special event is the July 4th fireworks display and the second largest draw is the Candy Cane Parade, both incurring overtime pay to the police staff. The Department has noted that as the Beach has become more attractive, even formerly less significant holidays such as Memorial Day, Labor Day, and Easter Sunday are also drawing larger crowds, resulting in increased security needs. Crowd sizes have increased as the Hollywood metropolitan area has grown.

The majority of the demands on the police team for such events is considered a basic service, however, there is a component that represents additional demand due to CRA enhancements and investments in public infrastructure that draw more visitors and tourists.

Police Department Section Conclusion

According to the Police Department the increases in people and activities have resulted in increased public safety concerns. The Department has responded with an increased presence and visibility, having assigned six officers to patrol the Broadwalk area, each on duty for ten hour shifts. Allowing for vacation time, court appearances, sick leave and the like, the staffing for

⁵ Code enforcement services have since been designated as a separate independent department. Therefore, costs of code enforcement enhanced services are identified separately later in this report (see Table One), rather than as a component of the Police Department.

⁶The City Attorney's office is also involved, but those costs are addressed in the Cost Allocation Plan (CAP).

the six assigned officers translates into two officers being present each day, seven days a week. On average the annual cost per officer is \$100,000. The vehicle assigned to the officers adds another \$50,000 cost to each assignment.⁷

The report created by the Police Department for this analysis includes the comprehensive costs of administrative and support personnel, officers' salaries and benefits, vehicles and equipment, and overtime pay not currently being reimbursed. It is estimated that the CRA portion of the Police Department budget is 2.6 percent for the Beach district and 1.9 percent for the Downtown.⁸ The bottom line figures for costs in this budget cycle for the Department are \$1,995,551 for the Beach district and \$1,415,310 for the Downtown district. The overtime portion for the Beach district, including social security payments, that is currently not being reimbursed to the Department is \$108,365.

Fire Rescue and Beach Safety

Fire Suppression and Rescue⁹

There are 13 fire stations located throughout the City of Hollywood. The CRA Beach district is home to station #40, located at 707 S. Ocean Drive. The CRA participated in the acquisition and partial construction of this facility. The Department's Station #5 is located in the CRA Downtown district at 1811 N. 21st Avenue. Each station is first responder to calls in its geographic area but units are called to assist in other areas of the City and, at times, adjacent municipalities. The City also has an "automatic aid agreement" with Broward County's Fire Rescue and Emergency Services Department. The County's fire and emergency personnel respond to significant cases within Hollywood when a larger response is needed or when Hollywood's fire fighters or rescue units are already engaged on another call.

Station 40 on the Beach is the last to be called to serve calls outside its boundaries—even the Broward County fire fighters and rescue units are called in before Station 40 is pulled away from its service territory. This is due to Station 40's location and the greater distance needed to travel

⁷ Patrol cars are assigned to individual officers and are not shared.

⁸ This figure includes code enforcement.

⁹ The Fire Department provided costs for promotions within the Fire Marshall's Office in the range of \$26,160 to \$37,689. These costs were not included in this report for it was unclear as to the duties of the Fire Marshall as an enhanced service within the CRA.

to other areas, and the more restricted travel access to other parts of the City due to higher densities and impediments such as bridge openings and delays at railroad crossings. In recent years, however, calls to Station 40 to cover needs in the rest of the City and especially the downtown, have significantly increased, leaving the Beach area particularly vulnerable.

According to the Fire Department's review of surveys, Station 5 in the Downtown is the 23rd busiest station nationwide and the Downtown Rescue Unit 5 is the 11th busiest ambulance, reflecting an extremely high call volume. Review of the Department's data reveals that from 1997 through 2014 the total unit responses throughout the City as a whole have increased by over 47 percent.

As a comparison, the Downtown's Station 5 has had a total unit response increase of over 170% for ambulance rescue and 72 percent for engine responses. The total rescue calls to Station 40 have increased by 79 percent and engine calls by 21 percent. The direct effects are not known, but the arrival of the Homeless Voice, a shelter provided by the COSAC Foundation on Federal Highway, may have contributed to the rise in calls during the period referenced.

The assessment is that the fire rescue operations for the Downtown and Beach CRA Districts are being stretched thin and that an increase of service level is needed.

In initial interviews, the requests from the Fire Department included the full staffing of the second advanced life support (ALS) rescue unit (Rescue 205) located at Station 5 in the Downtown CRA district.¹⁰ However, later data submitted for this report instead suggested that Rescue 205 is obsolete and needs to be replaced, in addition to the personnel and equipment support costs associated with such a unit. The Department believes that doing so will provide needed relief in the Downtown CRA district and very importantly take the pressure off the Beach CRA Station 40 so that they do not have to respond to geographic areas beyond the beach area as often. Purchasing a new rescue unit and staffing it for Station 5 will alleviate the crunch when the EMS units are deployed elsewhere.

¹⁰ The rescue unit already exists (Rescue 205) and thus is listed in the Department's cost records, but the unit is considered obsolete and in need of replacement. Meanwhile the current unit is being used only on an occasional basis due to a lack of personnel and supportive equipment.

The annual personnel and operating costs to fully staff and equip a new rescue unit is nearly \$1.79 million. This includes full time salaries and benefits for 12 new hires, promoting three current firefighters to driver/engineers and promoting six driver/engineers to lieutenants.¹¹ It also includes fire equipment/bunker gear to support the personnel. According to the Fire Department, the price tag for the capital equipment, along with fuel estimates, maintenance, and an annual contribution to the ALS vehicle replacement fund comes to another \$344,883.

Beach Safety Division

According to the Fire Department, since 2001 the Beach CRA District has had a 29 percent increase in beach attendance with a 40 percent increase in the number of beach rescues and emergencies. Lifeguards and other marine safety officers provide basic life support to beach goers. In 2005 the storm winds of Hurricane Wilma destroyed the lifeguard station on the beach and it was never rebuilt. With the increasing demand of additional development the replacement tower is justified, particularly with the recent opening of a popular hotspot, Margaritaville, just 200 yards away from the former tower location. Staffing for a functioning lifeguard station requires six part-time lifeguard positions, two Marine Safety Officers and a Lieutenant. Including salaries, social security, general pension, and insurances for life, health and dental, this totals \$489,282 annually.

Capital equipment associated with staffing the lifeguard station includes the need for three additional all terrain vehicles (ATVs) and one 4x4 pick-up truck. The Beach Safety Lieutenants and Captain will use the 4x4 pick-ups to patrol the beach, carry equipment, and tow the trailers, jet ski and boats. The pick-up and the ATVs also can be used to transport a patient who is on a back-board from the shoreline to a waiting ALS Rescue unit.¹² The approximate capital costs of the new tower and capital equipment are: 4x4 pick-up truck — \$25,000, three ATVs —\$15,000, and lifeguard stand — \$10,000, which totals \$50,000.¹³

¹¹ A lieutenant is required for each shift.

¹² The pick-up truck would patrol the South zone which begins at Arizona Street and runs past the Diplomat.

¹³ Adding personnel costs and the estimated cost for the capital, the additional lifeguard tower is expected to cost \$539,282. However, before the hurricane the personnel positions for the beach tower had been funded. It is unclear if those positions were frozen or eliminated but nonetheless, they should not be considered enhancements for they existed prior to 2005.

Public Works

The Public Works Department provides enhanced services to the CRA in three major areas:

- (1.) Environmental Services, Fleet, Grounds and Beach
- (2.) Engineering and Architectural
- (3.) Facilities and Streets

Environmental Services, Fleet, Grounds and Beach

The operations side of what is broadly referred to as beach maintenance includes the maintenance of the beach itself and the Boardwalk. The CRA's economic development efforts have attracted a greater number of visitors to the beach and have brought employment to the CRA districts, especially in the hospitality industry and entertainment segments. These attractors generate demand for enhanced services in areas such as trash collection, landscaping maintenance and street sweeping. It is logical that a proportional share of expenses be covered by the CRA Districts for these enhanced services.

According to the results of the October 2015 evaluation by the Public Works Department Environmental Services, Fleet, Grounds and Beach group, the Department's operational costs for the Beach CRA is \$998,483 and for the Downtown CRA, \$80,942, for a total of \$1,079,425. As noted on page 6 of this report, \$49,789 of these costs are captured within the CAP.¹⁴

Architecture and Engineering¹⁵

The Architectural and Engineering (A&E) Services group provides professional services for oversight of design and engineering, as well as professional consulting on the development of public structures. These include the oversight of planned parking structures, however, review of repairs for existing garages, should not be considered an enhanced service for those structures were built and paid for by the City, not the CRA.

A&E personnel also coordinate transportation projects with other agencies such as the Florida Department of Transportation (FDOT). Other examples of A&E involvement in projects include:

¹⁴ It is unclear what proportion of these costs reflect enhanced services beyond the base level.

¹⁵ As of April 2016 A&E has been transferred from Public Works Department to Development Services.

the proposed traffic calming efforts and Complete Streets Project along State Route A1A from Sheridan Street to Hollywood Boulevard, burying underground cables and assisting in the implementation of the CRA's Complete Streets program.¹⁶

According to A&E staff, many of the new development projects coming online follow the more complex certification criteria for sustainable design. The rating system for sustainable design, titled Leadership in Energy and Environmental Design (LEED), measures the design, construction and operation of high performance green buildings. According to A&E staff, the review of LEED certified structures requires that staff have a boarder skill set for evaluation and implementation and review time on such projects has increased to approximately 15 percent of project costs. However, adoption of LEED criteria is a national trend that has been adopted by the City. Therefore, additional staff time or training should not be considered an enhanced service just because LEED structures are being constructed within CRA boundaries.

The development proposals within the CRA are governed by the CRA's ordinances and rules, affecting design standards in terms of materials and site furniture. These are specific to the areas and staff knowledge of those is required.

In summary, the skills needed by Public Works personnel to implement the CRA capital improvement projects include the skills of: architectural design, engineering and construction management, inspectors and computer-aided design (CAD) draftspersons. Tasks identified in the interview process that require A&E involvement include:

- design and engineering oversight of new capital projects, including garages and infrastructure
- coordination with FDOT on transportation related projects, including
 - oversight of implementation of Complete Streets program, including traffic calming
 - oversight of the rights-of-way (ROW) issues for underground utilities
- relocation of the beach maintenance equipment.

¹⁶ A&E reported that staff will be overseeing the planned camera installations and power source availability on public and private buildings to support policing efforts via closed-circuit television (CCTV.) This CCTV installation, however, is an initiative of the Police Department and although the CCTV cameras may be placed within the CRA Districts, they should not be considered an enhanced service stemming from CRA activities, but rather a change in police practices and technology.

To evaluate the staffing efforts in the City of Hollywood Public Works Department, supervisory personnel conducted a study in October 2015, using surveys and evaluations. Staff categories were broken down into groups: executive, administrative, professional supervisory and field staff. Then task categories were evaluated: design, project management, administration, overall management, architectural and engineering.

The Public Works departmental review of A&E functions addresses the approximate percentage of time that assigned staff are spending on projects within the CRA districts as a whole, but not necessarily differentiating the percentage of that time spent on enhanced services. The total for the A&E services is \$1,122,148 with \$694,043 supporting the Beach district and \$428,105 for the Downtown district. These numbers reflect 45 percent of the A&E city-wide personnel and operating expenses budget.

Facilities and Streets Division

The streets' rights-of-way and facilities maintenance staff provide operational support for the Beach and Downtown CRA in the amount of \$992,804. The breakdown is \$298,482 for the Beach district and \$624,322 for the Downtown district. Again, the challenge is to ascertain what portion of these expenses can be justified as enhanced services, rather than those that the City would have provided to the area if the CRA boundaries had not been drawn and the subsequent investments from TIF funds had not occurred.

ArtsPark

The ArtsPark at Young Circle is located in a 10-acre circle at US 1 and Hollywood Boulevard in downtown Hollywood. It was dedicated in March 2007 and offers a wide array of visual and performing arts themed educational, recreational, and entertainment activities. According to the City of Hollywood website, ArtsPark at Young Circle, the redevelopment of the park was funded by the City of Hollywood with assistance from Broward County through the Broward County Board of County Commissioners using proceeds from the 2000 Broward County Safe Parks and Land Preservation Bond Issue.¹⁷ The Public Works Department submitted cost data for upkeep of the ArtsPark, but because it was financed by the City and County, without further investigation

¹⁷ <http://www.hollywoodfl.org/index.aspx?nid=65>, 7 December 2015

as to investment, growth, maintenance and programming, these costs do not appear to be pertinent to an enhanced services definition and thus are not included herein.

The Future Path for CRA/City A&E Review and Management

Identifying the appropriate reimbursements for A&E review and services is not straightforward due to the blending of basic and enhanced services. The Public Works Department presented their best estimates of staff time dedicated to projects within the CRA districts, which was agreed upon as a good approach to start documenting their costs.

In order to evaluate the reasonableness of funding of enhanced services for future projects, CRA staff scrutinized current City and CRA capital projects in order to get a sense of the applicable A&E percentages. For instance, the new parking garage construction at Nebraska and Nevada Streets carries a construction cost of \$7 million with an architect's fee of \$670,000, or 9.6 percent, with City staff acting as project managers and administering the contracts. It is estimated that the private sector cost for project management and contract administration would generally be seven to eight percent. Adding the two percentages together equals about 17 percent of construction costs. If construction management fees were to be included, another six to seven percent would be added.

Another example that was reviewed is the new Fire Station No. 45, which was recently planned. The architectural firm's basic design fee is nine percent of construction costs with a premium for the LEED component of \$88,000. The "construction administration" fee for the architect is 23 percent of basic design fee plus two percent of the construction contract costs for the new station. In this case the City is acting as project manager.

Another comparison is the new fire station being built in the City of Hallandale Beach. Its cost is approximately \$7.6 million. It carries an architectural fee of 11.8 percent, or \$900,000 for just architectural design and construction management.

Although these are not exact cost comparisons due to the variables, these examples offer a sense of what is reasonable.

Based upon the review and analysis regarding the enhanced services provision and reimbursement to the City of Hollywood by the Hollywood CRA, there are several options that are available to address the A&E portion of expenditures. Prior to discussion of those options, it is important to identify the underlying assumptions, which are:

- the planning horizon for the Beach District ends in 2027
- the planning horizon for the Downtown District ends in ending 2025¹⁸
- an adopted CRA capital improvement plan will be implemented each year
- the projects have an agreed upon priority ranking for implementation
- the number of projects and associated capital and operational costs for enhanced services will be identified
- the reimbursement calculations will be based upon the annual project cost.

A&E Option One

The City of Hollywood will have on staff a dedicated team within the A&E Division of the Public Works Department whose mission is clearly defined to support and implement the CRA capital improvement plan (CIP). Staff salaries and benefits will be reimbursed by the CRA to the City for the percentage of time that each staff member dedicates to CRA CIP implementation. A tracking or feedback system, perhaps quarterly or annual progress reports, will be established.

The benefit of Option One is that there will be little disturbance in organizational structure. The downside is that the CRA has little control or say over employee response and work effort because the employees do not report to CRA supervisors. To address this, it is suggested that a systematic review process be adopted, perhaps quarterly reviews as mentioned above, whereby CRA assigned personnel in A&E meet with CRA and Public Works supervisors to discuss projects and their priorities. The numbers provided in the text and the cost table of this report are based upon current practices as found in Option One.

A&E Option Two

The Hollywood CRA hires its own consultants who provide the team required for CIP implementation. This is a fairly common practice for CRAs. The advantage is that the best talent can be obtained on an as-needed basis. Carrying costs and overhead are borne by the

¹⁸ These are the expected sunset dates for the CRA Districts

consultants with their costs passed onto the CRA as applicable. That is, when staff is not needed the CRA is not carrying those costs forward.

A&E Option Three

The CRA hires its own personnel who report directly to CRA supervisors/directors to implement the CRA CIP. These staff would be housed in the CRA offices. The advantage is that the CRA has control and oversight of employees who are dedicated to CRA projects. The disadvantage is that the CRA then has to manage those staff directly and provide office space and equipment.

A&E Option Four

The City of Hollywood will have a partial team whose purpose is to support the CRA and implement the CIP. In this scenario the CRA hires a part-time team who will report directly to CRA supervisors. These personnel could be housed in the Public Works Department or in the CRA offices.

The decision for which option to choose is dependent on the need for efficient and cost-effective use of the CRA TIF funds. This in turn is influenced by how and if the current process can be modified to include accountability and feedback measures as well as meeting deadlines identified in the five-year CIP.

Research Summary

Table One: Departmental Summary Costs within CRA Districts (page 19), lists the summary of the expenses that were presented by the various departments regarding their expenditures for services within the CRA Districts, without a clear identification of what should be considered basic versus enhanced services. The estimated total for those services is nearly \$10 million. Departments would be providing basic services to the commercial and residential neighborhoods within the CRA districts' areas, even if the CRA did not exist, thus the challenge is to ascertain an appropriate percentage that should be considered enhanced as a result of CRA activities.

In order to more closely determine the correct portion of these expenses that can be justified as enhanced services, other data sets were evaluated, such as changes in departmental

responsibilities and budgets in the ten year time period when substantial investments by the CRA came on line—2005 to 2015. The data sets show the comparisons for the number of employees, the budget amounts, crime statistics and fire/EMS calls for Station 40 (located in the Beach CRA District). The results are listed in Tables Two through Four (pages 20 and 21).

Police Department

Table Two: City Departmental Budget Comparisons FY 2005/2015 (page 20) shows that the Police Department decreased its number of employees by 7.9 percent and increased the budget by 34.8 percent. Using another criteria to evaluate police expenses, Table Three: Crime Statistics Comparisons FY 2005/2015 (page 21), shows that the total non-violent and violent crimes recorded for the City as a whole decreased by 19.5 percent over the ten-year period. Unfortunately, the Department was unable to provide crime data for the Downtown and Beach CRA Districts for 2005, so those area-specific changes are unknown.

The numbers provide information in that the Downtown crime statistic of 414 represents 7.1 percent of the City's total crime and the Beach CRA with 323 crimes represents 5.5 percent. Although, these crime percentages of CRA Districts relative to the City as a whole provide the proportional share overall, the result does not provide the figure that applies to the portion that is considered enhanced services.

Fire Department

In Table Two: City Departmental Budget Comparisons FY 2005/2015 (page 20) the Fire Department lists a 4.9 percent decrease in the number of employees but a 32.2 percent increase in the budget.

Another evaluation of Fire Department services is seen in Table Four: Fire and EMS Calls FY 2005/2015 (page 21), which lists the number of calls for Station 40, located in the Beach CRA District. Here it is shown that there has been a 23.3 percent increase in activity at Station 40 in the 10 years being compared.

For any department, decreases in employees but increases in budgets can be explained if departmental responsibilities changed, technology replaced labor, labor costs rose, or significant capital investments were made.

Public Works Department

Table Two: City Departmental Budget Comparisons FY 2005/2015 (page 20) reveals that the Department of Public Works has had the most significant decreases in employees, with the exception of A&E, which went from none to 14, the latter accompanied by a \$2.2 million budget. According to the data provided, Facilities and Streets Beach lost in both the employment (38.8 percent) and budget (16.8 percent) categories. Environmental Services Fleet and Grounds lost 61.5 percent of its employees but retained a two percent increase in the budget.¹⁹

As stated on pages 15 through 16, there are several approaches to payment for the services currently being provided by A&E group within the Public Works Department. If Option One is adopted a regular and clearly defined feedback system should be established whereby the CRA and the Department employees are clear about responsibilities, accountabilities and what constitutes success. The goal should be to establish a process that is not overly bureaucratic but one that establishes clear lines of communication.

¹⁹ Some employment shifts can be explained by a transfer of 13 positions from Public Works to Parks and Recreation in 2008. The privatization of 50 positions from Environmental Services in 2010 would reflect a decrease in employees without significant change to the budget. A&E staff were formerly housed in a different department, Design & Construction Management; the large increase in A&E personnel within Public Works reflects this shift.

Table One: Departmental Summary Costs within CRA Districts
Basic and Enhanced Services

	Downtown	Beach	Add'l Proposed Services	Total
Administration (CAP)	103,929	415,716		519,645
Procurement New Hire			124,388	124,388
Police Department w/o Code Enforcement	1,415,310	1,995,551		3,410,861
Police Department Overtime (Deficit)		108,365		108,365
Code Enforcement	71,755	47,902		119,657
Fire Suppression & EMS (New ALS Unit—personnel & operations)			1,791,708	1,791,708
Fire Suppression & EMS (New ALS unit)			290,295	290,295
Fire Suppression & EMS (maintenance, fuel & ALS replacement fund)			54,588	54,588
Fire: Beach Safety		539,282		539,282
Public Works: Env. Srvs., Fleet, Grounds & Beach (less CAP assessment)	80,942	948,694		1,029,636
Public Works: A&E (less CAP assessment)	428,105	639,632		1,067,737
Public Works: Facilities & Streets	624,322	298,482		922,804
Totals	2,724,363	4,993,624	2,260,979	9,978,966

Table Two: City Departmental Budget Comparisons FY 2005/2015

	FY 2005		FY 2015		Percent Change	
	Empl	Budget	Empls	Budget	Empl	Budget
Police Department	533	55,417,088	491	74,725,910	-7.9	34.8
Public Works						
Admin	9	1,070,670	6	1,337,295	-33.3	24.9
Env Svcs, Fleet, Grounds	117	19,664,175	45	20,066,684	-61.5	2
A&E	0		14	2,196,242	NA	NA
Facilities Streets Beach	67	8,545,734	41	7,113,348	-38.8	-16.8
Fire Department inc Beach	264	34,768,030	251	45,959,347	-4.9	32.2

Public Works - 13 positions shifted to Parks/Rec; 2010 - 50 positions shifted to Env. Services privatization.

Table Three: Crime Statistics Comparisons FY 2005/FY 2015
Non-violent and Violent

	FY 2005	FY 2015	Percent Change
City of Hollywood	7271	5847	-19.5 percent
Downtown	no data	414	no data
Beach	no data	323	no data

For 2015, the Downtown crime statistic of 414 represents 7.1 percent of the City's total crime and the Beach CRA with 323 crimes represents 5.5 percent.

Table Four: Fire & EMS Calls FY 2005/2015
Station 40

Beach - Station 40	FY 2005	FY 2015	Percent Change
Fire & EMS	2069	2551	23.3 percent

Conclusion

This report is based upon interviews and research, with most of the cost figures being provided by various departmental staff analysts. Due to the variety of services provided, the departments and even the divisions within, do not have a uniform method for record keeping, so comparisons of data sets across departments and over a ten-year time period are problematic. Analysis is further complicated when departments have been reorganized within the study period, technology changes demand for services or labor costs rise without an accompanying increase in productivity.

Additionally, the Florida Statute governing the reimbursement by a CRA to a City for enhanced services is not very specific on identifying the nexus, or benefit, or how it is to be calculated. Unless the City chooses to establish guidelines for record keeping, the challenge of establishing the linkage of CRA activities to payment for enhanced services will persist. But as evidenced herein, the City and the CRA are working toward a process that is within the limits of the governing statute with the goal of adopting an Enhanced Services Agreement that provides reasonable accommodation and reimbursement for services provided. Meanwhile, for the purposes of identifying enhanced services expenses, more analyses could be conducted, but at this point the concept of diminishing marginal returns comes into play.

It is suggested, therefore, that the quantitative data provided herein regarding the major areas of services and their costs, along with departmental employment, budgets and other relevant statistics, be used to inform administrative and management decision making. Together with the qualitative knowledge of operations, historical trends, changes in responsibilities and duties, an informed decision can be made as to the logical conclusion of what proportion of operational and capital expenses should be covered. This in turn becomes the basis for adoption an Enhanced Services Agreement between the CRA and the City. Table Five, Enhanced Services within CRA Districts by Department (page 23), provides the information and cost data that are reasonable and logical as it applies to the reimbursements by the CRA to the City of Hollywood for services provided.

Table Five: Enhanced Services within CRA Districts by Department

	Downtown	Beach	Total
Administration (CAP)	163,748	685,908	849,656
Police Dept.	283,062	1,446,774	1,729,836
Police Dept. Overtime Spec Events		82,514	82,514
Fire Suppression & EMS (Personnel & operations for new ALS unit)	447,927	447,927	895,854
Fire Suppression & EMS (New ALS unit) (one-time cost)	86,221	86,221	172,442
Fire Dept. Beach Safety (Personnel & operations)		293,569	293,569
Fire Dept. Beach Safety (Lifeguard Tower) (one- time cost)		30,000	30,000
Public Works: Env. Srvs., Fleet, Grounds & Beach	16,188	474,347	490,535
Public Works: Facilities & Streets (less CAP assessment)	60,348	119,393	179,741
Development Services A&E (formerly Public Works: A&E)	89,690	358,760	448,450
Totals	1,147,184	4,025,413	5,172,597

Table Five Components

Administration - Cost Allocation Plan (CAP)

The Administrative category is straightforward—the numbers are provided by an outside firm (MGT of America, Inc.) which makes an annual assessment and yearly allocation based upon their formulae. The caveat is to be aware that the figures provided by the CAP may be duplicated due to the fact that departments do not have a line item breakout in budgeting for

staff time that addresses staff function covered in the CAP. Those precautions have been taken in this analysis.

As it relates to procurement functions, it is recommended that the CRA hire a part-time procurement officer who is housed in the CRA offices and who reports directly to CRA management.

Police Department

There are several qualitative factors that affect the funding for community policing efforts within the CRA Districts. These include but are not limited to:

- allocation of officers' time and efforts as changes in demand requires
- an increase and decrease in crime activity, particularly in the Downtown
- the growth in activities and investment, especially in the Beach area
- the fact that the CRA employs three code enforcement officers and those costs should not be assigned to the Police or Code Enforcement Departments
- the difficulty in assessing increased police responsibility due to increased metropolitan population growth and the regional and city-wide draw of City funded special events on the Beach
- the lack of differentiation of police staff time spent within CRA Districts due to ordinances (such as lighting requirements) that apply to the CRA Districts but are adopted by the City
- the change in police protection, such as shifts in national trends in policing efforts that have been adopted by the City (such as CCTV), but which occurs within CRA Districts.

It is justified that some portion of overtime for special events for the Beach area should be considered an enhanced service, because the CRA tourist attractions draw additional visitors although the events are provided by the City rather than the CRA. Tourist development studies and surveys could be conducted to ascertain those impacts, but are costly and not worthwhile in this case. Thus, a reasoned and conservative estimate is made.

Fire Department (Fire Suppression and Emergency Medical Services)

The services for fire suppression and emergency medical services (EMS) are blended together due to the nature of the coverages provided by the fire engine teams and the EMS teams. Although the funding of the capital equipment and the personnel who operate the equipment can be identified, ascertaining the proportional costs of those functions is more difficult. Adding to the complexity is the fact that fire suppression teams and EMS teams, although strategically located in separate geographic areas, cover calls for each other as the need arises. And, those needs change based upon the number and age of structures within an area, the number of residents, employees and visitors present at any given time. For the Beach and the Downtown areas, those variables are further complicated by the fact that the Beach Station responses to other areas are constricted by greater traffic and congestion constraints due to draw bridges and railway crossings. When the Beach teams are pulled out of the area, it leaves the Beach District particularly vulnerable due to its location.

It is argued that it is logical that partial funding for new capital equipment and operational costs within the Downtown CRA be funded by the Beach CRA trust fund in order to allow the Beach CRA fire suppression and EMS teams to remain at home. That is, not be called out to cover services within the Downtown except for significant incidents whereby teams from around the City and County might also be responding. Beefing up Downtown response services would also allow the Downtown teams to be the first providers for outside calls, that is, before the Beach CRA team is called.

Fire Department (Beach Safety)

Beach safety services have been compromised since Hurricane Wilma's destruction of a lifeguard tower. With the addition of Margaritaville the call for replacement is even more relevant. The Beach CRA funding of the full costs of the tower and the staffing, however, is not justified as those personnel positions existed before the CRA activities came on line. Thus a proportional share is logical, not full costs.

Public Works (Environmental Services Fleet, Grounds & Beach and Facilities & Streets)

The review by the Public Works Department addressed the amount of time that staff spends on their assignments within the CRA Districts. What has not been accounted for, due to the lack of comparative data and record keeping in previous decades, is the proportion that should be considered enhanced services—that amount of staff time and costs provided before CRA activities increased those demands. The funds listed in Table Five are estimates based upon the Department's responsibilities within each District and the changes in demand patterns over time as the CRA has made investments in these areas. The estimates are considered to be on the conservative side.

Development Services (Architecture & Engineering) formerly known as Public Works (Architecture & Engineering)

Of the services and costs analyzed for this study, the Architecture & Engineering (A&E) function is fairly complicated. Review of the percentage of costs charged by private sector architecture and engineering firms provided no clear-cut figures. Their range of eight to 16 percent isn't really helpful for several reasons. One is the project costs vary greatly by complexity. Another is that City staff provides a different level of support, including managing the bureaucratic process within the City, which includes public input and support at public hearings. The possibility of funding A&E on a project basis instead, would likely lead to erratic funding as infrastructure investment ebbs and flows.

Responsibilities are further muddled when management of repairs of City funded or built structures are located within the CRA Districts and the perception is that the CRA economic activity forces the issue of the need for improvement. City staff may perceive that their work is a CRA function and report it as such, when it may not be.

This report identified four options in addressing A&E functions. It is suggested that a blend of Option One (retaining the current process) and Option Two (the CRA hires consultants for certain projects) be adopted. For the Option One portion to work, a feedback mechanism is imperative so that CRA management and City staff are aware of workload and services needed.

This accountability is addressed in the Enhanced Services Agreement that implements the system for funding by the CRA for City services.

Enhanced Services Agreement

The final figure for enhanced services funding that is listed in Table Five: Enhanced Services within CRA Districts by Department, is the basis of the funding amount shown in the Enhanced Services Agreement that implements the payment transfer.

Appendix
Staff Interviews/Participation

Community Redevelopment Agency

Jorge Camejo, CRA Director

Susan Goldberg, CRA Assistant Director

Yvette Scott-Phillip, CRA Budget Manager

City Administration & Management

George Keller, Assistant City Manager for Finance & Administration

Mel Standley, Assistant City Manager for Public Safety

Budget & Financial Services

Mirtha Dziedzic, Assistant Director, Budget & Financial Services

Police Department

Tomas Sanchez, Chief of Police

Albert Cooper, Lieutenant, Police Department

Paul Andrianis, Major, Police Department

Chris O'Brien, Major, Police Department

Robin Sloan, Financial Analyst, Police Department

Public Works Department

Sylvia Glazer, Director, Public Works

Jonathan Vogt, Deputy Director, Public Works

Gregory Gibson, Assistant Director, Public Works

Karen Arndt, Assistant Director, Public Works

Clarissa Ip, P.E., Public Works, Engineering

Terrence Comiskey, A.I.A., Public Works, Architecture

Jitendra Patel, Asst Director of Engineering & Construction Services

Moshe Anuar, Senior Coastal Project Management

Fire Department/Beach Safety

Eric Busenbarrick, Fire Chief

Lisa Blouin, Business Analyst, Fire Department