Recommendation From
Boynton Beach Financial Advisory Committee

Subject /Topic: Take Home Vehicles and Car Allowances

Reviewed By: William Shulman

Recommendation (Specific Action Recommended): Strongly recommend the elimination of Take Home Vehicles and Car Allowances where possible

Pros of Recommendation: Would reduce the City's costs of this perquisite which now totals about $536,527. The private sector does not usually offer this type of perk except possibly for top management. Suggest this perk be strictly limited to only necessary and emergeny type of personnel.

Cons of Recommendation: Must overcome employment agreements, collective bargaining agreements, and Union resistance .Elimination should be a long term goal, but should be started now.

References (Staff, Documents, and Public): Staff analyses. Article in the Sun- Sentinel dated 12/5/2010

Impact on 2011/2012 Budget: Will help reduce costs of City Government significantly.

Impact on Out Year Budgets: Reduction of costs can continue in future years.

Impact on Citizens: Beneficial. Will help reduce any planned increase in the property tax ratable rate. Will not impact on the efficiency of the operations of the City Government.

Impact on Staff: Very little. Typing assistance.

Committee Vote Results: For: ___7_ Against:___0__

Memo

To: Kurt Bressner & Barry Atwood

From: William Shulman

Date: 3/30/2011

Re: Take Home Vehicles and Car Allowance

DISCUSSION

1. The following statistics reflect the numbers and costs of Car Allowances and Take Home Vehicles for fiscal 2011:

	No of cars	Annual Costs	Average Per Employee
Car Allowances	34	$107,940	$3,174.75
Take Home Vehicles	135	428,387	3,174.72
Totals	169	$536,327	$6,349.47

*Assumed average per employee of $3,174.42 similar to Car Allowance

2. The distribution of Take Home vehicles by department is as follows:

Police	104	Employment Agreements	133
Fire	12	Collective Bargaining Agreements	114
Utilities	14	Past Practices	3
Public Works	5	Assignments	19
Total	135	Total	269

3. The basis for the 169 vehicles receiving car allowances and take home vehicles is as follows:

Although it appears that car allowances are somewhat less for Boynton Beach than for other surrounding city employees, nevertheless, in this climate of austerity, such an argument does not make this type of perquisite easier for Boynton Beach taxpayers to accept.

It is true that even if car allowances were cut completely ($107,940) that would not significantly reduce the deficit to that great an extent. But oftentimes, responsible fiscal policies are more about being sensitive to the public's expectations.

It appears that perks like car allowances and take home vehicles are just the kind of extra benefits that are annoying and burdensome to tax payers of Boynton Beach.

With regard to take-home vehicles which total l35 vehicles (of which Police account for 104), when a patrol car is sitting idle for 16 hours each and every day, this represents a huge underutilization of the fleet. (16 hours times104) results in 1664 hours each day of underutilization of patrol cars. Proper utilization would reduce the number of patrol cars in the fleet considerably.

RECOMMENDATIONS

It is exceedingly difficult to reduce car allowances and take-home vehicle costs because most of these situations are tied into an employment agreement or a collective bargaining agreement. However, those situations which are based on past practices or assignments should be discontinued. This will reduce costs by approximately $76,000.

Further, future employment agreements as well as collective bargaining agreements should strive to eliminate car allowances and take-home cars except to very limited and emergency situations.

Boynton Beach should strive to reduce the annual costs of over one-half million dollars ($536,527) for car allowances and take-home vehicles to a more reasonable amount.

The City cannot afford such excessive costs in this time of austerity. It behooves each involved department of the City of Boynton Beach to review their absolute need for Take Home vehicles. In addition, Car Allowances, which in effect represents additional taxable income to the recipient, should be eliminated as conditions warrant.