Recommendation From
Boynton Beach Financial Advisory Committee

Subject/Topic: Voluntary Separation Program (VSP)

Reviewed By: David R. Madigan

Recommendation (Specific Action Recommended): Continuation of the VSP has been presented to the Boynton Beach Commission covering FY 2010/2011. Approval to proceed received and program will have a 60 day open window for Boynton Beach Employees. By the end of 2011, cost savings results are expected to be completed and presented. Based on FY 2010/2011 cost savings results, consideration should go forward for FY 2011/2012.

Pros of Recommendation: A) VSP FY 2009/2010 produced actual cost savings of $488K. Projected estimated cost savings FY 2010/2011 $300K, with a projected cost savings FY 2011/2012 $200K.

B) Depending on the level of the position vacated, an opportunity of department internal advancement exists with further consolidation of the remaining positions occurring.

Cons of Recommendation: A) The longer a VSP is offered the possibility exists that critical positions will become open and require a new hire or a replacement to refill.

B) An additional possibility exists that a static level of VSP outs could be offset by replacement in thus not producing significant cost savings. (See impact on City Staff).

References (Staff, Documents, and Public): City Staff suggested areas of study for FAC in memo dated 8/20/2010.

Impact on 2011/12 Budget: Projected estimate $200K.

Impact on Out Year Budgets: Projected estimate $100K + -

Impact on Citizens: A) The possibility of overall service level being impacted by a reduced workforce.

B) While the VSP is not an employee layoff or furlough, it may be perceived to be so by the public who were closely split approximately 50/50 in the recent FAC Citizens Survey covering employee layoffs or furlough to maintain current tax rate.

Impact on City Staff: A) Providing acceptable levels of service to citizens of Boynton Beach._____

B) A "point of no return" in the total overall Boynton Beach employee contingent will present itself in the not too far future, and to prepare for that, it's recommended that absolute minimum workforce contingent numbers, job descriptions/responsibilities, etc. be developed throughout all Boynton Beach Departments.

Committee Vote Result: For: __7__ **Against**: __0__