

# **Palm Beach County League of Cities General Membership Meeting**

## ***“Earning More, Spending Less”***

*Presentations by*

### ***City of Delray Beach***

**Douglas E. Smith, Assistant City Manager**

**Milena Walinski, CGFO, Assistant Finance Director**

**Richard J. Reade, Sustainability Officer/Public Information Officer**



*January 18, 2012*



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## ***“On-Line Auctions for Surplus Equipment”***

*Presented by*  
**Douglas E. Smith, Assistant City Manager**  
**City of Delray Beach**  
*January 18, 2012*



# Old Auction System

- In the past, the City sold some surplus vehicles/equipment through local auction system
- Labor intensive process for staff in transporting vehicles to auction
- Limited to selling items when auctions were held
- May 2007 auction sales: \$10,225
- December 2008 auction sales: \$14,399

# New On-Line Auction System

- In 2008, the City moved to an on-line service for surplus equipment sales – GovDeals
- Use to sell surplus items such as vehicles, equipment, parts, surplus Fire Department ladders, etc.
- Open bid format
- Set opening bid price/bid increments and reserve price
- Control start/end times for bidding
- Determine when we allow prospective buyers to inspect items, and the terms under which buyers will pay for and pick up items

# Old System vs. New System

## Examples:

- Old system – Sold 2000 Chevy S-10 pickup for \$1,789
- New system - Sold 1998 Chevy S-10 pickup for \$2,667
- Old System – Sold 1997 Chevy Cavalier for \$501
- New-System – Sold 1995 Chevy Cavalier for \$1,021

# Summary of Sales Activity/Fees

The background of the slide is a photograph of the Delray Beach City Hall. The building is a two-story structure with a light-colored facade and a tiled roof. The words "DELRAY BEACH" and "CITY HALL" are visible on the building's facade. In front of the building, there are several flagpoles. One pole in the center holds a large American flag. To the left, another pole holds a flag with a yellow sun and blue and white stripes. To the right, a third pole holds a Florida state flag. The scene is set against a clear blue sky with some light clouds. There are palm trees and other greenery in the foreground and around the building.

## Sales Summary

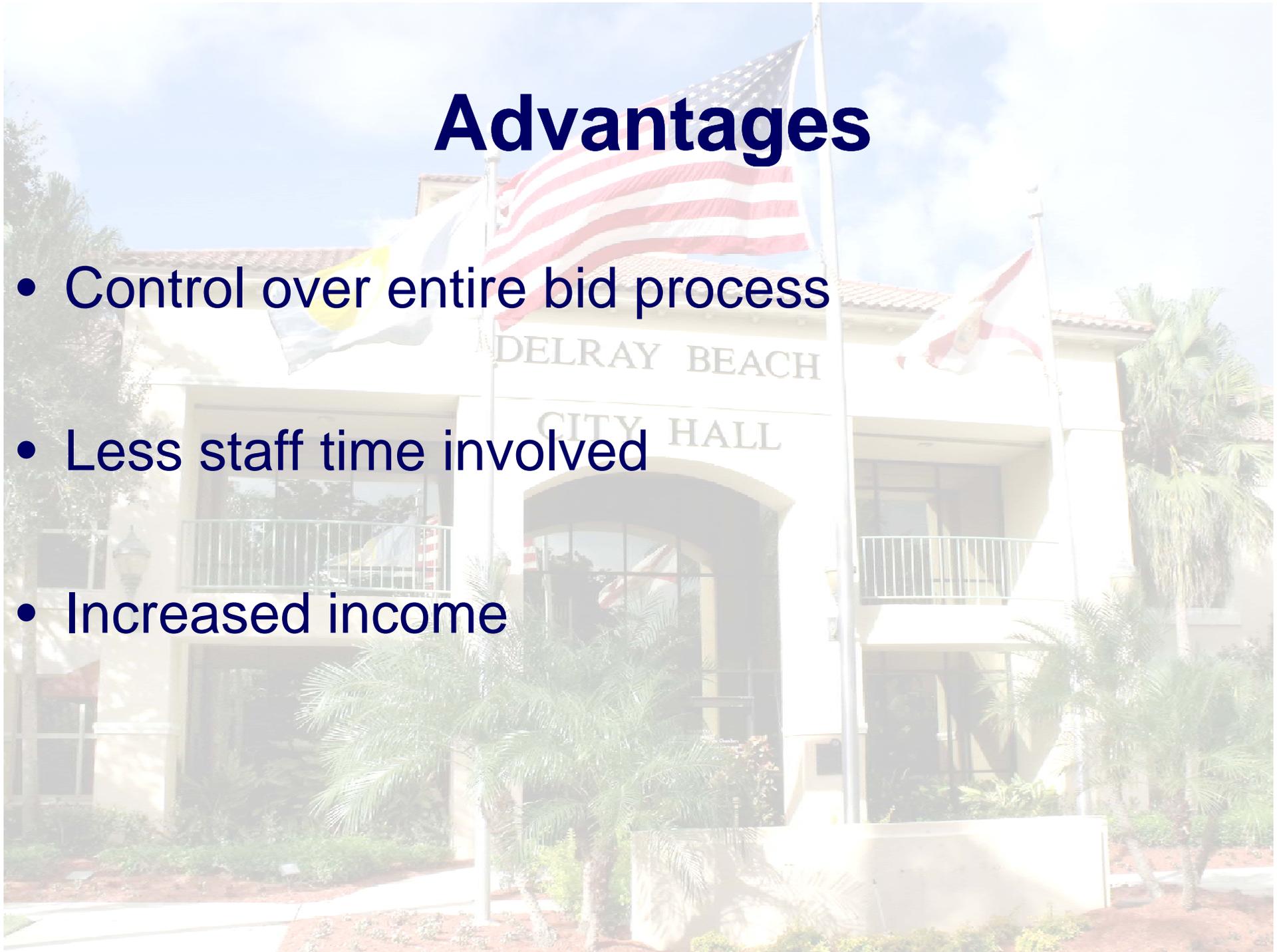
- FY 2009 sales - over \$107,000
- FY 2010 sales - over \$147,000
- FY 2011 sales - over \$190,00

## Fees

- Fees paid to GovDeals - 7.5% of winning bid price paid to GovDeals (\$5 minimum per item)

# Advantages

- Control over entire bid process
- Less staff time involved
- Increased income



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## ***“E-Payment Process”***

*Presented by*

**Milena Walinski, CGFO, Assistant Finance Director**

**City of Delray Beach**

*January 18, 2012*



# E-Payment Process

E-Payment is a process in which the City has partnered with Commerce Bank to pay vendors electronically through the Visa network. There was no cost for the program or software to host.

This program is voluntary and offered to vendors that already accept the Visa credit card. When vendors receive payment through the E-Payment process, the City receives a share of the revenue from the transaction.

This is an additional revenue stream for the City.

# Program Specifics

- ***160 plus enrolled vendors***
- ***\$83,111 in revenue sharing – fiscal year ended September 30, 2011***
- ***\$81,588 in revenue sharing – calendar year ended December 31, 2011***
- ***10% decrease in the number of checks issued***
- ***140 average number of E-Payments per month***
- ***\$609,926 average monthly spend for 2011 (calendar year)***

# How Revenue Share Works

## Revenue Share Calendar Year Schedule

City of Delray Beach  
Commerce Bank - Revenue Share 2011

Month	Program Name	Total Volume	LT Volume	LVL III Volume	Net Volume	Average Ticket	Basis Points*	Revenue Share	LT Revenue Share	LVL III Revenue Share	Total Revenue Share
January	City of Delray Beach	526344.85	4940.32	57868.44	463536.09	5012.81	115	5330.67	14.82	173.61	5519.10
February	City of Delray Beach AP	458885.69	0	20799.72	438085.97	4329.11	115	5037.99	0	62.40	5100.39
March	City of Delray Beach AP	734403.07	0	23812.82	710590.25	4590.02	115	8171.79	0	71.44	8243.23
April	City of Delray Beach AP	669875.41	0	24281.37	645594.04	5036.66	115	7424.33	0	72.84	7497.17
May	City of Delray Beach AP	938760.46	0	27238.88	911521.58	5273.94	122	11120.56	0	81.72	11202.28
June	City of Delray Beach AP	345892.95	8355.25	22948.53	314589.17	2337.11	105	3303.19	25.07	68.85	3397.11
July	City of Delray Beach AP	503907.88	0	46300.62	457607.26	4064.22	115	5262.48	0	138.90	5401.38
August	City of Delray Beach AP	983459.50	9524.04	21833.49	952101.97	6077.53	122	11615.64	28.57	65.50	11709.71
September	City of Delray Beach AP	284612.79	0	45194.64	239418.15	1626.36	105	2513.89	0	135.58	2649.47
October	City of Delray Beach AP	589547.63	0	33311.61	556236.02	4500.98	115	6396.71	0	99.93	6496.64
November	City of Delray Beach AP	733833.67	6707.24	18845.25	708281.18	4124.37	115	8145.23	20.12	56.54	8221.89
December	City of Delray Beach AP	549592.99	0	20054.50	529538.49	3392.55	115	6089.69	0	60.16	6149.85
AP Totals		<b>\$7,319,116.89</b>	<b>\$29,526.85</b>	<b>\$362,489.87</b>	<b>\$6,927,100.17</b>			<b>\$80,412.17</b>	<b>\$88.58</b>	<b>\$1,087.47</b>	<b>\$81,588.22</b>

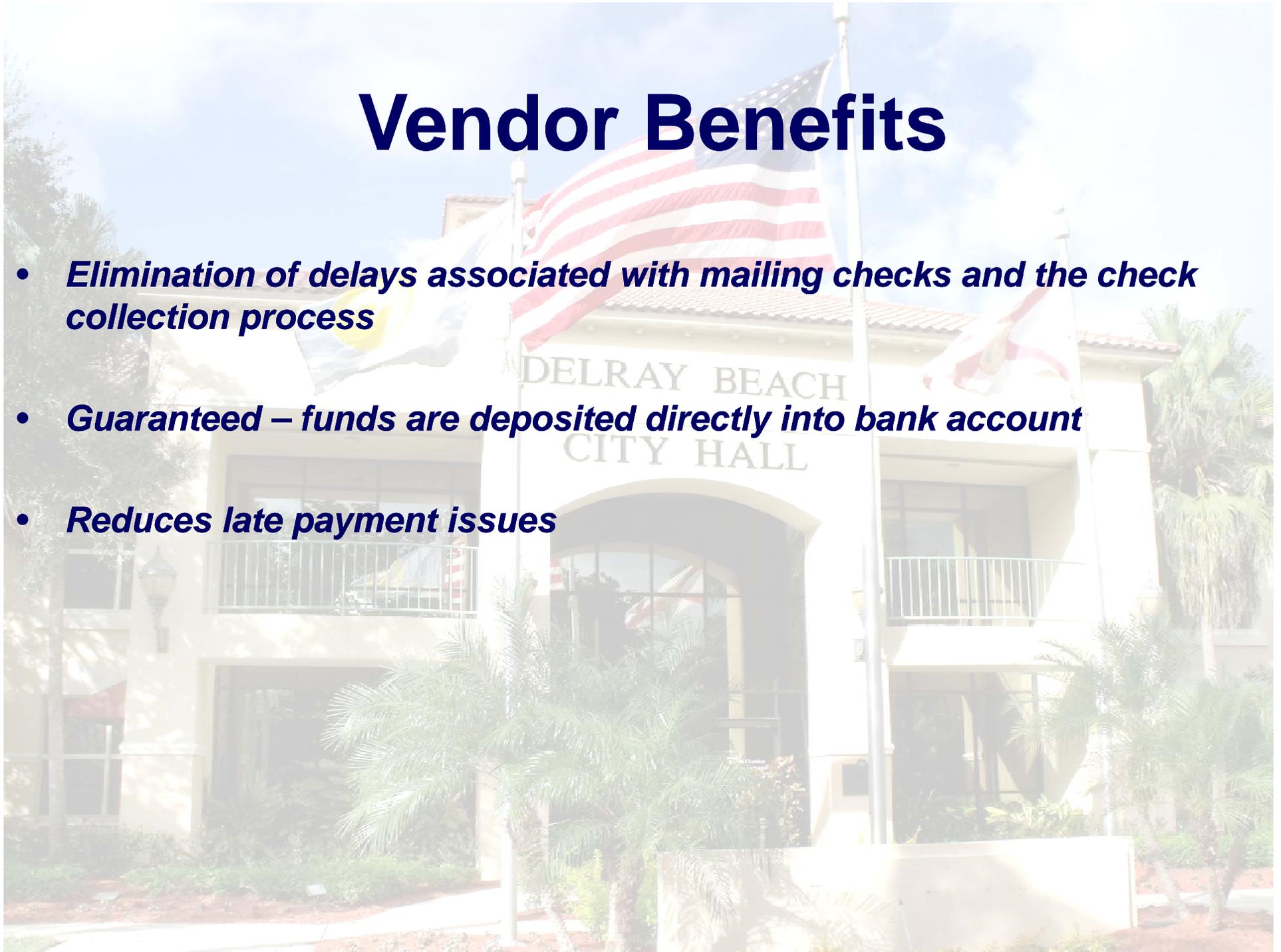
\* All large ticket and level III volume earns at 30 bps.

# City Benefits

- *Monthly revenue share based on dollar amount of transactions*
- *Accounts payable software did not need to be modified, although an interface was needed between bank and City*
- *No additional staff needed*
- *Reduction in paper checks that need to be processed and mailed*
- *Commitment to an environmentally friendly process*

# Vendor Benefits

- ***Elimination of delays associated with mailing checks and the check collection process***
- ***Guaranteed – funds are deposited directly into bank account***
- ***Reduces late payment issues***



# Lessons Learned

- ***Don't rely solely on the bank to solicit vendors (i.e., phone companies, utilities)***
- ***Staff involvement is crucial. If a vendor's invoice has a credit card logo, the vendor receives information about the program. Although the bank has a minimum threshold for contacting vendors, the City does not.***

