

June 16, 2009

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Public Works Director
And
Mr. Tim Pinter
Project Manager
City of Marco Island
50 Bald Eagle Drive
Marco Island, FL 34145

Summary Letter Report for Water and Wastewater Utility Benchmarking Study

Dear Mr. Joel:

Black & Veatch Corporation (“B&V”) is pleased to present this summary letter report for benchmarking services relative to the City of Marco Island’s (the “City”) water and wastewater utility. It has been a pleasure working with you on this study. Should you have any questions or comments please do not hesitate in contacting us.

Very Truly Yours,

BLACK & VEATCH CORPORATION

Executive Summary of Water and Wastewater Utility Benchmarking Study

Black & Veatch Corporation has completed water and wastewater benchmarking services relative to the City of Marco Island's water and wastewater utility. This Executive Summary provides an overview of the results detailed in this Summary Letter Report for Water and Wastewater Utility Benchmarking Study.

The figure below provides a summary of key findings from the Benchmarking Study. A summary of the data presented is also provided below.

City	ERUs Served / Utility Staff	Water Produced (MG) / Utility Staff	Budget Exp. (\$) / Utility Staff	# of DW Plants	# of WW Plants
Marco Island	802	43.6	\$277,445	3	2
Cape Coral	472	15.5	248,594	1	2
Coral Springs	960	69.8	376,002	1	2
Daytona Beach	1,582	30.7	246,141	1	2
Fort Myers	448	17.0	289,176	1	2
Naples	694	59.6	255,488	1	1
New Smyrna	757	26.9	236,296	1	1
North Miami	943	48.9	659,999	1	0
North Port	581	20.5	352,066	1	1
Key West	412	N/A	313,839	0	1
Sanibel	437	N/A	418,700	0	2

Miniumm	412	15.5	\$	236,296
Maximum	1,582	69.8		659,999
Average	735	36.9		333,977
Marco Island	802	43.6	\$	277,445

ERUs Served/Utility Staff – For both the City of Marco Island and the other sample utility systems, the ratio of water and sewer Equivalent Residential Units (ERUs) served to utility system staff members was completed. This metric is an indication of staff efficiency. Marco Island Utilities serves 802 ERUs per staff member while the average sample utility serves 735 ERUs per staff member.

Water Produced (MG)/Utility Staff – This metric consists of water production (in million gallons) per utility staff member and is an indication of operating efficiency. Marco Island Utilities produces 43.6 million gallons of water per utility staff member, above the average of the sample utilities (36.9 million gallons).

Budget Exp. (\$)/Utility Staff – This metric consists of each utilities' budgeted expenses per utility staff and provides indication of financial efficiency. Marco Island Utilities budget is \$277,445 per utility staff member. The average budget per utility staff member is \$333,977. Of the eleven utilities samples (including Marco Island Utility) Marco Island Utility ranks seventh in this comparison, this is below average, but within a reasonable range of the sample utilities.

of Water Plants – This information consists of the number of water treatment plants operated by each utility. Marco Island Utilities operates three water treatment plants, more than any of the sample utilities.

of Wastewater Plants - This information consists of the number of wastewater treatment plants operated by each utility. Marco Island Utilities operates two wastewater treatment plants.

Based on comparisons as summarized herein and further detailed in this “Summary Letter Report for Water and Wastewater Utility Benchmarking Study”, the City of Marco Island Utility department staff levels are consistent with staff levels of other similar Florida utilities. Marco Island Utilities also ranks consistently, or better than, sample utilities in water production and budgeted expenses per staff member, further indicating that the City utility department operations are consistent with other similar Florida utilities.

Background

The City of Marco Island (the "City") currently operates a water, wastewater and reuse utility in Collier County, Florida. The City utility will have approximately 27,660 water ERUs and approximately 27,660 wastewater ERUs after the island is totally sewered in 2012. The City is in the process of converting existing wastewater septic systems to wastewater service and it is expected that all customers will eventually receive both water and wastewater service from the City. The water system produces an annual average of approximately 8.2 MGD of treated water while the wastewater system processes an annual average of approximately 1.9 MGD of wastewater (2008 data). The City has a water and wastewater staff totaling sixty nine employees between five major departments; Operations, Maintenance, Collection and Distribution, Engineering, and Customer Service.

The primary goal of this engagement is to compare staffing levels of similar sized Florida utilities' to those of the City. In this benchmarking study, data was collected from utility web sites, discussions with sample utilities, and B&V's experience with utilities in Florida.

The benchmarking study is a high level comparison of specific key indicators from identified sample utilities. In B&V's original scope of work, it was anticipated that the City of Bonita Springs would be included as a sample utility. However, data for Bonita Springs was not available. The City of North Miami is included as a sample utility in order to replace Bonita Springs. In addition to the City, below is a list of sample utilities included in the analysis:

- ◆ Cape Coral
- ◆ Coral Springs
- ◆ Daytona Beach
- ◆ Fort Myers
- ◆ Key West
- ◆ Naples
- ◆ New Smyrna Beach
- ◆ North Miami
- ◆ North Port
- ◆ Sanibel

The following data was collected from each utility and used as the basis for the study:

- ◆ Budgeted/anticipated staff levels for fiscal year end 2008-09 for each utility department
- ◆ Water produced during fiscal year 2007-08
- ◆ Wastewater treated during fiscal year 2007-08
- ◆ Total utility customers by meter size (both water and wastewater) for fiscal year 2007-08
- ◆ Where available, descriptions of each utility department including function and responsibilities
- ◆ Fiscal year 2008-09 budgeted expenses for the water and wastewater utilities.

The development and use of Equivalent Residential Units (ERUs) is a critical component used in this study. The discussion below provides background into the development of ERUs for each sample utility.

Based on the number of accounts by meter size, as provided by each sample utility, the Equivalent Factors in the table below were applied as a multiple in order to determine ERUs. The factors are published by the American Water Works Association and their use in determining "Equivalents" is standard industry practice.

Meter Size	Equivalent Factor
5/8"	1.0
3/4"	1.0
1"	2.5
1.5"	5.0
2"	8.0
3"	15.0
4"	25.0
6"	50.0
8"	80.0
10"	115.0
12"	215.0

There are several adjustments that were required in order to prepare a like comparison using ERUs. These adjustments include the following:

- Approximately 85% of the City of Cape Coral's customers are listed as 1-inch meter. Given the number of customers using a 1-inch meter it is appropriate to assume the residential base is supplied through 1-inch meters. As such, an Equivalent Factor of 1.0 is used for Cape Coral's 1-inch meters.
- Several sample utilities did not provide usable meter counts for sewer (Naples, Ft. Myers, Coral Springs, New Smyrna, North Port). In these cases, the ratio of known water to sewer accounts is applied to the provided water meter count in order to estimate the sewer meter count.
- In order to consider the City of Marco Island's ongoing sewer replacement program and estimated the number of sewer meters after completion of the program, the number of sewer meters was assumed to be the same as the provided water meter count.

Project Approach

Data gathered from the sample utilities is used to prepare the benchmarking indicators discussed below. A summary of the tasks completed in the development of the analysis is also summarized below:

Task 1 – Assign Utility Staff to the Most Appropriate City Utility Department

While utilities perform similar functions, organizational structure varies by system. In order to prepare a “like comparison” it is necessary to evaluate each of the sample utilities in terms of the City’s utility organizational structure. As such, staff titles and descriptions of staff from each sample utility were reviewed and assigned to the most appropriate of the City’s five utility departments, Operations, Maintenance, Collection and Distribution, Engineering, and Customer Service.

Task 2 – Develop Ratio of ERUs to Utility Staff by Department

This task consisted of developing a matrix summarizing the ratios of the combined total number of Equivalent Residential Units (ERUs) served by both the water and wastewater, for each sample utility, and the assigned department staff levels from Task 1 above. The matrix results provide a comparison of accounts per staff level for the City and each sample utility. This matrix and summary discussion is provided as **Figure 1**.

Task 3 – Develop Ratio of Water Treated to Total Utility Staff

Ratios of water treated (as opposed to total capacity) to total utility staff are developed in this task. Where fiscal year 2007-08 water production data was available, it is used as the basis for this indicator. In some cases fiscal year 2007-08 data was not available and fiscal year 2006-07 data was used. The results of this comparison are provided in **Figure 9**.

Task 4 – Develop Ratio of Fiscal Year 2008-09 Expenses to Utility Staff

This indicator was developed using data from the fiscal year 2008-09 budgets for each sample utility. For the purpose of this analysis, utility operating expenses, annual debt service, fund transfers, and other expenses are used. The analysis excludes annual capital outlays. This benchmark provides a comparison of expenses per staff member for each sample utility. The results of this analysis are provided in **Figure 9**.

Summary of Sample Utilities

The following is a summary of the City and each of the ten sample utilities including a brief description of their organizational structure and data collected.

City of Marco Island: The City serves its residents with water and wastewater services through the Marco Island Utilities, a division within the City's Public Works Department. Marco Island Utilities is responsible for the operation and maintenance of the City's three water treatment facilities and two wastewater treatment facilities as well as distribution, collections and customer service. Marco Island Utilities staff members serve in one of five utility departments; Operations, Maintenance, Collection and Distribution, Engineering, and Customer Service.

<u>City of Marco Island</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	69
Water ERUs	2008	27,660
Wastewater ERUs	2008	27,660
Water Produced (MGD)	2008	8.2
Wastewater Treated (MGD)	2008	1.9
Budgeted Expenses	2009	\$19,143,694
# of Water Treatment Plants		3
Water Plant Combined Capacity (MGD)		16.6
# of Wastewater Treatment Plants		2
Wastewater Plant Combined Capacity (MGD)		5.0

Note: 2008 wastewater accounts are set equal to the number of water accounts in order to consider the City's ongoing septic replacement program which will bring all customers onto City wastewater service.

City of Cape Coral: The City of Cape Coral serves its residents with water and wastewater services through the Utilities Division. The division is responsible for the operation and maintenance of the utility. The Utilities division is a subordinate under the Public Works Department which is operated by the City Manager and Public Works Director. Utility staff members serve in one of three utility departments; Collection/Distribution, Water Production, or Water Reclamation.

<u>City of Cape Coral</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	231
Water ERUs	2008	55,692
Wastewater ERUs	2008	53,344
Water Produced (MGD)	2008	9.8
Wastewater Treated (MGD)	2008	12.4
Budgeted Expenses	2009	\$57,450,054
# of Water Treatment Plants		1
Water Plant Combined Capacity (MGD)		15.0
# of Wastewater Treatment Plants		2
Wastewater Plant Combined Capacity (MGD)		15.1

City of Coral Springs: Coral Springs operates both a water system and a wastewater system. The Utilities division is organized into five departments; Administration, Wastewater Collection, Water Distribution, Water Treatment, and Wastewater Treatment departments.

<u>City of Coral Springs</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	35.5
Water ERUs	2008	18,937
Wastewater ERUs	2008	15,150
Water Produced (MGD)	2008	6.8
Wastewater Treated (MGD)	2008	7.6
Budgeted Expenses	2009	\$13,348,073
# of Water Treatment Plants		1
Water Plant Combined Capacity (MGD)		16.0
# of Wastewater Treatment Plants		0

Note: The City of Coral Springs wastewater is treated by Broward County. The City does not operate a wastewater treatment plant. In addition, the City's customer data indicated a significant number of 1-inch meters. These meters are assumed to be residential, thus an ERU factor of 1.0 is used on these meter sizes for the City of Coral Springs.

City of Daytona Beach: The City of Daytona Beach water and wastewater systems are operated within the Utilities Department with the oversight from the City Manager's office. The utilities department is organized into the following sub-categories; Administrative, Treatment Operations, Field Operations, Engineering, and Regulatory Compliance divisions.

<u>City of Daytona Beach</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	151
Water ERUs	2008	44,477
Wastewater ERUs	2008	35,582
Water Produced (MGD)	2008	12.7
Wastewater Treated (MGD)	2008	11.6
Budgeted Expenses	2009	\$37,167,221
# of Water Treatment Plants		1
Water Plant Combined Capacity (MGD)		24.0
# of Wastewater Treatment Plants		2
Wastewater Plant Combined Capacity (MGD)		28.0

City of Fort Myers: The City of Fort Myers operates both a water and wastewater system. In addition to the City of Fort Myers' service area, they provide wastewater treatment services to a

portion of Lee County customers. These customers are included in the analysis. The utility division is organized into the following departments; Engineering, Administration, Water Treatment, Water Distribution, Wastewater Plant, Wastewater Lift Stations, Wastewater Maintenance, Customer Service, and Accounting departments.

<u>City of Fort Myers</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	161.5
Water ERUs	2008	37,909
Wastewater ERUs	2008	34,444
Water Produced (MGD)	2007	7.5
Wastewater Treated (MGD)	2007	14.6
Budgeted Expenses	2009	\$46,701,900
# of Water Treatment Plants		1
Water Plant Combined Capacity (MGD)		12.0
# of Wastewater Treatment Plants		2
Wastewater Plant Combined Capacity (MGD)		23.0

City of Naples: The City of Naples water and wastewater systems are supervised by the City Manager and the Utilities Director. The department is organized into the following sub-departments; Administration, Water Production, Water Distribution, Wastewater Treatment, Wastewater Collection, and Utilities Maintenance.

<u>City of Naples</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	97
Water ERUs	2008	45,205
Wastewater ERUs	2008	22,073
Water Produced (MGD)	2008	15.8
Wastewater Treated (MGD)	2008	7.4
Budgeted Expenses	2009	\$24,784,897
# of Water Treatment Plants		1
Water Plant Combined Capacity (MGD)		30.0
# of Wastewater Treatment Plants		1
Wastewater Plant Combined Capacity (MGD)		10.0

City of New Smyrna Beach: The Utilities Commission, City of New Smyrna Beach provides water, wastewater, and electric utility service to the greater New Smyrna Beach area. The water and wastewater systems are divided into Water Production, Water Distribution, Wastewater

Collection, Wastewater, Engineering, Accounting, Billings & Collections, and Materials Management departments.

<u>City of New Smyrna Beach</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	67
Water ERUs	2008	28,145
Wastewater ERUs	2008	22,594
Water Produced (MGD)	2007	4.9
Wastewater Treated (MGD)	2007	3.1
Budgeted Expenses	2009	\$15,831,849
# of Water Treatment Plants		1
Water Plant Combined Capacity (MGD)		10.4
# of Wastewater Treatment Plants		1
Wastewater Plant Combined Capacity (MGD)		7.0

City of North Miami: The City of North Miami provides water and wastewater services to its customers through the Utilities Department which is a branch of the Public Works Department. The City of North Miami supplies approximately sixty percent of the water demand while the remaining forty percent is purchased from the Miami-Dade County Water & Sewer Department. Sub-categories of the Utility's departments include Administration, Wastewater Collection, Maintenance, Water Distribution, and Water Plant.

<u>City of North Miami</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	65
Water ERUs	2008	37,931
Wastewater ERUs	2008	23,383
Water Produced (MGD)	2008	8.7
Wastewater Treated (MGD)	2008	N/A
Budgeted Expenses	2009	\$42,899,924
# of Water Treatment Plants		1
Water Plant Combined Capacity (MGD)		9.3
# of Wastewater Treatment Plants		0
Wastewater Plant Combined Capacity (MGD)		0.0

Note: Miami-Dade Water and Sewer Department provides approximately 40% of the City of North Miami's water supply and treats all wastewater.

City of North Port: The City of North Port Utilities Department operates water and wastewater facilities that provide service to the City of North Port. They also purchase some of their water

supply from the Peace River Manasota Regional Water Supply Authority. The Water Treatment Plant Operations division is responsible for the supply, treatment, and storage of potable water to provide the water customers with a safe and reliable supply of water. Wastewater Plant Operations Division is responsible for the collection and treatment of wastewater in addition to the maintenance of the system.

<u>City of North Port</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	55
Water ERUs	2008	18,750
Wastewater ERUs	2008	13,190
Water Produced (MGD)	2008	3.1
Wastewater Treated (MGD)	2008	1.9
Budgeted Expenses	2009	\$19,363,603
# of Water Treatment Plants		1
Water Plant Combined Capacity (MGD)		3.0
# of Wastewater Treatment Plants		1
Wastewater Plant Combined Capacity (MGD)		3.7

City of Key West: The City of Key West provides wastewater services to its residents through a contractual arrangement with Operations Management International, Inc. (OMI). OMI has operated the system since 1989. Data compiled for the City of Key West comes from discussions with both OMI and the City of Key West and includes OMI staff. Water service for the City of Key West is provided by the Florida Keys Aqueduct Authority and is not included in this analysis.

<u>City of Key West</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	30
Metered Water Accounts	2008	N/A
Metered Wastewater Accounts	2008	12,365
Water Produced (MGD)	2008	N/A
Wastewater Treated (MGD)	2008	4.8
Budgeted Expenses	2009	\$9,415,167
# of Wastewater Treatment Plants		1
Wastewater Plant Combined Capacity (MGD)		10.0

Note: Water service is provided by the Florida Keys Aqueduct Authority.

City of Sanibel: The City of Sanibel operates a wastewater utility as a division of the Public Works Department. The wastewater system consists of Utility Operations and Utility Maintenance sections. Water service is provided to the City of Sanibel's residents by the non-profit, member-owned water utility, The Island Water Association, Inc. and is not included in this analysis.

<u>City of Sanibel</u>	<u>Fiscal Year</u>	<u>Data</u>
Full-Time Equivalent Positions	2009	20
Metered Water Accounts	2008	N/A
Metered Wastewater Accounts	2008	8,517
Water Produced (MGD)	2008	N/A
Wastewater Treated (MGD)	2008	1.4
Budgeted Expenses	2009	\$8,164,646
# of Wastewater Treatment Plants		2
Wastewater Plant Combined Capacity (MGD)		2.5

Note: Water service is provided by The Island Water Association

Analysis of Results and Discussion

Benchmark indicators are developed for the City and each sample utility using the data summarized above. The indicators are intended to provide a high-level comparison of staffing levels of each City utility department with staff levels from other similar utilities. The comparisons below include ERUs per department staff, water production per total staff and

budgeted expenses per total staff. In addition to these ratios, the 75th and 25th percentiles of each comparison, as well as the City's placement on a percentile basis, are also provided.

Figure 1 below summarizes the results of Task 2, which develops ratios of ERUs served to utility department level staff by City. Equivalent Residential Units are calculated using customer data by meter size, as provided by each sample utility, and meter equivalent factors published by the American Water Works Association. For each of the City's five utility departments, the ratios are determined as the total number of ERUs (both water and wastewater) and the number of department level staff. The total number of utility ERUs (both water and wastewater) and total utility staff are also included in **Figure 1** as an overall indicator.

Figure 1
Ratio of ERUs per Department Staff

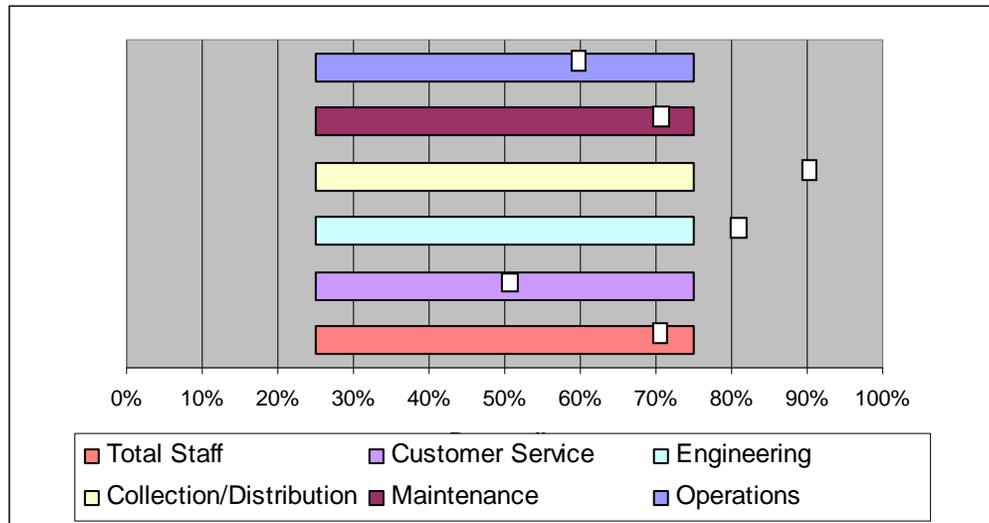
City	Operations	Maintenance	Collection/Dist.	Engineering	Cust. Service	Total
Marco Island	1,962	4,939	2,881	17,287	7,683	802
Cape Coral	1,277	2,706	1,411	14,735	5,267	472
Coral Springs	2,841	11,362	2,130	17,043	13,635	960
Daytona Beach	1,582	1,582	1,582	1,582	1,582	1,582
Fort Myers	1,020	3,455	1,844	6,930	3,629	448
Naples	1,873	3,976	1,729	20,701	33,639	694
New Smyrna	2,114	4,613	2,114	25,369	8,456	757
North Miami	4,380	5,574	2,044	15,328	10,219	943
North Port	2,009	7,259	1,233	13,308	4,991	581
Key West	1,374	2,061	1,124	6,183	6,183	412
Sanibel	1,217	1,217	4,259	3,407	8,517	437
Miniumm	1,020	1,217	1,124	1,582	1,582	412
Maximum	4,380	11,362	4,259	25,369	33,639	1,582
Average	1,968	4,431	2,032	12,898	9,436	735
Marco Island	1,962	4,939	2,881	17,287	7,683	802

Note: "Total" represents ERUs serviced per total utility department staff

Figure 2 presents a percentile summary of the ratios of water and wastewater ERUs served to department staff. In Collection/Distribution the City falls at the 90th percentile of utilities sampled. Similarly, the City is operating at the 80th percentile in engineering related activities. However, this indicates the City is likely operating at an above normal level of efficiency in these areas, serving more ERUs per staff member. On a total basis (ratio of ERUs to total utility staff

members) the City is operating slightly above the average of the utilities sampled. This is an indication that the City is operating at a standard level of efficiency.

Figure 2
Ratio of ERUs per Department Staff – Percentile Basis



*Squares represent the City's percentile ranking.

Figures 3 through 8 illustrate a detailed breakdown of each utility department's benchmark indicator ratio and how the City ranks in comparison to the sample utilities. It should be noted that ERUs served per Engineering Staff member differ widely among the sample utilities because many of the sampled utilities hire outside engineering consultants while others have full-time engineers on staff. Similarly, Customer Service varies widely by sample utility as some customer service staff members are located outside the utilities department and some sample utilities use contract billing operations. The sample utility summaries in Section 3 (Summary of Sample Utilities) include the number and capacity of each systems water and wastewater treatment facilities. While the analysis focuses on number of ERUs served, it is expected that systems with more treatment facilities would require additional staff to operate the multiple facilities.

While on a departmental level the ratios of the City's staffing levels vary in comparison to the sampled utilities, the City's water and wastewater system's as a whole shows a favorable ratio in relation to the other utilities, as is shown in **Figure 8**. This is indicated by the City ranking of the 80th percentile overall with a ratio of 802 ERUs served per utility staff member. While the highest ranked system with regards to these benchmarks indicates a ratio of 1,582 ERUs per utility staff member, the lowest ranked utility operates with a ratio of 412 ERUs per utility staff member. The average of all sample utilities is 735 ERUs served per utility staff member.

Figure 3
Ratio of ERUs Served per Operations Staff

Operations Staff				
<i>City</i>	<i>Ratio (ERUs/Staff)</i>	<i>Rank</i>	<i>Percentile</i>	
North Miami	4,380	1	100.00%	
Coral Springs	2,841	2	90.00%	
New Smyrna	2,114	3	80.00%	
North Port	2,009	4	70.00%	
Marco Island	1,962	5	60.00%	
Naples	1,873	6	50.00%	
Daytona Beach	1,582	7	40.00%	
Key West	1,374	8	30.00%	
Cape Coral	1,277	9	20.00%	
Sanibel	1,217	10	10.00%	
Fort Myers	1,020	11	0.00%	

Figure 4
Ratio of ERUs Served per Maintenance Staff

Maintenance Staff				
<i>City</i>	<i>Ratio (ERUs/Staff)</i>	<i>Rank</i>	<i>Percentile</i>	
Coral Springs	11,362	1	100.00%	
North Port	7,259	2	90.00%	
North Miami	5,574	3	80.00%	
Marco Island	4,939	4	70.00%	
New Smyrna	4,613	5	60.00%	
Naples	3,976	6	50.00%	
Fort Myers	3,455	7	40.00%	
Cape Coral	2,706	8	30.00%	
Key West	2,061	9	20.00%	
Daytona Beach	1,582	10	10.00%	
Sanibel	1,217	11	0.00%	

Figure 5
Ratio of ERUs Served per Collection/Distribution Staff

Collection/Distribution Staff				
<i>City</i>	<i>Ratio (ERUs/Staff)</i>	<i>Rank</i>	<i>Percentile</i>	
Sanibel	4,259	1	100.00%	
Marco Island	2,881	2	90.00%	
Coral Springs	2,130	3	80.00%	
New Smyrna	2,114	4	70.00%	
North Miami	2,044	5	60.00%	
Fort Myers	1,844	6	50.00%	
Naples	1,729	7	40.00%	
Daytona Beach	1,582	8	30.00%	
Cape Coral	1,411	9	20.00%	
North Port	1,233	10	10.00%	
Key West	1,124	11	0.00%	

Figure 6
Ratio of ERUs Served per Engineering Staff

Engineering Staff				
<i>City</i>	<i>Ratio (ERUs/Staff)</i>	<i>Rank</i>	<i>Percentile</i>	
New Smyrna	25,369	1	100.00%	
Naples	20,701	2	90.00%	
Marco Island	17,287	3	80.00%	
Coral Springs	17,043	4	70.00%	
North Miami	15,328	5	60.00%	
Cape Coral	14,735	6	50.00%	
North Port	13,308	7	40.00%	
Fort Myers	6,930	8	30.00%	
Key West	6,183	9	20.00%	
Sanibel	3,407	10	10.00%	
Daytona Beach	1,582	11	0.00%	

Note: ERUs served per Engineering Staff member differ widely among the sample utilities as some utilities use outside engineering consultants while others utilize on-staff engineers.

Figure 7
Ratio of ERUs Served per Customer Service Staff

Customer Service Staff				
<i>City</i>	<i>Ratio (ERUs/Staff)</i>	<i>Rank</i>	<i>Percentile</i>	
Naples	33,639	1	100.00%	
Coral Springs	13,635	2	90.00%	
North Miami	10,219	3	80.00%	
Sanibel	8,517	4	70.00%	
New Smyrna	8,456	5	60.00%	
Marco Island	7,683	6	50.00%	
Key West	6,183	7	40.00%	
Cape Coral	5,267	8	30.00%	
North Port	4,991	9	20.00%	
Fort Myers	3,629	10	10.00%	
Daytona Beach	1,582	11	0.00%	

Note: ERUs served per Customer Service staff member differ widely among the sample utilities. This results because some utilities use contract billing and non-utility staff as opposed to utilizing utility staff for customer billing (i.e. Naples).

Figure 8
Ratio of ERUs Served per Total Utility Staff

Total Utility Staff				
<i>City</i>	<i>Ratio (ERUs/Staff)</i>	<i>Rank</i>	<i>Percentile</i>	
Daytona Beach	1,582	1	100.00%	
Coral Springs	960	2	90.00%	
North Miami	943	3	80.00%	
Marco Island	802	4	70.00%	
New Smyrna	757	5	60.00%	
Naples	694	6	50.00%	
North Port	581	7	40.00%	
Cape Coral	472	8	30.00%	
Fort Myers	448	9	20.00%	
Sanibel	437	10	10.00%	
Key West	412	11	0.00%	

In addition to evaluating department level staffing, B&V completed an analysis of the City's water production/treatment and budgeted expenses per utility staff member in comparison to the sample utilities. **Figure 9** summarizes this analysis. The City produced more water per utility staff member than the average of the sample utilities at 43.6 million gallons of water treated per

utility staff member. The City's utility operating budget per staff member is \$277,445 per employee.

It is also important to consider the number of facilities operated by each utility. **Figure 9** includes the number of water and wastewater facilities operated by the City and each sample utility. The City of Marco Island operates more facilities than any of the sample utilities. The number of facilities operated will affect the efficiency of a utility system in comparison to others. The analysis herein indicates that the City of Marco Island Utilities is operating at a level comparable to the sample utilities even while operating the largest number of facilities.

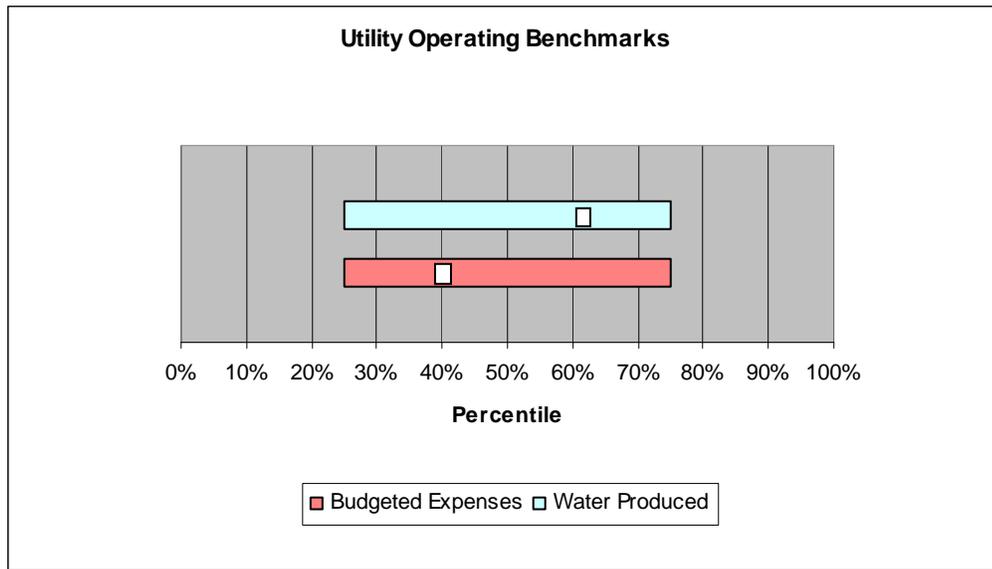
Figure 9
Ratios of Water Production and Budgeted Expenses per Total Utility Staff and # of Water and Wastewater Plants

City	Water Produced (MG) / Utility Staff	Budget Exp. (\$) / Utility Staff	# of Water	# of WW Plants
Marco Island	43.6	\$277,445	3	2
Cape Coral	15.5	248,594	1	2
Coral Springs	69.8	376,002	1	2
Daytona Beach	30.7	246,141	1	2
Fort Myers	17.0	289,176	1	2
Naples	59.6	255,488	1	1
New Smyrna	26.9	236,296	1	1
North Miami	48.9	659,999	1	0
North Port	20.5	352,066	1	1
Key West	N/A	313,839	0	1
Sanibel	N/A	418,700	0	2

Miniumm	15.5	\$	236,296
Maximum	69.8		659,999
Average	36.9		333,977
Marco Island	43.6	\$	277,445

Figure 10 details the City's percentile position in relation to the middle 50th percentile of utilities sampled in the Water Production and Budgeted Expenses benchmarks. For both of these benchmark indicators, the City is within the middle 50 percent of utilities sampled.

Figure 10
Ratios of Water Production and Budgeted Expenses per Total Utility Staff – Percentile Basis



*Squares represent the City's percentile ranking.

Figure 11 details the ratio, rank, and percentile benchmarks for water produced. It details the volume of water that the City produces per staff member in comparison to the sample utilities. The City operates in the 63rd percentile of sampled utilities at 43.6 million gallons per day water produced per staff member is 4th among the sample utilities on a percentile basis.

Figure 11
Ratio of Water Production per Total Utility Staff

Water Produced			
<i>City</i>	<i>Ratio</i>	<i>Rank</i>	<i>Percentile</i>
Coral Springs	69.8	1	100.00%
Naples	59.6	2	87.50%
North Miami	48.9	3	75.00%
Marco Island	43.6	4	62.50%
Daytona Beach	30.7	5	50.00%
New Smyrna	26.9	6	37.50%
North Port	20.5	7	25.00%
Fort Myers	17.0	8	12.50%
Cape Coral	15.5	9	0.00%

*note that Key West and Sanibel are excluded as wastewater only utilities

Figure 12 details the analysis of budgeted expenses for fiscal year 2008/09 per utility staff member. The City lies at the 40th percentile in this benchmark, with in the middle 50 percent of utilities sampled.

Figure 12
Ratio of Budgeted Expenses per Total Utility Staff

Budgeted Expenses		
<i>City</i>	<i>Ratio</i>	<i>Percentile</i>
North Miami	\$659,999	100.00%
Sanibel	\$418,700	90.00%
Coral Springs	\$376,002	80.00%
North Port	\$352,066	70.00%
Key West	\$313,839	60.00%
Ft Myers	\$289,176	50.00%
Marco Island	\$277,445	40.00%
Naples	\$255,488	30.00%
Cape Coral	\$248,594	20.00%
Daytona Beach	\$246,141	10.00%
New Smyrna	\$236,296	0.00%

Findings

The findings of this evaluation are based on the comparison results provided and discussed above. The comparisons are based on information provided by the sample utilities and are intended to provide a high-level comparison of City utility staff levels. Based on the comparisons provided above, the City of Marco Island Utility department staff levels are consistent with staff levels of other similar Florida utilities. This finding is best shown in Figure 8 which provides a summary of ERUs served (both water and wastewater) by total utility department staff. The City of Marco Island is fourth in this comparison and ranks at the 70th percentile of the sample utilities.

Other benchmarking indicators considered herein included total water production per total utility staff and the annual fiscal year 2009 utility budget per total utility staff. The City of Marco Island is also ranked consistent with sample utilities in these areas, further indicating that the City utility department operations are consistent with other similar Florida utilities.