City of Long Beach
Working Together to Serve

Memorandum

Date: July 11, 2006

To: Members of the Budget Oversight Committee

From: Gerald R. Miller, City Manager

Subject: **Internal Optimization Reviews**

As you know, identifying new approaches to delivering City services and improving business operations is a tenet of the City's Financial Strategic Plan. But beyond that, it makes good business sense to periodically review the programs and services we deliver to the community. The City has embarked on a number of efforts aimed at improving efficiencies, reducing and recovering costs, enhancing revenues, and improving the delivery of our municipal services.

Our Optimization Program is comprised of two types of review. The External Reviews represent those programs and services that would benefit from a comprehensive, independent, or outside, analysis and review. Examples have included our Workers' Compensation program, Code Enforcement, and Employee Healthcare Benefits. These studies are large in scope, may cross multiple department lines, and are intended to reduce or recover costs, enhance revenues, and improve the delivery of services. Upon completion, the results of these studies have been presented to the City Council.

The Internal Reviews are smaller in scope, typically administrative in nature, and employee-driven. Employee work teams come together to assess their current operations and research industry best practices, to develop recommendations to improve the day-to-day efficiency and effectiveness of their workgroup. Management and employee work teams are currently working together to develop implementation strategies on recently completed reviews. Although I believe such day-to-day operational reviews are solely within the City Manager's purview as set forth in the Charter, I would be happy to work with Committee members to develop an appropriate process to review the results of these efforts as they are implemented. I believe that these internal reviews add great value to our operations.

cc: Mayor and Members of the City Council
Chris F. Shippey, Assistant City Manager
Reggie I. Harrison, Deputy City Manager
Suzanne R. Mason, Deputy City Manager