

# Government Reform

Over the past several years, the Mayor and City Council has consistently asked staff to review the City's department structure and make the necessary changes to ensure Long Beach government is a 21<sup>st</sup> century organization.

Long Beach is at an important crossroad. Since FY 04, the Mayor and City Council has adopted \$226 million in General Fund deficit solutions. Additionally, the City has eliminated 1,016 General Fund positions during the same time period. While these solutions were appropriate, necessary, and the prudent course of action to ensure the City's fiscal solvency, it has taken a toll on our operations and, in some cases, resulted in a less than efficient service delivery structure.

In order to continue to provide efficient and effective services to the community, City government must adapt its structure. These changes are paramount to its ability to provide the best services possible with the resources available. Without this needed approach, Long Beach will be faced with even larger fiscal problems in the future. While not all government reform ideas will generate immediate savings, they are a part of a greater strategy of cost avoidance, improved customer service, and improved efficiency. The general objectives for government reform are:

- Consolidate and improve inspections and permitting, wherever possible;
- Strengthen efforts to improve the City's corridors and neighborhoods;
- Maximize all available funding sources and create symbiotic connections between many of the City's enterprise funds and General Fund departments;
- Strengthen and support public safety by streamlining many of the services that support the City's public safety mission; Minimize redundancies, align services with common goals, and reduce administrative overhead; and
- Reduce the costs to provide services.

Over the past three years, some significant changes and reforms have been made to the city organization, with some resulting in cost savings and others resulting in service or efficiency improvements. Among the more notable of these reforms are:

- Consolidation of bureaus and divisions to eliminate two departments (Community Development and Oil Properties);
- Consolidation of residential and commercial plan check and inspection services;
- Elimination of nearly 30 percent of the workforce, with an equivalent percentage of management staff;
- Consolidation of all parking operations;
- Centralization of technology oversight;
- Enhancement of web-based resources to provide more services online;
- Achievement of pension reform in advance of State pension mandates.

The above initiatives were developed internally based on opportunities identified by the City's management team. In preparing the FY 13 budget, it was decided that a "fresh pair of eyes" was needed to ensure all available opportunities were identified. Accordingly, in April 2012, the City Manager engaged Management Partners, Inc. (Management Partners), a professional firm with substantial expertise in the workings of municipal government, to provide an objective review process to identify potential revenue and cost-saving opportunities while comparing City operations to a number of other California municipalities. The study, which became a point of reference as the Mayor

and City Council discussed and adopted the FY 13 budget, pointed out possible savings from compensation reviews, outsourcing recommendations, and other general observations.

Consistent with the findings of the Management Partners study, as well as the Mayor's budget recommendations, the Government Reform section adopted by the Mayor and City Council in the FY 13 budget identifies reform initiatives in three areas:

- Evaluate the Potential Outsourcing of City Services for Cost Savings,
- Review Deployment Practices, and
- Combine Like Functions.

In December 2012, the Mayor and City Council authorized a contract with Management Partners to assist the City with a number of fiscal sustainability initiatives outlined in the FY 13 budget. A description of the initiatives currently underway follows.

### **Compensation Changes**

Management Partners analyzed the City's potential to realize cost savings by changing various compensation practices. Some changes are within management's rights to implement immediately. The remaining modifications to compensation will require negotiation through a meet and confer process when labor agreements are due to expire. The Human Resources Department is currently working with all City Manager departments to identify where compensation changes related to standby pay and special pay can, and should, occur. The FY 14 Adopted Budget reflects projected savings of \$928,000 (\$482,000 in General Fund) from reductions in standby pay and special pay. If the Harbor and Water Departments were also included, the total savings would be \$1.2 million.

### **Alternative Service Delivery Models**

Outsourcing and implementing alternative service delivery options for various services have been utilized by other cities throughout California and the country as a whole as a cost-saving measure, while providing an equivalent level of service. Long Beach must consider doing the same. While no deficit is projected for FY 14, deficits are projected for FY 15 and FY 16. Further, there are indications that CalPERS will be raising rates significantly in the near very near future. Thus, if the City is to continue to provide services at current levels in future years, outsourcing must be considered.

### **Targeted Service Areas**

Based on the Adopted FY 13 Budget, several services are under evaluation. These include: Refuse Collection, Street Sweeping, Technology Services, Fleet Services, and Employee Assistance programs. The intent is to develop and issue Requests for Proposal (RFPs) for each of these service areas. For Fleet Services, a two-step approach. First, a determination will be made if significant economies of scale would result if all three departments currently providing fleet services (Financial Management, Water, and Harbor) consolidated under either a privatized or shared services arrangement. Should such economies of scale not result from consolidation, an RFP for general fleet services (Financial Management) will be prepared.

It is important to note that the issuance of RFPs is not a pre-determination that services will be outsourced. Issuing RFPs is simply the most effective and accurate means to gauge the ability of the private sector to provide the same or higher levels of service for less cost than City employees. Only the Mayor and City Council can make the decision to outsource a service currently performed by City staff. Section 1806 of the City's charter (commonly referred to as Proposition L) requires the Mayor and City Council to make findings that the private sector can provide the service proposed for outsourcing as efficiently and effectively as City staff and at a lower cost.

### Timeline and Potential Savings

It is currently envisioned that RFPs for the service areas identified above will be ready to issue beginning in summer 2013. As the process will extend into FY 14, and the potential savings from outsourcing cannot be known until the proposals are fully analyzed, no cost savings are being built into the FY 14 Proposed Budget. Should significant savings be identified, and the Mayor and City Council authorize the outsourcing of services, the FY 14 Adopted Budget may be adjusted at some point after the contracts have been implemented.

### **Rapid Medic Deployment Program**

The Long Beach Fire Department is preparing to engage in an alternative model of staffing for Paramedic ambulances in the City. Referred to as the Rapid Medic Deployment (RMD) program, the model will change how Paramedics are deployed throughout the City and could result in faster on-scene times for Paramedic services citywide, as well as reduce the costs associated with providing this service.

The program will convert Basic Life Support ambulances to Paramedic Ambulances giving us an additional three Paramedic ambulances for a total of 11 Paramedic ambulances. Additionally, the RMD will place a Paramedic on all fire engines, resulting in faster on-scene times of Paramedics Citywide. Emergency medical services account for nearly 85% of the total call volume in the City and the ability to deliver a Paramedic faster will result in quicker, high-level care for those in need of rapid intervention. The Fire Department's customers will see no difference in the level of response on an emergency call and will continue to receive the world-class service our community has become accustomed to.

The RMD program is currently used throughout California and there are many years of data to show that this is a safe, effective way to provide high-level service at a reduced cost. The RMD program will also allow for continued staffing of four Firefighters per apparatus in the City, which remains a priority for the Department to handle most calls with the first arriving unit.

### **Technology-Related Initiatives**

There are several technology-related initiatives underway that, when complete, will increase staff efficiency and/or improve customer service. A description of the initiatives currently underway follows.

#### Utility Billing System Replacement

This is a significant project involving multiple departments to replace the City's utility billing system with a new customer information system and mobile workforce management system. Implementation of this new technology will improve customer convenience by expanding features in electronic billing and bill payment, encourage energy and water conservation efforts through flexible modifications to rate structures, enable better customer service quality by improving the speed and quality of customer information available to the utility call center representatives, and allow for more efficient dispatching of field personnel to handle utility service calls. The expected go live is November 2013.

#### Business License and Billing and Collections System Replacement

The Technology Services Department has begun the planning and analysis to replace the business license and billing and collections system. The new system will be integrated with City's existing permitting and code enforcement system. The project also includes business license billing and other billing processes being handled by the new system. The system is expected to go live is targeted in November 2014.

### Electronic Patient Care Reporting System Implementation

The Technology Services Department is working with Fire and Financial Management Departments to implement a new electronic patient care reporting (EPCR) system to improve the Paramedic billing process and potentially increase revenue. It will also reduce the amount of manual data entry required to produce bills. Go live for the system is scheduled in December 2013.

### Expansion of LBCOP (Long Beach Common Operating Picture)

LBCOP is a new system in Long Beach helping local police officers better address criminal activity through the use of technology. The system connects a network of city-owned cameras and privately owned cameras in Long Beach through Internet protocol addresses that allow police to access a visual feed. There are approximately 400 cameras installed that LBCOP can use as a tool for intelligence. The Police and Technology Services Departments are continuing to add new cameras in strategic locations across the city.

