

SUMMARY OF EMPLOYEE BUDGET IDEAS

Received in March 2009

INTRODUCTION

Direct input from City employees regarding cost savings, efficiency improvements, and service delivery options is an invaluable source of insight and ingenuity, which is critical for the City to overcome its persistent fiscal and service delivery challenges. Over 800 Employee Budget Idea submittals were received in March 2009, many of which contained multiple ideas, suggestions, and/or comments. All but 45 of the submittals were anonymous. The City Manager's Office is committed to exploring new ideas, and taking another look at old ideas that may now have merit.

With such a large number of submittals, it is simply not possible to summarize each one. However, a summary of the major citywide "themes" is provided below. These major themes are:

- Furloughs & Reduced Work Hours
- Work Schedules & Energy Savings
- Employee Compensation
- Management Levels & Compensation
- Retirement
- Revenue Generation
- City Vehicles/Fleet
- Contracting-Out
- Timecards/Payroll & Paper Waste
- Overtime
- Public Art & Redevelopment
- Unproductive Employees & Layoffs
- Consultants & Contractors
- Efficiency: Consolidation
- Efficiency: Miscellaneous
- Travel, Business Meals, Stipends & Bus Passes
- Hiring Freeze, Internal Promotions & Cross Training

A matrix of all submittals has also been prepared, and is available on the Intranet.

CATEGORIZATION OF SUBMITTALS

Each submittal was reviewed and assigned "categories" to help summarize the subject(s) of the submittal. A submittal may be included in multiple categories, some of which may overlap or correspond to other categories. To illustrate, the following is an actual employee submittal:

I believe employees picking up the employee portion of PERS would be an easier and more equitable cost savings. No issues as with the furlough of individuals not be able to do it based on the working requirements of the departments such as fire and police. Another area in place of furlough would be additional employee contribution to the health premium. Both of these require no down time of work and any burden in relation to getting work done or not having staff available.

Three categories were assigned to this submittal:

- PERS Contribution
- Furloughs
- Health/Dental Insurance

A large number of categories were utilized to allow the City Manager and other interested individuals to easily identify areas for review and potential implementation. The numbers that appear in this document after each category refer to the number of times the category was assigned to an employee submittal. For example: Furloughs (102), means that the category was used for 102 of the 800+ submittals.

OPINIONS VS. IDEAS

While all employee input is welcomed, the large majority of submittals contained expressions of opinion rather than specific ideas for implementation. This being the case, it is important to note that the opinions summarized herein are only those of the individuals who took the time to submit ideas, suggestions, and/or comments (submitters). These opinions may not be representative of the entire City workforce.

EMPLOYEE SUBMITTALS BY MAJOR THEMES

FURLOUGHS & REDUCED WORK HOURS

Furloughs (102)	Exchange of Paid Time Off (9)
Furloughs: Voluntary (14)	Voluntary Leave of Absence (3)
Reduced Work Hours (13)	

With all of the discussion about furloughs in recent weeks, it is not surprising that this subject would receive a great deal of attention. A wide variety of ideas, suggestions, and/or comments were offered. Generally speaking, the submitters supported furloughs (to degree that they are necessary), provided the entire City organization participated. Some submitters favored a voluntary approach to furloughs, some expressed a preference for reduced weekly work hours (e.g., 36 hours) instead of taking furlough days or other employee-based contributions, and a few suggested allowing employees to take a voluntary leave of absence (unpaid). Lastly, a number of submitters recommended allowing employees to exchange vacation or holiday time for furlough days.

Comments: Many employees have asked if they could give up paid time off (vacation, personal holidays) instead of having to take unpaid furlough days. While this will reduce the number of days off employees have to use, it does not meet the goal of a furlough, which is to reduce the overall labor costs in the current fiscal year. Trading a paid day off for a furlough day does not reduce the number of days an employee is paid. It would simply reduce the number paid days off the employee would enjoy (though it may result in increased productivity). This may be a viable cost savings model for employees whose positions must be backfilled with other employees working on an overtime basis.

WORK SCHEDULES & ENERGY SAVINGS

Energy Savings (69)
Work Schedules (67)

Telecommuting (6)

A large number of submitters suggested the adoption of alternative work schedules, most particularly that of a four-day workweek (or 8/80) at City Hall. Most of these submitters also referenced the potential energy savings associated with the closure of City Hall one day per week. Other suggestions pertaining to energy savings included turning off computers at the end of the workday and retrofitting lighting. Several submitters suggested telecommuting as a way to save energy and office costs.

Comments: A significant amount of study would be required before a decision to close City Hall one day per week (8/80), or one day every two weeks (9/80), could be made. Some of the questions that would need to be answered include: (1) Are the energy savings significant enough to justify the change in service hours to residents? (2) Does the workload lend itself to a change in work schedule? (3) How would a change in work schedule affect the employee’s home life (childcare, exercise, etc.)? (4) What services would still need to be provided on the days of business closure?

Note: It is estimated that one-day’s energy savings for City Hall would be between \$2,000 and \$4,000, depending on the time of year and HVAC needs. Additionally, there would likely be increased energy costs for those days that had extended work hours (to compensate for the day off).

EMPLOYEE COMPENSATION

Salary Reductions (25)
Salary Freeze (20)
PERS Contribution (15)
Health/Dental Insurance (14)

Class Comp Study (9)
Salary Increases (5)
Employee Contract Renegotiation (4)
Skill Pays (3)

The subject of employee compensation also received a significant amount of attention. Two related themes are evident in the submittals. First, some submitters suggested that there is, or should be, a willingness to freeze existing salaries. Some suggested that the Class Comp Study be suspended for the time being. Second, some of the submitters indicated a willingness to take salary reductions and/or increase employee contributions to PERS and health/dental benefits, in lieu of layoffs or other employee-based contributions.

Comments: All issues of compensation are subject to negotiation with the various employee associations. The only means by which the City Manager can directly reduce costs associated with employee compensation is a furlough, which reduces the number of paid workdays, or layoffs. Human Resources is currently engaged with all employee unions regarding the implementation of alternatives.

MANAGEMENT LEVELS & COMPENSATION

Management: Auto Allowance (29)
Management: Levels (26)
Management: Salary Reductions (18)

Management Benefits (11)
Mayor/City Manager (7)
Management: Salary Freeze (2)

Management and management compensation was the focus of a significant number of submittals. Four general themes were identified. First, many submitters suggested that management auto allowances and other benefits (physicals, Executive Leave) be eliminated. Second, some submitters believe there are too many managers. Third, some submitters believe managers are paid too much, and suggested that their salaries be reduced. Fourth, some submitters do not believe it is necessary to have a City Manager as well as a Mayor.

Comments: Like that of non-management employees, management compensation and benefits are negotiated.

Note: In those departments under the City Manager's purview, management staff only accounts for 29 percent of those making \$100,000 or more, and only 25 percent of those making between \$90,000 and \$100,000. Non-management Public Safety personnel account for 61 percent of those employees with salaries of \$100,000 or more, and 60 percent of those making between \$90,000 and \$100,000. These salaries do not include overtime.

RETIREMENT

Retirement Incentives (47)
Mandatory Retirement (7)

Many submitters suggested the City offer retirement incentives to employees approaching retirement age. Some stated that they would personally accept a "serious" early retirement offer, while others suggested that incentivizing retirement would serve to protect the jobs of other employees. Other submitters suggested mandatory retirements for employees that have extensive years of service.

Comments: Retirement incentives can be an effective cost savings tool. Some cost savings would be realized if the vacant positions (created by the retirements) were eliminated, or if the vacant positions were filled at a lower salary and/or retirement tier than the retiree. However, depending on how the additional cost of the retirement incentives were funded, these savings may not be substantial considering the overall scope of the City's financial situation.

REVENUE GENERATION

Employee Parking (11)	Business Licensing (3)
Taxes (9)	Parking Permits (3)
Queen Mary/Legalized Gambling (7)	Cat Licenses (2)
Parking Citations/Fines (5)	Police: Copies of Incident Reports (2)
Property Sales (4)	Fines (2)
Professional Sports (4)	Queen Mary (2)
Phone Call Reimbursement (4)	Alcohol in City Facilities (1)
Fund Transfers (4)	Toll Roads (1)
Corporate Sponsorship (3)	Marijuana Tax (1)

A wide variety of revenue generating suggestions and comments were submitted. These included such things as charging employees a fee to park in the Civic Center garages, legalizing gambling on the Queen Mary, selling City property (including the Queen Mary), bringing a professional sports team to the City, selling naming rights to City facilities (e.g., Blair Field), and even instituting a license for cats. Along more traditional lines, some submitters suggested increasing taxes or increasing fund transfers (e.g., Harbor) to the General Fund.

Comments: City Management is committed to exploring all potential revenue sources to sustain City services. It is a challenge to generate new revenue in a poor economy without increasing costs to residents (or employees) through new or increased user fees, permits, or taxes. Similarly, it is difficult to find private funding sources that are willing to commit funding for long-term ventures, without significant contributions from the City (as has been our experience with professional sports organizations).

The idea of legalized gambling on the Queen Mary has been mentioned for a number of years. In fact, it was the subject of a failed ballot measure in 1992. Moving forward with such a proposal would require a legislative change at the State level and a major economic feasibility analysis. Additionally, there would need to be significant community outreach to ascertain resident interest in Long Beach becoming a city that supports, and is supported by, gambling.

CITY VEHICLES/FLEET

Take Home Vehicles (37)	Car Washes (5)
Fleet Reductions (13)	Fleet: Fuel Savings (3)

Many submitters suggested the elimination of, or a severe reduction in, the number of vehicles being taken home by employees. Some suggested a general reduction in the number of City vehicles. Others suggested terminating the practice of taking City vehicles to commercial car washes, and some provided suggestions for fuel savings.

Comments: Over the past five years, more than 250 vehicles have been eliminated from the City's fleet. The City's take home vehicle list is reviewed annually by the City Manager.

CONTRACTING-OUT

Public Safety: Contracting-Out (19)	Elections: Contracting-Out (1)
Fleet: Contracting-Out (9)	Police: Jail-Contracting-Out (1)
Contracting-Out (6)	PRM: Contracting-Out (1)
Towing: Contracting-Out (4)	Refuse Collection: Contracting-Out (1)
Libraries: Contracting-Out (3)	Billing Services: Contracting-Out (1)
Utility Outsourcing (1)	Public Works: Contracting-Out (1)

Many submitters suggested contracting-out specific services or services in general. Services receiving the most attention included Public Safety (Police, Fire, Lifeguard) services (to the County of Los Angeles) and Fleet Services (to the private sector).

Comments: Many factors must be evaluated when considering contracting-out services. They include: (1) Market Strength, (2) Cost-Efficiency, (3) Quality of Service, (4) Impact on Employees, (5) Risk, (6) Control, and (7) Resources. Any effort to contract-out services currently provided by City staff must follow the Proposition "L" Charter requirement, which states that "the City Council (or Board) must determine, supported by findings, that the work being contracted for must can be performed as efficiently, effectively, and at an estimated lower cost to the City than if said work or services were performed by employees of the City."

The contracting-out process involves a thorough cost benefit analysis and City Council approval before contracting can take place.

TIMECARDS/PAYROLL & PAPER WASTE

Paper Waste (24)
Timecards/Payroll (20)

A number of submitters suggested the elimination of paper timecards in favor of electronic timecards, citing the labor associated with a manual payroll system and the amount of paper "wasted" through the current process. Other submitters commented upon the amount of paper needlessly used for flyers, bulletins, and reports.

Comments: The City is interested in automating the time entry process, and this will be explored in the coming year. However, a major replacement or overhaul of our existing payroll system would be required, which would be very costly. With regard to flyers and other written communication (paper), it is a challenge to communicate with all employees since it is estimated that one-third to one-half of our employees do not have access to a City computer. The Human Resources Department has been making an effort to obtain employee home email addresses to improve communication efforts and reduce the use of paper.

OVERTIME

Public Safety: Overtime (23)
Overtime (13)

Some submitters commented upon the use/abuse of overtime, especially in the Police and Fire Departments. Most expressed a need to curtail overtime through the use of flextime or through stricter approval processes.

Comments: Overtime is an essential management tool. However, problems arise when an organization relies upon overtime to meet everyday staffing needs. In theory, the solutions to overtime problems are fairly simple: (1) increase efficiencies through scheduling or changes in work methods, (2) increase staffing to meet demand, or (3) decrease demand through service reductions or lengthened response times.

In practice, the solutions to overtime problems are not so simple. A significant decrease in budget resources, hiring freezes, resident expectations of service, and, in some cases, a sense of employee entitlement to overtime, all serve to complicate the process of managing overtime. And, there is no "one size fits all" approach. That said, departments have been put on notice that they need to be very conservative in their authorization of overtime.

PUBLIC ART & REDEVELOPMENT

Public Art: Orange Twist (10)
Redevelopment (6)

Beautification/Improvement Projects (5)
Public Art (4)

A number of submitters suggested that the City stop spending money on beautification/improvement projects and public art such as the "Orange Twist" on Atlantic Blvd. in North Long Beach. Generally speaking, the submitters believe that the money spent on such projects would be better used for other things in this economy.

Comments: The Redevelopment Agency (Agency) has an existing contract with the Arts Council for art programming and placement of public art within the community. Part of that contract calls for the placement of eight public art pieces through different project areas. The Agency Board is a strong proponent of public art throughout the project areas since it contributes to the cultural awareness and education of residents. It is just one of many tools the Agency utilizes to eliminate blight and to enhance the aesthetics of an area. It is also an economic development tool in that the Agency is supporting jobs in the public art employment sector by employing artists for the creation of these art pieces. The funding for these public art pieces is through tax increment financing -- there is no General Fund contribution to these art pieces.

UNPRODUCTIVE EMPLOYEES & LAYOFFS

Unproductive Employees (15)

Layoffs (15)

The categories "Unproductive Employees" and "Layoffs" were assigned to a number of the submittals, and they could have been associated with several of the other major themes in this summary. However, because they relate to multiple themes, it was thought they might be better summarized as a separate theme. Nearly all of the submittals with the category "Unproductive Employees" suggested that unproductive employees should be encouraged to retire (Retirement Incentives) or that layoffs should not be determined by seniority, but rather by the individuals current value to the City organization. Other submittals with the category "Layoffs" referenced the detrimental effects of layoffs, employee-based contributions in lieu of layoffs (Furloughs, Salary Freezes, Work Hour Reductions, PERS Contribution, etc.), or the need for layoffs to "right size" the City organization.

Comments: All employees in the City organization should be productive, whether they have been here one year or thirty years. The most effective way to deal with unproductive employees (including supervisors and managers) is through the performance appraisal and progressive discipline processes. The current Civil Service procedures for layoffs for classified employees do consider the affected employees' years of service, and employees with fewer years of service in the same classifications do have a higher exposure rate to layoffs.

CONSULTANTS & CONTRACTORS

Consultants (14)

Contractors (7)

Technology Services: Contractors (4)

Contracting-In (4)

A number of submitters suggested that departments curtail their use of consultants for various studies and projects. Some suggested that contract employees are not as effective as City employees, and their duties could/should be carried out by staff. Others suggested that the City "contract-in" by offering services to other agencies.

Comments: The City uses consultants and contractors for a variety of reasons, including specialized expertise, limited duration of engagement, and cost. In times of reduced resources, it stands to reason that some "special" studies or projects (for which consultants and contractors are used) should be suspended or terminated altogether. Also, after eliminating more than 530 City positions over the past six years, the organization has become naturally reliant on consultants and contractors to ensure essential services are being delivered.

The idea of "contracting-in" is frequently suggested as a way to achieve cost efficiencies for various City operations. However, in order for contracting-in to be a viable proposition, a given City operation must have additional capacity (e.g., staff, equipment) to take on extra work, without increasing costs to the City. Most City operations do not have this extra capacity.

EFFICIENCY: CONSOLIDATION

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| Police: Consolidation (8) | Department Consolidation (2) |
| Department Consolidation: CS & HR (6) | Dispatchers: Consolidation (2) |
| Department Consolidation: CD, PRM & LS (3) | Libraries: TS Functions (1) |
| Department Consolidation: CA & CP (2) | |

The consolidation of departments, bureaus, and operations was the focus of a number of submittals. Some submitters suggested that all security/public safety services provided by the Airport, Park Rangers, and Marine Patrol be placed under the jurisdiction of the Police Department. Others suggested the consolidation of the Human Resources and Civil Service Departments, the consolidation of the Library Services, Parks, Recreation and Marine, and Community Development Departments, and/or the consolidation of the City Attorney and City Prosecutors Offices.

Comments: The consolidation of departments, bureaus, and operations can be an effective means for reducing costs. The City Manager will be evaluating consolidation as a means of reducing costs, though there would have to be reduced staffing requirements or improved efficiency to achieve budget savings. The Charter implications of some of the suggested consolidations will need to be reviewed as well.

EFFICIENCY: MISCELLANEOUS

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| Leased Office Space (9) | Purchasing (6) |
| Street Sweeping (9) | Online Billing (1) |

Submitters provided suggestions for efficiencies in several areas. Some recommended that the City stop leasing space for offices, relocating the employees in these offices to space in City-owned buildings. Some recommended that street sweeping services be performed every other week, instead of every week. Others recommended changes in purchasing policies for a reduction in the amount of effort devoted to purchase orders and/or to achieve better pricing from vendors.

Comments: Generally speaking, private office space is leased for two reasons. The first is a lack of available space in City Hall or other City-owned buildings. The second is that there is a need for offices in a particular area of the city that has no City-owned buildings suitable for offices. (An example of this is the East Division Police Substation at 4800 Los Coyotes Diagonal.) As the City organization shrinks during this economic downturn, there may be opportunities to eliminate some of leases.

The suggestion of reducing the frequency of street sweeping is one the Public Works Department hears from time to time. However, the weekly sweeping frequency helps the City meet its NPDES (National Pollutant Discharge Elimination System) requirements for debris entering storm drains and helps keep our oceans and waterways clean. It should also be noted that street sweeping costs are fully supported by fines for parking violations associated with street sweeping routes.

TRAVEL, BUSINESS MEALS, STIPENDS & BUS PASSES

Travel (13)

Business Meals/Catered Events (5)

Technology Services: Stipends (3)

Bus Passes (3)

Some submitters recommended that the City curtail expenditures for travel, business meals/catered events, cell phone stipends, and employee bus passes.

Comments: Some business travel is required. However, the City Manager has already instituted strict guidelines that must be met in order to obtain approval for travel. Cell phone stipends actually save the City the cost of purchasing cell phones when an employee uses his or her own phone for business purposes. Bus passes are provided to City employees by Long Beach Transit at no cost to the City, and is a key means of encouraging the use of public transit to reduce the "carbon footprint" as a workforce.

HIRING FREEZE, INTERNAL PROMOTIONS & CROSS-TRAINING

Hiring Freeze (12)

Internal Promotions (4)

Cross-Training (4)

Some submitters suggested that steps be taken to reduce costs and/or ensure there will be opportunities for current employees, some of which might be displaced. These suggestions concern a hiring freeze, internal promotions, and cross-training.

Comments: A hiring freeze is currently in effect. Only critical positions are being filled. The City Manager is working with the Civil Service Commission and the City Attorney to make sure that City employees have an opportunity to fill these critical vacancies.

GH: 5/8/09