

Blue Ribbon Commission – Phase II (BRC II)
Meeting Summary
July 28, 2009

Members Present: Susan Graf, Tom Hagerty, Suzanne Jones, Dan King, Michelle Krezek, Beth Pommer, Dorothy Rupert, Jeff Wingert, Rich Wobbekind

Members Absent: Michael Leccese

Staff Present: Peggy Bunzli, Paul Fetherston, Kathy McGuire, Jim Reasor, Patrick Von Keyserling

Public Participation

- none

Welcome by Deputy Manager, Paul Fetherston

- Paul introduced the evening's agenda
 - Debrief department presentations from Utilities, Information Technology (IT), Open Space and Mountain Parks (OSMP)
 - Group discussion of key issues from department presentations that appear to be citywide issues (e.g. centralization vs. decentralization, subsidized services, general fund transfers, etc.)
 - Determine additional information needed to complete BRC II final report (e.g. additional department information, further information on performance measurement approaches, etc.)

Debrief of Department Presentations

- OSMP
 - Follow up: provide spreadsheet through 2019 with and without General Fund (GF) transfer, using budget office projections ; provide information on what services/programs would be cut if loss of revenue, i.e. \$1M; provide greater clarification of services (expand slide 13 from OSMP presentation); provide information regarding merger of Mountain Park with Open Space and accompanying GF transfer
 - OSMP acquisition: probability that OSMP will complete acquisition by 2019; residents may wish to renew tax and continue acquisition; if no additional funds; alternatives to purchase, i.e. conservation easement
 - Discussion: pressure for recreation use of open space; land-analysis of open space contribution to economic well-being of community – added value to doing more (beyond basic safety services)

- IT
 - Follow up: provide copy of efficiency assessment report when completed later this year
 - Discussion: cycles related to contracting out – costs/benefits; department is heavily weighted in essential services; decentralization seems to be an issue – cooperation/resistance from other departments
- Utilities
 - Discussion: cost increase related to infrastructure and employee compensation (salaries, benefits, PERA) - 7/28 study session materials give information on this; no formalized process but approval of rate increases becoming more stringent, awareness of rates compared to other communities, enterprise fund regulations
- DUHMD
 - Follow up: provide proposed uses of fund balance; could fund balance be used in lieu of GF transfer?
- Citywide
 - Follow up: analysis of impact to all departments that receive GF transfer; analysis of cost/benefit of contracting out; provide 1994 Comprehensive Fee Study report
 - Discussion: look at basket of goods in terms of economic benefit, value added to community – hard to isolate but should take that into account for all services across the city; efficiency; what goes when cuts have to be made, definition of efficiency, efficiencies could save programs/services
- Other
 - Michelle to provide Consortium of Cities revenue sharing report to Commission

Group Discussion of Key Issues - Findings

- Implement full cost accounting system for entire organization
- Performance measures need to be more economically based – recognize that there are social values that are hard to quantify
- Need rational budget process
- Need for full offsets for every new initiative
- Need comprehensive city-wide long-term financial plan, updated every 5 years (or more depending on economic changes)-depoliticize budget
- Re-tool Business Plan definitions
- Eliminate duplication of services

Additional Information Needed

- Sensitivity analysis – where is biggest bang for buck?
- Where could city save the most: compensation, GF transfers, subsidies, centralization vs. decentralization, efficiencies?
- What are subsidized services within city?
- What are subsidized services to non-profits?
- What are subsidized services to other municipalities/non-residents?
- What is the return on investment of subsidies - direct and indirect – is this information available?
- Does Chamber of Commerce have information on visitors' spending? Could this give more information on return on investment?
- What are internal and external/regional shared services?
- Comparison of average compensation increases in city organization to community
- Information on budget process/business plan-standardization across organization/budgeting for outcomes
- How to implement recommendations/ideas/changes
- What are services that are mandated by charter and law – potential charter issues/changes?
- What is budget remaining after covering programs/services mandated by charter and/or law?
- What programs/services funded with earmarked dollars?
- An audit of real estate – buildings and land. If someone in Finance could take a look at taxes, depreciation, insurance and other associated costs, some opportunities may come to light there.
- A comprehensive detailed organization chart for the city that includes all headcount and what they do.
- Fleet audit – how many vehicles (including mowers and other large equipment, I guess) - should include how many miles a year they are used?

Plan for next meeting: 8/11 – staff will come back with information. Need to identify subgroup of BRC II to work with staff on BRC II final report.