




**CITY OF STAMFORD**  
**OFFICE OF OPERATIONS**  
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TO: Board of Finance  
Board of Representatives Fiscal Committee

FROM: Ben Barnes, Director of Operations 

DATE: March 19, 2009

RE: **Budget Presentation for the Office of Operations**

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Please accept this package in response to the questions posed by your board to City operating departments. It includes, for each component of the Office of Operations, a review of the budget request, information on performance measurement and improvement, budget management and costs analysis and spending priorities, as requested.

During my brief tenure in the Office of Operations, I have sought to reduce costs while preserving or improving public service levels. I welcome the opportunity to do that again through this budget cycle. My approach to this problem has been to look across the entire \$41 million Operations operating budget to identify those areas where significant savings can be accomplished, while challenging all areas of the department to look for savings without reducing the level of service, or even while improving services. This has meant that certain areas have seen dramatic savings, while others have not, based on the nature of their cost structure, their objectives, and the work they do.

If the Office of Operations sustains another significant cut, I would accommodate cuts using this same approach. Information about the impact of the funding scenarios requested by the Board on the entire Office of Operations are provided at the end of this report.

The Mayor's requested budget for FY 09/10 is \$41,017,200, a decrease of almost 1% from the prior year. Four years of Operations budgets are shown below:

	FY 06/07 Actual	FY 07/08 Actual	FY08/09 Budget	FY 09/10 Mayor's Request
Operations	\$ 39,824,394	\$ 40,014,773	\$ 41,391,873	\$ 41,017,200
% change from prior year		0.48%	3.44%	-0.91%

The staff of the Office of Operations is its lifeblood. The Office employs 43 managers at an average, salary cost of \$97,930 and 194 line staff at an average cost of \$52,220 (general fund only.) Benefits add approximately \$20,000 per employee on top of salary costs.

I have always sought to preserve our valued employees as I found ways to reduce the cost of government, because these employees are required to perform each and every service we provide. Moreover, 12 positions have already been left vacant and unfunded in Operations over the course of FY08-09 in order to meet the further budget reductions since the adoption of last years budget. These positions, listed below, will remain unfilled under the Mayor's budget proposal.

4	Heavy Equip Operator	Traffic & Road Maintenance
1	Mt II-Mason/Team	Traffic & Road Maintenance
1	Operations Foreman	Traffic & Road Maintenance
1	Equip Mechanic/UAW	Vehicle Maintenance
1	Equipment Mechanic	Vehicle Maintenance
1	Maintenance Worker	Building Maintenance
1	Tree Climber	Building Maintenance
1	Laborer	Transfer Station
1	Collection Driver	Collections
	<b>Total Vacant Positions,</b>	
<b>12</b>	<b>Unfunded</b>	

Obviously, given the labor-intensive nature of so many Operations functions, significant budget cuts will result in staff reductions beyond these attrition reductions identified above to reach the percentage reductions posed by the boards. Because so many individuals are involved in the provision of multiple services, it may not always be possible to identify specific services to be eliminated. Rather, in many cases, reduced staff will result in longer delays for services, less frequent or deferred maintenance which increases risk and costs at later dates, or reduced productivity in general. For further discussion, please see the "Funding Scenarios" section at the end of this submittal.

## Section 6: Funding Scenarios

In response to the funding scenarios identified, the listing below shows \$877,000 in service reductions within the Office of Operations. Additional cuts required to make the funding scenarios are also identified, with estimated counts of managers and line staff that would need to be laid off to reach the target.

### Mayor's Request

\$ 41,017,200

### 3% option

\$ 1,230,516

18,000	Eliminate Carwin Park Staff and events
40,000	Eliminate Barrett Park Playground Program
50,000	Eliminate Parks Ambassadors, including Tram
25,000	Reduce Parks Maintenance Seasonals by 20%
30,000	Reduce Government Center Security
20,000	Reduce Government Center Maintenance
28,000	Eliminate vacation camps
20,000	Two week closure of ice rink
150,000	Eliminate Holiday solid waste pick-ups
100,000	Increase Recycling diversion by 20%
10,000	Eliminate non-personal expenditures in Land Use Bureau
146,000	Eliminate City Support for all special events
65,000	Eliminate contract for sale of beach permits at beaches
75,000	Eliminate snow contractors
	Replace pro-park in downtown garages with a full time garage manager and seasonal staff
100,000	

\$ 877,000 Total service cuts

\$ 353,516 Staff Reduction: 1 manager and 3 line staff

### 6% option

\$ 2,461,032

877,000 Total service cuts

\$ 1,584,032 Staff Reduction: 6 managers and 12 line staff

### 10% option

\$ 4,101,720

877,000 Total service cuts

\$ 3,224,720 Staff Reduction: 10 managers and 28 line staff

# Public Services Administration

## • Review of Budget Request

<u>CATEGORY</u>	<u>ADOPTED</u> 2008/2009	<u>CHANGE</u>	<u>REQUESTED</u> 2009/2010
Administration Total Funding	\$497,530	12% Increase	\$558,015
Administration Salaries/Overtime	\$231,811	3.4% Increase	\$239,690
Bureau Total Funding	\$15,891,900	2.8% Decrease	\$15,445,140

- 29% increase (\$45,770) in Payments to the Insurance Fund in the Administration funding due to continual payments on old claims from the defunded Dial A Ride program.

Replacement P 2

Staff reductions will ultimately need to be allocated across the department, and will impact services.

The option of fee increases has been considered as well. Several hundred thousand dollars could be raised through implementation of fee increases, particularly in the areas of parking rates and hours, and fees for land use approvals and reviews. Additionally, the City could pursue new user fees, such as a Pay as You Throw system for garbage collection and disposal, or new laws that would generate revenue for the city, such as flow control. However, I recognize that fee increases are always difficult to accomplish, and are particularly difficult to defend in the current economic environment.

BB/ma

# Vehicle Maintenance

- Performance Measurement and Improvement
  - Implemented RoadBase Fleet Asset Management Program.
    - Captures maintenance and repair costs
    - Productivity and managing/scheduling of Preventive Maintenance Program).
    - Tracking vehicle and equipment assets including but not limited to cost, depreciation and replacement schedule.
    - Cataloging and maintains parts inventory (currently in the first stage).
    - Tracking driver history records i.e., licenses, accidents and violations.
    - Tracking mechanics certifications and training records.
  - Better Work Scheduling
    - Reduction in overtime.
    - Reduction in vehicle/equipment downtime.

# Vehicle Maintenance

- Performance Measurement and Improvement
  - Reduction of Overall Fleet
    - Obsolete and unsafe vehicles/equipment taken out-of-service and replaced with proper vehicles/equipment, when applicable
    - Reduction of parts and maintenance costs
    - Reduction in overtime
  - Vehicle/Equipment Specifications
    - Standardization of Fleet
    - Extended Warranties and Expanded Items Covered
    - Green/Fuel Efficient Vehicles
  - Downsizing of Parts Inventory
    - Obtained vendor assistance in parts room organization (credits and return of obsolete and/or overstock parts)

# Vehicle Maintenance

- Performance Measurement and Improvement
  - Established New Disposal Process
    - First on-line auction
      - In contract with Auctions International, a company with national marketing exposure which resulted in increased bidding and maximized revenue.
      - Generated over \$550,000 this fiscal year.
  - Implemented New Processes and Work Procedures
    - Emphasis on work ethic, professionalism and standardization of labor practices.
    - Training and certification initiatives.
  - Implemented Driver Vehicle Condition Reports (DVCR) pre and post inspections.
  - Monthly motivational/team building meetings.
  - Implementation of a Safety Committee.

# Vehicle Maintenance

- Budget Management
  - Parts and Outsourcing
    - Reduced in-stock inventory
    - Overstock and/or obsolete credits
    - Currently generated over \$100,000 in parts savings based on historical overages from fiscal year 2007-2008
  - Overtime
    - Reduced approximately \$50,000 from fiscal year 2006/2007
    - Better scheduling of work load.
  - Elimination of Second Shift
    - Savings of \$10,000 in differential salary
    - Savings in utility costs
  - New Diagnostics Tools, Software and Training for all Technicians.
    - Reduces outsourced repairs
    - Reduces down time

# Vehicle Maintenance

- Key Operational Changes 2009-2010
  - Parts Inventory and Management
    - Continue Stock Reduction
    - Continue Cost Analysis of Vendors
  - Continue RoadBase Implementation
    - Establish Replacement Program Guidelines
    - Populate Stock Inventory into System
    - Design Reports and Analysis
    - Implement Bar Code Inventory System
    - Implement Fuel Controls and Tracking
  - Facility Upgrades
    - Lubrication Reel and Utility Systems
    - Ventilation and Lighting
    - Renovation of Building Interior for Improved Staff Efficiency

# Vehicle Maintenance

## • Cost Analysis and Spending Priorities

	Priority One	Priority Two
Salaries	852,407	
Tool Allowance	4,000	
Benefits	394,653	
Conference & Training		1,000
Equipment Rental		2,500
Office Supplies & Expenses		15,283
Vehicle Maintenance	670,000	
Equipment Maintenance		8,575
Software Maintenance		6,000
Small Tools & Replacement		2,575
Laundry	11,676	
Dues & Fees		865
OSHA Safety Requirement		1,280