

## FINANCIAL SOLUTIONS SUBCOMMITTEE

### RECOMMENDATIONS

#### LOW PRIORITY

**MARCH 26, 2009**

#	DEPT/ DIV	PROPOSED FINANCIAL SOLUTION	OVERVIEW	COUNCIL APPROVAL REQUIRED?	MEET AND CONSULT / CONFER?	VOTE BY PUBLIC REQUIRED?	EARLIEST IMPLEMENTATION DATE	SERVICE IMPACT	ANNUAL FISCAL IMPACT
1	HR	Shift differential vs Stand-By pay	<p><b>Current:</b> <b>Standby</b> Employees assigned to standby earn up to 13 hours straight time for each week assigned, plus time actually worked (if called back). Examples of classifications eligible for stand by: IT, Animal Control and Maintenance positions.</p> <p><b># of Employees by Dept. on stand by:</b> IT                   3 Maint.            11 Animal Control  2</p> <p><b>Call back</b> If employee is called back to work - paid at time and a half or 2 hours of overtime, whichever is greater.</p> <p><b>Proposed:</b> a) Eliminate standby pay b) Reduce hours standby hours c) Change employee work schedule to ensure there is adequate coverage and pay shift differential of 5%</p>	Yes	Yes	No	Once approved by City Council.	If standby was eliminated, the City could not require employee to remain within reasonable commute distance and could not restrict employees' activities. There may be no one available to immediately respond to emergencies.	Amount spent on standby pay in 2008: \$69,753 plus overtime associated with the stand by cost an additional \$20k to 30k /per year. However, the shift differential pay would cost approximately \$55k per year with no overtime cost.
2	Telecom	Review of cell tower leases on city owned property	Rental fees did begin at \$18 K annually. With a 15% increase at the renewal term. The last contract negotiated was increased to \$24 K, with a 3% increase annually instead of at term.	Yes	No	No	At next contract negotiation	None	Increase in annual revenue by

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3	CMO	Corporate Sponsorship of Public Facilities	Corporate sponsorships typically involves an agreement between the City and a private business for product placement/recognition on public property. The City commissioned an analysis of Corporate Sponsorship opportunities in 2004. Based on City Council review of the options available at the time, the City did not pursue the subject further.	Yes	No	No	The time frame for implementation would largely be based on what would be acceptable to the City Council from a marketing standpoint? Without question, the market has changed significantly since the time of this study so it may be necessary to obtain an update before proceeding further.	None	Depends on the extent of the marketing campaign. It is not unreasonable – based on the 2004 study – to anticipate revenues up to and exceeding \$100,000/year. Again, this depends on current market conditions and the community's tolerance for advertising on public property.
4	Public Services	Contracting services to and from other cities (i.e. vehicle maintenance,)	The concept is to provide fleet maintenance and repair to other local public agencies, i.e. Mesa Water, NMUSD, Coast College District, CMSD, Fairgrounds.	Yes	No	No	Within six months if interested agencies are located.	Increase in workload for current staff of Fleet Services	[Unknown at this time. Possible revenue generation could be in the \$10,000 - \$50,000 range
5	Telecom	Contracting services to and from other cities (i.e., vehicle maintenance, dispatch, crime scene services, jail services, IT services)	<p>Provide dispatch services for other police/fire agencies would require additional staffing levels based on the call volume of the agency. Without specifics the costs for service should at minimum cover the cost for additional staffing. Typically an agency is charged per call at approximately \$100 per incident. This could not occur without an impact on the service levels currently provided to Costa Mesa residents/public safety personnel.</p> <p>Over the years, the City has been involved in contracting municipal services to other cities and participating jointly with other cities in contracting for services. Such opportunities typically arise when (a) a local agency becomes dissatisfied with existing service levels or (b) financial necessity demands a lower cost alternative to existing service provision.</p>	Yes	Possibly - depends on whether a contract involves the loss of existing personnel or materially changes existing assignments.	No	This is envisioned to be a mid- to long term solution (1 to 3 years). The best approach would be to convene a number of public agencies in the surrounding area to identify opportunities and constraints in service delivery (essentially identifying market demand).	Unknown – depends on what services are identified to be contracted out or to be provided to another agency.	Unknown The fiscal impact of this solution involves either spreading the cost of services over a larger base or obtaining comparable services at a lower cost. The benefits depend on the terms of the contract and quality of the service.

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6	Police	Contracting services to and from other cities (i.e. vehicle maintenance, dispatch, crime scene services, jail services and IT services)	Can only speak to Crime Scene Services and Jail Operations. Would not recommend privatizing jail operations due to a number of organizational and cultural issues that emerge and impact daily operations. Crime Scene Services was evaluated a number of years ago when CSI services was not common to all OC agencies. As recently as 2 ½ years ago, however, inquiries were made to outside agencies for CSI services or combined services and received no interest from surrounding agencies. Difficult to contract out privately due to rules of evidence and chain of custody, but it's possible they could be worked around.	Yes	Unknown	No	Unknown	Number of willing service providers is unknown. Unknown quality of service to be provided. Unknown training of service providers. Unknown quality court experts.	Unknown
7	Telecom	Review cell phone policy	There are approximately 150 lines currently being subscribed to by the various departments. Combined the monthly cost is approximately \$5,200.	No	No	No	At the termination of the individual contracts	Significant impact to conduct day to day business. Unknown if employees would be willing to use their personal plans.	If we were to eliminate phones provided by the City, would be approximately 62 K
8	Risk	Review insurance requirements for projects	The current requirements are \$1million in coverage for General Liability and Auto, Workers Compensation coverage per State Law and on some contracts, Professional Liability coverage at \$1million  A review of contracts on a case-by-case basis to allow a lower amount of insurance coverage was an option requested.	City Attorney	No	No	Immediately following approval	The quality of the vendor may decline.	For insurance reduction to be considered it would be for smaller contracts with a possible insignificant savings; however, in return, the City's liability exposure has the potential to increase exponentially should any lawsuits arise. Exact impact is unknown.
9	Public Services	Alternative Fuel Use	The concept would be to develop and implement City policies to target unnecessary fuel use, such as excessive idling of vehicles; curtail the use of low mileage vehicles for routine errands; utilize current dual-fuel vehicles on alt-fuels instead of gasoline; implement the use of CNG powered cars for all non-safety applications.	No	No	No	Could be implemented to some degree immediately, with new policies, and annually with vehicle purchases.	None to citizens. Staff would need to change habits.	Reduction of 1% fuel use would result in a savings of \$8,000 per year. If implemented in all Dept's, may save 2-3% per year. Utilizing CNG for new vehicles would reduce fuel cost per vehicle by \$1.00 per gallon at current price of gasoline. Possibly saving a few hundred dollars per month initially, but several thousand as the program builds.

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10	Public Services	Renovate vs. replace City vehicles	The concept is to renovate City police vehicles instead of replacing them. This program could be extended to other City sedans. It doubles the life of the vehicle with an expenditure of 50% of the new car purchase price.	Unknown	No	No	By 60-90 days.	Car out of service during renovation, with loss of use.	Savings of approximately \$12-14,000 per vehicle in purchase cost avoidance. No 'stripping' of vehicles necessary. No bidding or award needed, or other administrative functions related to purchasing.