

# **The Citizens Budget Review & Advisory Committee's 2011/12 Budget Conclusions & Recommendations**

**March 4, 2011**

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This report from the Citizens Budget Review & Advisory Committee (CBRAC) is presented to the Garden City Board of Trustees (BOT) and Joint Conference Committee (JCC). Its conclusions and recommendations were developed after attending the BOT public work sessions and studying and analyzing the 2011-2012 Budget Packages received on February 4, 2011.

## **Committee Members:**

**Richard Bankosky, Chairman**  
**Kristina Russo, Vice Chairman**  
**Joe Courtade**  
**Bill Holub**  
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**Tom McArdle**  
**Pete Meaney**  
**Courtney Rosenblatt**

## **The Citizens Budget Review & Advisory Committee's 2011/12 Budget Conclusions & Recommendations**

This report from the CBRAC is presented to the BOT and JCC after studying and analyzing the 2011-2012 Budget Packages received on February 4, 2011. Meetings were held with Village department heads by the Committee members to gain better insight into specific department operations, to clarify the budgets presented and to seek answers on specific issues.

The following recommendations are being made based on the information available and in the best judgment of the CBRAC members considering their personal understanding of the community and the services rendered by the Village. No member has any conflicts of interest nor will have any financial gain from the recommendations made other than being tax payers and residents of the Village. All CBRAC members are residents of the Village of Garden City.

These recommendations are being made during a time of reduced Village revenues to fund services and great economic uncertainty in the nation, state, county and our community, that is expected to continue for the foreseeable future. As a result, all recommendations included herein should be instituted immediately to recognize immediate savings/cost impacts in the current fiscal year.

This report is formatted with the following sections:

- Major Recommendations concerning the 2011-2012 Budget
- Department Specific Recommendations concerning the 2011-2012 Budget
- Long Term Recommendations

## Major CBRAC Recommendations concerning the 2011/12 Budget

### Zero Increase Budget & Major Additional Modifications

**Recommendation:** We believe that the “Zero Increase Budget” scenario should be the approved budget for all departments, with the following major exceptions. Each item will be further discussed in the department specific sections to follow.

1. The Recreation Department should adopt the “Departmental Budget Requested” scenario in its entirety.
2. From the merger of Department of Public Works (DPW) Parks sub department with the Recreation department, synergies and cost savings of \$500K should be established as an annualized target and the budget should be reduced to reflect that.
3. The Library contribution recommended is 20-25% below the “Zero Increase Budget” scenario.
4. The Police force should be increased to 50 sworn officers.
5. Due to a harsh winter, pothole work and supplies should be increased by \$100k
6. Insurance – Preliminary estimates of insurance premiums from the largest national agent show potential savings in insurance costs and fees of over \$460k. A conservative savings estimate of \$300k should be reflected in the 2011-12 budgets.
7. A Village-wide management operations & technology review & audit – estimated at approximately \$500k - would be expended over the next 2 fiscal years, with annual savings expected thereafter.
8. All recommendations included herein should be instituted immediately where possible to recognize savings/cost impact in the current fiscal year, for example: staff reductions, the merger of Recreation and DPW Parks, etc

Budget Open Positions – considering the current hiring and promotion freeze, including funded open positions in the budget serves to inflate department costs when there are no intentions of hiring.

**Recommendation:** All open positions funded in the Zero Increase Budget scenario should be eliminated. All positions not included in the Zero Increase Budget or stated above should not be filled without written authorization for the BOT. For any hires approved, by the BOT, a contingent account could be set up in an Administrative unit outside of departmental budgets to be allocated as appropriate by the BOT. By doing so, the BOT will have increased control and flexibility over hiring of resources.

## Department Specific Recommendations for the 2011/12 Budget

### POLICE

Police Staffing - The Garden City Police Department has done an admirable job in this fiscal year (2010-11), even though staffing of the sworn officers has been seven positions below the 55 authorized in the budget. Public safety and response time have not been compromised. However, these vacancies have led to increased overtime (\$100,000 over budget) and reduced revenues from fines (approximately \$300,000).

**Recommendation:** For the upcoming fiscal year 2011-12, we recommend that the staffing level of sworn officers be set at 50. This will add approximately \$250,000 additionally to the Zero Increase Budget scenario.

**Recommendation Police Scheduling:** The Police Department should take advantage of the window available in its contract later this year to revisit scheduling of shifts and adjust them as needed for the 2011-2012 budget in an effort to minimize potential overtime use.

### FIRE

It is the opinion of the CBRAC that an organizational and structural review and study commence immediately, concluding with an organizational structure that joins the Career and Volunteer organizations under common leadership. This will provide the department with a firm foundation to then institute additional efficiencies.

**Recommendation:** We recommend filling a leadership position to oversee and manage the career staff. We also recommend that an interview committee be comprised of the BOT, volunteer members, outside community members, and the fire commissioner, to assist in the selection of this person. Since this position, at a level of Captain (\$187k all-in), is already reflected in the Zero Increase Budget scenario, there would be no incremental cost/savings from this recommendation.

**Recommendation:** Under the current policy of a 5 man career crew, a staff level of 28 firefighters seems appropriate and is supported by an annual working hour analysis. This may result in an additional cost of \$74k, all-in, to the zero-increase budget depending on the timing of the disabled firefighter currently on the payroll and expected to retire this fiscal year. Review of the number of positions with a rank of Lieutenant to be evaluated to determine if the FD can run efficiently with a level of 4, the average all-in cost of a Lieutenant is approximately \$177k.

**Recommendation:** The addition of a part-time clerical person to the staff. This person would be responsible for data entry, other clerical duties (an additional cost of approximately \$40k) and analysis as necessary.

**Recommendation:** The consolidation of training and scheduling management to one position for both organizations. The consolidation of training and scheduling will insure that the necessary resources are available when needed. There would not be a budget impact for this recommendation due to the fact that a career lieutenant is currently assigned to this task. The volunteer organization would use the same system and it'd be jointly reviewed by career and volunteer leadership when the department's schedule is set.

**Recommendation:** Participation in the PPC Program is run by the Insurance Service Organization ("ISO"). The sole objective of ISO's PPC Program is to help build an effective fire-protection service. The Program accurately measures the quality of public fire protection in 45,000 fire districts across the country. The ISO establishes a public protection classification that is provided to insurance companies, which their risk analysis are based and our premiums established. This is a no cost participation program, so there is no reason not to participate and lots to gain.

## **ADMINISTRATION**

**Recommendation Contracts:** Senior Management contracts going forward should be reflective of current benefit portfolios and private sector current practices, especially with regard to employee benefit contributions and other benefits.

**Recommendation Insurance:** Preliminary estimates of insurance premiums from the largest national agent show potential savings in insurance costs and fees of over \$460k. A conservative savings estimate of \$300k should be used for budgeting. Considering the savings by the current insurance review and RFP, additionally we recommend a review be undertaken biannually.

**Recommendation Vehicles:** Village wide vehicles should be inventoried and reassessed for necessity and all excess vehicles should be disposed of at market value.

**Recommendation Village Wide Database:** The Village Administration should be tasked with the collaboration and development of a village wide resident email database. This may include leveraging existing, possibly incomplete, databases from around the village, as well as distribution mechanisms. This database system would provide efficient and effective communications for all departments in the Village including, but not limited to: public information releases, recreation marketing, water billing, sanitation schedules and updates, library communications, emergency notifications and assorted billing/application deadlines.

## **LIBRARY**

**Recommendation Library:** We recommend that the library budget be approved at a level of 20-25% below the zero increase budget of \$3.6m, or between \$2.886m and \$2.706m. In comparison with 54 libraries across Nassau County, the Garden City Library has the 9<sup>th</sup> highest number of full-time equivalent librarians (13.5); the 11<sup>th</sup> highest per capita spend at \$157.39 per capita; the 14<sup>th</sup> highest number of full-time equivalent support staff (28.5); and the 26<sup>th</sup> largest population served at 21,672. [Source Nassau Library System Statistics based on 2009 Annual Report].

Based on a rationing of the total population served in Nassau County by the associated libraries of 1,296,459 and the total librarians full-time equivalent employed in the County of 504.24 Garden City should have 8.43 full-time equivalent librarians versus Garden City's reported 13.5 full-time equivalent. Using the same deductive reasoning for the number of support staff and the same population number for the County, the total full-time equivalent support staff employed in the County is 1127.76. By rationing the support staff based on Garden City population it concludes that a proper full-time equivalent support staff level of 18.85 versus Garden City's 28.5. The average County per capita spend is \$117.36 as compared with Garden City's \$157.39, a variance of \$40.03 per capita.

Using comparative year information, the Library's net operating expense for the fiscal year ended May 31, 2010 was \$3.191m (or 11.6% below the 2011-12 zero increase budget) and this year's estimate of actual expenditures is \$3.482m (or 3.5% below the 2011-12 zero increase budget). The 2010-2011 current year estimated actuals and the 2011-12 zero increase budget do not appear to take into account the efficiencies implemented in the 2009-2010 fiscal year, i.e. the elimination of the position of Assistant Director and the implementation of technology at the circulation desk, as well as an Event planner.

Therefore, this analysis supports the conclusion that the library is overstaffed, overfunded and the proposed budget reduction level appropriate. We encourage the BOT to review this analysis and make the best business decision for our community to streamline the operations while providing the same level of services.

## **RECREATION**

**Recommendation Recreation Marketing Programs** - Based on the successful delivery of quality programs by the Recreation department, it is believed that increasing marketing resources would result in increased revenue and utilization for the recreation programs, the pool, tennis, and miniature golf.

**Recommendation:** From the merger of Department of Public Works (DPW) Parks sub department with the Recreation department, synergies and cost savings of \$500K should be established as an annualized target and the budget should be reduced to reflect that.

The \$500k target represents a 12% reduction in costs of the combined Parks and Recreation Maintenance department requested budgets. This target can be achieved by recalibrating the ratio of managers/supervisors to staff, eliminating a caretaker position (as suggested already in the Zero Increase Budget scenario) as well as reducing overtime and the number of seasonal employees. In doing so 25 of the 26 labor level staff could be retained, at least initially, in order to minimize any impact to services while establishing new combined operating procedures.

It is recommended that up to 20% of the cost savings achieved from the combination of Parks and Recreation be partially reinvested in the Recreation department, in the form of a dedicated

marketing resource, ideally as a part-time employee. After the first year, this resource should be tasked with covering its costs from incremental revenue on an ongoing basis.

## **POOL ENTERPRISE**

**Recommendation Application Enhancements:** Pool marketing should be enhanced in the current year to make it easier for residents to apply for membership, thereby potentially increasing revenue opportunities. Specifically, the application should be delivered in February to better compete with outside beach club/camp deadlines. Additionally, online payment options (via credit card) should be offered, including online installment payment plans.

**Recommendation Pool Capital Investment:** Based on the analysis of pool memberships and profitability over time and combined with current facility problems, it is recommended that the enhanced pool offering continue to be explored, and expanded to include additional amenities for all member demographic segments. The resulting state of the art aquatic facility should be bonded as part of the Pool Enterprise fund.

**Recommendation Pool Fund Status:** It is recommended that determination of the pool's status as an Enterprise or General Fund should be deferred until after the first year of operations of the new and improved facility and having the additional marketing resources in place.

## **DEPARTMENT OF PUBLIC WORKS**

**Recommendation Zero Increase Budget:** It is recommended that the BOT adopt the zero increase budget scenario for the entire DPW. The cuts included in that scenario will allow the department to get close to current year actual/estimated spending, without causing noticeable changes in service to the residents. While the cuts included in that scenario are significant, the department manager believes they can be overcome through adjustments in operating procedure and/or approach.

**Recommendation DPW Parks & Recreation Consolidation:** The Parks (DPW) and Recreation departments should be merged under the Recreation Department in order to take advantage of similarities in tasks, equipment and manpower.

**Recommendation Road Repairs:** Due to a harsh winter, the CBRAC recommends increasing the DPW street maintenance, zero increase budget by \$100k for increased pothole repair and supplies.

**Garage Overtime** - In the proposed 2011-12 Public Works departmental budget for the Garage where the village vehicles are maintained and repaired, regular and overtime hours of the mechanics who work there are combined in a single account. DPW management defends this practice by stating that their time is billed out to other departments at an hourly rate that covers salaries and overtime costs.

**Recommendation:** We recommend that this department budget regular and overtime hours separately, similar to every other department in the village. Also they should account for hours worked so that monthly financial reports can track any deviations to the budget.

**Recommendation Outsourcing:** Greater use of outsourcing should be analyzed in such areas as parks and building maintenance, as the prevailing wage rate is often lower than in-house personnel costs inclusive of benefits.

#### **WATER ENTERPRISE FUND**

Proceeds from legal settlement - The Garden City Water Enterprise Fund ("Water Fund") during the 2010/2011 budget cycle reached a settlement on an outstanding legal matter that resulted in the Water Fund receiving funds in excess of \$1.2m.

**Recommendation:** We recommend a full accounting of the proceeds expended on this matter prepared for the BOT, so the Board can determine the economics related to the settlement.

**Recommendation:** For the upcoming fiscal year 2011-12, we recommend that the Water Fund review all of its charges from the General Fund to assure it is paying fair value for those services, for example, rental of office space, allocation of insurance costs of vehicles dedicated to the Water Fund, etc.

#### **LEGAL**

**Recommendation Fees & Representation:** Keep the same level as the retainers utilized for 2010/2011 budget, which would result in a \$50k decrease in the zero increase budget scenario. It is further recommended that an RFP process commence in the summer for legal counsel, in order to ensure market rates as well as to potentially infuse new ideas.

### **Long Term Recommendations**

**Recommendation Benchmarking:** It is recommended that the Village define a set of comparable municipalities to be used for benchmarking purposes. Comparisons to a peer group would provide independent metrics of efficiency which would be useful information especially for budget decision making and managing operations. Additionally, continuous benchmarking would require our village managers to stay up to date on various operational aspects in similar departments in other municipalities, increasing opportunity for process improvement and advancement

Multiple Village Budgets - Each fiscal year the various departments within the village submit proposed budgets to cover the upcoming year. In the case of Administration, Recreation, and Public Works they submit multiple sub-department budgets.

**Recommendation:** We recommend that these departments also include a consolidated budget of all the sub-departments. This would help in comparing year-to-year budgets.

Computer Technology: - There are hundreds of computer devices utilized throughout the village by village employees and in the case of the library by village residents. Although data is regularly backed up offsite, there is no disaster recovery plan covering the steps to take in the event of a loss of a facility. One positive point is that the department locations are spread throughout the village.

**Recommendation:** We recommend that disaster recovery plans be prepared for each of the locations that contain computer devices within the village.

**Recommendation Technology Review:** The CBRAC recommends that a Village-wide technology review, the scope of the which would be to analyze the hardware and software licensing used across departments to determine if it can achieve savings by either negotiating bulk purchasing or seeking other vendors offering similar products. Given that software licensees tend to bundle products, the Village may be paying for software that it may not need. Separately, the Village should look at utilizing cloud computing for data storage and sharing across departments, which may minimize hardware purchases and maintenance.

**Recommendation Equipment Rental:** DPW and Recreation in conjunction with finance should analyze the decision to own versus rent relative to the useful life of a piece of equipment and the percent of time that it will be utilized. Renting equipment as needed may allow the Village to control its expenses and conserve capital while using equipment that is optimal for the task required. In addition, with maintenance and repairs being performed by the rental company, the Village avoids the hassle and expense of having to service the equipment. Furthermore, equipment in rental fleets tend to have an average life-span of five years, making them younger, less prone to problems, more energy efficient and environmentally friendly.

Computer Staff - There are two employees devoted to the support of all the computer users within the village. One is in the Library; the other supports all the other Village departments.

**Recommendation:** We recommend that these two resources be combined under Administration to provide versatility to support the users throughout the Village departments.

Retirement - Retirement is an event that an individual qualifies for at the end of a long career. The whole reason the village contributes to an employee's retirement is to provide some security at the end of the work cycle. However, the village has some instances where the employee has put in for retirement and continues to work for the same salary and benefits they made before retirement. This currently is offensive to many of the taxpayers in the village.

**Recommendation:** Once an employee opts to retire, the Board of Trustees should commence a formal recruitment process for a replacement. If the employee would like to continue in their current position they are welcome to be considered during the recruitment process.

**Recommendation Project Justification:** Formal policies and procedures for project approval should be expanded to include a cost benefit analysis (including financial data). This analysis

should include all areas of cost savings, including personnel reductions and overtime elimination where appropriate.

**Recommendation Succession Planning:** The Village needs to have continuity in its senior management. A formal Succession Planning program needs to be put in place to define the likely retirement of its staff and those candidates both internal and external, who have the experience and capability to lead the departments. This would allow us to proactively recruit instead of reacting to crises made by unexpected departures. We also recommend that a village committee composed of members of the BOT and resident volunteers with appropriate skills, be formed to help in candidate selection, when an opening in village senior management is imminent.

**Recommendation Intern program with Adelphi & Hofstra:** The Intern program should be established as discussed with Adelphi and funded at the requested \$10,000.

Union Negotiated Contracts: It is apparent that the union negotiation and arbitration process overly favors the unions. The Board of Trustees have officially requested the relief from or elimination of unfunded state mandates through state legislation. We believe more legislation can be requested.

**Recommendation:** The BOT should contact or write our legislative representative and governor:

1. To encourage and support legislation to change the arbitration process whereby private wage levels and benefits are equally taken into consideration.
2. To encourage and support legislation to significantly change the civil service retirement system.

**Respectfully submitted,**

**Committee Members:**

**Richard Bankosky, Chairman**

**Kristina Russo, Vice Chairman**

**Joe Courtade**

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**Stephen Makrinos**

**Tom McArdle**

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