



# Proposed Efficiency Study Ordinance

## § 2-3-12 – EFFICIENCY STUDY

### MISSION

- (A) The City's Efficiency Study will provide an impartial, objective review of the city's operational and fiscal performance, including development of a Government Efficiency Blueprint which includes a comprehensive budget analysis, efficiency and enhancement recommendations, and a targeted list of opportunities for operating savings.

### QUALIFICATIONS

- (B) The efficiency study shall be conducted by an independent third party entity with extensive experience in government efficiency, and is knowledgeable in fiscal and budget analysis, public administration, and municipal finance and fiscal practices. The city may not contract with or hire, as an independent third party entity, an entity which has had a contract directly with the city within the past 5 years, or which employs an individual who:
- (1) has served as the City's mayor, a council member, city auditor or city manager or has had a contract directly with the city within five years before the date of hire; or
  - (2) is related, by affinity or consanguinity within the second degree, to the mayor, a council member, city auditor, or the city manager.

### OBJECTIVES AND WORK PRODUCT

- (C) The efficiency study shall produce a Government Efficiency Blueprint (Plan) that recommends specific opportunities for consolidation, shared services, and other changes that permanently reduce tax burdens and/or increase the quantity and quality of services. The efficiency study shall include all City Departments, including all General Fund Departments and all publicly-owned utilities, including, but not limited to, Austin Energy, Austin Water, Austin Resource Recovery, all Enterprise Departments, including, but not limited to, the Austin Convention Center, the Austin Transportation Department, and all Internal Service Departments, including but not limited to, Law, Human Resources, Economic Development and Fleet Services. The Plan will identify specific targets for program efficiencies, cost savings, revenue enhancements, private/public partnership initiatives, and monetization of unused or underutilized city assets. The Plan shall include:
- (1) A comprehensive diagnostic analysis of the City's budget to identify spending and revenue trends and outliers. This Plan objective should include:
    - o Trend Analysis – Review and analysis of both historical and forecasted revenue and expense trends
    - o Benchmarking analysis – Comparison of the City's revenue and expense spending levels to peer cities and other recognized benchmarks
  - (2) Identify recommendations that prioritize target areas with large and substantial expenditures that affect the City's general revenue fund and where the City can become more efficient and thereby provide cost savings.
  - (3) A prioritized listing of opportunities for operating savings, efficiency and enhancement recommendations both in written form and explained through testimony before the City Council and other responsible bodies. These recommendations should be classified into short-term opportunities which can be implemented within the current budget cycle, medium-term opportunities which can be implemented within one to three years, and long-term opportunities which may require three or more years to implement. The recommendations should be documented and the independent third party entity shall make the working papers available that detail the assumptions behind the cost and benefit estimates for each recommendation.
  - (4) The independent third party entity shall be available and willing to assist in the implementation of its recommendations. The Plan shall also include: a list of the required critical steps, including any statutory or regulatory changes, an estimate of the financial and personnel resources required, an estimate of the timeframe to implement the recommendations, and any deployment strategies, communication management, dashboards, and monitoring tools necessary for its implementation.

### INDEPENDENCE AND NON-INTERFERENCE

- (D) The independent third party entity shall have the full cooperation and assistance of the City Manager, publicly-owned utilities, Enterprise Departments, Internal Services Departments and all other City Departments in providing unfettered access to all data and information requested. City employees shall provide free and open access to, and furnish copies of information in any medium, including a record, book, account, internal or external memorandum, tape, report, file, diskette, computer data, money, fund, or other information, and shall also provide free and open access to property, equipment, facilities, and operations for inspection or observation.