

1 **ORDINANCE NO.**

2 **AN ORDINANCE AMENDING CHAPTER 2-3 OF THE CITY CODE (CITY**
3 **AUDITOR) RELATING TO AN EFFICIENCY STUDY.**

4
5 **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

6 **PART 1.** Section 2-3-12 (*Efficiency Study*) is added to read:

7 **§ 2-3-12 EFFICIENCY STUDY.**

8 **MISSION**

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

14 **QUALIFICATIONS**

15 (B)The efficiency study shall be conducted by an independent third party entity
16 with extensive experience in government efficiency, and is knowledgeable in
17 fiscal and budget analysis, public administration, and municipal finance and
18 fiscal practices. The city may not contract with or hire, as an independent
19 third party entity, an entity which has had a contract directly with the city
20 within the past 5 years, or which employs an individual who:

- 21 (1)has served as the City’s mayor, a council member, city auditor or city
22 manager or has had a contract directly with the city within five years
23 before the date of hire; or
- 24 (2)is related, by affinity or consanguinity within the second degree, to the
25 mayor, a council member, city auditor, or the city manager.

26 **OBJECTIVES AND WORK PRODUCT**

27 (C)The efficiency study shall produce a Government Efficiency Blueprint (Plan)
28 that recommends specific opportunities for consolidation, shared services,
29 and other changes that permanently reduce tax burdens and/or increase the
30 quantity and quality of services. The efficiency study shall include all City
31 Departments, including all General Fund Departments and all publicly-owned
32 utilities, including, but not limited to, Austin Energy, Austin Water, Austin
33 Resource Recovery, all Enterprise Departments, including, but not limited to,

34 the Austin Convention Center, the Austin Transportation Department, and all
35 Internal Service Departments, including but not limited to, Law, Human
36 Resources, Economic Development and Fleet Services. The Plan will
37 identify specific targets for program efficiencies, cost savings, revenue
38 enhancements, private/public partnership initiatives, and monetization of
39 unused or underutilized city assets. The Plan shall include:

40 (1) A comprehensive diagnostic analysis of the City's budget to identify
41 spending and revenue trends and outliers. This Plan objective
42 should include:

- 43 ○ Trend Analysis – Review and analysis of both historical and
44 forecasted revenue and expense trends
- 45 ○ Benchmarking analysis – Comparison of the City's revenue
46 and expense spending levels to peer cities and other
47 recognized benchmarks

48 (2) Identify recommendations that prioritize target areas with large and
49 substantial expenditures that affect the City's general revenue fund
50 and where the City can become more efficient and thereby provide
51 cost savings.

52 (3) A prioritized listing of opportunities for operating savings,
53 efficiency and enhancement recommendations both in written form
54 and explained through testimony before the City Council and other
55 responsible bodies. These recommendations should be classified
56 into short-term opportunities which can be implemented within the
57 current budget cycle, medium-term opportunities which can be
58 implemented within one to three years, and long-term opportunities
59 which may require three or more years to implement. The
60 recommendations should be documented and the independent third
61 party entity shall make the working papers available that detail the
62 assumptions behind the cost and benefit estimates for each
63 recommendation.

64 (4) The independent third party entity shall be available and willing to
65 assist in the implementation of its recommendations. The Plan shall
66 also include: a list of the required critical steps, including any
67 statutory or regulatory changes, an estimate of the financial and
68 personnel resources required, an estimate of the timeframe to
69 implement the recommendations, and any deployment strategies,
70 communication management, dashboards, and monitoring tools
71 necessary for its implementation.

