

RIGHT SIZING PLAN

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OFFICE OF THE ADMINISTRATOR

Augusta
GEORGIA

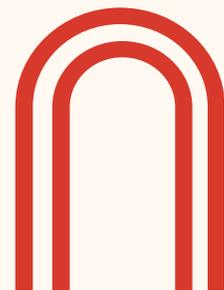


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MESSAGE FROM THE INTERIM ADMINISTRATOR

Mayor Johnson and Augusta Commissioners,

As tasked, I present to you my recommendations to save money within our consolidated government, without imposing an increase on property taxes. Information within this report is guided by (1) internal department engagement, (2) surveying/benchmarking practices from municipalities from over 30 communities and (3) a robust review of academic resources.

Like all local governments, Augusta is faced with major fiscal challenges (i.e., budget increases, revenue shortfalls, labor shortages, unexpected events) that threaten the timeliness and quality of service delivery. Additionally, the lasting impact of the COVID-19 pandemic has exacerbated these challenges to levels never imagined. In response, local governments must identify budget reduction and revenue enhancement practices—while sustaining citizen service demands.

In conjunction with the right-sizing study, Augusta is also undertaking a class and compensation study that will complement the right-sizing plan. The compensation study will provide accurate data and real-time resources at a more technical level than presented in this plan. In some regard, these individual plans should be considered as companion documents that will guide decision makers in better managing personnel, and programs — while controlling budgetary spending.

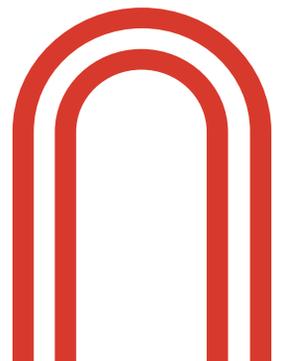
Looking ahead, Augusta will continue to maintain and improve existing service quality, while serving the public in the best possible manner. This will include a multi-disciplinary focus, involving all of our departments in collaboration with residents, civic groups, local businesses and the public at-large.

Finally, I am honored to lead our government to a new era of improved service performance standards, while aggressively leveraging our invested resources to achieve sustainable growth and development. I welcome the opportunity to share this plan with our stakeholders in the community and Region.

Best regards,



Takiyah A. Douse, Interim Administrator



STUDY PURPOSE AND PRIORITY AREAS

The purpose of the Right-sizing Plan is to present cost-saving and efficiency strategies as a means of right-sizing Augusta's consolidated government through managerial controls. This plan provides best practice strategies in managing personnel, service delivery expectations, procurement services, capital assets and revenue growth (taxes and fees). The priority areas and recommendations presented within this report were compared with academic and government perspectives from across the nation.

To achieve this purpose, staff has identified key priority areas to present to the Commission with detailed recommendations for implementation strategies:

1. **Explore outsourcing services** as a low-cost alternative, where appropriate, to deliver higher and more consistent service performance.
2. **Assess duplicative tasks** throughout departments through policy and procedural changes, pilot programs and organizational restructuring.
3. **Reduce workforce allowances** through position controls to ensure headcount is kept within efficiency limits and that vacant positions are not required to preserve public service integrity standards.
4. **Enhance revenue growth opportunities** through realized tax digest growth, pricing user fees and service charges according to the appropriate benefit received.
5. **Consider liquidating physical assets** which are underutilized—allowing considerable cost-savings in utilities, facility maintenance and long-term capital replacement spending. This category includes vehicles and city-owned facilities.
6. **Improve shared asset management procedures** such as equipment, vehicles, and office space where greater economies of scale can be realized.
7. **Restructure benefits and other personnel expenditures** to realize savings. This can be achieved by evaluating benefits and reducing them to appropriate levels.
8. **Implement technology solutions** through the acquisition of software products, licenses, and hardware.
9. **Mandatory percentage based budget cuts** will allow department directors the opportunity to participate in determining their budget reductions.

I. OUTSOURCING SERVICES

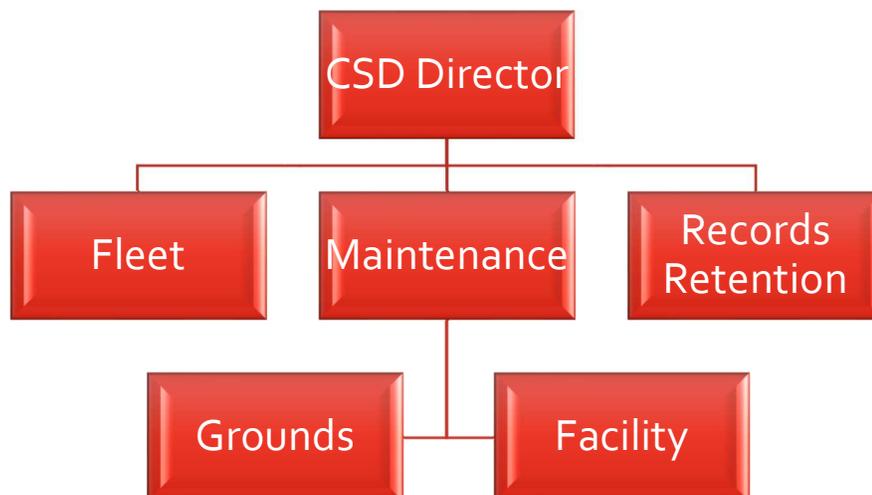
A. CENTRALIZE RIGHT-OF-WAY MAINTENANCE

As part of Augusta’s renewed emphasis on centralizing landscaping activities, in fiscal year 2023 the Commission allocated \$500,000 to manage and maintain highly visible right-of-way landscaped areas. This plan included the centralization of areas currently managed by the Engineering and Environmental Services Department (EESD) and the Parks and Recreation (P&R) Department. These combined activities enhance our surrounding aesthetics and are vital to minimizing public safety risk and associated hazard liabilities. By increasing the frequency of grounds related maintenance services, and consolidating vendor services previously utilized by multiple departments, Augusta is able to capitalize by economies of scale. This effort is noted as an added quality of life measure for our community.

B. CENTRAL SERVICES DEPARTMENT – GROUNDS MAINTENANCE DIVISION

The creation of a CSD-Grounds Maintenance Division will combine the current grounds efforts currently deployed by three (3) different departments. Central Services, Parks & Recreation and Engineering and Environmental Services all have staff responsible for grounds maintenance duties. The scope of work includes services from tree and right of way maintenance, to facility maintenance and park maintenance. Centralizing rounds related maintenance tasks under one department with one vision will seamlessly address Augusta’s resounding concerns about grass and tree maintenance.

While services may continue to be outsourced, allowing the Department to assess the best deployment of resources will ensure a schedule of need is addressed and recurring services are performed.



II. DUPLICATIVE TASKS

A. IMPLEMENTATION OF ADVANCED METERING INFRASTRUCTURE (AMI)

Augusta Utilities is continuing its implementation of Advanced Metering Infrastructure (AMI) as a means of streamlining its meter reading activities. The AMI System will result in the reduction of meter reading staff, which is a high-turnover position. This position is extremely labor-intensive and requires specialty knowledge of the system. Full rollout of the meter updates will take five (5) years and throughout this period the number of metering staff needed will be reduced through attrition (retire, resign, or retrained as technicians).

Accurate meters readings will increase revenue for the department and allow the customer to track their usage on an hourly, daily or monthly basis through an online portal.

AMI will feature the following benefits:

- a. Provide timely notification of leaks
- b. Provide customer guidance for meeting local guidelines
- c. Support conservation efforts
- d. Result in efficient service delivery and usage reporting



Cost Savings/Net Revenue Increase

\$450,000 per year

B. REDUCE AUTOMATIC DISPATCH OF FIRE TRUCKS

AFD will continue to monitor and adjust first responder emergency calls by limiting the number of first responder calls automatically dispatched to low-priority medical calls once Central EMS becomes fully operational.

This effort can lead to cost savings by:

1. **Reduced equipment costs** such as fire trucks, ambulances, and other specialized gear. Reducing the wear and tear on equipment, will prolong its lifespan and reduce replacement costs.
2. **Reduced fuel and maintenance costs** will be immediately realized as a result of fewer dispatched calls.

In addition to the savings noted above, the department will be able to **improve current response times and improve staff morale**. Resources will be available to respond faster to high-priority calls which will lead to positive outcomes for those in need. Staff has reported frustration when time and resources could be better served for more serious emergencies,

rather than low acuity related calls. By reducing the number of low-acuity calls, staff morale can improve, leading to better job satisfaction and potentially lower turnover rates.

Cost Savings

\$255,000 per year

C. REDUCE RESPONSES FOR USE OF AMBULANCE (MEDICAL) CALLS (MED UNIT).

With the addition of our new Emergency Medical Services (EMS) transport provider, Fire will reduce the number of responses by its Med-unit by making this unit only available as a medical sector response for structure fires. The unit will continue to perform and/or assist with training needs, as well as respond to any mutual aid request initiated by the Zone provider. The increased downtime will result in future savings fuel and maintenance cost. Savings will be offset by a reduction in revenue generated from patient care transport charges.

Scenarios where AFD will dispatch Medical (Ambulance) Units

1. All structure fires to provide a medical component for staff or victims
2. Mutual aid request when the zone provider reaches zero status for available ambulance service units.

Cost Savings

\$45,000 per year

D. IMPROVED FIRE ASSET MANAGEMENT

The department will improve upon current asset management practices. By automating the process of tracking and maintaining the use of physical assets to ensure they are being used effectively and efficiently. This will involve implementing a system to better track equipment and maintain it within the logistics division. The Department will explore City Works or similar software options, to accomplish this task via a digital platform. Automated processes are proven to provide better regulatory oversight, is prolong the lifespan assigned equipment and reduce replacement costs.

The benefits of effective asset management include:

1. **Prolonged lifespan of equipment-** By properly maintaining equipment, it can last longer and require fewer repairs or replacements. This can save money on replacement costs and reduce downtime associated with equipment failures.

2. **Improved Safety-** Well-maintained equipment is less likely to fail during an emergency, which can positively impact the safety of first responders and the public.
3. **Enhanced Efficiency-** By having an accurate inventory of assets and their condition, the department can better allocate resources and reduce downtime associated with equipment failure.
4. **Increased Accountability-** Having an asset management system in place provides accountability for the departments equipment and ensures that assets are being used as intended. This can mitigate misuse or theft of department property.
5. **Compliance-** Asset management can help ensure that equipment is being maintained to comply with regulatory requirements, such as safety and inspection requirements

E. FIRE DEPARTMENT COMMUNITY OUTREACH PROGRAM

The department will implement more community outreach programs that will educate our community on fire safety and prevention measures through a robust "Alert Augusta" Initiative. The objective for "Alert Augusta" is to meet the Department's mission of providing emergency services through community-focused education, outreach, events, and operational standards that will create a safer Augusta. Each program is rooted in the idea that prevention through education is ideal. The decisions and programs outlined in this plan will take into consideration key data points, Department operations, and community feedback. Evaluating the effectiveness of each program will be conducted with both a short and long-term goal in view. Evaluations will be done regularly on a monthly and yearly basis to determine emerging trends and repeatable successes. The creation of an Education Specialist, dedicated specifically towards the aforementioned efforts, will advance the mission of the Department in this area..

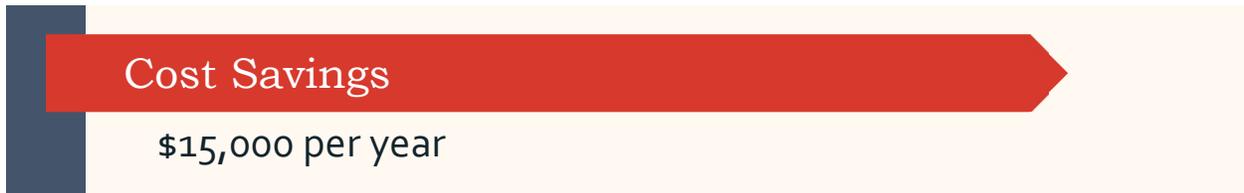
The plan revolves around three distinct principles, "Programs, Data, Partnerships." Creating targeted programs, driven by data, established through partnerships, under the premise, "if its predictable, its preventable." These programs can help reduce the number of incidents, make our community safer, and in turn, reduce the cost of emergency response.

F. COMMUNITY CAT TRAP-NEUTER-RELEASE (TNR) PROGRAM

A Community Cat TNR program offers a cost-savings by reducing the number of fiscal resources expended on cat food and euthanasia drugs. An additional cost-savings would be realized by reducing the amount of fuel consumed responding to cat related complaints.

Table 1. Cost-savings by Implementing a TNR Program

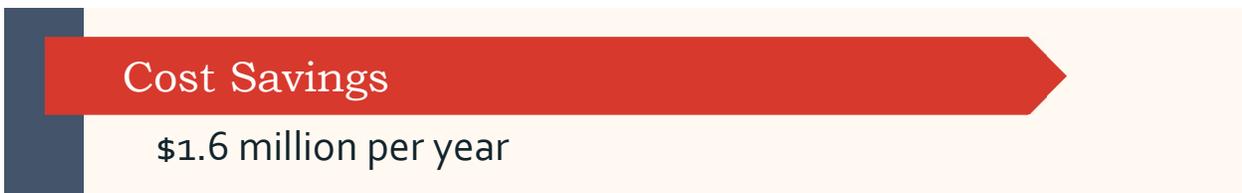
	No TNR Program		Proposed TNR Program
	2021	2022	
Number of Cats Impounded	2,258	2,326	381
Number of Cats Euthanized	1,378	1,443	381
Cost of Food and Cat Litter	\$6,977	\$7,180	\$1,173
Cost to Euthanize	\$1,598	\$1,673	\$441
Cost to Vaccinate	\$6,480	\$6,675	\$1,093
Total	\$15,056	\$15,529	\$2,707



III. WORKFORCE STAFFING AND POSITION CONTROL

As Of June 6, 2023, Augusta, Georgia has 331 vacancies. This figure represents the entire consolidated government to include elected officials. Of this figure, 34 positions have been vacant for more than twelve months (12) and represent vacancies within the General Fund. While positions are vacant for a myriad of reasons, mass abolishment based upon vacancy date is not recommended. Interim positions, highly trained technical positions, lack of upward mobility and the inability to offer a competitive wage with an attractive benefits package are all reported reasons as to why positions have been vacant for an extended period of time.

The Human Resources Department has ramped up efforts to assist departments with recruiting for positions deemed difficult to fill. Recent job fairs and online marketing efforts have reduced this number year to date.



IV. ENHANCE REVENUE OPPORTUNITIES

A. FORECASTED REVENUE GROWTH

Through tax digest growth, increased user fees and service charges according to the appropriate benefit received Augusta will assume enhance revenue growth.

In combination with controlling expenditures, steady and consistent revenue growth is at the heart of Augusta’s long-term (strategic) priorities. This includes various sources of revenue including taxes, fees and user service charges.

As in previous years, Augusta’s economy has remained stable despite the global COVID-19 pandemic possible recession. Consequently, Augusta has been afforded the advantage in maintaining consistent service levels—by keeping personnel and operating costs steady. Our revenue outlook for the next 12-24 months is reflective of our stable local and regional economy. Table 2 below identifies the forecasted increases in major revenue categories.

Table 2: Revenue FY’23 and FY’24 Outlook

Revenue Type	2023 Budget	2024 Forecast	Variance
Ad Valorem Taxes*	\$ 49,482,600	\$ 50,967,078	\$ 1,484,478
Sales Taxes*	\$ 43,140,000	\$ 44,434,200	\$ 1,294,200
TAVT*	\$ 10,845,080	\$ 11,170,432	\$ 325,352
Electric Franchise Fees	\$ 12,228,000	\$ 13,753,230	\$ 1,525,230
Alcoholic Beverage Excise Tax	\$ 2,720,000	\$ 2,870,000	\$ 150,000
Local Option Mixed Drink Tax	\$ 900,000	\$ 1,100,000	\$ 200,000
Total			\$ 4,979,260

*Growth Rate 3%



B. TRANSFER OF MERCHANT CREDIT FEES TO CUSTOMERS

The Augusta Utilities Department (AUD) currently pays the merchant services bank fee when a customer’s credit card is used to pay a water bill. This is due to historical policy in place because AUD was an early adopter of credit card payment technology for water billing. It was determined, at that time, to absorb the fee as a cost of doing business. Today, credit card

payment of bills is widely accepted, and comparable municipal service departments require customers to pay the fee, if they choose to use a credit or debit card for payment. Transferring the courtesy fee back to the card user would result in substantial savings to the department.

Cost Savings

\$500,000 per year

C. PROPOSED FLAT FEE FOR ALL SURRENDERED ANIMALS

The department recommends a flat user fee of \$50.00 for all animals regardless of the condition of the animal. Currently the department only charges a drop-off user fee (\$50.00) if the surrendered animal is requested to be euthanized (sick or aged). Note: Approximately 1,300 animals are surrendered per year.

Net Revenue Increase

\$30,000 per year

V. ASSET DIVESTMENT

A. HOME & COMMUNITY DEVELOPMENT (HCD) MANAGEMENT

The 2008 Laney Walker/Bethlehem Revitalization Implementation Plan details the acquisition of area residential and commercial parcels. The specific developmental areas of community economic development defined within the plan, are listed below.

DEVELOPMENT AREAS MANAGED BY HCD

1. New construction for homeownership,
2. Historic restorations for affordable rental housing,
3. Façade development,
4. Acquisition and rental housing development,
5. New construction mixed use development

Although the departmental focus has remained the same, the strategic developmental approach to each developmental area has shifted in some respects, making certain parcels acquired expendable and ready to be disposed. However, these parcels should be sold to the right development/contractor for like-minded community purposes.

Based on this maneuvering, Augusta could realize a direct capital infusion of funding from the sale of approximately twenty-five (25) lot parcels across a five-year period.

Net Revenue Increase

\$125,000 over 5 years

B. LIQUIDATION OF UNDERUTILIZED ASSETS

Real property owned by the City of Augusta represents a considerable investment of public funds. Proper managerial control of the assets should include efficient utilization and often disposition of property deemed surplus in accordance with policy or restrictions governing property disposition.

Augusta has valuable unused/surplus assets (land, buildings, etc.) that can be sold for private market use. The advantages from these asset sales can provide several positive short-term and long-term outcomes such significant revenue increases—as well as facility maintenance and utility cost-savings. Table 3 below identifies potential surplus property for disposition consideration, including location and current appraisal value.

Table 3: Proposed Surplus Asset by Appraisal Value

Description	Address	Appraisal Value
Old Engine Company #12	5098 Mike Padgett Hwy	\$ 222,751
Chamber of Commerce	600 Broad Street	\$ 483,202
Sheriff Substation South Side	3425 Mike Padgett Highway	\$ 281,574
Riverfront Property	330 Prep Phillips	\$ 716,360
Grand Total		\$ 1,703,887

Net Revenue Increase

\$1.7 million

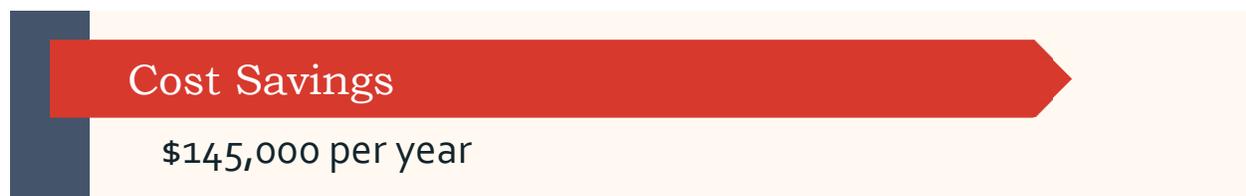
C. LIQUIDATION OF SELECTED AUGUSTA PARKS

In 2022, the Augusta Commission conducted several public engagement activities to consider underused parks for divestiture. In addition to public meetings (in Commission Chambers) the Commission also conducted a 'Parks Tour' to observe (onsite) and discuss the current conditions of the identified parcels.

A key component of the potential cost-savings afforded from divestiture includes capital spending for improvements as well as maintenance. This particularly notable, considering that Augusta does not own parks that it currently assumes maintenance responsibilities. Table 4 highlights parks previously considered for divestiture.

Table 4: Previously Recommended Parks for Divestment

Park Facility	Current Cost to Maintain	Future Cost to Maintain	Cost Savings
Alexander Park	\$ 4,845	\$ 254	\$ 4,591
Bedford Heights	\$ 7,485	\$ -	\$ 7,485
Heard Ave Park	\$ 6,390	\$ 2,415	\$ 3,975
West Augusta Soccer Park	\$ 122,180	\$ -	\$ 122,180
Wood Street Park	\$ 8,335	\$ 1,560	\$ 6,775
Total	\$ 150,000 est.		\$ 145,000 est.



VI. SHARED ASSET MANAGEMENT

A. IMPROVED ASSET MANAGEMENT

The Office of the Administrator is recommending two (2) key cost-saving approaches as part of an improved shared asset program.

1. Reassigning Underutilized Vehicles

In lieu of purchasing new assets, vehicles deemed underutilized for consecutive years can be reassigned to departments requesting new vehicles (cars, vans, trucks).

2. Addressing Unscheduled Maintenance.

Departments will be held accountable for ensuring that routine maintenance is performed on all fleet assets deemed necessary. The tasks to be performed by vehicle operators include:

Note: Central Services Department estimates a 10%-20% cost reduction by implementing these measures

Figure A. Measures to Reduce Vehicle Maintenance Costs

- a. Daily vehicle and/ or asset inspections
- b. Annual Safety Driving Training and regular operator training
- c. Hold operators accountable for continuing to operate asset without the proper preventive maintenance

Figure B. Unscheduled Vehicle Maintenance Costs FY19-22

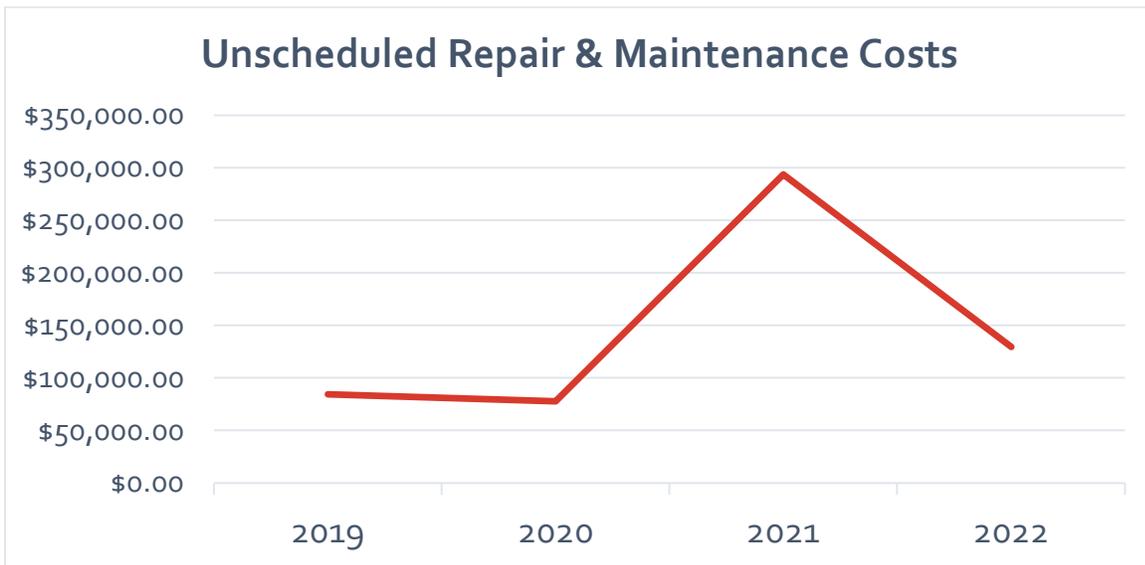


Table 5. Cost Savings from Improved Scheduled Maintenance

Total FY19-22	Yearly Avg.	10% Cost-Savings	20% Cost-Savings
\$ 585,388	\$ 146,347	\$ 14,635	\$ 29,269

Cost Savings

\$30,000 per year

VII. RESTRUCTURE BENEFIT PLANS

A. HEALTH INSURANCE RESTRUCTURING

Healthcare costs are a large and rapidly growing cost for local governments. Consequently, controlling healthcare costs is significantly vital to Augusta's financial stability.

To this end, Augusta is undertaking measures to address cost factors impacting its overall health expenditure liability. These measures are centered on new data collection/tracking and reporting metrics.

In cooperation with Augusta's benefit insurers, the following cost-savings are anticipated in the next three years.

- A. **Cancer Treatment (\$3M Annual Expenditure):** Educating employees on the value of preventive screenings. Estimated cost savings: \$100,000/yr.
- B. **Musculoskeletal Injuries (\$1.5M Annual Expenditure):** Promoting and encouraging employee participation in the revised Anthem Musculoskeletal Program: Estimated savings: \$30,000/yr.
- C. **Health and Condition Assessment:** Implementing new wellness tools such as the 'Sydney App', which will increase employee understanding of when and how to access care. Estimated savings: \$60,000/yr.
- D. **COVID Treatment (\$1.1M Expenditure in 2022):** Augusta anticipates a significant decrease over the next three years due to lower infections. Estimated savings: \$400,000 over the next 3-5 years.

Cost Savings

\$300,000 per year

VIII. TECHNOLOGY SOLUTIONS

A. AUGUSTA 311 SOFTWARE SOLUTIONS

1. Current Inefficiencies

Augusta currently manages two separate software platforms to manage its 311 Call Center service requests and workorder operations. Working with multiple vendors presents scheduling challenges along with software limitations between the platforms. Troubleshooting issues will be less cumbersome due to the unified platform and the ability to turn features on and off in both the web and mobile environment.

2. Implementing Cost Savings

Beginning this summer, Augusta will move back to a single platform which will not only reduce overall software costs but decrease redundancy. This will reduce errors by decreasing the number of support staff needed to make modifications to the system.

Table 6. Current vs. Future Costs for 311 Software Platforms

Software	Services Provided	Cost
Motorola	Internal Intake	\$ 70,000
See-Click-Fix	Web Portal/Mobile App	\$ 29,000
Total		\$ 99,000

Software	Services Provided	Cost
Motorola	<i>Combined</i> Internal Intake/Web Portal/Mobile App	\$ 77,000
Total		\$ 77,000

Cost Savings

\$20,000 per year

IX. PERCENTAGE BASED BUDGET CUTS

A. IMPLEMENTING ACROSS THE BOARD CUTS

Across-the-board cuts can have a positive and negative impact on both the budget and service delivery. While this measure can immediately reduce the amount of expenditures (short-term and long-term), this method can simultaneously reduce the overall value of our public services. From a managerial control perspective budget cuts can motivate program managers to shape and size programs in a more efficient and effective way than previously operated. Figure C below identifies across-the-board options commonly used in fiscal management.

Figure C. Department Budget Cutting Options

1. Percentage across all departments (equity approach)
2. Percentage across targeted departments (targeted approach)
3. Targeted program or service within a specific department (change in governing-body priorities)

Historically, Augusta has been reluctant to implement budget reductions at the expense of service level reductions. Typical reasons for such unwillingness were the fact that budget expenditures are heavily weighted toward personnel cuts. Thus, a large reduction in expenditures is typically realized only by reducing personnel—which in turn reduces the capacity to provide services. Other factors that create challenges of budget cuts include:

1. Negative Impact on Supplies and Contract Services: These line-item categories comprise 30% of the total budget, leaving little room to reduce the total budget by 5 or 10%.
2. Minimal General Fund Impact: Out of the total budget, 37% is controlled by Administrator/Reports to Commission, 57% controlled by elected officials, 4% is paid to outside agencies and 2% by Boards such as Elections and Tax Assessor. A true across the board cut would have to apply to all. Historically that has not happened.
3. Negative Impact on Larger Departments: In departments such as Central Services or Recreation, a large part of their non-salary budgets are allocated to Utilities where reductions are not easily controlled. In other areas, some large expenditures are tied to contracts - such as prisoner medical costs.

Table 7. Savings Compilation

Cost Savings Category	Amount
I. Outsourcing Service	-
II. Duplicative Tasks	\$ 765,000
III. Workforce Staffing and Position Control	\$ 1,600,000
IV. Enhance Revenue Opportunities	\$ 5,530,000
V. Asset Divestment	\$ 1,870,000
VI. Shared Asset Management	\$ 30,000
VII. Restructure Benefit Plan	\$ 300,000
VIII. Technology Solutions	\$ 20,000
IX. Percentage Based Budget Cuts	-
Total	\$10,115,000.00

Note : Figures provided within this report are estimates only.