



SUSTAINABLE SPARKS

Sustainable Sparks Services Initiative - Phase 2

Executive Summary:

The City of Sparks' General Fund is fiscally stable for the 2012-2013 budget year. The stability is being accomplished through policy action of the Council using Ending Fund Balance to balance the budget year's operational expenses, which are in excess of projected operational revenues.

The revenue shortfall situation for the city is not sustainable as the city's operating expenditures are escalating with inflationary costs related to personnel costs and benefits; operating costs related to services and supplies; energy-related costs such as gasoline, diesel, and compressed natural gas use for the city's fleet and equipment; and electrical and natural gas power consumption.

As the city's financial future is not sustainable given the projected revenue streams and expenditure requirements, a second phase of the Sustainable Sparks Services Initiative (SSSI) is warranted.

The first SSSI project focused on fiscal policies, Core/Key Services, new revenues, privatization, organization restructuring, shared services, and communication. Over \$2 million were removed from the city's General Fund budget directly related to the SSSI project accomplishments.

The next phase of the SSSI, to be called "Sustainable Sparks," will continue reviewing the accomplishments of the first phase but any major cost savings opportunities in the previous objectives are not perceived as feasible.

New goals and objectives will be reviewed based on the current and pending fiscal issues related to the operation of the city. The first phase 2 project milestone will implement *Value Sparks: Rapid Sparks Innovation Process* looking for service and innovation improvements. City leaders, both elected and appointed, have committed to a "no layoff" approach in finding new service level solution alternatives.

In conjunction with the Council, the City Manager will ask and answer two major questions related to the City of Sparks' future:

- "What is the desired end result?"
- "What are the 'non-negotiable' services?"

Sustainable Sparks – Phase 2 Project Charter:

Project Goal:

The Sustainable Sparks – Phase 2 (SS P2) Project will create a sustainable General Fund operating budget whereby the city's operational expenditures are no more than the projected operational revenues for the fiscal period.

Project Objective:

The City Manager, with the assistance from the city's executive and management staff members, will focus on operational efficiencies and job security for the city's work force while investigating solution alternatives; developing project milestone deliverables and deadlines; and focusing on operational efficiencies by incorporating business "best practices" for use by the City Manager in developing Budget Recommendations for the Fiscal 2013-2014 Budget in April 2013.

Project Major Milestones:

The Sustainable Sparks Phase 2 Project will investigate and find solution alternatives for the following major project milestones:

- *Value Sparks: Sparks Rapid Innovation Process:*
 - Goal: Reviewing all city business and service processes used in providing services and establishing service levels. The city management team will report, within 30 days of beginning the review process, findings and proposed innovation changes.
 - Vision: Every employee will review business and service procedures finding innovative and/or new approaches to service levels within their domain.
 - Mission: All city departments will complete a thorough review of business practices and service procedures to find areas where the city can lower operating costs, improve service levels, and "Innovate to Eliminate" wasteful practices. This process review will allow the city to provide maximum value to its Core Services.
 - Process: Innovation Managers, members of the City Manager's SS P2 project team, will partner with departments and/or cohort groups to facilitate the innovation process.
 - Complete the *Value Sparks: Sparks Rapid Improvement Process:*
 - Engage "each and every" employee in answering the questions "What do I do?" and "Is there a better way to do it?"
 - Report the findings and begin innovation improvements.
- Core Services Review and Prioritization:
 - "What is the city no longer able to do?"
 - "Are the city's Core Services prioritizations correct?"
 - "Are there new Core Services to be added?"
 - Key Services – "With this much resource given, what will get done?"
- Current Economic Condition of the City:
 - "What services should be provided?"
 - "What is the service level(s) expected for each city service provided?"
 - "How does the city define efficiencies?"
 - "Are there 'best practices' from other local governments or private business the city could employ in providing better service levels?"