

Local 60's Response to the Analysis of the "Feasibility of using In-House Resources for the Provision of Parking Utility Security Services"

Intent and History

In 2011 our Mayor asked departments and labor to look into contracted services and see if we could provide the services "in house" at reduced costs and more efficiently. At the Parking Utility Local 60 proposed a plan to provide Parking Utility Security by City of Madison workers. The Board of Estimates asked for a feasibility study to be completed by June 2012. The intent of L60 to internalize said security services was to:

1. To provide security services at the PU by City of Madison workers at a similar or reduced cost to what the private, for-profit security service currently provides.
2. To expand the duties of security personnel to include parking enforcement, minor maintenance (fix broken gates, unplug coin jams at Pay-On-Foot stations), provide customer service and assistance, direct traffic, and answer the helpline(three duties which JBM provides now which we consider bargaining unit duties), and cashier in emergencies. These duties would generate revenue and decrease maintenance costs and **were not included in the feasibility study**. For example if the Security Officers are City employees they would be able to enforce parking ordinances. This would reasonably produce 5-10 citations issued per night for an annual total of revenue to the **General fund of \$45,000 - \$91,250**. This is based on a \$25 citation and 365 days per year. This revenue could be appropriated to cover the liability insurance and to offset the "Other Costs".
3. **To eliminate the profit motive from public safety**. The feasibility study shows (**without our recommended adjustments**) a 25% increase in costs for the City to internalize the service, yet that incorporates more than a 200% increase in the pay and benefits to the workers who provide the service. The study shows the administrative costs are much greater with JBM than if the City provided the service, and much of the current contract costs are attributed to admin costs and profit. At the TPC in July I informed the commission JBM was not adhering to the City of Madison's Living Wage ordinance, effectively short changing the employees who provide the service. JBM, to the best of my knowledge has corrected this, is now paying their employees the living wage, and that it was a "clerical error". JBM's fees were also due to increase from \$23/hr - \$24/hr in 2012. JBM froze the cost at \$23/hr for 2012, in my opinion, due to the order of this feasibility study.
4. Parking Utility employees value the service provided by the JBM workers, but are troubled by the fact that they work side by side with workers who are only paid

- 110% above the poverty level to provide security for the cashiers and the public, while gross amounts of the contract is profit off of providing public safety.
5. JBM is instructed not to be "friendly or chatty with booth operators". This makes for an uncomfortable work environment for the PU employees and the contracted security. We feel you should be friendly with your coworkers.

Feasibility Analysis Response

1. Labor **was not** included or asked to be involved in the construct of this study at all despite labor been the architect behind the original proposal.
2. I asked for a reduction in 400 hours of the 8,736 hours of service JBM provides through scheduling efficiencies. This is reflected in my adjustments to the study.
3. Overtime for training's in "Other Costs" is not applicable because the employees are not full time and trainings could be scheduled on straight time. This is reflected in my adjustments to the study.
4. Command Center costs in "Other Costs" are unneeded. We have a command center, it is the Sayle street office, it is vacant during the time Security is on duty, and there is a desk area with computer and phone already available. Security spends their time patrolling, not at a desk. It would be beneficial to one day build a command center into a new ramp but is not necessary at this time. This is reflected in my adjustments to the study.
5. It is unclear to me if the step increases in the analysis reflects that these proposed positions are not full time, and do not receive step increases at the same rate. This should be adjusted in the analysis.

With these adjustments, minus the change to the step increases and not incorporating potential revenue generation through expanded duties, the study shows a more comparable cost to the current contract with JBM at +18% 1st year, +17% 2nd year, +15% 3rd year. Once further adjustments are made to incorporate citations issued, deferred maintenance costs, and adjusting the date of step increases due to potential positions being percentage positions, the cost will be less for the City to provide the staff internally compared to current JBM contractual costs, at the least, -26% - -1%. **Please see the attached adjusted analysis and comparison.**

Liability concerns at this point are speculative. Supervisory duty allocation is questioned, but our current manager has a history in security management and we were without a supervisor for six months this year at Parking and the retirement of said supervisor is scheduled for the end of 2012. The ability to generate revenue through ordinance enforcement would offset these costs We should not shy away from providing our own security personnel due to these two issues. We can provide a high level of public safety service internally at a similar cost to the current contracting of JBM. We can ensure our security officers are properly trained, multifaceted, able to be friendly with their

coworkers and the public, generate revenue, performing duties not in dispute with current bargaining unit duties, paid a true living wage, and remove the profit motive from public safety, all at a similar cost to what we are charged now by JBM. If we truly believe in top level public service, treating City of Madison workers fairly, and do not promote for-profit public safety, we should be working to find out how to make this a reality. It will take all parties participation, Labor, PU, Finance, and Labor Relations working under this premise to make it work.

Explanation of Adjustments Made to Feasibility Study

The adjustments proposed to the "Compensation" and "Other Costs" pages of the analysis are proposed by L60, and reflect either what we believe to be errors or unnecessary expenditures that require adjustment. They are highlighted yellow in the accompanying spreadsheet along with explanations below and in the margins of the spreadsheet itself. The report also does not point to the potential revenue generated through the ability enforce Parking Ordinances which would reasonably produce 5-10 citations issued per night for an annual total of revenue to the **General fund of \$45,000 - \$91,250**. This revenue could be appropriated to cover the liability insurance and to offset the "Other Costs" and an example is provided at the end of this document.

Adjusted Salary Costs (without adjustment of step increases)

The adjustments to salary costs are due to the proposed reduction of hours on L60's behalf. On Monday nights the PU contracts two security officers and on Tuesday they staff three. There is the same amount of cashiers on duty on Monday and Tuesday, and no significant change to the activity of consumers of the night establishments who utilize the PU garages. Our proposal hence eliminates the third officer on Tuesday nights, reducing the total number of hours annually from 8,736 to 8,320. This is reflected in the study by the reduction of the proposed permanent staff from 75% - 70%.

Original Analysis 1st year salary and benefits: \$213,606 Adjusted: \$202,278

Original Analysis 2nd year salary and benefits: \$221,812 Adjusted: \$210,024

Original Analysis 3rd year salary and benefits: \$227,805 Adjusted: \$215,617

Adjusted, Annualized "Other Costs"

The majority of "Command Center Costs", in the "Other Costs" page, are not necessary at this time. While it would be logical to build a command center into a new garage construction, at this time it is not feasible. There is ample space already in existence at the Traffic Engineering Sayle street offices, equipped currently with vacant workstations, computers, landlines, and furnishings. Rent would also therefore not be applicable. We also currently provide JBM with a helpline cell phone and its costs should be accounted for in the current operating budget. Overtime costs are also not applicable due to the fact the proposed positions are

permanent part time and hourly therefore trainings would occur at straight time rate during the 40 hour work week.

Original: \$59,930

Adjusted: \$42,442

Adjusted Salary Costs plus Adjusted "Other Costs"

1st year salary plus "other costs" = \$244,360 for city, \$200,928 JBM, cost difference +18%.

2nd year salary plus "other costs" = \$252,306 for city to provide service internally, \$209,664 JBM, cost difference +17%.

3rd year projected salary plus "other costs" = \$257,699 for city to provide service internally, \$218,400 JBM, cost difference +15%.

Adjusted Salary Costs plus Adjusted "Other Costs" Incorporating Potential Revenue From Citations Issued (+\$45k - \$91k). Applying Said Revenue to the Total Cost of Security Personnel, showing the City Could Potentially Save and Generate Revenue Compared To the Current Costs of JBM Contract.

1st year salary plus "other costs" = \$153,110 - \$199,360 -for city, \$200,928 JBM, cost difference -14 - -1%.

2nd year salary plus "other costs" = \$161,056 - \$207,306 for city to provide service internally, \$209,664 JBM, cost difference -26% - -1%.

3rd year projected salary plus "other costs" = \$166,449 - \$207,306 for city to provide service internally, \$218,400 JBM, cost difference -24% - -5%.

COMPENSATION: 4 PERMANENT AND 4 HOURLY EMPLOYEES

Year	Position	Type	Position Pct	Hours/Week (Max=40/wk)	Compensation Group	Base Hourly Rate	Base Rate Up 2% for 2013	Base Rate Up 3% for 2014	Step Increase (2.39% after 6 months)	Shift Differential: \$0.75/hr	Benefit Rate	Salary Exp./hr (Jan-Jun)	Benefit Exp./hr (hour)	Total Compensation/hr. (Jan-Jun)	Total Compensation/hr. (Jul-Dec)	Total Weekly Compensation (Jan-Jun)	Total Weekly Compensation (Jul-Dec)	Annual Compensation (52 weeks)	Total Annual Hours	JBM Hourly Rate	Annual JBM Compensation (\$2 weeks)
2013	1	Permanent	0.70	28.00	16-7 Step 1, then 2	\$18.63	\$19.00	\$19.57	\$0.45	\$0.75	0.363	\$19.75	\$7.17	\$26.92	\$771.17	\$753.84	\$771.17	\$39,650	1,456	\$23.00	\$35,880
2013	2	Permanent	0.70	28.00	16-7 Step 1, then 2	\$18.63	\$19.00	\$19.57	\$0.45	\$0.75	0.363	\$19.75	\$7.17	\$26.92	\$771.17	\$753.84	\$771.17	\$39,650	1,456	\$23.00	\$35,880
2013	3	Permanent	0.70	28.00	16-7 Step 1, then 2	\$18.63	\$19.00	\$19.57	\$0.45	\$0.75	0.363	\$19.75	\$7.17	\$26.92	\$771.17	\$753.84	\$771.17	\$39,650	1,456	\$23.00	\$35,880
2013	4	Permanent	0.70	28.00	16-7 Step 1, then 2	\$18.63	\$19.00	\$19.57	\$0.45	\$0.75	0.363	\$19.75	\$7.17	\$26.92	\$771.17	\$753.84	\$771.17	\$39,650	1,456	\$23.00	\$35,880
2013	5	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$0.45	\$0.75	0.114	\$15.71	\$1.79	\$17.50	\$209.98	\$209.98	\$209.98	\$10,919	624	\$23.00	\$14,352
2013	6	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$0.45	\$0.75	0.114	\$15.71	\$1.79	\$17.50	\$209.98	\$209.98	\$209.98	\$10,919	624	\$23.00	\$14,352
2013	7	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$0.45	\$0.75	0.114	\$15.71	\$1.79	\$17.50	\$209.98	\$209.98	\$209.98	\$10,919	624	\$23.00	\$14,352
2013	8	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$0.45	\$0.75	0.114	\$15.71	\$1.79	\$17.50	\$209.98	\$209.98	\$209.98	\$10,919	624	\$23.00	\$14,352
Total				160.00		\$136.12	\$138.84	\$147.88	\$7.57	\$185.44	0.363	\$147.88	\$39.29	\$189.29	\$189.29	\$4,146.49	\$4,146.49	\$215,617	8,320	\$184.00	\$209,928
2014	1	Permanent	0.70	28.00	16-7 Step 2	\$18.63	\$19.00	\$19.57	\$0.47	\$0.75	0.363	\$20.79	\$7.55	\$28.34	\$795.45	\$795.45	\$795.45	\$41,259	1,456	\$24.00	\$37,440
2014	2	Permanent	0.70	28.00	16-7 Step 2	\$18.63	\$19.00	\$19.57	\$0.47	\$0.75	0.363	\$20.79	\$7.55	\$28.34	\$795.45	\$795.45	\$795.45	\$41,259	1,456	\$24.00	\$37,440
2014	3	Permanent	0.70	28.00	16-7 Step 2	\$18.63	\$19.00	\$19.57	\$0.47	\$0.75	0.363	\$20.79	\$7.55	\$28.34	\$795.45	\$795.45	\$795.45	\$41,259	1,456	\$24.00	\$37,440
2014	4	Permanent	0.70	28.00	16-7 Step 2	\$18.63	\$19.00	\$19.57	\$0.47	\$0.75	0.363	\$20.79	\$7.55	\$28.34	\$795.45	\$795.45	\$795.45	\$41,259	1,456	\$24.00	\$37,440
2014	5	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$0.47	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$24.00	\$14,976
2014	6	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$0.47	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$24.00	\$14,976
2014	7	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$0.47	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$24.00	\$14,976
2014	8	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$0.47	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$24.00	\$14,976
Total				160.00		\$136.12	\$138.84	\$147.88	\$7.57	\$185.44	0.363	\$147.88	\$39.29	\$189.29	\$189.29	\$4,146.49	\$4,146.49	\$215,617	8,320	\$192.00	\$209,664
2015	1	Permanent	0.70	28.00	16-7 Step 3	\$18.63	\$19.00	\$19.57	\$1.17	\$0.75	0.363	\$21.50	\$7.80	\$29.30	\$820.34	\$820.34	\$820.34	\$42,658	1,456	\$25.00	\$39,000
2015	2	Permanent	0.70	28.00	16-7 Step 3	\$18.63	\$19.00	\$19.57	\$1.17	\$0.75	0.363	\$21.50	\$7.80	\$29.30	\$820.34	\$820.34	\$820.34	\$42,658	1,456	\$25.00	\$39,000
2015	3	Permanent	0.70	28.00	16-7 Step 3	\$18.63	\$19.00	\$19.57	\$1.17	\$0.75	0.363	\$21.50	\$7.80	\$29.30	\$820.34	\$820.34	\$820.34	\$42,658	1,456	\$25.00	\$39,000
2015	4	Permanent	0.70	28.00	16-7 Step 3	\$18.63	\$19.00	\$19.57	\$1.17	\$0.75	0.363	\$21.50	\$7.80	\$29.30	\$820.34	\$820.34	\$820.34	\$42,658	1,456	\$25.00	\$39,000
2015	5	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$1.17	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$25.00	\$15,600
2015	6	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$1.17	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$25.00	\$15,600
2015	7	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$1.17	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$25.00	\$15,600
2015	8	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$1.17	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$25.00	\$15,600
Total				160.00		\$136.12	\$138.84	\$147.88	\$7.57	\$185.44	0.363	\$147.88	\$39.29	\$189.29	\$189.29	\$4,146.49	\$4,146.49	\$215,617	8,320	\$200.00	\$218,400
2016	1	Permanent	0.70	28.00	16-7 Step 4	\$18.63	\$19.00	\$19.57	\$1.65	\$0.75	0.363	\$21.98	\$7.98	\$29.95	\$838.71	\$838.71	\$838.71	\$43,613	1,456	\$25.00	\$39,000
2016	2	Permanent	0.70	28.00	16-7 Step 4	\$18.63	\$19.00	\$19.57	\$1.65	\$0.75	0.363	\$21.98	\$7.98	\$29.95	\$838.71	\$838.71	\$838.71	\$43,613	1,456	\$25.00	\$39,000
2016	3	Permanent	0.70	28.00	16-7 Step 4	\$18.63	\$19.00	\$19.57	\$1.65	\$0.75	0.363	\$21.98	\$7.98	\$29.95	\$838.71	\$838.71	\$838.71	\$43,613	1,456	\$25.00	\$39,000
2016	4	Permanent	0.70	28.00	16-7 Step 4	\$18.63	\$19.00	\$19.57	\$1.65	\$0.75	0.363	\$21.98	\$7.98	\$29.95	\$838.71	\$838.71	\$838.71	\$43,613	1,456	\$25.00	\$39,000
2016	5	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$1.65	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$25.00	\$15,600
2016	6	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$1.65	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$25.00	\$15,600
2016	7	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$1.65	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$25.00	\$15,600
2016	8	Hourly	0.30	12.00		\$15.40	\$15.71	\$16.18	\$1.65	\$0.75	0.114	\$16.18	\$1.84	\$18.02	\$216.28	\$216.28	\$216.28	\$11,247	624	\$25.00	\$15,600
Total				160.00		\$136.12	\$138.84	\$147.88	\$7.57	\$185.44	0.363	\$147.88	\$39.29	\$189.29	\$189.29	\$4,146.49	\$4,146.49	\$215,617	8,320	\$200.00	\$218,400

This worksheet assumes a step 1 level for the 16-7 compensation group, initially, then moving to Step 2 after 6 months and Steps 3, 4, and 5 each 12 months thereafter. Additionally, it includes a COLA of 2% effective in 2013 and 3% in 2014, as per collective bargaining agreements.

Security Analysis: Other Costs								
Category	Estimated Cost/Unit	Number of Units	Unit of Measure	Payments Per Year	Total	Useful Life/Depreciation Period (Years)	1st Year Annualized Cost/Year	Subsequent Years Annualized Cost/Year
Security Vehicles								
Security Vehicles (Dedicated)	\$25,000	2			\$50,000	4	\$12,500	\$12,500
Security Vehicle (Roving)	\$25,000	1			\$25,000	4	\$6,250	\$6,250
Fuel/Maintenance/Insurance	\$0.28	49500	Mile		\$13,736	1	\$13,736	\$13,736
Specialty Supplies								
Utility Belts	\$40	8			\$320	10	\$32	\$32
Badges	\$40	8			\$320	10	\$32	\$32
Baton (with case)	\$105	8			\$840	10	\$84	\$84
Handcuffs (with case)	\$45	8			\$360	10	\$36	\$36
OC (Pepper) Spray (with holster)	\$35	8			\$280	4	\$70	\$70
Police-style coats	\$125	8			\$1,000	10	\$100	\$100
Security Guard								
Training/Certification	\$200	8			\$1,600	1	\$1,600	\$1,600
8 Hours Overtime (Initial Training)	\$180.00	8			\$1,440	1	\$1,440	
4 Hours Overtime (Continuing Training)	\$90	8			\$720	1	\$720	
16 Hours Overtime (First-Aid Training)	\$360	8			\$2,880	1	\$2,880	
Workers Compensation	2600				\$0		\$2,600	\$2,600
Liability Insurance	Unknown	1			\$0	1	Unknown	Unknown
Temporary Additional Staff	Unknown				\$0		Unknown	Unknown
Command Center Costs								
Administrative/Supervisory	Unknown				\$0		Unknown	Unknown
Operator workstation;video computers & monitors;network switch;licensing;installation;IP Phone	\$0	0			\$0	0	\$0	\$0
Rent	\$0	0	per month	0	\$0	0	\$0	\$0
Utilities	\$20	1	per month	12	\$240	1	\$240	\$240
Furnishings	0	0	per year	0	\$0	0	\$0	\$0
Radio	\$1,100	2			\$2,200	5	\$440	\$440
Radio Warranty/Maintenance	\$151	2	per year	1	\$302	1	\$302	\$302
Phone (Landline)	\$0	0	per month	0	\$0	0	\$0	\$0
Cell Phone	\$0	0	per month	0	\$0	0	\$0	\$0
Office Supplies	100	1	per year	1	\$100	1	\$100	\$100
Total								
					\$101,118		\$42,442	\$41,722

2012 IRS Standard Business Mileage Rate (16,500 ml/year/vehicle) Official rate is \$0.555/mile, but includes depreciation.

OC has a 3-4 year shelf life based on the propellant.

Based on consultation with Meriter Hospital security mgr thru David Wills
 Trainings would be held on straight time within the 40 hour work week due to the permanent employees proposed being (70%), and the remaining staff comprised of hourlies.

Per Erik Veum estimate (11/30/2011)

Per Erik Veum estimate (11/30/2011)

required for Halloween; special events if necessary

While it would be beneficial to one day have a "command center" built into a new garage, at this time it is not feasible or necessary. The command center can be the Sayle street parking offices. There are vacant workstations with computers and monitors as is. The Sayle street office itself is vacant during the proposed shift hours of the security staff.

The proposed Security staff will spend the majority of their time in the field, with less than an hour spent per shift at the command center if stationed at the Sayle street offices. Any electrical or gas use would be minimal.

Sayle street is equipped with furniture.

David Wills

Per Keith Lippert, Communication Operations Supervisor City of Madison

Sayle street has existing landlines.

Parking currently provides a cell phone for IBM, the existing line can be used.