

CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 876-6800

EXECUTIVE DEPARTMENT
JOHN H. CORCORAN
City Manager

MEMORANDUM NO. 9

June 1, 1972

TO ALL DEPARTMENT HEADS

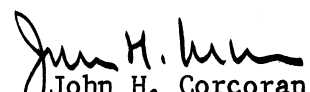
Enclosed herewith please find a photocopy of an article printed in the New York Times under date of May 30, 1972. Some of you may have seen this article. I ask all Department Heads to -

1. Read the article in its entirety.
2. Reflect on the content matter, written and unwritten.
3. Study your own areas of jurisdiction and operation for the expressed purpose of satisfying yourselves that our own operations are fault free.
4. Take appropriate steps to improve operations wherever and whenever necessary.
5. Bring to the attention of all employees my expressed concerns in the following areas:
 - a. Telephone manners. See to it that all employees within your department identify themselves in the department when answering the phone.
 - b. See to it that all employees report to work and remain on the job during the appointed hours of work.
 - c. See to it that you get the cooperation of your supervisors, junior officers, etc., so that the highest quality of work performance is given on behalf of the citizens of our community.

All addressees are requested to notify me in writing by June 15, 1972, that they have complied with this memorandum.

Please post this memorandum on bulletin boards within your department.

Very truly yours,


John H. Corcoran
City Manager

JHC/b

State Assails City Job Policies

Continued From Page 1, Col. 1

Department, we also found that field employees spent considerably less than the full day in performing their assigned work. There was no supervision of actual performance, and there was no insurance that the inspections were being properly performed or even that the reported inspections were made.

"Clerical employees did not appear to be fully productive, and in one division we noticed that all work ceased one-half hour before the end of the work day. Further savings would also be possible if certain clerical functions now performed by field inspectors were reassigned to lower-graded clerical personnel.

"While the absence of actual performance records made estimates of nonproductivity difficult, we believe that at least one-third of the inspectors' time was not employed.

"If our observations are indicative of the pattern in that department, more than \$1.5-million of the \$5-million of annual inspection costs could be saved."

Welfare Checks Criticized

In the Department of Social Services, the state auditors "found a low level of performance in the quality-control operations"—checking on eligibility of those on the welfare rolls. The city has budgeted more than \$2.2-million for this. On May 15 the State Department of Social Services said it would take over this responsibility throughout the state about July 1.

The Levitt report said the state auditors "observed that about two-thirds of the employees' time was wasted" in the city quality-control operation, with some employees leaving early and many not working while in the office.

At other offices of the city welfare agency, the report cited employees as not working and some "spending extended periods of time on personal matters," with "no evidence at these locations of supervisors attempting to take corrective action."

In the Municipal Service Administration, which has trucks—each usually staffed with a driver and a helper—the state auditors reported on the delivery of materials and supplies from city storehouses to various city agencies:

"We found that the actual performance of these personnel was the equivalent of one-half day's work for each work day expended. We estimate that some \$300,000 of the \$600,000 which this function costs could be saved."

Losses of Millions Feared

Aside from productivity, the state analysis cited an earlier Levitt audit—made public last January—that estimated some 7 per cent of welfare recipients in family and home-relief categories were ineligible and costing about \$60-million a year.

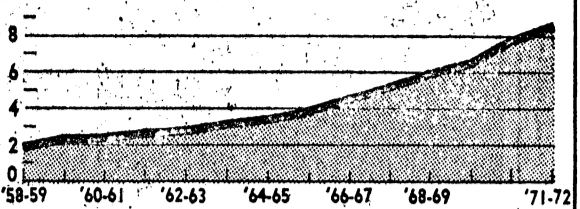
The budget analysis said "another area of possible overpayment and in consequence overbudgeting" was in computing payments to welfare eligibles. Reporting "numerous errors in computing" and "little supervision" over this task, the auditors estimated an "annual overpayment of some \$23-million."

While the city originally bit-

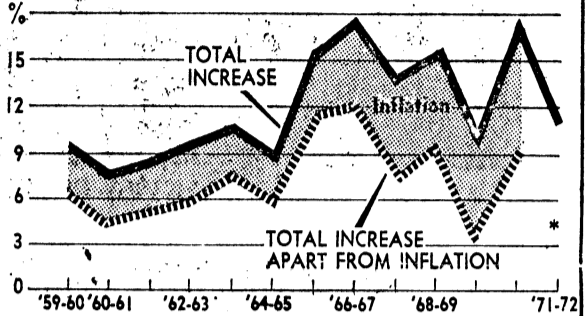
Rise in the City's Expense Budget

Total Budget

Billions of Dollars



Percentage Increase Compared with Previous Year



Source: State Dept. of Audit and Control

*Inflation Data for 1971-72 Not Available

The New York Times/May 30, 1972

STATE AUDIT FINDS CITY JOB POLICIES WASTE MILLIONS

Underutilization of Employee Time Reported by Levitt in Several Agencies

BUDGET CUTS ADVISED

Meter Readers, Inspectors, Welfare Staffs and Truck Crews Are Criticized

By PETER KIRSS

State auditors have reported widespread "underutilization of employe time" in the city government and have declared that Mayor Lindsay's budget has "many areas where expenditures could be curtailed without the diminution of service."

Among the points made in a report by State Controller Arthur Levitt were the following:

1. The productivity of city water meter readers is less than half that of workers doing similar jobs in private industry.

2. Building inspectors do not work at least a third of their time.

3. Welfare employes assigned to check on client eligibility waste about two-thirds of their time.

4. The daily work of truck crews is equivalent to a half day's performance.

One of Three Studies

Controller Levitt's analysis was one of three studies of the city's budget problem and the first such analysis since the Legislature last year instructed his office to begin auditing New York City agencies and operations as of last July 1.

The report, dated April 10 and made available yesterday, said that the state's auditing was still in early stages but that "certain patterns have begun to emerge which ought to be considered in any review of the city's budget."

"At the Bureau of Water Register," the report said, "we found no evidence of executive supervision to monitor employe performance. Our observations showed that some field employes completed their assigned work in about half the working day."

"We also observed clerical employes leaving before the end of the work day and a general low level of performance, while in the office. The productivity of the meter-reading function in that bureau was less than half that of a public utility performing almost identical work."

"Based on our findings at this bureau, we estimate that the same level of service could have been provided at a cost of \$2.1-million rather than the \$4.2-million spent by the city."

"In some of the inspection divisions within the Buildings

Continued on Page 41, Column 2

terly criticized the Levitt welfare estimates, a budget-negotiating session at Gracie Mansion early last Tuesday saw Mayor Lindsay agree to eliminate \$162-million from projected welfare spending, "to be achieved through intensified management program." The amount involved \$45-million in city tax funds, the rest in state and Federal aid.

The Mayor has until June 10 to decide on changes in the \$9,407,000,000 budget voted by the Board of Estimate, including a \$35-million cut made last Wednesday night over his opposition.

The board and Council have until June 20 for joint overriding of any mayoral veto of the board changes.

The \$9.4-billion total would be financed in part by a \$65-million increase in real-estate taxes under a special state equalization ratio, but city Controller Abraham D. Beame said Sunday that this sum could be reduced by \$5-million because of newly increased estimates of sinking-fund investment yields.

Spending Outruns Inflation

The Levitt study said a comparison of city expense budgets for the fiscal years 1958-9 through 1970-1 showed city costs rising "more rapidly than the rate of inflation."

With a rise from \$1,992,000,000 to \$7,709,000,000 in that 13-year period—for which final price index data are available—

the state study found the city budgets had risen at an average annual rate of 12 per cent. After allowing for the effects of inflation, it said the increase in terms of 1959-value dollars still averaged 7.4 per cent a year.

The Levitt study criticized the city budget for a "continually increasing" cost of debt service—projected as \$1,023,000,000 for the year starting July 1, up from \$693,100,000,000 in the current year.

This was ascribed in part to a practice of "deferring the costs of certain annually recurring services by bonding them." The net result, the state auditors said, is to increase the taxpayers' burden by interest and other costs.

The current 1971-72 expense budget, the report said, "anticipate receiving \$225-million in support from capital funds," while "in fiscal 1972-73, this support is estimated to be \$248-million."

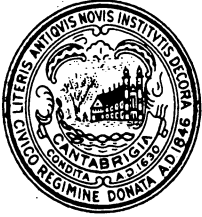
"Although the discontinuance of this practice in any one year will result in increasing the revenue needs to fund these annually recurring costs, the long-term effect will be a net savings to the taxpayer," the Levitt document said.

Understated Estimates Raised

Controller Levitt disclosed last April 30 a March 21 study of the city budget's revenues that said Mayor Lindsay's original revenue estimates "may be understated by some \$195-million."

This was followed by a Lindsay budget revision April 11 that increased the estimated yield of the stock-transfer tax by \$25-million and then by last week's Gracie Mansion session and an increase of \$101-million in general-fund estimates.

Another Levitt budget analysis was prepared April 25. It reported that 450 special accounts maintained by the City Controller's office included \$98.1-million as of Feb. 29 that might be applied to help out both the city's operating and capital budgets. The April 11 city budget revision added \$15-million from such accounts to the expense-budget revenue estimates, and the Gracie Mansion agreement added \$10-million more.



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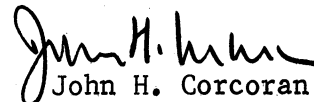
EXECUTIVE DEPARTMENT
JOHN H. CORCORAN
City Manager

June 5, 1972

To the Honorable, the City Council:

For your information I enclose a copy of a recent memorandum to all Department Heads, together with a photocopy of a newspaper article from the New York Times dated May 30, 1972.

Very truly yours,


John H. Corcoran
City Manager

JHC/b

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COMMUNICATION
from the City Manager trans-
mitting one from copy of a recent
memorandum sent to all Department Heads

June 5, 1972

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