

CITY OF NEWTON

IN BOARD OF ALDERMEN

LONG RANGE PLANNING COMMITTEE REPORT

WEDNESDAY, MARCH 11, 2009

Present: Ald. Hess-Mahan (Chairman), Vance (Vice Chairman), Albright, Baker, Danberg, Johnson, Linsky, and Parker

Absent: Ald. Freedman

Also present: Ald. Lappin, Mansfield, Sangiolo and Fischman

Others: Malcolm Salter, Chair, Citizens Advisory Group

Meeting commenced at 7:45 p.m.

#72-09 ALD. PARKER AND LAPPIN requesting discussion with the administration regarding which Citizens Advisory Group recommendations are appropriate to implement as part of the Fiscal Year 2010 operating budget.

ACTION: **HELD 7-0**

NOTE: Ald. Lappin explained that she co-docketed the item because she felt frustrated after the most recent Citizen Advisory Group (CAG) update to the Board. At that meeting, School Committee Chair, Marc Laredo, indicated that the School Committee had taken action on some of the CAG recommendations regarding the School Department; recommendations that will influence the upcoming budget. Ald. Lappin feels that the Board's hands are tied in terms of implementing the recommendations into the municipal side of the budget, as it always feels that the budget process is rushed. She realizes that many of the recommendations are long-term issues but some could influence the upcoming budget. She would like to know if the Administration is planning to incorporate any of the CAG recommendations into this budget. Ald. Parker would like to look at the FY 2010 budget and determine which recommendations could realistically be implemented. Mr. Pooler joined the discussion. The Executive Office is very aware of the CAG recommendations. The Mayor has directed the Department Heads to look at the CAG reports and recommendations, as they relate to their respective departments. There are several ongoing discussions with various departments regarding the recommendations. The Executive Department is still a little over a month away from putting things into the budget as the department heads are still working on their budgets and the Executive Department is still looking at options. Mr. Pooler provided the Committee with a chart that was included in the summary of the previously released CAG reports and a synopsis of the recommendations that includes a status line, which are attached. In addition, Mr. Pooler spoke on each of the line items included in the synopsis, as follows:

1) Control employee compensation costs – This item is both an FY 2010 and a long-term strategy issue. The Mayor, School Superintendent, and School Committee have stated that it is their intention to put a 0% Cost of Living Adjustment increase for FY 2010 on the table. The City has a legal obligation to bargain in good faith; therefore, if there are alternatives or other

ideas the City is obligated to discuss them. Every 1% increase in compensation has a \$1.7 million dollar impact, which means that this has the biggest impact on the budget.

2) Group Insurance Commission (GIC) - Due to the timing, the first year that the City could get into the GIC is FY'11; therefore, there is no immediate impact to the FY 2010 budget. The City is in active conversations with the unions regarding this issue. The Governor proposed a bill to change the percentage of union votes through coalition bargaining needed to join the GIC. Right now, a community has to have 70% of the coalition of unions agreeing to enter into the GIC before a community can become part of the GIC. The Governor is proposing a 50% agreement. The Governor is also proposing that cities and towns would have the option of either joining the GIC or demonstrating that their per member cost for health insurance is equivalent to the GIC per member cost. If the cities and towns could not do either of those two things, then State aid would be reduced, which means that if the unions were not to agree with the City, then the City would lose money. The Legislature has not acted on these proposals and Mr. Pooler does not have a read on the direction the proposals will go.

Some of the benefits of joining the GIC include no bargaining over benefits such as how much the co-pay is or prescription costs. The GIC has also created tiered levels for doctors and hospitals. It encourages members to use community hospitals by providing a lower co-pay if they choose a local hospital. It is controversial and the Massachusetts Medical Association is suing them over that issue. It is one of the ways that the GIC feels it can structure things to achieve greater savings. The GIC is the largest health insurance purchaser in the State and is able to bargain effectively due to their size. They have forecasted a 4% increase for the next fiscal year.

The City has looked at the City plans and the GIC plans and most of the plans are comparable to plans offered by the City. As a general matter, all plans offer a wide array of choices in physicians. Some of the co-pays are higher, although as a municipality the City has more aggressive co-pays than other municipalities. There is some concern that the GIC offers indemnity plans, which could be very expensive to the City. If a significant number of employees choose the indemnity plan versus an HMO (Health Management Organization), PPO (Preferred Provider Organization), or EPO (Exclusive Provider Organization), it will cut into any real savings. The City has contacted Harvard Health Plan and Tufts Health Plan to ask what their GIC plan design is and how it compares to the City's plan designs. The issues are going to relate to tiering, and pricing based on the tiering.

There are four main reasons that there is union resistance to entering the GIC. First, unions like to be able to bargain over things. Second, there is an increase in co-pays to union members. Third, they are concerned about certain things that the City provides now like the Canadian drug importation program, which has been very beneficial to employees and retirees. Fourth, there is concern about the loss of flexibility; because the City self-insures it has the ability to determine whether to pay a medical bill where Tufts or Harvard has denied payment. Although, it does not happen often, it provides a safety blanket to union members. The City has talked to the unions about getting GIC type benefits through the City's own providers without being in the GIC. The City is still investigating the possibilities.

3) Fund Other Post Employment Benefits (OPEB) – This item is a recommendation to set money aside for the City’s long-term retiree health insurance benefits in a manner similar to the way the City puts money aside for pensions. It may be a long-term cost saver but in the short-term, it would require a \$22 million increase in funding. It is a long-term issue that that is not going to have any impact in FY 2010, as the City does not have \$22 million to fund the recommendation.

4) Consolidate Parks and Recreation and Public Works – This recommendation was studied a couple of years ago. One of the models suggests that the parks portion of Parks and Recreation could be consolidated within the Department of Public Works. The Executive Department is still looking at the possibilities. Mr. Pooler would expect that there would be a determination of whether to consolidate by budget time.

5) Biweekly payroll - A memo from David Wilkinson, Comptroller, and Ann Cornaro, Information Technology Director, was attached to the agenda regarding the bi-weekly payroll recommendation. The City has spoken with some of the unions regarding a bi-weekly payroll. The memo states that estimated savings are lower than projected; however, the change would create more effective and efficient use of staff.

6) Life-cycle costing – The City currently does life-cycle costing for large scale projects. The City does do a cost analysis for most projects. It is a long-term issue and does not affect this budget.

7) Outsource – The City has outsourced a number of functions over the years, such as trash collection, parking ticket collection and tax bills (lock box), two-thirds of snow removal operations and some building maintenance. Further outsourcing requires a full cost analysis that includes employee costs. Some of the departments are looking at the possibility of outsourcing for the upcoming budget. As departments have not determined if, and what, could be outsourced and may have an impact on union contracts, Mr. Pooler was hesitant to elaborate on some of the ideas.

8) Procurement costs – Mr. Pooler believes that the CAG’s recommendation addresses how the City could writes RFPs to reduce the number of change orders. It is a long-term issue and a matter of continuing education with departments and project managers. There are thin margins because the City does a lot of bidding. One of the things that would be good to see would be further reforms to the procurement laws. There was a suggestion that the Executive Department should investigate what other communities are doing in terms of procurement. It would be helpful to work with other communities to purchase on a larger scale creating some savings and efficiencies. In addition, it was suggested that the City investigate e-procurement software in order to purchase on-line and force the work flow.

9) Winter manning – This item pertains to the Fire Department’s requirement for additional manning on pumpers in the winter. Newton is the only community in the State that by contract requires more people to be on the fire trucks in the winter. The issue is whether that is necessary for public safety. It is a cost issue because the City tends to staff up to the maximums. Therefore, if there are more than a few people out, the City must use overtime money to keep the

staff level at its maximum. During arbitration, the issue was put on the table but the arbitrator did not award that change to the City. The City is willing to have a system where when the weather merits it, at the Chief's discretion, additional staff could be added.

There was some discussion with Mr. Pooler regarding the necessity of sending fire trucks to routine emergency calls. Mr. Pooler stated that the City does not send fire trucks to every call and there are protocols that are being developed through an EMS Committee that includes fire representatives, police representatives, the city's medical director, Newton-Wellesley employees, and AMR representatives. The Committee is working to prevent unnecessary sirens and tying up of equipment.

10) Fire call-box – The Fire Chief has been asked to look at the possibility of removing the call boxes. The Chief will speak to the recommendation as a public safety issue when the time comes. The City has a system of copper wires that run under the street that go to the call boxes and a number of different alarm systems around the City. The Fire Department responds to alarms generated by that system. The call boxes located on the street are no longer used to summon the Fire Department. It is the system of last resort and it is often cited that it was the only system that worked after the San Francisco earthquake of 1985. Mr. Pooler expects a response for the Board of Aldermen, the CAG, and the Mayor's Office from the Chief.

11) Snow plowing standards – The Department of Public Works is working on a response to the recommendation. The recommendation merits more discussion and the Commissioner of Public Works is better prepared to speak to it.

12) Increasing IT spending – The City has spent funds to improve software. It is a general area that needs additional funding as better technology creates greater efficiency. The Information Technology Director has tried to hire a programmer but has been unable to do so. The department is now looking at the possibility of outsourcing the programming through a contract.

13) Consolidate IT spending – This recommendation focuses on how to spread information technology resources throughout the City. There are pros and cons to having IT people in various departments. It is essential that somebody oversees and coordinates the purchase of equipment and software with each IT person. There was a suggestion that perhaps a full-time IT person in the Police Department is not necessary and that that person can take on different responsibilities. Mr. Pooler stated that the Police Chief is evaluating that possibility and he would expect the issue would be revisited during budget discussions.

14) Allow intradepartmental transfers – State law does not allow intradepartmental transfers.

15) Hire budget analyst – The Executive Office is looking at the recommendation for an additional staff person. It is unlikely that the position will be funded in the upcoming budget. The CAG is discussing different ideas regarding the possibility of a Finance Office, as part of the upcoming Performance Management Report.

16) Energy efficiency – Many of the energy efficiency programs suggested by the CAG are in place. The City has contracted with an energy service company and should see savings in the

next budget cycle. The City is working on eliminating gas lights throughout the City. There was a suggestion to investigate energy audits offered by the Department of Energy Resources. The City's Energy Officer has looked at those audits but they are not as in depth as the ESCO audits.

17) Increase appropriate user fees – Each department that charges any fees has been asked to look at their fees to determine if an increase is justified.

18) Pay as you throw trash fee – Although it is not a pay as you throw program, the automated trash program, if approved, offers significant savings to the City. A pay as you throw program is a major policy discussion and is not part of the FY10 budget. The implementation of an automated trash pick-up does not negate the implementation of a pay as you throw program.

19) Increase parking revenue – There is an item currently before the Board of Aldermen, which will increase parking revenue. If the Board approves the item, it will have an impact on the FY 2010 budget.

20) Increase building permit fees – The Inspectional Services Department is looking at the building permit fees and other permit fees for possible increases.

21) Increase fees for Parks & Recreation and Community Education – There have been discussions between the Parks and Recreation Department and the Community Education Program to determine what efficiencies can be created and to eliminate any duplicate efforts in terms of programs and services offered. Mr. Pooler does not see large fee increases in FY 2010; however, the departments have taken the initiative to begin discussions and if it is possible to consolidate duplicate programs under Community Education, there could be some savings. Mr. Pooler will be discussing the possibilities with both departments. Whether or not to require that these programs be self-sustaining is one of the choices that Newton faces in deciding what type of community it chooses to be.

22) Increase cell tower revenue – An item has been docketed requesting authorization to lease locations on two city-owned sites for wireless communication equipment. Mr. Pooler is working in conjunction with Maurya Sullivan, Telecommunications Planner, on an RFP for the two sites and a citywide RFP. There is a question regarding what buildings to include as part of the RFP. There is significant revenue in leasing space for wireless equipment.

23) Increase giving – This recommendation is a long-term issue.

24) Sell or lease municipal property – The recommendation is a long-term item.

25) PILOTS and SILOTS – Discussion on this recommendation is ongoing in the Post Audit & Oversight Committee.

26) Increase capital spending – This is a long-term issue.

27) Institute a new capital investment rule – This is a long-term issue.

28) New process for prioritizing capital investments – This is a long-term issue.

29) Inventory municipal capital assets – An item was docketed requesting funding to take an inventory of capital assets, which was not approved by the Board of Aldermen. It is something that the City needs to do at some point.

30) Hire a Capital Assets Manager – This is part of the ongoing discussion on management and control. It is very unlikely that this position would be created and included in the FY 2010 budget.

31) Harvest short-term savings – This is very similar to Item 16. There was a question whether additional parking control officers would have an effect on ticket revenue. Mr. Pooler stated that it has been looked at for many years. In the past, the Police Department has said they do not believe it made sense to hire more parking control officers. Last year, through negotiations, there was an increase in the hours that the parking control officers work and that has resulted in an increase in ticket revenue. The new Police Chief may take a different view and it is being discussed.

32) Life-cycle costing – See Item #6.

32) Consolidate municipal and school maintenance – There are ongoing discussions about other ways to extend consolidation. Most building maintenance is already consolidated within the Public Buildings Department. It was suggested that the School Department should have more control over their own maintenance. Mr. Pooler does not believe that splitting crafts people between departments is efficient.

Ald. Baker suggested that the Clerk's Office break out the items by Committee, so each of the substantive Committees could address ideas and concerns related to the items during budget deliberations. Malcolm Salter provided the Committee with a draft document entitled "FY 2010 Budget Options" created by Mr. Salter and Ruthanne Fuller, which is attached to the report. He pointed out that the CAG will be releasing the Performance Management Report on March 31, 2009. Ald. Albright pointed out that one of the first things the CAG recognized was that the City lacked goals and she recommended that there be discussion on what the goals might be.

Malcolm Salter pointed out that the CAG was set up to look at the "big choices" and along the way look at efficiencies and effectiveness. The introduction to the CAG's Municipal Report contains a history of the efficiency measures being taken on the municipal part of government. There has been a lot of effort placed in this by the Board and by the Administration over the last several years. Most of the low-lying fruit under the current structure has already been looked at. The next question is how to organize differently, which will be where the biggest reductions will be generated.

Ald. Lappin is pleased that the Executive Department is working on the recommendations. However, there are only two things that are going to affect the FY 2010 budget. Ald. Lappin asked that the item be held as there are several items that are still in

discussion and she would like an update on the discussions. Ald. Parker moved hold on the item, which carried unanimously.

#73-09 PRESIDENT BAKER, ALD. HESS-MAHAN, VANCE, ALBRIGHT, LENNON, SALVUCCI, LINSKY & SCHNIPPER requesting discussion of the recommendations of the Citizen Advisory Group as may be relevant for long-range planning for the City for coming fiscal years.

ACTION: **HELD 7-0**

NOTE: Ald. Baker stated that he and his co-docketors felt that the item is complementary to the item requesting discussion of the Citizen Advisory Group (CAG) recommendations that could be implemented in the FY 2010 budget. Many of the CAG's recommendations are long-term issues and Ald. Baker's concern is that these items need immediate further work and discussion even though they are long-term. Malcolm Salter informed the Committee that on March 31, 2009 the CAG will release the draft Performance Management and Control Report. The CAG is currently revising all of the previously released reports and creating a synthesis with a helicopter view of what the reports recommend, which will also include some "what if" scenarios. The CAG expects to complete the reports and synthesis by April 15, 2009. Ald. Baker suggested waiting until the CAG finishes its work before continuing the discussion of long-term items. The Committee agreed that the discussion should be delayed.

Ald. Sangiolo felt that the Board could start laying the groundwork for some of the long-term recommendations to be implemented. Ald. Johnson was disappointed that there was no bold action on the part of the Administration that would influence the upcoming budget. She suggested that the Committee look at making an innovative move. Mr. Salter agreed with the concept but felt it must relate to a fundamental economic budget issue.

Ald. Albright raised the question on how to have community conversations around what the City's goals should be. Ald. Johnson pointed out that the original plan was to have Ward based meetings to discuss the CAG recommendations with the community. Mr. Salter stated that Ward forums were a good way to determine what the community values are and what the community thinking in terms of preferences and goals. These types of forums give Aldermen an idea of what the community wants and what the values are. There needs to be a connection with the community if there is going to be support for changes. Ald. Albright suggested looking at how other communities set up meetings with the community to have goal discussions. Mr. Salter offered to work with the Committee to facilitate.

Meeting adjourned at 10:20 p.m.

Respectfully submitted,

Alderman Ted Hess-Mahan, Chair

**COMPTROLLER'S OFFICE
CITY OF NEWTON, MASSACHUSETTS
617 796-1305
dwilkinson@newtonma.gov**

February 26, 2009

TO: Tony Logalbo & Ruthanne Fuller,
CAG Municipal Cost Structure Committee

FROM: David Wilkinson, Comptroller
Ann Cornaro, Information Technology Director

SUBJECT: **Bi-weekly payroll recommendation**

Pages 29 and 30 of the Municipal Cost Structure Committee's January 19, 2009 draft report contains a recommendation that the City move from a weekly to a bi-weekly payroll cycle in order to improve the efficiency of the payroll administration process. The draft report concludes that "...while no city position would be eliminated, the time savings throughout the departments and in the central administrative functions related to payroll will be significant." These cost savings are estimated to be as much as \$140,000 annually.

Description of Payroll Administration System

Newton currently maintains three payroll cycles: monthly for retirees and elected officials; semi-monthly for most employees of the Newton Public Schools; and weekly for all municipal employees and Newton Public School custodians and cafeteria workers. The City's payroll system contains pay rate and deduction tables for each payroll cycle which control all payroll activity except for time and attendance and employee expense reimbursements. Individual departments are responsible for maintaining time and attendance records for each payroll cycle and at the end of each cycle are responsible for reporting absences, both compensated and uncompensated, for salaried and hourly employees and hours actually worked for hourly employees. Leave accruals for compensated absences are maintained within the payroll system.

Unlike many organizations of Newton's size and complexity, payroll administration responsibilities are shared by several departments in Newton. The City's Human Resources Department is responsible for adding and removing employees from the payroll system; maintaining all pay, leave and deduction tables; and employee benefits administration. Individual departments are responsible for maintaining time and attendance records for their employees and reporting this information electronically to the Comptroller's Office. The Comptroller's Office is responsible for monitoring additions and deletions to the payroll system; verifying that changes in pay rates and employee expense reimbursements are properly documented and authorized and that payrolls are balanced and approved; and updating the general ledger for all payroll expenditures and

payroll deduction credits. Following authorization from the Comptroller's Office, the Information Technology Department is responsible for running the payroll and generating payroll checks, direct deposit vouchers; payroll journals. The Treasurer's Office is responsible for funding and distribution of payroll checks and direct deposit vouchers; the disbursement of certain payroll deductions that must be disbursed electronically on the payroll date, and state and federal tax reporting. Most payroll deductions disbursements are generated automatically on the next vendor warrant following the payroll date.

Newton's decentralized approach to payroll administration provides important internal controls that are often difficult to achieve except in very large centralized payroll administration structures. The approach has also been found to be extremely cost-effective when compared to payroll outsourcing options that have been considered by the City.

Economics of Weekly Payroll Cycle

Since there are important collective bargaining and human resources implications associated with changing the frequency of employee pay dates, I'll defer to the City's Chief Administrative Officer and Human Resources Director to comment on these aspects of the issue. I do think that it would be helpful, however, to review the economics of a possible transition from a weekly to a bi-weekly payroll from the City's perspective.

Human Resources Department: Employee hires and terminations and payroll deduction and benefit changes need to be made as the changes occur and are reported and are not tied to payroll frequency. It therefore does not appear that the replacement of the weekly payroll cycle with a bi-weekly cycle would have any impact on the operations of the Human Resources Department, except in terms of the entry of the department's own time and attendance.

Comptroller's Office: The Comptroller's Office currently devotes approximately 5 hours per week to weekly payroll review and accounting. This consists of approximately 4 hours per week of clerical review and one hour of an Assistant Comptroller's time in payroll review supervision, updating the of the general ledger and production of a payroll disbursement warrant. The weekly cost of these activities is \$132. If these efforts were only required (26) weeks per year, instead of (52), 130 hours with a value of \$3,432 could be used for other financial accounting and reporting purposes. This would be helpful in light of the fact that a full time staff position in the department was reduced from full time to .6 time in 2009 and is being further reduced from .6 time to .4 time for fiscal year 2010.

Information Technology Department: The City's Information Technology Department spends approximately 4 hours per week running the weekly payroll. Since the department's organization no longer includes a computer operator, either the IT Director or the Assistant IT Director is now responsible for running all payrolls. The value of (4) hours of the IT Director's time is \$208 per week, which amounts to \$5,408 over 26 weeks. The extra 104 hours per year that are needed to generate a weekly payroll could certainly be redirected towards more productive information technology purposes.

Treasurer's Office: The Treasurer's Office commits approximately 7 hours per week to the weekly payroll cycle. This consists of 5 hours of clerical time and 2 hours of the Treasurer's time. The weekly cost of staff time devoted to these activities is \$215 or \$5,590 over 26 weeks. Given recent staff reductions and the work backlog of the Treasurer's Office, these hours could also most certainly be redirected to more productive collections and treasury management functions. There are no banking services fees associated with the City's payroll disbursement account. The City funds the net payroll in full on the check disbursement date, as we understand we are required to do by law.

Operating Departments: While larger City Departments have staff with primary payroll responsibilities, time and attendance record keeping and reporting responsibilities in most departments is handled by a staff member who also has clerical responsibilities for a variety of other support functions such as purchase requisitioning; payables processing; department receipt processing; etc. Except where the department has hourly employees, the weekly workload associated with entering time and attendance into the payroll system is immaterial.

The **Department of Public Works** has the largest hourly employee count in the City and therefore the largest staff assigned to payroll time and attendance record keeping and reporting. The Department currently devotes approximately 60 staff hour per week to payroll tasks, at a cost of \$1,623, or \$84,396 per year. It is estimated that approximately 7 hours per week could be saved if the department's payroll were processed on a bi-weekly instead of a weekly basis. This translates into approximately \$233 per week or \$12,116 over a complete fiscal year.

The **Police Department** currently devotes approximately 18 hours per week to payroll administration activities, a little over a quarter of which is related to police private duty detail payrolls, at a cost of \$454 per week. If payroll frequency could be reduced from 52 to 26 weeks per year, approximately \$11,400 in support staff hours could be redeployed.

The following table summarizes similar information on other major City departments.

Department	Total Weekly hours	Weekly Cost	Cost over 26 weeks
Parks	8	\$ 200	\$ 5,200
Library	5	132	3,432
Fire	2.5	\$ 57	\$ 1,486

Conclusion

The transition from a weekly to bi-weekly payroll cycle does offer the opportunity to make more effective and efficient use of City staff members, particular in the administrative support departments of Information Technology; Comptroller's and Treasury, where staff reduction continue to be necessary in order to balance the budget.

Staff hour savings in operating departments also appear to be possible, however, these savings would likely be enhanced most significantly by further automating the collection of time and attendance data, particularly in the larger departments with sizable numbers of hourly employees.

Although it's not specifically addressed in the CAG recommendation, additional investment income earning would accrue to the City from a change to a bi-weekly payroll since cash that would otherwise be paid to employees would remain in the City treasury and could be invested at money market rates. Based upon a typical weekly payroll of \$1.3 million, earning 2%, the City should be able to add \$13,000 per year to its investment income earnings.

As noted previously, there are collective bargaining and human resources implications, as well as economic ones, associated with the transition from a weekly to a bi-weekly payroll cycle. The City's Chief Administrative Officer and Human Resources Director are in the best position to address these points.

The final point that needs to be made about implementation of this recommendation is that given continuing staff reductions, particularly in the City's Information Technology Department, adding a bi-weekly payroll cycle to the existing weekly cycle during a transition period will most certainly create a real hardship in the City's Information Technology Department and to a lesser degree in the Comptroller and Treasury Departments. If the powers that be determine that the transaction is in the best interests of the City, the best course of action would be to negotiate the changes as they can be made, but hold up implementation until the weekly payroll can be replaced in its entirety with a bi-weekly payroll.

Cc: Board of Aldermen
Chief Administrative Officer
Human Resources Director

#	Proposal	Status
1	Control employee compensation costs	Wage freeze in FY10. Long-term strategy
2	GIC	Discussing with unions
3	Fund OPEB	Long-term issue
4	Consolidate P&R and DPW	Studying
5	Bi-weekly payroll	Proposed to some unions. Savings smaller than projected per Dave W and Ann C memo.
6	Life-cycle costing	Long-term issue
7	Outsource	Researching
8	Procurement costs	Researching
9	Winter manning	Evaluating. Needs to be negotiated with union.
10	Fire call-box	Evaluating
11	Snow plowing standards	DPW is preparing an analysis
12	Increasing IT spending	Needs more money N.B. We spent \$43,150 on Comm. Plus, Munis/Office, and Fin. Plus upgrades this year.
13	Consolidate IT spending	Evaluating
14	Allow intradepartmental transfers	Check on state finance law
15	Hire a budget analyst	Evaluating.
16	Energy efficiency: 1) Light bulbs, 2) EnergyStar appliances, 3) life cycle costing, 4) energy training program, 5) increased recycling, 6) eliminate gas lights, 7) peak demand provider.	Many of these programs are in place, such as contracting with ESCO, changing light bulbs, converting gas lights. Others are long-term issues.
17	Increase appropriate user fees	Case-by case consideration
18	Pay as you throw trash fee	Automated trash proposal
19	Increase parking revenue	Item is before BOA
20	Increase building permit fees	ISD is looking at fees
21	Increase fees for P&R and Community Education	P&R is evaluating fees and discussing coordination with Community Education
22	Increase cell tower revenue	Developing RFP/Docketed item
23	Increase giving	Long-term issue
24	Sell or lease municipal property	Long-term issue
25	PILOTs and SILOTs	Ongoing discussions
26	Increase capital spending	Long-term issue
27	Institute a new capital investment rule	Long-term issue
28	New process for prioritizing capital investments	Long-term issue
29	Inventory municipal capital assets	Had docketed previously
30	Hire a Capital Asset Manager	Evaluating.
31	Harvest short term savings	See above
32	Life-cycle costing	Long-term issue
33	Consolidate municipal and school maintenance	Discussing internally

DRAFT FY 2010 BUDGET OPTIONS

M. Salter
R. Fuller

Potential Revenue Increases

User Fees

- Trash (PayT) *\$1.0 – \$7.0M*
- Parking *\$0.5 -1.0 M*
- Building Permits *\$0.35 - \$0.5M*
- Recreation/Culture *\$0.1 – 0.5M*
- Cell Towers *\$.01 -\$.0175*
- **School Bussing** ***\$.01 - \$.04M***

Asset Sales

- Sell/Lease Underutilized Property *TBD*

Pilots/Silots

- Universities/Hospitals *TBD*

Total ***\$2.3 – 10.0M***

Potential Cost Savings

Employee Costs

- Headcount *TBA*
- Salaries (COLA) *TBA*
- Benefits (GIC) *TBA*

Consolidations

- Parks/DPW *\$0.1 – \$0.25M*
- Recreation/**Community Education**/Culture *\$0.1M*
- Municipal/**School** Maintenance *TBD*

Outsourcing

- IT Support *TBD*
- Custodial Services *TBD*
- Parking Meter Officers *TBD*
- Street Light Maintenance *TBD*
- Building Maintenance *TBD*
- **School Food Services** ***\$0.5 - \$1.0M***

Operating Efficiencies

- Payroll Management *\$0.14M*
- Fire Engine Staffing *\$0.7M*
- Eliminate Call Boxes *\$0.2M*
- Decreased Snow Plowing Stds. *\$0.25M*
- Energy *TBD*

Total ***\$2.0 – 2.6M***

Required Additional Investments

Long-term Obligations

- Start Funding H.C. *\$1.0M (low)*
- Pension Funding *TBD*

Capital Infrastructure

- Current Maintenance and Renewal *\$5.0M (low)*
vs. \$2 M annual gap¹
- Maintenance Backlog Reduction *\$5.0 – 10M (low)*
vs. \$14M recommended
- Acquisition of Infrastructure Software *\$0.25M*
- Boiler Upgrades *TBD*
- Energy Efficiency *TBD*

Human Capital

- Capital Asset Manager *\$0.125M*
- CFO – City *\$0.175M*
- **CFO – School** ***\$0.150M***

Total ***\$11.7 - \$16.7M (low)***

¹ FY2008 Cap. Spend & Manint. = ± \$30M Req'd to meet annual needs = \$50M
--