

MEMORANDUM

December 20, 2009

TO: Joint Cost-Savings Subcommittee
Steve Ledoux, Town Manager, Town of Acton
Steve Mills, Acton/Acton-Boxborough School Superintendent

FROM: Mary Ann Ashton

SUBJ: Clarification of Items Designated as "Service Reduction/Budget Item" and Items to be Removed from Cost-Savings Lists

In our meetings on December 6 and December 15, the Joint Cost-Savings Subcommittee reviewed the items remaining on the list of cost-savings suggestions. Together we divided the list into four categories as follows: (a) cost savings ideas to be further analyzed by the group; (b) service reduction, budget items; (c) ideas for new revenues or revenue enhancement; and (d) items to be removed from the list.

We would like to focus our efforts on items in Categories A and C, and will work to identify a sponsor on the Board of Selectmen or School Committee willing to move the idea forward, as well as a Finance Committee member and staff member to work to develop the idea with the sponsor. The items designated as Category B we are turning over to the Town Manager, School Superintendent, Board of Selectmen and School Committees so that these ideas can be considered as part of their budget development process. We have provided brief explanations of these items below, and would like to address these items during our meeting with the Town Manager and School Superintendent on Tuesday, December 22. Category D items are items that we have designated to be removed from the scope of our current work. In many cases these ideas are already being done, while in other cases we believe the implementation would take far longer than the time frame of our current work. We have provided some explanation of these items below.

Category B – Service Reduction, Budget Item

CS#3 – Freeze all non-union salaries. Giving non-union employees a 0 percent increase is estimated to save approximately \$452,525 for the first budget year. Each 1% that we do not give in increases saves approximately \$145,000. If we assume that unionized employees get a 2.5% increase per year and non union employees get 0% per year the first year savings would be approximately \$450,000. The town adopted this strategy last year, and the schools plan to adopt this strategy in the coming year.

CS#9 – Institute hiring freeze. Both town and schools have frozen the hiring for new positions. Based on the six positions currently open, the town and schools are saving \$400,000.

CS#12 – Reduce size of Acton town government, employees, contracts, etc. For each position not hired, Acton saves \$62,400 (the weighted average salary of police, fire, teacher) plus benefits.

CS#14 – Implement attrition policy. If one chose not to replace any of the retirements or positions turned over each year, the payroll could be reduced. The example analyzed assumes that there are typically four retirements for the Town and 13 in the Schools. In addition we had 6 positions turn over last year in the schools. These 23 positions if not replaced could save approximately \$1,100,000 in salary.

CS#19 – Examine staffing levels for police and fire. For each position reduced, the average salary saved is \$42,000.

CS#20 – Examine overtime levels for police and fire.

CS#31 – Close library one weekday and open on Sunday 1-5. This suggestion might be interpreted several ways, so we've chosen to assume the following: (1) this suggestion only applies to AML; (2) the suggestion is to close the library one day per week and to ensure that the library is open 1-5 on Sunday throughout the year. The savings result from a reduction in total hours that the library is open and staffed, closing for one 12-hour weekday and adding in an additional one to five hours on Sunday.

CS#32 – Close Town Hall one day per week and have extended hours two days until 8 or 9. This suggestion might be interpreted several ways, so we've chosen to assume the following. Town Hall would be closed one day per week (Friday) and hours would be extended until 8 p.m. on Tuesday and Thursday evenings. The total hours that Town Hall is open would remain virtually the same (42 hours per week versus 45 currently), but it might be possible to reduce the number of FTE that would be required to serve the public during the time that Town Hall is open. If total hours were reduced, this would likely be a reduction in service; currently Town Hall employees are busy during the hours they work and there would have to be an extensive analysis of work load to reach a different conclusion.

CS#42 – Eliminate non-essential administrative positions.

CS#44 – Reduce administrative staff.

CS#51 – Make informed spending and maintenance decisions, specifically about roofs.

CS#58 – Hold all consultant studies. As the subcommittee discussed this topic, some offered the opinion that sometimes spending small money for consultant studies was more cost-effective than having staff making decisions without the benefit of this

targeted expertise. All agreed that consultant studies should be carefully evaluated and prioritized by the board advocating the use of consultants.

CS#60 – Forego capital items as a way to avoid layoffs.

CS#61 – Examine budgets and ask each department to provide 10%, 20%, 30% reductions.

CS#62 – Determine a pay-as-you-go prioritization – eliminate programs that cannot fund themselves, e.g., NARA, school programs. Only keep essential services.

CS#63 – Services for seniors, veterans, and library patrons even more essential during economic bad times.

CS#64 – Increase number of volunteers to provide services to more vulnerable citizens.

CS#65 – Curb growth in departments, e.g., IT