

# Report of the Cost Savings Subcommittee



**PRESENTED TO THE FINANCE  
COMMITTEE BY  
MARY ANN ASHTON, STEVE NOONE,  
AND BRANDY BRANDON**

**NOVEMBER 10, 2009**

11/16/09  
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# Overview of Process



- Gathering of Ideas – January- March
  - Over 100 ideas gathered from many sources
- Evaluation by Superintendent & Town Manager – April

# Overview of Process



- **Town Manager and Superintendent reviewed**
  - Many items already being done to some extent – 41 Town and 33 Schools
  - Recommended items be pursued further, even if already being done – 44 Town and 53 Schools
  - Town recommended that 21 not be pursued, and Schools 9
- **Remaining suggestions fell into 7 groups**
  - Staffing – 13 suggestions
  - Employee salary, benefits – 9 suggestions
  - Energy savings, water savings – 4 suggestions
  - Capital purchases, improvements – 4 suggestions
  - Fees – 3 suggestions
  - Government structure – 8 suggestions
  - Other categories – 27 suggestions

# Overview of Process



- Formation of Subcommittee – May
  - List culled based on feedback – June
  - Format of analysis developed – June
  - Members assigned ideas to analyze – June
  - Data gathering and analysis July – September

# Overview of Process



- Process has been productive but no easy choices
  - There's not much for "low-hanging fruit"
  - Savings can be achieved, but will require choices
    - Service levels
    - Cooperation with bargaining units
    - Local control versus shared services
    - Most items will take some time to implement
- Relied upon data provided as part of FY10 budget process
- Thank you to staff for support and answers to questions!
- Analysis and conclusions are ours

# Compensation and Staffing



- Town and Schools pay \$44 million in Salaries and \$11 million in Healthcare. Together these represent 71% of the budget
- 19 ideas in all, 11 on compensation, 8 on staffing
- Most involve changes to collective bargaining agreements, however most of these agreements are under negotiation
- This area must be addressed if we are to avoid service reductions or tax overrides

# Compensation and Staffing Results



- The next two slides summarize the results of the analysis
- These numbers are not additive
- Each number is based on assumptions which are contained in the report

# Compensation



<b>CS#</b>	<b>Description</b>	<b>First Yr Savings</b>
<b>1</b>	<b>Investigate single-parent family HI plans for employees</b>	<b>\$0</b>
<b>2</b>	<b>Freeze all salaries - no new contracts with increases</b>	<b>\$441,080</b>
<b>3</b>	<b>Freeze all non-union salaries</b>	<b>\$452,525</b>
<b>4</b>	<b>Evaluate tradeoff between wage increases and HI shift</b>	<b>\$1,124,924</b>
<b>5</b>	<b>Implement 1.5% increase on steps only on collective bargaining; base increases = 0</b>	<b>\$441,080</b>
<b>6</b>	<b>Encourage more employees to sign up for lower-cost HI plans.</b>	<b>\$1,351,252</b>
<b>7</b>	<b>Replace High Cost Indemnity HI Plan with lower cost plan</b>	<b>\$564,736</b>
<b>8</b>	<b>Open up all contracts and get everyone to agree to a solution for bad economic times.</b>	<b>\$441,080</b>
<b>15</b>	<b>Implement HI "per Governor"</b>	<b>\$440,000</b>
<b>16</b>	<b>Examine HI co-pays</b>	<b>\$269,093</b>
<b>21</b>	<b>Increase the employee share of health insurance</b>	<b>\$1,345,464</b>

# Staffing



<b>CS#</b>	<b>Description</b>	<b>First Yr Savings</b>
<b>10</b>	<b>Require all teachers, including administrators, to teach</b>	<b>\$68,116</b>
<b>11</b>	<b>Use volunteers as teacher aides</b>	<b>Range of \$0-\$68,116</b>
<b>12</b>	<b>Reduce size of Acton town government, employees, contracts, etc.</b>	<b>\$62,400</b>
<b>13</b>	<b>Ask employees to choose pay cut versus layoffs</b>	<b>Unknown</b>
<b>14</b>	<b>Implement attrition policy</b>	<b>\$1,100,000</b>
<b>17</b>	<b>End early retirement incentive</b>	<b>Unknown</b>
<b>18</b>	<b>Consider minimum class sizes for electives at middle and high schools</b>	<b>Range of \$0-\$68,116</b>
<b>19</b>	<b>Examine staffing levels for police and fire.</b>	<b>Range of \$0-\$42,000</b>
<b>20</b>	<b>Examine overtime levels for police and fire.</b>	<b>\$0</b>

# Government Structure



- Several suggestions dealt with combining functions
  - Between Town and Schools – financial, community ed/recreation
  - Within Town – Water District and Town of Acton
  - Between Acton and neighboring towns
- Other suggestions involved new models of doing business
  - Changing library hours, Town Hall hours
- Analyzed 8 suggestions
  - If pursued, will require additional in-depth analysis
- Some suggestions to combine would require legal action, negotiation
- Some suggestions imply a service reduction

# Government Structure



CS#	Description	First Yr Savings
26	Combine Water District with Town of Acton	Unknown
27	Combine Community Education and Recreation	\$75,000
28	Combine school and town financial "back office" functions	\$200,000
29	Consider regionalization of various functions (including emergency, education, more)	
	<i>29 a. K-12 Regionalization with Boxborough</i>	\$152,422
	<i>29 b. Dispatch</i>	\$20,773
	<i>29 c. Police Supervision</i>	Unknown
30	Consider expansion of joint purchasing consortia for schools, town	\$0
31	Close library one weekday and open on Sunday 1-5	\$133,321
32	Close Town Hall one day per week and have extended hours two days until 8 or 9	\$258,824
33	Make Recreation Dept self-funding	\$75,000

# Fees, Other



- **Fees**
  - Updating municipal and school fees
  - Instituting new fees
  - Preliminary analysis – more can be done to analyze how to match fees with expenses
- **Other**
  - The “potpourri” category – includes various ideas to outsource, reduce, eliminate
- Analyzed 11 suggestions for both categories

# Fees, Other



<b>CS#</b>	<b>Description</b>	<b>First Yr Savings</b>
22	Evaluate overlay account for possible surplus	\$1,275,000
23	Charge fee for bus service for schools	\$195,500
24	Increase commuter lot parking fee	\$0
25	Increase all fees on regular, uniform, predictable basis	Unknown
34	Shift additional functions out of operating budgets to revolving, enterprise funds	Unknown
35	Defer spending on COA, Fire	\$0
36	Move Employee Day to NARA	\$25,000
37	Outsource landscaping	\$0-\$56,000
38	Reduce town/schools print and mailing 80% - e-mail items	\$190,860
39	Hold elections in one location - ask schools to schedule days off	\$1,430
40	Create wish lists for things schools need for classrooms and ask for donations.	\$0

# Energy Savings



- Evaluated high school lights alternative
  - Potential savings of \$20,000 per year

# Time to Implement



	Short-Term	Long-Term	
Large Value	22	13	17
	38	25	26
		34	6
		21	22
		4	14
		7	3
		2	5
		8	15
		29	16
		32	28
		23	31
		27	33
		10	11
		18	12
		37	19
Small Value	30	39	
	36		
	41		

- Five could be initiated immediately
  - 2 are large value
  - 3 are small value
- Remainder will require longer-term to implement
- Blue shading indicates those that must be bargained

# Time to Implement



## Short-Term/Large Value

**22: Evaluate overlay account for possible surplus**

**38: Reduce town/schools print and mailing 80% - e-mail items**

## Short-Term/Small Value

**30: Consider expansion of joint purchasing consortia for schools, town**

**36: Move Employee Day to NARA**

**41: Turn off school campus parking lot lights**

# Time to Implement



## Long-Term/Large Value

- |   |
|---|
| <b>13: Ask employees to choose pay cut versus layoffs</b>                                       |
| <b>17: End early retirement incentive</b>   |
| <b>25: Increase all fees on regular, uniform, predictable basis</b>                             |
| <b>26: Combine Water District with Town of Acton</b>  |
| <b>34: Shift additional functions out of operating budgets to revolving, enterprise funds</b>   |
| <b>6: Encourage more employees to sign up for lower-cost HI plans.</b>                          |
| <b>21: Increase the employee share of health insurance</b>                                      |
| <b>22: Evaluate overlay account for possible surplus</b>  |
| <b>4: Evaluate tradeoff between wage increases and HI shift</b>                                 |
| <b>14: Implement attrition policy</b>   |
| <b>7: Replace High Cost Indemnity HI Plan with lower cost plan</b>                              |
| <b>3: Freeze all non-union salaries</b>   |
| <b>2: Freeze all salaries - no new contracts with increases</b>                                 |
| <b>5: Implement 1.5% increase on steps only on collective bargaining; base increases = 0</b>    |
| <b>8: Open up all contracts and get everyone to agree to a solution for bad economic times.</b> |
| <b>15: Implement HI "per Governor"</b>  |

# Time to Implement



## Long-Term/Large Value (Continued)

**29: Consider regionalization of various functions (including emergency, education, more)**

**16: Examine HI co-pays**

**32: Close Town Hall one day per week and have extended hours two days until 8 or 9**

**28: Combine school and town financial "back office" functions**

**23: Charge fee for bus service for schools**

**31: Close library one weekday and open on Sunday 1-5**

**27: Combine Community Education and Recreation**

**33: Make Recreation Dept self-funding**

**10: Require all teachers, including administrators, to teach**

**11: Use volunteers as teacher aides**

**18: Consider minimum class sizes for electives at middle and high schools**

**12: Reduce size of Acton town government, employees, contracts, etc.**

**37: Outsource landscaping**

**19: Examine staffing levels for police and fire.**

## Long-Term/Small Value

**39: Hold elections in one location - ask schools to schedule days off**

# Next Steps



- **Report of Subcommittee – November**
- **Fincom prioritizes initiatives to pursue – November**
  - Are there any not yet analyzed that should be pursued?
  - What role does Fincom wish to play with the next steps?
- **Consult with BOS, SC – December**
- **Jointly Develop Implementation Plan – January**

# Conclusion



- Thank you to town and school staff for answering our questions
- We look forward to your comments and suggestions about next steps