

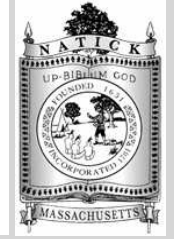


Expense Control Task Force Interim Report

Presentation for Board of Selectmen & School Committee
October 20, 2008

Task Force Members

Expense Control Task Force



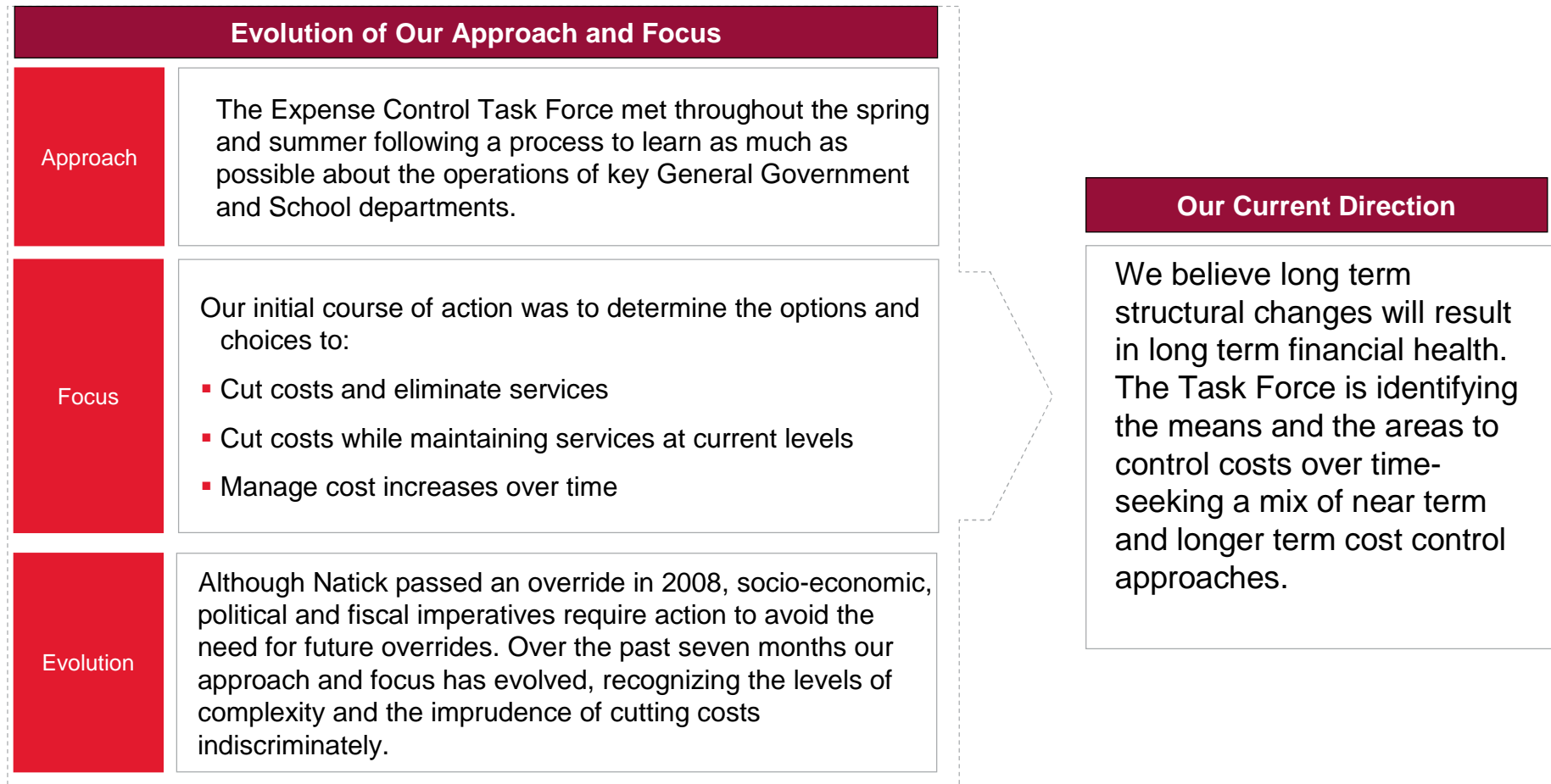
Following are the present and past members of the Expense Control Task Force

- Ms. Kristine Van Amsterdam – Chairperson, Board Of Selectmen liaison
- Mr. Tony Lista – Vice Chair, Finance Committee liaison
- Mr. Patrick Hayes – Clerk, Citizen At Large
- Mr. Dirk Coburn, School Committee liaison
- Ms. Barbara Honthumb, Citizen At Large
- Ms. Lori Rosen, Citizen At Large
- Mr. Jeffrey Silverstein, Citizen At Large
- Ms. Lori Andrews, Citizen At Large (through June 2008)



The Process

Although Natick passed an override in 2008, fiscal imperatives lead the call to action to avoid the need for additional overrides in future years.





Structural Change as a Strategic Imperative

The past year has shown that Natick needs to reduce the growing spread between expense and income growth.

Importance of Structural Change

- It is strategically imperative that Natick achieve structural change in how General Government and the School Department operate. Status Quo is neither optimal nor sustainable
- Overall, the goal is to define what are the core services to be delivered; The ways to do existing work more effectively and efficiently; Providing the highest quality services that meet the needs of the citizens of Natick now and in the future
- The challenge is to find ways to **MANAGE** the costs of providing services rather than cutting the services; Shared services teams with distributed responsibility provides economies of scale while not necessarily increasing overall costs
- Change starts with setting meaningful and measurable goals and expectations, engaging leaders to champion change and holding all employees of General Government and School departments accountable for meeting or exceeding their goals
- In all cases the approach and methods of evaluating the core services delivered to constituents, the way to provide these services and the underlying financial analysis- rigor and detail, requires new tools and techniques and a consistent adoption and use of these tools



Summary of Four Interim Recommendations

Anchored by the need to achieve lasting structural change, the ECTF recommendations address how Natick supports its constituents, providing sustainable and meaningful expense control, with a desire to improve centralized policy and management oversight and decentralized, efficient and effective service delivery

<p>Facilities Management Shared Service Transformation</p>	<p>Recommend the consolidation of the General Government and School Department Facilities Management (Building Maintenance) groups into a single Shared Service serving all Town and School buildings with strong leadership, excellent operational and financial practices, adequate funding, and appropriate service levels and exceed expectations of all constituents around quality of work, building management, employee and child safety. This recommendation is possible to execute in the near-term time-frame</p>
<p>Human Resources Shared Service Transformation</p>	<p>Recommend operational consolidation of the General Government and School Department Human Resource (HR) departments. The Shared Service model is possible to execute in the near-term. Such a consolidation is anticipated to result in more formal collaboration and consistency of processes for labor relations, contract management, recruitment/retention functions, administrative functions, performance evaluation/measurement and benefits administration</p>
<p>Information Technology Shared Service Transformation</p>	<p>Recommend the operational consolidation of the General Government and School Department Information Technology departments into a cohesive and responsive town-wide Information Services and Technology Shared Service model. This recommendation is anticipated to improve overall cost management, increase overall efficiency of IT services, improve service delivery effectiveness and improve the integration of computing technologies, communications platforms, business applications and productivity tools.</p>
<p>Procurement & Purchasing Shared Service Transformation</p>	<p>Recommend the consolidation, integration and implementation of shared procurement procedures between the General Government and School Department Purchasing/procurement functions. This recommendation will improve overall cost management through volume buying, increase overall efficiency, improve controls through centralized purchasing functions and allow the system to take advantage of economies of scale.</p>



Near-Term Initiatives

Some ECTF recommendations are already under review or are contemplated by the Town Administrator, Superintendent of Schools or other department heads and should be monitored, tracked and measured for completion and outcome

Initiative Area	Owner(s)	Description	Current Status
Eliminate Red Checks	<ul style="list-style-type: none"> • Town Administrator • School Superintendent 	Eliminate the "Red Checks" for all employees including but not limited to employee mileage reimbursement, clothing allowance, cleaning allowance, tool allowance, etc. Also institute full tax withholding against all red checks	Under detailed review by Town Administrator
Bi-Weekly Payroll and Direct Deposit	<ul style="list-style-type: none"> • Town Administrator • School Superintendent 	Move ALL General Government and School employees to a Bi-Weekly payroll cycle and Direct Deposit of all Payroll and Stipend Checks	Under detailed review and expected to implement shortly
Eliminate the antiquated Fire Call Boxes	<ul style="list-style-type: none"> • Fire Chief • DPW 	Turn off the Fire Call Box system and remove the boxes from the physical locations. In the longer term consider new technologies such as wireless fire call boxes	
Ambulance Fee Collection	<ul style="list-style-type: none"> • Town Administrator 	Commentary and analysis indicates there continues to be a gap between what the Town bills to residents for Ambulance Services and what is collected, leaving a short-fall	Town Administrator and Finance Department are working on closing the gap
Regionalization of Public Safety Services	<ul style="list-style-type: none"> • Fire Chief 	Complete a detailed analysis and evaluation of the Town's ability to participate in a full or partial regionalization of Public Safety services with other Metro West communities	
Memorial School Kitchen Upgrade	<ul style="list-style-type: none"> • Superintendent 	Re-evaluate the financial analysis of the Kitchen Upgrade versus the transfer of food service preparation to the High School. This is a near-term analysis in order to re-evaluate in FY2009 prior to the project beginning	Funds have been approved for this project by Town Meeting
Full Privatization or expanded Outsourcing of School Food Service Program	<ul style="list-style-type: none"> • Superintendent • Town Procurement Officer 	The current Food Services contract has been extended for one year. There is an opportunity to completely re-evaluate the outsourcing/privatization model for Food Services.	School Superintendent, School Finance and Town Procurement are working on developing an approach.
Full Privatization or Closure of Sassamon Trace Golf Course	<ul style="list-style-type: none"> • Town Administrator 	Analyzing the financial impacts and the economics of operating a golf course; Determining the options and economic benefits as to the best and highest use (utility value) of the land (i.e. Wind Farm, Solar)	Expect the Sassamon Trace Oversight Board and Town Administrator to conduct an evaluation this autumn

Next Steps

**Expense
Control
Task
Force**



While the Expense Control Task Force will continue to move forward in analyzing opportunities to control short and long term costs, there are some “Next Steps”

- Continue the Task Force analysis and evaluation of the potential opportunities as detailed previously in this document
- Provide any support requested by the Town Administrator or the School Superintendent as they evaluate and act on the recommendations detailed in this document
- Respond to the pleasure of the Board Of Selectmen and School Committee or input from Natick residents for other potential Expense Control opportunities deserving analysis and evaluation