

Memorandum

TO: Falmouth Town Council
FR: Nathan, Town Manager
RE: Consolidation options with the Town of Cumberland
DA: January 8, 2009

The Falmouth and Cumberland Town Councils met on February 5, 2008, to discuss a joint consolidation of municipal services. At that meeting, both councils asked the town managers to research several areas.

Staff from both communities held four meetings to analyze opportunities and functions. Staff involvement included town managers, finance department staff, assistant town managers, assessors, and others. We focused most of our attention on municipal departments and created tables based on our discussions. The tables attached to this memo explain positives, negatives and possible savings associated with the consolidation of several municipal services.

Joint Town Council Directives

The major topics of discussion from the joint Council meeting in February included the following areas (we have included staff recommendations on how to proceed with each of these areas).

1. Senior Recreation Center

Staff recommendation: Request the Falmouth Community Facilities Committee contact the appropriate Town of Cumberland officials to determine if there is an interest or need to include services to Cumberland in any proposed facility improvement or new construction. At this time, the Town of Falmouth is using this committee to determine whether to renovate/expand the town office; renovate/expand the library; and/or renovate the Plummer Motz and Lunt elementary schools.

2. Senior Housing

Staff recommendation: Falmouth is currently developing a workforce housing project. Cumberland created senior housing and has 200 people on a waiting list to rent these properties. Current construction costs and other factors limit the possibilities to develop additional subsidized senior housing. The private market for senior housing is significant in Falmouth. Both communities should continue to monitor opportunities including major mixed use development projects and the possible reuse of Falmouth’s elementary schools.

3. Municipal Services - Reasons for Cooperation – immediate savings, sustainable spending, and enhanced programming.

Staff recommendation: We considered all of these factors in the analysis of consolidated municipal services, explained in the next section and the tables following this memo.

4. Library duplication

Staff recommendation: Request the Falmouth Community Facilities Committee contact the appropriate Town of Cumberland and Cumberland library officials to determine if there is an interest or need to include services to Cumberland in any proposed facility improvement or new construction. At this time, the Town of Falmouth is using this committee to determine whether to renovate/expand the town office; renovate/expand the library; and/or renovate the Plummer Motz and Lunt elementary schools.

5. Grant opportunities

Staff recommendation: Consider pursuing all opportunities for “seed” funding, additional analysis, and other expenses when there is a firm decision to consider consolidation.

6. Nothing is untouchable

Staff recommendation: Savings will be incremental and not substantive unless there is an ambitious and bold political/administrative will to consider radical changes compared to past and current practices/governing.

7. Fire Protection on Route 88

Staff recommendation: Both Fire Chiefs have reviewed the current operations and mutual aid arrangements. In particular, they spoke about the Route 88 - Foreside Corridor and the West Cumberland - West Falmouth areas. They recommend the following:

- Falmouth will continue to provide Automatic Mutual Aid from the Falmouth Foreside Station to fire calls in Cumberland Foreside. This area extends to portions of Route 1 and Middle Road.
- Cumberland will provide Automatic Mutual Aid from the West Cumberland Station to fire calls in the Upper Blackstrap and Upper Gray Road area in West Falmouth. This approach has been successful in the Grist Mill Drive area where Cumberland can arrive on scene several minutes ahead of a Falmouth apparatus.

This system provides a way for both communities to lessen the amount of time it takes to respond to a call for service. It takes advantage of stations already in existence and the agreement is reciprocal. It is our opinion that the cost of building one or more new stations is cost prohibitive and that a continued mutual aid response is adequate.

Both Fire/EMS Departments will continue to review other areas of their operation that could include opportunities for increased collaboration, efficiency and service; such as recent discussions to create regular joint training session with both departments.

Analysis of Specific Municipal Services

1. Front end operations (town clerk, tax collection, licenses, excise tax collection, registrations, etc)

The Town of Falmouth has implemented several cost saving measures in the past year, including the elimination of one position, which has reduced the amount of possible savings associated with consolidation. In addition, the Town of Falmouth has also analyzed the potential savings if it reduced its town office hours of operations from 42.5 hours (Monday through Friday) to 37 hours (Monday through Thursday). Furthermore, the reduction in fuel consumption is consistent with the Town of Falmouth's policy to reduce the overall carbon footprint within the community. Savings associated with consolidation of these services was quite significant 6 to 12 months ago, but the changes in the Falmouth town office operations and possible reduction in service hours diminish the possible savings to only \$11,238. It is questionable whether this is enough to make such a dramatic change in how we conduct business.

The Town of Cumberland will likely realize more savings (nearly \$80,000) but these are only estimates and we recommend that these numbers remain conservative in the event that the cost of combining services is underestimated. Furthermore, there is an inherent cost and value associated with administrative overhead and supervision associated with host duties. These added indirect costs and values are present but have not been quantified as part of this analysis.

Travel cost will increase for Falmouth residents to use the Cumberland Town office. There are some residents who will travel less distance but most will travel farther. There are approximately 4500 Falmouth households and the average additional travel distance is 4 round trip miles, the additional travel will equal 18,000 miles and at \$.50/mile, the added cost of doing business will be \$9,000.

It is my recommendation that these services remain separate and that consolidation not be considered unless there is a movement to consider consolidation of other services in the near future.

2. Finance

There are three full-time positions in the Falmouth Finance Department and two full-time positions in the Cumberland Finance Department. It is not possible, at this time, to reduce the number of full-time positions, but there could be some savings associated with specialization and reclassification. The savings are from eliminating one Finance Director position and replacing this position with a lower paid position. The other added value to consolidation is specialization. Most of the added value is for Cumberland because it will have access to more specialization that Falmouth currently utilizes. The cost savings are between \$10,000 and \$15,000 for each community.

While the savings are possible and specialization could benefit one community, the savings are not substantive enough to make such a radical change. It is our recommendation that these services remain separate and that consolidation not be considered unless there is a movement to consider consolidation of all operations and governmental structure.

3. Assessing

At this time, we are currently working with officials from Cumberland County, Greater Portland Council of Governments, community town managers and assessors, in an effort to analyze the feasibility of a county wide assessing service.

4. Police

Shortly after the joint Council meeting in February, it became apparent that the Town of Cumberland had little interest pursuing options to consolidate police services. While we respect that individual community position, we are also cognizant of

the possible savings associated with the consolidation of this service. The table, shown below, assumes that Falmouth would host police and dispatching services. Dispatching services for Cumberland could be provided by Falmouth at a similar rate charged by Cumberland County.

The savings in police services would range between \$50,000 and \$100,000 for each community. The savings result from a reduction in force by two-four positions. Eliminated positions would include one Police Chief, one Sergeant, and up to two Patrol Officers.

The savings are substantial for police services compared to other service delivery areas. Prior to a recommendation, the Town of Cumberland would need to determine whether there is interest to expand the analysis.

5. Management

Collectively, .5 positions could be cut from both Town Manager Departments and one position would be reclassified. Essentially, one Town Manager would be eliminated and one administrative support position would be reclassified to a Human Resource Director. Currently, there are two Town Managers, one Assistant Town Manager, and 1.5 administrative assistants. One Town Manager could be replaced with a Human Resource Director (\$20,000 savings), and ½ administrative assistant position would be eliminated (\$20,000) savings. Adjustments in salary for the remaining Town Manager and Assistant Town Manager could be necessary because of the dramatic increase in responsibility (\$20,000 increase). The additions and cuts result in savings approaching \$20,000. The biggest obstacle is how to serve two separate governing entities. The organizational management (more employees, larger budget, etc.) is not an obstacle but serving two separate governing entities of our size is impractical at best, and most likely impossible.

While the savings are possible and specialization is an added value, the savings are not substantive enough to make such a radical change. It is our recommendation that these services remain separate and that consolidation not be considered unless there is a movement to consider consolidation of all operations and governmental structure.

Conclusion

Consolidation is possible for our communities and could produce substantial savings. However, we believe that the savings will not be substantive unless there is a serious consideration to consolidate the entire function and governing structure into one town. There are areas where we could consolidate fractions of our organizations, such as the police departments, which could result in substantive savings. We are prepared to move forward at the direction of the Town Councils and appreciate their serious consideration of all options.

Falmouth – Cumberland Municipal Services Consolidation

Objective/ Proposal	Pros/Cons	Staff Impact	Savings
<p>A. Consolidate “Front End” Services:</p> <ul style="list-style-type: none"> • Town Clerk • Excise Tax Collection Registrations • Property Tax Collection <p>Services provided by Cumberland @ the Cumberland Town Hall</p> <p>Timing/Phase:</p> <ul style="list-style-type: none"> • Phase I - 2009 	<p><u>Pros/Benefits</u></p> <ul style="list-style-type: none"> • Cost savings. • Some Falmouth residents will have less distance to travel for personal service. • More efficient use of human resources (staff coverage). • Newer physical plant/building (longer capital life expectancy). • Increased use of on-line services via less dependency on transportation to and from a physical location. We envision the demand to grow based on increased awareness of opportunities. This is likely because Falmouth residents might prefer an alternative means of conducting business rather than drive to a location out of town. • Larger scale can accommodate growth better than two smaller organizations but downsizing is expected because of increased demand for on-line services. <p><u>Cons/Costs</u></p> <ul style="list-style-type: none"> • Many Falmouth residents will have to travel greater distances for personal service. • Falmouth residents may feel like they are losing an important connection to their town government because they do not use or have contact with other town services. • Some Falmouth residents rely on one location to conduct multiple transactions in one visit which could require multiple locations if on-line services are not utilized. • Auxiliary or supplemental services provided by staff which will be lost in Falmouth needs to be covered by other departments/staff. 	<p><u>Falmouth</u></p> <ul style="list-style-type: none"> • 3 positions will be eliminated. The Deputy Town Clerk position was eliminated in November 2007. This reduction in force is sustainable and therefore is not used in the analysis. • Most positions will be eliminated by attrition, reassignment, or offered opportunities to apply for new positions in Cumberland. <p><u>Cumberland</u></p> <ul style="list-style-type: none"> • 1.5 positions will be added to accommodate increased volume of transactions from Falmouth residents. • There will be some reassignments and job classification changes resulting in job responsibility enhancement opportunities. 	<p><u>Falmouth</u></p> <ul style="list-style-type: none"> • The possible savings will be \$10,000 to \$15,000. The low end of the savings range is compared to a proposed 4 day week alternative in Falmouth while the high end of the range is comparing to status quo. • Savings are based on the difference between the amount saved in Falmouth by cutting applicable services and associated costs with the cost charged by Cumberland for hosting applicable services. <p><u>Cumberland</u></p> <ul style="list-style-type: none"> • Payment for services by Falmouth will result in immediate net savings to Cumberland by approximately \$80,000. <p>*The cost savings for both towns are further explained in other attachments/documents.</p>

Falmouth – Cumberland Municipal Services Consolidation

Objective Proposal	Pros/Cons	Staff Impact	Savings
<p>B. Consolidate Finance Departments:</p> <ul style="list-style-type: none"> • Finance Directors • Budgeting • Purchasing • AP/AR • Payroll • Audit • Accounting • Debt • Investments <p>Services provided by Cumberland or Falmouth. One person from the consolidated department needs to be employed by the town who is receiving services.</p> <p>Timing/Phase:</p> <ul style="list-style-type: none"> • Phase I - 2013 	<p><u>Pros/Benefits</u></p> <ul style="list-style-type: none"> • Potential cost savings. Significant savings can only occur if the towns merge which would require management of only one set of books. • More efficient use of human resources (staff coverage). • Opportunity for a larger staff to have specialized positions and corresponding added value to both organizations. • Larger scale can accommodate growth better than two smaller organizations. <p><u>Cons/Costs</u></p> <ul style="list-style-type: none"> • Auxiliary or supplemental services provided by staff in the town receiving services will need to be covered by other departments/staff. • Unclear how Council/Manager support functions (Council inquiry/research, manager special projects, etc) would be allocated to the two town managers. • Falmouth will likely lose some level of financial management support. Falmouth has relied on a strong finance team resulting in a number of professional certifications for excellence along with a bond rating that is unmatched in Maine. 	<p><u>Receiving Town</u></p> <ul style="list-style-type: none"> • All positions within the finance department will be eliminated but the provider town will add the same number of staff to its expanded department resulting in no net changes in positions. <p><u>Provider Town</u></p> <ul style="list-style-type: none"> • The finance department will expand by the same number of positions eliminated from the receiving town • There will be some reassignments and job classification changes resulting in job responsibility enhancement opportunities. • Possible staff titles: Finance Director, Accountant, Purchasing Director, and two Payroll/AP clerks. 	<p><u>Receiving Town</u></p> <ul style="list-style-type: none"> • After attrition and reassignments, the possible savings will be \$10,000 to \$15,000. The savings are from the reclassification of new positions with lower pay classifications such as the elimination of one Finance Director in exchange for one new AP/payroll clerk. <p><u>Provider Town</u></p> <ul style="list-style-type: none"> • After attrition and reassignments, the possible savings will be \$10,000 to \$15,000. The savings are from the reclassification of new positions with lower pay classifications such as the elimination of one Finance Director in exchange for one new AP/payroll clerk.

Falmouth – Cumberland Municipal Services Consolidation - Incomplete

Objective Proposal	Pros/Cons	Staff Impact	Savings
<p>C. Consolidate Assessing Departments:</p> <ul style="list-style-type: none"> • Assessors • Admin support • Revaluations <p>Services provided by Cumberland or Falmouth. One administrative support position from the consolidated department needs to be employed by the town who is receiving services.</p> <p>Timing/Phase:</p> <ul style="list-style-type: none"> • Phase I - TBD 	<p>*At this time, we are currently working with officials from Cumberland County, Greater Portland Council of Governments, community town managers and assessors, in an effort to analyze the feasibility of a county wide assessing service.</p>		

Falmouth – Cumberland Municipal Services Consolidation

Objective Proposal	Pros/Cons	Staff Impact	Savings
<p>D. Consolidate Police and Dispatch Communications:</p> <ul style="list-style-type: none"> Police Department Dispatch operations <p>Services provided by Falmouth @ the Falmouth Police Department. A sub-station will be located at the Cumberland Town Hall.</p> <p>Falmouth could accommodate this change in the immediate future, however, Cumberland officials are choosing to table consideration or analysis at this time. This part of the analysis was performed by Falmouth only.</p> <p>Timing/Phase:</p> <ul style="list-style-type: none"> To be determined 	<p><u>Pros/Benefits</u></p> <ul style="list-style-type: none"> Potential cost savings. More efficient use of human resources (staff coverage). Opportunity for a larger staff to have specialized positions and corresponding added value to both organizations. Larger scale can accommodate growth better than two smaller organizations. Promote one person to a second detective position. Better opportunity for job growth through specialization and promotions. <p><u>Cons/Costs</u></p> <ul style="list-style-type: none"> Many Cumberland residents will have to travel greater distances for personal services provided on location. Cumberland residents may feel like they are losing an important connection to their town government because they do not use other town services. Some Cumberland residents rely on one location to conduct multiple transactions in one visit. Auxiliary or supplemental services provided by staff, which will be lost in Cumberland, must be covered by other departments/staff. This is true for the dispatching service and Cumberland has already committed to a regional approach, therefore, this may not be a substantive concern. 	<p><u>Falmouth</u></p> <ul style="list-style-type: none"> In both towns combined, 2 to 4 positions will be eliminated. Most of the positions will be eliminated by attrition or reassignment. There will be some reassignments and job classification changes resulting in job responsibility enhancement opportunities. Consolidation will require two new positions (dispatchers) to accommodate the increased volume of calls. <p><u>Cumberland</u></p> <ul style="list-style-type: none"> In both towns combined, 2 to 4 positions will be eliminated. Most of the positions will be eliminated by attrition or reassignment. There will be some reassignments and job classification changes resulting in job responsibility enhancement opportunities. 	<p><u>Falmouth</u></p> <ul style="list-style-type: none"> Payment for services by Cumberland through an interlocal agreement will result in savings to Falmouth. The range of savings will depend on how many positions are eliminated: \$50,000 to \$100,000. <p><u>Cumberland</u></p> <ul style="list-style-type: none"> After attrition and reassignments, the possible range of savings will depend on how many positions are eliminated: \$50,000 to \$100,000. <p>*The cost savings for both towns will need further analysis once Cumberland officials are ready to consider this option.</p> <p>In both towns combined, positions to be eliminated will include: one chief, one sergeant, and up to 2 police officers positions.</p>

Falmouth – Cumberland Municipal Services Consolidation

Objective Proposal	Pros/Cons	Staff Impact	Savings
<p>E. Consolidate Executive Offices:</p> <ul style="list-style-type: none"> • Town Managers • Assistant Town Manager • Town Clerk • Admin support • Human Resource Management <p>Services provided by Cumberland or Falmouth. One position from the consolidated department needs to be employed by the town who is receiving services unless the towns merge.</p> <p>Timing/Phase:</p> <ul style="list-style-type: none"> • To be determined 	<p><u>Pros/Benefits</u></p> <ul style="list-style-type: none"> • Potential cost savings. • More efficient use of human resources (staff coverage). • Opportunity for a larger staff to have specialized positions and corresponding added value to both organizations. • Larger scale can accommodate growth better than two smaller organizations. <p><u>Cons/Costs</u></p> <ul style="list-style-type: none"> • Access to the one town manager serving both communities will be limited because of added responsibilities. However, increased responsibilities to the assistant town manager could alleviate most concerns. • Difficult for one town manager to serve two governing bodies. Will need very strong team – department heads, admin support, town clerk, new human resources director, and assistant town manager. • Auxiliary or supplemental services provided by staff in the town receiving services must be covered by other departments/staff. 	<p><u>Receiving and Provider Towns</u></p> <ul style="list-style-type: none"> • In both towns combined, 1/2 positions will be eliminated and one town manager position will be reclassified to a human resources director. • There will be some reassignments and job classification changes resulting in job responsibility enhancement opportunities. • Possible staff titles: Town Manager, Assistant Town Manager, Human Resource Director, and one administrative assistant. 	<p><u>Receiving Town</u></p> <ul style="list-style-type: none"> • After attrition and reassignments, the possible savings will be approximately \$5,000 to \$10,000. The savings are from the reclassification of new positions with lower pay classifications such as the elimination of one town manager in exchange for one new human resources director. <p><u>Provider Town</u></p> <ul style="list-style-type: none"> • After attrition and reassignments the possible savings will be approximately \$5,000 to \$10,000. The savings are from the reclassification of new positions with lower pay classifications such as the elimination of one town manager in exchange for one new human resources director.