

MODERNIZING TOWN GOVERNMENT FOR TODAY & TOMORROW



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Government Must Be Modernized and More Responsive to the Community

- The needs of Fairfield's residents and businesses have changed over the last decade, as our population and economy have grown, demanding greater attention from the town to facilitate this growth. Businesses innovate and modernize and so too should towns.
- These changes have created an expectation for a higher level of customer service from town employees, whose salaries and departments are paid for by taxpayers.
- Our town government has not adapted and changed with the times:
 - No updated job descriptions
 - No investment in employees growth
 - No performance assessments or accountability
 - No cross-department communication and collaboration

Customer service from town government for our residents should be the top priority

Early Retirement 2009

- An Early Retirement package was offered in 2009, however, that plan had no financial analysis and was not brought to the RTM for a vote.
- We are looking for transparency in this process, which is why the plan is before the RTM for feedback and input.
- Other towns have offered these types of plans, Norwalk just completed a package where 44 of 91 elected last month(48%).
- In 2009, after the VERIP, the administration did not reorganize, or make any process and accountability changes. Further, they did not do any follow up analysis.
- Our plan includes VERIP as the next phase in a multi-step approach to reform and modernize town government.

WHY Voluntary Retirement?

GOALS OF VERIP

- To support **Modernizing** town government
- To **Improve** Service to Town Residents
- To **Reorganize** town departments to create efficiencies and eliminate duplication/waste
- Make government **smaller, more efficient, and smarter** through technological advancements and managerial improvements
- **Change the culture** within town government to improve the customer service experience

Modernization of Town Government Has Already Begun

✓ **Online Permitting Software**

- Offer one point of entry to interact with the following departments:
 - Planning & Zoning, Conservation, Historic District, Engineering, Health, Sewer, Building, Fire Marshal, Tax Collector, Tax Assessor
- **Timeline:** Approved in our budget, first department will launch in January 2021

✓ **Time & Attendance/Workforce Management:**

- Automated system to monitor employee time, control labor costs, and minimize compliance risk, while improving workforce productivity and service to the public
- **Timeline:** Approved in our budget, will take 8-10 months to implement January 2021

✓ **Online Job Posting & Application System (neogov)**

- Move from paper applications to online system which will make hiring more efficient
- **Timeline:** In progress, completed October 2020

✓ **Joint Emergency Communications Center**

- Relocate and consolidate Fairfield & Westport's emergency communication centers into one multi-town center. Once the center becomes operational, residents of both communities will see increased service levels such as a reduction in call processing times, increased effectiveness during large-scale incidents effecting one or both communities and improved management of both internal and field resources.
- **Timeline:** In progress, expected opening in 2021



Modernization of Town Government Has Already Begun – Cont'd.

- ✓ **Establishment of a DPW Audit Subcommittee Working Group to implement DPW audit recommendations:**
 - Roll out an updated purchasing policy to increase accountability and improve oversight over town departments and the BOE.
 - **Timeline:** Expected completion January 1, 2021
 - Accept credit card processing in all departments
 - **Timeline:** Expected completion April 1, 2021

- ✓ **Install presentation technology in conference rooms in order to:**
 - Host business development meetings to attract commercial development
 - Conduct training sessions
 - Facilitate working group meetings
 - **Timeline:** Expected completion January 1, 2021

- ✓ **Update the Town Capital Plan:**
 - Prioritize town infrastructure improvements and establish a long-term facilities plan
 - Develop an updated vehicle maintenance and replacement plan to decrease operational costs while lowering our carbon footprint
 - **Timeline:** Town workgroup meetings held, Capital Planning Workshop scheduled for December 2020



We also need to invest in our employees and change to our management process

- **Staff Development Training** (*The Town's EAP & CIRMA provides training at no additional cost*)
 - Respectful Workplace Training
 - Time Management: Improving Efficiency & Effectiveness
 - Supervisor Training
 - Social Media & Communications: Reach a Broader Audience
 - Munis Training (~\$10,000)
 - CCM Webinar trainings are routinely offered to employees on specific subject matters.
- **Establish Employee Incentive Program** for who submit adopted ideas for savings and/or efficiencies (TBD)
- **Hire Smart**
 - Hire employees with cutting edge skillsets for the 21st century
 - Hire with the goal of making government more efficient and consumer friendly

Change in Workplace Culture in Town Government

Restructuring Government to Produce Efficiencies and to Emphasize a Customer Service Approach:

- Consolidate/eliminate positions no longer required
- Create new positions that better fit operational needs
- Establish a more flexible workforce that can meet seasonal challenges
- Modern workforce to maximize the use of technology
- Emphasize a customer service centric approach

Change in Workplace Culture in Town Government

➤ **Implement a Culture of Accountability & Collaboration**

- Ensure inter departmental bi-monthly meetings and encourage cross department communication
- Establish and communicate clear goals & objectives

➤ **Provide Professional Development**

- Ensure continued training for all staff and managers
- Update job descriptions and set clear expectations
- Document performance gaps and encourage professional growth

➤ **Develop a Customer Service Oriented Mission Statement**

➤ **Institute Customer Feedback**

- For public interfacing departments create customer service feedback evaluation forms to obtain resident feedback—consider penalties for rude behavior/rewards for positive engagements.

VERIP ELIGIBILITY & BENEFITS

UNION	Age Requirement	Years Service Requirement	Benefits	# Eligible Employees	Age Range of those Eligible	Salary Range of Eligible Employees
DPW (Normal)	59.5	10	*6% adjustment to pension calculation *3 years no required health care contributions	6	59 - 65	\$64,771 - \$81,057
DPW (Early)	55	15	*Retiree medical insurance *Waive early retirement penalties	11	55 – 59	\$71,572 - \$86,875
PETA (Normal)	62	10	*6% adjustment to pension calculation *3 years no required health care contributions	5	62 - 76	\$113,298 - \$137,791
PETA (Early)	58	15	*Retiree medical insurance *Waive early retirement penalties	10	58 - 61	\$100,333 - \$123,433
THEA (Normal)	62	10	*6% adjustment to pension calculation *3 years no required health care contributions	10	62 - 81	\$55,330 - \$100,519
THEA (Early)	58	15	*Retiree medical insurance *Waive early retirement penalties	12	58 - 61	\$55,037 - \$97,322
Non Union (Normal)	62	10	*6% adjustment to pension calculation *3 years no required health care contributions	2	62-66	\$75,353 - \$113,298
Non Union (Early)	58	15	*Retiree medical insurance *Waive early retirement penalties	1	59	\$81,610

VERIP BUDGET IMPACT

(Assuming 50% (or 27 employees) elect, and all of those positions are refilled)

VERIP-Related <u>Costs</u>	FY 21	FY 22	FY 23
Vacation/Comp time Payout	\$185,505	\$185,505	\$0
401 A 5% for Replacements	\$49,518	\$99,035	\$102,006
Pension Increase	\$0	\$216,823	\$216,823
OPEB Increase	\$0	\$293,547	\$293,547
Waiver of Retiree Health Care Contribution	\$0	\$23,577	\$23,577
Total Costs	\$235,023	\$ 818,487	\$635,953
VERIP-Related <u>Savings</u>	FY 21	FY 22	FY 23
*Salary Differential if ALL Positions Refilled	\$158,474	\$316,947	\$316,947
One Month Vacancy – Hiring Lag	\$172,180		
Total Savings	\$330,654	\$316,947	\$316,947
NET Budget IMPACT of VERIP	\$95,631	\$(501,540)	\$(319,006)

*PETA: Assumes step 3 hire

*DPW & THEA: Assumes step 1 hire

For data on if all eligible employees elect, see Addendum A, previously supplied to the RTM

VERIP BUDGET IMPACT

(Assuming 50% (or 27 employees) elect, and 22 positions are refilled)

VERIP-Related <u>Costs</u>	FY 21	FY 22	FY 23
Vacation/Comp time Payout	\$185,505	\$185,505	\$0
401 A 5% for Replacements	\$40,348	\$80,695	\$83,116
Pension Increase	\$0	\$216,823	\$216,823
OPEB Increase	\$0	\$293,547	\$293,547
Waiver of Retiree Health Care Contribution	\$0	\$23,577	\$23,577
Total Costs	\$225,853	\$800,147	\$617,063
VERIP-Related <u>Savings</u>	FY 21	FY 22	FY 23
Salary Differential of 22 Refilled Positions	\$129,127	\$258,253	\$258,253
Salary Savings - Five Unfilled Positions	\$262,500	\$525,000	\$525,000
Social Security Contribution Savings	\$11,108	\$22,216	\$22,216
Medicare Contribution Savings	\$2,598	\$5,196	\$5,196
One-Month Vacancy - Hiring Lag	\$146,667		
Total Savings	\$552,000	\$810,665	\$810,665
Positive Net Budget IMPACT of VERIP	\$326,147	\$10,518	\$193,602

SALARY SAVINGS

Assuming 50% (or 27 employees) elect, and 22 positions are refilled, 5 unfilled

In the previous example, if 50% (or 27) of eligible employees elect to retire, and 22 are refilled:

- Assuming a \$75,000 average salary, plus benefits of 40%, the estimated savings will be \$525,000.
- **Salary savings in each year, exceed the costs of the program.**

Health of Pension and OPEB Funding

Pension and OPEB costs related to VERIP will be amortized over a period of 21 years. The additional amounts will become part of the Actuarially Defined Employer Contribution (ADEC). Based on projections from the Town's actuary, we expect the pension ADEC to increase by \$216,823 per year, and we expect the OPEB ADEC to increase by \$293,547 per year.

- 10-year Average Annual Return = 8.85% (2010 – 2019)
- Police & Fire Retirement funded at 83.2%
- Town Employee Retirement funded at 83.7%
- Fairfield's OPEB trust is currently at funding levels better than 75% of all surveyed towns in Connecticut
- 57% of Towns have no OPEB fund at all. Accordingly, although the OPEB debt will undoubtedly increase, this should have no impact on our ranking with the rating agencies
- **In Moody's Credit Opinion report for the Town, funding of Other Post-Employment Benefits (OPEB) is not mentioned as a credit risk. More importantly, Fairfield's OPEB is not even a factor in the Scorecard from Moody's**

Challenges Moving Forward

➤ **Brain Drain:**

- Anticipate that certain critical positions may be vacated.
 - Critical positions will immediately be posted. There is a clause that allows us to **TEMPORARILY** hire back employees on a part-time basis until critical positions are filled. Other positions are subject to analysis and reorganization.

➤ **Hiring Timeline: :**

- Recognize that the recruitment process takes time to hire the right workforce.
 - Human Resources is currently updating job descriptions in anticipation of vacancies and to prepare for the recruitment and hiring process.
 - Department Heads have also been incorporated into this process to provide feedback on department restructuring, employee skill set needs, and to offer other ideas to improve their departments.

Are there alternatives to a Voluntary Early Retirement Program?

➤ **Business as usual/Do nothing**

- The Town will continue to suffer from inefficiencies, stagnation in staff motivation, lack of productivity gains, dissatisfied residents.

➤ **Mass layoffs and/or position eliminations at budget time**

- This is still a very **costly, time consuming**, does not achieve the intended results, and inefficiencies will continue during that process.
 - Because of union contracts, very disruptive to overall government due to:
 - Bumping rights
 - Arbitration costs
 - Grievance procedures
 - Negative impact on employee morale
 - Will also face inability to replace positions due to union recall procedures.

Summary

- The primary objective is to rebuild a town government that is more efficient, accountable and responsive to its residents.
- Due to union contract constraints, VERIP is the most efficient method to restructure town government.
- VERIP is a critical next step to enable the administration to
 - Reorganize departments
 - Consolidate positions
 - More easily integrate new technology
 - Change the morale and culture in town government
 - Improve resident customer service
- Savings should occur over time as a result of creating a more efficient town government.
- Town will report out the financial impacts to town bodies.