

TTF Finance Subcommittee
Interim Report on the Impact of Consolidation
revised June 26, 2012

The Finance Subcommittee is in the process of reviewing the savings estimates made by CGR and the commission, and by the TTF personnel and I&O subcommittees. That review is not yet complete. This is an interim report on that review, and the results are not yet final. The following analysis comparing the two is based primarily on the values provided by those entities, and may be revised after further review.

1. The commission recommended a reduction of 9.5 FTEs in 2013 from all departments other than police and emergency management, for an estimated savings of \$1.26M.

The personnel and I&O subcommittees have recommended reductions of 14 FTEs in all departments except for police and emergency management in 2013, for an estimated savings of \$1.37M.

2. One question that has been asked is whether the municipal organization is more or less top heavy under either set of recommendations. In an attempt to get at that, the Finance Subcommittee calculated the average cost savings per position, excluding police, emergency management, governing body, the administrator (which was the same in both sets of recommendations), and non-personnel savings.

With those exclusions, the commission recommendations work out to 8.5 positions for a savings of \$0.84M, and average savings per position of approximately \$98,500 per position.

The corresponding figures for the TTF personnel and I&O subcommittee recommendations are 13 positions for a savings of \$1.16M, and an average savings per position of approximately \$89,000.

The measure of average savings per position reduced is an approximation for how "top-weighted" or "bottom-weighted" the recommended changes are, and are approximately inversely related to how top-heavy or bottom-heavy the resulting organization will be.

3. The police force will be smaller by 4 - 5 sworn officers in 2013 than originally anticipated by the commission, due to the decision not to fill current vacancies. A conservative preliminary estimate of the additional savings in that year from this change is \$415,000. (The TTF public safety subcommittee has not addressed the size of the police force in years 2014 and beyond, so no comparison of their recommendations for those years and the commission's would be possible at this time.)
4. The TTF public safety subcommittee has recommended 1 additional FTE for administrative support for the director of emergency services beyond current levels, at an estimated cost of \$75,000.

Princeton consolidation financial impact - comparison of TTF recommendations to commission's recommendations			
work in progress 6/26/2012 (data under review)			
Commission report of benefits of consolidation, personnel and other organizational changes			
<u>department</u>	<u>FTE change</u>	<u>savings (million \$)</u>	
Police	-13	2.100	full implementation after 3 years
Public Works / Engineering / PSOC	-3	0.442	note: \$0.16M non-personnel savings
Governing Body		0.061	
Administrator	-1	0.206	
Clerk	-2	0.199	
Finance / Tax Collection	-2	0.217	
Court	-1	0.079	
Tax Assessment	-0.5	0.017	
Construction	0	0.044	
total	-22.5	3.365	
total in 2013 (year 1)	-9.5	1.265	
subtotal excluding police, emergency management, administrator, governing body, and non-salary savings	-8.5	0.838	
average salary savings per position		\$98,541.18	
TTF subcommittee report of benefits (personnel and I&O only)			
<u>department</u>	<u>FTE change</u>	<u>savings (million \$)</u>	
administrator	-1	0.206	
clerk	-2	0.144	

finance / tax assessment / tax collection	-3	0.267	note: \$0.010M audit support savings (non-personnel)
court	-1	0.064	
engineering	-4	0.508	
public works	-3	0.183	
total	-14	1.373	
subtotal excluding police, emergency management, administrator, governing body, and non-salary savings	-13	1.157	
average salary savings per position		\$88,980.15	
(excludes 1-3 management positions which may be eliminated from engineering and public works)			

notes:

1. This is an interim report, and results are not yet final. The Finance subcommittee is still working through its review of the estimates reported by the commission and TTF subcommittees.
2. Commission values include effects of salary harmonization for all departments except police. TTF estimates currently do not take into account salary harmonization.
3. Savings for governing body, police, and emergency management not shown in TTF tables on this page.
4. TTF estimates based on 2012 salaries, commission estimates based on 2010 salaries.
5. Other benefits and costs not yet worked into this analysis. The two largest of those are expected to be the cost to extend garbage pickup to the Township, and the impact of equalization.
6. All tables currently include both tax and non-tax savings.