

TOWN OF NORTH CASTLE
BUDGET AND FINANCE ADVISORY TASK FORCE
RECOMMENDATIONS REGARDING THE POSITION OF TOWN ADMINISTRATOR
September 30, 2011

In September of 2008 the Town of North Castle formed a task force to review the advisability of hiring a Town Administrator. The Administrator Task Force (ATF) was comprised of seven residents of the Town; three Democrats; three Republicans and one unaffiliated with a political party. In March of 2009 the ATF made a unanimous recommendation to the Town Board that a Town Administrator be hired "as soon as possible". Subsequent to the receipt of the recommendation the Town Board discussed the issue at several meetings, held a public hearing on the topic and in August of 2009 approved by a three to two vote the creation of the position. It was agreed at that time that the Board would not take any action until after the upcoming elections of November 2009; as of this date the Town Board has not hired a Town Administrator.

The role of the Town Administrator as set forth in the ATF's report would be similar to that of a Chief Operating Officer. The Town Administrator would be responsible for all of the day to day activities of the Town and the various Department Heads would report to the Administrator. The Supervisor and Town Board would be responsible for broad policies, budget approval, contract approval and the hiring and firing of Town employees. The Administrator would report to the Board on Town operations from time to time but the Supervisor and the Town Board would not have direct input in the day to day operations of the Town.

The Budget and Finance Advisory Task Force was formed in March of 2010 and since that time the members of this task force have spent a significant amount of time reviewing the operations and finances of the Town and working directly with the Supervisor, Town Board, Department Heads, other key employees and outside consultants on various projects and studies. During this time we believe we have gained an excellent understanding of the Town's operations, its strengths and its needs.

We concur with the ATF on the need for a full time senior executive to work with the Supervisor, the Town Board and the Department Heads on a multitude of projects and certain day to day issues. Importantly, we see this position as supplemental and not as a substitute for the responsibilities of the Supervisor and Town Board. The holder of this position would be responsible for projects that overlap departments or are Town wide in nature including, but not limited to, managing the preparation of the annual budget, creating and maintaining a capital budget, finalizing the DPW project or negotiating leases such as the Verizon lease for additional parking.

As a result of our observations we would suggest certain changes to the Town Administrator position. First we believe that the elected officials of the Town must be accountable to the residents of the Town and should not delegate their responsibility for the operations of the Town to one individual. We also believe the various Town Department Heads are experienced and talented and should maintain the ability to run their departments under the oversight of the Town Board and Supervisor. As a result, we suggest that the Town Administrator not have independent and untethered authority over all of the day

to day activities of the Town but rather perform his/her responsibilities as the most senior executive in the Town reporting to the Supervisor on a day to day basis.

Since many of the functions and responsibilities associated with this position require a significant level of financial acumen we believe that the individual hired as the Town Administrator must have a strong financial background. We see the need for accurate and timely analysis in many if not most of the issues or requests that that the Town Board is asked to address. Providing a comprehensive analysis on each issue will enable the Town Board to act on a fact based, timely and informed basis and provide for sensible and efficient decisions. Please refer to Appendix "A" to this report which sets forth the Functions and Responsibilities of the position. While we agree that this position could assume the title of Town Administrator our suggested changes to the responsibilities and reporting lines of the position envisioned by the ATF indicate a more appropriate classification might be Chief Financial Officer (CFO).

The ATF report suggests that the salary of the Administrator could be as high as \$185,000; we agree and would add that it could be as high as \$200,000. The ATF also suggests that the cost could be partially offset by a reduction in the salary of the Supervisor and members of the Town Board. We do not see this position replacing the duties and responsibilities of the Supervisor and Town Board but rather as supplemental and necessary addition to the Town. We believe the creation of this position will enable the Town to operate in a more effective, timely and efficient manner and significant savings will result. For example, the Town currently spends approximately \$5 million dollars a year on contractual obligations; a detailed analysis and review of the nature and need for these services could quite possibly result in a savings of at least 2% or \$100,000. There are also potential savings in other areas and the possibility of revenue enhancement; the holder of this position will have the authority, time and talent to pursue these opportunities. In the end the position should more than pay for itself through cost savings and incremental revenue.

In summary, having a TA/CFO with the authority and responsibilities described herein would benefit the Town and not relieve the Supervisor and Town Board of their responsibilities. The position should be hired by the Town Board, report to the Supervisor and have a term of three years. After the completion of the three year period the Town should reevaluate the position.

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APPENDIX A

FUNCTIONS & RESPONSIBILITIES:

The following is not meant to be a complete list but rather a representative compilation of the functions and responsibilities of the TA/ CFO. The Supervisor and Town Board would ultimately decide upon the full list of functions and responsibilities. The following list contains broad descriptions of the functions noted as well more detailed descriptions of specific tasks. It also contains references to some of the Town's outstanding projects.

1. Supervise all financial functions of the Town including revenues, expenses, capital expenditures, financing, budgeting, IT, purchasing, financial and managerial reporting. The Town Comptroller would report to the TA/ CFO and work closely with the TA/CFO on all financial matters.
 - Prepare annual budget, budget vs. actual reports, analyze variances.
 - Prepare "summary" financial statements on a monthly & quarterly basis.
 - Prepare cash flow projections and analyses.
 - Analyze the Town's IT systems and implement necessary changes.
 - Prepare requests for proposals and analyze all bids.
2. Prepare and maintain a detailed Capital Budget both short term and long term, set priorities for the various projects, estimate costs, solicit bids, and, as appropriate, manage the completion of the projects. The Capital Budget would be prepared in conjunction with input from the Board and the Department Heads.
 - Provide information and recommendations to the Board for specific purchases i.e. highway trucks, police cars, specialty equipment.
 - Oversee in conjunction with Highway the "major road renovation project".
 - Create an expenditures timetable for all projects and identify source of funds (cash/financing).
3. Be an active participant in negotiating Union contracts. The TA/ CFO would prepare models or "what if" scenarios so the Board can fully understand the financial ramifications of various alternatives before making any final decisions.
 - Calculate the cost of various scenarios re: salary increases, change in steps, longevity bonuses.
 - Investigate and propose health care revisions: contributions, vesting etc.
 - Provide analyses re: overtime vs. additional manpower decisions.
4. Prior to every Town Board meeting the TA/CFO would prepare and deliver to the Board well in advance of the meeting an "abstract" or "deal summary" for all key items on the agenda. Each "abstract" would include a summary of the issue/request/project, a discussion of the pros and

cons, input from department heads, Town Attorney, Town Engineer etc., a financial analysis if appropriate, a summary of next steps and a recommendation from the appropriate department head or Town official.

- Abstracts / Deal Summaries would provide the Board with all necessary information to make an informed decision.
 - The process would eliminate delays because of lack of information and facilitate a more effective and efficient process.
5. Prepare and maintain an Organization Chart for the Town which would include all Town positions filled or open and the corresponding salary and benefits package. The CFO would also coordinate various personnel projects and move them to a timely and orderly completion.
- Standardize and administer the process of periodic performance reviews for all Town Departments and Personnel.
 - Design and prepare manpower usage analyses for key departments, create standard reports for each department which could be used by the Department Heads as well as the Board.
 - Finalize the DPW project: coordinate with outside consultant, department head & Board.
 - Coordinate some of the next steps for the Police Department studies re: manpower usage and need.
6. Maintain and manage a complete list of the Town's \$5 million annual contractual obligations. This is the Town's second largest expenditure by category and includes trash removal; attorney's fees, engineering costs and other outside service providers.
- Prior to the Town entering into a contractual obligation the TA/ CFO would prepare a summary of the service and contract, the need for the service and a financial profile.
 - On an annual basis the TA/CFO would review each contract, the quality of the service rendered and the continued need for the service in the future.
 - A review of budgeted but unused services would be performed and unneeded services would not be included in the annual budget.
7. Review the Town's sources of revenues and provide recommendations of ways to increase or maximize income.
- Review "fees and permits" rate schedules and determine if changes are warranted i.e. false alarms are costly to the Town; are current fees appropriate.
 - Evaluate the "market rate" of our cable franchise fees and cell tower rentals.
 - Create a plan and strategy for future negotiations regarding "payments in lieu of taxes".
 - Maintain in coordination with the Receiver of Taxes an estimate of lost revenues due to tax assessment challenges and lawsuits.
8. Become the lead "business person" for the Town on all business matters including leases, contracts or other agreements.
- Complete the lease negotiations with Verizon re: the parking project behind Main St.
 - Negotiate key contracts with third party service providers noted in "contractual obligations".

9. Perform a complete review of the Town's OPEC obligations including an analysis of current and future costs.
 - Create a strategy for the funding of these costs and review and challenge the calculation of these costs performed by third parties.
 - Review current vesting and employee contributions and suggest appropriate changes.
 - Examine current insurance providers and determine if more attractive alternatives exist.

10. Become the Board's liaison with other municipalities and the various operating departments & Town committees, attend meetings as necessary and provide input & suggestions and from time to time take the lead on a specific project or issue.
 - Attend all Budget and Finance Advisory Task Force meetings.
 - Work with the various Department heads re: the completion of various projects or mandates.
 - Pursue available "Grants" from NYS and the Federal Government
 - Pursue and investigate public/private initiatives, inter municipality agreements and shared services agreements