

## COMMITTEE ON NEWTON'S COST STRUCTURE (MUNICIPAL)

### Scope of Work

The objective of this committee is to identify opportunities for increasing short and long-term operational efficiency and effectiveness, with specific attention to critical cost elements. Attention will be directed both to overall cost factors and to General Fund (tax-supported) expenditures.

The following dimensions of operating efficiency are candidates for examination:

- **Personnel costs:** What opportunities exist to either better manage or reduce personnel costs, including general or selective wage/hiring freezes and withdrawal/consolidation/reduction of services? Also, what opportunities exist to allocate tax-supported personnel costs to fee supported funds beyond steps already in place?
- **Operating costs:** What opportunities exist to reduce operating costs, including (for example) energy conservation and procurement management?

The committee will also examine how Newton's cost structure changes with modifications in the quality and scope of city services.

### Method

We will seek to compile a list of feasible and practical cost-cutting initiatives, developed from (a) interviews and/or written responses and (b) a data-gathering questionnaire issued to key financial and senior management officials, including the Mayor; key department heads and staff; current Aldermen and former elected officials; union leadership, and interested citizens.

Initiatives selected for detailed study will be organized along the following dimensions:

- Cost reduction
- Cost shifting (from tax support to other sources)
- Time horizon (immediate, intermediate, and long-term impact)

In addition, all potential initiatives will be examined to address ancillary impacts, intended and unintended consequences, and any trade-offs between near-term and longer term expenses—including possible short-term investment cost needed to realize long-term savings.

We will also attempt to determine (a) whether the authority to implement a specific "cost structure initiative" of interest lies within the sole purview of City government, (b) whether state and/or federal legislative or administrative action would be required to confer such authority, or (c) whether cooperative or collaborative action by parties other than City officials would be required.