



## THE CITY OF SPRINGFIELD, MASSACHUSETTS

MAYOR DOMENIC J. SARNO

*HOME OF THE BASKETBALL HALL OF FAME*

October 17, 2013

To the City of Springfield Cabinet Members and Department Heads:

Recently, the CAFO and Finance Departments were consolidated into the Office of Management & Budget. The goal of the new “OMB” is to ensure the fiscal health and sustainability of the City by providing the Mayor, City Council, and other City departments with timely and accurate information, advice, and performance management.

With this reorganization, the department is now leaner, more diverse, and is better suited to analyze the City’s administrative and financial support functions. OMB will continue to evaluate process changes, improve the City’s finances and operations by providing quality services in the most efficient and effective manner possible, starting with itself. Since 2008, the department has reduced FTEs by 42% from 14 to 8 positions, resulting in savings of over \$185,000 annually. This was done, in part, by eliminating the Finance and Grant directors’ positions, while streamlining and adding responsibilities to the work-load of analysts within the department.

Despite these reductions, OMB and the City of Springfield, for the 5<sup>th</sup> consecutive year, have been presented with the Distinguished Budget Presentation Award, for fiscal years 2008-2012. OMB will continue to submit the adopted budget to the Government Finance Officers Association of the United States and Canada, annually.

Additionally, OMB and the City of Springfield received a reaffirmed credit rating of A2 with a stable outlook by Moody’s in July 2013, and in September 2013, Standard & Poor’s upgraded their credit rating for the City to ‘A’ from ‘A-’. The S&P rating continues to be the highest rating in the City’s recorded history. This upgrade is a testament to everyone’s hard work, stewardship, and accountability to the City’s financial policies and practices.

The Office of Management & Budget will continue to oversee all functions previously performed by the CAFO and Finance Department, including creating the City's Operating Budget, the Capital Improvement Plan (CIP), the Multi-Year Financial Plan (MYFP), and overseeing all departmental spending. This will ensure that expenses remain in line with the Mayor's Five Priorities and the City's strict financial policies and procedures.

### **All Funds Analyst**

With the reorganization of the Office of Management and Budget, your analyst will play a larger role assisting each department. The analyst will now become an All Funds Analyst. In addition to working with each department on performance management, the analyst will now review all funds including Revenue, Donations and Trust accounts. They will help establish KPIs with each department and create a city-wide Program Budget. The analyst will work with the department to analyze cost and FTEs for each department's programs.

OMB also will assist each department in implementing, developing, and maintaining new strategies to identify key performance indicators (KPIs), in an effort to evaluate program performance, and reduce costs. Analysts will work in conjunction with City departments to identify trends, conduct SWAT analyses, and collaborate and follow up on strategies to produce lasting improvements to the City of Springfield. This will enhance government transparency both within the City and with citizens, and completed SWAT Projects will be closed and posted on the City's website and Facebook page.

### **Benefits to date**

Since the recent reorganization, the implementation of SWAT teams comprised of specific people from different departments based on knowledge and skillsets, has addressed problems identified by departments by using the City's best resources to offer solutions and ideas for problem solving. The teams then look for ways to reduce waste, eliminate obsolete functions, and improve services for the City. Some examples of SWAT Team successes are listed below:

#### **Health Care SWAT Project**

A multi-departmental task force was created to review and reconcile the City's health insurance budget. As a result, the City was able to reduce the preliminary request for city-wide health insurance by \$2.46 million. This is the second consecutive year where the City was able to reduce the overall appropriation for city-wide health insurance.

#### **Foreclosure Ordinance SWAT Project**

The City Council amended the City's ordinance related to vacant and foreclosed properties. The updated ordinance requires the foreclosing entity to post a bond of "not less than \$10,000 to secure the continued maintenance of the property throughout its vacancy and remunerate the city for any expenses incurred in inspecting, securing, marking or making such building safe." The

City would retain a portion of this bond as an administrative fee to oversee implementation and compliance with the ordinance. A multi-departmental task force was created to implement and manage the new ordinance.

#### **Bill on Real Estate Taxes SWAT Project**

The City has updated its procedure for collecting past due bills. Code Enforcement violations, Clean and Liens and Demolitions costs that are unpaid for more than one year will now be added to the property's real estate tax bill. This allows the City a more concrete means of collecting bills that were created in an effort to help clean up the city and make it a safer place to live. A multi-departmental task force was created to implement and manage the new collection process.

#### **Summary Billing SWAT Project**

Currently all departments pay their own bills for natural gas usage, a team from the Comptrollers, Facilities and OMB departments was assembled to work on creating a summary bill for all the City's gas accounts. . The Comptroller's Office will now receive one (1) summary bill instead of 101 different bills sent to various departments/locations throughout the City. This change will lead to greater efficiency in bill payment and more oversight into the City's utility usage. Facilities will continue to monitor cost and usage, but their review will not delay the bill payment procedure.

#### **Assessors Database SWAT Project**

A SWAT team is working with the Assessors department's data to strategically identify ways to help increase the levy ceiling.

#### **Paperless Hiring SWAT Project**

A multi-departmental task force was created to review the hiring process. A value stream map was created and revealed a convoluted process with numerous redundant steps. Currently many different options are being explored to streamline the hiring process.

#### **Contract Module SWAT Project**

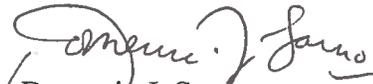
The Comptroller's Departments has identified reoccurring issues in the Contract Module of MUNIS causing the year end close of the City's accounts extremely difficult. Preliminary findings and recommendations will be presented to MUNIS to ensure a more streamlined process this fiscal year.

The Office of Management and Budget is committed to working with each department to develop new strategies, evaluate program performance, and reduce costs effectively and efficiently. OMB will assist with efforts in building a consistent approach to identify and measure success by sharing best practices with other departments. This reorganization focuses on performance management practices analysis of all funds in order to create and sustain a fiscal

and operational excellent environment with continued improvements. Thank you for your continued support as we work to make the City fundamentally stronger.

I have scheduled a meeting for October 24, 2013 at 3:00 in Room 222, for a presentation to answer any of your questions.

Respectfully,

  
Domenic J. Sarno,  
Mayor



Timothy J. Plante,  
Chief Administrative & Financial Officer