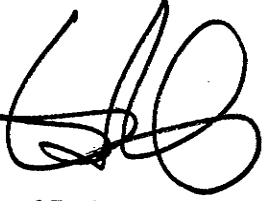




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INTEROFFICE MEMORANDUM

September 12, 2002

TO: Bettina Bronisz
FROM: Gary L. Gendron 
RE: FY '03 General Fund Budget Reductions

As you may recall one of the recommendations of the CRRA Advisory Panel Report ("Cibes Report") was that the Mid-Connecticut Budget be reduced by 10%. In April of this year the previous Board of Directors took the first step toward the total reduction goal (\$563,000) by making direct reductions of \$136,836.

This leaves remaining reductions of \$426,164 to be made to the Mid-Connecticut project budget.

In April I solicited ideas from managers and staff on reductions to the General Fund budget, the substantial proportion of which would translate into reductions to the Mid-Connecticut project budget. Attached is a worksheet which sets forth a total of \$628,512 in reductions to the General Fund budget resulting from this management/staff effort.

The proposed General Fund reductions fall into three categories, discussed below.

- A. **Non-Personal Services (\$85,000)**. These are on-going operational items which have been identified as reductions which can be easily absorbed without adversely affecting operations.
- B. **Capital Outlay (\$43,000)**. These are capital items which were originally included in the General Fund budget, but in a different budgetary environment. It's clear in today's environment that we can "do without" these items.
- C. **Personal Services Category (\$500,512)**. These proposed reductions fall into several sub-categories, as follows:
 - *Eliminate Leadership Group bonuses & market adjustments* - all Board discussion has been that the existing bonus system will be scrapped, thus eliminating the need for funding of the Leadership Group's bonus pool. Additionally, as mandated by that system, this group was due for market adjustments (this being the third year since implementation of the bonus system). Elimination of the pool included in the FY '03 budget is warranted given the new direction established by the Board.

- *Elimination of Vacancies* – several positions were budgeted but are currently vacant; these include “Director of Municipal Relations” (new position contemplated in the budget but never filled), Secretary (vacancy occurred in April but has been held pending a final decision regarding it’s need and internal management discussions on how to distribute the work of this position), and 2 Part-Time Educators.
- *Changes to Current Staffing Arrangements* – you and I have discussed and agreed that the duties of the absent Accounts Receivable Coordinator and vacant Senior Clerk positions are both part-time and could be effectively combined to eliminate a net one position; also, the Operations Division Head has agreed that combining the two part-time engineering positions is warranted in the new budget environment.
- *Net Benefit Savings* – through implementation of all of the foregoing recommendations we also achieve benefits savings for a net of two positions.

The total of these proposed General Fund Budget reductions is \$628,512; that translates into indirect Mid-Connecticut reductions of \$417,332. Combined with the reductions already made in April, a total of \$554,168 in savings are achieved under this plan, leaving us \$8,832 short of the Cibes Report’s mandate.

Sharp pencils in managing the General Fund budget can get us over that shortfall.

The Personnel Committee has reviewed this plan and at their July 17th meeting and voted to refer it to the Finance Committee.

Please advise if you have questions regarding this matter.


Cc: Michael A. Pace
Stephen T. Cassano



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INTEROFFICE MEMORANDUM

July 11, 2002

TO: Andrew Sullivan
FROM: Michael A. Pace 
RE: FY '03 General Fund Budget Reductions

It is my understanding that you were provided with the attached management and staff ideas related to reductions in the FY '03 General Fund Budget. These ideas were briefly discussed at the July 2nd Personnel Committee meeting. (Please note there has been a slight adjustment to reflect correction to some numbers identified by staff.)

We were hopeful that you might have an opportunity to review these ideas in more detail and be prepared to make a recommendation to the Personnel Committee at their July 17th meeting.

Please advise if you have any questions regarding this matter.

Cc: Stephen Cassano

Goal: Mid-Connecticut Project Budget Cuts of 10% (or \$563,000)

1. Mid-Connecticut Administrative Budget direct reductions:	\$136,836
(see attached)	
2. General Fund Budget Reductions:	
A. Non-Personal Services Category	
-Copier (Reduce total by 2)	\$8,400
-Advertising (reduction based upon actuals)	\$10,000
-Business meetings (reduce)	\$20,000
-Corporate Giving (Eliminate)	\$20,000
-Contract Services (Geo. Foyt reduced to half time)	\$22,000
- <u>Miscellaneous services (eliminate plant service)</u>	<u>\$4,700</u>
Sub-total	\$85,100
B. Capital Outlay	
-Office Furniture (eliminate)	\$8,000
-Computer Hardware (eliminate purchases)	\$15,000
- <u>Computer Software (eliminate or accelerate purchases)</u>	<u>\$20,000</u>
Sub-total	\$43,000
C. Personal Services Category	
-Eliminate Leadership Group bonus pool	\$128,766
-Eliminate Leadership Group market adjustment pool	\$107,305
-Eliminate Vacant Leadership Group positions	
Director of Municipal Relations	\$82,160
-Eliminate Vacant Staff Group positions	
Secretary	\$48,231
Eliminate 2 P-T Educators	\$44,550
-Changes to current staffing arrangements	
Combine Accts. Receivable Coordinator w/Sr. Clerk	\$39,500
Combine P-T Architect w/P-T Civil Engineer	\$29,000
- <u>Net Benefits Savings (2 full time positions)</u>	<u>\$21,000</u>
Sub-total	\$500,512
Total General Fund Reductions:	\$628,512
Mid-Connecticut Project Allocation (66.4%):	\$417,332
Total Reductions to Mid-Connecticut Project Admin. Budget:	\$554,168