

Fairhaven Town Government Study Committee (2013)

<https://sites.google.com/site/fairhavengsc/our-recommendations>

Information Technology Strategy

The Town Government Study Committee (TGSC) has determined that information technology (IT) is a vastly underutilized resource across the board in Fairhaven's town government offices. In almost every department head and board/committee interview we conducted, information technology was noted as a significant need that has historically not been addressed and that the current inventory of hardware and software resources meet only the most elementary needs of most departments and staff. Unfortunately it is a common occurrence for an organization, be it a government or a business, to fall into this category when sufficient attention and resources are not applied to keep up with technology and its ability to benefit an organization.

The TGSC has learned that Town's IT needs are currently being addressed by two resources: a four member ad-hoc Information Technology committee and a part time IT contractor. The functions of this committee are largely limited to maintaining a basic computer inventory, identifying the oldest computers that are due to be replaced and providing recently introduced basic in-house computer literacy training. The TGSC interviewed the part time IT consultant the Town has contracted for years and found that while he is knowledgeable in server maintenance and computer troubleshooting, his services are mainly used to fix immediate problems. The TGSC notes that while these are important IT services, they represent only a few of the critical IT services necessary to meet the IT needs of the Town, and that a comprehensive IT strategy is needed. This strategy should take into account the needs of every town department in providing both short and long term solutions to ensure that the town is utilizing technology as an effective aid in everyone's jobs and in the delivery of its services.

The TGSC recommends that the current IT committee be expanded to include representation from every town department. Currently each department is left on its own to handle IT needs; often by asking its most computer literate employee to serve as its de facto IT manager. By assessing all department needs together, common needs can be addressed, volume discounts can be realized, and consistent standards and practices can be maintained. The TGSC recommends that this committee be established as a permanent committee, with members or designees from each major department in Town appointed by the Board of Selectmen to specified terms, with a mission stated as follows: to assess and recommend practices, policies and acquisitions designed to maximize the effective utilization of technology including the following areas:

- Enterprise-wide hardware and software inventory control
- Procurement
- Negotiation of vendor and maintenance contracts
- Information technology-related training needs assessment

- Ongoing hardware and software training system
- Website development and social media utilization
- Data security
- Disaster recovery
- Business continuity
- Establish electronic communications and data security policies
- Establish policies to ensure state data security law adherence

The TGSC recommends that upon its formation, the committee should commission a comprehensive needs assessment, most likely contracting a professional IT resource, and provide a proposal for completing this assessment to the Town Administrator and Board of Selectmen in a timely manner. These professional needs assessments are a common practice used in governments and businesses that don't employ full time IT staff. They typically cost as much as \$20,000 and are used as a one-time engagement to complete a thorough assessment of all current inventory, practices and needs and produce a report indicating a wide range of options and potential paths to follow. The Town can then choose which ones to implement as it sees fit. A copy of the 2014 Town Meeting warrant article can be found below which the TGSC recommends approving to start the process toward addressing the Town's IT needs.

Retaining Board of Public Works

Overview:

Fairhaven currently has a five member elected Board of Public Works which provides policy and direction to the department of public works, appoints all DPW employees, negotiates DPW labor contracts and hears citizen requests for DPW-related issues, among other responsibilities. The board acts as an independent board whose decisions and actions are not accountable to any other board or position.

At last year's Town Meeting, the Selectmen submitted and supported an article that would have abolished the board and transferred its authority to the Board of Selectmen. This proposal was also among the recommendations given by the Department of Revenue as part of their Financial Management Review completed in 2012. The Town Government Study Committee's (TGSC) task was to study this board's purpose, its impact on current DPW operations and its relationship with Fairhaven's current and future government structure.

Our Process:

We began by interviewing the board as a group to learn its functions, hear feedback on the Selectmen's prior intent to abolish the board and listen to reasoning the board felt it should remain unchanged. As expected, the TGSC heard impassionate arguments from the board on their desire to continue their service, the important resource they provide to the DPW and the necessary public face they provide to the taxpayer who deserves a public facing board to

approach as needed. The TGSC took that to heart as we worked to gather information from other towns and resources regarding the options towns have in positioning public works in the structure of their governments. While we found a mixed bag of towns with a BPW, those with none, those with DPW Advisory Boards, we also noted a trend in recent times of more towns moving away from autonomous boards of public works in favor of a more streamlined government with central authority.

The TGSC communicated directly with several towns that had recently made changes in their public works orientation to learn of their reasoning and results. The TGSC then met with the current Superintendent of Public Works to gain his insights on the relationship between the department and the Board, the impact (if any) that the board's rearrangement or dissolution would have on the actual delivery of DPW services and the impact a town administrator change would affect the department's operations. The TGSC assembled all this information, research and feedback and concluded that several options existed: 1. Abolish the board entirely 2. Retain the board in an advisory capacity or 3. Retain the board and its autonomous authority.

As the TGSC understands, the main reasoning behind the Selectmen's 2013 proposal is that when a streamlined and centralized government structure is put in place, carving out such a large segment of the town's operations from that centralized chain of command doesn't make sense and is inconsistent with the intent to create a unified structure. This is the same reasoning implied by the DOR and similar to the argument other towns have used when they decided to abolish their boards of public works.

When faced with this information, the TGSC maintained its course to not only find out that the best practices for DPW operations were, but to also recommend that is right for Fairhaven in particular. The TGSC deliberated on this issue over the course of several meetings knowing there would be resistance from the Board if any change was to be recommended, and knowing that several options were available. We ultimately voted to recommend retaining the board and allowing them to continue providing the two main functions we considered, and the Board itself proclaimed, were most valuable: serving as a resource to the operations of the DPW and providing a public face to the community as citizen advocates. This compromise came about as a result of our deliberating at length on the proposed options and the impact each would have on three main areas: (1) the establishment of a properly structured government with clear and consistent lines of authority, (2) the effective delivery of services by the department of public works, and (3) the citizen interface the community now has with a department whose product is highly visible to everyone: our roads, parks and resources such as water and sewer.

Our Recommendation:

The TGSC recommends retaining the Board of Public works as an elected advisory board and altering the reporting structure so that the superintendent of public works reports to the town administrator. The board's main functions would be to continue advising the department of public works on department policy through their research and deliberation, and continue to serve as constituent advocates, working with and advising the department, the Town

Administrator and the Board of Selectmen to resolve requests for information and assistance. In this capacity, the authority to set rates and fees, grant variances and negotiate labor contracts would be assumed by the Board of Selectmen and any other authorities such as position appointments would be assumed by the Town Administrator.

Although the final decision making authority lifted from the board, they will still fulfill an important advisory role in many aspects of the department's operations including advising on personnel appointments, water and sewer rates, budget preparation and more. This transfer of authority is consistent with creating a centralized chain of command known to be successful in most towns while still allowing the board of public works to contribute in meaningful ways as they do now.

Without this proposed structure, the town would continue to operate with autonomous boards setting their own priorities, sometimes in conflict with one another. The TGSC felt that if we were designing a government or organization from scratch, we wouldn't create one with two bosses and no way to align their priorities toward town-wide goals. An additional point of consideration was that when designing a government structure with centralized authority and accountability, the proposed design must provide those responsible for maintaining the town's operations with the tools to do so effectively. Additionally, carving out such a large part of what is the customary area of responsibility from a town administrator would leave the position as less desirable and would be less likely to attract the properly qualified candidates we would want to attract.

Town Administrator

Overview:

The Town Government Study Committee (TGSC) recommends instituting a Board of Selectmen-Town Administrator form of government for Fairhaven. In the face of a government whose cost and complexity have risen dramatically in recent decades, the Town is faced with a challenge to continue to meet its demands with a government structure that is not suited to effectively meet today's needs, let alone those of future generations.

Fairhaven's government currently operates with a structure consisting of a Board of Selectmen, an Executive Secretary and multiple autonomous boards. This form spreads authority, oversight and administrative workload across multiple boards and positions with no central figure responsible for daily oversight, and no central figure with the authority to provide support, timely decisions or assistance when it is needed most. The current Executive Secretary position is designed to provide some of these functions, but it is not given the authority to do so since most department heads are appointed by, and report to, the Board of Selectmen.

This proposed structure can be compared to a formally structured business with a board of directors (Selectmen) providing policy and general direction, a CEO (Town Administrator)

managing the day to day operations and department heads running their respective departments. In Fairhaven's case, we have the same structure but without a CEO.

Our Process:

The TGSC began our Town Administrator research by meeting with a representative from the MA Department of Revenue (DOR). This organization was invited to Fairhaven in 2012 to review our financial management practices and produce a report of its findings and recommendations. Those recommendations included a wide range of 34 options for our town to consider; among them were recommendations to structure our government to be in alignment with the best practices that hundreds of other communities have found successful, and to form this committee to carefully study which ones were right for our town. The TGSC reviewed government study committee processes and findings from many other towns and laid out our multifaceted process to begin our work.

The TGSC then conducted interviews with all town department heads to learn of their challenges and how a town administrator structure might affect their operations. The town administrator concept was viewed by all interviewees as a positive step if designed properly. The TGSC also held a series of three public forums to learn of the communities concerns as well as discuss the town administrator concept and other potential recommendations. Throughout this process the TGSC reviewed government study committee findings, government structure reports and town administrator job descriptions from dozens of other towns to learn all we could about the position and the ways it can be tailored to meet a town's needs. The TGSC has learned that of the roughly 400 towns in MA, Fairhaven is one of only a handful operating with an Executive Secretary and the only town over 10,000 in population without a Town Administrator or Town Manager. Careful study of these findings helped the TGSC formulate a comprehensive job description for a Town Administrator position for Fairhaven.

To gain first-hand insights into the position, we invited three current and former Town Administrators/Town Managers and community leaders to a round table discussion to discuss our findings and learn from their experience on how to define the role and its relationship with the government as a whole. This discussion both validated our findings as well as reinforced the need to structure it properly so that a Town Administrator can be successful while ensuring that the job description would attract the right candidates for the job. The complete job description, which outlines in detail the responsibilities, job environment, essential functions, reporting structure, required skills, qualifications and contract terms served as the basis from which the Town Meeting article and inclusive special legislation text was drafted and finalized.

The final steps in this process are to complete two public hearings to fully explain our recommendations and hear the community's feedback. This feedback will be carefully considered by the TGSC and incorporated into and potential opportunities for refining our recommendations prior to Town Meeting. We intend to send a mailing to all Town Meeting members well in advance of the Town Meeting date to explain our process and findings, as well

as offer a presentation at Town Meeting to give everyone the information they need to make the right decision.

Our Recommendation:

The TGSC recommends creating the position of Town Administrator, appointed by the Board of Selectmen, who would serve as the chief administrative officer for the town. At a high level, the Town Administrator would be responsible for executing the policies and direction set by the Board of Selectmen. At a detailed level, the Town Administrator would be responsible for the day to day operational and financial health of the town by coordinating and managing all department operations, including the Department of Public Works, as an agent of the Board of Selectmen. The School department (by state law) and Fire department (by a Town Meeting authorized status) will continue to operate as they do now.

By instituting a properly authorized Town Administrator, the necessary lines of authority, communication and accountability can be achieved to a degree not possible with the current arrangement. This pyramid structure, proven successful in countless governments and businesses, allows the Town to operate as a cohesive whole rather than a collection of independent departments whose priorities are often not aligned. The complete Town Meeting article and special legislation text is attached for your review. The TGSC voted unanimously to recommend this direction, and the committee is confident that our recommendation has been carefully and thoughtfully prepared for your consideration.



Town of Fairhaven

Financial Management Review

Division of Local Services / Technical Assistance Section

November 2012



November 15, 2012

Board of Selectmen
Town Hall
40 Center Street
Fairhaven, MA 02719

Dear Board Members:

It is with pleasure that I transmit to you the enclosed Financial Management Review completed by the Division of Local Services for the Town of Fairhaven. It is our hope that the information presented in this report will assist the town in improving its financial management practices, addressing areas of concern and meeting its long-term planning needs.

As a routine practice, we will post the completed report on the DLS website, www.mass.gov/dls, and forward a copy of the report to the town's state senator and representative.

If you have any questions or comments regarding our findings and recommendations, please feel free to contact Rick Kingsley, Bureau Chief of the DLS Municipal Data Management and Technical Assistance Bureau at 617-626-2376 or at kingsleyf@dor.state.ma.us.

Sincerely,

Robert G. Nunes
Deputy Commissioner &
Director of Municipal Affairs

cc: Senator Mark C. Montigny
Representative William M. Straus

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Introduction

At the request of the board of selectmen, the Department of Revenue's Division of Local Services (DLS) completed a financial management review of the Town of Fairhaven. The recommendations contained in this report are based on site visits made by a team from the DLS Technical Assistance Section and consultations with the Bureau of Accounts and Bureau of Local Assessment.

The scope of the review focused on the town's financial offices and the practices, procedures and policies that guide municipal decisions. We examined the duties and responsibilities of finance officers and the degree of coordination and communication that exists among the various boards, committees and officials involved in financial management. We comment on the effectiveness of financial checks and balances and on compliance with state laws and regulations that govern fiscal matters. The municipality's technology condition was assessed and the impact of organizational structure on financial operations was evaluated.

To complete the report, we interviewed and received information from members of the board of selectmen, finance committee, executive secretary, finance director/treasurer, town accountant, tax collector, administrative assistant to the board of assessors, and others. A full list is available in the Acknowledgments.

As part of our review, we gathered and examined information from various documents including the Tax Recapitulation Sheet, Schedule A, Balance Sheet, annual budget, warrant payables, revenue and expenditure reports, and reconciliations. We also reviewed town bylaws and locally accepted statutes, as well as independent audit reports and credit rating profiles for the town.

Overview

The Town of Fairhaven is a coastal community located in southeastern Massachusetts with a population of 15,873 at the time of the 2010 U.S. Census. Situated on the shores of Buzzards Bay and sharing one of the country's largest commercial fishing ports, the town is chiefly characterized by its sea-based economy, including fishing, ship repair and other marine-related industries. The town offers much beyond this nautical heritage, however, and retains much of its quaint small town atmosphere.

As a community, Fairhaven contains a diverse landscape ranging from dense business and residential centers to rural, agricultural and seaside settings. Contributing to this rich backdrop, the town has a number of remarkable public buildings that were constructed at the turn of the twentieth century by prominent resident Henry Huttleston Rodgers, which are hallmark features of downtown. A variety of recreational opportunities and tourist attractions also exists, such as West Island Town Beach and Fort Phoenix. Additionally, Fairhaven is home to the corporate headquarters and worldwide distribution center of the Acushnet Company. With golf equipment and apparel brands like Titleist, Footjoy and Pinnacle, the company is one of the largest employers in the region with nearly 3,000 people working in its southeastern Massachusetts facilities.

Despite these qualities, the Town of Fairhaven continues to struggle through a weak economy and high unemployment like much of southeastern Massachusetts. Based on the most recent data available, the town has an unemployment rate 2 percent higher than the state's, at 8.4 percent. Incomes in Fairhaven also lag behind communities across Massachusetts, averaging \$23,399 per capita versus the state average of \$31,265. As a measure of relative property wealth, Fairhaven's Equalized Valuation (EQV) of \$140,355 per capita also falls below the state average of \$156,493.

The figures above not only reflect the current state of the economy but also echo a broader downward trend that has been impacting the south coast for years. Since the decline of the commercial fishing industry and the recession of the late 80's to early 90's, the region has been struggling to spur economic growth and development. And though there are areas of success, economic headwinds point to a longer-term trend that will take time to resolve.

Mindful of these financial challenges and broader economic woes, local leaders in Fairhaven have joined together in a conservative approach to managing the community's finances. This philosophy of conservative budgeting practices and tight expenditure controls has been carried forward over the last decade and has served the town well. In comparison to other communities across the state, Fairhaven's overall tax burden is relatively low. The town's debt burden is modest and its reserves, including the town's rainy day stabilization fund, are historically well funded. As a result, Fairhaven enjoys a solid Aa2 credit rating by Moody's.

At the same time, the town has enhanced revenue by adopting the local option meals and room occupancy taxes. It makes regular investments in its public infrastructure and assets. Examples of these investments are the construction or rehabilitation of various schools and public buildings, financial management software purchases, and regular replacement of police cruisers. Additionally, two of the town's enterprise funds are largely self-sufficient through user charges while the third, the recreation fund, is being subsidized by the general fund.

Despite the progress being made, however, there is a growing sense that the town's obligations and service levels have grown beyond the capacity of the current government to deal with them. The presence of a relatively flat administrative framework wherein staff report to separately elected boards and the executive secretary functions well beyond his formal authority appears to impede strategic thinking and long-term planning. From our vantage point, this structure limits the ability of selectmen to coordinate government activities in a deliberate and thoughtful manner. As a result, various practices such as the budget and capital planning processes are disjointed or non-existent. There is also a strong focus on the issues of the day and for the year ahead, rather than on the challenges and consequences of decisions three, five or ten years out.

To their credit, local officials appear to recognize the value of a more long range view. The recent resignation of the finance director/treasurer and the pending retirement of the tax collector have presented them with an opportunity. Rather than approve the present job description and begin a search for a new finance director/treasurer, local officials believe this is a unique occasion to completely reassess the structure of finance department operations.

Toward this end, our report offers a series of recommendations to further enhance operations. First we make suggestions to strengthen the town's government structure and organization, and formalize its budget process and policies. We then delve more deeply into the town's individual finance offices by commenting on the overall financial management practices in town hall. The report closes with observations on information technology, and the town's department of public works and natural resources department.

Among our recommendations, we note the need to establish a strong town administrator who will be able to hold employees accountable and coordinate day-to-day government operations. We also suggest combining the treasurer and collector positions and eliminating the board of public works as avenues to streamline the town's organizational structure. The need to update job descriptions and measure employee performance are also discussed in detail.

In regards to budget process and policy, we highlight the importance of establishing formal procedures and developing a comprehensive capital improvement plan. Despite Fairhaven's conservative financial practices, there are no set guidelines on the use of free cash or stabilization funds. An approach to tackling other post-employment benefits is also lacking.

Beyond these recommendations, Fairhaven is a reasonably well-run community. Town receipts are collected, posted and accounted for, vendor and payroll warrants are processed and approved, and town obligations are met. Records also appear up to date, accurate and reconciled in a more or less timely fashion. Based on our observations, checks and balances appear to be in place. Risk is well managed, and the town regularly receives reviews from an independent outside auditor. Complementing these factors is the nature of the town's conservative financial management practices described earlier and the competence of personnel, including the executive secretary, town accountant, administrative assistant to the board of assessor, and superintendent of public works.

Government Structure and Organization

Legislative power in Fairhaven is vested in a representative town meeting with executive authority falling to a three-member board of selectmen. The town's administrative activities are largely coordinated through an executive secretary, while the consolidated finance department is managed by a director of finance/treasurer who has recently resigned.

Functioning as the legislative body, representative town meeting votes on articles that come before annual and special town meetings. Town meeting members are elected or serve at large by virtue of their position as local officials. Fairhaven is home to the largest representative town meeting in the state with approximately 429 members elected from each of the six precincts together with members at large. At large members, according to special act, include the town clerk, moderator, treasurer, tax collector, tree warden and the chairman of the finance committee as well as members of town-wide elected boards including the board of selectmen, assessors, health, school committee, planning board and state legislators who live in Fairhaven.

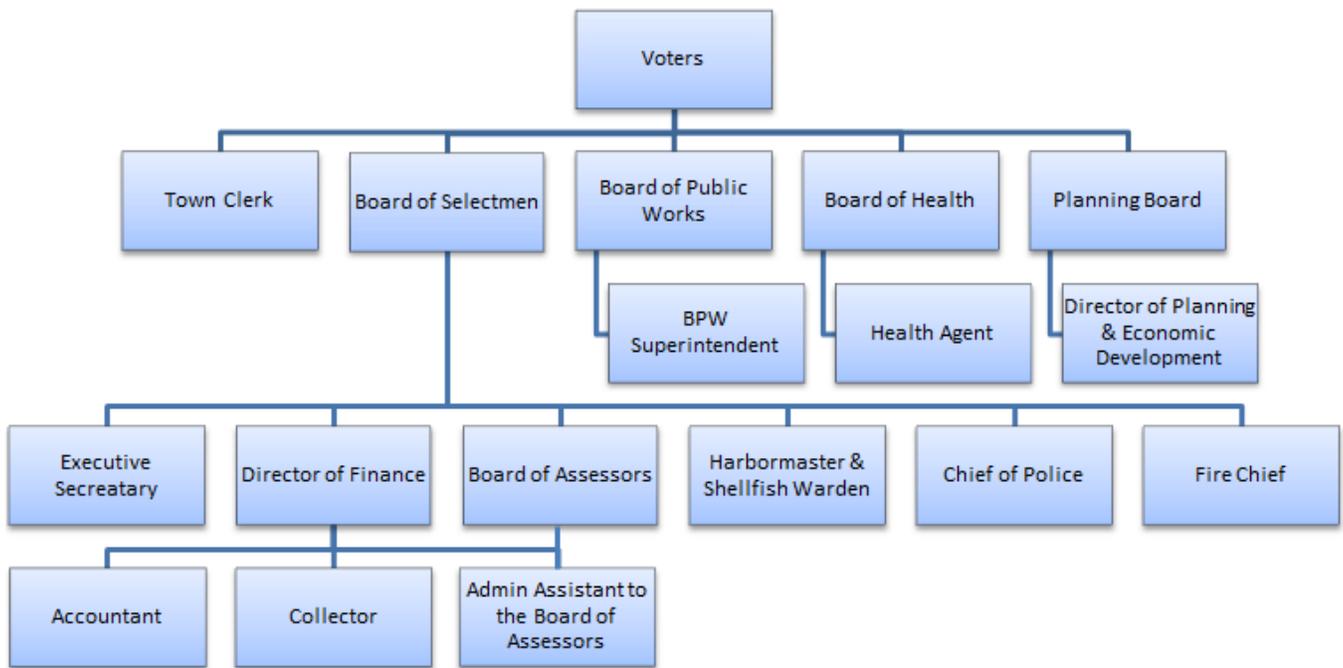
The elected three-member board of selectmen serves as the chief executive officers for the town. The board provides general oversight and sets priorities, goals and policies for the town. Its specific duties and responsibilities are set forth in Chapter 56 of the town bylaws and the General Laws of the Commonwealth of Massachusetts. The board of selectmen appoints the executive secretary as well as the director of finance/treasurer.

The executive secretary is a full-time professional position that carries out the daily administrative functions of the town. The role has limited supervision or authority over municipal operations and only directs departments and staff under the jurisdiction of the board of selectmen, to which he reports. However, by virtue of the incumbent's twenty-four plus years of service he has been able to forge a strong working relationship and level of respect which enables him to coordinate administrative activities that are not otherwise implicit within the authority granted the position.

Pending his departure, the director of finance/treasurer is responsible for the operation of the consolidated finance department, which includes the divisions of accounting, collection, assessing, treasurer and purchasing. His responsibilities involve coordinating the financial affairs of the town, including assessing real and personal property taxes, billing and collecting taxes and other fees, processing payroll and invoices, managing cash and investments, and monitoring revenues and expenditures. The director of finance is also involved, as is the executive secretary, in the preparation of the annual budget. He held the position for seven years, and was appointed by and reports to the board of selectmen.

The Fairhaven finance committee reports to town meeting. Its primary role involves the preparation of the annual budget and reviewing and making recommendations at annual or special town meetings on appropriation articles presented in the warrant. To carry out this responsibility, the committee reviews department budgets and holds public hearings. The budget is prepared in conjunction with the board of selectmen and with support from the executive secretary, finance director/treasurer, the town accountant, and others. The thirteen-member finance committee consists of two members appointed by the precinct chair from each of the six voting precincts and one member appointed at large by the moderator, chair of the board of selectmen and the previous year’s chair of the finance committee.

The organizational chart below illustrates the reporting relationships among the various boards, committees and departments in Fairhaven municipal government.



On the positive side, there is some evidence of a vertical structure where appointed officials appear to report directly to the board of selectmen. On the negative side, formal management authority over these offices continues to reside in a part-time, volunteer board of selectmen and several other boards seem to function independently.

As a practical matter, the selectmen are relieved of a direct management role, in large part, due to the presence of the executive secretary. Though his position lacks inherent authority, he has effectively assisted the selectmen, worked with departments and guided operations due to a level of credibility built over time. It is reasonable to conclude that the town will find it difficult to replicate this success when he leaves office. Professional administrators will not be drawn to an executive secretary title or to the lack of authority assigned to the position.

Nor should there be an expectation that a volunteer, part-time board of selectmen is prepared to provide the full time management and leadership that a \$50 million, contemporary municipal government requires. It is noteworthy that among Massachusetts peer towns with populations and budgets similar to Fairhaven, the Town of Fairhaven stands alone with an executive secretary. All others in the group have delegated the administration of government to a town manager or town administrator.

Therefore, the primary recommendation of this report is that the town complement its board of selectmen-representative town meeting form of government by creating a strong town administrator position with clear financial responsibilities. In doing so, the town can eliminate the finance director position and combine the treasurer and collector into a single position, which we recommend. In both instances, town officials can work quickly given the recent departure of the finance director/treasurer to draft a special act that would be presented to town meeting and the Legislature for approval.

Separately, the town can also begin a more comprehensive review of its governance structure with the eye toward improving overall accountability, coordination and efficiency in government. Toward this end, we advise the formation of a government study committee. The government study committee would evaluate the effectiveness of the town's organizational structure and management with the goal of developing a town charter. The committee, appointed by the selectmen, or when town meeting directs, by the town moderator, would complete their review and report to the selectmen with recommendations. In guiding the committee, we recommend that a single appointing authority be designated to select members of a smaller finance committee, and suggest the elimination of the board of public works and the personnel board. We also recommend the adoption of a formal budget and capital planning process as part of a comprehensive town charter.

Each of these recommendations are discussed in the pages that follow.

1. Establish Position of Town Administrator

We recommend that the board of selectmen act to establish the position of a strong town administrator. Our bias in favor of a centralized organizational structure derives from observations of the collective experience in municipalities throughout the state. Over time, a single management presence has emerged as the best way to promote clear lines of authority and accountability in government. Forward-looking communities have turned to this structure, in some meaningful form, as making the most sense in this era of complex government and turbulent economics.

This is further supported by the fact that of 42 communities with similarly sized populations and budgets, Fairhaven is the only one without a town administrator/manager. Under the model we propose, part-time boards and commissions would continue to formulate policy, provide guidance, and make customary decisions. However, the responsibility to oversee town government would be more squarely placed in the hands of a professional hired for that purpose. This would include appointing authority over all town staff.

The town administrator would replace the executive secretary who has little authority over staff and lacks the ability to direct operations that fall outside the selectmen's jurisdiction. By elevating and expanding the position's authority to one of a town administrator, the officeholder will be able to manage day-to-day government operations, coordinate long-term financial planning efforts, make all employees equally accountable for the performance of their duties, and resolve issues brought to town hall.

Accordingly, the town should draft a special act establishing a strong town administrator with broad financial and operational management responsibilities and functions. At a minimum, the duties should spell out direct management or oversight roles in these areas: budget process, financial operations, interdepartmental operations, policy analysis, personnel administration, procurement, and information technology. Additionally, the special act should formally acknowledge the town administrator's responsibility for appointing, supervising and evaluating department heads.

2. Combine Treasurer and Collector Positions

With the appointment of a town administrator with budget and financial management expertise, the town can choose to eliminate the finance director position. It can then combine the treasurer and collector functions. The town administrator would assume responsibility over financial management matters, while the role of the treasurer/collector would refocus squarely on cash management. Due to parallel job responsibilities and professional skill-sets, we routinely encourage communities to combine the offices of treasurer and collector into a single, appointed position as a way to streamline operations. Having all receipts collected, counted, posted, deposited and reconciled through one office makes organizational sense. Additionally, a vacancy due to the current collector's decision to retire sometime in the near future represents the best time to make such a transition.

3. Modify Finance Committee

We recommend that the town modify the appointment method and composition of its finance committee. Fairhaven's 13-member finance committee works on behalf of town meeting to develop the annual budget and make recommendations on articles presented in the warrant that involve

appropriation or impact town finances generally. Each of the town's six precincts, in caucus, appoints two members to the finance committee, with an additional member appointed at large by the moderator, chair of the board of selectmen, and chair of the finance committee from the preceding year.

The number and manner in which committee members are appointed falls outside common practice and does not lend itself to carrying out responsibilities effectively. From what we understand, it is difficult to get people to serve, some members are not active participants, and a high level of turnover exists. At the same time, we contend that the way in which members are appointed can build adversarial relationships in which special interest groups or regional agendas can control the committee.

We suggest that committee members be appointed by the town moderator and that the number of members be reduced to seven. This size and appointment procedure allows for the selection of a diverse group, based on their level of interest and expertise, to best represent the interests of the town as a whole. In our view, this design would make the process of attracting volunteers easier and help create a cohesive working body that would formulate fiscal policies and review spending priorities.

4. Eliminate Board of Public Works and Personnel Board

A clear trend has emerged among communities in favor of a vertically integrated organizational structure whereby department heads report directly to a chief administrative officer rather than a multitude of separately appointed or elected boards and committees. Separately elected boards, for instance, often times operate independently from the rest of town government. For this reason, we recommend that the town dissolve its elected board of public works and have the superintendent report directly to the newly formed position of town administrator.

For similar reasons, we recommend that the personnel board be eliminated. Defined in §61-3 of the Fairhaven Bylaws, selectmen appoint a three-member board to oversee the personnel system, including the classification and compensation plans, recruitment and selection policy, and personnel records. With the appointment of a town administrator, it is our expectation that the position would serve as personnel director. Similar to the way many communities operate, the town administrator would be charged with maintaining a centralized personnel record-keeping system, coordinating the recruitment, placement and hiring process, hearing employee grievances, and recommending disciplinary actions to the selectmen. This approach recognizes the growing importance of and risks inherent in personnel issues. The town is best served if a professional manager is assigned responsibility to protect the town's interest rather than a volunteer board, no matter how well intended.

5. Update Job Descriptions

In its simplest form, a job description is a list of functions, tasks and general responsibilities for a given position. However, it can be much more than that. Well thought out job descriptions not only define the knowledge and skill-sets required to do the job, but help articulate employee performance expectations. As a central component in any performance review process, the job description tells employees what they are expected to do and how their job fits into the overall department and town-wide operations.

We recommend that the town administrator work with department heads to conduct a systematic review of all staff responsibilities in order to develop corresponding job descriptions for each employee. The process should seek to confirm what employees actually do and that all responsibilities are accounted for and documented. Once established, local officials should create a mechanism for routinely reviewing employee job descriptions to confirm they are accurate and up-to-date. Based on our review, job descriptions in Fairhaven are largely outdated or do not exist.

6. Measure Department and Employee Performance

Any substantive performance review process begins at the top with well-defined organizational goals and objectives. In enunciating the goals for the town, local officials can then translate them into what individual departments are responsible for achieving in meeting objectives. This is then funneled down to each employee who is evaluated based on their specific performance.

The only mention we found of town-wide goals and objectives in Fairhaven was the town's master plan—a document prepared for the planning board, which serves as the primary policy statement on future development. Although functional, the nature of the document is focused on the environment, housing, land use, transportation, demographics, cultural resources and economic activities involved in the long-term physical development of the town. It is not focused on operational performance.

Moving forward, we envision the town administrator engaging department heads to develop a comprehensive list of clearly definable annual goals and objectives related to operational performance. Goals would be broad statements of purpose, while objectives would offer specific strategies to attain preferred results. With this guidance, a series of specific and measurable benchmarks can be developed for each department that would be consistent with a longer-term plan outlined for the town.

7. Revise New Hire Process

Hiring good people is perhaps the most critical management decision that local officials make. Building a strong team is not only foundational to everything the town does, but puts it in a better position to

achieve desired results for the taxpayers. For this reason, it is important to have a fair, equitable and straight forward hiring process that embodies the integrity, character and values of the town.

In Fairhaven, the board of selectmen appoints all employees under their jurisdiction. As a consequence, department managers have a secondary role in hiring their own staff. From what we understand, initial interviews are conducted by a member of the board of selectmen, the finance director and the department manager. We were also informed that candidates are often not notified that they will be interviewed before a committee. Once a decision is reached by this hiring team, the candidate is presented to the board of selectmen for appointment.

In selecting a person for a municipal job, the department head is best positioned to judge who is the most well suited candidate. Interviews are also occasions where the candidate forms opinions about working in the position and for the manager. With these goals in mind, involving those who oversee the department head in the initial interview process is counterproductive. More importantly, an early interview by this type of committee is not only intimidating and confusing for a candidate, but it undermines the management authority of the department head.

Going forward, the town administrator should be granted authority to hire department managers who in turn would be authorized to hire their own staff. Through a systematic vetting process, the town administrator, working with a department manager, would determine the need for a new or replacement position. A clear job description defining the position's role and responsibilities would be developed that focuses on the key requirements and any special qualifications for the job. Next, the position would be posted and advertised online. Applications would be reviewed by the hiring manager who would schedule interviews. Prior to the interview, candidates should be made fully aware of the screening process. Department heads would be selected subject to confirmation of the board of selectmen, while department staff would be subject to confirmation by the town administrator.

8. Develop Board of Selectmen Policy Manual

We recommend that the board of selectmen publish a policies and procedures manual. A manual is an effective management tool that is often viewed as the strategic link between the board's vision for the community and how it will operate day-to-day. In its basic form, the manual is instructive in that it sets out how the board conducts business by defining what they do and how they will do it. In doing so, the manual ensures a level of transparency in operations and demonstrates good administration through continuity in decision-making. To develop the document, we encourage the board to gather and review manuals from other communities, including the towns of Lexington, Andover and Sherborn. These sample documents will provide the board with some direction and offer insight in how the manual might be organized. Once complete, the manual will serve as a valuable reference guide for future boards and the community at large.

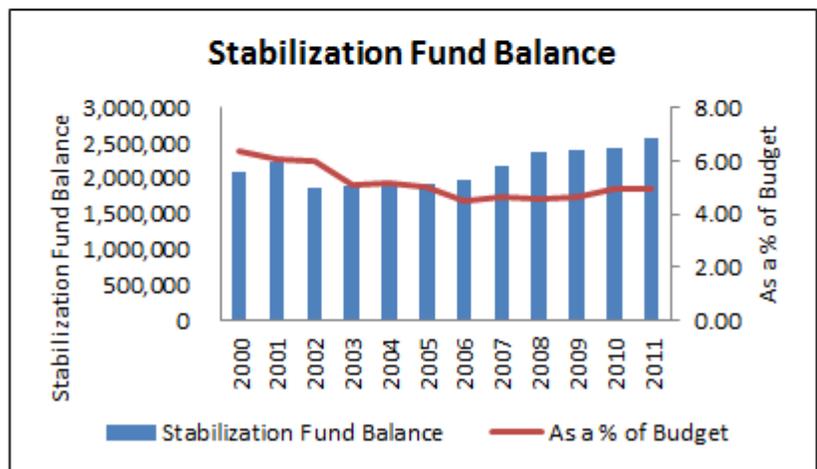
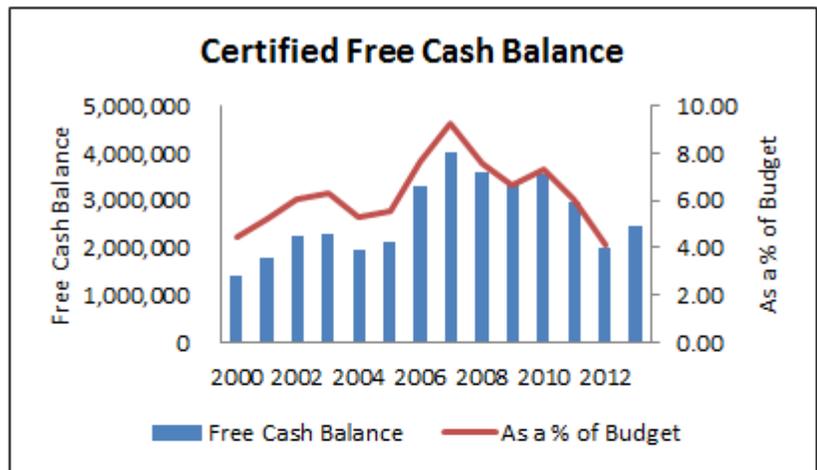
Budget Process and Policy

The Town of Fairhaven’s total operating budget in FY2012 was \$49,119,106. Of general fund revenues, 62 percent were derived from tax levy, 28 percent from state aid, 5 percent from local receipts, and 5 percent from all other sources. Since the start of the recession four years ago, Fairhaven’s overall revenues are down almost 3.5 percent, or \$1,642,787. At the same time, there has been an increasing reliance on property taxes to cover costs because of declining state aid and local receipts. Between FY2009 and FY2012, the percentage of revenues attributed to the tax levy has increased nearly 6 percent.

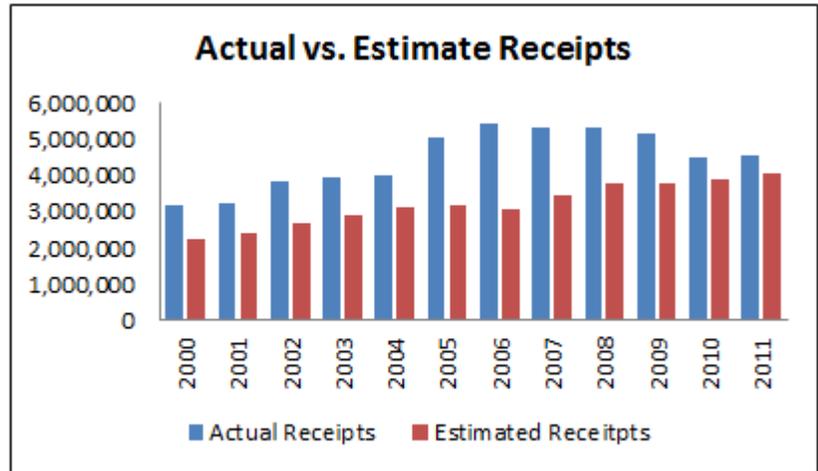
Among other available funds, Fairhaven’s certified free cash balance as of July 1, 2012 was \$2,448,733. The town also had \$2,637,780, available in its rainy day stabilization fund as of July 1, 2012. Although the combined balance between these funds is viewed positively by credit rating agencies and others, Fairhaven’s available free cash has seen a steady decline in recent years.

Since its peak in FY2007, free cash has dropped by \$1,550,681 or nearly 40 percent—the primary reason being the narrowing gap between estimated and actual local receipts. See the chart on the following page.

In Fairhaven, 54 percent of the general fund spending is on education, with other shares attributed to public safety at 14 percent, fixed costs at 8 percent, and public works at 7 percent. The other remaining portions include debt service (6 percent), general government (4 percent), human services (3 percent) and culture and recreation (2 percent). Total debt service as a percentage of the overall budget has remained relatively static over the last decade. The bulk of the town’s debt service is associated with debt exclusions under Proposition 2½ or with enterprise funds.



The annual budget process in Fairhaven typically begins sometime between October and December with an “economic summit”. The summit, which includes the executive secretary, director of finance, representatives from various departments, and the board of selectmen and finance committee, is used to review the current state of the economy and establish a general sense



of revenues for the year ahead. In the weeks following the meeting, the finance committee distributes a “Proposed Fiscal Year Budgets and Articles” letter to town boards, committees and department heads. The letter provides an outlook for the upcoming year, along with a series of budgetary guidelines and instructions.

Individual department requests are submitted to the selectmen’s office by January, at which point they are combined into an omnibus budget workbook by the selectmen’s office. At the same time, departments are asked to schedule an appointment to review and defend their appropriation requests at a public hearing in front of the finance committee in January, February, or March. The budget workbook is then distributed to the board of selectmen and finance committee for their review and consideration. At the conclusion of public hearings, the finance committee and the board of selectmen, along with senior staff, reconcile areas of disagreement in the hopes of reaching consensus ahead of town meeting.

Fairhaven’s annual town meeting begins on the first Monday in April with the election of town officials and town meeting members. The meeting is then adjourned to the first Monday in May where town meeting members consider articles presented in the warrant. In general, Fairhaven will bundle a spring special town meeting with the annual town meeting to close out prior year business and to handle matters that came up after the publication and distribution of the annual town meeting warrant, like zoning articles. Fairhaven usually limits the number of special town meetings to the one in the spring, although fall and winter meetings are occurring with more regularity.

The town’s budget process, however, does not involve a separately appointed capital planning committee. Lacking a formal capital improvement plan, individual capital requests are itemized and submitted as part of a department’s appropriation request for town meeting. This includes the routine replacement of police cruisers and any normal maintenance spending by the department of public works. Purchases that fall outside a routine replacement schedule such as building renovations are otherwise submitted in a separate warrant article for town meeting. Without a formal plan, prioritizing the town’s overall capital or deferred maintenance needs is left to an annual ad hoc process.

Over the last decade, Fairhaven has committed to a fiscally conservative, albeit informal, philosophy of frugal financial management. This has resulted in lower tax bills in comparison to peer communities and elevated free cash and stabilization reserve levels. Unfortunately, it may have also come at a cost. Lacking any formal strategy or documented financial goals, decisions related to capital spending, for instance, can appear to be made in a vacuum without broader consideration of the true needs of the community.

Given today's economic climate, this ad hoc approach to planning may no longer be sustainable. The loss of revenues coupled with ever-increasing fixed costs requires local leaders to think strategically about how they will cover the cost of operating municipal services. No longer would revenue estimates be a continually moving target as they have been in the past. This perception that revenues are repeatedly adjusted undermines the integrity of the budget process as a whole, especially when selected departments see increases in their expense budget above and beyond what they originally requested.

The recommendations below focus on a formal budget process. We introduce the importance of initiating a capital planning program, as well as developing guidelines for building and preserving free cash and stabilization reserve levels. We highlight the need to develop a strategy on funding other post-employment benefits, establishing a written policy on indirect costs for enterprise funds, and the potential for developing a revenue sharing agreement with schools.

9. Adopt Formal Budget Process

We recommend that the budget process be formally adopted and codified either in a bylaw or as part of a more comprehensive charter process. A charter provision or bylaw would generally identify roles, responsibilities and timelines for the budget process. It would establish a sequence for task completion and deadlines for the collection and analysis of information. Because Massachusetts municipal budgets are revenue driven (i.e., a community can only spend to the extent it has anticipated income) the development of revenue projections should mark the beginning of the annual budget process.

In general, codifying the budget process will go far to ensure consistency from year to year. In doing so, it would inspire confidence among department heads, selectmen, finance committee members and residents that budget decisions are made pursuant to a thoughtful process over time even as elected and appointed officials change. Consistent with our earlier recommendation, we would expect the town administrator to have a prominent role in the budget development process.

We recommend that the town modify its budget process and adopt budget policies that contain the following components:

Early start – The budget process should begin early in the fall with a budget calendar agreed to by the town administrator, the selectmen and the finance committee. In the next step, revenue projections are developed by the town administrator. We expect that to arrive at estimates, the town administrator would work with the accountant and other financial management team members and department heads whose offices generate revenue. The finance committee chair should also be involved in the process.

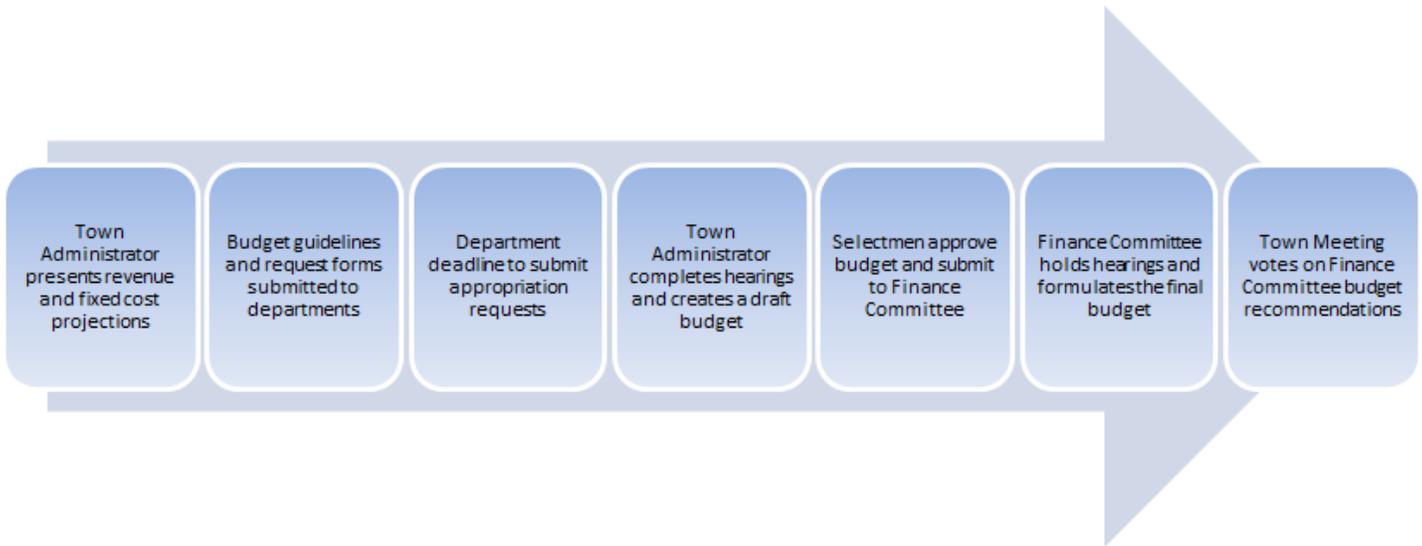
Consensus – We recommend that the town administrator present revenue and fix cost projections such as health care coverage, pension obligations, and debt service to a joint meeting of the selectmen, finance committee and school committee. To facilitate long-term thinking, a multi-year forecast should be produced. A consensus accepting the projections should be recorded. If possible, agreement should be reached on how future increases in revenue projections will be divided, especially between the town and school department. Budget guidelines should emerge from this process and be circulated to department heads with a request for appropriation needs. As adjustments occur to state aid, if any, the town administrator should communicate and confirm to the selectmen and finance committee the previous consensus on the allocation of the additional revenue.

Linear Process – Once department requests are received, a linear budget process should follow. Typically, the town administrator would meet with department heads to review requests and would then develop an omnibus budget for presentation to the selectmen. The selectmen would review, with the town administrator, his budget recommendation. If desired, they would meet with managers of major town departments only. Subject to any changes, the selectmen would approve the town budget and forward it to the finance committee. Once the finance committee completes its budget hearings with department heads and review of other warrant articles impacting town finances, and incorporates its changes, if any, the budget would be made ready for town meeting.

Communication – Necessary to the process is a high level of communication between and among local officials. Joint meetings serve this purpose. The exchange of information should be on-going among the town administrator, selectmen, finance committee and the town's financial officers, particularly as they get deeper into the process. In this way, town leaders can present a unified budget position at town meeting which will go far to build public confidence in the process and the persons involved.

Routine Monitoring – To ensure that the adopted budget is kept on track, the accountant should distribute monthly expenditure reports and periodic revenue reports. With this information, the town administrator will be able to monitor revenues and expenditures to make sure the budget is on target, or to prepare corrective action if it is not. If problems appear, the town administrator should inform the selectmen and finance committee chair.

The diagram on the following page illustrates the major milestones that would be incorporated into a budget calendar:



10. Establish a Capital Improvement Program

We recommend that the town administrator establish a capital improvement program. From what we understand, the town has periodically attempted to develop a capital program, but with little success. A comprehensive capital program is one of the cornerstones of sound financial planning. In its design, a capital program serves as an effective resource allocation tool by enabling officials to direct scarce resources to prioritized needs. Established through bylaw or town charter, it would facilitate a strategic planning process built upon an explicit long-term vision and a multi-year capital plan that embodies clear standards and capital spending priorities.

For additional assistance, we direct local officials to the Developing a Capital Improvement Program Manual available at www.mass.gov/dls under financial management assistance > publications and other useful links.

11. Adopt Stabilization and Free Cash Guidelines

We recommend that selectmen and the finance committee establish written guidelines for funding and appropriating from free cash and stabilization reserves. A free cash policy should limit the amount that can be used, or establish an amount that must remain as a starting point for next year’s free cash calculation. For instance, if the town chooses to direct a portion of free cash to a recurring spending purpose, then an equal amount should be retained as unexpended so that it might carry forward into the subsequent year’s free cash calculation. As a matter of practice, the town should resist using free cash to supplement current year operations (e.g., at a fall town meeting), using it instead to fund a portion of the capital budget or to serve as a funding source for next year’s budget.

A stabilization fund policy should identify target levels in a total dollar amount or as a percentage of the total budget. Three-to-five percent of the budget is the recommended range by credit rating agencies. The policy might also specify that excess free cash or certain, recurring income streams become a stabilization funding source. The use of stabilization might be restricted to non-recurring expenditures and only in an amount above a certain dollar threshold. The town might also explore the use of special purpose stabilization funds, which can be funded through a debt exclusion under M.G.L c. 40, §5B.

Separately, local officials should define a debt policy that directly relates to the town's capital improvement program. A policy would specify what spending purposes would qualify for bonding, and help control the amount of debt issued by tying debt service levels to a percentage of total general fund revenues (exclusive of free cash, stabilization, or debt exclusion revenue). The policy would also direct an annual review of previously authorized or issued debt, with the purpose of redirecting any remaining balances where projects are completed, abandoned, or have yet to begin after a certain period has passed since authorization (often, this is set every two years).

For additional guidance, we direct local officials to our Sound Financial Management Practices webpage at www.mass.gov/dls under financial management assistance.

12. Devise OPEB Liability Strategy

Other Post-employment Benefits (OPEB) represents non-pension benefits, including healthcare and other insurance programs, earned by public employees to be distributed upon retirement. In compliance with Statement 45 of the Governmental Accounting Standards Board (GASB), Fairhaven must actuarially calculate the level of the town's unfunded OPEB liability at least every two or three years depending on the number of plan participants.

While Massachusetts law requires state and local governments to fund pension liabilities, there is no corresponding legal requirement for funding OPEB. Fairhaven, like many communities across the state, follows a practice of merely paying for OPEB on a pay-as-you-go basis with no formal policy for addressing the totality of the unfunded liability. Although this approach may be practical given the town's inability to carve out additional funds to finance the obligation, it may be shortsighted.

To help address the escalating cost of OPEB, we recommend that the town apply various measures to reduce the overall liability in order to achieve some potential cost savings down the road. These options, some of which the town has pursued, include:

- Requiring eligible retirees age 65 and over to enroll in Medicare through local acceptance of M.G.L. c. 32, §18B.

- Verifying the Medicaid status of retirees already over 65 and referring appropriate persons for enrollment.
- Auditing the group health insurance rolls and dropping participants found to be ineligible.
- Adopting a rule that blocks retirees who did not enroll when initially eligible in the group health insurance program from enrolling in the future.
- Allowing employees to waive their rights to group health insurance.
- Collectively bargaining new agreements that reduce the town's premiums.
- Negotiating for further phased-in reductions over the next three years and for lower town insurance contributions for new hires.

Additionally, local officials should begin to formulate a strategy for funding its OPEB liability. Because the cost of doing so can appear overwhelming given the size of the liability, we recommend an incremental approach, especially during these difficult economic times, that seeks to deposit only modest, affordable amounts. Then, as the economy recovers, the town can decide what additional revenue could be allocated to the fund.

In considering sources for OPEB fund contributions, the town could decide to appropriate amounts equal to its Medicare Part D federal reimbursements. Alternatively, the equivalent of any monies saved through conservative annual healthcare spending estimates could be applied to the fund. The town might also consider investing monies with the State Retiree Benefits Trust Fund established in M.G.L. c. 32A, §24. The following links from the Office of Administration and Finance's webpage provides further guidance about this option and OPEB issues generally: www.mass.gov/anf/srbtf.html, www.mass.gov/anf/opeb-commission.html.

13. Establish a Formal Procedure for Calculating Indirect Costs

Enterprise fund accounting establishes a separate mechanism for the accounting and financial reporting of municipal services for which fees are charged in exchange for services. In Fairhaven, the water, sewer and recreation departments each operate under enterprise fund accounting. One aspect of enterprise fund accounting obligates the department to reimburse the town for certain expenditures paid from the general fund or the value of services provided by town employees for the benefit of the enterprise operation. Some of these "indirect costs" are easy to identify, while the costs attributable to others requires some analysis to uncover.

Today, the town arrives at an annual dollar value that serves to compensate the general fund for the services provided and fixed costs associated with the various enterprise funds. There is no written policy for the indirect costs of the water, sewer and recreation departments, and the charge backs have not changed in some time.

For this reason, the town administrator should develop a formal indirect cost agreement for each enterprise fund. Once an agreement is reached between the town administrator and the enterprise fund managers, the formula would be presented to the board of selectmen and serve as the basis for determining an annual indirect cost payment to the town going forward. The formula should be reasonable and produce a fair and consistent annual payment to the town.

14. Consider Revenue Sharing Agreement with Schools

Many communities have avoided town-school struggles over resources by agreeing that a certain percentage of revenue will be allocated between town and school operations. This ratio would apply to revenue projections completed at the start of the budget process, to subsequent revenue adjustments as more information becomes available, and to any unexpected and available income the town might realize during the year. Since general revenues cannot be earmarked, this becomes an informal agreement, which can be documented in a memorandum of understanding or in an accepted policy.

To arrive at a ratio, a small joint committee should be formed to analyze spending over a ten-year period. It should seek to account for, or even out, aberrations in revenues or expenditures. The goal should be to find middle ground that is fair and will provide equal prospects for future gains. It also makes sense to extract off the top, or net out, revenues necessary to cover fixed costs. These would normally include debt principal and interest, bond costs, pension contributions, unemployment compensation, employee benefits, and property and liability insurance.

This approach only works if all parties understand and agree that the rules will not change in midyear. Once the annual budget is approved in the spring, absent unforeseen circumstances, there can be no option for an allocation above the agreed-upon ratio.

The reverse should also be planned for and documented in the same policy. During difficult economic times when revenues are declining, it is important to have a similar understanding on how the town and school will share the burden of budget cuts. While the school is somewhat insulated because of provisions associated with net school spending requirements, the town has no similar avenue to preserve minimum expenditure levels. Therefore, when budget cuts occur, it typically has a more adverse impact on town operations, as opposed to the schools.

Included in the Appendix is an example of the revenue sharing agreement from the Town of Marshfield.

Overall Financial Management Operations

During the course of our review, we examined the practices and procedures that take place within Fairhaven's municipal finance operations. Included were the offices of the director of finance/treasurer, town accountant, tax collector and administrative assistant to the board of assessors. The responsibilities carried out within each of these departments are critical to the financial well-being of the town. The success of these offices depends largely on the leadership ability of those in charge and on local officials' ability to communicate with one another, collaborate on various reporting responsibilities, and generally coordinate municipal financial management activities. Below is a brief description of the town's financial operations along with a summary of our observations and recommendations.

Director of Finance/Treasurer – The director of finance, who also serves as town treasurer, is appointed by and reports to the board of selectmen. The finance director is responsible for the operation of the finance department including the divisions of accounting, collection, assessing, treasurer and purchasing according to §37-2 of the town bylaws. As treasurer, he receives support from a full-time assistant treasurer and payroll clerk. The assistant treasurer data enters cash receipts, prepares daily deposits, and reconciles cash to bank statements monthly. The payroll clerk is responsible for data entering time and attendance and processing withholdings for employees across all town departments. Vadar Systems serves as the town's financial management software, while payroll is processed through Harpers Payroll Services. The finance director/treasurer position is currently vacant given the recent resignation of the incumbent who held the position since 2005.

Town Accountant – Fairhaven's town accountant is appointed by the board of selectmen, but reports to the director of finance. She has served in the position for 17 years. She is supported by a part-time, 19 hours per week, accounts payable clerk. Staff from other departments also assist about 2½ - 3 hours per week as needed to complete accounts payable related work, including data entry and reviewing bills. As town accountant, she has the legal obligation to oversee the town's financial activities. This includes the reconciliation of cash and receivable accounts, maintenance of the general ledger, distribution of expenditure reports, and custody of all contracts. She also develops and prepares year-end financial reports, including the balance sheet and revenue and expense statements for the audit process and for the certification of free cash and Schedule A.

Town Collector – The town collector in Fairhaven is appointed by the board of selectmen and reports to the finance director. She is certified by the Massachusetts Collectors and Treasurers Association, and has been with the town for 24 years. Office staff includes a full-time assistant town collector and two senior clerks. Office responsibilities include the collection of quarterly real estate and personal property taxes, motor vehicle and boat excises annually, as well as semi-annual water and sewer bills, and an annual waterways user fee. The collector receives a commitment from the assessors and maintains a receivable control where all monies received and refunds, abatements and exemptions are recorded. Tax

payments are received over-the-counter, by lockbox, online and through the mail. The town contracts with Bill Trust for printing, stuffing and mailing of bills. Tax demands are issued and tax takings are completed timely on delinquent accounts, and municipal lien certificates are issued by the department.

Board of Assessors – Fairhaven has a three member board of assessors appointed by the board of selectmen. To carry out day-to-day responsibilities, the office is staffed by a full-time administrative assistant who is appointed by the board of selectmen and reports to the finance director. There are also two senior clerks. The administrative assistant has been with the town for 19 years. Field work, including the inspection of sales, building permits and abatements, as well as the cyclical re-measure and list is handled by in-house staff. Patriot Properties is consulted on interim and triennial revaluations and certifications, and their computer assisted mass appraisal software application is used for the analysis and maintenance of property records. The department also generates the commitment, which authorizes the town collector to collect property and excise taxes.

Overall, we feel that Fairhaven's finance department operates at a professional level. As we stated in the overview, town receipts are collected and accounted for, vendor and payroll warrants are processed and approved, and town obligations are met. Records also appear up to date, accurate and reconciled in a more or less timely fashion. From our vantage point, communication and the regular exchange of information between offices also appears to be good. Although approval of the Tax Recapitulation Sheet by DOR has been a struggle, it is completed timely. On the other hand, to the credit of the town accountant, the balance sheet for the certification of free cash and the Schedule A are completed timely and quickly approved. Beyond these observations, we include a series of recommendations below that are intended to reinforce Fairhaven's financial management practices.

15. Initiate Department Level Entry of Accounts Payable and Payroll

In 2005 the town spent about \$250,000 dollars updating the computer system and purchasing the Vardar financial management software. This robust software package is designed to integrate reporting and recordkeeping responsibilities related to tax billing and collection, fund accounting, and payroll.

To use the software to its fullest, we recommend that departments on the town's computer network be granted data entry user rights to the Vadar system. Shifting certain data entry tasks would significantly increase efficiencies in the treasurer/collector's and accountant's offices without creating undue burdens for the departments. With proper training, the departments could be given responsibility for data entering all their own vendor payment requests and payroll data.

Departments would still need to submit supporting documents to our recommended treasurer/collector and the accountant to maintain necessary controls. For payroll, departments would submit hard copy summary reports signed by department managers to the treasurer/collector. The department heads

would be responsible for the accuracy of the individual time sheets, which will be kept in the departments' files. For invoices, departments would input the data, retain paper or scanned copies, and send originals to the accountant, also with department head signatures.

The treasurer/collector and accountant or their staff would review the electronic entries against submitted hard copy documents before accepting and posting them to Vadar. After posting, the accountant would submit the payable data on warrants to the selectmen for approval.

This system would be best implemented in phases, selecting one or two departments to start and reviewing their progress before expanding to other departments. For any departments that are not on the network or that have infrequent submissions, the current, manual process would continue. Once established, although paper documents are still transferred, the electronic transmission of financial data will greatly reduce the amount of manual entries performed in the financial offices, freeing up staff to perform other activities.

16. Implement Purchase Order System

With town meeting approval of the annual budget, department managers are authorized to expend their respective appropriations as of July 1. Checks and balances are built into the verification process completed by the town accountant after goods or services are received, and before invoices are placed on the vendor warrant. The town accountant is responsible for reviewing the invoice and certifying that funds are available to cover the costs, that the purpose is consistent with the intent of the appropriation, and that no fraud is evident. Clarifications can be sought, but if criteria are met, a department manager's spending decision cannot be reversed.

However, if local officials have a desire to track and control spending more closely Fairhaven could implement a purchase order (PO) system. A PO system requires departments to receive pre-approval by the accountant's verification at the start of the process. Once approved, the funding is encumbered by the town accounting office and a purchase order is issued. Invoices over \$5,000 would be forwarded to the town administrator who as chief procurement officer verifies compliance with state procurement rules under M.G.L. c. 30B prior to expenditure. If implemented, we encourage the town to adopt a minimum PO amount. To establish a minimum threshold amount, local officials should review all prior year purchases to evaluate where a reasonable minimum purchase order amount might fall. Expenditures below the threshold would be processed as they are currently.

17. Hold Department Head and Finance Team Meetings

One of the hurdles in local government is coordinating activities across personnel in town hall. For this reason, we routinely recommend that town administrators hold regular department head and financial

management team meetings as a way to improve communication between and among the various offices. Held every month, regular department head meetings are a vehicle for sharing information and discussing important issues impacting the town. Financial management team meetings, on the other hand, are more focused and only include the town administrator, town accountant, treasurer/collector, and the administrative assistant to the board of assessors. These meetings allow the town administrator to direct financial planning and strategic decision-making efforts. Town administrators have inherent authority to call these meetings, but they can also be directed through adoption of a bylaw.

18. Solicit Audit Services

Fairhaven has been with the same audit firm for at least the last eight years. As a routine practice, we comment on the number of years that a municipality might contract with or rely on the same outside auditor, because best practice dictates that communities should solicit for auditing services every five to eight years. The Government Finance Officers Association (GFOA) recommends that communities enter into multi-year agreements with auditors, or a series of one-year contracts, for a term of at least five years. A multi-year agreement allows for greater continuity and enables a new auditor to spread initial start-up costs over multiple years, potentially reducing costs in the initial years. However, after this term, GFOA recommends an open competitive selection process and a rotation of auditors after each multi-year agreement. Contracting with a new audit firm can bring a fresh perspective and reflects good practice.

19. Revise Finance Reserve Request Procedures

We recommend that transfer requests from the finance committee's reserve fund be channeled through the town administrator, the chief budget officer. The finance committee's reserve fund exists to fund extraordinary, unforeseen expenses and is disbursed through transfers approved by the finance committee. In Fairhaven, departments request transfers by submitting reserve fund transfer forms directly to the finance committee. This approach, however, bypasses the finance director and executive secretary, under today's current governance structure, as well as the department's own appointing authority. In the future, a department manager should complete the necessary form detailing the request and submit it directly to the town administrator. The town administrator would then review, sign and forward the request to the finance committee for final approval. Any department request received outside this approval process should be redirected back to the department for submission to the town administrator. The finance committee can distribute a short memo, signed by the town administrator, describing the policy change.

Additionally, we recommend that the finance committee adhere strictly to the purposes for which the reserve fund can be used. A review of finance committee transfers over the last two fiscal years reveals the use of reserve funds that, in some instance, appear to marginally comply with the statutory

requirements, including transfers for payroll, health insurance, as well as more than a half dozen transfers that have no description other than they occurred just prior to the close of the fiscal year.

Under MGL Ch. 40 §5A, reserve funds may be transferred to an existing, or newly created account, only for extraordinary or unforeseen expenditures, which include emergencies. Generally, if a diligent budget process could have anticipated the cost, then it does not qualify as unforeseen. As to what qualifies as an emergency, the determination falls to the finance committee, and can include circumstances where delays to act would be prohibitively costly, or when the amount requested is too small to justify the expense of calling a special town meeting. Common sense should prevail. Ultimately, reserve transfers cannot be used to by-pass, or render invalid, a legitimate town meeting decision.

20. Transfer Custody of all Municipal Bank Accounts to Treasurer

We recommend that all bank accounts under the control of the tax collector be closed or custody be transferred to the town treasurer. The collector maintains multiple bank accounts separate from the treasurer for the deposit of tax receipts. Generally, once payments clear, money is deposited in the treasurer's account.

Most likely a remnant of years past when the tax collector would retain fees as a form of compensation, the bank account is no longer necessary. In closing or transferring custody, tax receipts would flow directly to the treasurer when deposited by the tax collector into the town's general depository account. In this way, funds immediately become part of the town's general cash flow to generate interest and are in the custody of the town treasurer as required by M.G.L. c. 41, §35. To our knowledge, the tax collector's accounts include a general depository with Rockland Trust, a lockbox account with Citizens Bank, a deputy collector account with Cape Cod Five Cents Savings Bank, and an online payment account with Unibank.

Separately, once a decision is made to close or transfer custody of the accounts to the town treasurer, we encourage the tax collector and treasurer to use a check scanner. Available through the bank, a countertop check scanner is merely a device that allows the tax collector and treasurer to deposit checks, but not cash, directly to the bank rather than having to make periodic trips to the bank.

21. Review Payment Plans and Develop Plan to Resolve Tax Title Backlog

Fairhaven has been reasonably aggressive in its pursuit of outstanding taxes, including foreclosing on a number of parcels. Nevertheless, the town has approximately 120 parcels in tax title with \$2,052,266 owed in overdue property taxes, fees, interest and other charges. To reduce this number, we suggest that

the treasurer formulate a plan to organize tax titles into the subgroupings listed below, and then act to move them through the appropriate process:

Land of low value – These properties, improved or vacant, can be placed on a fast track toward auction outside Land Court proceedings. To qualify, a tax title property must have a current assessed value less than \$19,970 for calendar year 2012.

Multiple parcels under single ownership – On the town’s list of tax title accounts, there are a few instances where individuals own multiple properties. Greater efficiencies can be gained by dealing with these properties together either in Land Court or during a negotiation of a partial payment agreement.

Accounts with bad addresses and/or deceased properties owners – These accounts should be individually investigated to determine the likelihood of identifying legal owners, or person(s) in possession. If an owner is found, contact should be made. If after a diligent search, an owner cannot be found, alternative action should be considered. Available options include a petition to the Commissioner of Revenue under M.G.L. c. 59, §11 seeking authorization to assess taxes to the person in possession of the property (if this is the case), or to assess the taxes to persons unknown.

Existing partial payment agreements – Existing agreements should be reviewed to ensure that each is being honored and that payments are sufficient enough to pay down the outstanding tax balance within a reasonable time. If not, the agreement should be restructured or voided, and foreclosure proceedings should be initiated. Fairhaven has approximately 30 active payment plan agreements in place.

Contaminated Land – In Fairhaven, about \$440,000 of overdue property taxes is owed by the old Atlas Tack Corp located at 83 Pleasant Street. The property is currently designated a superfund site slated for cleanup and continued monitoring because of the presence of hazardous substances. In this instance, the assessor should revisit the parcel’s current value to confirm that it reflects the contamination. We also recommend that a notification be placed on the property record card to prevent any future local official from inadvertently foreclosing on the property and assuming the liability.

Remaining accounts – These accounts are the most likely candidates for outside legal assistance. We recommend the treasurer identify properties with the highest outstanding balance and solicit legal services through a request for proposals. Let respondents provide details on how many accounts, on what basis and for what fee each would contract with the town. The process can be replicated as needed to reduce the number of tax title accounts.

To reduce tax title accounts and collect any portion of the outstanding taxes owed the town will require a commitment not just from the treasurer, but from the board of selectmen and town meeting as well. A well thought-out plan of action, supported by an infusion of resources, can help maximize collections

and convince current and potential delinquent taxpayers of the town's seriousness in the collection of taxes.

22. Review Payroll Procedures

We recommend that the town administrator, accountant and payroll clerk meet to reevaluate the current payroll process and related recordkeeping practices in order to streamline operations. The weekly payroll process in Fairhaven appears burdensome and overly complex. For instance, the payroll clerk distributes prepopulated timesheets to departments that include employee pay rates; she produces and provides departments with a copy of the payroll register to reconcile payroll; manually calculates off-duty detail pay from individual invoices for each officer; and reconciles the various accounts from which employees are paid through a "job costing" analysis. She also transmits withholding detail for union dues and for teacher defined contribution plans back to departments so that they can return them to her to be placed on a separate vendor warrant for employee withholdings.

To help alleviate some of these issues and improve the payroll process we offer several recommendations below:

Convert to a biweekly payroll process – A biweekly payroll schedule reduces staff workloads by simply spreading the processing time across an additional week. In doing so, the payroll clerk is free to focus on other related responsibilities. A move to a biweekly pay period is a change that will require collective bargaining.

Enter payroll at the department level – By granting access to the Harpers payroll program, the payroll clerk can transition away from data entering departmental timesheets into the system. With direct entry of payroll at the department level, the payroll clerk can stop distributing and receiving hardcopy timesheets from each department. At the same time, she will no longer need to submit a copy of the payroll register to departments who can easily access the information through Harpers if necessary. There may be an additional cost associated with expanding data entry to departments.

Stop treating payroll withholdings as an invoice – The payroll warrant includes net salary amounts due employees and identifies gross amounts for federal income tax, Medicare, health insurance and other withholding categories. With approval of the payroll warrant by the board of selectmen, the treasurer has received authorization to cut checks to employees and make all necessary withholding payments. Withholding amounts due on a weekly basis can be distributed, while those due at the end of the month can be transferred to an agency account until payment is ready to be made. Withholdings need not be separately authorized to be paid through a vendor warrant.

Have police department calculate off-duty detail – Police detail payments should be calculated and submitted by the police department. We know of no other community where the town payroll clerk is responsible for receiving invoices and individually calculating police detail payments for officers. This work is most often completed at the police department and submitted to the payroll clerk.

Stop sending withholding information to departments – We know of no reason for the payroll clerk to distribute lists of employee paying union dues or teacher defined contribution payment withholding details to individual departments.

23. Integrate and Expand Geographic Information System (GIS)

It is our understanding that Fairhaven’s planning board and board of public works use GIS technology, but that the systems are not integrated with one another. GIS is a powerful computer-based tool that when integrated and expanded across town offices can provide a convenient, informative and effective way to record and extract data relative to the town’s engineering, utility, and infrastructure data. When fully integrated, GIS incorporates the assessor’s property records and any other useful information related to real property or the natural characteristics of the town. For this reason, we advise local officials to integrate and expand the use of GIS. Once in place, the assessing office, for instance, can use the software to easily generate abutters lists or publish maps online, rather than relying on hardcopy records. Converting existing records and plans into a digital format for the database requires extensive work before benefits can be fully realized. However, use by multiple departments can help justify any additional expense.

24. Format Bill Envelopes

We recommend that the assessors work with the collector and Bill Trust, who does the town’s printing, to alter how old and new property owners appear on tax bills. State law requires that real estate taxes be assessed to the property owner as of January 1 of each year. If title to the property is transferred later, the new owner is listed in the assessors system as a “care of.” When the tax bill is mailed, it is addressed to the old owner c/o the new owner at the property location. However, if the old owner instructs the post office to forward his or her mail to a different address, the bill goes there instead, and is subsequently returned to the town without payment.

To ensure that the tax is received by the new or current owner, the software from which bills are printed need only be reprogrammed to display the old owner’s name apart from the address which would retain the new owner’s name. Because bills go out in a window envelope, the prior owner’s name can appear on the face of the bill, but outside the window. The result should be far fewer returned envelopes with unpaid bills to the collector’s office.

25. Abandon Practice of Updating Hardcopy Property Record Cards

We recommend that the assessing office discontinue the practice of updating old property record cards. Property record cards are currently maintained in two places. The active cards are kept electronically on the Patriot Properties mass appraisal software, while a second set of hard copy cards are cataloged and stored. To our knowledge, the hard copy cards are updated manually every time a change is registered in the Patriot system in the event it crashes. This activity makes for duplicative and unnecessary work given computer safeguards and backup procedures in place. While the hard copy cards are worth keeping for historical reference, most communities have stopped updating them manually. The Patriot Properties system keeps a history log of data entered which is routinely backed-up.

Information Technology

Information technology (IT) for town hall is handled through an outside consultant who has been with the town for eight years. The primary services provided by the consultant are ensuring routine data back-ups, providing user support, and maintaining and updating servers and other computer hardware. The consultant generally works between 10-20 hours per month and reports to the director of finance. There is no formal contractual relationship or description of job responsibilities.

26. Execute Service Contract

We recommend that the board of selectmen enter into a written contract with the IT consultant. Like a job description for a town employee, a contract in a purchase of service situation clarifies expectations and responsibilities of the parties. It sets out rights, obligations and recourse in the case of disputes. We recognize that the town has a good, long standing relationship with the IT consultant, however, adding the formality of a contract is a common sense practice that helps minimize future risks. In particular, with the departure of the finance director, there is not institutional knowledge or record of the town's legal relationship with the IT consultant. And, without a contract in hand, we would question the ability of the accountant to determine whether invoices for payment can be processed.

27. Store Backups Offsite

All computer-related backup tapes should be securely housed offsite. Backups generally refer to the copy of computer data files onto tapes, which are available to restore information in the event of a loss. Although computer files are currently being backed-up on a routine schedule, tapes are maintained onsite. In the event of a fire, for example, both the original data source and backup is exposed to loss. For these reasons, we advise the IT consultant move them to a secure offsite location, such as the fire station.

Alternatively, we suggest that the town explore backup options, including the so called "cloud." This emerging service is provided by numerous companies so that the town's computer data and system applications are stored remotely in a secure offsite location and in the event of a local disaster your data is still retrievable. Typically, backup software is installed which manages the file selection, backup scheduling and location of backups. Because of the high volume and importance of data stored at these locations, security and other protections are almost always more comprehensive than what the town could otherwise provide for itself.

28. Adopt Four-Year Replacement Schedule for Computer Equipment

We recommend a four-year replacement schedule for all town computers. Today, computers across town hall are generally replaced on an as needed basis, with new equipment going to departments deemed more essential. Although we can appreciate the town's desire to save money, the potential risks to the computer network and town data may outweigh the savings. After three years, chances are significantly higher that a hardware failure will occur which can be costly. Older computers require more repairs, outlive their ability to support applications, and experience performance declines. Under a four-year replacement schedule all town computers would be covered by a three-year warranty with the option for a one-year extension. Alternatively, local officials can weigh the cost of leasing computers, which also absolves them of maintenance and other ownership related concerns. Development and implementation of a replacement schedule would normally be an contractual responsibility of the IT consultant.

29. Maintain Log of Maintenance Requests

We recommend that the town's IT consultant begin tracking computer-related maintenance requests. Service requests in Fairhaven are initially channeled through the finance director/treasurer. Any issues he is unable to resolve are forwarded to the IT consultant. The IT consultant works remotely to correct the problem, but will travel to town hall if necessary. In either instance, however, computer maintenance issues are not recorded in a formal manner.

By maintaining a log of requests, the town is in a better position to identify potential problem areas or training needs. It also encourages a structured workflow and feeds into a standard reporting and tracking mechanism, which is good management practice. Alternatively, the town could invest in a simple help desk tracking application. In general, a basic system identifies when an issue was logged, who it was assigned to, what action has occurred, and when it was closed. Maintaining a log should be a contract requirement.

30. Outline Disaster Recovery Plan

We recommend that officials develop a formal IT disaster recovery plan. Any organization can experience a serious incident that stops normal day-to-day workflow and prevents it from continuing normal operations. Under these circumstances, it is important that a town craft a plan that ensures continuity of services. Although the town has taken steps to protect critical data, including routine computer data backups, officials should work toward the completion of a comprehensive written disaster recovery plan which addresses the following issues:

- Identify the maximum acceptable down-time for municipal operations and the maximum acceptable data loss (in terms of days), and ensure that systems are in place for data backup and storage to meet these predetermined requirements.
- Build and implement a well-documented plan that sets out step-by-step actions to be taken in the event of a minor or major data loss event.
- Train staff so that their individual and collective response is immediate and confident in the case of an event. Assign responsibilities and identify outside people or consultants to be contacted.
- Analyze the cost of the recovery program and allocate the resources necessary to implement it. Balance the value of data with the cost of recovery.
- Lastly, test and update the plan on regular basis.

Public Works Department

The public works department is governed by a five-member, elected board, with a superintendent overseeing day-to-day operations. The department is broken out into five separate divisions: highway; parks and grounds; water; sewer/wastewater; and administration. The highway division manages 105 miles of roadway, the Arsene Street recycle center, and over 100 town vehicles and pieces of equipment. Parks and Grounds maintain 17 parks, the West Island Town Beach, and many smaller town owned parcels. Water includes supplying water to over 6,000 properties using an average of 1.3 million gallons per day over 100 miles of water mains. Sewer involves managing the 5 million gallon per day treatment plant, the 100,000 gallon per day West Island Treatment Plant, and approximately 75 miles of sewer pipes and 16 pump stations. Administration includes customer relations, personnel and financial management, and long-range planning. Altogether the department has approximately 40 employees, including clerical staff. The superintendent has been on the job for just over a year, and previously worked as the superintendent of New Bedford's wastewater division.

31. Complete Five-Year Financial Forecast

We recommend that the superintendent develop a multiyear revenue and expenditure forecast for the water and sewer enterprise funds. Analyses of the ongoing relationship between revenue and expenditure trends in these funds will help planning for the future in an informed and thoughtful way. For example, forecasting works hand-in-hand with rate setting and capital spending. It produces a fiscal blueprint for enterprise operations by assessing the long-range fiscal impact of proposed initiatives before final action is taken. In developing a clearer picture of what the financial future holds, for instance, the water department could schedule the replacement of water meters to the AMR (automatic meter reading) devices to achieve greater efficiency and cost savings for ratepayers.

32. Implement Rate Adjustments at the Start of the Fiscal Year

We recommend that Fairhaven set water and sewer rates annually in the spring concurrent with the town's budget process. Because the water and sewer departments operate on a July-June fiscal year, their budget process should be parallel to the town's. It is our understanding that the board of public works reviews, and if necessary adjusts, water and sewer rates at any point during the year. They consider the prior year's revenues and expenses, correlate them with any retained earnings, and account for indirect costs to determine if the rates raise sufficient funds to cover operational costs. Moving this rate analysis to the springtime more fully aligns these funds' revenues and expenditures with the town's annual budget and financial reporting, and it justifies a consistent rate effective date of July 1st in

alignment with the town's fiscal year. Once this new process is established, we also recommend that it be formalized in the town bylaws.

33. Issue Utility Bills on a Monthly Cycle

Property owners across Fairhaven are currently billed on a semi-annual basis in October and May for water and sewer usage. The process of creating water and sewer commitments involves manually reading water meters for all properties in town and uploading the data into a software program that generates the commitment for bills. By issuing bills semi-annually the department spends a significant amount of time and energy sending staff throughout town to read meters. There is also a substantial lag between usage and billing for that period, attributable in part to the high volume of bills that require processing.

We suggest that local officials study the impact of moving to a new monthly schedule for reading meters and issuing bills. We envision the board apportioning town properties across six new billing districts, and creating a schedule for reading their meters twice per year. In doing so, the water and sewer departments would establish a regular date each month for completing and sending the commitment for one sixth of the town to the collector. In reducing the potential impact on the budget or cash flow, local officials should seek to implement this new billing cycle in conjunction with upgrading to a new radio read water meter system. Radio read water meters, which are able to read water consumption wirelessly from town offices, allow the department to track consumption information and therefore generate bills more quickly.

Natural Resources Department

The natural resources department in Fairhaven consists of the harbormaster and shellfish warden. The harbormaster is a full-time seasonal position, working 39 weeks of the year, while the shellfish warden works full-time throughout the year. The department is responsible for enforcing state laws and local rules and regulations, at the same time ensuring the safety of all boats and persons within Fairhaven waters and the 29.4 miles of coastline. In carrying out these responsibilities, the department performs a variety of administrative, maintenance, law enforcement, environmental monitoring, education, rescue, and other public safety duties. They also maintain the databases for boat excise and for the waterways user fee. The waterways user fee is imposed on all vessels over 16 feet in length that stay in Fairhaven waters for more than 14 days during the year, with certain exemptions for government vessels or those undergoing repairs.

34. Pursue Outstanding Amounts Due

We recommend that the harbormaster pursue outstanding amounts due at Union Wharf. Under the authority of the harbormaster, fishing vessels are permitted to dock at Union Wharf provided that they make a mandatory deposit of \$750 and pay a dockage fee of \$25 per day, per vessel. Failure to pay the required dockage fee results in loss of deposit up to the \$750 maximum, which is retained by the town. Due to historically slack collection practices, including the occasional failure to collect the mandatory deposit, Union Wharf has about \$15,000 in uncollected fees.

The harbormaster should aggressively pursue these delinquent amounts. To begin, he should publish a clear set of docking regulations that define the general guidelines and rules for vessels docking in Fairhaven, including at Union Wharf. Only some are described in chapter 225 of the town's bylaws. Specifically stated should be docking permit application requirements, a schedule of fees, and any ramifications for failure to pay. In circumstances where a vessel fails to make the required deposit, mooring regulations should clearly state the authority of the harbormaster to impound the vessel by court order under M.G.L. c 102.

For existing amounts due, the harbormaster should research and pursue all avenues of collection. These would include seeking payment in small claims court or retaining the services of a deputy collector who specializes in collecting delinquent payments. Either way, the harbormaster has a greater chance of collecting these payments owed. In rare instances when any outstanding account is determined to be uncollectible, a policy should be in place to write off amounts not paid. A standard policy would simply define the circumstances and time frame for which a payment will be deemed uncollectable and removed from the list of outstanding accounts.

Appendix

Exhibit I. Town of Marshfield School & Town Revenue Sharing Agreement

Purpose

To allocate general fund revenue sources and fixed cost expenditures in a predictable manner for the annual operating budget

General Fund Revenue Sources

The General Fund budget has the following main revenue sources:

1. Property Tax Levy
2. Local Receipts
3. Indirect Costs from enterprise funds

Other budget specific sources of revenue include:

1. Cemetery Perpetual Care Trust Fund
2. Waterways Fund
3. Wetlands Protection Fund
4. Licensing & Keeping of Dogs

At times, non-recurring revenue sources such as free cash, overlay surplus and stabilization fund may be used but it is strongly not recommended. Those non-recurring, one time revenues should be used for one-time expenditures such as capital projects to reduce future debt service expenses.

Identification of Fixed Costs

The following fixed costs are shared 50/50 by the school and town:

1. Employee benefits including Medicare, unemployment, health and life insurance and pension assessment
2. Services of independent audit firm
3. Snow and ice costs
4. General liability and property insurance including workers compensation
5. Facilities Director (salary and expenses)
6. Debt service
7. Reserve fund

Mutually agreed upon other fixed costs that arise or are inadvertently not listed may also be included. Also, mutually agreed upon special articles will also be shared 50/50

Annual Calculation and Allocation

As part of the budget cycle, the fiscal team shall review and prepare estimates of general fund revenue for the upcoming year as well as fixed cost expenditures. The estimated annual general fund revenues for the upcoming fiscal year will be reduced by the proposed shared fixed costs and the remaining revenue shall be split between the town and school. The split shall be equal to the average allocation of general fund budget, only as voted at the annual town meeting, attributable to town and school in the previous three years.

Reporting

The Annual Calculation and Allocation shall be presented to the Board of Selectmen, Advisory Board, School Committee and the public at a minimum of one public meeting prior to town meeting.

Acknowledgements

This report was prepared by the
Department of Revenue, Division of Local Services:

Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

Frederick E. Kingsley, Bureau Chief,
Municipal Data Management and Technical Assistance Bureau

Joe Markarian, Director, Technical Assistance Section

Zack Blake, Project Manager, Technical Assistance Section

Jared Curtis, Field Representative, Bureau of Accounts

Stephan Sullivan, Community Advisor, Bureau of Local Assessment

In preparing this review,
DLS staff interviewed and/or received information from the following local officials:

Dr. Brian Bowcock, Chairman, Board of Selectmen
Charles Murphy, Sr., Selectman
Robert Espindola, Selectman
John Roderiques, Chairman, Finance Committee
Mark Sylvia, Town Moderator
Jeffrey Osuch, Executive Secretary
John Nunes, Former Finance Director/Treasurer
Lisa Rose, Assistant Treasurer
Suzanne Blais, Payroll Clerk
Anne Carreiro, Town Accountant
Jane Bettencourt, Admin. Asst. to Board of Assessors
Melody Perry, Senior Clerk
Kelly Ferranti, Senior Clerk
Carol Brandolini, Town Collector
Pamela Bettencourt, Assistant Town Collector
Helen DaCunha, Senior Clerk
Vicki Paquette, Senior Clerk
Bill McCaffery, Information Technology Consultant
Vincent Furtado, Public Works Superintendent
David Darmofal, Harbormaster/Asst. Shellfish Warden
Timothy Cox, Shellfish Warden/Asst. Harbormaster
Dr. Robert Baldwin, Superintendent of Schools
Paul Kitchen, School Business Administrator