



Town of Ashburnham

Financial Management Review

Division of Local Services / Technical Assistance Bureau

February 2009

Introduction

At the request of the Board of Selectmen, the Department of Revenue's Division of Local Services (DLS) has completed a financial management review of the Town of Ashburnham.

We have based our findings and recommendations on site visits by a Technical Assistance team consisting of staff from the Division's Technical Assistance Section, Bureau of Accounts, and Bureau of Local Assessment. During these visits and by telephone, the team interviewed and received information from the selectmen, members of the advisory board and capital planning committees, the town accountant, town collector, town clerk, treasurer and assessors, as well as other staff members, as available, in each office.

DLS staff examined such documents as the tax recapitulation sheet, warrants, annual budgets, balance sheets, cash reconciliation reports, statements of indebtedness, the town by-laws as well as other assorted financial records. Other documents reviewed included the town's outside audits for fiscal years 2006, 2007 and 2008 completed by Bill Fraher, CPA.

In reviewing the town's financial management practices, we have focused on: (1) town government structure in the context of the duties and responsibilities of financial officers; (2) the town's budget, warrant and capital planning processes; (3) the degree of coordination and communication that exists between and among boards, officials and staff involved in the financial management function; and 4) the general efficiency of financial operations measured by the town's success in maximizing resources and minimizing costs.

We encourage the selectman and others, when formulating overall strategies for improving the town's financial management, to consider the observations, analyses and recommendations contained in this report. These are recommendations only and can be implemented, at the town's option, provided there is sufficient cooperation among the various boards, committees and officials.

Overview

Ashburnham is an old farming town in the central part of northern Worcester County in central Massachusetts, bordered by Rindge and New Ipswich, New Hampshire on the north; Ashby on the east; Westminster on the south; Gardner on the southwest; and Winchendon on the west. Ashburnham is 9 miles north of Fitchburg, 31 miles north of Worcester and 55 miles northwest of Boston.

The town was originally made up of lands granted to officers and soldiers of a 1690 expedition to Canada. It was called the Plantation of Dorchester-Canada until it was incorporated in 1765. It is home to the southern terminus of the Wapack Trail, one of the oldest public, interstate hiking trails in the United States. Opened in 1923, it follows the Wapack mountain range north for 21 miles between Mount Watatic in Ashburnham and North Pack Monadnock in Greenfield, New Hampshire.

At 5,959 in 2007, Ashburnham's population increased by 413 persons since 2000, or 7.4 percent, more than 5 times the state average. It is a largely residential community with very little commercial or industrial development of its own. Today, more than 96 percent of the property value in town is residential.

Ashburnham had fiscal 2008 budgeted revenues of \$14.1 million funded largely by local property taxes (61.4 percent); local receipts accounted for another 28.1 percent and state aid for 7.2 percent. The town's average single-family tax bill was \$3,464 in fiscal 2009, and has historically averaged 22 percent below the state average since fiscal 2000. While significantly lower than the state-wide average, the increase in the average tax bill has mirrored the state since 2000 (a 54.4 percent increase in Ashburnham compared to a 53.4 percent increase statewide). With a single tax rate of \$13.88 per \$1,000 in 2009, Ashburnham's tax rate is 16 percent higher than the Worcester County average residential tax rate of \$11.97 per \$1,000.¹ The town consistently taxes close to its full levy capacity. Like many cities and towns, most of town revenues are spent on education funding. Almost 60 percent of general fund revenues support the regional school district shared with Westminster.

Ashburnham's government and fiscal management fall under the control of a mix of elected and appointed officials. A three-member board of selectmen is the executive branch of government. It appoints the accountant and the town administrator who coordinates the day-to-day financial activities of the town and oversees department managers. The town administrator serves as the town's personnel director and is responsible for presenting an annual budget plan to the selectmen and advisory board each year. A three-member board of assessors, one of whom is

¹ The FY2009 Worcester County average residential tax rate does not include values for Royalston and Webster whose FY2009 rates are not yet approved.

the administrative assessor, is appointed by the town administrator, as are the treasurer and collector. The elected town moderator appoints the seven-member advisory board.

The FY2008 budget process was well defined and ran smoothly; it began with revenue and expenditure forecasts in the fall and culminated with the advisory board's presentation of a balanced budget proposal to town meeting in May. However, several errors were made while the town was being managed by an interim town administrator during the current incumbent's one-year National Guard deployment to Afghanistan. The town committed a serious transgression of municipal finance laws by appropriating \$182,866 from free cash at a November 2007 special town meeting before it was certified. In addition, the FY2009 budget process was marred by several errors and omissions. The most serious was an omitted payment of \$433,000 for the town's share of the regional school's debt service that was discovered on the eve of town meeting. Efforts to balance the FY2009 budget were not culminated until December 2008 with the passage of a Proposition 2½ override for \$250,000, and a special town meeting to approve a new balanced budget.

The town's special act² gives the town administrator a great degree of control and authority over town appointments and operations to see that necessary tasks get accomplished. At the same time, we observed that his relationship with the board of selectmen is strained. Part of the problem is that, despite his full-time capacity, he only works in town two or three days and is only available by telephone or e-mail for the balance of the week. As a result, communication suffers and it takes a long time to reach consensus and make decisions. Also, as a by-product of their relationship with the town administrator and the financial management lapses suffered during the tenure of the interim administrator, two of the three selectmen have felt the need to spend an inordinate amount of time on town affairs beyond the board's traditional policy setting role.

The town also lacks any significant sources of reserves. Ashburnham entered fiscal 2008 with a negligible \$26,468, or 0.2 percent of its budget, in its stabilization fund and a small free cash balance of less than \$200,000, or 1.3 percent of its annual budget. This is not uncommon in difficult economic times, especially in communities, like Ashburnham, that lack formal policies on stabilization funds and free cash.

Conclusion - The town's special act provides the centralized management structure, in the form of a strong town administrator, needed to guide decision making. While the town did experience financial difficulties during his deployment to Afghanistan, these appear to be one-time errors related to the transition of temporary leadership that are not likely to be repeated so long as the town has a competent town administrator. Today, however, the current town

² Chapter 428 of the Acts of 1985

administrator is leaving Ashburnham permanently for another position and the town faces the task of replacing him.

This stands as the biggest short run challenge facing Ashburnham which cannot be effectively addressed by greater involvement of the selectmen which should not be seen as a practicable alternative to professional management experience. Their effort should instead be directed toward the selection of a qualified interim, and a permanent, town administrator. Only with a competent qualified town administrator to coordinate the town's fiscal affairs will the town be able to undertake the policy development and long term planning necessary to rebuild reserves and fund capital expenditures. In this regard, our primary recommendations address transitional issues relating to a change in town administrators.

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Primary Recommendations

We believe that central management, in the form of a town administrator, is critical to provide sound financial management for towns of Ashburnham's size and circumstances. In these difficult times, town government needs someone with the authority and ability to gather information and perform financial analyses for policy makers to make informed decisions and a person with the experience, knowledge and capability to manage people and to oversee all municipal operations on a day-to-day basis.

Today, there is considerable communication and cooperation between the current town administrator and the various town financial officials. He is well liked and respected by town hall staff. At the same time, the cooperative effort displayed in town hall does not always extend to his relationship with the selectmen and advisory board. All this is so much water under the bridge with his pending departure for another town. Now, Ashburnham needs to deal with the transition to a new town administrator.

We have already provided our recommendations on the search process for a new town administrator and the need for an interim professional administrator in the transition period in a December 22, 2008 letter to the selectmen.³ We repeat them here as Recommendations 1 and 2 because of our belief in the critical importance of maintaining an experienced management presence in town hall and completing a comprehensive search for a top-notch professional. We do not believe, as some have suggested, that the town administrator is granted too much authority in Ashburnham. Ultimately, the town administrator is accountable to the selectmen, and the parameters and meaning of that relationship need to be established early and consistently maintained thereafter. In addition, we suggest that the selectmen clearly define their relationship with the new town administrator from the outset by establishing a set of goals, objectives and performance expectations, and follow up with regular performance evaluations.

Recommendation 1: Hire a Professional Interim Town Administrator

We recommend that the selectman hire a professional interim town administrator to manage the town until it selects someone to serve on a permanent basis. We believe that it is in the best interest of the town to hire a professional interim town administrator to serve until a permanent replacement is hired. Many towns have used this approach during a transition period between administrators and there are several qualified persons willing to serve in an interim capacity and who do not desire a long-term appointment. In fact, there is precedent in Ashburnham for this strategy as the town previously hired Norman Thidemann on an interim

³ See Appendix One

basis between the tenures of Katie Nunez and Kevin Paicos in 2005. We also recognize that more recently, the town had a bad experience with an interim town administrator. Nonetheless, the town can better its prospects with a more carefully planned-out effort to solicit, as well as advertise for, qualified candidates.

Recommendation 2: Adopt a Screening Process for Town Administrator

We recommend that the town follow a formal process to screen candidates and select the new town administrator. We typically recommend the creation of a screening committee whose members have relevant backgrounds and experience as private or public sector managers. As a consequence, they bring the benefit of having previously conducted interviews and hired for professional positions. Equally important are those with knowledge of how local government works and with a sense of the qualities best suited for the position. We suggest a committee of five or seven, and a charge to recommend no more than three candidates for the selectmen to evaluate and choose from. If unsatisfied with the screening committee recommendations, the selectmen can always reopen the process.

In addition, since the appointment of a town administrator rests with the board of selectmen, it should resist placing one of its own members on the screening committee. To preserve a balanced evaluation process, all three board members should see the final candidates at the same time and in the same light. To promote faith in government, it is essential that a credible, objective and thorough selection process be established. The process should be open and designed to attract the largest number of candidates. If residents suspect anything less, then the ability of the town administrator to function effectively will be jeopardized, and public confidence in the process and in government will be undermined.

Recommendation 3: Establish Goals and Objectives for the New Town Administrator

We recommend that the selectmen reach consensus on goals and objectives for the new town administrator. Ashburnham has long since reached that point where effective management is beyond the reach of part-time and volunteer boards and committees. Therefore, we expect the new town administrator to take an immediate lead role in providing the type of financial coordination and analysis needed by town policy-makers to make informed decisions. For the new town administrator to be effective, there needs to be a clear understanding about the non-political nature of his or her role. We recommend that the selectmen and new town administrator come to a further understanding on long and short-term priorities and realistic reporting or decision-making deadlines. While it is incumbent upon the administrator to remember that he or

she works for the selectmen, the board members also need to resist the urge to micromanage. Together, they should establish goals and objectives that clearly define their relationship, as well as day-to-day performance expectations.

Among assigned responsibilities for the town administrator, the town might consider the following:

- Coordinate the activity of town departments and financial operations.
- Prepare the initial draft of the annual budget by working with department heads to insure that budget priorities are met and that the budget is balanced.
- Review monthly financial reports and monitor the status of the budget throughout the year.
- Develop a multi-year revenue and expenditure forecast to assist the town in analyzing the affordability of proposed capital projects, to assess the impact of additional debt service, and evaluate other long-term obligations.
- Prepare financial and cost/benefit analyses to examine potential cost saving measures such as providing health insurance through the state's Group Insurance Commission or other group purchasing arrangements.
- Develop for selectmen approval formal financial policies on target levels and allowable uses of reserves, parameters for the issuance of debt and funding guidelines for capital needs.
- Ensure that the town addresses the findings contained in its annual audit report.
- Develop uniform personnel policies and personnel file maintenance.
- Assess the town's technology status and oversee plans to upgrade hardware and software. Ashburnham has no one person in charge of its technology needs and should seek a town administrator with some expertise in this area.

Recommendation 4: Hold Shorter Selectmen's Meetings

We recommend that the selectmen consider options to shorten their meetings. The selectmen meet biweekly and sometimes more often. In response to difficulties in balancing the FY2009 budget, meetings have been joint Selectmen/Advisory Board meetings and frequently last three hours, or longer. Compared to our experience with like towns, these are unusually long meetings. While greater involvement in daily town affairs may have, by default, fallen to the selectmen during the recent period of management instability, that should no longer be an issue

once the selectmen appoint a new town administrator. Therefore, we recommend the following as ways the selectmen might more effectively allocate their time:

- 1) *Create a more structured agenda in terms of subject matter* — An agenda need not be all-encompassing. Not all subjects require selectmen discussion or debate. The board chair and the town administrator should work together prior to each meeting to limit the agenda and identify what actions are required. A meeting ending agenda item might be a “selectmen’s comment period” when each selectman makes a statement on a subject(s) of his or her choice. It would not be a time for debate or action. The selectmen, as a group, should reach an understanding that allows the chair to exercise his prerogative to make certain non-policy or merely ministerial decisions. With a rotating chair, each will have this opportunity.
- 2) *Place time limits on discussion of each agenda item* — Time allowed for discussion should be assigned to each agenda item. The chair must be committed to enforcing the time limits. Board members must be willing to accept limits and recognize that good decisions are less likely to be made late into the night toward the end of a marathon meeting.
- 3) *Incorporate a consent agenda* — A consent agenda allows the board to move a large amount of routine items, which are not contentious, into a single agenda line. This applies to all items requiring a formal board vote under the law, but which do not warrant lengthy discussion before the board takes action. Consent agendas are usually prepared in advance of the meeting by the town administrator, then presented and voted at the beginning of meetings. The selectmen will review the material prepared for each item on the agenda in advance of the meeting. As the term “consent” implies, if even a single member of the board believes that an item on the consent agenda warrants further discussion, the item must be removed and taken up separately.
- 4) *Meet with the Advisory Board less frequently* — With the passage of the recent override and adoption of a balanced FY2009 budget there should be less reason for selectmen to include the Advisory Board at its regular meetings. While we usually encourage joint meetings to facilitate communication and consensus, too many joint meetings can become counter-productive. We recommend that the selectmen consider including the Advisory Board at key junctures during the budget process, or that a separate section of the agenda be set aside for items of joint concern.

Overall Financial Management

A review of the town's overall financial management practices focuses on the procedures in place to accomplish tasks that typically cross over various municipal departments, as well as those that tend to impact town government on a global basis. Accordingly, we examined the budget process and the payroll and vendor warrant processes. We looked at long-term planning, financial monitoring practices and financial policies, as well as the effect of the town's organizational structure on the operation of government. We examined the purchasing system and personnel administration. We considered the roles and relationships among individuals together with the level of communication and cooperation that exists among offices. Finally, we reviewed local compliance with state laws and regulations relating to finance issues, adherence to acceptable form, and to timetables for the submission of periodic reports to the State Department of Revenue (DOR).

In this context, finance department heads and staff are effective in producing vendor and payroll warrants for review and approval by the town administrator. The town administrator plays the lead role in the development of the annual budget for the advisory board's submission to town meeting. A newly created capital planning committee evaluates capital spending requests and recommends action to town meeting.

Staff involvement is necessary, as well, in the preparation of required submissions to DOR. The balance sheet (for free cash certification) is completed by the accountant, as is the town's Schedule A. Finally, the accountant, assessors and town clerk collaborate on the preparation of the town's Tax Recap Sheet, which is the basis of DOR approval of the annual tax rate. DOR needs to approve Tax Recap submissions by December in order to generate the first actual quarterly tax bill on time, but Ashburnham has not met the December deadline in four of the last eight years.

During the course of our review, we noted the general lack of any official statements of financial policies with the exception of a new capital planning process. Absent are formal policies for the annual budget process, multi-year revenue and expenditure forecasts, the use of free cash and reserve levels. As a result, the town is less prepared to deal with unanticipated revenue shortfalls, cuts in local aid or emergency needs. The current town administrator constructs a detailed revenue and expenditure forecast at the start of the budget development process, but it is only a single year forecast. There is no policy requiring his successor to issue a forecast or budget calendar to guide budget development in the future. Certified free cash has declined the last three years and, as noted, the stabilization fund balance is less than 0.2 percent of the annual budget. The decline of free cash and stabilization reflects the current economic times but, with well-defined policies, the town should be able to slow usage and rebuild reserves.

Although not required, Ashburnham has an outside audit of its financial statements performed each year, currently by Bill Fraher, CPA. The objective of an audit is to provide independent assurance that a community's financial statements are reliable, accurate and complete. As important, the independent audit is a valuable management tool for assessing the fiscal performance of a community and identifying areas that need improvement. Of the 11 control deficiencies identified in the outside auditor's management letter, six were raised in the previous year's audit.

Conclusion—There is considerable communication and cooperation between the town administrator and the various town financial officials. As a result, important financial tasks such as the preparation of warrants, the commitment and collection of taxes, reconciliations, and preparation of the annual budget recommendation are accomplished relatively smoothly. At the same time, formal policies on reserves, free cash and debt are missing. There is no budget calendar, nor budget process to guide development of the annual operating budget. Absent are multi-year expenditure and revenue forecasts which could foster thinking about long-term solutions. Our recommendations address these, and other, issues.

Recommendation 5: Adopt Reserve Policies

We recommend that the selectmen formally adopt reserve policies. The combination of competing spending priorities and limited revenue options make building reserves a challenging task. Often, depending on the fiscal circumstances facing town meeting, it can be difficult to preserve a sizable reserve balance. Policies to contribute additional revenues to reserves and to restrict spending of reserve funds can help and should be formally adopted.

Formal written policies that establish guidelines for funding and maintaining reserves can help a community sustain operations during difficult economic periods. Reserves can be used to finance unforeseen or emergency needs, to hold money for specific future purposes, or in limited instances, to serve as a revenue source for the annual budget. Reserve balances and policies can also positively impact a community's credit rating and, as a consequence, its long-term cost to fund major projects. A prudent reserve policy will:

- Establish target balances for the stabilization fund, annual free cash and other reserves in a total dollar amount or as a percentage of the total annual budget. The policy may develop a schedule of annual appropriations to stabilization, and/or limitations on the use of free cash, designed to reach and sustain target balances gradually over time;
- Specify that if free cash must be used for operations, its use will be restricted as a general revenue source for the ensuing year's budget, not the current year's budget, and to a maximum percentage of total free cash available;

- Direct the use of all or a portion of free cash as a funding source for stabilization, or as an outlay for one-time capital projects or purchases. It will direct the use of revenue from a specific recurring income source (i.e., rental income) for similar purposes;
- Restrict the use of unexpected, non-recurring revenue, or surplus revenue, to one-time costs or capital items;
- Restrict the use of the stabilization fund to non-recurring expenditures and only in an amount above a certain dollar threshold. It will set similar guidelines on the use of free cash.

Recommendation 6: Create a Financial Management Team

We recommend that a financial management team be formed and meet regularly.

Whether officials are elected or appointed, we would expect among them a common desire to be informed and to more effectively manage the town's finances. To open formal channels of communication and to better coordinate the town's financial affairs, we recommend a financial management team be formed and meet monthly, or quarterly. We suggest that the members include the town administrator who would serve as chair, the treasurer, collector, accountant and assessing board chair. It would also be of value to include the town's technology consultant.

The financial management team meetings would be a forum where the budget calendar and other finance-related deadlines can be reviewed. The team would analyze the financial impact of future events. It would identify critical junctures and offer early strategies to deal with anticipated areas of concern. A financial management team might be a useful vehicle to reduce the chance of major budgetary errors. It might also facilitate the collection of data that would serve as a basis for decisions by the town's policy-making bodies concerning debt limits, reserve fund levels, revenue/expense estimates and annual budget guidelines.

Recommendation 7: Develop Multi-Year Revenue and Expenditure Forecasts

We recommend that the town administrator, in coordination with the financial officers and advisory board, develop revenue and expenditure forecasts for the next three-to-five fiscal years. Building revenue and expenditure assumptions helps community leaders to enhance fiscal stability through planning, and quantify the future financial commitment required for current policy decisions. Forecasting reveals trends in income and spending, and enables a community to build capital and infrastructure improvements into a financial plan. More importantly in the case of Ashburnham, a rigorous, well designed forecast can be a useful tool for educating

residents on the town's fiscal position and demonstrating some level of fiscal competence to the citizens.

DLS offers a free forecasting tool that can be downloaded off the Internet at the "Financial Management Assistance" page at www.mass.gov/dls. The tool draws the town's historical data from DOR databases and presents it in an organized way. It then offers a structured method for developing a multi-year forecast. Such a tool would help the town administrator, selectmen and advisory board to analyze the impact of different fiscal scenarios such as changes in local aid, the impact of additional debt service, or the passage of a Proposition 2 ½ override.

We understand that the current town administrator does produce a detailed, single-year expenditure and revenue forecast as part of his budget development process. Extending his forecast over a longer time horizon will illustrate the multi-year impact of certain budget decisions and help to encourage long-term thinking.

Recommendation 8: Formalize the Budget Process

We recommend that the town modify its budget process and adopt formal budget guidelines. The process for adopting a balanced FY2009 operating budget was delayed and divisive. While budget development for FY2010 is in full swing and the town administrator will deliver a balanced budget proposal to selectmen and the advisory board before he leaves town service, there are no policies in place to guide his successor in future years. In order to avoid repeating the mistakes of last spring in the future, we recommend the town 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 advisory board with deadlines that all parties agree to. In the next step, revenue projections are developed by the town administrator. We expect that to arrive at estimates, he would work with the accountant and other financial management team members, as well as department heads whose offices generate revenue. The advisory board chair should also be advised of, if not involved in, the process.

Consensus - We recommend that the town administrator present revenue projections and projections of fixed costs (e.g., health care coverage, pension obligations, debt service, etc.) to a joint meeting of the selectmen and advisory board. To facilitate long-term thinking, a multi-year forecast should be produced. A consensus accepting the projections should be recorded. If possible, an agreement should be reached on how future increases in revenue projections will be divided. 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 advisory board the previous consensus on the allocation of the additional revenue.

Lineal Process - Once department requests are received, a lineal budget process should follow. Typically, the town administrator would meet with department heads to review requests and would then develop a 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 advisory board. Once the advisory board completes its review of the line item budget and other articles, 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. Joint meetings serve this purpose. The exchange of information should be on-going among the town administrator, the selectmen, the advisory board and 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.

Follow-up - 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, he should inform the selectmen and advisory board chair.

Recommendation 9: Focus the Capital Planning Committee

We recommend that the town consider clarifying the mission of the recently established capital planning committee. The town voted a new capital budgeting by-law at the 2008 Annual Town Meeting that establishes that nine members be appointed by the selectmen with the responsibility of presenting an annual capital spending plan. We suggest that, among initial tasks, they review an inventory and assessment of the condition of town-owned vehicles so that an appropriate maintenance, repair and replacement schedule can be developed. Once the vehicle evaluation is complete, a similar analysis could be performed on town buildings. For example, on its face, 14 fire-related vehicles seems excessive for a town the size of Ashburnham. Costs are involved with the registration, maintenance, insurance and operation of each one. If any are not town owned, then public funds, employee time during the work day or other public resources may not, under the State Constitution, be spent or used to maintain, repair or garage them.

Recommendation 10: Set Tax Rate Timely

We recommend that the finance officers work together to set the town's tax rate more timely. Although the tax rate was set timely for FY2009, the Ashburnham tax rate was not approved by DOR on time in four of the last eight fiscal years. The budget is approved by town meeting almost a year earlier and town government operated for almost three-quarters of those fiscal years without DOR review of its revenue estimates. For virtually all other Massachusetts cities and towns with quarterly tax bills, this confirmation of local decision-making takes place prior to January 1 so that actual, instead of preliminary, tax bills may be mailed to taxpayers in January. Although the practice in Ashburnham is permitted under the law, it is not recommended by DOR, reflects bad policy and is poor practice for a community that seeks to build credibility in the way it manages municipal finances. Therefore, we recommend that the town complete its Tax Recap Sheet sooner in the fiscal year. The process, including all required approvals and completion of all forms should be scheduled for completion by December 15. Final approval of the tax rate will then occur as soon as an independent audit is received by DOR, which the Bureau of Accounts required as a precondition to tax rate approval this year because of the illegal appropriation of uncertified free cash in fiscal 2008.

Recommendation 11: Address Audit Issues

We recommend that the board of selectmen serve as an audit committee and direct the town administrator to take corrective action on the outside auditor's recommendations. The selectmen, as a group, can help determine in advance the requirements and objectives of the town's outside audit. They may be involved in the selection of the auditor. More importantly, the selectmen should review the auditor's management letter and monitor progress in resolving audit issues. The 2006, 2007 and 2008 audits by Bill Fraher each identified 11 to 17 issues in the town's financial records that, while not as serious as "reportable conditions," should be improved. Several of the issues raised by the 2008 audit were the same as in the 2006 and 2007 audits. The town administrator, working with finance officers, would be expected to formulate a corrective action plan to address issues raised in the auditor's management letter. He would also be primarily responsible for the execution of the plan. The selectmen would monitor progress.

Computers and Technology

Computers and technology play a vital role in municipal financial management today. On the revenue side, computers are used by the assessor to maintain property values, set tax rates and generate the property tax and motor vehicle excise commitments; the collector takes the assessor's commitments electronically to generate the tax bills, and then to post receipts and manage receivables; the treasurer records the turnovers of town monies to her department to track the town's cash position. On the expenditure side, data from vendor invoices and employees' time is entered into the computer system so that the accountant can generate the vendor and payroll warrants for the town administrator's approval; the treasurer signs the computer-generated checks and tracks the disbursements in her electronic cash book. Cash balances and receivables are all reconciled on electronically generated reports. Debt schedules, revenue and expenditure reports, annual budgets, and balance sheets are all maintained in electronic files. E-mail is used regularly to communicate and to provide internal access to information. A town website provides e-mail links to town offices, access to town documents and forms, and a link to pay taxes on-line. Computers play a key role in virtually every element of the town's finances.

A survey of town finance-related offices revealed a dozen networked desktop computers of various age in use. Operating systems include a variety of Windows versions and Microsoft Office products. All computers have e-mail capacity and internet access. Otherwise, the accountant, the collector and the treasurer all use MUNIS software and rely heavily on Excel spreadsheets. The assessor's office uses Vision software. The town hall server is backed up to tapes daily which are stored in a safety deposit box at the bank next door to Town Hall. A five-year technology plan was developed several years ago, but subsequently abandoned because of budget constraints.

The town has a web-site that was built by a vendor, Virtual Town Hall, and managed by a volunteer webmaster. He manages the site content to insure that information is kept current. A vendor, Guardian Information Technologies, is under contract to provide trouble-shooting. In addition, the town has policies on internet and e-mail use by employees.

Conclusion—As with any part of government, a substantial barrier to efficiency exists when no person or entity is responsible for managing services. Similarly, the IT structure is largely neglected, which creates unnecessary risks should mission-critical functions fail. The technology needs of the town demand more regular and permanent attention given their importance and the pace of technological change. The recommendations below call for the establishment of a formal, central IT committee in town government to enhance accountability, efficiency, internal control and long-term planning.

Recommendation 12: Establish a Technology Committee

We recommend the formation of a technology committee that includes users from within town hall and expert volunteers from the community. A technology committee can be a meaningful and objective contributor of information, analysis and insight for the town decision-makers as they grapple with computer and software issues. Its members can work to produce a periodic report, or assessment, of the town's technology status. Such a report would serve as a useful tool to evaluate the performance of hardware and software in town departments, to identify and prioritize the need for upgrades, and to recommend the adoption of new technologies. The recommendations made or accepted from the report would then be incorporated into a long-term capital planning program.

In the future, the committee could plan-out and recommend computer training, hardware replacement schedules, system upgrades, etc. It could also look into issues such as data integrity and emergency planning to make sure information is properly backed-up and retrievable. It could discuss future software purchases and conversions to prepare for integration with existing systems. Finally, a technology committee could explore how the town might improve its website and the services offered that can reduce traffic and workloads in town hall.

A technology committee might comprise only three or four members who have appropriate knowledge or work experience. To the extent possible, the town should recruit members from the town population, but the town administrator should, at first, lead the committee, and end users in town hall finance offices should be included.

Recommendation 13: Centralize Technology Administration and Budget

We recommend treating technology as a department supported by a consolidated budget. We recommend an annual category that combines, in one place and under the control of the town administrator, all technology-related appropriations currently spread among departments. In this way, an overall technology plan can take shape and total town expenditures toward implementation of that plan will be clear. Also, technology is more likely to receive equal treatment in the process of setting town priorities through the budget.

As a departmental budget, there might be separate line items for expenses, purchase of services, support contracts and small capital outlays for hardware and software upgrades. Major investments would typically be approved as part of the town's capital improvement program and financed through the issuance of debt as occurred in 2007. The purchase of computers, copiers, printers, projectors, etc., should also be purchased in accordance with a centrally administered, long-term plan. Placing the management of this budget under the town administrator will ensure

that recommendations to town meeting concerning future purchases of equipment, software and services are based on town-wide needs.

Recommendation 14: Create a Training Program for Town Hall Staff

We recommend that the town set up a training program for town hall staff. Town hall staff is comprised of people at various levels of computer capability. The town administrator, in coordination with the technology committee should take the initiative to identify computer proficiency levels among staff, and then develop a program to enhance employee knowledge about the hardware and software they use. Short-term goals might explore how technology can reduce paper records and redundancies through interviews with various office staff. In the long run, the town might look to develop an on-going training program to encourage computer usage, maintain proficiency among users, and develop a process to receive staff input when major technology decisions that affect them are made. In particular, we noted several instances in town hall where staff would especially benefit from mail-merge training. The key to a successful training program is communication between and among decision makers, department managers and staff to understand where deficiencies exist or efficiencies can be gained.

Treasurer

The treasurer is a community's cash manager and, as such, has custody of all municipal money. Included is the responsibility to make certain that town receipts are deposited into appropriate bank accounts and to monitor balances to ensure that sufficient funds are available to cover town obligations as they become due. The treasurer invests town funds and manages debt to maximize investment income and meet cash flow needs. To fulfill these responsibilities, the treasurer maintains a cashbook, debt schedule, check registers, and various logs to track balances for grants, trusts and revolving funds as well as other special revenue funds. As a financial control, the treasurer is obligated to reconcile cash balances and debt, internally, and then with the accountant on a regular basis. Finally, the treasurer maintains tax title accounts, conducts sales of land and prepares documents to petition for foreclosure. In Ashburnham, the treasurer's office is also responsible for payroll and benefits administration.

The Ashburnham treasurer was first appointed in 2006 and the position was recently increased from 15 to 20 hours per week. A staff of one is a full-time assistant treasurer whose main responsibility is payroll and benefits administration for all town employees. She has been in the treasurer's office three years, but has served in town hall for 23 years.

The treasurer maintains her cash book and debt schedules in Excel spreadsheets. The cash book tracks the cash position in the town's checking and investment accounts. It records turnovers from the collector and other departments, and disbursements through vendor and payroll warrants. The treasurer reconciles her cash book, internally against bank statements and externally against the accountant's general ledger, on a monthly basis.

The office receives tax title accounts from the collector once a year. Upon receipt, the treasurer sends a notice to delinquent taxpayers offering to enter into a payment agreement before she pursues the tax foreclosure process. If she receives no response, the account is referred to a tax title attorney who pursues the foreclosure process. Before her tenure, the town's pursuit of tax delinquents was lax and there are a number of old unpaid accounts from the 1980s and 1990s. The town recently voted the additional resources the treasurer needs to research and pursue these accounts.

The treasurer invests the town funds according to a cogent set of investment guidelines designed to balance the investment goals of safety of principal, liquidity and yield while meeting all legal requirements, including federal arbitrage rules. She also uses the services of a financial advisor, First Southwest, to assist in the investment of funds and the issuance of town debt.

The assistant treasurer enters the detail from employee time sheets submitted by departments into MUNIS software to generate the payroll warrant and payroll checks; the software also keeps records of employee's accumulated sick and vacation time. Town employees are paid biweekly.

Conclusion—Overall, the treasurer appears to have systems in place to ensure that the responsibilities of the office are fulfilled and adequate checks and balances exist with other finance offices. The treasurer and her assistant are diligent and, among other things, make the effort to correct errors made by other departments when preparing payrolls.

Recommendation 15: Change Payroll Warrant Information

We recommend that the treasurer include employee gross salaries, but eliminate employee withholding information from the payroll warrant. In order for the selectmen to fulfill their legal obligation to review the payroll warrant, and in order to provide necessary detail for checks to be issued by the treasurer, warrant information must include gross or net salary amounts due each employee. This level of detail can be part of the warrant itself, or can be separately listed as an attachment to the warrant.

Under no circumstance should warrant information include each employee's withholding details. This information should be securely retained in the town's personnel files and should only be available to legally authorized individuals. However, the payroll warrant should include a list of withholding categories and the total amount due to each for the payment period.

Accountant

The accountant has a legal obligation to oversee all financial activity of a municipality. Through the maintenance of independent records and by following well-defined procedures, the office documents the flow of money into and out of municipal accounts and plays a role in the system of checks and balances established by statute to monitor and protect local assets. To fulfill this responsibility, the office prepares warrants; maintains a general ledger where receipts, expenditures and all other town financial activity are recorded; reconciles cash and debt with the treasurer and receivables with the collector monthly; produces a monthly expenditure report and reports annually on the town's liability for accrued sick leave and vacation time. The accountant also tracks revenue, is required to maintain a detailed record of the town debt, and is typically involved in the annual budget process.

Among required submissions to DOR, the accountant is responsible for producing the town's annual Schedule A by October 31 and its year-end Balance Sheet (for free cash certification). Finally, the accountant works with the assessors and town clerk in the preparation of the town's Tax Recap Sheet. Ashburnham has been habitually late in its required submissions to DOR.

The Ashburnham town accountant is a part-time 20-hour per week position. The accountant is appointed by and reports to the selectmen. Staff includes a half-time assistant who also splits her time with the water and sewer department. The position is currently in flux. The most recent accountant tendered his resignation in November 2008, but has continued to serve on a part-time basis to allow the town to bring his replacement on board. However, he did not make himself available to meet with DLS representatives for the purposes of this financial management review.

Conclusion — The duties of the accounting office are paramount to the credibility of town financial records. After a thorough search process the selectmen have offered the position to the current town accountant in the town of Ashby, another part-time position. Ashburnham's DLS Bureau of Accounts field representative is familiar with the new accountant and confident that she will perform all her duties diligently and timely. Looking ahead, we outline the responsibilities that we would expect a 20-hour per week accountant to focus on and make a second more specific recommendation about the timeliness of reporting.

Recommendation 16: Set Priorities for Accounting Office

We recommend that the selectmen reach agreement with the new accountant on office priorities. Among suggested priorities for the Ashburnham accounting office, are the following:

- *Distribute monthly expenditure reports* - We recommend that the accountant generate and distribute monthly expenditure reports on the status of town accounts to the town administrator, members of the select and advisory boards in addition to department heads, as required by state law. The report would show the approved departmental budget, expenditures to date, and remaining funds. The status reports then serve as the principal tool for department heads and accountant to reconcile spending and to calculate remaining fund balances against their records. More important, they can indicate whether actual spending is on track with budgeted spending so that corrective action can be taken if necessary. Similar reports can be produced relative to special revenue funds, capital project funds, trust funds, etc. for the town administrator.
- *Produce quarterly revenue reports* - We recommend that the accountant prepare quarterly revenue reports. While the information is not legally required, it can provide useful management information for the town's policymakers. These reports provide essential information to monitor the financial performance of the town, to analyze the underlying causes of any shortfalls, excesses and one-time receipts, to project revenues upon which the ensuing year's proposed spending plan is based, and to make any necessary mid-course budget adjustments.
- *Invoice and payroll verification process* - It is the fiduciary and statutory responsibility of the accountant to verify that there are sufficient funds available to cover any invoice presented for payment, that the intended purchase is consistent with the purpose of the account to be charged and that there is no evidence of fraud. In particular, she should remind department heads that she will not authorize payments where the charges do not match the line-item purpose, i.e., Council of Aging purchases of pastries will not be allowed under the "professional development and travel" line-item.
- *Restate a commitment to policies on purchase orders* - The town has a purchase order policy which requires that every purchase of more than \$1,000 be pre-approved by the town administrator. We recommend the accountant take this opportunity to notify departments and vendors of her commitment to expenditure verification process and the town's policies on purchase orders, including provisions for open accounts and emergencies. The accountant must then commit to the policy and, if necessary, refuse payment when departments are not in compliance.
- *Encumber payroll* - We recommend that the accountant encumber payroll funds when the budget is approved. By encumbering the largest single item for most departments at the beginning of the fiscal year, departments will have better information on the availability of their appropriation balances, which improves control over spending decisions and enhances planning opportunities.

Recommendation 17: Plan to Complete Balance Sheet Early

We recommend the accountant complete preparation of the balance sheet earlier in the fiscal year. When the balance sheet is delayed, so is the town's certification of free cash by DOR and the outside auditor is precluded from beginning the annual audit of the town's books. Without a clean audit for review by credit rating agencies and other financial institutions, the town's ability to borrow is hampered. If, as we have observed, the budget process begins in the fall with revenue projections, the reliability and accuracy of those projections will increase if free cash is certain. Moreover, the Bureau of Accounts now requires the town to submit a completed financial audit, which is contingent on the balance sheet, before it will set the tax rate. But, above all, it is just good practice to close the town's books and submit a balance sheet by the end of September, which is consistent with DLS requirements for setting a timely tax rate. The accountant must identify what prevents completion of the balance sheet and act to resolve issues.

Recommendation 18: Create a Central Repository for Accrued Time

We recommend that the town centralize record keeping for accrued employee sick leave and vacation time. Among her duties, the accountant must annually report, for the purposes of GAAP accounting for financial statements, employee sick and vacation time vested and accrued. This reflects the obligation of the town under contracts to compensate employees, usually upon retirement, for all or a portion of their sick and vacation time earned, but not taken. For many communities, this represents a future, and oftentimes unfunded liability, which can only be determined and planned for with proper procedures for the collection and maintenance of employee payroll information. In Ashburnham, there is no central, reliable repository of this information. As a result, the town has little leverage and an employee's claim of accrued sick leave and vacation time cannot be corroborated or challenged with credibility.

Even if records are maintained at the departmental level, this represents good practice only if corresponding information is also retained in a centralized location, i.e., with the accountant. Otherwise, checks and balances do not exist.

Therefore, as a matter of establishing internal controls, we recommend that the town administrator work with the accountant to implement a centralized system for tracking accrued sick leave and vacation time town-wide with the town's MUNIS software.

Collector

The Ashburnham collector is appointed by the town administrator and has served the town for 3 years. Prior to her appointment, the position was combined with the treasurer and she served as the assistant collector in that office. As a full-time town collector, she possesses the authority to collect real and personal property taxes, excises, betterments as well as other charges and payments due the town. She has no staff, but the town clerk, the assistant treasurer and accounts payable clerk all accept payments over the counter in her absence.

The collector's office issues approximately 3,700 real estate tax bills and 375 personal property tax bills quarterly. She sends the commitment to a deputy collector, Kelly and Ryan, who prints and mails the tax bills. The deputy also receives the motor vehicle excise information directly from the Registry of Motor Vehicles, presents the commitment to the assessors for review and approval, then issues about 7,800 motor vehicle excise tax bills. The deputy collector turns over collections of delinquent motor vehicle excises to a town account weekly.

The collector receives the commitment of water and sewer charges from the Department of Public Works (DPW) and prints, sends and collects the bills on the same quarterly schedule as the real estate tax bills. The DPW has its own software application for water and sewer billing, but generating the commitment for the collector requires a significant amount of rekeying to convert it to MUNIS. She also is responsible for the distribution of trash stickers and collection of fees for the town's "pay as you throw" solid waste disposal system.

Collections are counted and posted in MUNIS to taxpayer accounts as received, and deposited to a treasurer's bank account daily. About half of all real estate collections are processed by bank escrow services. The two largest mortgage companies, Countrywide and First American, pull their own bills, but the other companies rely on the collector to pull the appropriate bills from the commitment. Another 30 percent of real estate tax payments are processed through the lockbox and the remainder are received over the counter at Town Hall. The lockbox also receives 70 percent of all motor vehicle excise collections. The town accepts payments through the internet with a service provided by Unibank

Delinquent accounts are pursued in a timely manner; demands are issued within 14 days; delinquent accounts are typically moved into tax title in May and transferred to the treasurer. The collector maintains an up-to-date receivable control that is reconciled with the accountant every month. In accordance with state law, the office responds to requests for municipal lien certificates promptly.

Conclusion - The collector's office performs all of the statutory duties of the office well. Our few recommendations suggest ways in which she might ease workloads.

Recommendation 19: Shift Water/Sewer Collections

We recommend that the town shift the schedule for water and sewer collections so that they do not fall due at the same time as real estate tax payments. Currently, real estate and water/sewer bills are mailed to tax and rate payers quarterly and in the same month. As a result, all payments arrive at the collector's office at the same time. Delaying or advancing the water/sewer bills by one month would help to spread the workload and ease the demands on the collector during the heavy collection months.

Recommendation 20: Require All Financial Institutions to Pull Their Own Bills

We recommend that the collector require all financial institutions to pull their own property tax accounts from the commitment. More than half of all property tax bills are paid by banks on behalf of residents who have had property taxes escrowed with their monthly mortgage payment. The two largest banks identify their accounts and make the appropriate payment, but the remaining banks ask the collector to identify their accounts. We suggest that the collector require all banks to research their own accounts so that she can spend her time on higher order tasks. To do this, she should provide each bank with a file containing the entire property tax commitment. Alternatively, she could charge the banks for her research time.

Recommendation 21: Electronically Transfer Water/Sewer Billing Information

We recommend that the collector, with the department of public works and the proposed technology committee, research how to electronically transfer the water and sewer billing information between the two departments. Generating the water and sewer bills requires a significant amount of data to be manually re-keyed because the Hersey system used by the DPW to read the billing data is not directly compatible with the MUNIS system employed by the collector. Many towns have solved this problem with an appropriate "bridge" program that translates data from the format used by one software program to a form recognized by another program. We suggest that the collector and DPW contact their software vendors to see if there is an existing bridge program, or the possibility of creating one. In any event, rekeying information is extremely time consuming, and every effort should be made to minimize it.

Assessors

The assessors' office is responsible for valuing all the town's real and personal property, assigning tax payments to owners, and generating the commitments authorizing the collector to collect real estate tax, personal property tax and motor vehicle excise payments. In Ashburnham there is a three-member appointed board of assessors who determine property values, new growth and the overlay. One of the assessors is the full-time administrative assessor who performs all the administrative and clerical functions of the assessing office and serves as the town's parking clerk. In addition to their participation in board meetings, the other two assessors regularly conduct all sales inspections and, unlike most towns, are compensated at an hourly rate.

To ensure that residents are taxed equitably and accurately, an assessing office maintains and updates property records with information received in response to mailings, from deeds and through the on-site inspection of sale properties and properties where a building permit has been issued. Additional information is gathered during an on-going property measure and list program. Upon resident application, assessors act on and track exemptions and abatements. They estimate new growth and conduct classification hearings. The assessors recommend the annual overlay and provide levy information for use in the Tax Recap Sheet submitted to DOR for setting the tax rate. The office is required by DOR to document an annual property value adjustment analysis and to prepare for state certification of property values every three years; FY2009 is a recertification year.

The volume of work in the Ashburnham assessing department involves approximately 2,076 residential real estate parcels, 170 commercial/industrial parcels, 44 parcels of mixed use and 22 parcels in agricultural, forestry or recreational use. There are an additional 223 personal property accounts. All are billed on a quarterly basis. Over the course of one year, motor vehicle commitments total about 7,800 accounts. All properties are inspected every six years as part of a cyclical re-inspection program, although the Bureau of Local Assessment granted the town a one-year extension to allow them to complete the most recently required cyclical inspection in FY2010. On average, the assessors receive 30 abatement requests and grant 70 to 80 personal exemptions each year.

Most office functions are performed in-house by the administrative assessor. Property valuations and building permit inspections are performed by an outside contractor, Mayflower. Vision provides the appraisal software for the assessing office computers to store property data and aid in property valuation analyses. The assessors are very satisfied with the quality of the consulting services and the performance of the software.

Conclusion – Overall, the assessing office performs adequately, although some questions have been raised about the consistency of the data quality. In addition, we observed that the

administrative assessor is sometimes besieged by frequent interruptions at the office window and on the telephone. Our recommendations address these issues.

Recommendation 22: Initiate Quality Control on Inspections

We recommend that the assessors implement a quality control program for inspections. Currently, the two part-time assessors conduct sales inspections and a consultant conducts building permit inspections throughout the year. Although BLA conducts data quality studies as part of the triennial certification of property values, a community should implement its own quality control measures particularly during interim years. We recommend the administrative assessor communicate with the town's BLA community advisor to discuss how this can be accomplished.

Recommendation 23: Close Office to Public

We recommend that the administrative assessor consider closing the office to the public one day a week, or parts of each day. To help handle workloads, some towns are beginning to close offices to the public for a limited time during the week. Undisturbed time allows the completion of tasks that occur on a regular, recurring basis, and tasks that require greater attention to detail which are better performed without interruption. As a change in town hall office hours, approval of the selectmen would be necessary, per the recommendation of the town administrator.

Recommendation 24: Develop Peer Relations

We recommend the administrative assessor explore professional relationships with her peers in other communities. The administrative assessor has taken DOR's Course 101 and Course 200 and is scheduled to take the Massachusetts Association of Assessing Officers (MAAO) Course 2 in February 2009. We recommend that she use the opportunity of these certified educational courses to develop relationships with her peers in other towns. More often than not, a counterpart with experience in another community can provide practical insights into municipal practice that supplements what courses have to offer. To benefit in this regard, she need not wait until a scheduled gathering of assessing officers, but should initiate contact with other departments as questions arise.

Recommendation 25: Reduce Paperwork

We recommend that the administrative assessor cease maintaining the paper files of grantee/grantor records and printing deeds for the paper files. To maintain accurate records, the administrative assistant appropriately makes changes to property records in the Patriot appraisal software when notified of changes in ownership. However, the office also maintains two sets of index cards solely to log a history of grantors and grantees for every property. They are updated, by hand, each and every time a sale occurs and a deed is received. The administrative assessor also prints a copy of each deed which is then placed in an old property file. Keeping an index card file and filing copies of deeds to facilitate research are duplicative and unnecessary tasks. They also run counter to this electronic age where the clear trend is toward paperless record keeping. Based on the few occasions when research is conducted, the amount of time it takes to perform these two tasks for all changes far exceeds the time it would to research a transaction if the card or deed were not available.

Appendix One

December 22, 2008

Board of Selectmen
Ashburnham Town Hall
32 Main Street
Ashburnham, MA 01430

Dear Board Members:

With the announcement that Kevin Paicos, the Ashburnham town administrator, may leave town service, the board of selectman should consider how best to fill this important role until a successor is selected. In this letter, we comment on the subject because decisions will be made well before the release of our financial management report where we would normally address matters of succession.

As a rule, we advise communities to engage in a formal process to screen candidates and select a new town administrator. It should be open and designed to attract the largest number of potential candidates. If residents suspect anything less, then public confidence in the process will be undermined and the ability of the town administrator, as well as the selectmen, to function effectively will be jeopardized. In the case of Ashburnham, a process to select a new permanent town administrator should be thorough, deliberate and should start immediately after Kevin's plans are known.

We typically recommend the creation of a screening committee whose members have relevant backgrounds and experience as private or public sector managers. As a consequence, they bring the benefit of having previously conducted interviews and hired for professional positions. Equally important are those with knowledge of how local government works and with a sense of the qualities best suited for the position. We suggest a committee of five or seven, and a charge to recommend no more than three candidates for the selectmen to evaluate and choose from. If unsatisfied with the screening committee recommendations, the selectmen can always reopen the process.

In addition, since the appointment of a town administrator rests with the board of selectmen, it should resist placing one of its own members on the screening committee. To preserve a balanced evaluation process, all three board members should see the final candidates at the same time and in the same light.


While the screening process is underway and until a permanent replacement is identified, we believe that it would be in the best interest of the town to engage a professional interim

town administrator. Many towns have used this approach during a transitional period between administrators and there are qualified persons who only seek short term assignments and can fulfill this sort of need. In fact, there is precedent in Ashburnham for this strategy as the town previously hired Norman Thidemann on an interim basis between the tenures of Katie Nunez and Kevin Paicos in 2005. We also recognize that more recently, the town had a bad experience with an interim town administrator. Nonetheless, the town can better its prospects with a more carefully planned-out effort to solicit, as well as advertise for, qualified candidates.

Notwithstanding the authority granted in Section 6 of the town charter, however, we do not believe it is appropriate for the selectmen, as a board or individually, to fill the vacancy in the town administrator position even on a temporary basis. The board's actions are constrained by Section 4 of the charter and more so by Section 21A of the State Ethics Code (M.G.L. Chapter 268A). In its summary of conflict of interest laws and in specific reference to Section 21A, the State Ethics Commission states, "As a Selectman, you generally cannot be appointed to any position -- paid or unpaid -- that is both appointed by the Board of Selectmen and is under the supervision of the Board of Selectmen. You must wait 30 days after you finish serving as a Selectman before you are eligible to be appointed to such a position or you must receive approval for the appointment at an annual town meeting of the town." We also believe that this restriction applies equally to the selectmen acting as a board as it does to individual members.

This is a critical time for the town. The Fiscal 2009 budget was balanced with the passage of a recent override and planning for the Fiscal 2010 budget has just commenced. Navigating the town into the future will be a daunting task. We strongly believe a professional interim town administrator would serve town needs best and provide the time needed to conduct a rigorous screening process to select the town's next full-time administrator.

Sincerely,



Scot Keefe
Project Manager
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Acknowledgements

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In preparing this review, DLS interviewed the following persons:

Town of Ashburnham:

Christopher Gagnon, Chair, Board of Selectmen

Jonathan Dennehy, Board of Selectman

Margaret (Maggie) Whitney, Board of Selectman

Francis (Bill) Johnson, Chairman, Finance Committee

Ed Vitone, Chairman, Capital Planning Committee

Kevin E. Paicos, Town Administrator

Sylvia Turcotte, Assistant to Town Administrator

Richard Coswell, Chairman, Board of Assessors

Paul Chute, Assessor

Donna Burton, Administrative Assessor

Anne Cervantes, Treasurer

Barbara Brown, Assistant Treasurer

Carla Clifford, Tax Collector

Elaine Cormier, Accounts Payable Clerk