



**To:** Burlington Board of Selectmen

**From:** Zack Blake, Technical Assistance Bureau Chief  
Melinda Ordway, Sr. Project Manager

**Date:** June 11, 2019

**Re:** Financial Structure Review

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At the request of the Board of Selectmen, the Division of Local Services (DLS) completed a Financial Structure Review for the Town of Burlington. We have based our findings on site visits and information gathered by our Technical Assistance team. During our visit and by telephone, our team interviewed and received information from the town administrator, assistant town administrator/finance director, budget analyst, treasurer/collector, and assistant assessor, as well as other staff members in the accountant and treasurer/collector offices.

DLS staff examined such documents as the annual budget, bylaws, job descriptions, special acts, town report, and organizational chart. In reviewing the town's financial management structure, we have focused on the town's government structure in the context of the duties and responsibilities of financial officers and the degree of coordination and communication that exists between and among officials and staff involved in financial management functions.

We encourage the board of selectmen, town administrator and others, when formulating overall strategies for improving the town's financial management structure, to consider our observations, analyses and recommendations outlined in this memo. These are recommendations only and can be implemented, at the town's option, provided there is sufficient cooperation and interest among Burlington's town officials.

If you have any questions regarding the report, please contact Zack Blake, Chief of the Division's Technical Assistance Bureau, at 617-626-2358 or at [blakez@dor.state.ma.us](mailto:blakez@dor.state.ma.us).

## **Overview**

The Town of Burlington is conveniently located at the intersection of Interstate 95 and Route 3 about 13 miles northwest of Boston. The community has a total population of 25,920 and a per capita income of \$39,408. Of the town's \$146.2 million dollar FY2019 budget, \$112.3 million is derived from the tax levy, \$16.1 million from various local receipts including motor vehicle excise, \$9.5 million from state aid, and \$8.3 million from other non-recurring revenues such as free cash. Burlington provides general government services including police, fire, public education for kindergarten through 12<sup>th</sup> grade, library, sewer, parks and recreation, among others. On balance, Burlington has good management practices and strong economic characteristics as demonstrated by its AAA bond rating by Standard and Poor's.

Burlington's governance and financial management structure are outlined in a series of special acts and local bylaws. A five-member elected board of selectmen are the executive branch of government, while a representative town meeting functions as the legislative branch. Selectmen appoint the town administrator, town accountant, who also serves as assistant town administrator, and treasurer/collector. An elected board of assessors appoints the assistant assessor. There is also an appointed way and means committee that serves in an advisory role on financial matters for the town.

Beginning in FY2018, the board of selectmen appointed a government study committee to explore the structure of operations and provide recommendations. Our team met with the committee last summer to offer recommendations on how to approach the process and gather information to make recommendations. At that time, we also addressed the lack of a town charter, the horizontal nature of government operations, and the need for a cohesive financial management team. Since that visit, the town converted the long-time elected treasurer/collector to appointed and hired a new assistant town administrator/town accountant, who is also described as the town's finance director.

In this context, our recommendations include adopting a town charter to codify, among other things, enhancing the town administrator's powers and responsibilities, establishing a consolidated finance department, clarifying the role of the assistant town administrator, and elevating the role of the budget analyst.

## **Recommendations**

We recommend that Burlington adopt a charter that clearly defines the government structure under which the town operates. It would document all positions, boards, and committees, establish the

distribution of power, and provide lines of authority. A charter would enable the town to institute structural changes, which would help meet the town's long-term goal of improved management and efficient operations.

While there are two methods (MGL Chapter 43B or a special act) to create a charter, the town already has a government review committee (TGSC). The committee is made up of a group of individuals with varying backgrounds that investigated and provided recommended structural changes. If a decision is made to move forward, we believe the selectmen should reconvene and expand the committee's mission to prepare a charter proposal for the residents' consideration rather than re-starting the process with a new group of individuals that would replicate much of the previous process. The resulting charter proposal would require town meeting action to submit it to the state legislature for review and approval as a special act. Adoption usually requires voters' approval as well.

As part of the charter review process, we recommend that Burlington strengthen the administrator's position to ensure coordinated financial management and oversight over all municipal operations. While the incumbent functions well because of years of experience and personal reputation, the position itself lacks formal authority. In reconsidering the role of the position, the town might reflect on the most effective way to bring focus to bear on financial management and centralized decision-making. Over time, a single management presence has emerged as an important way to promote clear lines of authority and accountability in government. Toward this end, the board of selectmen and other elected boards and committees should consider delegating their appointing authority so that department managers are appointed by and report to the town administrator. Appointment could still be made contingent on the approval of selectmen, or other board or committee, if desired.

In establishing a strong town administrator, we recommend that Burlington create a consolidated finance department under the oversight of a newly renamed assistant town administrator for finance. In this department, the offices of the accountant, treasurer/collector and assessors would be combined and report to the assistant town administrator for finance, who would coordinate and supervise the financial activities of the town, keeping the town administrator, selectmen and ways and means committee continuously apprised of activities. The formal adoption of a finance department will institutionalize Burlington's existing working structure and can be accomplished as part of the charter adoption process.

We further recommend that the assistant town administrator for finance position be separated from that of the town accountant. In a community this size, the dual responsibilities can hinder fluid financial management operations. The assistant town administrator for finance should focus full-time on managing and monitoring the city's financial status, holding financial department heads

accountable, and developing long-term financial planning practices. The assistant should conduct financial officers' meetings at least monthly, making periodic briefing to the town administrator, selectmen, and ways and means committee on topics such as the prior year's performance, year-to-date activities, and issues as they come up. The town accountant, meanwhile, will focus on the statutory duties of the office, which include maintaining finance records, preparing various reports (balance sheet, Schedule A, Statement of Indebtedness, and monthly budgeted-to-actual revenues and expenditure), monitoring spending, approving bills for payment and maintaining grants and contracts.

We further recommend changing the budget analyst to a budget director. As budget director, this individual would be formally recognized as having responsibility for budget development, year-round budget monitoring, and long-term planning, while the assistant town administrator for finance would continue to oversee and coordinate the town's finance-related departments and activities. In an expanded role, the budget director would also become more involved in a broader range of financial issues including the recommendation of budget, debt and reserve policies, reviewing and conducting analysis for collective bargaining, and spearheading capital planning.

Lastly, in establishing a consolidated finance department, we recommend folding the purchasing department under the town accountant. Today, the purchasing analyst is a member of the town administrator's staff. Modifying the reporting structure would consolidate the review of accounts payable under one umbrella, bolster oversight, and streamline coordination between the two departments.