



County of Dukes County

Financial Management Review

Division of Local Services / Technical Assistance Section

September 2010



September 27, 2010

County of Dukes County
P.O. Box 190
Edgartown, MA 02539

Dear County Commissioners:

It is with pleasure that I transmit to you the enclosed report, "County of Dukes County, Financial Management Review" with additional copies for distribution.

It is our hope that the information presented in this report will assist the County of Dukes County in meeting its financial planning needs. If you have any questions or comments regarding our findings and recommendations, please feel free to contact Joe Markarian, Director, Technical Assistance Section, at 617-626-2321.

In closing, I would like to thank you and the other officials in Dukes County for your cooperation. I am pleased that the Division of Local Services has had the opportunity to assist the County as part of the Department of Revenue's ongoing commitment to improve financial management practices.

Sincerely,

Robert G. Nunes
Deputy Commissioner &
Director of Municipal Affairs

RGN/ZHB

cc: State Senator Robert O'Leary
State Representative Timothy Madden

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Overview

At the request of the Dukes County Commissioners, the Department of Revenue's Division of Local Services (DLS) completed this financial management review. Our report examines the financial management activities of county government and explores the potential role Dukes County might play in the regionalization of services across Martha's Vineyard.

In reviewing the county's financial management policies, practices and procedures, we documented roles and responsibilities, studied the flow of work within and between county departments, evaluated the degree of coordination and cooperation that exists, and analyzed the overall efficiency and effectiveness of county government. Our findings and the recommendations that follow are based on interviews with county officials and staff including county commissioners and the advisory board, the county manager, executive assistant, treasurer and assistant treasurer. Efforts were made to speak with each county commissioner and member of the advisory board, those that responded are listed in the Appendix. We also examined documents including the county's charter, administrative code, bylaws, annual and supplemental budgets, and the outside audit reports completed for fiscal years 2004 through 2009.

Dukes County was officially incorporated in 1695, and it is one of six remaining counties in the Commonwealth. It consists of Martha's Vineyard and includes the towns of Aquinnah, Chilmark, Edgartown, Oak Bluffs, Tisbury and West Tisbury, plus Gosnold on the Elizabeth Islands. In total, the county encompasses a land area of over 103 square miles. Martha's Vineyard, which comprises the majority of the county, has an estimated year-round population of 15,435, and a seasonal summer population of more than 100,000. There are 19,747 total parcels of real estate and 169 road miles on the island. As a measure of relative community wealth, the estimated per capita income among residents is \$41,124, while the Equalized Valuation (EQV) per capita is \$1,343,361. The average single family home on the island has an assessed value of \$1,041,795. By comparison, the state average estimated per capita income is \$35,852, the EQV per capita is \$165,919 and the average single family home has an assessed value of \$373,702. This disparity between near-average personal income and high property wealth reflects the characteristics of the year-round residents compared to the non-resident property owners.

The county is organized under M.G.L. c. 34A, §18, which serves as its charter. A seven-member county commission elected county-wide is its legislative body. The county commissioners appoint a county manager, institute policy and recommend annual operating budgets to the county advisory board. The county advisory board, comprised of one selectman from each of the seven towns in the county, is primarily responsible for reviewing and finalizing the county's annual budget. They have the authority under M.G.L. c. 35, §28B to increase, decrease or otherwise alter the budget.

Operationally, county government can be divided into four primary segments or divisions, including the county manager, treasurer, airport, and register of deeds. The treasurer and registrar of deeds are both separately elected and accountable to voters, while an appointed commission oversees the

airport. Although each of these divisions operate under the jurisdiction of the county commissioners, they function independently of one another and only come together for administrative purposes and during the budget process. The sheriff's department, which was the largest component of county government at the time, was transferred to the state effective January 1, 2010 (Chapter 61 of the Acts of 2009).

The county manager is the county's chief executive officer. Despite the title however, he has limited authority because of the semi-autonomous structure of county government described above, and only has direct administrative oversight over several programs including the health care access program (VHCAP), integrated pest management program, veterans agent and animal shelter. Historically, the position was responsible for the preparation of the county's annual budget and monitoring financial performance, but this has largely fallen to the treasurer and the manager's full-time executive assistant. In general, the county manager is involved in establishing good relations with the Island's communities and negotiating contracts to provide services under his direct oversight.

The county treasurer, first elected in 1990, also functions as accountant and is responsible for all the money received and paid out by the county. Her authority is defined in M.G.L. c. 35. She supervises the assistant treasurer who is also the appointed parking clerk for the towns on Martha's Vineyard. The assistant treasurer/parking clerk splits her time roughly 50/50 between these responsibilities, and can assume the duties of the treasurer in her absence. Both are assisted by a full-time senior financial clerk.

The Martha's Vineyard Airport is the responsibility of a seven-member appointed airport commission, which employs an airport manager to handle daily operations. The airport, which operates as an enterprise fund – a mechanism of accounting for business like activities – is entirely self-sufficient and only reliant on the county for administrative services (e.g., payroll). Because of federal and state oversight, successful management practices and past litigation, the airport operates independently from the county.

An elected registrar manages the registry of deeds where property transfers are recorded from all seven towns within the county. Her office is located offsite from the county seat, and, like the airport, is only reliant on administrative services provided by the county.

In the Appendix to this report, we include an organizational chart of the county's major departments and their reporting relationships. The graphic illustrates the decentralized nature of Dukes County government structure that, in our view, inhibits strong, cohesive management. As a result, under the present organizational structure, the county manager has little leverage, through line authority, appointing authority, performance reviews or budget control, to direct county government.

As part of this financial management review, we were also asked to examine the potential role Dukes County government might play in the regionalization of services on Martha's Vineyard. We have only considered the narrow issue of whether the county is positioned to take-on greater responsibilities and to serve as an option for towns were they to move toward consolidating certain municipal services, or for regional entities seeking greater efficiencies.

The idea that the six Martha's Vineyard towns might benefit by pooling resources is not a new one. The soundness of the approach is evident in the number of collaborative programs, districts and independent authorities, listed below, that currently operate on the Island.

Martha's Vineyard Regional High School
Up Island Regional School District
Cape Cod Light Compact
Elder Services of Cape Cod and the Islands
Dukes County Regional Housing Authority
Martha's Vineyard Regional Transit Authority
Steamship Authority
Martha's Vineyard Commission
Martha's Vineyard Land Bank
Tri-Town Ambulance
Martha's Vineyard Center for Living (former COAs)
MV Refuse Disposal and Resource Recovery District
Martha's Vineyard Cultural Council
Up Island Council on Aging

While it is not necessarily feasible that all or any of these entities could function more effectively under an umbrella organization, centralized administration of other services may make sense. Looking ahead, it may seem reasonable to envision the county, with thoughtful planning, offering additional services under similar management and cost sharing arrangements.

However, there are obstacles. The current organizational structure is one. The lack of universal confidence in county government is another, as is disagreement on the role of county government on the Island. At the core, overshadowing these management issues is the on-going debate about the role of county government on Martha's Vineyard. Those who view it as the county's role to develop programs for towns, on its own initiative, are at odds with others who believe the county should create services only at the request of the member towns. On this issue, the county charter in state law offers little clarity. In describing the powers and duties of counties and county officers, M.G.L. Chapter 34A alternately states that:

- A county may contract with or sign agreements with other governmental units for the provision of joint, coordinated, or cooperative service provision;
- This chapter shall be construed as intending to give the county power to establish innovative programs and to perform such regional services as...permitted (under the laws and Constitution of the Commonwealth); and,
- It is the intent of this chapter only to permit cities and towns to employ services and facilities of the county for more effective, efficient and adequate provision of services, if and when cities and towns may deem it desirable to do so.

While operating in this environment, we do not believe the county government is at all well positioned to fulfill a meaningful role in the regionalization of municipal services. Furthermore, given

this organizational structure, we have very real doubts that the recommendations we offer to improve operations can be implemented if less than all the impacted parties accept them. Even if recommendations are embraced, we see no assurances of on-going cooperation. Therefore, we suggest that serious consideration be given to an alternative form of regional government. In our first recommendation, we introduce the concept of a council of governments structure. Despite reservations, our report also includes recommendations that address operational issues.

The financial management activities or fiscal components of county government are similar to those of a municipality. Systems are intended to determine how funds should be spent, ensure that funds are spent legally, and that funding is consistent with original intent and that adequate internal controls are in place. However, while cities and towns are subject to rigorous state regulation, including the validation of estimated revenues and actual appropriations under the tax rate setting process and the certification of the year-end fund balance (free cash), no comparable oversight is present in county government. The county was subject to review by the state's county government finance review board under M.G.L c. 64D, §12, but the board was disbanded in December 2009.¹ Historically, the county's budget would not take effect until the finance review board completed a baseline review, including a determination that revenue estimates were appropriate and reasonable and that the allocation of funds was proper. Regulation of the county today is therefore limited, so the need to introduce and follow best practices is all the more important.

To this end, a key element of any financial system is the budget process, which should have clearly defined steps and operate on a schedule with deadlines. However, the county lacks a formal budget process. While county officials take necessary action to estimate revenues, distribute guidelines and deliberate on spending, no clear calendar or time line exists to keep officials on task. As a result, the budget process often runs past the beginning of the fiscal year, requiring interim 1/12th budgets to continue operations. Supplemental budgets are also routinely used to adjust revenues and expenditures, a practice we discourage.

An obligation to monitor budget projections and issue revenue and expenditure reports throughout the year also exists. Timely financial reports are a valuable tool for evaluating county finances and provide information to county officials that show how funds are collected and expended. They also allow for the comparison of actual financial performance to estimates so adjustments can be made, if necessary. Although revenue estimates are produced as part of the budget process, and reports are available to track fiscal activity, these practices should be formalized and routine. We offer a series of recommendations on each of these points.

As far as the handling and accounting of county funds, the outside audit reports reflect the positive work of the treasurer. She has developed various processes and procedures involving the collection, deposit, distribution and accounting of revenues and expenditures. She has also managed cash flow effectively. Money due the county, based on our assessment, is collected relatively quickly, chased down when necessary, and invested as soon as possible in safe instruments. Disbursement procedures through the accounts payable and payroll warrant process are also in place, although there is

¹ The county finance review board operated between FY1990 – FY2009

room for standardization. Our recommendations center on the separation of duties between the treasury and accounting functions that is required of cities and towns, and on the utilization of the county's financial management software to the fullest extent possible.

Beyond these observations, we outline recommendations relative to the work of the personnel board and the development of employee performance review procedures. We also comment on how the county's website is managed, and opportunities to streamline the administration of parking tickets. More recommendations encourage the distribution of open meeting guidelines and the county's annual report. All together, each of these recommendations is intended to either reinforce current practices or introduce others. Nevertheless, when implemented, the guidance we provide can build additional confidence and credibility in county government.

Primary Recommendations

1. Consider a Council of Governments Regional Structure

Councils of Government (COG) have emerged as an alternative to county government in other parts of Massachusetts. The Franklin County Regional Council of Governments (FRCOG) and the Hampshire Council of Governments are examples which were enabled by state law and created simultaneously with the abolition of county government in 1997. Each has a charter adopted by member communities and offers wide ranging services, the cost of which is built into annual assessment or subject to charge in accordance with inter-municipal agreements (IMA). Like a county, there are internal ongoing administrative and financial functions. At a COG, they are carried out by an executive director, managers and staff, who also oversee programs and services provided to member communities. With a slight variation between the two COGS, major decisions and overall policy guidance are directed by governing councils comprised of city and town representatives.

In the delivery of regional services, each of these COGS operates as a host agency. In addition to offering a simpler organizational structure and more direct link to member communities, a COG or host agency has the following appeal:

- A host agency has the ability to offer a wide range of services to member communities on a permanent or ad hoc basis, and can grow into new roles;
- Staff infrastructure and administration are in place, which relieves communities of having to provide supervision and to address personnel issues;
- A host agency buffers municipalities from liabilities, insurance costs and other risks associated with providing a service and with employer-employee relationships;
- Financial resources allow a host agency to engage qualified professionals and to take advantage of higher training and educational opportunities; and
- Communities served by a host agency can pay only for the services they use on an ad hoc basis or can budget an annual assessment for recurring services.

The authority of a host agency (or a county) to enter contracts with other governmental units is derived from the Inter-Municipal Agreements Act (IMA).² Chapter 40, Section 4A allows the execution of agreements between and among governmental units to provide “services, activities or undertakings which any of the contracting units is authorized by law to perform.” Agreements can be approved generally by any person or body authorized to execute a contract on behalf of the town, regional entity or county. This would normally be the selectmen in a town, the governing board in a regional entity and

² Excerpted in part from “Chapter 188 of the Acts of 2008 - Understanding and Applying the New Inter-municipal Agreement Law,” by Laura Schumacher, *City & Town*, Vol. 21, No. 10, pg. 4. See Appendix C for a copy of the statute.

the county commissioners. The maximum length of an agreement is 25 years. It is also worth noting that the purchase of a service under an IMA is not subject to procurement rules under M.G.L. c. 30B. To provide drafting guidance, DLS has developed a checklist of topics that most IMA's should address. (See Appendix B).

2. Form Strategic Planning Committee

Effective January 1, 2010, state legislation authorized the transfer of the state's remaining county sheriff departments to the Commonwealth (Chapter 61 of the Acts of 2009). As a result, over half of total county government operations in Dukes County, including 42 employees, now fall under the jurisdiction of the state. Based on our conversations with officials, these circumstances have prompted a new wave of questions regarding the county's ongoing purpose and value. Earlier, in 2008, a Dukes County Charter Commission workgroup raised similar issues a number of times in its "Outline of Potential Recommendations," but there is no evidence of follow-up.

Some would have Dukes County government play an expanded role in efforts to regionalize municipal services or address needs on an Island wide basis. However, part of this discussion will inevitably revisit the question of whether the county government structure is viable for managing consolidated town services and addressing needs on an Island wide basis. In its 2008 Final Report, the Commission concluded that a lack of confidence in county government was not rooted in a flawed organizational structure, but in poor guidance and judgments made by the county leadership. We understand the Commission's reasoning, but view the county structure and decision making as intertwined. Stated another way, it is our impression that, despite budget approval authority, some local officials' discontent with county government arises from their lack of direct input into program and policy decisions.

County officials are now actively considering new opportunities and seeking outside input on how to adapt county government to meet the needs of citizens and town governments. Despite a strong desire among county and local officials for county government to remain a functioning asset and a resource to the surrounding communities, opinions are diverse on how to move forward and, as a result, no clear strategy has emerged.

To help, we recommend that officials establish a strategic planning committee comprised of a limited number of members, representing a cross-section of county and municipal officials. The committee would begin a process to frame common goals among towns and develop objectives. This process would not only take into consideration the extent of opportunities available, but outline the best organizational structure to carry it out. That might be a reconstituted county government, a council of governments, or no county government at all. Under these options, the Registry of Deeds might be transferred to the Office of the Secretary of State, which currently oversees eight of the original fourteen county registries. The airport commission might function independently in the same way the steamship authority does. In any event, we would expect the committee to hold a series of public forums to solicit input and to publish a report of their findings and recommendations.

Ultimately, how Martha's Vineyard towns will interact in the future on regional issues must be debated, developed and shared by all stakeholders. Once discussion is complete, it will be clear whether regionalization is endorsed as an effective, lower cost means to sustain or add services, and whether county government, or some other regional structure, is regarded as a legitimate building block for success.

Overall Financial Management Recommendations

3. Establish a Formal Budget Process

The budget process in Dukes County appears less than successful. The process is largely ad hoc, despite being grounded in a collection of Massachusetts General Laws and local resolutions (e.g. M.G.L. c. 35, §28, 28B, Dukes County Administrative Code). It is also heavily reliant on the work of the treasurer and executive assistant, both to gather information necessary for decision-making and to develop budgets for individual departments. In addition, the budget is often late, requiring 1/12th budgets to continue operations after the start of the fiscal year. The routine use of supplemental budgets to revise revenue and expenditure expectations further undermines the process.

Clearly, a strong commitment to the budget process is lacking. Communication and the exchange of information between and among county officials needs to improve, and commitment to a more robust and successful budget process needs to emerge. We recommend that the county lay out a plan that parallels the surrounding communities by building in a series of expectations and using a calendar of when various activities should be completed. Below, we offer a framework that can serve as the basis for establishing a sound budget policy:

1. *Establish a budget calendar*: The chair of the county commissioners, a member of the advisory board, county manager, executive assistant and treasurer should meet to map out, and agree upon, a defined budget calendar. Working backwards from the advisory board's final approval, dates should be established for the milestone events described below.
2. *Develop revenue projections and budget guidelines*: The budget process should then begin with revenue projections developed by the treasurer in collaboration with the county manager and executive assistant. Based on revenue projections, the county commissioners and advisory committee would, upon recommendation from the county manager, jointly develop and agree upon a set of budget guidelines to be distributed to departments so they can begin to prepare their appropriation requests.
3. *Issue departmental appropriation requests*: Based on the distributed budget guidelines, department heads should submit their appropriation requests that would be assembled by the county manager and executive assistant into a draft omnibus budget along with revenue assumptions from the treasurer. We expect the county commissioners and the advisory board to hold joint public hearings with department heads to review requests.
4. *Reconcile county commission and advisory board budget recommendations*: Once the county commissioners and advisory board have held hearings and reviewed their respective budget recommendations, a second joint meeting should be held to reconcile the two.
5. *Adopt county budget*: Once consensus is reached between the county commissioners and advisory board, and a public hearing has been held, the final budget should be prepared for adoption.

4. Issue Quarterly Revenue & Expenditure Reports

We recommend that as a matter of routine practice the treasurer distribute quarterly revenue and expenditure reports electronically to the county commissioners, advisory board members, county manager, and department heads. The expenditure report would present the approved budget, expenditures to date, and any remaining funds. Department heads would then be expected to reconcile the information contained within the report against their independent records, so any variance identified can be researched and resolved.

In combination with the expenditure report, the treasurer should also prepare a quarterly revenue report. The revenue report would list the various sources of revenue for the county by department, compare the actual to estimated collections from each source for the month and year-to-date, and present collections in comparison to the prior year or two as a benchmark. These revenue reports provide information necessary to monitor the financial performance of the county, help to analyze the causes of any shortfalls, excesses and one-time receipts, and provide guidance during the budget process.

5. Conduct Quarterly Budget Projections

We recommend that the treasurer conduct quarterly budget projections. Once the fiscal year has begun, it is important to have systems in place to monitor the budget throughout the year. Quarterly projections are a tool used to benchmark year-to-date income and spending against estimated revenues and the approved budget.

Once all financial activity for the last month in a quarter is closed (September, December, March), new projections to year-end can be developed based on expenditure and payroll information contained within the financial system along with information obtained from department heads on their intended expenditures. It is this analysis through year-end that differentiates quarterly projections from the monthly expenditure reports generated by the treasurer. Some narrative analysis of the fiscal picture should also accompany each projection to highlight a specific problem, if any, in a given department that may cause a budget deviance.

Regular budget-to-actual reporting and analysis gives decision makers greater insight into cash flow demands and enhances the number of options available to meet financial challenges. Opportunities are created to adjust spending behavior if revenue is not hitting expectations or if departments are spending more than expected. When revenue trends are strong and expenditures are incurred at a slower pace than anticipated, quarterly projections can, by the end of the third quarter, bring into focus possibilities for larger than expected positive balances. Understanding the breadth and depth of outstanding balances, in turn, enables decision makers to prioritize and manage spending in the fourth quarter, and can increase end-of-year departmental turn backs. This last point can help the county build reserves (i.e. unreserved fund balance).

6. Standardize Payroll and Purchasing Process & Procedures

We recommend that county officials standardize and streamline the preparation of payroll including employee sign-offs and department head verification of timesheets, the accrual and tracking of paid leave, and the disbursement of funds through direct deposit. To this end, we offer the following:

- *Develop an electronic timesheet to be used by all departments:* A uniform employee timesheet should be developed for use by all departments. Whether through BudgetSense or in Excel, timesheets should be formatted to show each day of the pay period and the number of regular pay hours, or sick leave or vacation time used. It can be distributed electronically or in hard copy, and should be signed by employees.
- *Create a uniform coversheet for employee payroll data:* To complement the new timesheets, each department head should complete, sign and submit a coversheet that lists all department employee names and hours credited to regular, sick, vacation or other time, as well as the total hours due during the given pay period. In this way, individual timesheets can remain with the department and the county can centrally account for accrued employee sick leave and vacation time, which can be included on pay advices.
- *Generate a single payroll warrant that includes detail on each employee:* A payroll warrant should be developed that includes, at a minimum, every employee's name and gross salary for the pay period. Net salary may also be included, but individual withholding amounts on the payroll warrant should only be indicated in total.
- *Require direct deposit of payroll for all non-union employees:* Direct deposit eliminates the cost of issuing checks, prevents the need to reissue lost checks and simplifies the reconciliation of payroll bank accounts because there are no outstanding checks.

In the same way that payroll should be standardized, we also recommend that invoices be data entered at the department level and submitted to the treasurer electronically. Requisitions can be data entered in BudgetSense, or as an Excel spreadsheet, and forwarded electronically to the treasurer's office to verify that an expense is lawful, justified, and that funding exists before being converted into a purchase order. The proposed method will not only standardize the purchasing process across all departments, but alleviate unnecessary paperwork in the treasurer's office.

7. Adopt Revised Job Descriptions

We recommend that the county commissioners adopt revised job descriptions. Based on our conversations with staff it appears that a review and update of job descriptions is nearly complete, but for whatever reason, the county commissioners have not yet approved them. As a baseline, it is important in any organization that officials document what employees actually do, and that all responsibilities are confirmed and accounted for.

8. Review Progress on Management Letter Findings

Accompanying the independent audit of the financial statements of Dukes County is a management letter which offers the auditor's comments and recommendations critical to internal controls and other matters of operating efficiency. To facilitate improvements, we encourage the county commissioners to review and monitor progress in resolving issues identified in the management letter. The county manager, working with the treasurer, would be expected to formulate a corrective action plan that would be presented to county commissioners. The concept is to have a comprehensive review and discussion of the issues presented and to outline a plan to execute necessary corrections. Once initiated, the county manager would be expected to update county officials on progress to resolve the findings.

9. Change Title of Executive Assistant to Deputy County Manager

We recommend that the executive assistant's title be changed to deputy county manager. As outlined in her updated job description, the county manager's executive assistant performs a wide array of highly visible and responsible administrative functions that require a comprehensive knowledge of county operations and the exercise of judgment in dealing with the public. As demonstrated during our visit, the executive assistant works independently, assists in day-to-day management activities, and is often called upon to respond to operational issues. All of which are more aligned with the title of deputy county manager than an executive assistant.

10. Develop Employee Performance Review Procedures

In accordance with the Dukes County Personnel Bylaws, annual employee performance evaluations occur at year-end. Completed by the department head or appointing authority, the review is goal oriented and includes a recommendation for a salary step increase. While we credit the county for developing a policy on employee performance reviews, we feel renewed attention would provide for a more meaningful and constructive process.

We recommend that a well thought-out annual employee performance review program include guidelines that identify step-by-step procedures for reviewing an employee's work responsibilities, an outline of previously established goals and job expectations for the upcoming year, and a schedule identifying when evaluations will take place on an annual basis. We encourage county commissioners to complete an annual performance review of the county manager, who, along with the treasurer, register of deeds and airport manager would orchestrate performance evaluations for staff under their authority.

An evaluation program works best when recognized as a two-way process. Employee performance is an obvious focus, but employee opinion and comment during the process can also provide valuable insight to management. Ultimately, the evaluation process should evolve into a

collaborative effort that leads to improved job performance, enhanced government operations and a better work place environment.

11. Define Personnel Board Responsibilities

In May 2010, the county commissioners established a personnel board by an enabling resolution to oversee human resource-related affairs of the county. Yet to be formed, the board will be comprised of five members – four at the recommendation of the county manager and appointed by the county commissioners, plus a county employee elected by full-time staff. The board's responsibilities, among others outlined in the resolution, include maintaining the personnel system, implementing and periodically reviewing practices and procedures, evaluating the employee classification plan, and assisting departments on personnel related management issues.

A personnel board can have a meaningful and productive role in the county where there is no personnel director or human resource presence. However, we caution against establishing yet another layer of officials whose jurisdiction is limited. The board, more importantly, might serve to assist county commissioners by reviewing and documenting personnel procedures in matters of recruitment, selection and hiring, promotion, performance evaluations, grievance, discipline and termination, as well as policies concerning employee safety, affirmative action, sexual harassment, internet and email use.

12. Adopt County-Town Service Agreements

The county currently provides integrated pest management and healthcare access to the island's municipalities on an a la carte basis. Funded outside of the county assessment, these programs are financed by individual communities through a warrant article at spring town meeting. Although the towns have collectively supported these services in the past, the programs operate without any formal agreement or certainty that they will be funded in the future.

This arrangement poses a particularly difficult budget issue for the county, because they rely on the collective funding from each town to support ongoing service levels. If, for example, a participating community decides to withdraw from the integrated pest management program at town meeting, the county will be unable to fund the service in its entirety, and may force the remaining towns to find a last minute solution.

As an alternative, we suggest that the county enter into a formal, written intermunicipal agreement(s) with participating communities. An intermunicipal agreement can describe the purpose, intent, structure and program or service to be provided. And, unlike the current arrangement, it can include a series of opt out provisions to allow for an adequate period of time if a given town or the county no longer wishes to continue the service. For additional information see M.G.L. c. 40, §4A.

13. Review & Update County Website

The county manager's executive assistant currently serves as the point person for coordinating updates to the county website. Not only is this role time-consuming, but it can be difficult to keep information current. Moving forward, we recommend that the executive assistant, with support from the county manager, hold quarterly department head meetings to review and discuss the website. This group would work together to organize updates, as well as any other meaningful improvements. In this way, the executive assistant can coordinate improvements to maximize her time spent on website related activities.

14. Consider Parking Enforcement Opportunities

Dukes County recently resumed control of processing parking tickets for the island, which had been previously contracted out to Plymouth County. Under the new in-house setup, parking tickets continue to be issued by local law enforcement, but are now turned over to the parking clerk on a weekly basis who manually enters them into the new software program NetTech. NetTech functions as a clearinghouse for tracking and accounting for citations.

Although the process operates smoothly, it appears duplicative and requires manual entry of data. Challenges also remain with collections and the number of outstanding receivables, which can be attributed to the seasonal nature of the island's population. Nevertheless, we credit improvements that have been made including the additional convenience to pay parking tickets via credit card.

Below we offer a series of recommendations that local officials may want to consider to enhance parking enforcement operations administered by the county:

- Adopt online pay method: An online payment application, available through NetTech, would provide a secure and convenient means to complete transactions;
- Consider handheld electronic ticket devices: Handheld ticket devices streamline the day-to-day issuance of citations and eliminate manual data entry by electronically updating the software database with ticket information (available through NetTech);
- Consider utilizing the services of a deputy collector: Despite the county's ability to mark licenses and registrations, a deputy collector may be able to obtain additional monies owed the county or provide evidence that accounts are uncollectible.

15. Review Employee & Retiree Health Insurance Costs

We recommend that the county annually review cost saving options of providing employee health insurance. Program choices, relative plan deductibles and employee co-pays should be part of the analysis, as well as the possibility to negotiate larger percentage contributions from employees and retirees (as of 7/1/10 active employees contribute 25 percent toward the cost of health insurance, while

retirees contribute 10 percent). In addition, officials should routinely shop around to joint purchasing groups, regional health insurance consortiums and the state Group Insurance Commission (GIC). Using reasonable benefit assumptions, a comparison of competing program costs can be developed to identify potential savings for the county. To the county's credit, they have accepted M.G.L. c. 32B, §18, which saves money by requiring eligible retirees to enroll in Medicare B at age 65.

16. Distribute New Open Meeting Guidelines to All Boards & Committees

On July 1, 2010, revisions to the state's Open Meeting Law went into effect. Now under the enforcement authority of the Attorney General's Office, the law is designed to enhance transparency of public policy deliberations by expanding meeting notice, posting and record keeping requirements. Among the changes that officials should be aware of are the following:

- Notice of public meetings must be given 48 hours in advance, posted in a location accessible to the public at all times, and include a list of topics the chair reasonably expects to discuss;
- Minutes for all meetings must include a summary of discussion, as well as actions taken and a list of documents used at the meeting; and,
- Email use is only for scheduling and the distribution of agendas, reports, documents or information that may be discussed at a meeting, and should not express opinion or include deliberation.

While it is our understanding that the new open meeting guidelines have been distributed, officials across Dukes County should reinforce the importance of following them. For additional information and instructions, an [Open Meeting Law Guide](#) and other resources are available on the Attorney General's website, www.mass.gov/ag, under the "Open Meeting Law" link.

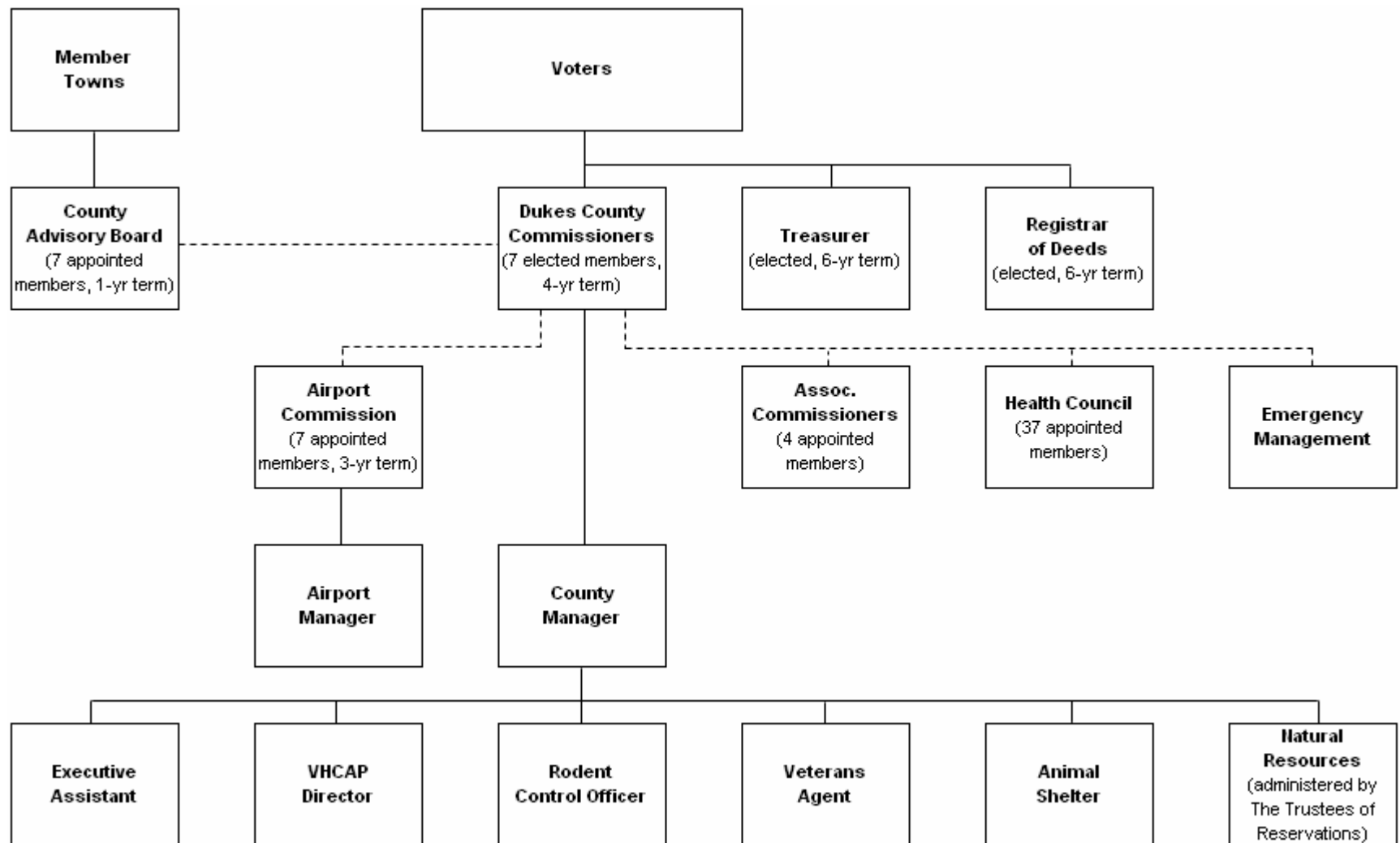
17. Publish Annual Report

Under Massachusetts General Law (M.G.L. c. 35, §§25, 26) the county is required to publish an annual report each year in July. Although officials continue to document county and departmental activity, a formal annual report has not been published in recent years. Therefore, in order to comply with the law and to avoid the expense of publishing the report for general distribution, we recommend that county officials simply issue the annual report in portable document format (PDF) on the county's website. As part of the report, we also suggest that the county include a description of each department, division or agency associated with the county, along with a brief narrative highlighting prior year goals and accomplishments.

18. Appoint County Treasurer

This recommendation is not a reflection on the performance of the current treasurer, who we feel is a valuable asset to the county. However, at an opportune time in the future (e.g. upon retirement), we recommend that the county file special legislation to convert the elected treasurer to one appointed by the county manager. As an appointed position, the county can establish minimum job qualifications, conduct an extensive interview process and complete a background check of potential candidates. With access to a broader pool of candidates, the county can attract a person with the strongest credentials and/or most relevant professional experience.

Appendix A:

Dukes County Organizational Chart

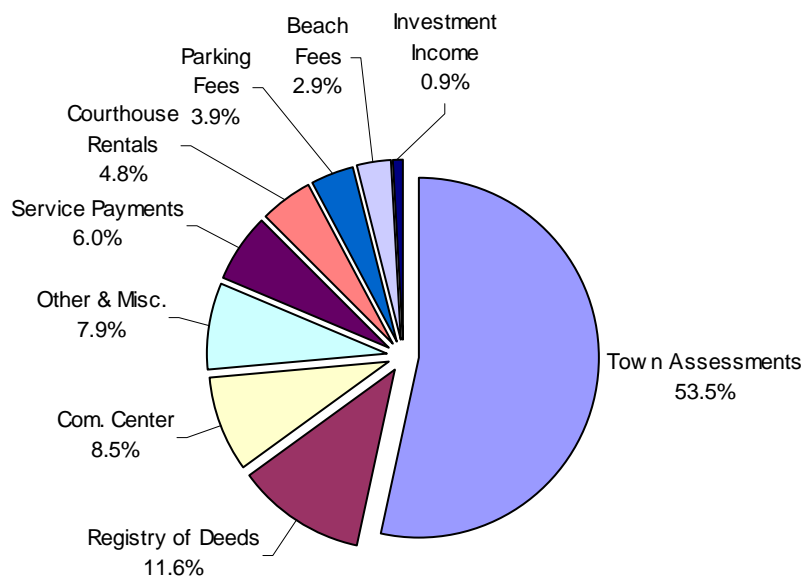
Trends in Dukes County Revenues by Source*

FY	Town Assessments	Registry of Deeds	Com. Center	Other & Misc.	Service Payments	Courthouse Rentals	Parking Fees	Beach Fees	Investment Income	State Grants	Total Revenues
2004	\$714,586	\$392,727	\$77,737	\$157,899		\$49,208	\$49,195	\$54,400	\$4,609		\$1,500,361
2005	748,729	332,626	181,671	176,887		51,450	43,114	50,795	8,891	114,353	1,708,516
2006	734,483	296,562	127,317	162,746		34,568	37,597	3,565	17,514	43,728	1,458,080
2007	769,530	265,519	129,267	165,630		52,588	38,873	685	9,215	35,890	1,467,197
2008	788,769	226,731	137,260	146,701		62,688	36,793	1,457	6,489	13,919	1,420,807
2009	808,488	213,768	143,292	287,754		65,708	44,816	13,475	7,060	5,000	1,589,361
2010	828,701	195,000	135,000	143,800	121,479	77,000	43,700	45,000	14,000		1,603,680
2011	849,419	185,000	135,000	125,000	95,046	77,000	62,000	45,500	15,000		1,588,965

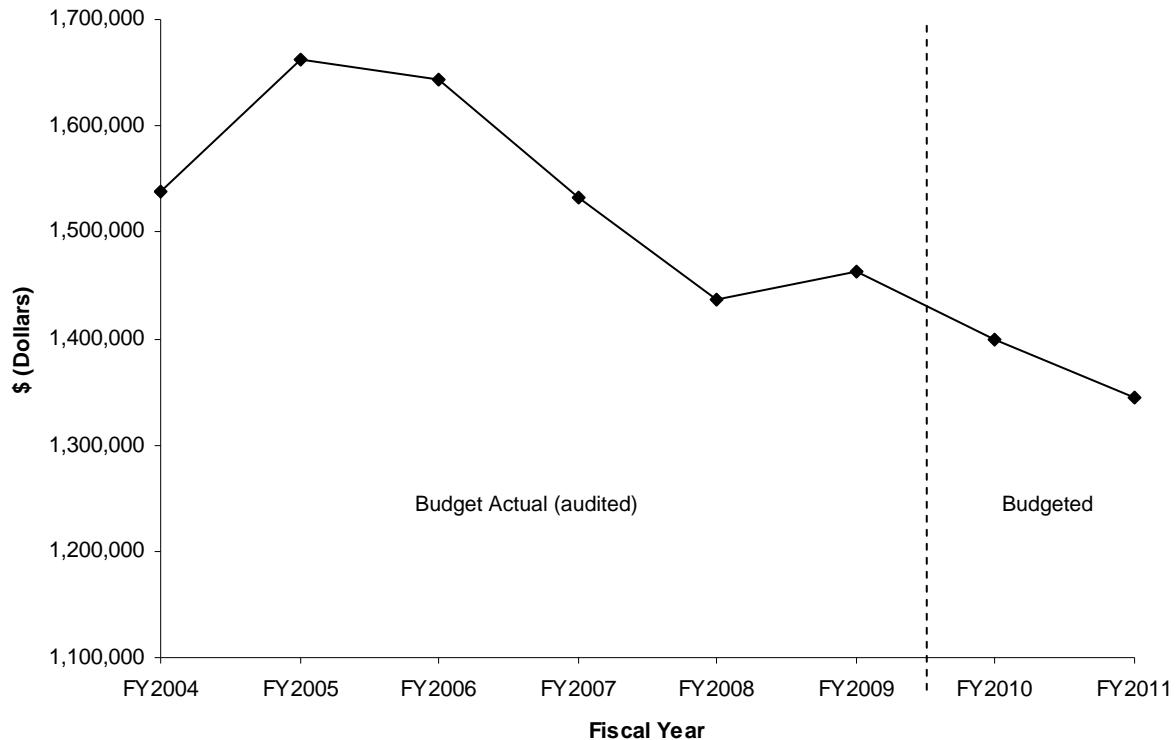
* FY2010 & FY2011 budgeted figures as presented in the FY2011 Budget Summary; excludes sheriff, deed excise & other business activities

As Percent of Total Revenues

FY	Town Assessments	Registry of Deeds	Com. Center	Other & Misc.	Service Payments	Courthouse Rentals	Parking Fees	Beach Fees	Investment Income	State Grants
2004	47.6%	26.2%	5.2%	10.5%		3.3%	3.3%	3.6%	0.3%	0.0%
2005	43.8%	19.5%	10.6%	10.4%		3.0%	2.5%	3.0%	0.5%	6.7%
2006	50.4%	20.3%	8.7%	11.2%		2.4%	2.6%	0.2%	1.2%	3.0%
2007	52.4%	18.1%	8.8%	11.3%		3.6%	2.6%	0.0%	0.6%	2.4%
2008	55.5%	16.0%	9.7%	10.3%		4.4%	2.6%	0.1%	0.5%	1.0%
2009	50.9%	13.4%	9.0%	18.1%		4.1%	2.8%	0.8%	0.4%	0.3%
2010	51.7%	12.2%	8.4%	9.0%	7.6%	4.8%	2.7%	2.8%	0.9%	0.0%
2011	53.5%	11.6%	8.5%	7.9%	6.0%	4.8%	3.9%	2.9%	0.9%	0.0%

FY2011 Estimated County Revenues by Source

*excludes sheriff, deeds excise and other business related activities (e.g. airport)

Dukes County Total Budget*

	Budget Actual (audited)						Budgeted	
EXPENDITURES:	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
County Commissioners	\$137,861	\$169,276	\$170,141	\$200,962	\$88,294	\$125,835	\$161,161	\$167,350
Parking Clerk	31,634	36,296	37,484	38,178	38,801	41,730	45,912	79,876
Courthouse/Admin. Building	78,663	77,008	92,262	151,803	109,078	108,848	121,793	131,302
Treasurer	188,085	210,398	210,677	229,142	243,592	257,481	260,210	227,947
Registry of Deeds	326,362	423,012	331,720	339,876	384,012	339,231	276,202	282,361
Emergency Management	8,512	3,440	6,030	6,900	11,961	9,002	9,155	9,418
Health Council	3,545	5,579	2,543	4,895	2,407	23	500	500
Health and Human Services	67,017	64,835	68,791	80,209	85,270	91,925	122,742	86,937
Engineering	74,778	73,704	73,862	74,033	37,689			
Employee Benefits	217,934	223,351	215,604	235,988	253,261	281,584	218,189	167,807
Veterans Agent	35,376	37,340	38,857	53,445	55,663	59,595	62,726	64,247
Health and Environment	68,620	33,711	34,025	6,337				
Recreation	102,537	114,852	41,985	6,731	4	52		
Rodent Control	52,148	56,565	58,380	62,476	64,908	68,640	73,018	76,642
Charter Study Commission				3,014	11,831	5,481		
Other Expenditures	144,809	133,023	261,640	38,871	49,410	73,090	46,589	50,968
TOTAL BUDGET:	\$1,537,881	\$1,662,390	\$1,644,001	\$1,532,860	\$1,436,181	\$1,462,517	\$1,398,197	\$1,345,355
FUND BALANCE, end of year:	\$226,887	\$287,162	\$147,535	\$244,691	\$197,409	\$203,172		

*excludes sheriff, deeds excise and other business related activities (e.g. airport)

Appendix B:

Inter-Municipal Agreements

Drafting Guidelines

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Title

**TERMS AND CONDITIONS OF AN INTER-MUNICIPAL AGREEMENT
BETWEEN THE TOWN OF _____ AND THE TOWN OF _____**

I. General Terms:

- A. State the names of each participating city and town
- B. Identify the effective date and term of agreement
- C. State the general purpose of the agreement
- D. State that costs will be shared
- E. State how municipalities may terminate participation (required)
- F. State how the agreement may be amended
- G. Acknowledge acceptance of liability under agreement
- H. Include a severability clause; identify applicable laws
- I. Provide addresses for official notices

II. Operations Terms and Conditions ³

- A. Describe services to be provided:
- B. Identify personnel or department to perform services
- C. Establish reporting relationship and successorship in shared department
- D. Specify where shared services, personnel or department will be located
- E. Establish lines of communication among participating municipalities

³ Excerpts taken from "Understanding and Applying the New Inter-municipal Agreement Law," by Laura Schumacher, City & Town, Vol. 21, No. 10, December 2008.

- F. Describe dispute resolution process

III. Finance Terms and Conditions

- A. Identify salaries, wages and benefits to be shared
- B. Identify operating expenses to be shared
- C. Address sharing of capital cost incurred prior to and after agreement date
- D. Describe how each participant approves the shared budget
- E. Describe how shared costs will be allocated
- F. Describe payment methodology
- G. Specify insurance and indemnification requirements

IV. Provisions for Financial Safeguards Required by c.40, s.4A

- A. The HOST town must maintain accurate and comprehensive records of services performed, costs incurred, and reimbursements and contributions received;
- B. The HOST town must arrange for the performance of annual audits of such records, which audits can be part of the HOST town's annual, independent audit of its financial statements.
- C. The HOST town must ensure that all officers or staff responsible for carrying out the terms and conditions of this AGREEMENT shall give appropriate performance bonds.
- D. The HOST town must provide the PARTIES with monthly expenditure reports and quarterly revenue reports and any other information reasonably requested by the NON-HOST town to present a complete picture of the financial condition of the shared department, function or position.
- E. The PARTIES otherwise must to comply with all other provisions of M.G.L. c.40, s.4A.

V. Signatures

- A. Provide lines for signature, titles and date of a city mayor and each city councilor, town board of selectmen and/or district prudential committee.

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

In preparing this review,
DLS interviewed the following individuals and town personnel:

Carlene Gating, Vice Chair, County Commissioners
Tristan Israel, County Commissioner
Leslie H. Leland, County Commissioner
Melinda Loberg, County Commissioner
Arthur Smadbeck, Chair, County Advisory Board
Jeff Kristal, County Advisory Board
Ron DiOrio, County Advisory Board
Russell Smith, County Manager
Martina Thornton, Executive Assistant
Noreen Mavro Flanders, Treasurer
Carol Grant, Assistant Treasurer/Parking Clerk