

TOWN OF HOLBROOK

FINANCIAL MANAGEMENT STRUCTURE | A COMMUNITY COMPACT CABINET INITIATIVE

JULY 2016



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

PREPARED BY:

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DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Michael J. Heffernan
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

July 19, 2016

Timothy J. Gordon
Town Administrator
50 North Franklin Street
Holbrook, MA 02343

Dear Mr. Gordon,

I am pleased to present the enclosed financial management structure review for the Town of Holbrook as part of the Baker-Polito Administration's Community Compact Cabinet initiative. This collaborative program strives to create clear mutual standards, expectations, and accountability for both the state and municipalities. It is my hope that our guidance provides direction and serves as a resource for local officials as we build better government for our citizens.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean R. Cronin".

Sean R. Cronin
Senior Deputy Commissioner

Supporting a Commonwealth of Communities

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INTRODUCTION

At the request of the board of selectmen, a team from the Division of Local Services (DLS) reviewed the Town of Holbrook's financial management structure. This project was initiated through the Community Compact Cabinet, whose goal is to encourage the implementation of municipal best practices that promote good governance by fostering efficiency, accountability, and transparency in local government. As a best practice, a well-organized financial management operation supports these ideals by streamlining reporting relationships, reinforcing policymaking efforts, strengthening internal controls, and facilitating a cohesive team environment.

Our report begins with a brief overview of Holbrook and its current financial management operations. We then propose reorganizing its existing accounting, treasury, collection, and assessing functions into a single, consolidated, municipal finance department led by one of the department heads, serving in a dual capacity as the finance director. We conclude with a series of other recommendations relating to restructuring financial operations.

COMMUNITY PROFILE

The Town of Holbrook is a small community south of Boston with a land area of about 7.35 square miles and a population of 10,952 (2013 US Census). While shoe and chemical manufacturing flourished in the community when it was incorporated in 1872, these have long since ceased, and the town is now predominantly residential.

Holbrook's FY2016 operating budget of \$39.6 million was funded through four revenue sources: the property tax levy (60.9 percent), state aid (18.2 percent), local receipts (20.6 percent), and other available sources (0.3 percent). The town offers a full range of municipal services, including a full-time police force, fire department, ambulance service, regional dispatch, public works department, library, and council on aging. The town has its own K-12 school system and is a member of the Blue Hills Regional Technical School and Norfolk County Agricultural High School Districts. Education-related expenditures represent the largest portion of the town's annual general fund operating budget at 39.8 percent. Holbrook's average single-family tax bill of \$4,984 ranks 20th among Norfolk County communities and 142nd statewide in FY2016, and it is slightly below the statewide average bill of \$5,419.

Holbrook operates under a board of selectmen-representative town meeting form of government. The elected, five-member select board serves as the town’s chief policymaking body, while legislative responsibilities are carried out by the 240-member town meeting, which is elected from four precincts. The town also has many separately elected boards and officials with no reporting relationship to the selectmen (*FIGURE 1: CURRENT ORGANIZATIONAL STRUCTURE*). This decentralized organizational structure inhibits coordination and accountability.

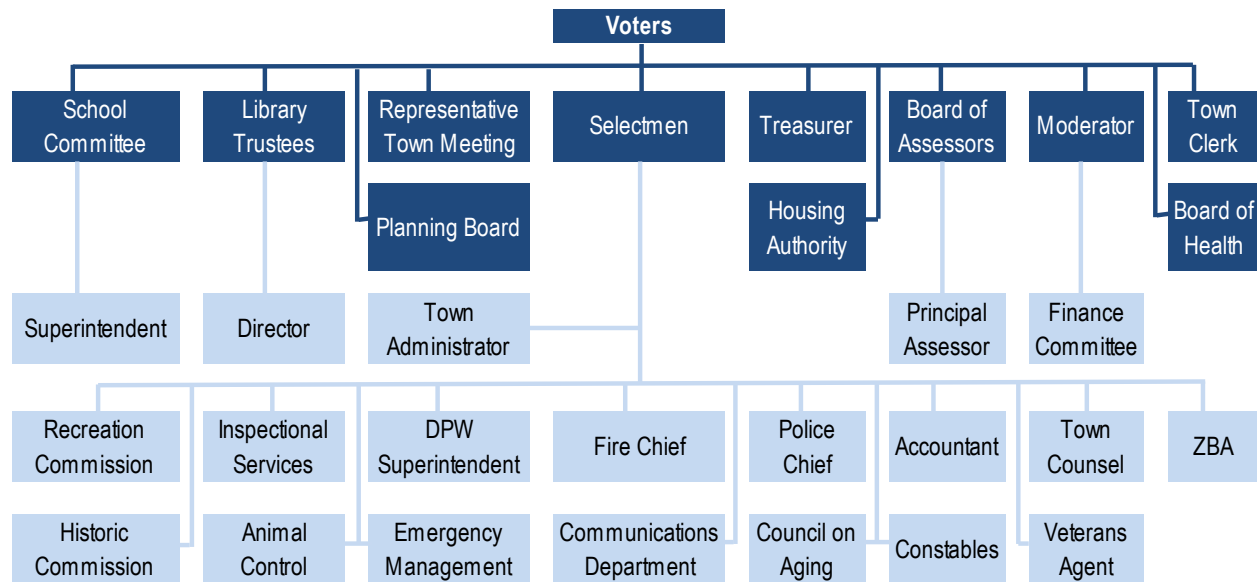


FIGURE 1: CURRENT ORGANIZATIONAL STRUCTURE

The annual budget process is handled by the finance committee, whose nine members are appointed by the moderator. The committee considers all municipal warrant articles, crafts a balanced annual budget from committee and department requests, and makes recommendations to town meeting. There also is a capital improvement planning committee that prepares and makes recommendations on the town’s five-year capital plan and annual capital budget to town meeting.

The selectmen appoint a town administrator to serve as chief administrative officer, supervise all department heads under the selectmen’s authority, and liaise with separately elected boards and officials. He keeps the selectmen informed of administrative and financial matters, studies and recommends long-range strategic and capital plans for the community, and assists the selectmen in contract negotiations and personnel matters. The town administrator has limited involvement in general financial management but provides assistance to the finance committee in developing the annual budget. While no town bylaw establishes the position, the town administrator is referenced in the bylaws as an ex officio staff member of the capital improvement planning committee (2-15),

as chairman of the audit/financial management committee (2-15A), and as an official responsible for the disposition of noncriminal violations (13-1).

For many years, Holbrook has battled with financial management problems, as illustrated by the following:

- Since FY2008 (excluding FY2012 audit), Holbrook has been cited in its independent auditor’s management letters for material weaknesses and significant deficiencies in various periodic reconciliations, including bank statements, cash, receivables, special revenue funds, and student activity accounts. In addition, although the auditor repeatedly encouraged the treasurer/collector to be more aggressive in pursuing receivables, liens and foreclosures, the auditor cited this as a significant deficiency in FY2013. This was due in part to no new tax title takings being initiated since 2009. In fact, new tax takings were not recorded until November 2015.
- Between FY2009 and FY2012, DLS required Holbrook to have independent audits completed and its free cash certified before DLS would approve its property tax rate. This was the result of multiple concerns, including fund balance deficits, overdrawn accounts, lack of cash reconciliations, negative free cash certifications, and unbalanced tax recap sheets.
- Outstanding property taxes are a significant concern. Holbrook’s uncollected rates have ranged from 6.3 percent to almost 10 percent in recent years (*TABLE 1: OUTSTANDING PROPERTY TAXES, TAX TITLES, AND TAX FORECLOSURES*). Uncollected tax balances greater than five percent of the tax levy (net overlay) or increases over time are indicators of inadequate collections procedures and a weak fiscal position. When tax titles are included, the town’s total amount of uncollected FY2015 taxes rises to over \$4.1 million, or about 18.5 percent of the net levy. Also of note is the growing foreclosure balance, which is money owed the town from assessments to properties no longer active on the tax roll. Holbrook’s combined uncollected property tax, tax title and foreclosure balance is \$5.3 million, or about 23.7 percent of the net levy, and ranks 16th statewide.

Fiscal Year	Property Tax		Levy Net of Overlay	Outstanding	Percentage	Tax Liens/ Tax Title	Tax Foreclosures/ Possessions
	Levy	Overlay		Property Taxes Receivables	Property Taxes Uncollected ①		
FY2010	19,688,359	263,056	19,425,303	1,223,287	6.30%	2,113,746	494,471
FY2011	20,396,687	260,621	20,136,066	1,647,199	8.18%	2,026,956	738,130
FY2012	20,934,652	246,464	20,688,188	1,727,570	8.35%	2,316,027	560,592
FY2013	20,931,738	264,340	20,667,398	1,649,507	7.98%	2,361,221	791,276
FY2014	21,668,218	266,007	21,402,211	2,135,757	9.98%	2,070,083	1,213,761
FY2015	22,519,871	273,376	22,246,495	2,122,393	9.54%	1,992,420	1,147,753

① If uncollected property taxes remain between 5%-8% of a community’s net tax levy (tax levy less overlay), or the trend shows uncollected taxes increasing, the town is in a weak financial position in terms of tax collection. This may be a consequence of weakness in the local economy, or a result of inadequate tax collection procedures and inattentive financial management. An increasing percent of uncollected taxes would lead to long-term cashflow problems for the community. If left unchecked, inadequate cashflow would impact a community’s ability to pay its obligations (debt or otherwise) on time, or force it to defer necessary purchases.

TABLE 1: OUTSTANDING PROPERTY TAXES, TAX TITLES, AND TAX FORECLOSURES

Source: Division of Local Services

- During the FY2016 property tax rate setting process, Holbrook failed to factor in an appropriation for a new debt payment. The town had issued \$38.5 million debt on the estimated \$47 million cost of a new school construction project (after state reimbursements) in December 2015. The debt excluded principal and interest costs were included on Tax Recap Form DE-1, however, an appropriation was not voted by town meeting and the costs were not on Page 2 of the recap. DLS staff noted there was a \$553,397 in excess levy capacity but was assured it was correct. When officials realized the error, the rate was already approved, and DLS did not have the authority to change it. In January 2016, [Chapter 9 of the Acts of 2016](#) was enacted so Holbrook’s property tax rate could be recertified. To accommodate the additional \$723,800 debt expenditure, the property tax levy was raised to the levy limit, local estimated receipts increased \$168,439, and the overlay was reduced by \$3,737.
- More recently, DLS discovered that additional town debt obligations were not provided for properly in the FY2016 and FY2017 budgets. In April 2015, the treasurer/collector refunded \$3.97 million of prior debt at a lower rate and issued an additional \$4.6 million in new water debt. While the FY2016 debt budget provided for a slightly higher amount for the refunded debt cost based on the old debt service schedule, the treasurer/collector did not factor in the \$692,913 new water debt expense. A second smaller debt issue for a dam repair also was issued in 2015 and the first payment is due in December 2016, but nothing was budgeted for the \$7,375 expense in the FY2017 budget.

Holbrook will have to raise the water deficit, which also will be a hit against the water enterprise fund’s retained earnings, during the fall town meeting. At that time, town meeting will have to appropriate funding for the shortfall in the debt budget. In addition, DLS is requiring a detailed analysis of all existing debt to make sure everything is fully accounted for and properly provided for and, in conjunction, town officials will be preparing a complete preliminary Tax Recap by September.

Over the years, the town has attempted to take steps to resolve concerns about its financial management operations, including:

- In 2002, DLS conducted a Financial Management Review of Holbrook. At that time, we made 11 recommendations ([TABLE 2: FINANCIAL MANAGEMENT REVIEW RECOMMENDATIONS, JANUARY 2002](#)), and the town has acted on a few. Of note, two recommendations not pursued were strengthening the town administrator’s role in overseeing general financial management and the budget process as well as establishing a financial team.

1. Formalize a Strong Financial Role for the Town Administrator	7. Report Insufficient Funds & Voided Checks Timely
2. Establish a Financial Team & Formal Capital Planning Process	8. Pursue Other Receivable Balances
3. Modify the Budget Appropriation Format	9. Standardize Departmental Receipts Reports
4. Adopt Enterprise Funds for Water and Sewer Operations	10. Report Foreclosure Accounts
5. Expand Electronic Transfer of Information	11. Prepare for GASB Statement 34 Implementation
6. Establish Uniform Backup Procedures	

TABLE 2: FINANCIAL MANAGEMENT REVIEW RECOMMENDATIONS, JANUARY 2002

Source: Division of Local Services

- In 2010, town meeting approved a ballot question for the annual town election to make the treasurer/collector's position appointed, but the referendum failed by a 287 to 247 margin.
- In 2010, a nine-member government study committee formed by the selectmen examined the town's bylaws and distribution of power among the elected and appointed officials, reviewed town government functions, conducted a survey, studied other communities' organizational models, and proposed a charter. However, town meeting members rejected (89-36 votes) the charter in 2012, over concerns about centralizing too much authority in a proposed town manager position and the costs of creating new professional positions, such as human resources director, finance director, and director of public service.

Within the last year, Holbrook hired a new tax title attorney, who is pursuing collections and evaluating foreclosure options with the goal of getting outstanding amounts paid rather than taking properties. For the first time, the town administrator prepared a complete, balanced FY2017 budget proposal for the selectmen's review. Prepared in a parallel process, the finance committee's recommended operating budget to town meeting mirrored the town administrator's proposal. Town meeting voted again to place a question on the April 2017 annual town election to change the treasurer/collector to an appointed position. And lastly, the selectmen applied through the Community Compact Cabinet for this financial management structure review as well as for assistance in developing financial policies as a separate project.

CURRENT FINANCIAL OPERATIONS

The accountant's office oversees all financial activity of the municipality. They review and process vendor invoices, review payroll submissions, and prepare warrants for the selectmen's approval. The accountant conducts cash and receivables reconciliations with the treasurer/collector, tracks revenues and expenditures throughout the year, and produces and distributes monthly departmental expenditure reports. The office submits reports to DLS and prepares schedules for the external audit firm. The accountant was hired in June 2016, and the office also includes a full-time assistant town accountant.

Treasury and collection responsibilities are combined into one office headed by an elected treasurer/collector. As treasurer, he is responsible for managing the town's cash, debt and tax title accounts, and for overseeing the weekly payroll and employee insurance benefits. The treasurer conducts cash and receivables reconciliations with the accountant, and he serves as the information technology (IT) director for town departments. On the collection side, the office bills and collects property tax bills quarterly, water and sewer bills quarterly, trash bills semiannually, and motor

vehicle excise annually. The office prepares municipal lien certificates, issues demand notices to delinquent taxpayers, transfers subsequent taxes on existing tax title accounts, responsible for tax takings, and warrants outstanding excise to the deputy collector. The treasurer/collector was first elected in April 2010, and the office also has an assistant treasurer and two collection clerks.

An elected, three-member board of assessors oversees the assessing office. The board employs a principal assessor, assistant assessor, and part-time clerk. Appointed in January 2015 after having served as a consultant for the town in 2014, the principal assessor manages day-to-day operations and supervises the staff. The office is responsible for determining full and fair cash valuations, classifying all property, assigning tax payments to owners, and generating the commitment authorizing the treasurer/collector to collect property taxes and excise. The principal assessor conducts field work (e.g., inspections of building permit, sale and abatement properties), maintains an ongoing measure and list program, prepares interim year value adjustments, and does revaluations in-house. He estimates new growth, provides information for tax classification hearings, recommends the annual overlay, and prepares the Tax Recap Sheet for submission to DLS for setting the property tax rate. Acting on the recommendations of the principal assessor, the board approves property values and assessments, tax and excise commitments, abatements, and exemptions.

These three financial offices operate independently of each other. While they all participate in the monthly department head meeting run by the town administrator and interact on an ad hoc basis, they do not hold regular meetings to discuss financial matters. This flat organizational structure differs from most of a peer group of 13 communities we constructed using similar population and budget figures to Holbrook (*TABLE 3: COMMUNITY DEMOGRAPHIC AND FINANCIAL COMPARISON* and *TABLE 4: COMPARABLE COMMUNITIES' FINANCIAL STRUCTURES* in the Appendix). In a review of these peers' charters, special acts, and bylaws, each has a town manager/administrator professional position, all have an appointed, combined treasurer/collector position, and half have a finance director serving in a dual capacity as the town accountant while one serves in a dual role as the treasurer/collector. The seven communities with a town manager either have consolidated finance departments, or they all have the financial officers, including the assessing department head, reporting directly to the manager. In the remaining communities, three have strong town administrator positions, two of them with consolidated finance departments and the other with all finance offices (including assessing) accountable to the administrator. Many of these communities moved to top-down, strong administrative models to address financial and management problems in their past and to provide for better communication, coordination and accountability going forward.

PROPOSED CONSOLIDATED FINANCE DEPARTMENT

Given the growing complexity and financial challenges in municipal finance, Holbrook should consider creating a consolidated finance department under the supervision of a finance director. By bringing together the accounting, treasury, collection, and assessing functions, the town would be better positioned to administer its financial management activities more efficiently and effectively.

Under the direction of the finance director, the financial department heads and staff would be responsible for their respective statutory duties while also working as a team, communicating and collaborating throughout the year on budgeting, financial, and long-term planning matters. Contrary to the opinion of some, separately electing financial officers does not effectively ensure checks and balances. Proper checks and balances are in place when department heads perform duties accurately and timely, and the results are reconciled with other departments. For example, the treasurer/collector and accountant reconcile cash and receivables shortly after the close of each month and any variances are immediately investigated and resolved. The accountant reports revenues and expenditures to departments to verify the accuracy of the general ledger to internal budget reports, and the assessing office reconciles abatements and exemptions granted with the collector's and the accountant's records. The finance director would be responsible for making sure procedures and deadlines are established so these checks and balances take place and providing regular reports to the town administrator and selectmen of all results. The further check is the review by the private auditors, who are hired to express opinions on whether the town's financial statements contain significant deficiencies and material weaknesses.

In our suggested model, the finance director oversees the functions of accounting, treasury, collections, and assessing. These department managers would be appointed by the finance director upon approval of the town administrator. The finance director would also serve as either town accountant or treasurer/collector and be compensated with an increased salary, thereby avoiding the expense of an additional position with benefits. We caution, however, that the role of finance director is very different from that of town accountant or treasurer/collector. Although these positions require strong bookkeeping skills and attention to detail, a finance director must also possess leadership, teambuilding, long-term fiscal planning, and strategy setting abilities.

The Appendix includes sample special legislation to create a consolidated municipal finance department. It would have to be accepted by town meeting and subsequently submitted by the selectmen to the state legislature. The community's state representative and state senator would be called upon to shepherd the bill through the legislative process so it does not languish in

committee. Alternatively, the town may pursue a finance department via M.G.L. c. 43C, §11, by which the selectmen would place the question on the annual town election ballot. It could appear simultaneously in April 2017 with the question to change the treasurer/collector from elected to appointed. If M.G.L. c. 43C, §11 is approved by the voters, town meeting would then adopt a bylaw.

The formation of a consolidated finance department is a good first step for the Town of Holbrook to begin managing and coordinating its financial operations efficiently and effectively. However, this alone will not truly address the community's overall management and communications problems. The town should consider establishing a strong administrative position to manage the day-to-day operations, responsible for the annual budget process, and supervise department heads, which the town's Government Study Committee recommended a similar position in its proposed charter. DLS recommends the following when considering creating a stronger administrative position for the town:

- The administrator's position should be codified in a bylaw or by special act. The duties and responsibilities should be clearly established, including budget process oversight, department head supervision, long-range strategic and capital planning, and personnel administration.
- The administrator should be responsible for the mechanics of the annual budget process. With input from the financial officers, the administrator would develop and update revenue and fixed cost estimates, prepare, distribute, and collect budget materials, assist departments in preparing requests, conduct financial analyses for policymakers, and draft a balanced budget proposal for the selectmen's approval before forwarding it to the finance committee. This would enable the finance committee to concentrate on conducting hearings, reviewing the line-item budget and all other warrant articles, and presenting its recommendations to town meeting.
- The administrator should meet with the financial office managers on a regular basis throughout the year. They would assist the administrator in compiling information on the prior year's performance, year-to-date activities, the budget process, the tax recap, and other fiscal issues as they come up. The team is made up of individuals in the best position to develop financial analyses, explore the financial impact of future events, and offer early strategies to deal with anticipated problems.
- IT responsibilities should be transferred to the administrator. Generally, IT goes well beyond the financial offices and requires a significant amount of oversight. The administrator would be better suited to oversee this operation and manage the current consultant thereby enabling the treasurer/collector to focus on his immediate operations. In addition, the town is about to take on a large-scale endeavor. The town has received a \$65,000 Community Compact Cabinet IT grant, and town meeting has appropriated an initial \$43,000 towards procuring and implementing an integrated financial management system that is estimated

to be a cost of \$168,700. The new system would replace multiple antiquated, standalone systems with a goal of improving the efficiency and effectiveness of Holbrook's financial operations and ensuring the accuracy and timeliness of financial data.

OTHER RECOMMENDATIONS

During our interviews with the town administrator and other officials, we noted how various responsibilities and job functions are performed. Based on these observations, we believe there are other opportunities to codify certain roles, streamline operations, and improve overall performance.

- The town should shift to a biweekly payroll for all personnel. The current payroll system is weekly for town employees and school administrators, support staff and facilities employees, while the teaching staff are paid biweekly. An increasing number of employers in both the public and private sectors compensate employees on a biweekly basis. Subject to negotiations with collective bargaining unions, the accountant's and treasurer's staff would have time freed up to perform other activities with a biweekly payroll for all employees. This change also would enable the town to structure the payroll process so that approved time sheets reflect actual hours worked (M.G.L. c. 41, §41) before the accountant and treasurer review submissions and selectmen approve the payroll warrant.
- Financial office personnel job descriptions should be updated and be consistently formatted. The ones DLS reviewed ranged from detailed and organized to vague lists of tasks performed. Every position should have a formal job description that defines the knowledge and skill sets required to do the job and articulates performance expectations. Each one should tell how the job fits into the overall department and town-wide operations and, as a best practice, should include a performance review component. These may be developed in-house by the town administrator or by a consultant.

APPENDIX

Municipality	County	Population	Average Single Family Tax Bill	Income Per Capita	EQV Per Capita	Total Budget	Outstanding Property Taxes Receivables	Percentage Property Taxes Uncollected	Tax Liens/ Tax Title	Tax Foreclosures/ Possessions	Outstanding User Charges Receivables	Free Cash	Stabilization Fund	Moody's/ S&P Bond Rating
Holbrook	Norfolk	10,952	4,984	25,795	96,123	39,618,958	2,122,393	9.54%	1,992,420	1,147,753	2,104,374	746,784	1,690,762	A2/AA-
Abington	Plymouth	16,124	5,420	30,052	109,092	51,335,227	441,795	1.53%	742,770	663,449	1,056,295	821,864	1,148,196	A1/AA
Belchertown	Hampshire	14,735	4,512	29,018	95,122	50,367,643	417,608	1.74%	403,428	293,476	429,716	759,497	2,131,793	A+
Carver	Plymouth	11,494	4,553	26,196	98,668	41,774,741	605,063	2.92%	480,295	372,327	0	1,542,259	2,572,589	AA
Douglas	Worcester	8,624	4,467	31,271	104,620	29,802,029	408,987	2.86%	591,927	176,062	22,310	1,123,522	1,335,292	Aa3
East Bridgewater	Plymouth	14,090	5,494	27,922	106,885	49,470,737	444,387	1.70%	1,517,500	3,088,314	508,977	2,080,494	5,035,709	Aa3
Lunenburg	Worcester	10,969	5,039	31,099	107,913	36,843,287	553,339	2.66%	854,279	146,261	104,143	263,188	1,615,648	Aa3/AA
Maynard	Middlesex	10,370	6,960	32,967	114,239	46,291,010	299,377	1.11%	787,826	0	611,884	1,969,727	4,911,800	Aa3
Millbury	Worcester	13,399	3,895	27,332	102,036	41,990,037	290,111	1.31%	725,177	72,248	297,272	1,304,353	1,110,464	Aa3/AA
Millis	Norfolk	8,047	6,228	36,594	129,567	31,059,937	554,367	3.12%	432,132	77,507	309,321	814,272	931,348	Aa3
Oxford	Worcester	13,806	3,662	25,318	93,364	40,252,734	529,922	2.68%	688,360	150,212	200,104	671,381	162,035	Aa3
Palmer	Hampden	12,157	3,467	23,060	73,722	36,465,889	410,030	2.43%	1,340,845	95,034	494,618	2,059,576	1,223,891	A1/AA
Tyngsborough	Middlesex	12,054	5,750	36,262	117,310	41,543,795	990,539	4.26%	1,391,551	309,407	84,517	1,101,059	1,769,220	Aa3
Uxbridge	Worcester	13,647	4,907	31,669	105,746	50,724,748	189,679	0.76%	865,930	251,436	303,076	1,230,182	2,914,181	Aa3

TABLE 3: COMMUNITY DEMOGRAPHIC AND FINANCIAL COMPARISON

Source: Division of Local Services

Municipality	Administration	Chief executive officer	Budget and/or capital planning responsibilities	Consolidated Finance Department	Appointed					Elected				
					Finance Director	Accountant	Treasurer/ Collector	Treasurer	Collector	Assessing office	Treasurer/ Collector	Treasurer	Collector	Board of Assessor
Holbrook	Town Administrator	✓				✓					✓			✓
Abington	Town Manager	✓	✓			✓	✓		✓					✓
Belchertown	Town Administrator	✓				✓	✓							✓
Carver	Town Manager	✓	✓			✓	✓		✓					✓
Douglas	Town Administrator	✓	✓	✓	✓ *	✓ *	✓		✓					✓
East Bridgewater	Town Administrator	✓	✓			✓	✓							✓
Lunenburg	Town Manager	✓	✓			✓	✓		✓					✓
Maynard	Town Administrator	✓	✓		✓ *	✓ *	✓		✓					
Millbury	Town Manager	✓	✓	✓	✓ *	✓ *	✓		✓					✓
Millis	Town Administrator	✓	✓	✓	✓ *	✓ *	✓		✓					
Oxford	Town Manager	✓	✓	✓	✓ *	✓ *	✓		✓					
Palmer	Town Manager	✓	✓	✓	✓ *	✓ *	✓		✓					
Tyngsborough	Town Administrator	✓	✓			✓	✓ *							✓
Uxbridge	Town Manager	✓	✓	✓		✓	✓		✓					

* Serves in dual capacity

TABLE 4: COMPARABLE COMMUNITIES' FINANCIAL STRUCTURES

Source: Division of Local Services

Sample Special Legislation for Proposed Consolidated Finance Department

AN ACT CREATING A DEPARTMENT OF MUNICIPAL FINANCE IN THE TOWN OF HOLBROOK.

SECTION 1. Creation of Department of Municipal Finance. Notwithstanding the provisions of any general or special law to the contrary, there shall be in the Town of Holbrook a department of municipal finance responsible for the coordination of all financial functions and activities of the town, including but not limited to: maintenance of all accounting records and other financial statements; payment of all obligations on behalf of the town; investment of town funds and management of debt; receipt of all funds due; maintenance of a system of property valuation; rendering of advice, guidance, and recommendations to town departments, offices, and boards in matters related to their financial or fiscal affairs; and routine monitoring and reporting of revenues and expenditures by town departments, offices, and boards. The department shall include the offices and functions of the town accountant, treasurer/collector, board of assessors, principal assessor, and assistant assessor. The department shall have such additional powers, duties, and responsibilities with respect to municipal finance-related functions and activities as the town may from time to time provide by bylaw.

SECTION 2. Finance Director. The department of municipal finance shall be under the direct control and supervision of the finance director who shall report to the town administrator. The finance director shall be appointed by the town administrator; provided, however, that said appointment shall be subject to the bylaws of said Town of Holbrook, as they may be amended from time-to-time. The director may be removed by the town administrator at any time for cause upon fifteen (15) day notice. The director shall be a person especially fitted by education, experience, and training to perform the duties of the office. The salary, fringe benefits, and other considerations of employment of the director may be established by contract, subject to appropriation, for a period of up to five years, including but not limited to, severance pay, relocation expenses, reimbursement for expenses incurred in the performance of the duties of office, liability insurance, condition of discipline, termination, dismissal, and reappointment, performances standards, and leave.

SECTION 3. Finance Director Duties and Responsibilities. The director may serve as the town accountant or treasurer/collector but not both and shall be responsible for coordinating the fiscal management procedures of the office of the town accountant, treasurer/collector, and principal assessor. The director shall assist the town administrator in the preparation of the annual operating budget and capital plan, shall be an advisor to the board of selectmen, town administrator, finance committee, and all other town departments, concerning financial and programmatic implications of current and future financial policies, including stands for the preparation of the annual budget and capital plan. The director shall, in consultation with the town administrator, be responsible for the supervision and coordination of all personnel, tasks, and activities of the department. The director shall provide the town administrator and board of selectmen with reports no less than quarterly and more often as requested concerning the matters under their supervision. The director shall have such additional duties and responsibilities as may be determined from time-to-time by the town administrator, and as may be determined bylaw.

SECTION 4. Principal Assessor. Notwithstanding the provisions of any general or special law to the contrary, there shall be in the Town of Holbrook the position of principal assessor who shall report to the finance director. The principal assessor shall be appointed by the finance director in consultation with the town administrator and board of assessors; provided, however, that said appointment shall be subject to the bylaws of said Town of Holbrook, as they may be amended from time-to-time. The principal assessor shall be a person especially fitted by education, experience, and training to perform the duties of the

office. The principal assessor shall be responsible for all the assessing functions for the Town of Holbrook. An elected, three-member Board of Assessors shall be part of the Department of Municipal Finance, and shall continue to make decisions on matters of statutory independence, which they are required to make under Massachusetts General Laws.

SECTION 5. Town Accountant and Treasurer/Collector. Notwithstanding the provisions of any general or special law to the contrary, there shall be in the Town of Holbrook the positions of town accountant and treasurer/collector who shall each have all the powers, duties, and responsibilities of and be subject to the liabilities and penalties conferred and imposed by law on the offices of town accountant and treasurer and collector under the General Laws, except as provided herein. The director in consultation with the town administrator shall appoint the town accountant and treasurer/collector, if such positions are separate from the position of finance director; provided, however, that said appointment shall be subject to the bylaws of said Town of Holbrook, as they may be amended from time-to-time. The town accountant and treasurer/collector shall be persons especially fitted by education, experience, and training to perform the duties of those offices.