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# **FINANCIAL MANAGEMENT STRUCTURE REVIEW**

## **TOWN OF KINGSTON, MASSACHUSETTS**

**EDWARD J. COLLINS, JR. CENTER FOR PUBLIC MANAGEMENT**

**SEPTEMBER 2019**



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## Executive Summary

The Town of Kingston retained, under a grant provide by the Commonwealth of Massachusetts Community Compact Program, the Collins Center to assess the organizational structure of its financial operations. Kingston is governed by Open Town Meeting with a Board of Selectmen who hire a Town Administrator. In addition, the Town elects many of its other officials including in the area of financial management. The Town Treasurer, Tax Collector, and Board of Assessors are among those elected offices. Kingston has no Town Charter and therefore relies on general and special statutory authority.

The Collins Center Project Team (Project Team) conducted research into Kingston's financial operations through conducting interviews with elected and appointed officials, reviewing documents provided by the Town, and reviewing available data from the Massachusetts Department of Revenue. The Project Team assessed Kingston's Financial Organizational Structure by developing a set of comparable peer communities using criteria described below. Finally, the Team compared the Town's practices with generally-accepted Best Practices as published by industry organizations, such as the Massachusetts Municipal Association (MMA) and the Government Finance Officers Association (GFOA).

The Project Team produced seven findings and made 15 recommendations. These findings and recommendations range from simply conducting regular meetings of finance officers and purchasing additional software, to complex statutory changes that will require a coordinated effort by Town officials over time. The Findings and Recommendations are summarized in Table 1 and detailed beginning on page nine.

The Project Team found the Financial Operations of the Town to be hindered by divided reporting responsibilities and made the following recommendations:

1. Consolidate appointment authority of professional staff under the Selectmen and Town Administrator including the currently elected Treasurer and Tax Collector.
2. Combine the positions of Treasurer and Collector into a single appointed Treasurer/Collector.
3. Create a Financial Management Team under the leadership of a Finance Director/Town Accountant.
4. Require regularly scheduled Finance Team meetings with a specific agenda.
5. Reorganize the structure of the town finance departments so that the Finance Director/Town Accountant oversees the core finance offices of accounting, treasurer/collector, and assessing.
6. Establish the position of Principal Assessor that reports to the Finance Director replacing the Board of Assessor's appointed Assistant Assessor.

7. Amend Chapter 3 Article 2 of the General By-laws such that a unified and balanced budget document is produced before submission to the Selectmen and Finance Committee for review.
8. Formalize a town/school budget collaboration process including regular meetings of principal staff and policy makers.
9. Eliminate the Budget Advisory Board.
10. Consider repealing or revising Chapter 4, Article 8 of the General By-laws, "Capital Planning Committee."
11. Include the Treasurer, Collector, and Assessor in the budget process in a formal way.
12. Add the purchase order module to the financial software package.
13. Return the payroll processing function to a financial department.
14. Replace Chapter 4 Article 7 of the General By-laws, "Wage and Personnel Board."

Methods of implementation vary. Some can be done as Selectmen policy, such as creating a Finance Team and requiring regular meetings. Others need Town Meeting action, such as changing the Capital Committee and Personnel Board. Changing appointment authority and combining the Treasurer and Collector will require a Special Act of the Massachusetts Legislature.

Finally, the Project Team has included an Appendix containing the relevant data used to support these recommendations.

## Overview

Kingston, Massachusetts is a coastal suburban community of 13,210 people (as of 2017) located in Plymouth County, approximately 30 miles south of Boston. The Town enjoys ready access to the Boston Metro Area via MA Route 3 and the MBTA Commuter Rail. Originally within the homeland of the Wampanoag people, it was first settled by Europeans shortly after the Pilgrims landed at Plymouth Rock as a part of Plymouth generally. Kingston became its own formally recognized town in 1726.

Kingston's population has increased considerably in the Post WW2 era – according to the US Census, its population has increased from 3,461 in 1950 to approximately 11,780 by 2000. In recent decades, population growth has slowed significantly compared to the boom of the mid-to-late 20<sup>th</sup> Century. The population of Kingston increased by 12% between 2000 and 2017.

Kingston is a largely residential community with little commercial development. Residential properties make up approximately 87% of all total assessed land value. As a result, the Town's finances are highly reliant on residential taxpayers. Tax levy raised from residential properties made up approximately half of the Town's FY2019 budget. The heavy reliance on residential tax levy coupled with the slow growth of the population means that strong financial management practices are important in Kingston.

Kingston provides a significant suite of services to its residents, including police, fire, public works, public library, and a harbor master with a purview to monitor and regulate fishing in the community. Altogether, in FY2018 Kingston employed approximately 315 full- and part-time people, with salaries and wages amounting to \$15,434,258.

In 2018, Kingston's equalized valuation (EQV) per capita was \$135,410, compared to \$126,622 for the group of ten comparable communities (see Appendix A). Using this measure, the Town's property values are about 6.9% higher than the average of the ten comparable communities reviewed. Resident income levels as measured by the MA Department of Revenue in 2019 show that the Town's income per capita was \$39,718 in that year. This is slightly above the Massachusetts per capita income at that time of \$37,311 and significantly above the peer group average of \$32,453.

In a broad sense, financial indicators suggest Kingston is in relatively good fiscal health. Kingston's bond ratings suggest very strong creditworthiness. Moody's and Standard & Poor's, two of the major rating agencies in the United States, rate Kingston Aa2 and AA+, respectively. Certified Free Cash amounted to \$1,532,928 and the Town's General Stabilization Fund amounted to \$2,432,600, while a specialized Capital Stabilization Fund currently totals \$460,637. Kingston's OPEB (Other Post-Employment Benefits) Trust Fund amounts to \$369,898. Kingston has an Unassigned Fund Balance of \$1,233,096, and Water and Sewer Retained Earnings amount to \$296,336 and \$598,851, respectively.

Notwithstanding these positive financial indicators, based on the Project Team's interviews with elected and appointed officials the Town does face some financial management challenges:

- The Town does not have an adequate cyclical re-inspection program as required by Department of Revenue policy. According to that policy each property should be inspected on a nine-year cycle to ensure they are being valued properly and that the system of taxation retains a basic fairness.
- The Collector reports that the office has been shorthanded for many months leading to delayed responses to taxpayers, uncompensated overtime, and office closures due to earned time-off.
- There is uncertainty regarding the move of payroll to Human Resources from Treasury. The HR Director and the Treasurer expressed different views about their responsibility around benefits administration and OPEB valuation going forward.
- The volume of parcels in tax title have been a concern of the Treasurer for several years, yet he continues to struggle to bring the problem to resolution acting without adequate collaboration from other departments.
- Although one-on-one communication seems to be functioning, there is little group discussion around the shared mission of the financial officers.
- The Treasurer, Collector, and Assistant Assessor are only marginally, if at all, involved in the early stages of the budget process.

While the Center was engaged to review the organizational structure rather than address specific operational problems, the Project Team believes that these issues would best be addressed through a re-structuring of the financial management offices.

## Methodology

Throughout the analysis of Kingston's financial management practices, the Project Team requested and received several documents relating to the financial operation of the Town. The Project Team also conducted more formal interviews with Town officials and employees responsible for various aspects of municipal financial management.

The Project Team collected examples of various financial management procedures and policies used in other communities throughout Massachusetts, focusing on communities that were a) designated by team associates as appropriate to use as peers and b) towns in Plymouth County. For the purposes of this project, different community categories were used across different comparison points. Many cities and towns create sets of "comparable communities" to use for various analyses. The goal of these groupings is to find a set that is as similar as possible to the town in question across as many relevant variables as possible.

For this project, the Project Team, utilizing data available from the Massachusetts Department of Revenue, compared the following measures to create a list of peer communities:

- Population
- Income Per Capita
- Average Single-Family Tax Bill
- Equalized Valuation Per Capita

Municipalities that fell within an approximate range of between 80 and 120 percent of Kingston's value in each measure were selected by the Team in order to create a strong cross-section of communities for financial management comparison. For the purposes of organizational structure, the list of peer communities includes the following: Abington, Carver, East Bridgewater, Holbrook, Hull, Lunenburg, Raynham, Tyngsborough, and Uxbridge. A separate list of all towns in Plymouth County was used for the purposes of comparing Treasurer/Collector and Board of Assessor positions and whether each community elected or appointed these positions. Tables comparing the communities with Kingston can be found in Appendix A.

Finally, in the last several years have seen a renewed emphasis on the creation and adoption of Municipal Best Practices. Industry groups such as the Massachusetts Municipal Association (MMA) and the Government Finance Officers Association (GFOA) has made great strides in developing a robust set of practices and in encouraging their membership to utilize them. The Commonwealth of Massachusetts, through the Department of Revenue, has published several best practices, particularly around financial management.

For this project, the Project Team reviewed Best Practices developed by these entities to ensure that our recommendations reflect the current state of municipal practice.

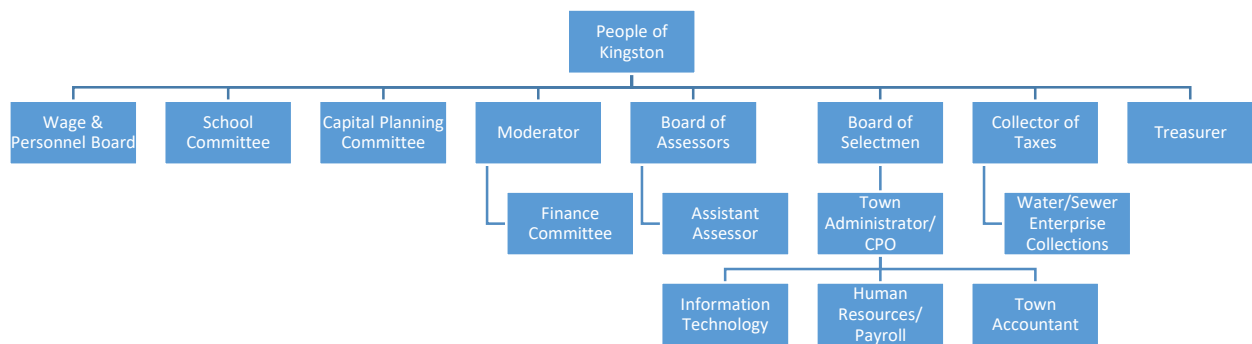
<b>Table 1. Summary of Findings and Recommendations</b>		
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<b>1.0 Financial Structure Findings and Recommendations</b>		
<b>11-17</b>	<b>Finding 1.1. The overall financial organizational structure is hindered by divided reporting responsibilities</b>	<p><b>Recommendation 1.1.1 Consolidate appointment authority under the Board of Selectmen and Town Administrator, including the currently elected Treasurer and Collector, and the Board of Assessor’s appointed Assistant Assessor.</b></p> <p><b>Recommendation 1.1.2 Combine the positions of Treasurer and Collector into one Treasurer/Collector position.</b></p> <p><b>Recommendation 1.1.3 Establish a Financial Management Team under the leadership of a Finance Director/Town Accountant.</b></p> <p><b>Recommendation 1.1.4 Require regularly scheduled Finance Team meetings with a specific agenda.</b></p> <p><b>Recommendation 1.1.5: Reorganize the structure of the town finance departments so that the Finance Director/Accountant oversees the core finance offices of accounting, treasurer/collector, and assessing.</b></p> <p><b>Recommendation 1.1.6 Establish the position of Principal Assessor that reports to the Finance Director replacing the Board of Assessor’s appointed Assistant Assessor.</b></p>
<b>2.0 Budget Process Findings and Recommendations</b>		
<b>18-21</b>	<b>Finding 2.1 The Town’s by-law defined process for developing, reviewing, and approving the annual operating and capital budgets does not conform to current best practices.</b>	<b>Recommendation 2.1.1 The Town should consider amending Article 2 of By-law Chapter 3 such that a unified and balanced budget document is produced before submission to the Selectmen and Finance Committee for review.</b>



<b>Table 1. Summary of Findings and Recommendations</b>		
<b>Page</b>	<b>Finding</b>	<b>Recommendation</b>
		<p><b>Recommendation 2.1.2</b> The Town should eliminate the Budget Advisory Board.</p> <p><b>Recommendation 2.1.3</b> The Town should formalize a town/school budget collaboration process that empowers the Town Administrator to make interim adjustments</p> <p><b>Recommendation 2.1.4</b> The Town should consider repealing or revising by-law Article 8 Capital Planning Committee to reflect a professional approach to capital planning</p>
<b>3.0 Other Findings and Recommendations:</b>		
22	<b>Finding 3.1</b> The Treasurer, Collector, and Assessor have marginal impact on the development of the Town budget	<b>Recommendation 3.1</b> The Town should involve, in a formal way, all financial officers of the town in the budget process
22	<b>Finding 3.2</b> The Town lacks a functioning purchase order system	<b>Recommendation 3.2</b> The Town should consider adding the purchase order module to its financial software package.
22	<b>Finding 3.3</b> Processing payroll through the HR department is not common among peer communities	<b>Recommendation 3.3</b> The Town should consider returning the payroll processing function to a financial department.
22	<b>Finding 3.4</b> The By-Law (Article 7) that establishes a Wage and Personnel Board is outdated and does not conform to best human resource practices.	<b>Recommendation 3.4</b> The Town should replace the Personnel Board By-Law.

## Findings and Recommendations

The Town of Kingston’s financial management departments consist of Accounting, Assessor, Treasurer, and Collector of Taxes. Also important to financial management are the Town Administrator, Information Technology Department, and Human Resources Department. These departments are influenced and supported by various policy making and advisory boards including the Board of Selectmen, Finance Committee, School Committee, Board of Assessors, Wage and Personnel Board, and Capital Planning Committee. The Project Team has looked at each of these departments and boards and attempted to engage their leadership in discussions of the roles and responsibilities involved.



## **1.0 Financial Structure Findings and Recommendations:**

**Finding 1.1.** The overall financial organizational structure is hindered by divided reporting responsibilities, inconsistent human resources practice, limited communication, and a lack of teamwork.

**Recommendation 1.1.1 Consolidate appointment authority under the Board of Selectmen and Town Administrator, including the currently elected Treasurer and Collector, and the Board of Assessor's appointed Assistant Assessor.**

Municipal financial management involves several highly complex processes such as budgeting, financial forecasting, capital planning, debt management, and day-to-day processing of payrolls, vendor payments and receivables. Given that there are a number of employees, elected officials, and appointed volunteers that participate in these processes in Kingston, it is vitally important that roles and responsibilities are clearly defined, and the various participants work together and communicate. Since key players are appointed by various authorities, they are not accountable to the same reporting structure and may have differing goals, objectives, and directives. Both cooperation and accountability are hampered by the existing structure and divided appointing authorities.

In Kingston, the four main financial offices are appointed by three different authorities. Best practices in human resources require job functions be adequately described with established qualifications for each position. It also demands the reporting responsibility of each position and the relationships with other positions is universally understood. The recruitment and hiring processes must be based on criteria that are applied consistently across the organization and in accordance with applicable state and federal laws and regulations, which dictates a centralized approach. Additionally, having a centralized and standardized process helps protect the town from employer-related liability. Independently elected officials may or may not comply with policy or procedural directives made by others. Instead, they may choose to adopt separate policies

Appointed municipal finance officers have become the norm in Massachusetts. Most communities have recognized that the functions of these positions are not policy-related or political in nature, but heavily driven by statutory responsibilities. Therefore, they require a level of professional skill that should be properly vetted. Professional Municipal Treasurers and Collectors need to have education and experience commensurate with the gravity of their position. Moreover, they need to stay abreast of the changing statutory and regulatory environments to remain accountable to the taxpayer. The Massachusetts Collectors and Treasurers Association (MCTA) offers a full certification program for both Collectors and Treasurers, as well as their assistants. These certifications are recognized by the Department of Revenue and most municipalities as the standard for Collectors and Treasurers. The Center routinely recommends, in our human resources practice, that these certifications be required of Collectors and Treasurers. At the time of

writing, there were three towns (Webster, Watertown, and Uxbridge) recruiting Treasurer/Collectors; all three require these certifications. It is simply impossible to impose specific, profession-based qualifications or require compliance with standard practice on elected officials.

When it should be based on criteria like the level of skill required, educational qualifications, depth and breadth of experience, the employment market, internal salary structure, and other measurable factors, compensation for elected officials is often an inherently political decision. This is problematic: the retention of qualified financial professionals is highly influenced by salary and the perception that the process for determining compensation is a fair one.

When considering applicants for appointed positions, relevant experience, education, certification, and other criteria are used to scrutinize the candidate qualifications. In an elected system, the choice is limited to the names appearing on the ballot. As a result, scrutinizing the qualifications of a candidate is difficult and sometimes (particularly when there is only one candidate) not done at all. A review of elections for these positions in Kingston shows that historically they have not been very competitive. While Kingston routinely has competitive elections for its Selectmen (with nine competitive elections in the last ten years), it rarely has the same level of competitiveness in elections for its Treasurer or Collector. In two of the last three elections, for a three-year term, only one candidate appeared on the ballot for each office. While neither system can guarantee that a qualified and competent candidate will be selected, there is no way to prevent an unqualified or ill-prepared candidate from being elected if he or she is the only choice presented to the voters.

Any meaningful vetting of skilled candidates requires an applicant pool of sufficient size. Limiting the size of the pool by confining it to the population of a particular jurisdiction creates a competitive disadvantage. When recruiting for a position that requires specific and technical expertise, such as any financial officer, the disadvantage becomes more acute. When a position is elected the pool is limited to the voting age population of the Town. According to American Community Survey (ACS) data relevant to Kingston and Plymouth County, Kingston alone had approximately 6,843 workers aged 16 years and over in 2017. Theoretically, this approximates the maximum potential pool of candidates for any elected position in the Town. Should the applicant pool be expanded to just Plymouth County, the same group contains approximately 256,098 people. As obvious as it seems, Kingston's pool of financial managers is significantly smaller than the County's by comparison. ACS estimates Kingston's talent pool of "management, business, and financial occupations" amounts to just 1,341. The same talent pool of such occupations in Plymouth County is 42,148. By expanding the eligibility of these positions to those within commuting distance, the potential pool of candidates expands dramatically and can ensure a sufficient number of applicants to be properly vetted.

It is a widely-accepted practice to have appointment power vested in municipal government for financial officers. According to the MA Department of Revenue's Division of Local Services (DLS), 77% of all collectors are appointed, as well as 79% of all Treasurers in the Commonwealth's 351 cities and towns. In communities with populations greater than 1,500, over 80% of Treasurers and Collectors are appointed and 74% of these communities have combined the two offices<sup>1</sup>. Our review of 10 comparable communities reflects the statewide norm with eight reporting appointed financial officers – only East Bridgewater and Holbrook elect their Treasurer/Collectors. Kingston is also notably the only community among the peer group which maintains separate offices for the Treasurer and the Collector.<sup>2</sup>

A 2010 Financial Management Review undertaken by the Division of Local Services for Kingston recommended that the appointment power be assigned to the Town Administrator. The report cited a "Department of Revenue opinion favoring a more centralized organizational structure, a point of view derived from observing the collective experience of Massachusetts municipalities." This is a position, based on our review of more recent DLS reports, that the Department of Revenue has consistently maintained in the eight ensuing years. In fact, just last year (March 2018) the DLS recommended a Town Administrator with such powers in the much smaller town of Phillipston (pop. 1,746).

The Collins Center has published a framework for considering Elected vs. Appointed officials which is included in Appendix B. Based on this framework, it is clear that these positions ought to be appointed in that they are not policy makers, handle matters of considerable complexity, they are critical to the effective and efficient functioning of government, and there is a lack of any real competition for the positions. In addition, given our observation of dozens of municipalities, we concur with the DOR in that the complexity of managing a contemporary municipality has grown significantly over the years. It takes strong leadership, clear accountability standards, and an overarching sense of purpose to manage successfully at the municipal level. This is true of meeting regulatory compliance standards and mandates, service delivery, or marshalling limited financial resources and leading staff. Success must be clearly defined and measurable – otherwise it cannot be defined as success. This process begins with the establishment of a unified appointment authority that utilizes best practices in recruitment and selection, clearly articulated reporting responsibilities, and a well-defined relationship with other departments and managers.

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<sup>1</sup> Massachusetts DOR Division of Local Services, Town of Phillipston Financial Management Structure Report, March 2018

<sup>2</sup> See Recommendation 1.1.2

**Recommendation 1.1.2 Combine the positions of Treasurer and Collector into one Treasurer/Collector position.**

A combined position of Treasurer/Collector has become commonplace in Massachusetts. As stated previously, 74% of municipalities with populations in excess of 1,500 residents have combined the jobs. This makes sense because the skill set and educational requirements needed for each job are similar. Additionally, there are budgetary, efficiency, and customer service benefits to a combined position and office. Reducing the number of management level salaries will produce a savings. Although the Town would most likely need an Assistant Treasurer/Collector, the position would be compensated at a rate less than either the Treasurer or Collector. Ensuring that one office is staffed continuously is easier than two because a larger staff in one office is available to cover lunch breaks and time off. Currently, each office is staffed with two employees including the department head. When one is out for a day the office may go uncovered during lunch or when the department head needs to attend a meeting. A combined office would have the department head and three employees which would ensure a continuously staffed office with consistent customer service.

Timing the combining these two positions can be a challenge, but municipalities often choose to appoint the formerly elected officeholders to the permanent position to ease the transition (usually via a clause in the enabling legislative action). It is also easier to transition if an elected incumbent chooses not to run for re-election. In Kingston, the Treasurer has indicated he does not plan to seek re-election in 2020. Further, the incumbent Collector is taking classes to become certified as a Treasurer in addition to her certification as a Collector. Given these circumstances, it may be an ideal time for the Town to consider combining these positions.

**Recommendation 1.1.3 Establish a Financial Management Team under the leadership of a Finance Director/Town Accountant.**

By implementing this best practice<sup>3</sup> the Finance Director would, in addition to the duties of Town Accountant, oversee the town's financial departments, be accountable for compliance with financial management policies and guidelines, conduct high level financial planning and propose fiscal strategies for the town. Some typical examples include:

- Preparation and maintenance of a five-year revenue and expenditure forecast to assist management in developing long-range fiscal strategies around balancing the annual budget, maintaining adequate reserves, planning for future capital needs, and analyzing other long-term commitments;
- Ensuring that adequate data is available to inform and drive decision making. For example, financial analyses and specialized reports such as cost/benefit analyses

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<sup>3</sup> Massachusetts DOR Division of Local Services, February 2016

and periodic reviews of user fees and other charges for the Town Administrator, Selectmen, Finance Committee, and other policymakers;

- Recommending financial policies in areas such as target reserve balances, allowable uses of reserves, defraying long-term liabilities such as OPEB and pension cost, and funding for capital to the Town Manager, Selectmen, and Finance Committee; and
- Analyzing policies to ensure they remain current with evolving best practice and revised accounting standards.

Collins Center research suggests that the functions of a Finance Director are being performed by the Town Accountant in many of the peer communities. Seven of Kingston's ten peers have vested their Town Accountants with the *de facto* authority of a Finance Director, where one community has split the authority between the Town Accountant and their Treasurer/Collector. The Town Accountant is a logical choice to perform the functions of a Finance Director, as they are often charged with many of the long-term financial planning duties, the responsibility for day to day financial operations, and the annual budgeting process.

**Recommendation 1.1.4 Require regularly scheduled Finance Team meetings with a specific agenda.**

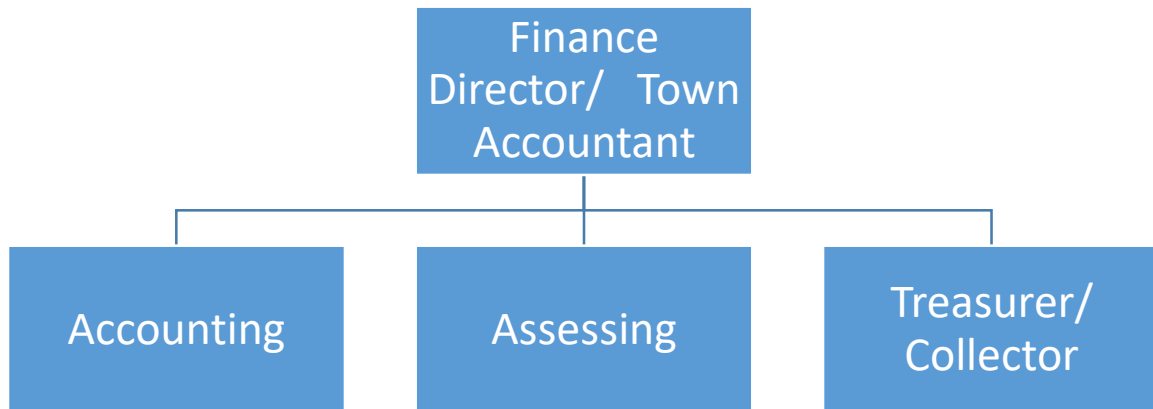
The Town Administrator should convene regular meetings, at least quarterly with the finance team. When appropriate, these team meetings should be expanded to include related departments and managers such as the School Superintendent and Business Manager. Regular structured communication fosters consensus building around goals, reinforcement of deadlines, and clear understanding of the role each manager plays in the process. An agenda setting process that is open and transparent allows each manager to identify and respond to anticipated areas of concern, but also leads to efficient use of meeting time. Of course, an important element of any meeting is that valuable information is imparted to all attendees at the same time.

While the Financial Management Team is not a policy making body, it gives policy makers a forum to vet policy ideas and generate policy recommendations. Meetings play an important role in synthesizing the various points of view of financial managers.

**Recommendation 1.1.5: Reorganize the structure of the town finance departments so that the Finance Director/Accountant oversees the core finance offices of accounting, treasurer/collector, and assessing.**

In all comparable communities with finance directors, the finance director oversees the core finance offices of accounting, treasurer/collector, and assessing. Restructuring the financial departments enhances the ability to coordinate important fiscal activities that involve multiple departments and cut across departmental boundaries such as the setting of the tax rate and issuing bills. Internal controls also benefit from a centralized finance

department as the finance director will possess the authority necessary to address potential control deficiencies in critical areas such as cash reconciliations or weakness raised in annual management letters.



Accountability to the Finance Director is essential, as well, to ensure that all finance staff are working together to achieve town-wide goals.

Potential areas where a Finance Director structure can add value to municipal financial management and improve controls include:

- Reduce the number of direct reports to the Town Administrator and establish a position focused solely on town finances;
- Create uniform procedures for all town departments regarding the receipt, control, recording, and turnover of municipal receipts;
- Coordinate critical financial operations, such as issuing tax bills and setting the tax rate;
- Promote a team approach to town finances where potential problems can be detected early and remedied quickly;
- Create opportunities for cross-training of support staff for greater efficiency and improved customer service;
- Ensure that regular reconciliations of cash, receivables, debt, and overlay are conducted by finance officers;
- Estimate revenues and fixed costs for budgeting and implement consistent procedures and transparent formats for budget submissions; and
- Assess financial risk regularly to determine areas of weakness and develop procedures and implement solutions around management letter recommendations of the independent auditor.



- Act as direct liaison to the School Business Manager to ensure that joint town/school financial interests are aligned, that policies are correctly applied, and opportunities for inter-departmental efficiency and cooperation are identified.

**Recommendation 1.1.6 Establish the position of Principal Assessor that reports to the Finance Director.**

Kingston, like most of its neighbors has an elected Board of Assessors. In Kingston it is this board that appoints an Assistant Assessor to manage the department. Continuing this practice is not recommended (See 1.1.1). Instead, the Project Team recommends that a Principal Assessor be appointed by the Selectmen acting on the recommendation of the Town Administrator and report to the Finance Director. This recognizes the fact that it is the appointed Assessor who performs the technical assessment functions while Board gives policy direction, and based upon data provided by the appointed Assessor, ratifies assessments, sets the tax rate, and approves abatements.

The project team notes that many municipalities have appointed Boards of Assessors but does not recommend that Kingston make this change. Appointed Boards of Assessors are not the norm in Plymouth County and transferring the staff appointment power to the Selectmen and Town Administrator removes the only serious structural deficiency.

## 2.0 Budget Process Findings and Recommendations<sup>4</sup>:

**Finding 2.1** The process for developing, reviewing, and approving the annual operating and capital budgets as defined in the Town's By-Laws does not conform to current best practices.

**Recommendation 2.1.1** The Town should consider amending Chapter 3 Article 2 of the By-Laws such that a unified and balanced budget document is produced before submission to the Selectmen and Finance Committee for review.

A good place to start is the Annual Budget Process in Towns best practice published in February 2016 by the Division of Local Services. This best practice is a general guide that can be tailored to meet the needs of Kingston. Since Kingston has no Charter, the By-law becomes the most crucial governing law for the annual budget process. We recommend that the new By-Law contain the following provisions:

- A mandatory joint meeting of the Selectmen, School Committee, and Finance Committee to hear a report from the Town's financial officers on a five-year forecast with emphasis on projected revenues for the current and following fiscal year. The meeting should be held in the Fall when actual revenues for the previous fiscal year and first quarter of the current year are known. The goal of the meeting is to produce a consensus revenue estimate for the next fiscal year.
- A requirement that the Town Administrator submit a preliminary budget proposal that is balanced to the consensus revenue estimate to the Selectmen and Finance Committee for their review date not more than 150 calendar days prior to Town Meeting.
- Approval of a comprehensive budget by the Selectmen in their role as the town's chief policymaker.
- A process for making necessary adjustments to the comprehensive budget during the period for review and approval. See recommendation 2.1.3 below.
- A deadline for completion of the Finance Committee review, including voting any recommendations, in time for printing and distribution of the Town Meeting Warrant.

**Recommendation 2.1.2** The Town should eliminate the Budget Advisory Board.

The role of the Budget Advisory Board is not clearly articulated in the By-Law. The Town would be better served with a process as recommended above.

**Recommendation 2.1.3** The Town should formalize a town/school budget collaboration process including involvement of principal staff and policy makers.

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<sup>4</sup> We rely upon the published Town of Kingston General By-Laws which have not been codified since 1994. We recommend that the Town codify the By-Laws.

The budgeting process must recognize that many adjustments will be necessary between budget submittal and adoption. Therefore, a process for making adjustments leading to Town Meeting should be adopted. We recommend that the Town Administrator, in consultation with the other financial officers of the town, be empowered to make adjustments in projected revenue and expenses for the upcoming fiscal year and convene ad hoc meetings of a representative of the Selectmen, School Committees, and Finance Committee as necessary to build consensus.

**Recommendation 2.1.4 The Town should consider revisions to Chapter 4 Article 8 of the Town’s General By-Laws as well as procedural changes to reflect best practices in capital planning.<sup>5</sup>**

The Town currently has a Capital Planning Committee, consisting of 5 members appointed by the Board of Selectmen (2 members), Finance Committee (2 members), and Town Moderator (1 member). In addition, the Town Administrator and Town Treasurer serve as *ex-officio* members. Interviewees reported that the committee’s scope and purpose is not well understood and sometimes becomes a source of unnecessary conflict. The project team’s review of the Town’s capital planning process and most recent CIP reflects these concerns.

On a positive note, the Town has a clear and appropriate definition of a capital project from the By-laws: a “major non-recurring tangible assets and projects which 1) are purchased or undertaken at intervals of not less than five (5) years; 2) have a useful life of at least five (5) years, and; 3) cost over ten thousand (\$10,000.00) dollars.” Further, the By-laws ground the capital planning process in the results of the Town’s financial forecast, which reflects best practice.

However, the By-laws are somewhat unclear about or do not address several key steps and roles in the capital planning process, including most importantly exactly how “the Committee shall consider the relative need, impact, timing and cost of these expenditures and the effect each will have on the financial position of the Town.” Further, the roles of the Town’s professional staff, specifically the Town Administrator and a finance official (likely the Finance Director in lieu of the Town Treasurer) should be amplified.

In terms of process, the following key steps define the ideal:

1. Town finance officials develop a multi-year forecast that identifies an appropriate target for capital spending based on the municipality’s operating budget. Resources already committed for debt or capital leases should be included when determining available resources for the ensuing years.
2. Department heads and potentially board/committee representatives submit proposed capital projects, including basic information about the project, why it is

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<sup>5</sup> Relevant Sections of the by-law are contained in Appendix C

- needed, the department's priority, the cost, and the impact on the operating budget, if any.
3. Submissions are reviewed for completeness and then scored based on an objective system.
  4. Taking into consideration the available financial resources and the priority of the various projects, a multiyear plan is developed and submitted to the Board of Selectmen for recommendation and then the Finance Committee for review.
  5. Town Meeting votes.

The Capital Committee should develop standard forms that department heads should use to submit projects as well as an objective scoring system to develop a prioritized list of projects. Such a system could consider the following:

- Any legal or regulatory requirement for the expenditure.
- The severity of the consequences of failing to approve the expenditure.
- Whether the expenditure will improve the public safety, or the economic, or environmental well-being of the Town, or some other priority expressed by the Board of Selectmen or other authority.
- The relative importance of the expenditure to the overall mission of the requesting department.
- Whether the expenditure improves customer service or improves staff efficiency.
- Whether it provides a new service or has a positive impact on an under-served population.
- Whether the expenditure satisfies or makes progress towards an expressed or adopted plan or goal of the Town.
- Whether there is funding available from other sources, such as, grants or gifts.
- The impact on the operating budget of the town.

In terms of roles and responsibilities, a variety of officials bring important expertise to the process, including department heads, Town financial staff, and the Town Administrator. The Town Administrator is in perhaps the best position to develop the multiyear capital plan, having been appointed by the Board of Selectmen and with direct, day-to-day knowledge of the operations of the various Town departments. Kingston's By-Laws do not provide for a specific role for the Town Administrator:

*"The Committee shall prepare an annual report recommending a capital improvement budget for the next fiscal year and a capital improvement program including recommended capital improvements for the following four fiscal years. The report shall be submitted to the Board of Selectmen for review and recommendations. After review by the Board of Selectmen, the capital budget and program shall be transmitted to the Finance Committee for their*

*review before presentation at Town Meeting. The Committee's report and the Selectmen's recommended capital improvement budget shall be published..."*

Taking this into consideration, the project team recommends that Kingston consider either

1. revising the relevant article of the Town's By-laws to reflect a greater role for the Town Manager and an advisory role for the Capital Planning Committee; or
2. disbanding the Capital Planning Committee and letting the responsibilities for capital planning rest with the Town Administrator, with appropriate roles for the department heads, finance team, Board of Selectmen, and Finance Committee.

Unlike the annual operating budget process, which has seen a general convergence around a common approach that towns have found most effective, there is relatively little consistency in how capital budgeting is handled in towns across the Commonwealth. Some towns have capital planning committees; many do not. Some capital committees have a direct role in developing the capital budget; some only review it or advise the Town Administrator or equivalent position. Some towns have finance committees (or sub-committees of finance committees) that play an active role in the capital budget process; some do not.

However, in keeping with the trend toward professionalization of municipal management functions, the project team recommends that the Town strongly consider option 2, above. Further, option 2 does not preclude the use of a committee to assist with capital planning, but it leaves that decision to the Town Manager and Board of Selectmen, who will bear responsibility for the impacts of capital planning decisions.

### **3.0 Other Findings and Recommendations:**

#### **Finding 3.1 The Treasurer, Collector, and Assessor have marginal impact on the development of the Town budget**

**Recommendation 3.1 The Town should include them as active participants in the budget process by adopting the Municipal Finance Department Structure.**

These financial officers have direct and detailed knowledge of important budget information, particularly on the revenue side. Accurate and current information on collections, investments, borrowing, opportunities for restructuring debt, new growth, and changing commercial assessments are essential building blocks for the Town budget. Much of this information should be gathered into a five-year financial forecast, which serves as the foundation for the annual budgeting process.

#### **Finding 3.2 The Town lacks a functioning purchase order system**

**Recommendation 3.2 The Town should consider adding the purchase order module to its financial software package.**

The Town Accountant has identified the need for a purchase order system to gain greater control over and provide increased accountability for procurement of goods and services. With one Certified Public Procurement Officer the town needs to invest in technology that can organize and document the purchasing approval process. One way to accomplish this is to add the purchase order module to the existing MUNIS financial software.

#### **Finding 3.3 Processing payroll through the HR department is not common among the peer communities and may have unintended consequences.**

**Recommendation 3.4 The Town should consider returning the payroll processing function to a financial department.**

Although the HR Director should have access to information generated by the payroll system, the function is financial in nature and should be housed in either the Town Accountant or Collector/Treasurers office. The practice of performing the payroll function within a financial office is pervasive among Massachusetts municipalities. Of the 10 comparable towns we studied Kingston alone includes this in Human Resources. The project team is aware of only one other south-of Boston town, the much larger Braintree, that processes its payroll in the HR department.

#### **Finding 3.4 The By-Law (Article 7) that establishes a Wage and Personnel Board is outdated and does not conform to best human resource practices.**

**Recommendation 3.4 The Town should replace the Wage and Personnel Board By-Law.**

The current board is tasked with drawing up and recommending to the town, "...a proposal for a classification and compensation plan...to maintain a fair and equitable pay level." While this may have been fine in a different environment, currently employee compensation and classifications are most influenced by collective bargaining agreements. In fact, not including school employees, the town administers five collective bargaining agreements that cover approximately 127 of the 185 full and part-time town employees. According to Massachusetts collective bargaining law, a by-law committee cannot classify and establish compensation for these employees. In addition, 120 employees fall under the jurisdiction of the School Committee and Superintendent of Schools and most of them are in a union. The By-Law should be replaced with one that contains the following elements:

- The wage and classification plan should be replaced with a Personnel Plan that includes a non-union wage and classification plan, the collective bargaining agreements, the policies around employee health insurance and other benefits, a comprehensive listing of all approved positions and their status as of the date of the plan, and a complete set of town personnel policies.
- The plan should be developed by the HR Director, revised annually, and presented to the Board of Selectmen for approval.
- The role of the Wage and Personnel Board should be limited to the compensation and classification of non-union employees and become advisory.

A Human Resources professional is best suited to develop a salary and classification plan that is internally and externally equitable, considers market conditions, and is based on a clear-eyed understanding of the job duties, qualifications, skill level required for each position. However, the HR Director is not a policy maker and therefore an appointed Board to make sure the plan is informed by Town policy is an essential element.

## Implementation

Some of the proposed changes can be implemented by Selectmen policy. Certainly, a Selectmen's policy directive that the financial departments work as a team and meet regularly should be followed by all impacted parties. The Capital Committee and Personnel Board changes will require that Town Meeting adopt by-law changes. The more comprehensive structural changes will be more complex.

There are two principal ways the Town could approach implementation of the recommended structural changes. The first is to follow procedures under existing Massachusetts General Laws that provide methods of creating a combined appointed Treasurer/Collector and for creating a Finance Department. Massachusetts General Law Chapter 41 Section 1B was amended by the Municipal Modernization Act (Chapter 281 of the Acts of 2016) to allow for the appointment of a combined Treasurer/Collector by a vote of Town Meeting and approval of the voters. Previously, this was done through special legislation, aka a Home Rule Petition. Massachusetts General Law Chapter 43C Section 11 is a local option statute that allows a community to create a Municipal Finance Department. Since there is no statute that would allow the Town to vest the appointment power of the Assistant Assessor with the Selectmen or Town Administrator, a Special Act would be required to make this change.

The Project Team recommends the second method which would make the changes through a comprehensive Home Rule Petition. The benefit of this approach is its efficiency. Rather than three separate Town Meeting Actions, two ballot questions, and one Act of the Legislature, this would require one vote prior to submission to the Legislature. It is also the traditional method (pre-2016) of combining the offices of Collector and Treasurer and avoids the possibility of a partial implementation of the recommendations.

There is precedent for this recommendation as the Department of Revenue made a similar one to the neighboring Town of Carver in its 2016 Financial Management Review. The act should make clear that the Finance Director/Accountant reports to the Town Administrator on a day-to-day basis, even if the Town decides to leave this position as an appointment of the Selectmen. The amendment should also establish a structure where the other finance officers (Treasurer, Collector, and Assistant Assessor) work under the direction of and report to the Finance Director. A sample Special Act is included in Appendix D. Of course, the Town should review any legislative approach with Town Counsel.



## Appendices

### Appendix A: Comparable Community Analysis<sup>6</sup>

Municipality	County	2018 Population	2019 Single Family Tax Bill	2019 Avg. Single Family Value	2019 Income Per Capita	2018 EQV Per Capita
Abington	Plymouth	16,227	\$6,320	\$363,439	\$34,342	\$116,629
Carver	Plymouth	11,629	\$5,462	\$320,340	\$29,476	\$106,863
E. Bridgewater	Plymouth	14,343	\$6,021	\$342,887	\$32,092	\$109,984
Holbrook	Norfolk	11,050	\$5,928	\$304,646	\$29,206	\$102,078
Hull	Plymouth	10,491	\$5,814	\$445,524	\$37,180	\$197,787 <sup>7</sup>
Kingston	Plymouth	13,301	\$6,734	\$409,128	\$39,718	\$135,410
Lunenburg	Worcester	11,241	\$5,770	\$308,864	\$35,284	\$115,029
Raynham	Bristol	13,797	\$5,572	\$391,571	\$38,653	\$145,808
Tyngsborough	Middlesex	12,267	\$6,265	\$370,028	\$40,962	\$123,250
Uxbridge	Worcester	13,892	\$5,450	\$314,110	\$34,626	\$113,377

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<sup>6</sup> All data from the Massachusetts Department of Revenue

<sup>7</sup> Hull's EQV is well outside the range for comparison, however the other measures are so close our judgment was to keep it in the comparative analysis.

Municipality	Does the town have a finance director responsible for overseeing the various finance offices?	Are financial officers elected or appointed?	Is the finance director responsible for higher level financial responsibilities (forecasting, financial policies and long-term planning)?	Does the Finance Department play a major role in putting together the budget and capital plan?	Is the finance director a separate position or also Accountant or T/C?	FTEs in the finance office	Who performs the payroll function
Abington	No	Appointed	Town Accountant	"Financial Team made up of Town Accountant, Treasurer, Assessor, Town Manager and Assistant Town Manager"	Town Accountant	Accounting: 3; Treasurer /Collector: 4; Assessor's: 3; Town Manager: 2	Accounting
Carver	Yes	Appointed	Yes	Yes	Town Accountant	Accounting: 3	Accounting
East Bridgewater	No	Elected	Town Accountant	Town Accountant	Town Accountant	Accounting: 2	Accounting
Holbrook	No	Appointed; Treasurer/Collector Elected	Finance Committee has a strong financial management role	Finance Committee	Finance Committee	N/A	Accounting
Hull	"Finance Dept" contains Accounting, Assessors, Treasurer/Collector, and Parking	Appointed	Town Accountant	Town Accountant	Town Accountant	Accounting: 2; Assessors: 3; Treasurer/Collector: 1; Parking: 1	Treasurer/Collector
Kingston	No	Appointed	Town Accountant	Town Accountant	Town Accountant	Accounting: 1	Human Resources
Lunenburg	No	Appointed	Town Accountant	Town Accountant	Town Accountant	Accounting: 3	Accounting
Raynham	No	Appointed	Town Accountant	Town Accountant	Town Accountant	Accounting: 2	Accounting
Tyngsborough	Yes (Title)	Appointed	Town Accountant	Town Accountant	Town Accountant	Accounting: 2	Treasurer
Uxbridge	"Finance Office" contains Town Accountant, Assessor, and Treasurer/Collector with no clear hierarchy	Appointed	Split between Town Accountant and Treasurer/Collector	Town Manager is tasked with preparing/transmitting budget	Split between Town Accountant and Treasurer/Collector	Accounting: 1; Assessor: 1; Treasurer/Collector: 1	Accounting

Note: Information was obtained from municipal websites and has not been confirmed by relevant municipal officials.

<b>Municipality</b>	<b>Treasurer/Collector or Separate Positions</b>	<b>Elected or Appointed</b>	<b>Elected or Appointed Board of Assessors</b>
Abington	Treasurer/Collector	Appointed	Elected
Bridgewater	Treasurer/Collector	Appointed	Appointed
Carver	Treasurer/Collector	Appointed	Elected
Duxbury	Treasurer/Collector	Appointed	Elected
East Bridgewater	Treasurer/Collector	Elected	Elected
Halifax	Treasurer/Collector	Elected	Elected
Hanover	Treasurer/Collector	Appointed	Elected
Holbrook	Treasurer/Collector	Elected	Elected
Hanson	Treasurer/Collector	Appointed	Elected
Hingham	Treasurer/Collector	Appointed	Elected
Hull	Treasurer/Collector	Appointed	Elected
Kingston	Separate	Elected	Elected
Lakeville	Treasurer/Collector	Elected	Elected
Marion	Treasurer/Collector	Appointed	Elected
Marshfield	Treasurer/Collector	Appointed	Elected
Mattapoisett	Treasurer/Collector	Appointed	Elected
Middleborough	Treasurer/Collector	Appointed	Elected
Norwell	Treasurer/Collector	Appointed	Elected
Pembroke	Treasurer/Collector	Appointed	Elected
Plymouth	Treasurer/Collector	Appointed	Appointed
Plympton	Treasurer/Collector	Appointed	Elected
Rochester	Separate	Collector Elected; Treasurer Appointed	Elected
Rockland	Separate	Elected	Elected
Scituate	Treasurer/Collector	Appointed	Elected
Wareham	Treasurer/Collector	Appointed	Elected
West Bridgewater	Treasurer/Collector	Appointed	Elected
Whitman	Treasurer/Collector	Elected	Elected

**Appendix B: Competitiveness Analysis of Select Recent Elections in Kingston & Framework for Considering Elected and Appointed Offices**

Treasurer			
Year	Candidates	Positions	Comp?
2002	1	1	No
2004	2	1	Yes
2005	1	1	No
2008	4	1	Yes
2011	1	1	No
2012	1	1	No
2014	2	1	Yes
2017	1	1	No
<b>competitive races:</b>			<b>3</b>

Collector			
Year	Candidates	Positions	Comp?
2001	3	1	Yes
2004	1	1	No
2007	2	1	Yes
2010	3	1	Yes
2013	1	1	No
2016	1	1	No
<b>competitive races:</b>			<b>3</b>

Board of Assessors			
Year	Candidates	Positions	Comp?
2009	3	1	Yes
2010	1	1	No
2011	1	1	No
2012	2	1	Yes
2013	1	1	No
2014	1	1	No
2015	1	1	No
2016	1	1	No
2017	1	1	No
2018	2	1	Yes
<b>competitive races:</b>			<b>3</b>

Board of Selectmen			
Year	Candidates	Positions	Comp?
2009	4	2	Yes
2010	3	1	Yes
2011	7	2	Yes
2012	7	2	Yes
2013	4	1	Yes
2014	4	2	Yes
2015	3	2	Yes
2016	1	1	No
2017	6	2	Yes
2018	4	2	Yes
<b>competitive races:</b>			<b>9</b>

Below are eight criteria supporting a position or board being elected and eight criteria supporting one being appointed. The criteria are essentially opposites of each other. Where one increases, the other decreases, and vice-versa.

Note that few if any positions or boards will fall entirely in one column or another, and most will fall in the middle on some criteria. The general purpose of this list is to provide a framework for discussing each position or board on its own terms and deciding what is the best fit for the particular community.

Criteria supporting a position or board being ***ELECTED***	Criteria supporting a position or board being ***APPOINTED***
1. It has <b>significant</b> policy-making responsibility.	1. It has <b>minimal</b> policy-making responsibility.
2. It has <b>few</b> ministerial responsibilities and tasks whose performance is guided almost entirely by statute.	2. It has <b>many</b> ministerial responsibilities and tasks whose performance is guided almost entirely by statute.
3. Someone with little training or expertise in its area of work could <b>quickly and easily become effective</b> in the work.	3. Someone with little training or expertise in its area of work would <b>have significant difficulty in performing the work effectively, potentially creating significant risks for the community.</b>
4. Its role and tasks are <b>easily and widely</b> understood by the public.	4. Its role and tasks are <b>complicated and NOT easily and widely</b> understood by the public.
5. The nature of the position or board’s role makes it <b>relatively simple</b> for the public to evaluate the performance of its non-policy-making duties (for example, efficient use of resources, etc.).	5. The nature of the position or board’s role makes it <b>relatively difficult</b> for the public to evaluate the performance of its non-policy-making duties (for example, efficient use of resources, etc.).
6. The position or board is <b>helpful as a check or balance</b> against another center of power in the community.	6. The position or board is <b>not needed as a check or balance</b> against another center of power in the community.
7. It is <b>not critical</b> to the effective and efficient functioning of the government for this position or board to cooperate regularly with other officials.	7. It is <b>critical</b> to the effective and efficient functioning of the government for this position or board to cooperate regularly with other officials.
8. In the particular community in question, election for the position historically produces a <b>very competitive race between highly-qualified</b> candidates.	8. In the particular community in question, election for the position historically produces <b>little or no competition and few or no highly-qualified</b> candidates.

## **Appendix C: Relevant Section of Town By-Laws:**

Article 8. Capital Planning Committee (1988 ATM, Art 44; amended 1993 ATM Art 13)

4-8-1. Composition and Term of Office. There shall be a Capital Planning Committee comprised of five (5) members two of whom shall be appointed by the Board of Selectmen, two by the Finance Committee and one by the Moderator. When first constituted, the Selectmen and the Finance Committee shall each appoint one member for a three-year term and a two-year term. The Moderator shall appoint a member for a one-year term. Thereafter, following the Annual Town Meeting, appointments to the Committee shall be made by the same appointing authorities so as to provide for overlapping three-year terms. The Town Administrator and the Treasurer shall be non-voting ex-officio members. The Committee shall elect its own officers.

4-8-2. Purpose. The Committee shall study proposed capital projects and improvements involving major non-recurring tangible assets and projects which 1) are purchased or undertaken at intervals of not less than five (5) years; 2) have a useful life of at least five (5) years, and; 3) cost over ten thousand (\$10,000.00) dollars. All officers, boards, and committees, including the Kingston Elementary School Committee, shall, by October 1 of each year, give to the Committee, on forms furnished by the Capital Planning Committee, information concerning all anticipated projects requiring town meeting appropriation during the ensuing five (5) years. Using the revenue and expenditure projections prepared by the Town Administrator, the Committee shall consider the relative need, impact, timing and cost of these expenditures and the effect each will have on the financial position of the Town. No appropriation shall be voted for a capital improvement requested by a department, board or committee unless the proposed capital improvement is considered in the Committee's report or the Committee shall first have submitted a report to the Town Meeting explaining the omission.

4-8-3. Annual Report. The Committee shall prepare an annual report recommending a capital improvement budget for the next fiscal year and a capital improvement program including recommended capital improvements for the following four fiscal years. The report shall be submitted to the Board of Selectmen for review and recommendations. After review by the Board of Selectmen, the capital budget and program shall be transmitted to the Finance Committee for their review before presentation at Town Meeting. The Committee's report and the Selectmen's recommended capital improvement budget shall be published and made available in a manner consistent with the distribution of the operating budget. The capital improvement budget shall be presented in a single article separately listing the projects to be undertaken. The capital improvement program shall be presented as a resolution which, after discussion and possible amendment, shall be voted.

**Appendix D: Sample Special Legislation for Proposed Consolidated Finance Department, creation of an appointed Treasurer/Collector and Principal Assessor.**

**Note: This sample is subject to further development and refinement in consultation with the Board of Selectmen and Town Counsel.**

SECTION 1. Notwithstanding the provisions of any bylaw, rule, or regulation to the contrary, the Town of Kingston hereby establishes a consolidated municipal finance department.

SECTION 2. The finance department will include the functions and statutory duties of the town accountant, treasurer-collector, and principal assessor, which will become divisions of the department. Department operations will include, but not be limited to, the following:

- (1) Coordination of all financial services and activities of the town
- (2) Maintenance of all account records and other financial statements for the town
- (3) Payment of all financial obligations on behalf of the town
- (4) Investment of town funds and management of debt
- (5) Receipt of all funds due the town from any source
- (6) Maintenance of a system of property valuation
- (7) Rendering of advice, guidance and recommendations to town departments, offices and boards in matters related to their financial or fiscal affairs
- (8) Routine monitoring and reporting of revenues and expenditures by town departments, offices, and boards

SECTION 3. The department will be managed by a finance director, who will report to the town administrator. The finance director will be appointed by the town administrator subject to approval by the board of selectmen. The director will be a person especially fitted by education, training, and experience to perform the duties of the position, and will serve at-will for a term established by contract.

SECTION 4. The director will exercise administrative oversight and direction of the department. The director will appoint; and make recommendations to the town administrator concerning removal of the accountant, treasurer/collector, and principal assessor. The director may be appointed to hold other financial positions identified in this special act, provided that no person will hold both the town accountant and treasurer-collector positions at the same time.

SECTION 5. The director will be responsible for the effective operation and coordination of operations within the department, including the accounting, treasury-collection, and assessing functions. The director will manage all fiscal and financial affairs of the town in accordance with policies adopted by the board of selectmen, generally accepted governmental financial practices, and all laws, bylaws, rules, and regulations. The director will be knowledgeable of the statutory responsibilities of all department officers and will consult with such officers to ensure that these duties and responsibilities are properly exercised and carried out. Additionally, the director, acting in an ex-officio capacity, will coordinate and assist the finance committee and capital outlay committee.

SECTION 6. In addition to the powers and duties outlined above, the director will have the following responsibilities:

(1) To assist the town administrator in the preparation of a ten-year financial forecast of town revenues, expenditures, and general financial condition.

(2) To assist the town administration in the preparation of the annual operating budget including revenue, expenditure, and tax rate projections for the upcoming fiscal year and the proposed capital budget.



(3) To report monthly to the town administrator and quarterly to the board of selectmen a report of all financial matters affecting town government.

(4) To create and implement written policies and procedures and be responsible for the collection and deposit of all monies received by various town departments, offices, and boards.

(5) To coordinate and act as the town's chief liaison with the state Division of Local Services pertaining to all financial matters.

SECTION 7. In the Town of Kingston, there shall be, reporting to the Finance Director, a Treasurer/Collector appointed by the town administrator subject to approval by the board of selectmen. The Treasurer/Collector will be a person especially fitted by education, training, and experience to perform the duties of the position, and will serve at-will for a term, not to exceed five years, established by contract. Said appointment to take place at the conclusion of the terms of the elected Treasurer and Collector following the adoption of this act.

SECTION 8. In the Town of Kingston, there shall be, reporting to the Finance Director, a Principal Assessor appointed by the Town Administrator with the approval of the Board of Selectmen. The Principal Assessor will be a person especially fitted by education, training, and experience to perform the duties of the position, and will serve at-will for a term, not to exceed five years, established by contract.