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Report Relative to the Finance and Administration ("First Floor") Operations of the Town of Hanson, Massachusetts

Edward J. Collins, Jr. Center for Public Management, University of Massachusetts Boston

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

**MCCORMACK GRADUATE SCHOOL
OF POLICY AND GLOBAL STUDIES**

University of Massachusetts Boston

100 Morrissey Boulevard

Boston, MA 02125-3393

P: 617.287.4824

www.collinscenter.umb.edu

Report Relative to the Finance and Administration ("First Floor") Operations of the Town of Hanson, Massachusetts

EDWARD J. COLLINS, JR. CENTER FOR PUBLIC MANAGEMENT

February 2012



EXECUTIVE SUMMARY

As with almost all Massachusetts municipalities, the Town of Hanson has faced several fiscally challenging years and is likely to continue facing fiscal challenges for the foreseeable future. This has led to a situation of interconnected operational, budget, personnel, and morale challenges. Despite these, there is definitely a sense that the Town is, at least in some areas, starting to move in the right direction. The Town retained the Collins Center to perform an analysis of operations that includes recommendations for ways to increase efficiency and effectiveness, as well as additional recommendations that may improve Town operations or service delivery. The overall project includes a review of two sets of departments, the “first floor” departments of the Town Hall, which refers to the administration and finance-related offices, and the “second floor” departments, which refers to the land use-related offices. This report deals only with the “first floor.”

The findings are broken down into eight categories. These are overlapping subject areas that cannot be disentangled completely, but attempting to distinguish them allows them to be addressed in a clear manner.

1. **Operations and Workload:** The workload of most first floor staff is significant and has grown in recent months, but it can be alleviated by making processes more efficient.
2. **Communications:** While both have improved over recent years, internal and external communications of the Town still have areas that could benefit from improvement and new thinking.
3. **Finance and Budget:** Areas that could be made more effective or efficient related to finance and budget are the annual budget process, purchasing, capital planning, and grant-seeking.
4. **Information Technology:** While generally adequate for regular use, some of the Town’s software packages are out-dated and in some cases a source of inefficiency or potential risks.
5. **Policies and Procedures:** In several cases, it was suggested that the Town could do a better job setting and enforcing consistent policies.
6. **Analysis and Reporting:** Town policy-makers could benefit from more analysis and reports, but the workload issues noted previously inhibit staff’s ability to perform more analysis.
7. **Morale:** The morale of Town Hall staff seemed low, although possibly improving in some segments.
8. **Organizational Structure:** Although a full analysis of the Town’s structure was not part of the scope of this project, a cursory review shows that it could benefit significantly from a wide-ranging review.

In the recommendations section, potential fixes and solutions are proposed to address these findings. Highlights of these recommendations include:

Operations and Workload:

Cross-training: The Town should make cross-training a part of the regular activities of Town operations. The goal should be that all Town Hall staff are able to answer frequently-asked questions about the processes and issues handled by other Town Hall departments.

Payroll Process and Timecards: The Town should move from an evolved, paper-heavy process involving multiple stages of data input to a deliberately-designed process that utilizes technology and balances efficiency with oversight. A process re-design should start with a meeting of all the parties involved in the payroll process to discuss the issues at each step along the way. A second step should involve coming up with a uniform timecard that can be used for all Town employees.

Alignment of Town Hall Offices and Windows: Part of the solution to the problems with office alignment may be improving communications, by making the schedules clearer, by improving communication about sudden absences, and by providing better explanations of where people need to go for which tasks. It may also be useful to look at the full Town Hall hours schedule as a whole to determine where certain hours may be slightly askew.

Senior Tax Work-off Program: The Center recommends an expansion of this program to assist Town staff with a wide range of basic tasks, allowing staff to focus on the more high-level and skills-dependent pieces of their work.

Utilization of Interns: The Town has many discrete projects that could be ideal for students in public affairs, business, management, finance, or accounting. Not only would interns have the ability to handle some of these projects, but they may help improve the Town's use of information technology.

Communications:

Regular Meetings: The Center is not in favor of meetings for meetings' sake. However, there are two types of meetings that the Center would recommend holding regularly: (1) Department head meetings, and (2) Town Hall staff meetings.

Update Job Descriptions: The Center recommends going through and noting which job descriptions will eventually need updating and which are still generally accurate. The Town should undertake an updating of all job descriptions at some point.

Communication about Roles: Misunderstandings between staff may be partially due to a lack of appreciation for each other's roles, a common occurrence in local government. To begin to resolve this, it may be worth having an open discussion during a meeting of department heads and Town Hall staff about what the needs of various positions are.

Organization Chart: The Center recommends updating the organizational chart and making it more easily available to the public.

Town Hall Services Information: There are several locations where better information can be provided to the public about where to go for what service: (1) It would be helpful to provide signage at each entrance that not only tells where different departments are located, but which departments handle which of the most common tasks, and (2) The main homepage of the Town's website could benefit from a "Frequently Asked Questions" section, as quite a few towns have adopted.

Committee Orientation Meetings: When a new member of a board or committee is appointed, that person should receive a standard orientation about the board or committee's role, expectations, and relevant local bylaws, state statutes, open meeting laws, etc. It may make sense to offer this orientation quarterly or biannually and encourage members who are new since the last one to attend.

Budget Document: The Town should provide an annual budget document that gives a concise overview of the main areas of the budget, as well as much longer and more detailed breakdowns of the various components – by department, by personnel, etc. It can be especially helpful to do so in the form of pie charts and other visual representations. The Center recognizes that, as with other recommendations, providing expanded budget documents would be contingent on finding the time for someone with the skills and authority to create it, and that this may be unlikely in the short-term.

Finance and Budget:

Budget Process: The current budget process seems to have evolved as a result of two separate approaches to roles and responsibilities in Town government, one provided in the bylaws and one provided in the Town Administrator Special Act. To resolve this confusion, the Board of Selectmen ought to call a joint meeting with the Finance Committee, Town Administrator, and other finance staff in order to discuss the various roles, resolve some of the confusion, and remove some of the redundancy. Given the direction the Town took with the Town Administrator Act and the general movement of municipalities that take such steps, it may make sense to consider refocusing the Finance Committee's budgetary role on the big-picture financial capacity of the Town and long-term financial analysis. In this scenario, the Committee would have a greater role early in the budget process in helping craft the guidelines and less of role toward the end, when it would essentially be providing a final review of the budget produced by the Town Administrator and Board of Selectmen.

Purchasing and Procurement: As noted, departments are generally purchasing their own supplies from a variety of different vendors. The Town should develop a more strategic approach to purchasing. This could include joining a regional purchasing consortium, putting all supplies of the same type on a single bid, and/or utilizing state bid lists for more purchases.

Free Cash and Stabilization Policies: The Town should address the lack of clarity on free cash and stabilization policies.

Grants Training: There are courses available (both in-person and online) to assist grant-seekers in finding and preparing grant applications. The Town ought to consider offering to fund such training to department heads or subordinates whom the department heads feel may be a good fit for the work.

Information Technology

Basic Software Training: It is generally the Center's experience that everyone can benefit from training on the tools available in the basic software programs that people use every day. The Center strongly recommends making this training mandatory for Town Hall employees.

IT Assessment and Plan: Given the costs associated with both software and hardware, and given their importance to the work of the Town, the Center recommends that the Town include in its capital plan resources for a full assessment of the Town's IT capacity, risks, and needs.

Policies and Procedures

Revenue-Related Policies: There are at times private firms which are delinquent on their police detail payments to the Town. There also seems to be some lack of uniformity in dealing with tax delinquents who request permits or licenses from the Town. The Town ought to consider updating procedures in permit and license-granting departments to discourage delinquency and improve collections.

Personnel-Related Policies: Personnel-related policies could benefit from greater standardization and tightening of language and policy interpretation with respect to collective bargaining agreements.

Analysis and Reporting

Specific Issue Audits: The usage of telephone lines changes over time in municipalities, but often the bills do not accurately reflect this new usage. Similarly, depending on whether this is already accomplished by the Town's health insurance provider, the Town should consider an audit of dependents to determine whether the Town is currently paying for insurance for anyone who is not actually entitled receive it.

Sick Time and Overtime Tracking: Detailed tracking and analysis of sick time, overtime, and "lost time" can find areas for significant gains in efficiency.

Burn Rate Reporting: Providing these reports three to four times a year for most departments should be sufficient to flag issues. For those occasions where a problem does develop with a department, tracking it with a monthly report until the problems are resolved may be an effective strategy.

More Policy Analysis to Guide Decisions: In general, the Town could benefit from more policy analysis.

Morale

The Center encourages all those people connected with Town government to take whatever steps they can to renew a sense of shared mission and public service.

Organizational Structure

Looking at the organizational structure was not intended as part of the scope of this work. However, in light of the recent retirement of the Highway Surveyor, the Center feels that it is important to address this position. Considering the criteria provided for analyzing the status of positions (see chart on page 15), the Center believes that the position is best-suited to being appointed. The critical reason for that recommendation in this case is that, as stated in the criteria, "Someone with little training or expertise in its area of work would have significant difficulty in performing the work effectively, potentially creating significant risks for the community." The position of Highway Surveyor requires a very demanding set of highly technical and professional skills, including a deep understanding of physical infrastructure (e.g., roads and sidewalks), experience and skill in managing complex and often unpredictable projects and processes (e.g., snow removal), significant talent in managing personnel and budgets, and strong written and verbal communications skills.

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BACKGROUND

As with almost all Massachusetts municipalities, the Town of Hanson has faced several fiscally challenging years and is likely to continue facing fiscal challenges for the foreseeable future. State aid has been cut, new growth has slowed, and health care costs continue to rise faster than inflation, squeezing the Town's revenue while increasing its costs. Additionally, two proposed overrides for the coming fiscal year were defeated, leading to additional cutbacks. Some of the cutbacks have contributed to staff departures and difficulties in recruiting for critical positions.

The resulting situation is one of interconnected operational, budget, personnel, and morale challenges.

The Town retained the Collins Center to perform an assessment and analysis of operations that includes recommendations for ways to increase efficiency and effectiveness, as well as any additional recommendations that may improve Town operations or service delivery.

The overall project includes a review of the operations of two sets of departments, the "first floor" departments of the Town Hall, which refers to the administration and finance-related offices, and the "second floor" departments, which refers to the land use-related offices. This report deals only with the "first floor" departments.

Before presenting the findings, it can be helpful to know the principles that guide the Center's work.

1. **Understand That Every Situation Is Unique.** The Center does not believe there is a single solution that will work in every municipality. Every municipality is unique, and cookie-cutter solutions do not serve the best interests of communities. For that reason, the Center examines every municipality on its own terms and formulates recommendations that will make the most sense for it.
2. **Obtain Diverse Points Of View On An Issue.** The Center recognizes that there are multiple perspectives to every issue, and that the same facts can lead different people to different conclusions. In order to have the best possible understanding of a topic, the Center makes significant efforts to obtain multiple points of view. Recommendations may not provide solutions acceptable to all, but the Center listens to all sides and takes steps to understand all reasonable viewpoints.
3. **Refrain From Passing Judgments On Past Occurrences.** Understanding the full context of a project requires understanding the history that led to the request for assistance. That often means being aware of past problems and issues, which in turn frequently means hearing reports of conflict. The Center believes it is inappropriate and unproductive to pass judgment on who bears responsibility for past problems.
4. **Make Recommendations That Are Pragmatic.** Although the Center always strives to provide recommendations for the best policy alternatives available, it recognizes that all policy is made in a real-world political, fiscal, and cultural context. For that reason, the Center attempts to ensure that its policy recommendations can be implemented and are not simply exercises in proposing unachievable ideals.
5. **Make Recommendations That Are Adaptable.** The Center believes that the world of municipal governance is changing rapidly, due to a variety of fiscal, technological, regulatory, and other factors. For that reason, the Center attempts to provide recommendations that are flexible enough to be successful not only for the present environment, but also for whatever major changes might appear in the near future.

Beyond these principles, it is worth making two comments about the state of municipal government generally in Massachusetts.

First, it is the Center's general observation that the number of responsibilities facing most municipal departments have been steadily rising over the years. At the same time, in cities and towns across the Commonwealth, there have been numerous cutbacks to staff and hours. The need to do more with less can lead to errors, miscommunications, and disputes, which in turn take up more time, and so forth. The Center believes that elected leaders and the public need to recognize and acknowledge that this situation is legitimately frustrating for those working on the front lines of municipal governments, and also that those working on front lines of municipal governments must recognize and acknowledge that this frustration cannot be an excuse. The work must get done. And that leads to a second general observation about municipal government in Massachusetts.

Recent and rapid changes in the demands on municipal government mean the need to find new ways of operating. While many of the basic service demands on municipal government – that is, providing police, fire, roads, inspections, parks, etc. – have not changed, the way that municipalities are required to provide them has changed and will continue changing. The growth in state and federal mandates, personnel and finance laws, potential liability for mistakes, and information technology available means that even continuing to provide the same services requires significant changes in how the Town does business. Quite simply, "that's how we've always done it" is no longer an adequate explanation for how things get done. There must be change.

Finally, it was brought to the Center's attention that two rumors about the purposes of this project were circulating through the Town. The first rumor was that this research was commissioned to justify an increase in staffing in Town Hall. The second rumor was just the opposite, suggesting that the unstated purpose of the project was to find excuses to cut positions and personnel. It cannot be said emphatically enough that these were both false. There was no hidden agenda to this work. The purpose, as already stated, was to look for ways to make the operations of the Town run more effectively and more efficiently, which could entail increasing the number of people working in Town Hall, or decreasing it, or neither.

FINDINGS

Although the findings below focus on the issues and challenges facing the Town, it is important to note that the Town has many assets, including skilled management, department heads, and staff, and dedicated community members and elected officials. Additionally, there was a general sense throughout many of the interviews conducted that things were starting to move in the right direction for the Town after some potentially frustrating times.

The findings are broken down into eight categories. These are overlapping subject areas that cannot be disentangled completely, but separating them allows them to be addressed in a clear manner.

1. Operations and Workload: The workload of most first floor staff is significant and has grown in recent months, but it can be alleviated by making processes more efficient.

As noted, workloads on municipal employees have generally been rising across the Commonwealth at the same time as staff hours have been cut back in many municipalities. Both of these trends are particularly acute in Hanson. On the workload side, various departments have faced significant new or increased tasks or projects in the last few years, including things like transfer station trip tickets, tax title processing, benefits changes, GASB reporting requirement changes, and much more. On the cutbacks side, clerical positions in first floor departments have been eliminated, left unfilled, or experienced reduced hours.

It is important to recognize that cutting an hour of clerical assistance typically has more than an hour's worth of impact on the operations of departments. The extra impact (beyond the obvious missing hour) comes in the form of interruptions. Every time a department head or other Town employee is called to the window to deal with a customer who otherwise might have been handled by clerical staff, that person is disrupted from some other task that he or she was working on. Major interruptions can make it difficult to get work done, especially tasks that require significant focus, such as work that involves analyzing or reviewing numbers, or thinking through a complex decision. There is significant research to support the negative effect of interruptions on work. All this matters because decisions made to cut back hours often do not recognize the indirect impacts created.

The Town's ability to adjust effectively to the time squeeze on staff is further hindered by four obstacles: (1) the physical layout out of the first floor, (2) the lack of cross-training of staff on some basic duties of other departments, (3) the lack of alignment of Town Hall schedules, and (4) the lack of clarity among the public about where to go for different issues and the roles and responsibilities of various officials. (The fourth of these will be addressed in the next section on Communications.)

In the case of the physical space, the current layout of the first floor is not conducive to easy collaboration and assistance. With different departments separated by doors and hallways, time may be lost getting documents and information from one place to another. Additionally, the natural exchange of information by people sitting next to each other may reduce miscommunication and lead to faster solutions to everyday issues that arise.

Second, in the case of the lack of cross-training of staff on some basic duties of other departments, part of it likely results from the physical layout of the building itself. Another piece of it may be resistance among staff or collective bargaining units to the sharing of responsibilities, although some interviewees were definitely interested in pursuing this. Still another hindrance may be the catch-22 presented by the lack of time. In other words, there has not been the time available to take cross-training steps that could make more time available. Finally, there are logistical issues to some aspects of cross-training that would need to be carefully planned,

such as bonding requirements and ensuring the proper separation of functions between accounting and treasurer/collector.

Regardless, cross-training can make sense not only because it can provide better services to the public, allow more flexibility day-to-day, and provide back-up to functions in the case of emergencies or unexpected absences, but also because the workload of many departments is cyclical, with peak workload occurring at different points across the year and with different frequencies. The Town of Concord has traditionally provided some cross-training for its administrative staff in the Town Clerk and Treasurer/Collector's offices. Although the training is only intended to cover the basic questions and routine tasks, department heads in Town generally felt that it was helpful, particularly when departments hit their respective busiest parts of the year.

Third, with regard to the alignment of schedules of Town Hall offices, there was a lot of frustration around this issue among interviewees. This seemed to center around the differences in schedules themselves and in the communications around schedules. When residents come into Town Hall to take care of something and find out that one department they need is open while another is not, that is likely to lead to the open department having to spend time responding to resident complaints. At the same time, there were instances cited where a department window would be closed unexpectedly, leading to one department sending someone to another for some piece of business, only for that resident to discover that the window was closed. Understandably, this creates aggravation all around.

Beyond all these general issues, there was one critical process that is inefficient and could be improved via re-thinking roles or adding technology. The payroll process is riddled with inefficiencies and inconsistencies. As it stands, department heads currently complete a spreadsheet form, print it out, sign it, and have it hand-delivered to Town Hall, at which point the information is re-entered. This process unnecessarily duplicates the data entry work, taking extra time and increasing the number of opportunities for error. Additionally, the process does not utilize universal timecards, and different departments have their timesheets processed in different ways.

Finally, in general, processes could be improved if error rates were reduced. It was expressed in interviews that some departments submit information to finance departments in Town Hall that contain numerous small errors, which require significant time for Town Hall staff to catch, analyze, and fix. This implies that a small increase in training and in effort proofing documents submitted (such as warrants, invoices, etc.) could have a significant impact on workload of some departments.

2. Communications: While both have improved over recent years, internal and external communications of the Town still have areas that could benefit from improvement and new thinking.

The problem of insufficient or ineffective internal communications is not unique to Hanson. It is an issue the Center sees repeated in town after town across the Commonwealth. Part of the problem is a direct result of the way that town governments are structured in Massachusetts. (This will be returned to later.) Some aspects derive from the intersection of the particular legal and technological circumstances of this moment in time. Still another piece comes from the increased workload and decreased hours facing staff and volunteers as a result of the current fiscal circumstances. (More on this later too.)

In Hanson's particular case, some of the problems may also come from the physical layout of the first floor described previously, which hinders some of the natural communication that could occur in a shared space.

In the research, the Center learned of several internal communication issues that merit attention. First, it seems that some staff may not fully understand the roles and responsibilities of their counterparts. This plays out most clearly in dynamics between finance or administration departments and departments outside Town

Hall on those occasions when the missions of the two departments come into conflict. For example, a highway supervisor or other department head may need to purchase some piece of equipment very quickly in order to take care of some critical task. For that person, the ability to get the piece of equipment in the timeframe needed is what matters to the mission of the department. However, for the finance and administration staff in Town Hall who need to approve the purchase and pay the invoice, what is most important to their mission is protecting the Town from waste and fraud by following laws and procedures set up for that purpose. In this hypothetical case, the two missions are in direct conflict, but they are both essential to the Town's work and mission. Both sides need to recognize the legitimacy of the other's needs and to work together actively to find a compromise that meets both missions. This requires a significant level of communication over the issue itself, and a level of trust that usually takes some time to grow.

Another example of problematic internal communications was departments in Town Hall sometimes not notifying other departments when their windows were going to be closed, as noted in the section above.

As for external communications, there seem to be two primary issues that the Center identified. First, similar to the first internal communication challenge noted above, it was frequently suggested that there may be a lack of understanding among some segments of the public about the roles and responsibilities of the various Town officials, boards, committees, and departments. Again, this is a common issue the Center hears about in towns across the Commonwealth. It is partially due to a combination of the peculiarities of Massachusetts local government structures and the fact that new people who move into Town (and into Massachusetts) may have never been involved in a town government before and so may not understand how the pieces fit together. In Hanson's particular case, it may be exacerbated by the fact that some job descriptions were outdated, according to interviewees, and that the organizational chart is outdated and difficult to find.

Second, the Center believes that the Town could do a better job communicating with the public about the budget and expenditures through the annual budget document, but that, as with other issues, doing so would be contingent on freeing up time from staff that have the capacity to do so. The best annual budget documents present both a concise and crisp overview of the main areas of the budget, as well as much longer and more detailed breakdowns of the various components – by department, by personnel, supplies, etc.

3. Finance and Budget: Areas that could be made more effective or efficient related to finance and budget are the annual budget process, purchasing, capital planning, and grant-seeking.

Beyond the issue of the budget document noted above, there are several other finance and budget-related issues that could be improved.

First, with regard to the budget process itself, while it was widely acknowledged that the budget process over the last few years was vastly improved and improving, a sense of confusion about roles and responsibilities remains. Part of the problem may be that different pieces of the budget process are currently explained in three different places: one piece is spelled out in the Special Act that created Hanson's Town Administrator position (Chapter 41 of the Acts of 2006, "An Act Establishing a Town Administrator in the Town of Hanson") and two others are spelled out in different Articles in the Town's bylaws (Article 2-1, "General Provisions Governing All Departments, Boards, Committees, Commissions and Elected Officials," Section 2; and Article 2-10, "Finance Committee," Section 3). When the relevant pieces are pulled together and put in the approximate sequential order, the process looks like this:

All Departments, Boards Committees and Commissions and elected Officers charged with the expenditure of Town funds shall annually prepare a budget, detailing estimates of the amounts necessary to carry on Town's business entrusted to them, for the ensuing year. Figures covering the previous year's appropriation shall be provided by them as well as figures indicating amounts expended

two years previous to the estimate presented. They shall also prepare estimates of any income may be received by the Town during the ensuing year in connection with the Town's business or property in their care. The Board of Selectmen shall include in their estimates, the salaries of all Elected Town Officers and all other items not provided for. The salaries of all other persons shall be included in the estimates of the Officers, Boards, Committees or Commissions appointing them. The Treasurer shall include in his estimates the amounts required for the payment of interest on the obligations of the Town and the amounts of maturing indebtedness during the succeeding year. Within forty-five days of the Town Administrator's request, such estimates and explanations shall be submitted to the Town Administrator. **(General Bylaws, Article 2-1, "General Provisions Governing All Departments, Boards, Committees, Commissions and Elected Officials," Section 2)**

The Town Administrator shall ... prepare, assemble and present annually to the board of selectmen for its review, approval and recommendation to the finance committee, detailed budgetary estimates of the amounts necessary for the administration of all town boards, officers, committees and departments, for the ensuing fiscal year, including both capital and expense items, with the exception of the water and school departments. **(Special Act, Chapter 41 of the Acts of 2006)**

The Town Administrator shall prepare, assemble and present annually to the Board of Selectmen for its review and approval a budget for the ensuing fiscal year. Seven (7) copies of the recommended estimated budget shall be forwarded to the Finance Committee on or before January 31st. Additionally, one copy of the budget shall be forwarded to the Town Accountant. **(General Bylaws, Article 2-1, "General Provisions Governing All Departments, Boards, Committees, Commissions and Elected Officials," Section 2)**

Upon receipt of the budget estimates as outlined in Article 2-1, s. 2 of these By-Laws, the Finance Committee shall consider the estimates and add another column to the estimate reflecting the amounts which, in their opinion, should be appropriated for the ensuing year. The Committee may add explanations, suggestions and recommendations in relation to the proposed appropriations as it deems best. The budget estimate and committee recommendations shall be printed and distributed with the Town Report at least 14 days prior to the Annual Town Meeting. A copy of the submitted budget estimate shall be returned to the preparer at least 14 days prior to the Town Meeting identifying and explaining recommendations for change of any amount requested. **(General Bylaws, Article 2-10, "Finance Committee," Section 3)**

It does not appear that there is a major direct conflict between the pieces. (Note that if there were a direct conflict, in terms of the hierarchy of these statutory pieces, the Special Act is the controlling document and trumps the General Bylaws.) However, taken together, they could create a process that leads (and perhaps has at times led) to redundancy and frustration. The reason is that the Special Act seems to empower the Town Administrator to create a full and complete budget for the Town that would then be reviewed by the Selectmen and the Finance Committee. The bylaws then seem to empower the Finance Committee to create an entirely new budget by adding a new column to the one already presented to the Selectmen, as opposed to providing recommendations about and commenting on the budget that has already been prepared. This is common frustration encountered in towns across the Commonwealth and leads to situations where there are frequent disputes on Town Meeting floors between Selectmen and Finance Committees. While some level of disagreement between Selectmen and Finance Committees is healthy and natural as part of checks and balances, it can be more efficient and less frustrating for all sides to try to resolve as many of those differences as possible before Town Meeting.

Some communities are reevaluating the roles of Finance Committees to determine whether they might provide a more effective role looking at big picture and long-term financial issues facing the Town. This is

particularly the case in communities that strengthen their Town Manager or Town Administrator positions. Currently, in Hanson and elsewhere, Finance Committees sometimes can get into the details of budget-making without the detailed level of operational knowledge necessary and can become disconnected from the operational impacts of their decisions. Looking at the FY12 budget warrant, the Finance Committee changed about 22 of the line items in the budget, which amounts to about 16% of the total line items. Of those changes, 21 were reductions, and one (snow operations) was an increase. Of the 21 reductions, 13 (or about 62%) were reductions of less than \$500. The total difference between the Finance Committee budget and the Board of Selectmen/Town Administrator budget was about \$82,710, which amounted to a reduction of about 0.4%.

Finally on the budget process, it has been noted that the process will undergo further adjustment this year with the introduction of new procedures. This means that all parties involved in the process should be prepared for potential disruptions arising from the change, as the introduction of new processes always leads to some missteps and need for tweaks.

Another area related to finances that it was noted could use some tightening is purchasing. Purchasing in Hanson is not centralized, which means that each department is buying its own office supplies, small equipment, etc. This is inefficient for several reasons: It requires multiple staff (who may not be experts in purchasing) to take time to make purchases; it fails to capture economies of scale in purchasing consumables; it hinders potential sharing; and it prevents central monitoring for waste. This could be a critical area for improvement, but it is dependent on freeing up time from someone with the authority and skills to take on the task.

Third, there are challenges with capital planning. Numerous infrastructure improvements are needed, but there has been a lack of funding provided for capital expenditures. Although the Town has relatively low debt, there seems to be little interest in taking on more. At the same time, the Center was informed that there is interest from some in getting the Town to the point where free cash can be used for capital expenditures, as opposed to plugging holes in the operating budget. The Town is moving in that direction, but it has not reached that point yet. It should also be noted that there seemed to be limited communication between the Capital Improvement Committee and the Finance Committee, and that the two had held few if any meetings in recent years.

Finally, it was suggested that the Town could be doing a better job finding and obtaining grants. Two suggestions for this were offered. One was to provide some funding for a position that would be focused on getting grants and which would generate more revenue than the position would cost. Another idea was simply to provide training opportunities on grant-seeking and grant-writing to department heads.

4. Information Technology: While generally adequate for regular use, some of the Town's software packages are out-dated and in some cases a source of inefficiency or potential risks.

Information Technology (IT) is an area that organizations large and small and from across many different sectors have difficulty managing. However, it is becoming ever more critical to municipal governance as more tools become available and resident expectations for services increase. Research has shown that as residents become more tech-savvy themselves, they expect their local governments to do the same. Even more importantly, the effective adoption of IT solutions can vastly improve the efficiency and effectiveness of local government services. A full IT needs assessment for the Town is beyond the scope of this report, but there were some obvious areas of concern that noted below.

The Town's website is generally viewed as a good gateway to Town information on services. There were instances cited where other forms or information could be added. One web-based area that seems to cause

significant frustration is the Town's online parcel software (VectorEyes). A common comment by members of the public attempting to use the Town's online GIS system is that Hanson is the only Town where several useful search features are not available. Because the program does not perform functions that others do, people then call or come in personally to take care of business that could have been done through the website. This creates frustration and unnecessarily takes up staff time.

In terms of other programs used by first floor staff, the three primary ones mentioned were CDS, Softright, and Approach. CDS is the payroll and billing software. While some in Town felt that the program is user friendly, it is an older, DOS-based system that is supported by a firm run by a single individual. That obviously has benefits in terms of customer services. However, it is also a potential risk to the Town. If something were to happen to the firm or the individual supporting this system, it is unclear if there is sufficient capability to keep the process going. Softright is the accounting and billing software used. Staff seem generally satisfied, although the program may currently not be providing the maximum level of use. Whether that is due to insufficient user training or comfort with the program, or due to program functionality was difficult to assess. The final program noted was Approach, which is an old database program being used for a small sub-set of data-related activities on the floor, although it seemed like the trend was to be move some of those pieces over to other programs.

At the same time, nearly all departments use Microsoft Office programs such as Word and Excel. One interviewee noted that attending Excel training proved extremely helpful.

5. Policies and Procedures: In several cases, it was suggested that the Town could do a better job setting and enforcing consistent policies.

It was noted by several interviewees that the Board of Selectmen has been moving away from getting involved in the day-to-day operations and toward policy-making, which appears to be what was envisioned in the Town Administrator Special Act the Town passed in 2006 and which is the general direction that many communities are moving.

Along those lines, there were areas where it was suggested that policies and procedures could be tightened. Some of these are under the purview of the Board of Selectmen, while others may fall to other boards, committees, or officials.

One example was police detail payments. It was brought to the Center's attention that sometimes private firms have become significantly delinquent on payments for paid police details that they have used. This reduces the amount of cash the Town has on hand (and thus the interest it earns) and takes up significant time from staff who have to spend time with follow-up calls and emails. For that reason, new policies or procedures to improve payment rates could be a significant plus for the Town. It was also noted that there is no single, unified detail payment form, and that creating one such form would also improve the efficiency of the process.

Another example relates to permit issuance to residents who are delinquent on tax payments. It was noted that some permit-issuing agencies of the Town do not deny permits to those who are delinquent on taxes while others do. It was unclear whether there is actually an inconsistency here, or whether there is just the perception of one. Either way, this seems an area worth examining.

A third area for more policy-making would be in sick time policies. It was raised that there may be significant costs outstanding from long-standing policies on sick time, and that those need to be addressed on a policy-level soon.

A fourth area was cash handling. While this does not appear to have caused any major issues, it was raised that there may be some inconsistencies with regard to cash handling across departments.

Finally, there was a lack of clarity among some interviewees about whether the Town has formal policies on free cash and stabilization. If the Town does not, it should actively consider developing some based on best practices. If the Town does, it may benefit from a more active communication of what those policies are.

6. Analysis and Reporting: Town policy-makers could benefit from more analysis and reports, but the workload issues noted previously inhibit staff's ability to perform more analysis.

As noted above, there are areas of policy-making where it may be possible for the Town to be more active. At the same time, both policy-making and day-to-day management could benefit from an increased level of analysis. Several examples of this were cited.

First, some interviewees indicated that they would like to see more frequent or detailed department "burn rate" reports that compare the year's spending-to-date with the budgeted amount and with prior year spending on the same line items. (It should be noted that other interviewees felt that they were getting this information, so it does not appear that this reporting is not occurring, but rather than it may not be happening consistently or widely enough.)

Second, there were areas of expenditure where the Town could be doing a better job of collecting and analyzing expenditure data. One example of this is tracking of sick time and overtime. While some basic tracking is occurring, some communities have found that detailed analysis of these areas can find areas for significant gains in efficiency (e.g., tracking sick time by days of the week and department). Another example of this is phone usage. Some communities who have hired firms to come in and audit their phone plans and usage have found situations where lines were being paid for but unused. (In one case, a town was paying for phones into a building that had been demolished.)

A third area for analysis and reporting involves situations where there is a discrete policy decision that needs to be made, and where detailed financial analysis of all options could have a significant impact over the long-term. A classic example of this involves the decision about when and how to replace a police cruiser. When a cruiser is aging and requires significant maintenance, the Town has (at least) three options if it wants to keep the number of cruisers in service level. It can pay for maintenance on the existing cruiser, it can purchase a new cruiser, or it can lease a new cruiser. Each of these obviously has pros and cons. The question is whether, when a decision like this faces the Town, the Board has the necessary data and information to weigh these options and make the most cost-effective decision for the community.

As noted for prior findings, getting these types of reports and analyses is going to depend on whether time can be made available for someone who has the skills and authority to do this work.

7. Morale: The general morale of Town Hall staff seemed to be low, although possibly improving in some segments.

The Center believes that morale is a critical issue to the functioning of all organizations, and that this topic (while potentially more subjective or controversial than some of the others) is important to understanding the issues facing Hanson. Getting satisfaction from work and being eager to do a good job are not simply niceties for staff. Research shows that morale can have an effect on performance. If morale is low, that will have an impact on the quality of services provided and the efficiency of operations.

In Hanson’s case, it is the Center’s general observation that morale among Town staff is low. This appears to have several causes. First, the communications issues noted earlier may contribute to unnecessary problems and frustrations. (See Communications section of findings.)

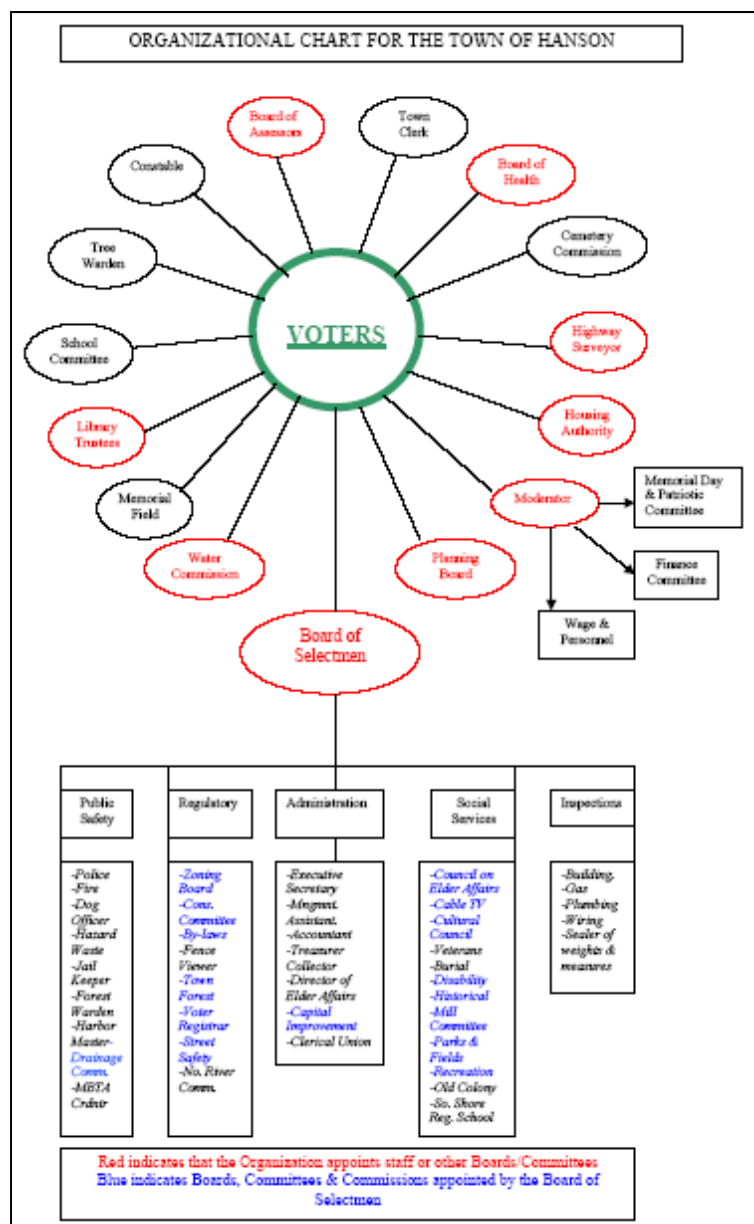
Second, the fiscal situation has numerous negative effects on morale. Some staff worry that hours or jobs may be cut. Some have already seen cuts impact co-workers or have experienced reductions in hours themselves. Additionally, those staff who are truly passionate about their work see the cutbacks negatively affecting the quality of the services they are able to provide.

Finally, some staff feel as if there is a lack of understanding and appreciation by the Board of Selectmen, Finance Committee, and the public that they are being asked to do more and more with less (both in terms of time and money). It should be noted that staff nearly universally felt that they work in and for a Town with very high expectations for services, and that they (the staff) generally like that. It is when the public does not realize that they are being asked constantly to do more with less that the situation can become demoralizing.

8. Organizational Structure: Although a full analysis of the Town’s organizational structure was not part of the scope of this project, a cursory review shows that the Town’s organizational structure could benefit significantly from a wide-ranging review.

A full structural analysis was not part of the scope of this project. However, it is important to note a few basic findings about Hanson’s structure, both because they are relevant to this report’s recommendations and because they point toward future research and reform that should be undertaken.

The Town of Hanson was incorporated in 1820. Almost 200 years later, the Town does not yet have a formal charter laying out its structure. Instead, it operates under the Town bylaws, as well as a collection of Special Acts of the legislature, General Laws accepted by the Town, and other relevant state and federal statutes. It is worth noting this, because it is an important reminder that the current structure of the Town is not one assembled systematically through a process of planning, dialogue, and formal voting. Instead, the structure of Town government is the way it is because it evolved over the centuries as needs and demands changed. The current organizational structure can be seen in the “Organizational Chart for the Town of Hanson” available on the Town’s website. (See Chart.)



Given the Center’s general belief that the complexity of municipal government is increasing faster than ever, it will probably not be surprising that the Center finds that Hanson’s current structure to be inadequate to meet the Town’s needs. This manifests itself in many ways, but one of the most critical involves the decision about whether certain positions should be elected or appointed. This matters because it directly affects how the Town is managed. The Center has developed the following list of criteria that can assist communities thinking through these decisions. (See chart below.)

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

The first seven of these criteria are difficult to measure quantitatively. However, the eighth is relatively easy to measure. With the exception of the Board of Selectmen, the School Committee, the Housing Authority, and the Highway Surveyor, there are few competitive races in Hanson. (See Appendix for “Hanson Elections Competitiveness Analysis (2007-2011)” chart.) In fact, over the five years for which the Center obtained elections results, there was not a single competitive seat for the Moderator, Town Clerk, Tree Warden, Library Trustees, Board of Assessors, Cemetery Commission, Trustees of Memorial Field, or Constables. (In the case of the Clerk, Tree Warden, and Constables, there were only two, two, and one elections, respectively.)

The positions of Moderator, Board of Selectmen, School Committee, and potentially Housing Authority (depending on whose interpretation of state law is used) are required to be elected. Any of the remaining positions could be converted to appointed positions or, in some cases, eliminated.

It is worth noting that the Town commissioned a “Town Government Study” in 1988 by the firm of Bennett & Shaw that recommended changes to the Town structure that were never implemented. Quite a few of those recommendations are still relevant and could be resurrected as the basis for considering structural reform.

RECOMMENDATIONS

The first eight recommendations in this section are intended as steps that can be taken immediately or relatively quickly. They match the order of the findings presented. The ninth recommendation is a collection of long-term steps that the Town may want consider or discuss, but which could not be implemented quickly.

It is important to note that sequencing the implementation of any changes undertaken will be critical, because there is limited capacity right now in Town Hall to take on the new work of making changes. As noted in the Operations finding section, there is a certain level of “catch-22” to this: The Town is currently short of capacity to undertake the changes that will provide the capacity to make the changes. Following the recommendations, there will be a suggested sequence for implementation that hopefully can help overcome this obstacle.

1. Operations and Workload

Cross-training: There is always some natural cross-training that occurs as employees help each other out when one department is overwhelmed with work. However, the Town should make cross-training a part of the regular activities of Town operations. (That may mean some negotiations with collective bargaining units, which would hopefully see the value to their own members of such an arrangement.) The goal should be that all Town Hall staff are able to answer frequently-asked questions about the processes and issues handled other Town Hall departments. (There will always be specialization for higher-level operations of each department.) Cross-training can improve customer service and cut down on the time spent responding to frustrations of residents who were not able to get the answers they needed on an earlier visit or call. It provides an additional mechanism for support when departments are temporarily understaffed or face a surge of work. It can also lead to new ideas, as best practices for customer service, forms, data collection, etc. are shared among departments. Finally, understanding the work and challenges of other departments can contribute to a shared sense of mission among staff.

Payroll Process and Timecards: The inefficiency and inconsistency of the Town’s payroll processes must be addressed. This includes moving from an evolved, paper-heavy process involving multiple stages of data input to a deliberately-designed process that utilizes technology and balances efficiency with oversight. A process re-design should start with a meeting of all the parties involved in the payroll process to discuss the issues at each step along the way and to take suggestions for improvements. A second step should involve coming up with a uniform timecard that can be used for all Town employees. Further down the line, the Town should investigate software packages that would allow much of the process to take place electronically. Whether that means purchasing the Softright module that provides this functionality or finding a separate piece of software will depend on the relative costs and functionality. The Town should set a timetable with goals for implementation of individual departments and Town-wide completion. Moreover, there are additional areas for improvement in the payroll process, although implementation will require collaboration with staff and unions. For example, the payroll is still on a weekly schedule, while most towns are moving toward bi-weekly schedules to improve efficiency. Finally, although the majority of Town employees participate in direct-deposit, there are still some holdouts. For the sake of efficiency, the Town may want to consider incentives (carrots and/or sticks) to move the remaining staff into direct-deposit.

Alignment of Town Hall Offices and Windows: As noted, the alignment of schedules of Town Hall offices seemed to be a commonly-raised issue among interviewees. The problem seemed to center around the differences in schedules themselves and in the communications around schedules. (See Appendix for Chart of Town Hall hours as listed on the Town’s website.) Part of the solution may be improving communications, by making the schedules clearer, by improving communication about sudden absences, and by providing better explanations of where people need to go for which tasks (see next section for details). Additionally, another

part may be the recommendations around cross training noted previously. Beyond these issues, it may be useful to look at the full Town Hall hours schedule as a whole to determine where certain hours may be slightly askew. For example, looking at the chart in the Appendix, it is clear that there are discrepancies on each day between offices closing at 2:00 pm and those closing at 2:30 pm. It is also unclear on the website when the hours were last updated. Adding that could help people determine whether the schedule is likely to be out-of-date or not.

Senior Tax Work-off Program: In 2003 the Town accepted Chapter 59, Section 5k of the General Laws allowing senior citizens in the Town to volunteer in exchange for a reduction of their property tax bills. According to numbers provided, the Town currently has about two dozen seniors participating in this program. This program is a good way to increase capacity of Town Hall staff while at the same time reducing the economic burden on seniors and providing them an opportunity to contribute to the well-being of the Town government. The Center recommends an expansion of this program to assist Town staff with a wide range of basic tasks and projects, allowing staff to focus on the more high-level and skills-dependent pieces of their work.

Utilization of Interns: In addition to seniors, interns are another way to build capacity in Town government. Given Hanson's proximity to Massasoit Community College, Fisher College, Curry College, and Bridgewater State University, as well as slightly further schools like UMass Boston and Stonehill College, the Town should actively explore hiring interns to help in the Town Administrator's office or other Town Hall offices. The Town has many discrete projects that could be ideal for students in public affairs, business, management, finance, or accounting. (See Implementation section for more detail.) Not only would interns have the ability to handle some of these projects, but they may help improve the Town's use of information technology.

2. Communications:

Regular Meetings: The Center recommends that the Town have more regular meetings. The Center is not in favor of meetings for meetings' sake. However, when there a situation where communications have been problematic, it may be beneficial to err on the side of having too many meetings rather than too few. There are two types of meetings that the Center would recommend holding regularly (at whatever tempo feels right): (1) Department head meetings, and (2) Town Hall staff meetings. These meetings do not have to be long, but they should provide an opportunity for everyone to be informed about what else is going on in Town Hall, what issues are out there, and what may be coming down the road in the near future. They can also be issues-specific meetings, such as discussing what would be the most effective and efficient method for handling transfer station trip tickets.

Update Job Descriptions: Job descriptions are an important communication tool. They lay out the expectations for staff and can pinpoint where there are misunderstandings about what falls under which department or person's purview. While some of Hanson's job descriptions have been kept relatively up-to-date, others have not been reviewed in quite some time. At minimum, the Center recommends going through and noting which job descriptions will eventually need updating and which are still generally accurate. The Town should undertake an updating of job descriptions at some point, either by tasking the Wage & Personnel Committee with this work, hiring outside organization to perform the task, or some combination of the two.

Communication about Roles: While job descriptions help individual staff and their managers understand roles and expectations, it is also important for Town staff to understand each other's roles. As noted, misunderstandings between staff may be partially due to a lack of appreciation for each other's roles, a common occurrence in town government. This division is often seen between departments that serve the public directly and those that primarily serve other departments. Both sides need to recognize the legitimacy of the other's needs and to work together actively to find a compromise that meets both missions.

To begin to resolve this, it may be worth having an open discussion during a meeting of department heads and Town Hall staff about what each side's needs are. This should not be in the context of any particular incident or issue, but should be focused on big picture questions: What types of issues are the most common? What does each side need from the other? Where are areas for compromise? What constitutes an "emergency" situation? What can be done to improve the sequencing of challenging issues?

Additionally, there may be places where additional training (whether provided in-house or externally) would greatly speed up various administrative processes, reduce error rates, and allow departments that provide services internally to undertake additional tasks that assist externally-facing departments. This would include topics such as proofing of warrants and invoices, purchasing, etc.

Update Organization Chart: The Town's organizational chart is difficult to read and difficult for residents to find. The Center recommends updating the organizational chart and making it more easily available to the public. Given the complexity of Town structure (in Hanson and throughout Massachusetts), it is difficult for residents to get a clear understanding of how the various pieces of local government fit together, who is responsible for what, and who reports to whom. For that reason, a good organizational chart can be a huge help to residents in understanding and interacting with their government. (See Appendix for some examples.)

Town Hall Services Information: When a member of the public arrives at Town Hall to take care of some piece of Town-related business, that person should know exactly what steps he or she will have to take, where to go to take those steps, and what forms or documents will be needed. The greater the percentage of people who meet that description, the easier it will be for those services to be delivered quickly and effectively. In order to increase the public's awareness, there are several locations where information can be provided about where to go for what service: (1) It would be helpful to provide signage at each entrance that not only tells where different departments are located, but which departments handle which of the most common tasks, (2) The main homepage of the Town's website could benefit from a "Frequently Asked Questions," as quite a few towns have adopted. (See, for example, West Boylston's "How Do I...?" link, which is available on every page of the Town's site in the left column: http://www.westboylston.com/Pages/WBoylstonMA_WebDocs/faqs.)

Committee Orientation Meetings: When a new member of a Town board or committee is appointed, that person should receive a standard orientation about the board or committee's role, expectations, and relevant local bylaws, state statutes, open meeting laws, etc. Given the number of members and the turnover of board and committee membership in the town, it may make sense to offer this orientation quarterly or biannually and encourage all members who are new since the last meeting to attend. Not only will this help board and committee members understand what their roles and expectations are, but it will help them understand the Town government more generally and feel more connected to the Town and its mission.

Budget Document: The budget is critical to both a town's finances and its delivery of services. It is the most important regular policy document prepared in that it lays out a blueprint for how a town will allocate limited resources among competing priorities. In addition, it is also essential as a communications tool. As part of a revamped budget process (see next section), the Town should provide an annual budget document that provides a concise and crisp overview of the main areas of the budget, as well as much longer and more detailed breakdowns of the various components – by department, by personnel, supplies, etc. Charts are particularly helpful for this. Additionally, an ideal budget includes both data and narrative about what the department does with the resources it gets. This should be both backward-looking (e.g., what did the department do with its resources last year) and forward-looking (e.g., what does the department plan to do with the resources it will get in the coming year). Ideally, it should also include basic goals and targets, where it has achieved those in the past, and where it has missed them, along with explanations for what may have affected or may affect the department's ability to achieve those goals. The Center recognizes that, as with

other recommendations, providing expanded budget documents would be contingent on finding the time of someone with the skills and authority to create it, and that this may be unlikely in the short-term.

3. Finance and Budget

Budget Process: As noted, the current budget process seems to have evolved as a result of two separate approaches to roles and responsibilities in Town government, one provided in the bylaws and one provided in the Town's 2006 Town Administrator Special Act. To resolve this confusion, the Board of Selectmen ought to call a joint meeting with the Finance Committee, Town Administrator, and other finance staff in order to discuss the various roles, resolve some of the confusion, and remove some of the redundancy. This meeting should be held separate from the current year's budget meetings.

As for how to resolve the confusion, there is no single correct way to conduct an annual budget process. However, the Town should strive for a process that is "systematic, inclusive, and responsive" (according to the Division of Local Services' "Annual Budget Process in Towns"). In terms of reorganizing roles and responsibilities, in general much will depend on the skills and traditions of the particular community. However, given the direction the Town took with the 2006 Town Administrator Act and the general movement of towns that take such steps, it may make sense for Hanson to consider refocusing the Finance Committee's budgetary role on the big-picture financial capacity of the Town and long-term financial analysis. (It would still maintain its non-budgetary oversight and reserve fund duties.)

In the scenario described here, the Finance Committee would have a greater role early on in the budget process in helping craft the general guidelines and less of a role toward the end of it, when it would essentially be providing a final review of the budget produced by the Town Administrator and Board of Selectmen. It would be likely that a Finance Committee in such a role would not be changing 16% of the line items in the proposed budget, but only a handful where it had some significant concern over the level of funding for a particular item.

Purchasing and Procurement: As noted, departments are generally purchasing their own supplies from a variety of different vendors. This can be frustrating for departments and inefficient for the Town as a whole. The Town should develop a more strategic approach to purchasing. This could include joining a regional purchasing consortium, putting all supplies of the same type on a single bid, and/or utilizing state bid lists for more purchases. As with some other recommendations, this one is a very time-consuming one that will require additional capacity. Doing the internal research on the topic and developing a plan could be a good project for an intern. (See prior recommendation.)

Free Cash and Stabilization Policies: The Town should actively address the lack of clarity among about the Town's policies on free cash and stabilization. Researching and drafting a proposal for the Board of Selectmen would be an ideal task for the Finance Committee to take up if the Town moves its new role toward more big-picture and long-term finance work. (See Appendix for examples of free cash and stabilization policies.)

Grants Training: While the number of grants available to municipalities has decreased, there are still grant opportunities available. At some point, the Town may want to consider including grant-writing in the formal responsibilities of a Town employee. In the short-term, there are plenty of courses available (both in-person and online) to assist grant-seekers in finding and preparing grant applications. The Town ought to consider offering to fund such training for department heads or subordinates whom the department heads feel may be a good fit for the work. It ought to also continue to track the number of grants obtained over time (and the size of the grants). This will allow the Town the ability to demonstrate whether the training is proving effective and adjust as necessary.

4. Information Technology

Basic Software Training: It is generally the Center's experience that everyone can benefit from training on the tools available in the basic software programs that people use every day. Seemingly simple programs like Microsoft Word and Excel contain so many features that make work more efficient but often go unused because people have never been made aware of them. In Hanson's particular case, it was noted that both the School Department and one of the Town's insurance providers offer inexpensive (and in some cases free) training in Excel (and possibly other programs). The Center strongly recommends making this training mandatory for Town Hall employees. An hour or two of training on best practices with everyday programs can save many hours of inefficient or repetitive work.

IT Assessment and Plan: It was clear from the Center's research that the Town is aware of some of the information technology challenges it faces. These range from the narrow (e.g., issues with the Town's online parcel software that force people to transact business in Town Hall or over the phone that they should be able to conduct online) to the extremely broad (e.g., the Town's precarious usage of antiquated packages that have minimal redundancy). Given the costs associated with both software and hardware, and given their importance to the work of the Town, the Center recommends that the Town include in its capital plan resources for a full assessment of the Town's IT capacity, risks, and needs. This will allow the Town to develop a plan that prioritizes IT needs and matches those needs with available resources in a way that is systematic and rational, and that saves money over the long-term.

5. Policies and Procedures

Revenue-Related Policies: As noted, there are private firms that are delinquent on their police detail payments to the Town. Similarly, there seems to be some lack of uniformity in dealing with tax delinquents who request permits or licenses from the Town. Article 2-1, Sections, 15 and 15A-15D of the Town's bylaws provide partial guidance relevant to both topics:

ARTICLE 2-1. Sec. 15. *The Town of Hanson may deny any application for, or revoke or suspend any local license or permit including renewals and transfers issued by any Board, Officer, Department for any person, corporation or business enterprise who had neglected or refused to pay any local taxes, fees assessments, betterments, or any other municipal charges. This By-Law shall provide that:*

A. The Treasurer/Collector shall annually furnish to each Department, Board, Commission or Division, herein after referred to as the licensing authority, that issues licenses or permits including renewals and transfers, a list of any person, corporation, or business enterprise, herein after referred to as the party, that has neglected or refused to pay any local taxes, fees, assessments, betterments or other municipal charges for not less than a twelve month period, and that such party has not filed in good faith a pending application for an abatement of such tax or a pending petition before the appellate tax board.

B. The licensing authority may deny, revoke or suspend any license or permit, including renewals or transfers of any party whose name appears on said list furnished to the licensing Authority from the Treasurer/Collector; provided however, that written notice is given to the party and the Treasurer/Collector, as required by applicable provisions of the law, and the party is given a hearing, to be held not earlier than fourteen days after said notice. Said list shall prima facie evidence for denial, revocation or suspension of said license or permit to any party. The Treasurer/Collector shall have the right to intervene in any hearing conducted with respect to such license denial, revocation or suspension. Any finding made by the licensing Authority with respect to such license denial, revocation or suspension shall be made only for the purpose of such proceeding and shall not be relevant to or introduced in any other proceeding at law, except for any appeal from such license denial, revocation or suspension. Any license or permit denied, suspended or revoked under this section shall not be reissued or

renewed until the license authority received a certificate issued by the Treasurer/Collector that the party is in good standing with respect to any and all local taxes, fees, assessments, betterments or other municipal charges, payable to the to the municipality as the date of issuance of said certificate.

C. Any party shall be given an opportunity to enter into a payment agreement, thereby allowing the licensing authority to issue a certificate indicating said limitations to the license or permit and the validity of said license shall be conditioned upon the satisfactory compliance with said agreement. Failure to comply with said agreement shall be grounds for the suspension or revocation of said license or permit; provided however, that the holder be given notice and a hearing as required by applicable provisions of the law.

D. The Board of Selectmen may waive such denial, suspension or revocation if it finds there is no direct or indirect business interest by the property owner, its officers or stockholders, if any, or members of his immediate family, as defined in section one of Chapter Two Hundred Sixty-eight in the business or activity conducted in or on said property. This section shall not apply to the following licenses or permits; open burning, section thirteen of Chapter Forty-eight; Bicycle permits, Section Eleven A of Chapter Eighty-five; Sales of Articles for Charitable purposes, Section Sixty-nine of Chapter One Hundred and Forty-nine; Clubs, Associations dispensing food or Beverage Licenses, Section Twenty-one E of Chapter One Hundred Forty; Dog License, Section One Hundred Thirty-seven of Chapter One Hundred and Forty; Fishing, Hunting, Trapping License, Section Twelve of Chapter One Hundred and Thirty-one; Marriage Licenses, Section Twenty-eight of Chapter Two Hundred and seven; and Theatrical Events, Public Exhibition permits, Section One Hundred and Eighty-one of Chapter One Hundred and Forty.

(General Bylaws, Article 2-1, "General Provisions Governing All Departments, Boards, Committees, Commissions, and Elected Officials," Section 15)

The Town ought to consider updating procedures in permit and license-granting departments to discourage delinquency and improve collections. For details, these policies could include preventing firms from getting new police details until all bills have been paid, having police officers make some of the collections calls, or forcing private vendors to pay a fee upfront before the details begin. (Additionally, the Town should develop and require usage of uniform detail payment forms. At this time, different firms are using different forms.) For tax delinquents, there should be some dialogue between the Board of Selectmen and other appropriate officials about whether permit and license-granting departments are applying this bylaw consistently.

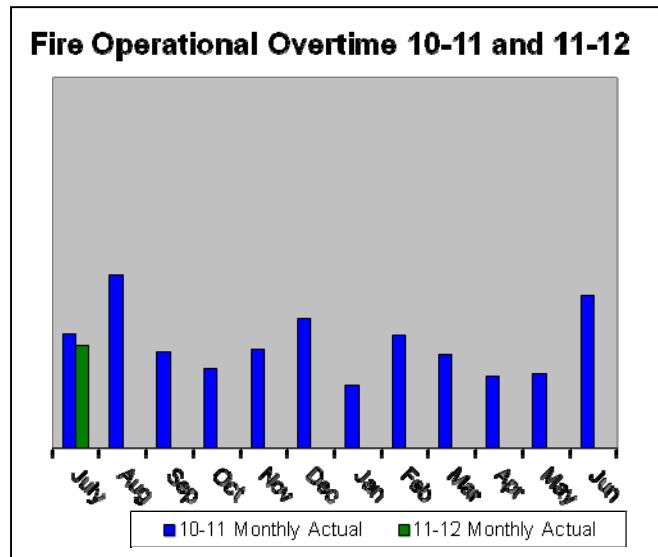
Personnel-Related Policies: There are a variety of personnel-related policies that could use tightening in Town. First, as noted, concerns were raised about the Town's sick time policies and the potential costs associated with antiquated policies. The Board of Selectmen in its role as Personnel Board ought to take up a thorough assessment of the Town's sick time policies and propose changes. At the same time, the Board ought to review the hiring practices for temporary and seasonal work across the Town, as this was raised as an area where policies and procedures may not be as clear as they could be. Finally, somewhat in line with the recommendation on cross-training, the Board ought to give thought to succession-planning and back-up of functions. Given the cutbacks in staff over the years, even the anticipated departure of a key staff person is going to lead to challenges. In the event of a sudden or unanticipated departure, the Town could face serious problems in the absence of plans for succession and maintaining institutional knowledge.

6. Analysis and Reporting

Specific Issue Audits: The usage of telephone lines changes over time in municipalities, but often the bills do not accurately reflect this new usage. This can apply to both land lines and cell lines. There are outside firms that can be hired to come and analyze whether the bills that the Town is paying accurately match the actual lines being used. These services can determine whether the Town is currently wasting money on its telephone

services. The Center recommends that the Town retain one to perform this service. Similarly, depending on whether this is already accomplished by the Town's health insurance provider, the Town should consider an audit of dependents to determine whether the Town is currently paying for insurance for anyone who is not actually entitled receive it.

Sick Time and Overtime Tracking: Detailed tracking and analysis of sick time, overtime, and "lost time" can find areas for significant gains in efficiency. For example, tracking overtime monthly compared with prior years can help department heads pinpoint problems early and can focus attention on months when there are particular areas that may be problematic. Similarly, tracking sick time usage by department, season, day of the week, and other such variables can help spot systematic problems and can help determine situations where an employee may be abusing sick time. This is especially important in light of the Town's "unlimited" sick time policies in certain cases. See chart at right of actual data from a municipality tracking fire overtime month-to-month. (Note that the cost numbers on the Y-axis have been removed to prevent identification of the municipality.)



Burn Rate Reporting: As noted, some interviewees indicated that they would like to see more frequent or detailed department "burn rate" reports that compare the year's spending-to-date with the budgeted amount and with prior year spending on the same line items. This type of analysis similar to the sick time and overtime analysis above, only in this case it is looking at expenditures by department or particular area of interest. However, because it can be time-consuming to generate these reports in formats that are useful and effective, it is important to get the frequency correct. At this stage, providing these reports three to four times a year for most departments should be sufficient to flag potential issues. For those occasions where a problem does develop with a particular department, tracking that department with a monthly report until the problems are resolved may be an effective strategy.

More Policy Analysis to Guide Decisions: In general, the Town could benefit from conducting more policy analysis. For example, during one interview the question of whether the General Fund is subsidizing the operations of Camp Kiwanee was raised. This is an ideal example of a case where having the capacity to conduct a detailed analysis of the situation could improve the operations of the Town. Whether this work is performed by the Finance Committee, an intern, or some other Town official who has had some time freed up by other improvements in efficiency, more research, reporting, and analysis could improve decision-makers' ability to make the most effective and efficient decisions.

7. Morale

Morale is an issue that may improve as a result of addressed some of the other issues noted here. Beyond that, the Center encourages all those people connected with Town government to take whatever steps they can to renew a sense of shared mission and public service. For the Board of Selectmen, Town Administrator, and department heads, an increased effort to listen to employees' concerns and recognize good work may contribute significantly to improving the morale of Town Hall.

8. Organizational Structure

Most of the organizational structure recommendations fall under the long-term section, and looking at the organizational structure was not initially intended as part of the scope of this work. However, in light of the recent retirement of the Highway Surveyor, the Center feels that it is important to address this position.

Considering the criteria provided for analyzing the status of positions (see chart on page 15), the Center believes that the position is best-suited to being an appointed position. The critical reason for that recommendation in this case is the third criteria. The Center believes that, as stated, "Someone with little training or expertise in its area of work would have significant difficulty in performing the work effectively, potentially creating significant risks for the community." The position of Highway Surveyor absolutely requires a very demanding set of highly technical and professional skills, including a deep understanding of physical infrastructure (e.g., roads and sidewalks), experience and skill in managing complex and often unpredictable projects and processes (e.g., snow removal), significant talent in managing personnel and budgets, and strong written and verbal communications skills. In short, the position requires both technical and managerial skills. While there are plenty of people out there who have one or some of those skill sets, finding individuals with the full set needed is difficult. When that is considered in light of the facts that (1) What policy-making authority the position has can be transferred the Town Administrator or the Board of Selectmen, (2) The position is not needed as a check or balance against another center of power in town, and (3) It is critical to the effective and efficient functioning of the government that this position cooperate regularly with other officials, the Center believes that the position should be appointed.

To be fair, the counter-arguments to this (based on the criteria) are that this position is one that the public could evaluate relatively easily, and that the position has produced competitive elections in the recent past. In terms of the first point, it is certainly true that the average person could evaluate easily the day-to-day status of the roads simply by driving on them frequently. However, even that is a somewhat problematic analysis. Elections are held in the springtime, when roads may still be damaged from the winter, meaning that the public could be negatively biased by the short-term quality of the roads and not thinking about the conditions over the long-term and whether or not they are improving. Contrarily, an elected highway supervisor concerned about reelection and knowing that people will be thinking about the most recent road conditions going into the voting booth every third year could alter the schedules of road repairs based on the election schedule rather than the actual needs of the Town. Both of these are obviously hypothetical extremes, but they point to problems with the argument about evaluating road conditions.

As for the argument about competitiveness, the Center only had two data points worth of data, which is not really enough to draw a conclusion one way or the other.

Implementation and Sequencing of Short-Recommendations:

Given the concerns about limited resources and capacity that partially prompted this study in the first place, it is important to reemphasize that implementing the recommendations noted here will take time, and that sequencing these steps correctly will be critical to their success. The earliest steps must be the ones that increase the capacity to undertake later ones. For that reason, in the Appendix the Center has included a proposed sequence for implementation.

Additional Longer-Term Recommendations:

Beyond the recommendations noted, there are some long-term recommendations to improve the efficiency and effectiveness of operations that the Town should consider undertaking when and if time and resources permit. These are presented below in abbreviated form.

- 1. Draft a Charter:** As noted previously, the Town of Hanson was incorporated in 1820. Almost 200 years later, the Town does not yet have a formal charter laying out its structure. Instead, it operates under the Town bylaws, as well as a collection of Special Acts of the legislature, General Laws accepted by the Town, and other relevant state and federal statutes. This is an important reminder that the current structure of the Town is not one assembled systematically through a process of planning, dialogue, and formal voting. Instead, the structure of Town government is the way it is because it evolved over the *centuries* as needs and demands changed. Adopting a charter provides the opportunity to think systematically and create a Town government structure that fits together and can meet the needs of Town residents. This could include steps like converting elected positions to appointed and dissolving some committees whose responsibilities may fit better elsewhere. The Town took a significant step forward with its 2006 Town Administrator Special Act. At some point, it should finish this work.
- 2. Re-codify the Town Bylaws:** It has been at least 12 years since the Town bylaws were last re-codified. The re-codification process is important for cleaning up and organizing the bylaws, which over time can become outdated, inconsistent, or disorganized. Re-codification can improve policy-making and communications, while at the same time reducing confusion, disagreements, and potentially costly legal disputes. During the process of re-codification, it may be worth adding a bylaw that requires regular future re-codifications, perhaps every five or ten years.
- 3. Incorporate performance measures and benchmarking into annual budget process:** Performance measurement is being increasingly utilized in municipal governments. While definitions vary, at its most basic, the term refers to use data, goals, and measures to manage and improve the performance. Creating a system of performance measures is a slow and challenging process, but if it is done well, it is one that is worth doing. Performance measures can improve performance directly by giving managers and staff goals to strive for and by pointing toward areas that need the most improvement. When connected with program-based budgeting (that is, budgeting based on the activities departments are doing, rather than just line items), performance measurement can lead to improved understanding of budget decisions by both policy-makers and the public. This can help the public understand what it is receiving for its tax dollars and can increase trust in government. (See Appendix for an example.) However, this work does take a significant amount of resources, and for a town of Hanson's size, implementing this would probably have to be a long-term process.

METHODOLOGY

The research for this project falls into two general categories: (a) research on the Town of Hanson itself, and (b) research on the experiences of other communities.

The Hanson research was primarily based on interviews with current Town department heads, staff, volunteer board members, and elected officials. The Center interviewed approximately two dozen people for this project.

In addition, Center staff reviewed numerous Town documents, including budgets, job descriptions, audited financial statements, Annual Reports, Special Acts, the website, and much more. Center staff also collected data from the Commonwealth about the Town.

Externally, where the Center encountered unfamiliar topics, staff also conducted additional research on other communities.

APPENDIX

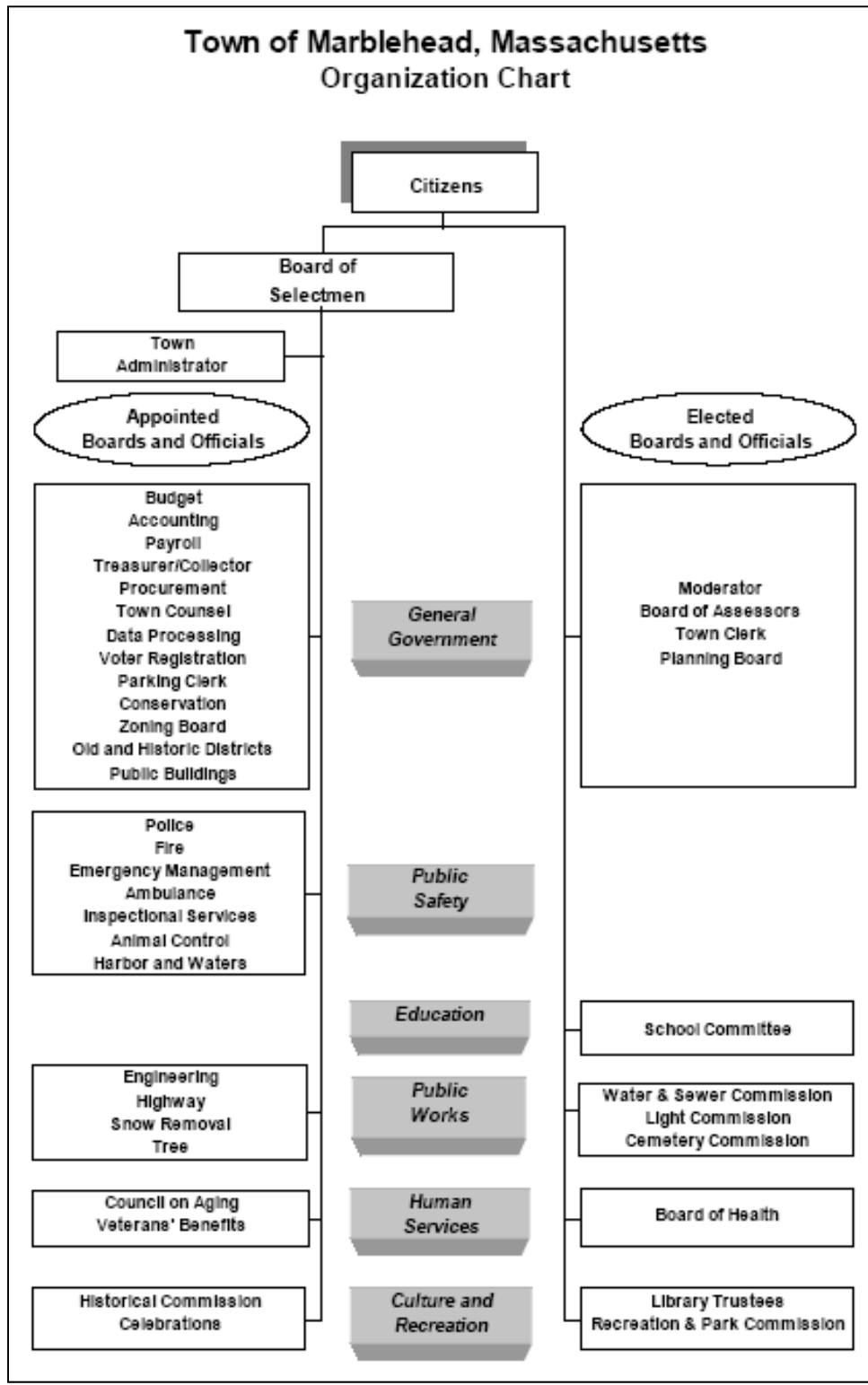
Appendix I: Hanson Elections Competitiveness

Hanson Elections Competitiveness Analysis (2007-2011)										
Year	Moderator			Board of Selectmen			School Committee			
	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	
2007	1	1	No	1	1	No	4	2	Yes	
2008	1	1	No	4	4	No	1	1	No	
2009	1	1	No	2	2	No	1	1	No	
2010	1	1	No	2	1	Yes	3	2	Yes	
2011	1	1	No	3	2	Yes	2	1	Yes	
# of competitive races:			0				2	3		
Year	Town Clerk			Highway Surveyor			Tree Warden			
	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	
2007	1	1	No	1	1	No	1	1	No	
2008	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
2010	1	1	No	2	1	Yes	1	1	No	
2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
# of competitive races:			0				1	0		
Year	Library Trustees			Board of Health			Planning Board			
	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	
2007	2	2	No	1	1	No	1	1	No	
2008	2	2	No	1	1	No	2	1	Yes	
2009	2	2	No	3	1	Yes	1	1	No	
2010	2	2	No	1	1	No	1	1	No	
2011	3	3	No	1	1	No	2	2	No	
# of competitive races:			0				1	1		
Year	Housing Authority			Board of Assessors			Cemetery Commission			
	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	
2007	1	1	No	1	1	No	1	2	No	
2008	3	2	Yes	1	1	No	1	1	No	
2009	2	1	Yes	1	1	No	0	1	No	
2010	2	1	Yes	3	3	No	1	1	No	
2011	n/a	n/a	n/a	0	1	No	2	2	No	
# of competitive races:			3				0	0		
Year	Water Commission			Trustees of Memorial Field			Constables			
	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	Candidates	Positions	Competitive?	
2007	3	2	Yes	2	2	No	n/a	n/a	n/a	
2008	1	1	No	2	2	No	n/a	n/a	n/a	
2009	2	2	No	0	1	No	2	2	No	
2010	2	2	No	0	2	No	n/a	n/a	n/a	
2011	1	1	No	1	2	No	n/a	n/a	n/a	
# of competitive races:			1				0	0		

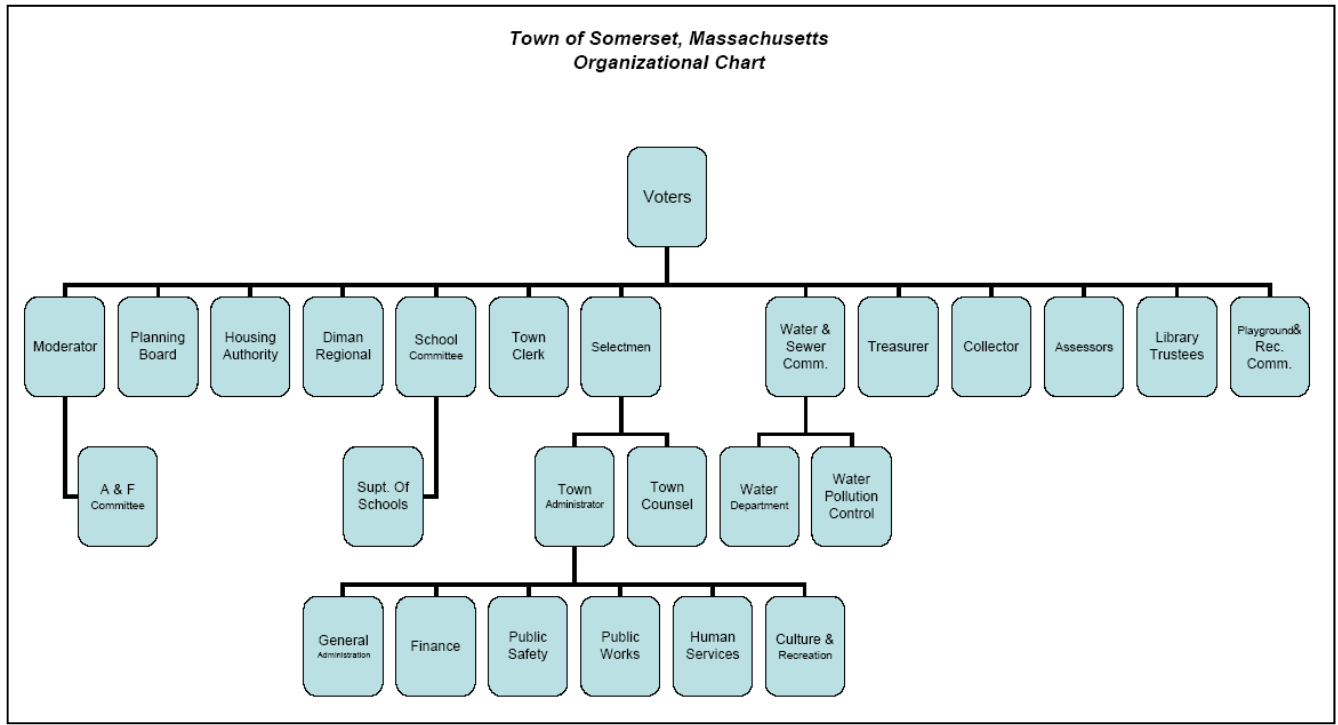
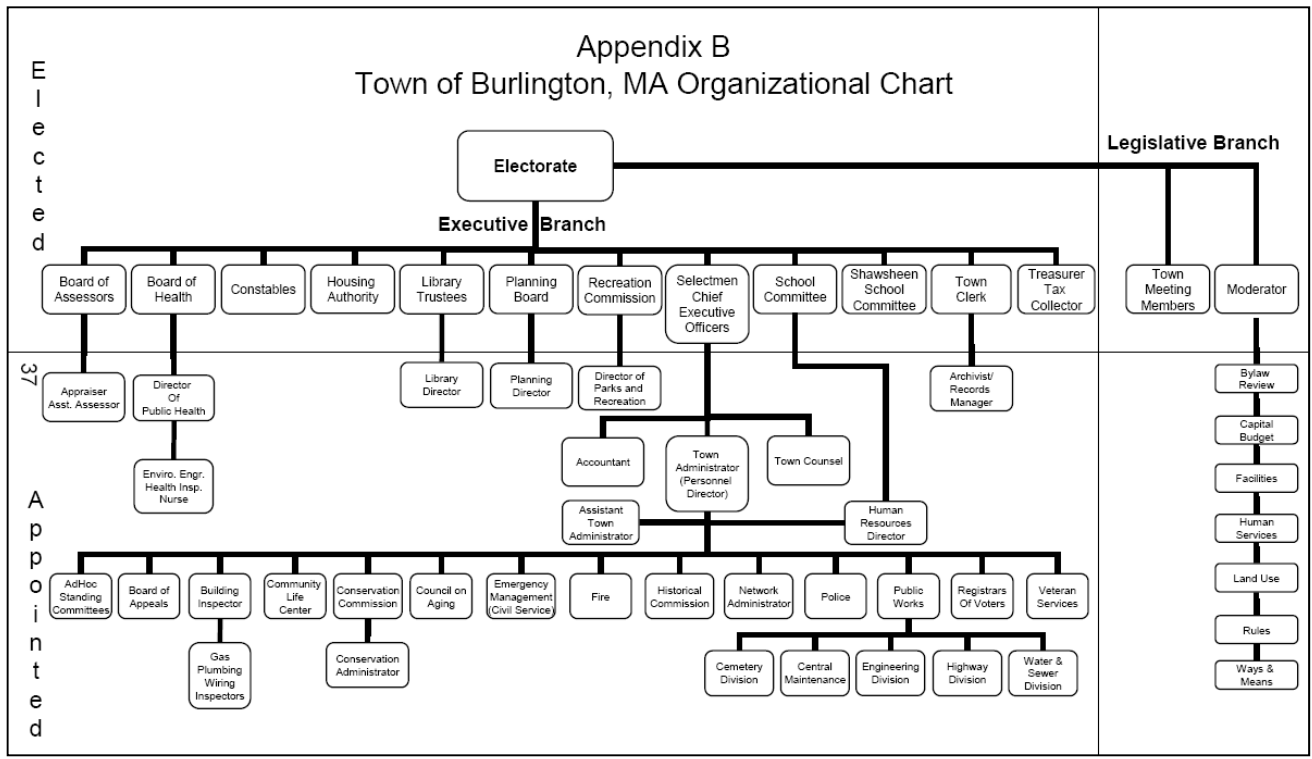
Appendix II: Hanson Town Hall Office Hours as taken from Town website (in early January 2012)

	Office	Fl	8:00 AM	9:00 AM	10:00 AM	11:00 AM	12:00 PM	1:00 PM	2:00 PM	3:00 PM	4:00 PM	5:00 PM	6:00 PM	7:00 PM	
Monday	Town Clerk	1	8:00 am to 1:30 pm								2:30 pm to 5:00 pm				
	Board of Assessors	1	8:00 am to 5:00 pm												
	Selectmen/Administ	1	8:00 am to 5:00 pm												
	Accountant	1	8:00 am to 5:00 pm												
	Treasurer/Collector	1	8:10 am to 4:50 pm												
	Board of Health	2	8:00 am to 2:00 pm												
	Building Department	2	8:00 am to 2:30 pm												
	Building Inspector	2							1:00 pm to 3:00 pm						
	Conservation Dept	2	8:00 am to 2:30 pm												
	Conservation Agent	2	8:00 am to 3:00 pm												
	Planning Departmen	2	8:00 am to 2:30 pm												
	Planner	2	8:00 am to 3:00 pm												
	Zoning Board	2	8:00 am to 2:30 pm												
Tuesday	Town Clerk	1	8:00 am to 1:30 pm								2:30 pm to 8:00 pm				
	Board of Assessors	1	8:00 am to 8:00 pm												
	Selectmen/Administ	1	8:00 am to 8:00 pm												
	Accountant	1	8:00 am to 8:00 pm												
	Treasurer/Collector	1	8:10 am to 7:50 pm												
	Board of Health	2	8:00 am to 2:30 pm												
	Building Department	2	8:00 am to 2:30 pm												
	Building Inspector	2							1:00 pm to 3:00 pm						
	Conservation Dept	2	8:00 am to 2:30 pm												
	Conservation Agent	2	8:00 am to 3:00 pm												
	Planning Departmen	2	8:00 am to 2:30 pm												
	Planner	2	8:00 am to 3:00 pm												
	Zoning Board	2	8:00 am to 2:30 pm												
Wednesday	Town Clerk	1	8:00 am to 1:30 pm								2:30 pm to 5:00 pm				
	Board of Assessors	1	8:00 am to 5:00 pm												
	Selectmen/Administ	1	8:00 am to 5:00 pm												
	Accountant	1	8:00 am to noon												
	Treasurer/Collector	1	8:10 am to 4:50 pm												
	Board of Health	2	8:00 am to 2:30 pm												
	Building Department	2	8:00 am to 2:00 pm												
	Building Inspector	2							1:00 pm to 3:00 pm						
	Conservation Dept	2	8:00 am to 2:00 pm												
	Conservation Agent	2	8:00 am to 3:00 pm												
	Planning Departmen	2	8:00 am to 2:00 pm												
	Planner	2	8:00 am to 3:00 pm												
	Zoning Board	2	8:00 am to 2:00 pm												
Thursday	Town Clerk	1	8:00 am to 1:30 pm								2:30 pm to 5:00 pm				
	Board of Assessors	1	8:00 am to 5:00 pm												
	Selectmen/Administ	1	8:00 am to 5:00 pm												
	Accountant	1	8:00 am to 5:00 pm												
	Treasurer/Collector	1	8:10 am to 4:50 pm												
	Board of Health	2	8:00 am to 2:00 pm												
	Building Department	2	8:00 am to 2:00 pm												
	Building Inspector	2							1:00 pm to 3:00 pm						
	Conservation Dept	2	8:00 am to 2:00 pm												
	Conservation Agent	2	8:00 am to 3:00 pm												
	Planning Departmen	2	8:00 am to 2:00 pm												
	Planner	2	8:00 am to 3:00 pm												
	Zoning Board	2	8:00 am to 2:00 pm												
Friday	Selectmen/Administ	1	8:00 am to noon												
	Accountant	1	8:00 am to noon												
	Board of Assessors	1	8:00 am to noon												
	Treasurer/Collector	1	8:10 am to 11:50 am												

Appendix III: Sample Organizational Chart 1 (Town of Marblehead)



Appendix IV: Sample Organizational Charts 2 and 3 (Towns of Burlington and Somerset, respectively)



Appendix V: Assorted Finance Policies

Free Cash Policy

(Adapted from Town of Provincetown: <http://www.provincetown-ma.gov/DocumentView.aspx?DID=249>)

Free cash is a revenue source which results from the calculation, as of July 1, of a community's remaining, unrestricted funds from operations of the previous fiscal year based on the balance sheet as of June 30. It typically includes actual receipts in excess of revenue estimates and unspent amounts in departmental budget line-items for the year just ending, plus unexpended free cash from the previous year. Free cash is offset by property tax receivables and certain deficits, and as a result, can be a negative number.

Cities and towns generally use free cash to support current year operations or as a revenue source for the ensuing year's budget. However, until a balance sheet for the prior year is submitted by Town's auditor and free cash is certified by the Department of Revenue's Director of Accounts, it is not available for use.

- The Town will endeavor to generate annually a certified Free Cash balance equal to at least five percent (5%) general fund operating revenues.
- The Town will avoid relying on Free Cash to fund on-going operating expenses.
- During the current fiscal year, the Town will use Free Cash in excess of the 5% target for non-recurring emergency expenditures; the Town's adopted Capital Improvements Program that will be paid for in cash; or appropriate it to the Stabilization Fund.
- At the Annual Town Meeting, the Town will appropriate all, or a substantial portion, of remaining available Free Cash to the Town's stabilization funds; the Town's adopted Capital Improvements Program that will be paid for in cash in the ensuing year; or to the ensuing year's Reserve Fund.

General Purpose Stabilization Fund Policy

(Adapted from Town of Provincetown: <http://www.provincetown-ma.gov/DocumentView.aspx?DID=249>)

A stabilization fund is a fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (MGL Ch. 40 §5B). Communities may establish one or more stabilization funds for different purposes. In any one year, a community may appropriate into them an amount not to exceed, in total for all stabilization funds, ten percent (10%) of the prior year's tax levy. In addition, the total of all stabilization fund balances cannot exceed ten percent (10%) of the community's equalized property value. Any interest is added to and becomes a part of the funds.

- The Town will endeavor to maintain in the General Purpose Stabilization Fund a minimum amount equal to five percent (5%) of general fund operating revenues.
- In accordance with MGL Ch. 40 §5B - Stabilization Fund, transfers into the General Purpose Stabilization Fund will require a two-thirds (2/3s) vote of Town Meeting.
- The Town will not use the General Purpose Stabilization Fund as a source of funding for the annual operating budget, except as a last resort.
- The Town may make withdrawals from the General Purpose Stabilization Fund for adopted Capital Improvement Projects, provided that they cannot be funded using other available sources; and that such Capital Improvements will be paid for in cash; and that such withdrawals will not bring the balance of the fund below the 5% target.
- The Town may make withdrawals from the General Purpose Stabilization Fund that will reduce the balance of the fund below the 5% target only in response to extraordinary and unforeseen financial obligations that *pose an immediate threat to the Town's financial stability*, and that cannot be funded in cash using other available sources.
- In accordance with MGL Ch. 40 §5B - Stabilization Fund, withdrawals from the General Purpose Stabilization Fund will require a two-thirds (2/3s) vote of Town Meeting.

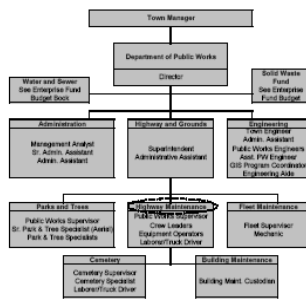
- In the event of a fiscal emergency requiring an immediate withdrawal from the General Purpose Stabilization Fund, the Town will call an Emergency Town Meeting as quickly as allowed by the Charter.
- If and when the Town draws monies from the Stabilization Fund that would reduce the balance of the fund below the 5% target, the Town must also present a plan for replenishing the fund.
- In accordance with MGL Ch. 40 §5B - Stabilization Fund, interest earned on Stabilization Fund balances will be retained in the Stabilization Fund.

Appendix VI: Example Performance Measures in an Annual Budget

(Taken from Town of Concord Highway Division budget:

http://www.concordma.gov/pages/ConcordMA_Finance/books/FY12GeneralBudget/SecIIIe-Public-Works-Detail.pdf)

PUBLIC WORKS: Highway Maintenance					Item 17C
Mission Statement: The mission of Highway Maintenance is to maintain and improve the Town's public ways and storm water drainage system in order to protect the public way infrastructure and abutting environmental resources in an efficient, effective, and responsive manner.					
Expenditure Summary					
	FY09 Actual	FY10 Actual	FY11 Budgeted	FY12 Proposed	
General Fund	\$ 1,079,367	\$ 1,129,431	\$ 1,097,867	\$ 1,116,388	
Other Funds	\$ 27,240	\$ 25,241	\$ 32,558	\$ 25,029	
Total Expenditures	\$ 1,106,607	\$ 1,154,672	\$ 1,130,425	\$ 1,141,417	



Budget Highlights:

- This budget represents a 0.1% decrease in operating cost from that of the FY11 budget.
- Increases in cost of supplies, particularly with bituminous concrete, have been offset by a substantial \$18,200 reduction in catch-basin cleaning services. In the future, catch-basin cleaning will be handled in-house using purchased capital equipment.
- Budget support is provided by the Water & Sewer Funds for fleet maintenance and trenching activities (\$20,029) and by the Solid Waste Fund for Drop-Off Day assistance and for partial funding of Composting Site expenses (\$5,000).
- Capital Outlay includes \$10,000 for guardrail replacement, a \$12,000 allowance for mandated radio-rebanding, and \$5,000 for small equipment.

Description:

The Highway Maintenance Program includes all public ways and associated infrastructure—Concord's streets, curbing, shoulders, sidewalks, guardrails, signs, culverts, outfalls, manholes, catch basins, and street drains. The Program funds the material and equipment repair costs associated with street and sidewalk sweeping, roadside mowing, storm drain and line cleaning, brush clearance, and litter control, along with related support activities including Town celebrations, road races, parades, and elections.

PUBLIC WORKS: Highway Maintenance						Item 17C
	Expenditure Detail			FY12		
	FY09 Actual	FY10 Actual	FY11 Budgeted	Department Request	Town Manager's Proposed	
Personnel Services	\$ 757,437	\$ 812,623	\$ 797,893	\$ 805,877	\$ 798,197	
Purchased Services	100,219	107,254	110,852	91,645	91,645	
Supplies	218,930	216,815	201,480	219,275	219,275	
Other Charges	5,329	3,808	5,200	5,300	5,300	
Capital Outlay	24,692	14,173	15,000	39,500	27,000	
Totals	\$ 1,106,607	\$ 1,154,672	\$ 1,130,425	\$ 1,161,997	\$ 1,141,417	

Funding Plan					
	FY11 Budgeted	% of Budget	FY12 Proposed	% of Budget	% Change in Dollars
General Fund	\$ 1,097,867	97.12%	\$ 1,116,388	97.81%	1.69%
Water Fund	15,995	1.41%	16,003	1.40%	0.05%
Sewer Fund	4,024	0.35%	4,026	0.35%	0.05%
Cemetery	7,539	-	-	-	-
Solid Waste Fund	5,000	0.44%	5,000	0.44%	0.00%
Totals	\$ 1,130,425	100.00%	\$ 1,141,417	100.00%	0.97%

Capital Outlay Plan							
Ref. #	Description	FY11 Budgeted	FY12 Proposed	FY13 Proposed	FY14 Proposed	FY15 Proposed	FY16 Proposed
J-3	Guardrail Replacement	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
J-4	Small Equipment	5,000	5,000	5,000	5,000	5,000	5,000
I-3	Radio Rebanding	-	12,000	-	-	-	-
Totals		\$ 15,000	\$ 27,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000

PUBLIC WORKS: Highway Maintenance						Item 17C
Personnel Services Summary						
Code	Position Title	# of Positions	\$ Amount	# of Positions	\$ Amount	
5111	Highway & Grounds Superintendent	1.00	\$ 80,313	1.00	\$ 80,313	
	Administrative Assistant	1.00	52,075	1.00	52,075	
	Public Works Supervisor	1.00	73,519	1.00	73,519	
	Fleet Supervisor	1.00	64,099	1.00	64,165	
	Crew Leader	2.00	118,348	2.00	118,348	
	Mechanic	1.00	53,787	1.00	53,787	
	Equipment Operator	6.00	291,758	6.00	291,758	
	Laborer/Truck Driver	1.00	39,623	1.00	39,672	
	Sub Total	14.00 FTEs	\$ 773,522	14.00 FTEs	\$ 773,637	
	Less: Snow Reimbursement	-2500 hrs.	\$ (63,961)	-2500 hrs.	\$ (63,980)	
	Sub Total	12.80 FTEs	\$ 709,561	12.80 FTEs	\$ 709,657	
5130	Overtime - Highway Staff	1600 hrs.	\$ 61,207	1600 hrs.	\$ 61,420	
	Overtime - Compost Site	300 hrs.	11,630	300 hrs.	11,520	
5131	Overtime - Police	394 hrs.	15,495	400 hrs.	15,600	
Total		12.80 FTEs	\$ 797,893	12.80 FTEs	\$ 798,197	

Program Implementation

- Under the direction of the Highway & Grounds Superintendent, highway crews and contractors maintain approximately 107 miles of Town roads and 56 miles of Town sidewalks as well as the Town's stormwater system consisting of approximately 3,700 catch basins, 200 culverts, 315 outfalls, 1,700 drainage manholes, and over 50 miles of drain lines.
- Crack sealing is a key element for controlling the deterioration of street surfaces and continues to be part of the Highway budget with oversight by the Engineering Division. Because of the improved condition of Town roads, the amount requested for crack sealing has remained stable. Budgeted costs for fuel continue to be flat, but future costs remain uncertain.
- This Highway Maintenance Program also funds the maintenance of Concord's stormwater system to protect the public way infrastructure and the environment. Associated tasks include street sweeping, catch-basin and drain-line cleaning, and minor culvert and outfall repair/replacement. The acquisition of catch-basin cleaning equipment will allow internal staff to accomplish all catch-basin cleaning tasks previously provided by an outside contractor. The budget for this task has been reduced from \$28,200 to \$10,000, which should be adequate to cover the cost of material disposal.
- The budget includes \$79,800 for vehicle and equipment maintenance and supplies, \$36,650 for bituminous concrete material for road and sidewalk repairs, \$10,000 for repair and replacement of street and traffic signs, and \$20,000 for food and supplies for the Massachusetts Correctional Institute (Concord) crew in exchange for their work performing important roadside, equipment, and site maintenance duties.

PUBLIC WORKS: Highway Maintenance						Item 17C
Public Work Programs						
Program 1 – Highway Maintenance:						
Objective: To maintain satisfaction at or above the 75% level.						
Performance Measure 1: How satisfied are you with the maintenance of the Town's roads?						
How satisfied are you with the Town's Roads?	FY06	FY07	FY08	FY11	FY12	
Very Satisfied	N/A	26%	21%	37%	40%	
Somewhat Satisfied	N/A	49%	57%	51%	51%	
Not Satisfied	N/A	24%	23%	12%	9%	

*Data Source: Auditors of 2006, 2008, and 2010 telephone surveys (300+ residents).
Discussion: In the latest survey, 85% of respondents were at least "somewhat satisfied" with the Town's road maintenance. When compared to the preceding survey, there was a noticeable drop in respondents describing themselves as "not satisfied" and a noticeable increase in those describing themselves as "very satisfied."

Performance Measure 2: Response time for selected activities		
	Industry Standards*	Concord 2010
Response time – general maintenance	2 weeks	2 (+/-) days
Response time – potholes	24 hrs	Same day
Catch basins rebuilt per shift (3 persons per shift)	0.5 – 1	1
Response time – drainage emergency	24 hrs	Immediate

*Municipal Benchmarks by David N. Ammons, 2nd ed., Sage Publications, 2001, Tables 29.5, 29.7, 29.8.

Appendix VII: Proposed Implementation Sequencing

The proposed sequencing is intended to provide a rough sample of an order for implementing the short-term recommendations. Decisions about deadlines will have to be made after careful consideration of the timelines of other key tasks (e.g., the annual budget process, etc.). Each step is noted in **bold** and the potentially responsible parties are noted in *Italics*.

First Wave of Projects	Second Wave of Projects	Third Wave of Projects
Expand size of senior tax work-off program (<i>BOS, TA, Executive Assistant, Assessors, dept heads</i>)		
Undertake process to convert Highway Surveyor from elected to appointed (<i>BOS, TA</i>)		
Recruit interns for summer and fall semester (<i>TA, Executive Assistant, Accountant, others as interested</i>)		
Institute regular staff and department head meetings (<i>TA, Executive Assistant</i>)		
Work on alignment of Town Hall windows (<i>TA, department heads</i>)		
Have meetings to improve communications about roles (<i>TA, Executive Assistant, department heads</i>)		
Begin quarterly or bi-annually board and committee orientation meetings (<i>BOS, TA</i>)		
Begin review of revenue policies and procedures (<i>TA, BOS</i>)		
	Begin increased level of policy analysis (<i>TA, Accountant, BOS</i>)	
	Begin updating job descriptions (<i>TA, BOS, dept heads</i>)	
	Improve information in Town Hall and on website about Town Hall services (<i>Intern, TA, Executive Assistant</i>)	
	Update org chart (<i>Intern, TA, Executive Assistant</i>)	
	Reorganize and restructure payroll processes (<i>TA, Executive Assistant, Accountant, Treasurer-Collector</i>)	
	Provide cross-training for Town staff (<i>TA, dept heads</i>)	
	Arrange for basic software training for Town staff (<i>TA, Executive Assistant</i>)	
	Begin steps to tighten purchasing and procurement (<i>TA, Accountant, intern</i>)	
	Begin dialogue on budget process (<i>TA, BOS, Finance Committee, Executive Assistant, Accountant</i>)	
	Begin redeveloping budget document (<i>TA, intern</i>)	
	Work on developing free cash and stabilization policies (<i>FinCom, BOS, intern</i>)	
		Arrange for grant-seeking training for department heads (<i>Executive Assistant, department heads</i>)
		Begin review of personnel policies and procedures (<i>BOS, TA, intern</i>)
		Begin detailed sick time and overtime tracking, and new burn rate reporting schedule (<i>TA, Accountant, intern</i>)
		Begin IT assessment (<i>intern, TA, outside assistance</i>)
		Begin specific issue audits (<i>TA, Accountant</i>)