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# *Town of Natick*

**Finance Department Reorganization**

*Revised March 6, 2012*



# *Town of Natick*

## Finance Department Reorganization

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# *Town of Natick*

Finance Department Reorganization

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## **Section I: Executive Summary**



# *Town of Natick*

## Finance Department Reorganization

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### **Section I: Executive Summary**

Since the founding of the first village, those who have been charged with operating the affairs of local government have traditionally been responsible for three primary concerns of its citizens: their Health, their Safety, and their Welfare. Over the course of the last century, local governments have evolved greatly to respond to the ever-changing needs of their citizens. Natick is no different. The key factor in ensuring that government is able to respond to its citizens and provide the services they desire? Sound Financial Management.

The Town of Natick is a modern, professionally run local democratic municipal corporation. Over the course of the last century, the Town has taken steps to continuously professionalize daily operations and centralize management of service delivery. This document evaluates the current organizational structure of the Town's 4 separate and distinct finance departments – the Assessing Department, the Comptroller's Department and the Collector and Treasurer's Departments – and provides the rationale for consolidating these departments into one Finance Department.

Evaluation of any service must be performed via the use of industry-accepted metrics. Subjectivity, though a part of anything having to do with political governance, must always take a back seat to pragmatic and practical data. That being said, to measure a program based upon the "bottom line" alone inappropriately disregards non-monetary and other less tangible – but not necessarily less valuable – aspects of public service. Nonetheless, this study is intended, to the greatest extent possible, to reach objective, well-reasoned conclusions.

This study will evaluate the legal framework for each of these finance offices, their existing organizational structure, the consolidated organizational structures in comparable communities and outline the proposal to consolidate the Town of Natick finance operations.



# *Town of Natick*

Finance Department Reorganization

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## **Section II: Current Service Delivery Model**



# Town of Natick

## Finance Department Reorganization

### Section II: Current Service Delivery Model

Financial management within the Town of Natick is currently highly decentralized. Four distinct divisions, as indicated by their appropriations at Town Meeting and distinct references in the Town of Natick Charter (and corresponding allowances in Massachusetts General Law) currently make up finance and financial related activities within the Town of Natick. They are:

Assessing (provided for under Charter Section 3-4)

Comptroller (provided for under Charter Section 6-3)

Collector (provided for under Charter Section 6-4)

Treasurer (provided for under Charter Section 6-4)

Each of these functions is detailed in the following pages. Although all are distinct, they all share a common thread: they each make up the key and integral components of the Town’s overall financial management.

#### Assessing

The Assessor’s Office serves as an advisory department to the Board of Assessors. The department is responsible for the assessment of all taxable property – real and personal - within the community. The department also manages betterment assessments, personal exemptions, abatements and tax appeals as well as motor vehicle and boat excise taxes. The assessors are also required to update assessors' maps annually.

#### Personnel

The Assessor’s Office is lead by the Director of Assessing. There is a total of 4.66 FTE within the department for FY 2013.

Assessor Staffing	2009	2010	2011	2012	2013
Director of Assessing	1	1	1	1	1
Assistant Assessor	2	2	2	2	2
Executive Assistant	1	1	1	1	1
Administrative Assistant	1	0.5	0.5	0.63	0.66
<b>Total FTE</b>	<b>5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.63</b>	<b>4.66</b>
<b>Total FT/PT</b>	<b>5 FT / 0 PT</b>	<b>4 FT / 1 PT</b>	<b>4 FT / 1 PT</b>	<b>4 FT / 1 PT</b>	<b>4 FT / 1 PT</b>

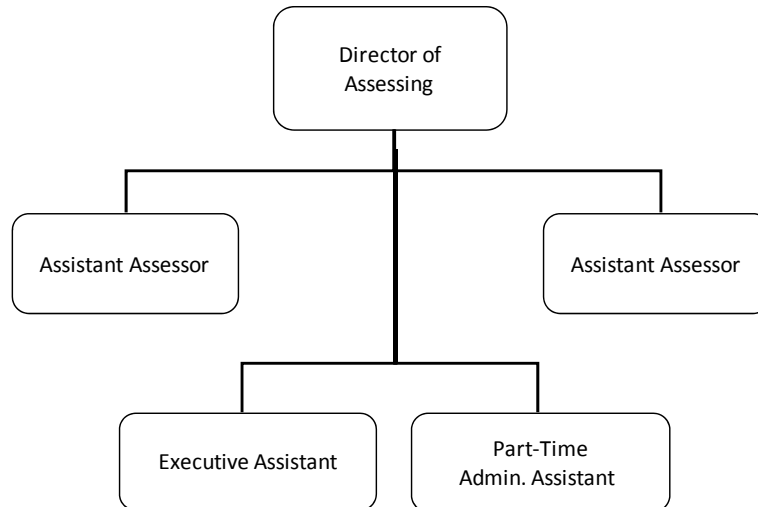


# Town of Natick

## Finance Department Reorganization

### Organizational Structure

The organizational chart is shown below for the Assessor’s Office. The Director of Assessing, though currently an elected member of the Board of Assessors, reports to the Town Administrator (as per Article 32 of the 1984 Spring Annual Town Meeting).



### Performance Indicators

The Assessor’s Office has a sizeable workload, charged with the annual valuation of all real and personal property within the community. In addition, administrative staff assists greatly in the processing of abatement and exemption requests.

Performance Indicators	2009	2010	2011	2012	2013
<b>Workload Measures</b>					
Number of Parcels	12763	13135	13171	13248	13350*
Number of Personal Property Accounts	1789	1789	1744	1639	1650*
Number of Personal Exemptions	387	350	365	355*	361*
Number of Inspections Performed Annually	1700	1800	1782	1800*	1880*
Number of Outstanding ATB Cases	8	9	15	25*	30*
Total Outstanding ATB all years = 88 (2003-2011)					
<b>Efficiency Measures</b>					
Number of Inspections/Appraiser(2)	850	900	851	900*	940*
<b>Outcome Measures</b>					
Number of Abatements (Applications/Granted)					
- Real**	160/92	608/141	TBD	TBD	TBD
- Personal Property**	20/11	9/4	TBD	TBD	TBD

**Notes:**

\* This number is uncertain at this time an estimate has been supplied.

\*\*The numbers represented in the abatement section reflect # received/# granted.



# Town of Natick

## Finance Department Reorganization

### Budget

The budget for FY 2013 is shown below for the Assessor’s Office.

#### Appropriation Summary

	2010 Actual	2011 Actual	2012 Appropriated	2013 Preliminary	2012 vs. 2013	
					\$	%
<b>Salaries</b>						
Personnel Services	269,296	271,939	308,478	310,219	1,741	0.56%
<b>Total Salaries</b>	<b>269,296</b>	<b>271,939</b>	<b>308,478</b>	<b>310,219</b>	<b>1,741</b>	<b>0.56%</b>
<b>Operating Expenses</b>						
Purchase of Services	22,110	24,539	37,300	34,000	-3,300	-8.85%
Supplies	2,521	2,065	3,500	3,500	0	0.00%
Other Chgs. / Exp.	112,548	6,792	75,000	75,000	0	0.00%
<b>Total Operating Expense</b>	<b>137,179</b>	<b>33,396</b>	<b>115,800</b>	<b>112,500</b>	<b>-3,300</b>	<b>-2.85%</b>
<b>Total Assessor</b>	<b>406,475</b>	<b>305,335</b>	<b>424,278</b>	<b>422,719</b>	<b>-1,559</b>	<b>-0.37%</b>

### Citizen Interaction & Oversight

The Assessor’s Office serves primarily the Board of Assessors. The Board of Assessors is a publically elected body charged with “annually mak[ing] a fair valuation of all property, both real and personal, within the town.”<sup>1</sup> The Assessor also serves with the Collector/Treasurer on the Elderly and Disabled Taxation Fund Committee.

### Continuing Challenges

The department is facing a significant challenge in FY 2013 as it is a revaluation year set forth by the Department of Revenue. Attempting to value every piece of property while also educating, processing and determining the status of exemption and abatement applications is a continual challenge.

<sup>1</sup> Town of Natick Charter Section 3-4(b) Powers and Duties - The board of assessors shall annually make a fair valuation of all property, both real and personal, within the town. It shall determine, based on such valuation and such sums as may be authorized to be expended by vote of the town meeting, and consideration of other income and expenses of the town, annually the rate of taxation to apply to property within the town. The board of assessors shall have all of the powers and duties which are given to boards of assessors by general laws and it shall have such additional powers and duties as may be provided by charter, by by-law or by other town meeting vote.





# Town of Natick

## Finance Department Reorganization

### Comptroller

The Comptroller’s Department serves as the primary accounting and internal auditing department for the Town, maintaining the Town’s financial information, preparing and distributing financial reports to all Town departments, boards, committees, State and federal agencies and independent financial auditors in accordance with Massachusetts General Law and Generally Accepted Accounting Principles (GAAP). The Department also oversees day-to-day administration of the Town’s contributory retirement system funds (with the exception of investments); the Comptroller serves on the Natick Contributory Retirement Board in an ex-officio capacity.

### Personnel

The Comptroller’s Office is led by the Comptroller, appointed by the Board of Selectmen and reporting to the Town Administrator on day-to-day operational issues. There is a total of 5.49 budgeted FTE proposed for FY 2013, an increase of 1 FTE from FY 2012. This is close to the same level of personnel budgeted in FY 2009. The proposed staff for FY 2013 includes the Comptroller, Assistant Comptroller, Procurement Officer, Staff Accountant, Payroll Manager and a part-time Departmental Assistant.

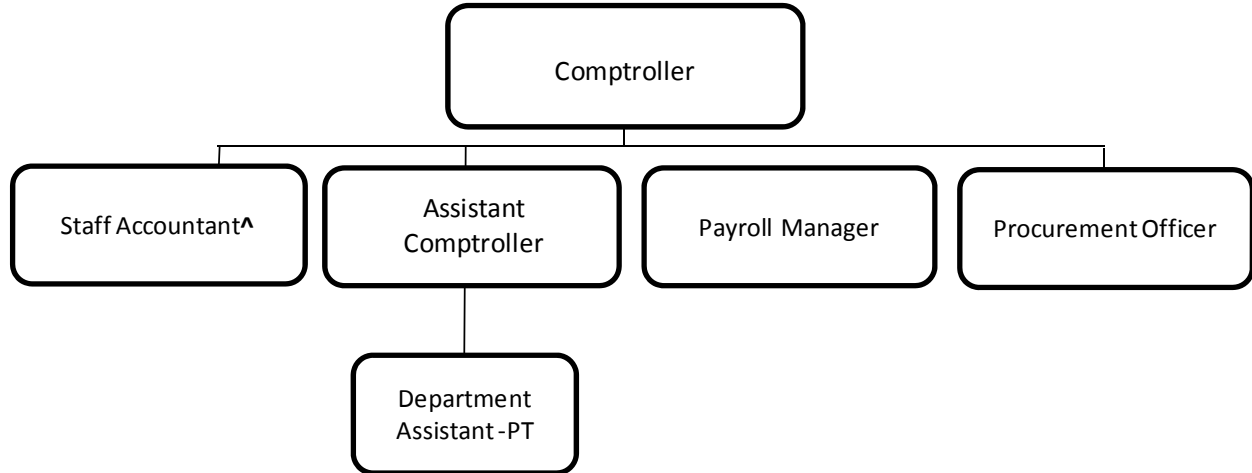
<b>Comptroller Staffing</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Comptroller	1	1	1	1	1
Assistant Comptroller	1	1	1	1	1
Procurement Officer	1	1	1	1	1
Staff Accountant ^	0	0	0	0	1
Administrative Assistant	1	1	1	1	0
Administrative Assistant	1	0	0	0	0
Payroll Manager	0	0	0	0	1
Clerical Assistant	0.5	0	0.07	0	0
Department Assistant	0	0.5	0.42	0.49	0.49
<b>Total FTE</b>	<b>5.5</b>	<b>4.5</b>	<b>4.49</b>	<b>4.49</b>	<b>5.49</b>
<b>Total FT/PT</b>	<b>5 FT / 1 PT</b>	<b>4 FT / 1 PT</b>	<b>4 FT / 2 PT</b>	<b>4 FT / 1 PT</b>	<b>5 FT / 1 PT</b>



# Town of Natick

## Finance Department Reorganization

### Organizational Structure



### Performance Indicators

The Comptroller’s Office has an extensive workload, receiving and processing over 24,000 invoices annually, cutting nearly 15,000 checks annually for payment, and maintaining the Town’ accounting (General Ledger), purchase order and payroll systems. In addition, not reflected below are dozens if not hundreds of annual bids managed by the Procurement Officer.

Performance Indicators	2009	2010	2011	2012*	2013*
<b>Workload Measures</b>					
Number of Invoices received (yearly)	24,030	23,018	23,018	23,018	24,000
Number of Payroll checks issued (yearly)	N/A - Indicator under Development				
Number of Accts. Payable (A/P) checks issued (yearly)	13,997	13,568	14,772	14,772	15,000
Number of Purchase Orders	5,730	5821	5902	5902	5900
Number of funds supervised	88	88	88	549	575

\*Estimates



# Town of Natick

## Finance Department Reorganization

### Budget

The Budget for Comptroller’s Office for FY 2013 is summarized below.

	2010 Actual	2011 Actual	2012 Appropriated	2013 Preliminary	2012 vs. 2013	
					\$	%
<b>Salaries</b>						
Personnel Services	246,678	263,479	307,550	374,926	67,376	21.91%
<b>Total Salaries</b>	<b>246,678</b>	<b>263,479</b>	<b>307,550</b>	<b>374,926</b>	<b>67,376</b>	<b>21.91%</b>
<b>Operating Expenses</b>						
Purchase of Services	19,594	36,339	25,900	24,250	-1,650	-6.37%
Supplies	3,652	3,268	4,000	4,000	0	0.00%
<b>Total Operating Expenses</b>	<b>23,246</b>	<b>39,607</b>	<b>29,900</b>	<b>28,250</b>	<b>-1,650</b>	<b>-5.52%</b>
<b>Total Comptroller</b>	<b>269,924</b>	<b>303,086</b>	<b>337,450</b>	<b>403,176</b>	<b>65,726</b>	<b>19.48%</b>

### Citizen Interaction & Oversight

The Comptroller’s Office serves several committees in the Town. The two primary committee which it staffs are the Natick Retirement Board and the Audit Advisory Committee. The Comptroller is also expected to provide quarterly Revenue and Expenditure reports to the Board of Selectmen and Finance Committee.

### Continuing Challenges

The department has undergone a significant degree of turnover and change in the last several years, most recently with the departure of the last Comptroller in December 2011. Continuing to implment a new chart of accounts, a new purchase order system while simply keeping the Town’s bills and employees paid is first and foremost the challenge of the Comptroller’s Office moving forward. There is a strong desire to build a solid financial model through which we can accomplish required tasks and move forward to truly create a strong and stable accounting operation within the Town of Natick.



# Town of Natick

## Finance Department Reorganization

### Collector / Treasurer

The Treasurer/Collector's office is responsible for the billing, collecting and investing of all monies due to the Town including but not limited to- Real Estate tax, Personal Property Tax, Motor Vehicle Excise Tax, Boat Excise Tax, Parking Ticket fines, Water and Sewer Bills, Parking Meter receipts, Pay as You Throw bag fees, Federal and State reimbursements and grants, as well as a myriad of miscellaneous departmental permits, license and fees.

In addition, the department is responsible for the reconciliation of checks and bank accounts, issuing all authorized debt for both short and long term borrowing and the maintenance of all properties taken for nonpayment of taxes and for all public auction or disposition of all foreclosed properties.

Although they are separate functions, they are similar in nature. Collection of funds (i.e. Collector) and the management of those funds (i.e. Treasurer) have commonly been housed together within municipalities. For budgeting purposes, the traditional segregation of those functions has been preserved in Natick and is shown in the ensuing pages.

### Personnel

Although the Collector and Treasurer functions are effectively combined, there are actually three departments housed within the Collector/Treasury function of the organization. In addition to the Collector and the Treasury functions, Utility Billing is also housed within these departments. These three departments are managed by the Finance Director/Collector/Treasurer. Combined, there are 5.43 full-time-equivalent (FTE) positions between the two departments. The charts below detail those positions.

Collector Staffing	2009	2010	2011	2012	2013
Collector	0.7	0.7	0.7	0.7	0.7
Assistant Collector	0.7	0.7	0.7	0.7	0.7
Administrative Assistant	1	1	1	1	1
Department Support	0.4	0.4	0.4	0.4	0.4
<b>Total FTE</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>
<b>Total FT/PT</b>	<b>3 FT/1 PT</b>	<b>3 FT/1 PT</b>	<b>3 FT/1 PT</b>	<b>3 FT/1 PT</b>	<b>3 FT/1 PT</b>



# Town of Natick

## Finance Department Reorganization

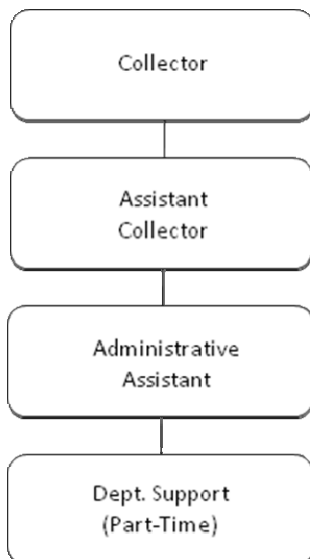
Treasurer Staffing	2009	2010	2011	2012	2013
Treasurer	0.29	0.29	0.29	0.29	0.29
Assistant Treasurer	0.33	0.33	0.33	0.33	0.33
Executive Assistant	0	0	0	0	1
Administrative Assistant	1	1	1	1	1
Payroll Coordinator	0	1	1	1	0
Department Support - Part time	0.49	0	0	0	0
<b>Total FTE</b>	<b>2.12</b>	<b>2.63</b>	<b>2.63</b>	<b>2.63</b>	<b>2.63</b>
<b>Total FT/PT</b>	<b>3 FT/1 PT</b>	<b>4 FT/0 PT</b>	<b>4 FT/0 PT</b>	<b>4 FT/0 PT</b>	<b>4 FT/0 PT</b>

Utility Billing Staffing	2009	2010	2011	2012	2013
Executive Assistant	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Department Support	0.1	0.1	0.1	0.1	0.1
<b>Total FTE</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>
<b>Total FT/PT</b>	<b>2 FT/1 PT</b>	<b>2 FT/1 PT</b>	<b>2 FT/1 PT</b>	<b>2 FT/1 PT</b>	<b>2 FT/1 PT</b>

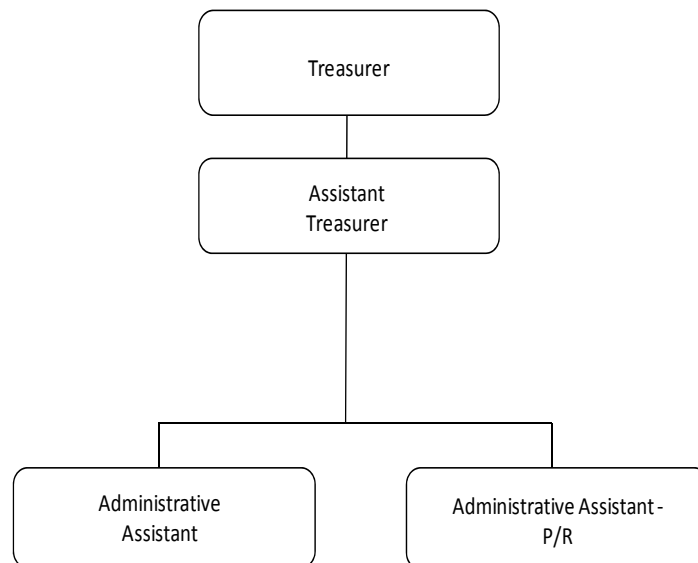
Although both departments share many functions, facilities and tasks, for budgeting purposes and organizational classifications they have remained separate entities. The following organizational charts are for the respective departments.

### Organizational Structure

#### Collector



#### Treasurer

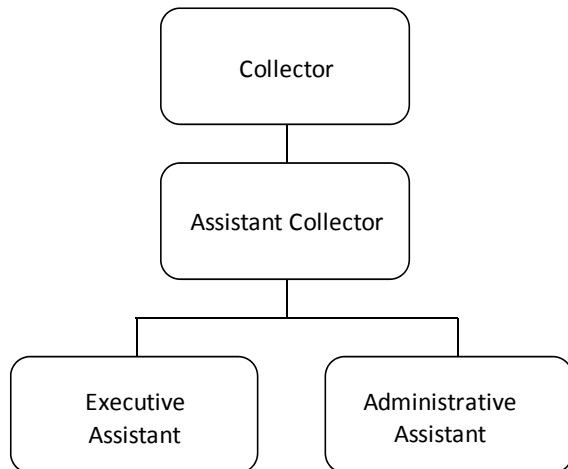




# Town of Natick

## Finance Department Reorganization

### Utility Billing



### Notes:

*Collector/Treasurer is the same person.*

*Assistant Collector and Assistant Treasurer is the same person.*

### Performance Indicators

The department has a sizeable workload, issuing all tax and water/sewer utility bills for collection for the Town.

Performance Indicators	2009	2010	2011	2012*	2013*
	<b>Workload Measures</b>				
Number of real estate tax bills issued	52,130	52,300	52,300	52,300	52,300
Number of personal property tax bills issued	8,046	8,100	8,100	8,100	8,100
Number of motor vehicle excise bills issued	37,169	37,500	37,500	37,500	37,500
Number of payroll checks/ direct deposit per pay-	52,257	52,500	52,500	52,500	52,500
	2009	2010	2011	2012	2013
<b>Efficiency Measures</b>					
Cost of processing bills (mailing and printing)	N/A - Indicator being developed				
	2009	2010	2011	2012	2013
<b>Outcome Measures</b>					
Collection Rate (Real and Personal Property Bills)	N/A - Indicator being developed				



# Town of Natick

## Finance Department Reorganization

### Budget

The budgets for the three departments are summarized below.

Collector Budget		2010 Actual	2011 Actual	2012 Appropriated	2013 Preliminary	2012 vs. 2013	
						\$	%
<b>Salaries</b>							
Personnel Services		183,520	186,684	202,056	200,477	-1,579	-0.8%
<b>Total Salaries</b>		<b>183,520</b>	<b>186,684</b>	<b>202,056</b>	<b>200,477</b>	<b>-1,579</b>	<b>-0.8%</b>
<b>Operating Expenses</b>							
Purchase of Services		47,171	76,876	70,250	81,250	11,000	15.7%
Tech. & Prof. Serv.		61,342	74,177	99,500	99,500	0	0.0%
Supplies		2,634	2,772	4,500	4,500	0	0.0%
<b>Total Operating Expenses</b>		<b>111,147</b>	<b>153,825</b>	<b>174,250</b>	<b>185,250</b>	<b>11,000</b>	<b>6.3%</b>
<b>Total Collector</b>		<b>294,667</b>	<b>340,510</b>	<b>376,306</b>	<b>385,727</b>	<b>9,421</b>	<b>2.5%</b>

Treasurer Budget		2010 Actual	2011 Actual	2012 Appropriated	2013 Preliminary	2012 vs. 2013	
						\$	%
<b>Salaries</b>							
Personnel Services		136,841	145,192	152,650	157,925	5,274	3.5%
<b>Total Salaries</b>		<b>136,841</b>	<b>145,192</b>	<b>152,650</b>	<b>157,925</b>	<b>5,274</b>	<b>3.5%</b>
<b>Operating Expenses</b>							
Purchase of Services		12,929	14,900	21,750	19,300	-2,450	-11.3%
Tech & Prof. Services		19,015	38,127	35,000	40,000	5,000	14.3%
Supplies		11,610	12,476	4,000	10,000	6,000	150.0%
<b>Total Operating Expense</b>		<b>43,554</b>	<b>65,503</b>	<b>60,750</b>	<b>69,300</b>	<b>8,550</b>	<b>14.1%</b>
<b>Total Treasurer</b>		<b>180,395</b>	<b>210,695</b>	<b>213,400</b>	<b>227,225</b>	<b>13,824</b>	<b>6.5%</b>

Utility Billing Operations							
		2010 Actual	2011 Actual	2012 Appropriated	2013 Preliminary	2012 vs. 2013	
						\$	%
<b>Total Salaries</b>		<b>95,503</b>	<b>98,349</b>	<b>103,618</b>	<b>103,618</b>	<b>0</b>	<b>0.0%</b>
<b>Total Operating Expenses</b>		<b>68,830</b>	<b>82,344</b>	<b>120,700</b>	<b>129,950</b>	<b>9,250</b>	<b>7.7%</b>
<b>Total Utility Billing Operations</b>		<b>164,334</b>	<b>180,693</b>	<b>224,318</b>	<b>233,568</b>	<b>9,250</b>	<b>4.12%</b>

Combined, the three departments have a total budget of \$846,520, \$612,952 within the General Fund and \$233,568 within the Water/Sewer Enterprise Fund.



# *Town of Natick*

## Finance Department Reorganization

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### Citizen Interaction & Oversight

The Collector/Treasurer's Office serves with the Assessor on the Elderly and Disabled Taxation Fund Committee.

### Continuing Challenges

The department has significant workload challenges in addition to trying to continually enhance its existing electronic offerings for citizens. Moving forward, it will endeavour to improve electronic payment options for Natick citizens.

### **Summary**

As the preceding pages show, the Town of Natick has distinct operations established for the collection and management of funds, accounting of those funds and valuation of property. This structure is highly decentralized. Although a Finance Director exists, he does not have authority over the Comptroller because of basic and essential checks and balances within the finance world. That is, the same person who collects and invests funds should not be same person who accounts for those funds.





# *Town of Natick*

Finance Department Reorganization

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## **Section III: Comparative Communities**



# Town of Natick

## Finance Department Reorganization

### Section III: Comparative Communities

It is an old maxim of local government – the services provided by towns are as diverse as the communities they represent. Like other Town departments and operations we have studied, how various Massachusetts municipalities provide financial management is no different in that there is no one “right way”. For the purposes of examining regional data for this study, comparable communities included those in Metrowest or those with a similar population and size as Natick. The chart showing comparable communities and information about their services is shown below.

**Summary of Comparable Communities**

Town	Centralized?	Name	Departments Consolidated	Director
<b>Natick</b>	<b>No</b>	<b>N/A</b>	<b>Only Collector/Treasurer</b>	<b>Individual Dept. Heads</b>
Andover	Yes	Finance & Budget	Assessing, Budget, Collector, Procurement and Treasurer. Accounting is Separate.	Finance Director
Beverly	Yes	Municipal Finance	Accounting, Assessing, Budget, Collector, Information Technology, Procurement and Treasurer	Finance Director
Billerica	No	N/A	N/A	Individual Dept. Heads
Braintree	Yes	Municipal Finance	Accounting, Assessing, Collector, Information Technology, Procurement and Treasurer. Budget is in the Mayor/Administrator's Office	Finance Director
Concord	Yes	Finance	Accounting, Assessing, Budget, Collector, Procurement, Town Clerk and Treasurer	Finance Director
Framingham	Yes	Finance	Accounting, Assessing, Budget, Collector, Procurement and Treasurer	Finance Director
Lexington	Yes	Finance	Accounting, Assessing, Budget, Collector, Procurement and Treasurer	Assistant Town Manager for Finance
Milton	No	N/A	N/A	Individual Dept. Heads
Needham	Yes	Finance	Accounting, Assessing, Budget, Collector, Information Technology, Procurement and Treasurer	Assistant Town Manager for Finance
Wellesley	Yes	Financial Services	Accounting, Budget, Collector, Procurement and Treasurer. Assessing is Separate	Finance Director
Weston	Yes	Finance	Accounting, Assessing, Collector, Procurement and Treasurer. Budget is in the Town Manager's Office	Finance Director



# *Town of Natick*

## Finance Department Reorganization

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As the chart shows, out of the 12 communities only three – Billerica, Milton and Natick do not have either a substantial number or all of their financial management functions consolidated under the direction of one department and one Finance Director. And most (7 out of the 12) have all major financial management departments – Accounting (Comptroller), Assessing, Collector, Procurement and Treasurer –centralized in one Finance Department. (Those communities are Beverly, Braintree, Concord, Framingham, Lexington, Needham and Weston.)

In the 9 communities which have some degree of consolidated finance departments, all of them are run by either a Finance Director or in the case of Lexington and Needham, an Assistant Town Manager for Finance.



# *Town of Natick*

Finance Department Reorganization

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# *Town of Natick*

Finance Department Reorganization

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## **Section IV: Reorganization Plan**



# *Town of Natick*

## Finance Department Reorganization

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### **Section IV: Reorganization Plan**

As stated in Section II, the four distinct entities are currently organized as stand-alone departments; that is the Assessor (who is a member of the elected Board of Assessors but does not have to be) has responsibility for the Assessing Department, the Town Comptroller has responsibility for the Comptroller's Department and the Collector/Treasurer has responsibility for the Collector and Treasury functions.

There currently also exists the position of the Finance Director, which responsibilities are currently assigned to the Town's Collector/Treasurer. Although general oversight of financial matters for the Town is a working charge of the Finance Director, he is prohibited from directly supervising the Town's Comptroller because he is also the Town's Collector/Treasurer. The Treasurer cannot have direct control over the auditing functions of the Town because it would violate essential principles in the checks and balances of the financial operations. The same is true in reverse that the Town Comptroller can't have direct authority over the Town's Treasury functions. As a result, the Finance Director works to collaborate with other department heads but, unlike the Town Administrator, has no authority via charter to put Finance Department-wide solutions into place.

The current system also constrains flexibility within and between the finance offices. Because the budgets and staffing allocations in each department are small, if there is an extended vacancy due to illness, dismissal or departure of any kind, there is little to no flexibility within the departmental budgets to cover any overages. Thus the managers are relatively hamstrung in their ability to quickly and nimbly respond to issues as they arise.

In order to solve for these problems, Town Administration believes a better model exists: a consolidated Finance Department under the control of an independent Finance Director who is answerable to the Town Administrator. The ensuing pages describe the organizational structure, key additions and changes to the department, the proposed budget, the organizational chart and the rationale for consolidation.

This proposal has been fully vetted through Town Counsel, who has validated that it poses no legal problems for the community under Massachusetts General Law, the Town Charter or By-Laws so long as the reorganization is done in accordance with the provisions of Natick's Home Rule Charter Article 6, Section 6-1.



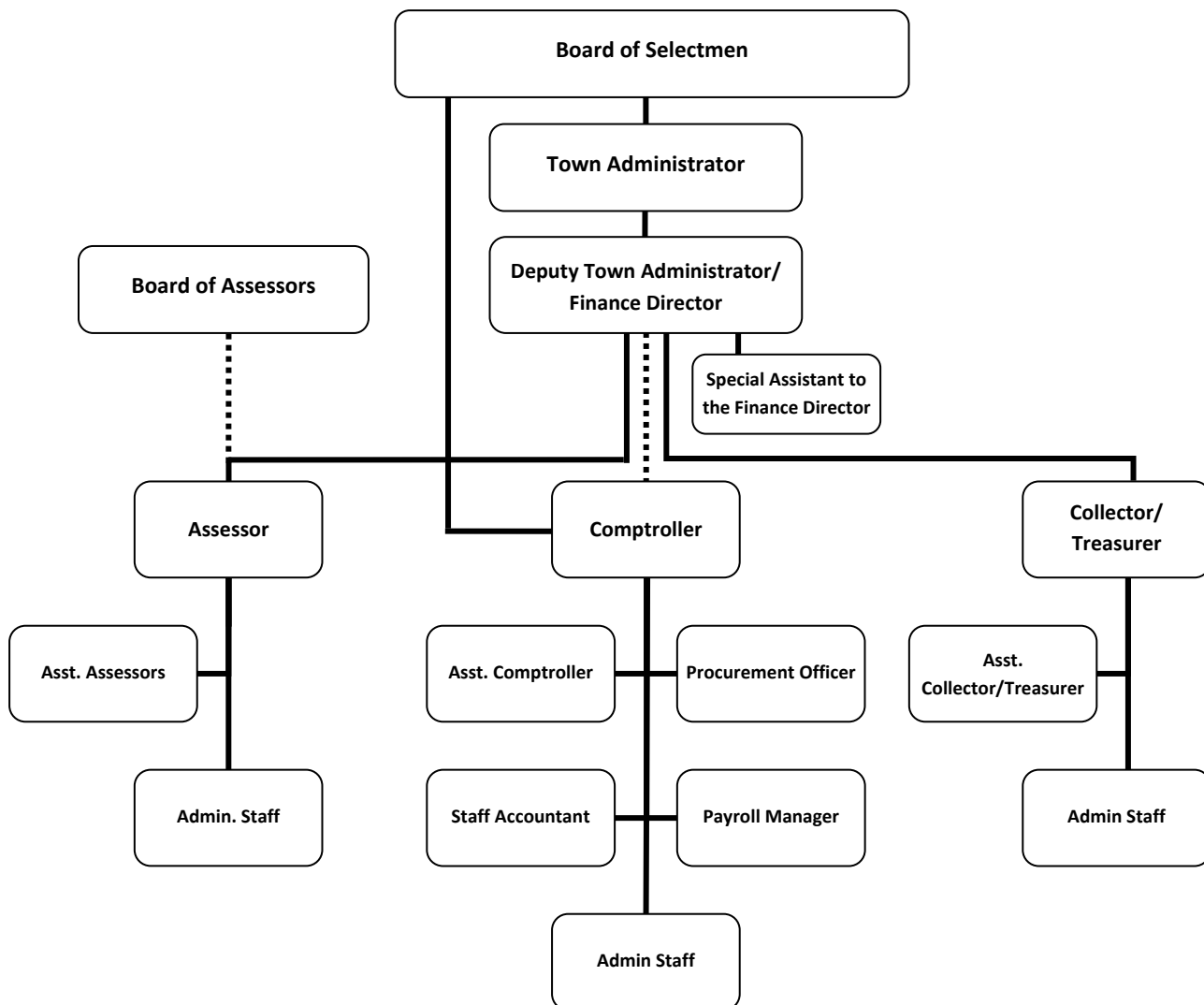
# Town of Natick

## Finance Department Reorganization

### Finance Department Reorganization

The new Finance Department would be under the direction of the Deputy Town Administrator, an existing position which would assume the additional responsibility as the Finance Director. Each of the three departments – Assessing, Comptroller and Collector/Treasurer – would become divisions within a unified department. Instead of four appropriations at Town Meeting, the new budget would consist of one set of appropriations – one salary line and two expense lines – thus giving maximum flexibility in how funds can be spent within the Finance operations for the community while creating a clearer line of communication to the Town Administrator/Chief Financial Officer.

The proposed reorganization chart is shown below.





# *Town of Natick*

## Finance Department Reorganization

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### **Major Changes**

This new Finance Department would have several significant structural changes and new positions:

- a) Staff Accountant: As the last several years of turnover have shown within the Comptroller's office, there is a critical need to have solid accounting experience within the office at all times. Although many departments have suffered staffing reductions which significantly impacted operations over the last five years, the reduction of staff within the Comptroller's Office from FY 2009 to today has hampered the Town's ability to timely complete the basic financial and accounting tasks it must achieve. The addition of a new position within the Comptroller's Office with a solid skill set of accounting will go a long way to restoring the Office's and Town's ability to achieve its missions while freeing up time for the Comptroller to implement system improvements, assist the Administration with special projects and analyses, conduct internal audits, and more.
- b) Special Assistant to the Finance Director: This proposal will also shift one person from the existing role of Administrative Assistant to a new position of the Special Assistant to the Finance Director. The goal of this proposal is to create a position that can "float" between the Comptroller and Collector/Treasurer sides of the aisle and fill wherever necessary. Without having a set responsibility, this position can be designated to handle special tasks – completion of State reports, reconciliations, provide analysis for the Comptroller, the Collector/Treasurer and the Finance Director – whatever is needed. This mobility will also be key in allowing departments to timely achieve financial transactions and the annual audit.
- c) Consolidated Appropriations: One budget will allow the Finance Director to more easily backfill when absences occur within divisions (such as exists currently), bring in consultants when necessary or assist any of the functions achieve their tasks. Without a consolidated budget, the departments are often forced to go without additional support when they need it most.

And, of course, one of the most significant changes is the proposal to place the position of Finance Director within the office of the Town Administrator. Two primary objectives drive this proposal. First, per the Town's Charter and By-Laws, the Town Administrator is the Town's Chief Administrative and Chief Financial Officer. In recent years, the office of the Town Administrator has made significant strides in the transparency, clarity and depth of information





# *Town of Natick*

## Finance Department Reorganization

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provided in all of the Town's budgetary and financial information, and continuously strives to professionalize daily operations. While these objectives certainly have been and can continue to be achieved under the existing decentralized organizational structure, consolidating the operations directly under the office of the Town Administrator should enhance these efforts. Many comparable communities have found this to be the case.

The second primary objective driving the proposal to place the position of Finance Director within the office of the Town Administrator is far more pragmatic. Critical to proper financial management is adherence to a sound system of checks and balances. As previously described, this means that the Comptroller, as the chief auditor/accountant for the community and the Collector /Treasurer, as the chief collector and manager of Town funds should not be put in a position where one has authority over the other. Consolidating the finance departments without changing the current structure of the position of the Finance Director would effectively have the Comptroller reporting to the Collector/Treasurer, thus jeopardizing the independence of the Comptroller.



# Town of Natick

## Finance Department Reorganization

### Budget:

The following is the consolidated detail budget for the new Finance Department.

Budget Detail	2010	2011	2012	2013	2012 vs. 2013	
	Actual	Actual	Appropriated	Preliminary	\$	%
Salaries Management	255,859	260,650	308,310	307,183	-1,127	-0.37%
Salaries Supervisory	125,475	132,816	146,051	135,968	-10,083	-6.90%
Salaries Operational Staff	290,467	295,070	321,368	190,403	-130,965	-40.75%
Part Time Operational Staff	32,852	144,583	43,947	68,774	24,827	56.49%
Salaries Tech & Professional	123,527	19,712	135,412	338,709	203,297	150.13%
Operational Staff Additional Comp	1,347	1,345	1,647	1,186	-461	-28.01%
Operational Staff Overtime	6,809	13,118	14,000	14,000	0	0.00%
<b>Personnel Services</b>	<b>836,335</b>	<b>867,294</b>	<b>970,735</b>	<b>1,056,222</b>	<b>85,487</b>	<b>8.81%</b>
Repairs & Maint Equip	2,792	568	9,500	9,500	0	0.00%
In State Travel/Meetings	2,131	2,285	4,200	4,200	0	0.00%
Communication Telephone	4,742	4,966	5,500	5,550	50	0.91%
Education & Training	10,487	15,098	18,500	20,000	1,500	8.11%
Dues & Subscriptions	1,768	1,400	3,050	2,550	-500	-16.39%
Tax Mapping	9,431	0	20,000	20,000	0	0.00%
Copy/Mail Center Fees	12,798	11,571	10,100	0	-10,100	-100.00%
Communication Postage	47,811	78,465	72,350	85,000	12,650	17.48%
Collection Activities	1,857	7,077	6,500	6,500	0	0.00%
BookBinding	0	0	500	500	0	0.00%
Consulting Services	7,988	31,225	5,000	5,000	0	0.00%
<b>Purchase of Services</b>	<b>101,805</b>	<b>152,654</b>	<b>155,200</b>	<b>158,800</b>	<b>3,600</b>	<b>2.32%</b>
Copy Center Supplies	1,832	2,790	2,000	2,000	0	0.00%
Office Supplies	18,585	17,791	14,000	20,000	6,000	42.86%
<b>Supplies</b>	<b>20,417</b>	<b>20,581</b>	<b>16,000</b>	<b>22,000</b>	<b>6,000</b>	<b>37.50%</b>
Real Estate Tax Billing	7,964	7,013	8,000	8,000	0	0.00%
Motor Vehicle Excise Tax Billing	2,963	3,558	4,000	4,000	0	0.00%
PAYT Billing	1,000	1,000	1,000	1,000	0	0.00%
Police Detail Billing	1,214	6,092	4,000	4,000	0	0.00%
Ambulance Fee Collections	48,201	56,515	82,500	82,500	0	0.00%
Banking Services Fees	19,015	38,127	35,000	40,000	5,000	14.29%
<b>Tech &amp; Prof. Services</b>	<b>80,357</b>	<b>112,304</b>	<b>134,500</b>	<b>139,500</b>	<b>5,000</b>	<b>3.72%</b>
Revalue of Real Property	112,548	6,792	75,000	75,000	0	0.00%
<b>Other Chgs. / Exp.</b>	<b>112,548</b>	<b>6,792</b>	<b>75,000</b>	<b>75,000</b>	<b>0</b>	<b>0.00%</b>
<b>Totals</b>	<b>1,151,461</b>	<b>1,159,626</b>	<b>1,351,435</b>	<b>1,451,522</b>	<b>100,087</b>	<b>7.41%</b>



# Town of Natick

## Finance Department Reorganization

In addition to this, budget the utility billing remains unchanged under the Water & Sewer Enterprise Fund.

The individual lines to be appropriated are shown below in gray.

Appropriation Summary	2010	2011	2012	2013	2012 vs. 2013	
	Actual	Actual	Appropriated	Preliminary	\$	%
Personnel Services	836,335	867,294	970,735	1,056,222	85,487	8.81%
<b>Total Personnel Services</b>	<b>836,335</b>	<b>867,294</b>	<b>970,735</b>	<b>1,056,222</b>	<b>85,487</b>	<b>8.81%</b>
Purchase of Services	101,805	152,654	155,200	158,800	3,600	2.32%
Supplies	20,417	20,581	16,000	22,000	6,000	37.50%
Tech & Prof. Services	80,357	112,304	134,500	139,500	5,000	3.72%
<b>Total Expenses</b>	<b>202,578</b>	<b>285,540</b>	<b>305,700</b>	<b>320,300</b>	<b>14,600</b>	<b>4.78%</b>
Revalue of Real Property	112,548	6,792	75,000	75,000	0	0.00%
<b>Total Other Chgs./Exp.</b>	<b>112,548</b>	<b>6,792</b>	<b>75,000</b>	<b>75,000</b>	<b>0</b>	<b>0.00%</b>
<b>Total Finance Department</b>	<b>1,151,461</b>	<b>1,159,626</b>	<b>1,351,435</b>	<b>1,451,522</b>	<b>100,087</b>	<b>7.41%</b>

In addition to this amount, the Board of Selectmen’s budget will need to be amended to include a salary increase for the Deputy Town Administrator.

### **Benefits to Reorganization:**

Having surveyed neighboring communities, we realize that Natick is now the outlier; a community with separate departments managing the various complex finance operations of a modern municipality. We believe that reorganizing will have the following benefits:

- a) **Better Management:** Having each “division head” report to one manager, and having that manager be within the Office of the Town Administrator better engages the Town Administrator in the day-to-day finance operations and creates a clearer and more direct line of communication with the Town Administrator. Further, this management structure should serve to enhance our efforts to continuously enhance and refine the clarity of financial materials, prepare financial analyses and reports, and respond to informational requests.
- b) **Most Cost Effective Solution:** We have explored different options, even going so far as to examine what the possibilities were with completely privatizing one of these financial functions . We believe this solution – consolidating the staff we have in place and



# *Town of Natick*

## Finance Department Reorganization

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continuing to add key components to and throughout the department - will produce the best, most cost-effective solution possible for the community.

- c) Enhanced Checks and Balances: Designating the Deputy Town Administrator as the Finance Director eliminates any perception that the Comptroller reports to the Collector/Treasurer. This organizational structure also allows the Finance Director to institute system-wide changes and improvements.
- d) Greater Flexibility. As previously stated, having the ability to move personnel between the finance offices – whether for a specific project, to fill a temporary vacancy, or to respond to a temporary increase in work load – will greatly enhance our ability to effectively respond to these needs.



# *Town of Natick*

Finance Department Reorganization

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## **Section V: Recommendations & Next Steps**



# *Town of Natick*

## Finance Department Reorganization

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### **Section V: Recommendations & Next Steps**

The next steps in this reorganization plan are as follows:

Pursuant to Article 6, Section 6-1 of the Natick Home Rule Charter, the Board of Selectmen is required to hold a public hearing in response to proposals by the Town Administrator to reorganize Town departments; that hearing is scheduled for March 5, 2012.

Proposals to reorganize town departments must be approved by Town Meeting, which can only vote to approve or disapprove the proposal; Town Meeting cannot modify the proposal. This proposal is being made at the 2012 Spring Annual Town meeting under Article 1.

As with all Town Meeting articles, the Finance Committee will review the proposal and make a recommendation to Town Meeting. As of this writing, the Finance Committee is scheduled to hear this proposal on March 6, 2012

**We recommend favorable action on Article 1 of the 2012 Spring Annual Town Meeting, as well as favorable action in the amount of \$1,451,522 in appropriation to the Finance Department under Article 14 - FY 2013 Omnibus Budget of the 2012 Spring Annual Town Meeting.**



# *Town of Natick*

Finance Department Reorganization

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## **Section VI: Appendices**

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**Excerpts from By-Laws & Charter**



# *Town of Natick*

## Finance Department Reorganization

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### **Sections of Charter Pertaining to Assessor, Collector-Treasurer, Comptroller & TA's ability to Change/Amend/Augment Departments**

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#### **Section 3-4 Board of Assessors**

(a) Composition, Term of Office - There shall be a board of assessors consisting of three members elected for terms of three years each, so arranged that the term of one member shall expire each year.

(b) Powers and Duties - The board of assessors shall annually make a fair valuation of all property, both real and personal, within the town. It shall determine, based on such valuation and such sums as may be authorized to be expended by vote of the town meeting, and consideration of other income and expenses of the town, annually the rate of taxation to apply to property within the town. The board of assessors shall have all of the powers and duties which are given to boards of assessors by general laws and it shall have such additional powers and duties as may be provided by charter, by by-law or by other town meeting vote.

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#### **Section 4-2 Powers and Duties**

The town administrator shall be the chief administrative officer of the town and shall be responsible to the board of selectmen for the proper administration of all town affairs placed under his charge by or under the charter and by-laws. The powers and duties of the town administrator shall include, but are not intended to be limited to, the following:

- 1) He shall supervise, direct and be responsible for the efficient administration of all functions placed under his control by the charter, by by-law, by town meeting vote, by vote of the board of selectmen, or otherwise, including all officers appointed by him and their respective department.
- 2) He shall coordinate the activities of all town agencies under his control with those under the control of officers and multiple member bodies who are elected directly by the voters of Natick.
- 3) He shall appoint, and may remove, subject to the civil service law and any collective bargaining agreements as may be applicable, all department heads, all officers, subordinates and employees for whom no other method of selection is provided by the charter or by-laws, except persons serving under officers and multiple member bodies directly elected by the voters of Natick.
- 9) He shall keep the board of selectmen fully informed as to the fiscal condition and needs of the town, and shall make such recommendations to the board of selectmen and to other elected and appointive officers as he may deem to be necessary or desirable.
- 10) He shall assure that full and complete records of the financial and administrative activities of





# *Town of Natick*

## Finance Department Reorganization

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the town are kept and shall render full reports to the board of selectmen at the end of each fiscal year and at such other periods as it may reasonably require.

- 16) He may in the manner provided in Article 6 reorganize, consolidate or abolish town agencies serving under his general supervision in whole or in part, provide for new town agencies and when incident to any such organization, with the approval of the finance committee, transfer all or a portion of the appropriation made for one town agency to another.
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### **Section 6-3 Office of the Comptroller**

- (a) **Appointment; Qualifications; Term of Office** - There shall be a comptroller, appointed by the board of selectmen. The comptroller shall be a person especially fitted by education, training and experience, including not less than three years' prior full time accounting experience, to perform the duties of the office. The town may, by by-law, from time to time, establish such additional qualifications for the office as seem necessary or desirable; provided, however, no change in such by-law shall apply to the incumbent of the office at the time such by-law is adopted. The comptroller shall devote his entire time to the performance of his duties and the supervision of the employees of his department. The comptroller shall be appointed in June of every third year for a three-year term to run from the first day of the following July until the qualification of his successor. The comptroller may be removed by the board of selectmen for cause and the vacancy filled by it, in the same manner as an original appointment, for the remainder of the unexpired term.
- (b) **Powers and Duties** - The comptroller shall have, in addition to the powers and duties conferred and imposed upon town accountants by general laws, the following powers and duties:
- (1) He shall prescribe the methods of installation and exercise supervision of all accounting records of the several town officers and agencies; provided, however, that any change in the system of accounts shall first be discussed with the town administrator, board of selectmen and the town agencies affected.
  - (2) He shall establish standard practices relating to all accounting matters and procedures and the coordination of systems throughout the town, including clerical and office methods, records, reports and procedures as they relate to accounting matters. He shall, after discussion with the town administrator prepare and submit rules, regulations and instructions relating thereto that, when approved by the board of selectmen, shall be binding upon all town agencies and employees.
  - (3) He shall draw all warrants upon the town treasurer for the payment of bills, drafts and orders chargeable to the several appropriations and other accounts.
  - (4) Prior to submitting any warrant to the board of selectmen he shall examine and approve as not being fraudulent, unlawful or excessive, all bills, drafts and orders covered thereby. In connection with any such examination, he may make inspection as to the quality, quantity



# *Town of Natick*

## Finance Department Reorganization

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and condition of any materials, supplies or equipment delivered to or received by any town officer or agency. If, upon examination, it appears to the comptroller that any such bill, draft or order is fraudulent, unlawful or excessive, he shall immediately file with the board of selectmen and town treasurer a written report of the reasons for his findings.

(5) He shall be responsible for a continuous audit of all accounts and records of the town wherever located.

(c) **Vacancy** - If the comptroller is unable to perform his duties because of disability or absence, or if the office is vacant because of resignation or death, the board of selectmen may appoint a temporary comptroller to hold such office and exercise the powers and perform the duties until the comptroller who was disabled or absent resumes his duties, or until another comptroller is duly appointed. Said temporary appointment shall be in writing, signed by a majority of the board of selectmen and filed in the office of the town clerk.

(d) **Assistant Comptroller** - The comptroller with the approval of a majority of the board of selectmen, may appoint, in writing, an assistant. Unless a temporary comptroller is appointed, the assistant may, in the absence of the comptroller, perform the duties of the comptroller and when performing such duties shall have the same power and be subject to the same requirements and penalties as the comptroller.

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### **Section 6-4 Town Treasurer - Collector**

(a) **Appointment; Qualifications; Term of Office** - There shall be a town treasurer-collector appointed by the Town Administrator subject to confirmation of the Board of Selectmen for a term of three (3) years. Such appointment shall be based upon qualifications in the field of municipal finance. Minimum qualifications include a Bachelor's Degree in Finance or equivalent and five (5) years experience in finance administration or equivalent.

#### **(a) Powers and Duties**

##### **Treasurer:**

- (1) The treasurer receives all money belonging to the town, and expends and accounts for it according to the order of the town or its authorized officers.
- (2) The treasurer is the custodian of all funds of the town including other funds such as the stabilization fund, trust funds and tax titles.
- (3) The treasurer is responsible to make provisions for adequate funds to cover current obligations. This includes management of the funds so that obligations such as payroll, bills, payment on bonds, and other remittances are paid in a timely manner.
- (4) The treasurer must know the municipality's cash position on a daily basis. This is accomplished by depositing all cash received on a daily basis and requires reconciliation of



# *Town of Natick*

## Finance Department Reorganization

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all bank accounts.

- (5) The treasurer is required to possess knowledge of the provisions of various sections of Massachusetts General Laws Chapter 60 regarding tax titles and tax foreclosures.
- (6) The treasurer is responsible for all borrowing and arrangement of the terms of borrowing. All borrowing requires the approval of the Board of Selectmen.
- (7) The treasurer must give a bond annually for the faithful performance of required duties.
- (8) All duties and responsibilities for the Treasurer set forth in the Massachusetts General Laws.