

# (2-1) Collins Center: Financial Management Report

## INTRODUCTION

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In order to ensure the growing and continued financial health of the Town of Wayland, provide the public with confidence that Town officials respect their responsibility for fiscal stewardship, and demonstrate to bond rating agencies that the Town has thoughtfully prepared for its future, the financial policies outlined below shall guide the Town. These policies are a living tool and shall be reviewed by the Town Administrator, Finance Director and designated staff on an annual basis and updated as necessary.

### Objectives:

*The objectives of the Financial Management Policies are as follows:*

- A. To guide the Board of Selectmen, the Finance Committee, and management staff in evaluating and implementing decisions that have significant impact on the Town.*
- B. To set forth planning and operating principles which require that the cost of government be clearly identified and that financial risk be minimized.*
- C. To employ balanced and fair fee and user revenue policies that provide funding for required and needed programs.*
- D. To regularly evaluate the Town's financial capacity to meet present and future needs.*
- E. To promote credible and sound financial management by providing accurate and timely information on the Town's financial condition to elected officials, staff, the public and external interests.*
- F. To ensure that current and future capital needs are addressed in a comprehensive and financially sound manner.*
- G. To promote stability in the Town's credit rating and provide financial resources sufficient to meet the Town's obligations on all municipal debt and other long term obligations.*
- H. To establish an effective system of internal controls that ensures the legal use of financial resources.*
- I. To promote cooperation and coordination with other governments and the private sector in the financing and delivery of service.*

## **A. GENERAL BUDGET POLICIES**

### **A-1 Structurally Balanced Budget**

#### **Background:**

All Massachusetts municipalities are required by state law to prepare balanced annual budgets. In fact, a balanced budget is a prerequisite to State approval of the Town's annual tax rate and the issuance of actual tax bills for the fiscal year.

The Government Finance Officers Association (GFOA) notes a true structurally balanced budget is one that supports financial sustainability for multiple years into the future. A structurally balanced budget is achieved when recurring operating expenses can be financed with recurring revenues sources that equal or exceed annual operating costs.

#### **Policy:**

The Board of Selectmen and the Finance Committee shall recommend and Town Meeting shall adopt balanced budgets in which current revenues (non-one-time) equal or exceed current expenditures. Expenditures shall be realistically budgeted and estimated revenues shall be conservatively budgeted to allow for unanticipated events. The Town shall present said estimates and assumptions behind revenue estimates along with the balanced budget.

The Town will not balance the budget by using one time or other nonrecurring revenues (e.g., free cash or overlay surplus) to fund ongoing expenditures. The Town will not use budgetary procedures that balance the budget at the expense of future years, such as postponing or deferring payment of expenses already incurred, accruing future year revenues, or rolling over short-term debt to avoid making principal payments.

The Town budget shall also support a financially sound operating position by maintaining reserves for emergencies and providing sufficient liquidity to pay bills on time and avoid revenue anticipation borrowing.

#### **References:**

M.G.L. c.44, §31

*Achieving a Structurally Balanced Budget*, Government Finance Officers Association Best Practice, February 2012

## **A-2 Revenue and Expenditure Forecast**

### **Background:**

A critical step in maintaining a sound financial plan is the preparation of a multi-year revenue/expenditure forecast. Long term financial planning, including prudent assumptions about future revenues and expenditures, is one of the local government financial practices that credit rating agencies evaluate when assessing municipalities for credit quality.

The Massachusetts Division of Local Services (DLS) states that a financial forecast, or multi-year revenue and expenditure forecast, allows a municipality to evaluate the impact of various government decisions over time. For example, a forecast allows a municipality to evaluate the fiscal impact of multi-year collective bargaining agreements, the potential impact of issuing long-term debt or other contractual agreements that span a multi-year period.

A forecast will provide decision-makers with an indication of the long-term fiscal impact of current policies and budget decisions, and will allow management to test various “what-if” scenarios and examine the fiscal impact on future budgets.

### **Policy:**

Each year the Finance Director shall prepare and maintain a five-year Financial Forecast for General Fund and Enterprise Fund operations based on current service levels and current funding sources and including the five year Capital Improvement Program.

The forecast shall be used as an ongoing management tool to enable Town officials to review operating needs, identify fiscal challenges and opportunities, and develop long-term budgeting policies as part of an overall strategic plan. The forecast shall be designed to provide an outlook on the implications of changes in revenues and expenditures and allow for analyzing multiple scenarios. The forecast will: 1) provide insight into whether the current mix and level of resources in the General Fund are likely to continue to be sufficient to cover current service levels and capital projects; and, 2) allow Town management time to plan for any budgetary adjustments necessary to increase revenues and/or reduce expenditures; and 3) identify the resources needed to maintain required enterprise fund operations.

### **Procedure:**

The Finance Director, in cooperation with the Town Administrator and finance officers, will review the forecast assumptions every year when it updates the forecast and will use information that is timely and accurate in preparation of the forecast. The forecast and underlying assumptions shall be made available to the Board of Selectmen, Finance Committee, School Committee and the public at the beginning of the budget process prior to issuing budget guidelines and requesting budget submissions.

### **References:**

*Revenue and Expenditure Forecasting*, MA DOR Division of Local Services Best Practice.

*Financial Forecasting in the Budget Preparation Process*, Government Finance Officers Association Best Practice, February 2014.

*Financial Management Assessment*, Standard and Poor’s, June 2006.

## **B. POLICIES REGARDING ESTABLISHMENT OF FEES**

### **B-1 Fees and Charges**

#### **Background:**

The Government Finance Officers Association recommends that when certain services provided especially benefit a particular group, governments should consider charges and fees on the service recipients. Well-designed charges and fees not only reduce the need for additional revenue sources, but promote service efficiency. Regular and consistent review of all fees is necessary to ensure the costs associated with the delivery of specific services have been appropriately identified and that a municipality is collecting reasonable charges.

The Division of Local Services recommends communities adopt written policies for setting charges and fees. A policy should identify what factors are to be taken into account when pricing services. It should also state whether the community intends to recover the full cost of providing the service or benefit and under what circumstances a charge or fee is set at less than full recovery (e.g., debt exclusion or other subsidy). Such a policy and the fee structure should be reviewed periodically to ensure they remain current, and both should be communicated with the public clearly and openly.

#### **Policy:**

Town fees and charges shall be reviewed periodically in relation to the cost of providing the service. The Town will compare rates with nearby communities to determine if the fees established are competitive. The Town may decide against full cost recovery where greater public benefit is demonstrated. Exceptions to full recovery costs include cases where: the fee maximums are established by the General Laws of Massachusetts (MGL) or where a policy decision has been made otherwise.

#### **References:**

M.G.L. c.140

*Emerson College v. Boston*, 391 Mass. 415 (1984).

*Costing Municipal Services: Workbook and Case Study*, MA DOR Division of Local Services' workbook.

*Establishing Government Charges and Fees*, Government Finance Officers Association Best Practice, February 2014

Division of Local Services, *A Guide to Financial Management for Town Officials*, p. 20-21.



## **C. RESERVE FUNDS/FUND BALANCE POLICIES**

### **Background:**

Formal written policies that establish guidelines for funding and maintaining reserves can help a community sustain operations during difficult economic periods. Reserves can be used to finance unforeseen or emergency needs, to hold money for specific future purposes, or in limited instances, to serve as a revenue source for the annual budget. Reserve balances and policies are also an important component of a community's credit rating and as a consequence, the long-term cost to fund major projects. The discussion of reserves, and the attention of credit rating agencies, is generally focused on free cash, stabilization funds, and, sometimes, overlay surplus.

### **C-1 Free Cash**

#### **Background:**

The Division of Local Services' *Municipal Finance Glossary (May 2008)* defines Free Cash as follows:

Free Cash (Also Budgetary Fund Balance) – Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the prior year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts.

Free Cash provides a financial cushion against events such as a sudden loss of a revenue source, an economic downturn, an emergency, or other unanticipated expenditure. Free cash can serve as a source for funding non-recurring capital expenditures, replenishing other operating or capital reserves or simply serve as liquid funds for cash flow purposes.

GFOA notes it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures). At a minimum, GFOA recommends a fund balance level of at least two months of regular general fund revenues or expenditures (about 16.7 percent).

DLS recommends that a municipality strive to generate a minimum free cash amount equal to 3-to-5% of its annual budget. This measure, however, is based largely on historical state average free cash levels and, in part, is meant to be a minimum potential target for communities with negative or very weak free cash levels. In contrast, bond rating agencies generally measure fund balance levels based on GAAP financial statements where the measurement of fund balance is based on Generally Accepted Accounting Practices (GAAP). The GFOA uses a similar GAAP based measurement. Under the broader definition of fund balance under GAAP, the bond rating agencies expect communities with strong credit

ratings to have overall committed, assigned and unreserved fund balance levels well in excess of 15-20 percent each year. This measure of fund balance includes fund balance (free cash) appropriated for the upcoming year for capital, operating and the OPEB trust. These balances also include stabilization fund balances (regular and special purpose) as well as encumbrances from the fiscal year.

**Policy:**

Wayland will eliminate its dependence on free cash to fund the operating budget by no later than FY2019. (The Town has decreased the amount of free cash used to fund operating budgets as follows: \$4.35 million in FY2016, \$1.5 million in FY2017, to \$500,000 in FY2018, with the intent to eliminate this practice by FY2019). The Town will endeavor to maintain a target range of free cash between 5 and 10 percent of prior year net revenue. The minimum balance of free cash shall be 5 percent of prior year net revenue. Amounts in excess of this minimum 5 percent balance will be available for appropriation to a stabilization fund, capital outlay or other one-time expenses, while the target amount will be left unspent from year to year. Until the balance in the general stabilization fund reaches its target level of 6 percent of prior year net revenues, at least 25 percent of the excess free cash shall be appropriated into this stabilization fund. Net prior year revenue is defined as prior year gross revenues, less debt exclusions, enterprise fund revenues, Community Preservation Fund revenues and amounts appropriated from free cash, stabilization and overlay surplus.

Conservative revenue projections and departmental appropriations shall be managed to produce excess income and departmental budget turn backs. In the event that it is necessary to draw down free cash below the 5 percent level, the Town Administrator, Finance Director and Finance Committee will develop a plan to replenish free cash levels with one to two years. Once target levels of stabilization funds are reached and fund balance levels stabilize, the free cash target should be revisited.

**References:**

*Free Cash*, MA DOR Division of Local Services Best Practice.

*Appropriate Level of Unrestricted Fund Balance in the General Fund*, Government Finance Officers Association Best Practice, September 2015.

*Reserve Policies*, MA DOR Division of Local Services Best Practice.

**Free Cash as Percent of PY Net Revenue**

	2015	2016	2017	2018
Net PY Revenue	60,328,597	65,975,554	65,629,448	71,426,603
Free Cash	6,384,312	6,479,195	4,641,973	7,299,693
% of Net Rev.	10.58%	9.82%	7.07%	10.22%
Min. @ 5%	3,016,430	3,298,778	3,281,472	3,571,330
25% to Stab.				932,091
Capital/Other				2,796,272

## **C-2 Stabilization Funds**

### **Background:**

Under Massachusetts General Law Chapter 40, Section 5B, a municipality may establish one or more stabilization funds for different purposes and may appropriate into them in any year (See change in MGL c. 40, Sec.5B effective Nov. 2016). Generally, a two-thirds vote of town meeting is required to establish, amend the purpose of, or appropriate money out of a stabilization fund, and a majority vote is required to appropriate money into a stabilization fund. Any interest generated by a fund must be added to and become a part of the fund.

Wayland has a general stabilization fund which may be spent for any lawful purpose, as well as two special purpose stabilization funds for non-insurance and recreational purposes. The current general stabilization fund balance is \$1.9 million, with another \$1.2 million in the non-insurance stabilization and \$342,000 in the recreation stabilization fund. Special purpose stabilization funds help a municipality think long-term, be prepared to address needs in a timely manner, and manage debt. For example, a capital stabilization fund can be used to accumulate cash over time and pay outright for a moderate-range capital expenditure, and helps preserve debt capacity for major, high-dollar purchases or projects. An approach that balances capital debt with pay-as-you-go practices, and protects against unforeseen costs is viewed in a positive light by credit rating agencies.

### **C-2a General Stabilization Policy:**

The Town shall maintain a General Stabilization Fund of not less than 6% of the prior year's net revenue for the purpose of maintaining a reserve for extraordinary or unforeseen expenditures. The Town will endeavor to leave this balance unspent, except in the event of an emergency, extraordinary or unforeseen occurrence. If it is necessary to draw down from the General Stabilization Fund, the Town will ensure that it is restored within one to two years of the appropriation, depending on the size of the appropriation.

### **Stabilization as Percent of PY Net Revenues**

	2015	2016	2017
PY Net Revenue	60,328,597	65,975,554	65,629,448
Gen. Stabilization bal.	1,651,269	1,826,752	1,936,231
% PY Net Rev.	2.74%	2.77%	2.95%
Target Stab. @ 6%	3,619,716	3,958,533	3,937,767

### **C-2b Capital Stabilization Policy:**

The Town shall maintain a special purpose Capital Stabilization Fund that shall serve as a funding source for the Town's capital improvement plan, including any associated debt service. The Town may establish annual amounts to be appropriated into the account by Town Meeting acceptance of the fourth paragraph of MGL c.40, Section 5B, and through a two-thirds vote of Town Meeting, designate all, or a percentage not less than 25 percent, of a particular fee, charge or other receipt to a stabilization fund.

Alternatively, the Town may approve a Proposition 2 ½ override to fund a stabilization account. The override is similar to a regular override in that the amount of the override is specified in the vote. The difference is that in subsequent years, the Selectmen must decide whether or not to levy the additional dollars to be directed to the special fund. The amount compounds by 2.5 percent each year, so if \$100,000 was initial amount approved by voters then \$102,500 can be levied in the second year provided it's approved by two-thirds vote of the Selectmen.

The town's special purpose stabilization fund for "non-insurance" purposes appears to have some ambiguity regarding the purposes for which the fund may be spent. It may make sense to re-define the purpose of this fund to a special purpose capital stabilization. Changing the spending purposes of this fund requires a two-thirds vote of Town Meeting.

#### **References:**

M.G.L. c. 40 §5B

*Stabilization Funds*, MA DOR Division of Local Services, Informational Guideline Release No. 17-20

*Special Purpose Stabilization Funds*, MA DOR Division of Local Services Best Practice.

### **C-3 Overlay Reserve**

#### **Background:**

State law requires that municipalities establish an overlay reserve account to fund statutory and local option property tax exemptions and abatements resulting from adjustments in valuation. Based on recent legislation, overlay is now considered a single account to fund abatements and exemptions of committed real and personal property taxes for any fiscal year. The overlay amount is determined by the board of assessors (assessors) and may be raised in the tax rate without appropriation. The assessors must analyze the balance in the overlay account and determine whether it is adequate to fund anticipated property tax abatements, exemptions and receivables during the upcoming fiscal year in

addition to existing abatement, exemption and receivable exposure for all previous fiscal years. If the account balance is not adequate, the assessors may raise any additional amount required in the tax rate for the year without appropriation. G.L. c. 59, § 25. Excess overlay is determined, certified and transferred by vote of the assessors to a Fund Balance Reserved for Overlay Released by the Assessors for Expenditures (overlay surplus). Overlay surplus may then be appropriated by the legislative body for any lawful purpose until the end of the fiscal year, i.e., June 30. Overlay surplus not appropriated by year-end is closed to the general fund undesignated fund balance (G.L. c. 59, §§ 23 and 25).

**Policy:**

The Town shall maintain an adequate overlay reserve account that shall be used to fund property tax exemptions and abatements resulting from adjustments in valuation. Prior to February 15<sup>th</sup> of each fiscal year, the Director of Assessing shall submit to the Finance Committee and Board of Selectmen an analysis of the necessary overlay balance and any potential surplus, including, but not limited to, the current available balance, amounts of potential abatements and receivables, including any potential and reasonable exposure to Appellate Tax Board (ATB) decisions, and the amount necessary to be raised on the tax rate in the upcoming fiscal year.

Any balance in the overlay account determined by the Assessors to be unnecessary can be transferred into the overlay surplus account or simply retained in the overlay account so that the amount raised in the subsequent year may be reduced. Amounts declared as overlay surplus may be appropriated for any lawful purpose if appropriated before the end of the fiscal year. If not appropriated by year-end, overlay surplus is "closed" to undesignated fund balance.

**References:**

M.G.L. c.59, §25

**D-2 Capital Improvement Financing**

**Background:**

For the purpose of these policies, the following definitions shall apply:

- **Prior Year Net Revenue** - Gross revenues, less debt exclusions, Community Preservation Fund revenues, enterprise fund revenue and appropriations from free cash, stabilization and overlay surplus.
- **Net Capital Investment** - Gross costs from local debt, less Proposition 2 ½ debt exclusion amounts, plus the cost of capital leases, direct capital expenses (e.g., "pay-as-you-go capital) funded from free cash, the capital stabilization fund and the general fund, and other local amounts approved as part of the capital budget.
- **Capital Investment as a Percent of Prior Year Net Revenue** – The Net Capital Investment divided by the Prior Year Net Revenue. (For FY2017, Net Capital Investment is about 5.69 percent of the Town's Prior Year Net Revenues, with 4.78% from non-excluded general fund debt and .91% from pay-as-you go capital spending.)

**Policy:**

The Wayland capital improvement program shall be prepared and financed in accordance with the following policies:

- Outside Funding – State, federal, or private grant funding shall be pursued and used to finance the capital budget wherever possible.

Net Capital Investment as % of Prior Year Net Revenues – The annual Net Capital Investment target is 6 percent of Prior Year Net Revenue. The town will endeavor to limit its spending on non-excluded general fund debt to 4 percent of prior year net revenues (a decrease from FY2017 levels of 4.78%) by FY2020. It will also seek to increase pay-as-you go capital spending from .91% of prior year revenue in FY2017 to 2.0% by FY2021.

- Local Funding – The first source of pay-as-you go capital investment shall be from free cash, when the certified amount is greater than the target amount. Capital stabilization fund appropriations shall be the other significant source of funding for pay-as-you go capital investment.
- Debt-Financing/Borrowing -
  - The term of borrowing for a capital project shall not exceed its estimated useful life.
  - The Town will attempt to maintain a long-term debt schedule such that at least 50% of its outstanding principal will be paid within 10 years.
  - The impact of level debt service versus level principal/declining debt on total project cost and on the Town’s operating budget shall be analyzed before borrowing is authorized.

**Capital Spending: Excluded, General Fund and Pay-Go**

	2015	2016	2017
Excluded General Fund Debt	4,845,478	4,408,077	4,275,666
Percent PY Net Revenue	8.03%	6.68%	6.51%
Other General Fund Debt	2,654,588	3,249,500	3,138,332
Percent PY Net Revenue	4.40%	4.93%	4.78%
Pay-as-you go Capital spending	570,000	420,439	595,000
Percent PY Net Revenue	0.94%	0.64%	0.91%
Total Capital Investment	8,070,066	8,078,016	8,008,998
	13.38%	12.24%	12.20%
Net Capital Investment (net of excluded debt)	5.35%	5.56%	5.69%



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**DRAFT**  
**FINANCIAL MANAGEMENT  
STRUCTURE REVIEW**

**TOWN OF WAYLAND,  
MASSACHUSETTS**

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

**OCTOBER 2017**  
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## EXECUTIVE SUMMARY

The Town of Wayland is currently in a strong financial position. The Town has the highest possible bond rating (AAA), which is held only by about 15% of municipalities in the Commonwealth. It recently developed a five-year financial forecast and completed its first Comprehensive Annual Financial Report. Recent efforts by the Treasurer/Collector have also collected well over \$1 million in outstanding tax receivables, tax titles, and interest during FY17, which will translate to additional certified free cash.

The Town has managed to achieve these things through the efforts of dedicated current and prior elected officials, appointed volunteers, and professional staff. These accomplishments have come in spite of, not because of, the structure of Town government, which appears increasingly anachronistic among Wayland's peer communities and increasingly unable to handle the accelerating changes Massachusetts municipalities must manage. That the Town has accomplished what it has is a testament to the commitment and skills of elected officials, appointed volunteers, and professional staff.

At its core, the issue is that the financial management of the Town is severely fragmented in a way that reduces the Town's efficiency, effectiveness, and transparency.

The Board of Selectmen, which by state law and general practice is the head of the executive branch and chief policy-making body of a Massachusetts town, has historically played a lesser role in Wayland. The Finance Committee, which more commonly is Moderator-appointed and plays the role of a standing committee representing the legislative branch (Town Meeting) between Town Meeting sessions, has stepped into the vacuum and taken on more of an executive branch role both on policy-making and budget development. While this can be very helpful in some ways, it also creates long-term challenges and confusion by decoupling the responsibility for operations of the Town from the control over the funding of those operations.

At the level of professional staff, the Town Administrator's authority and responsibilities as statutorily constructed in Wayland (in the Town Administrator special act, the bylaws, and the job description, in descending order of statutory weight) are both inconsistent and generally weaker than comparable communities. The Finance Director's authority and responsibilities are similarly inconsistent and weak.

On top of this, as with many Massachusetts towns, the Town maintains a large number of volunteer and elected boards. While not a problem in and of themselves, independently operating boards can exacerbate the issues noted.

This report includes a collection of proposed recommendations that, among other things, attempt to clarify and strengthen the Town's executive branch by supporting the policy-making capacity of the Board of Selectmen and the day-to-day financial management responsibility of the Town Administrator and Finance Director. Some of the changes proposed can be made by the Board itself. Others require bylaw changes or a new special act. Even while considering and potentially implementing these specific recommendations, the Center strongly encourages the Town to undertake a full systemic review of the organizational structure of Town government.

A wide range of significant challenges are on the horizon for Wayland, including the near-term potential for a bond rating downgrade, significant long-term capital needs, unfunded liabilities, and the changing service needs of the population. Because of the Town's current strength, now is the time for Wayland to modernize its structure to bring it into line with best practices, so the Town is not trying to do so in the midst of some future crisis.

## BACKGROUND

### About the Town

As with many Massachusetts towns, the Town of Wayland has a current structure that has evolved gradually over the centuries in response to the changing demands and circumstances facing the Town – from changes in its population and demographics, from the changing functions and services local governments are expected to provide to residents and businesses, from rapidly-changing technology, from new mandates or opportunities coming out of state and federal government, etc. The most recent major structural changes in Wayland were the creation of the current Town Administrator position in 2004 and the development of a consolidated public works department in 2008.

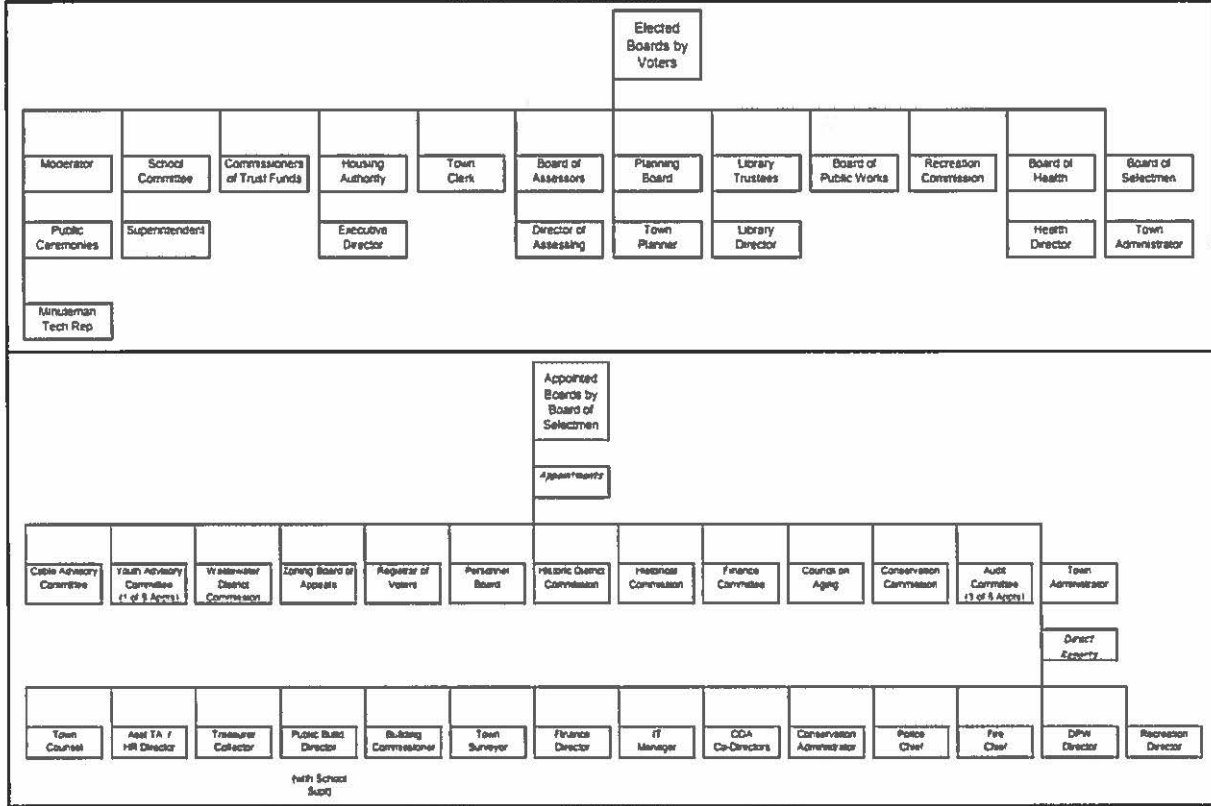
Even these changes, while certainly consequential for the Town, were not systemic and, as with nearly all structural changes towns undertake, involved compromises between competing interests. The Town has undertaken more systemic reviews of its organizational structure, first with the charter commission in 1989, which produced a charter that was not approved by the voters in 1991, and then again with a 2002 study by the consulting firm Maximus that led to the changes noted above and others.

As a result of this history, the Town’s organizational structure has not kept pace with the changes in the world impacting the Town. Nearly all of Wayland’s self-selected peer communities have significantly different organizational structures. (See Table 1: Wayland Peer Community Organizational Structures.) Wayland’s current organizational structure more closely resembles much smaller Massachusetts towns, which have smaller budgets, less complicated operating needs, and fewer professional staff. (See Figure 1: Current Wayland Organizational Chart.)

Table 1: Wayland Self-Selected Peer Community Organizational Structures							
Town	Primary Basis for Structure?	Is there a CFO?	Who prepares the annual budget?	Finance Cmte?	Capital Planning Cmte?	Public Works Board?	Notes
Cohasset	TM Act (strong)	Yes - TM	TM	Appointed-hybrid (see note)	Yes	No	Advisory appointed by a committee consisting of the Moderator, Chairman of the Selectmen, and the Chairman of the Advisory Committee.
Hingham	Bylaws	No	TA	Appointed-Moderator	Yes	No	
Hopkinton	Charter	Yes-FD	TM	Appointed-hybrid (see note)	Yes	No	Appropriation Committee appointed by a committee

							consisting of the Moderator, Board of Selectmen and Town Clerk.
Lincoln	Bylaws	No	FC	Appointed-Moderator	Yes	No	
Medfield	Charter	Yes-BOS/TA	BOS/TA	Appointed-Moderator	Yes	No	
North Andover	Charter	Yes-TM	TM	Appointed-Moderator	No	No	
North Reading	Charter	No	TA	Appointed-Moderator	No	No	
Scituate	Charter	Yes-TA	TA	Appointed-Moderator	Yes	(see note)	The Town Administrator may create a public works advisory board.
Sharon	Bylaws	No	?	Appointed-hybrid (see note)	Yes	No	Finance Committee appointed by Town Meeting from citizens recommended by a Nominating Committee appointed by the Moderator.
Sudbury	TM Act (strong)	Yes-TM	TM	Appointed-Moderator	Yes	No	
Wayland	TA Act (weak)	No	FC	Appointed-Board of Selectmen	No	Yes	
Westford	TM Act (strong)	Yes-TM	TM	Appointed-Moderator	Yes	(see note)	The Town currently has an ad hoc Public Works Initiative Committee working to implement the plan of a previous public works-related committee.
Westwood	Charter	Yes-FD	TA	Appointed-Moderator	No	No	
<b>KEY: TM = Town Manager, TA = Town Administrator, FD = Finance Director, BOS = Board of Selectmen, FC = Finance Committee</b>							

**Figure 1: Current Wayland Organizational Chart**



Not only has the organizational structure failed to keep pace with changes in the operating environment and with Wayland’s peers, there is a significant lack of clarity about the roles and responsibilities within that organizational structure.

As will be discussed throughout the report, the lack of executive branch (i.e., Board of Selectmen and Town Administrator) authority over the budget process, management of financial operations, development of financial policies, and forecasting means there has been a disconnect between those elected and appointed to lead the operations of the Town and those holding pieces of the financial management responsibility necessary to run those operations. In response to the vacuum created, the Finance Committee has stepped in to handle a wide range of responsibilities more typically done by a board of selectmen and town administrator in a town like Wayland. This appears to be partially due to the culture of the community and partially due to the statutory construction of roles and responsibilities (which is also indirectly a product of the community’s culture). Regardless, there is confusion about what the various financial management responsibilities currently are.

**About the Project**

While the organizational structure challenges noted affect nearly all aspects of the Town’s functions and services, the scope of this project involves looking at the organizational structure specifically as it relates to the Town’s financial management.

This report, along with a related review of Town financial policies currently underway, was funded by a grant from the Commonwealth's Community Compact Best Practices program.

This report also follows directly from the prior Collins Center report, *Review of Financial Policies and Procedures*, which was submitted to the Town in November of 2016 and is available on the Town's website ([http://www.wayland.ma.us/Pages/WaylandMA\\_Selectmen/CollinsNov2016.pdf](http://www.wayland.ma.us/Pages/WaylandMA_Selectmen/CollinsNov2016.pdf)). Reading that report prior to reading this report will provide important context to the findings and recommendations provided in this report. The prior report will be referenced and excerpted at points throughout this report.

It is worth specifically restating two key sections from the prior report upfront. First, there is a section explaining that underlying the operational challenges that were outlined in the report was a deeper structural problem:

*The findings and recommendations that follow in the next section will touch on a wide variety of departments, processes, policies, and services. However, there is one over-arching and cross-cutting issue beyond the scope of this report that the project team believes it is essential to raise upfront, because it touches on all aspects of the financial operations in Town. The organizational structure of financial operations in Town is highly decentralized for a town of Wayland's size and complexity.*

*As can be seen in an organizational chart of finance-related operations, there is no single point of responsibility nor chain of command responsible for the financial operations of the Town. This becomes evident even in the nomenclature used for the Town's finance operations. The Town has a department titled Finance, led by a Finance Director, that has no authority to direct town finance operations, including treasury, collections, assessing, procurement, or the financial analyst – neither in reporting relationships nor in how information is presented to the public (e.g., the website).*

*Furthermore, Wayland's Town Administrator Special Act (Chapter 320 of the Acts of 2004) and the Town bylaws (Chapter 60, Section 2) both describe the finance director position as "Finance Director, who shall have the authority and responsibilities of a Town accountant." The only other reference to the position in either the special act or town bylaws involve the position's role to work with the Town Administrator and Finance Committee on budget-related strategies, guidelines, etc. Similarly, the Town Administrator is described in the Special Act as "the chief operating and administrative officer of the town" who shall be "responsible and accountable for ensuring there is appropriate administration and coordination, in the implementation of and adherence to town policies affecting town departments and in the development and execution of programs affecting various town departments." Presumably, these general responsibilities might include finance-related policies and operations, but the Administrator's role has not been interpreted this way historically in Wayland. Looking at both positions together, it is clear that neither position (nor any other in Town government) is granted sufficient authority to truly manage the overall financial operations of the Town.*

*This decentralized finance organizational structure has an impact on operations in numerous and significant ways. It can create difficulty in making inter-departmental decisions (e.g., difficulty in centralizing software); it can lead to confusion about roles and responsibilities, etc.; and it can*



*leave the Town with no way to resolve disagreements between departments that have different reporting relationships. Many of the issues identified in this report can be linked directly or indirectly to these organizational structure challenges.*

*Wayland is by no means the only Massachusetts town with this challenge. Almost all Massachusetts towns were at one point like this. However, based on the project team's observations, the Town is one of the larger and most sophisticated towns that still operate in this manner. (See Appendix A for Finance organizational charts for Concord, Weston, etc.) The decentralization is also understandable, given the Town's abiding commitment to its "legacy of civic engagement and a commitment to citizen self-governance," as stated right at the opening of the self-description on the website.*

*A full analysis of the organizational structure of the finance operations and related recommendations are beyond the scope of this report. Nevertheless, the project team encourages the Town to revisit this issue at another point in time.*

The second section of the prior report worth restating here highlights the strengths of the Town's financial management, which the Center project team reaffirmed through the new research for this report:

*The Town has many strengths related to its finances and financial operations, chief among them its AAA bond rating, which is only held by about 15% of municipalities in the Commonwealth. Beyond that, signs of the Town's strengths include its first completed CAFR this year and its strong free cash position.*

*Behind those external signs of strength is significant strength in human capital. The department heads and staff of the various finance-related departments all show a deep commitment to the Town and frequently praised each other's dedication and abilities. The project team was also generally impressed with the commitment and capabilities of those interviewed. Moreover, the Town is fortunate to have a mix of those with significant institutional knowledge and those who bring fresh perspectives to the operations.*

*More recently, several changes are contributing and likely will continue contributing to additional improvements. These include improving communications and collaborations (e.g., the relatively recent restoration of regular department head meetings), re-introducing performance reviews, and creating and filling the new IT executive director position.*

*Taken together, the Town has many strengths to serve as a foundation for the work of this study.*

## **METHODOLOGY**

### **Document Review and Interviews**

Throughout the three finance-related projects the Center has undertaken for the Town, the project team requested and received numerous documents relating to the Town's financial operation. Please see Appendix B for a complete list of documents provided in response to this request. The project team also conducted formal interviews for the projects.

### **Research on Alternative Approaches and Best Practices**

The project team spoke with colleagues and collected examples of various procedures and policies used in other Massachusetts municipalities, focusing in particular on Wayland's self-designated comparable communities.

### **Peer Towns**

Many towns create sets of "comparable communities" to use in various analyses. The goal of these groupings is to find a set that is as similar as possible to the town in question across as many relevant variables as possible. Typically, a Center project team will create a set of comparable communities for a project.

For this project, the project team noted that the Finance Committee had already created and agreed upon a set of comparable communities for its work. Rather than recreate the wheel or get into disagreements over the set chosen, the project team decided to use the Finance Committee's existing set of comparables for analyses in this report. The current list includes: Cohasset, Hingham, Hopkinton, Lincoln, Medfield, North Andover, North Reading, Scituate, Sharon, Sudbury, Westford, and Westwood.

The project team would note that, for this work at least, some of those comparables differ from Wayland on variables that might have relevant impacts. For example, the Town of Lincoln has a population of about 6,500, just about half the size of Wayland's. At the same time, the Town of North Andover has a population of about 28,000, about twice the size of Wayland's. In both cases, the population difference is so large that the relevance of the two communities to Wayland's particular situation seems limited. A similar case could be made for several other communities on the list. Conversely, there are several towns very similar to Wayland that are not included on the comparables list that might have provided useful information. This includes towns like Concord, Norwell, and Weston.

Please see Appendix C for comparable communities' statutory information links.



## FINDINGS AND RECOMMENDATIONS

The table below is a highly simplified summary of findings and recommendations, along with the page numbers where they can be found. For a recommended sequencing of implementation actions and timeline, please see Appendix D.

Table 2: Summary of Findings and Recommendations		
Page	Finding	Recommendation
<b>1. Overarching Findings and Recommendations</b>		
11	1.1: There is a lack of clarity over authorities and responsibilities of various professional positions involved in financial management, leading to a situation where there is no single point of responsibility nor chain of command responsible for the financial operations of the Town.	<i>Consider strengthening both the Town Administrator and the Finance Director positions.</i>
14	1.2: The organizational structure of boards and committees interacting with the financial operations in Town is highly decentralized for a town of Wayland's size and complexity.	<i>Review the current roster of boards and committees, determine where there are unclear or conflicting roles. Consider combining or consolidating functions, and clarify the mandates and responsibilities of boards and committees. Provide additional training and support to remaining boards and committees. Consider whether any elected boards may make more sense as appointed boards.</i>
18	1.3: The Town has not undertaken a systemic review of the overall organizational structure of the Town since 2002.	<i>Consider undertaking a systemic review of the overall organizational structure of the Town at some point in the future, with the goal of eventually solidifying the Town's statutory construction via a charter.</i>
<b>2. Policy-Setting, Goal-Setting, and Long-Term Planning</b>		
19	2.1: The Board of Selectmen has not adopted financial policies for the Town.	<i>Formally adopt financial policies, including a policy on policies.</i>
19	2.2 The Board of Selectmen has not been as actively exercising its role as head of the executive branch as most boards of selectmen do, and it has historically spent less time on goal-setting and long-term planning than may be optimal.	<i>Reduce time spent on administrative and operational tasks by transferring them to the Town Administrator and other officials. Use additional time to focus on goal-setting and long-term planning. Reassert Board of Selectmen's role as chief executive officer of the Town.</i>
<b>3. Annual Operating Budget</b>		
21	3.1: There have been a range of frustrations with the annual budget process over the years, coming from different parties in the process in different years.	<i>Rebalance the roles and responsibilities of the major players in the budget process, so that the Board of Selectmen, Town Administrator, and Finance Director have more of a role in the development of the annual operating budget, and the Finance Committee has a greater role in the review, analysis, and critique of the budget, as now</i>

		<i>occurs in most other towns of Wayland's size and complexity.</i>
24	3.2: Wayland is in a minority of towns where the Finance Committee is solely appointed by the Board of Selectmen.	<i>Contemplate whether the appointing authority of the Finance Committee should remain solely the Board of Selectmen, or whether it should be moved or made into a hybrid appointing authority.</i>
25	3.3: There is no summit or joint meeting at the beginning of the process to review financial forecasts and get all key parties on the same page.	<i>Begin the annual budget process with a budget summit or tri-board meeting, beginning with the budget process for FY19.</i>
25	3.4: The Town's final budget documents provided to the public could be significantly more transparent.	<i>Consider developing a budget document that meets GFOA criteria, once the budget process has been reorganized.</i>
<b>4. Miscellaneous Additional Topics</b>		
26	4.1: Wayland has traditionally handled capital planning and budgeting in the same way as operational budgeting.	<i>Leave capital planning under the purview of the Finance Committee for the short term. At a future review of Town operations, consider whether moving the responsibility to the Town Administrator or the Finance Director makes sense.</i>
30	4.2: The upcoming departure of the Assistant Town Administrator/Human Resources Director provides an opportunity for the town to strengthen its administrative structure.	<i>Consider separating the Assistant Town Administrator and Human Resources responsibilities into two separate positions.</i>
31	4.3: Members of boards and committees sometimes have been operating as individual agents in interactions with Town staff.	<i>Adopt policy clarifying the ability of individual board or committee members to make requests of Town staff.</i>

## **1. Overarching Findings and Recommendations**

The following findings and recommendations relate to overarching or inter-departmental issues that the project team found during its research.

**1.1: There is a lack of clarity over authorities and responsibilities of various professional positions involved in financial management, leading to a situation where there is no single point of responsibility nor chain of command responsible for the financial operations of the Town.**

As noted in the background section and in the prior report, the project team found that the organizational structure of the Town makes overall financial management challenging. Simply put, the structure of professional staff managing the financial operations in Town is highly decentralized for a town of Wayland's size and complexity. Neither the Town Administrator nor the Finance Director has sufficient authority to manage financial operations, and the responsibilities of the Board of Selectmen and Finance Committee are entangled.

There seem to be multiple causes for the current situation, but at the core the problem seems to lie in the statutory construction of the positions. Wayland's Town Administrator position is weaker than most of Wayland's self-selected peer communities, nearly all of which have moved at various points in the last few decades to strengthen their Town Administrator or Town Manager positions.

When Maximus wrote its report on the Town structure in 2002, there were three towns in the comparable communities list used that all had executive secretaries (as Wayland did at the time): Hopkinton, Hudson, and Swampscott. Since then, Hopkinton and Swampscott have significantly strengthened their executive positions, which they titled town manager and town administrator, respectively. (The titles do not have any particular statutory weight, given that towns may assign whatever sets of duties and responsibilities they want to either position title. Traditionally, the town manager title has been associated with more authority and the town administrator position less, but there is no legal reason for that.) Hudson has retained the title executive assistant, although the position actually retains some powers not held by Wayland's town administrator position (including preparation of the annual budget).

As noted in the Center's prior report:

*[T]he Town Administrator is described in the Special Act as "the chief operating and administrative officer of the town" who shall be "responsible and accountable for ensuring there is appropriate administration and coordination, in the implementation of and adherence to town policies affecting town departments and in the development and execution of programs affecting various town departments." Presumably, these general responsibilities might include finance-related policies and operations, but the Administrator's role has not been interpreted this way historically in Wayland.*

The Town bylaws, which are subordinate to the Town Administrator Special Act, further confuse what the Town Administrator's role ought to be (see Chapter 60: Town Administrator). On the one hand, the Town Administrator is "responsible for the management of all affairs of the Town and Town departments under the supervision and control of the Board of Selectmen and shall act by and for the Selectmen in any matter relating to the administration and operations of the affairs of the Town which they may assign to the position."

At the same time, the Town Administrator “will not set Town policy, but will ensure there is appropriate coordination in the implementation of Town policy working across all Town departments in conjunction with all elected and appointed boards and committees.” The bylaws then go even further, stating that “[c]ertain department heads and elected boards and committees have state statutory authority or responsibility over specific job-related activities resulting in the implementation of technical decisions, as defined in Town bylaws or Town policies. The technical knowledge necessary to execute the specific job-related activities is held by the applicable department heads and elected boards and committees. The Town Administrator shall understand and have a working knowledge of the statutory authority and responsibility held by certain department heads and elected boards and committees so s/he/she can effectively support these officers in the execution of their duties. Nothing in this bylaw is intended to reassign state statutory authority or responsibility over specific job activities, as defined in Town bylaws or Town policies to the Town Administrator.”

The project team is unaware of any other town with bylaws that are so extensive in re-stating that the Town Administrator will not have authority over functions and policy-making that state laws already place elsewhere. These bylaws appear to emphasize the lack of authority that the Town Administrator has in managing day-to-day town finances.

The Town Administrator job description also has echoes this sentiment:

*The Town of Wayland has a complex organizational structure. There are authorities, responsibilities and duties that are under the jurisdiction of a variety of elected and appointed town officials and committees and those departments and their authorities, responsibilities and duties so remain. It is incumbent upon the Town Administrator to understand and have a working knowledge of this structure and be able to perform his/her responsibilities within the existing organizational structure so that s/he can effectively support these officers in the execution of their duties.*

Between the Special Act, the bylaws, and the job description, the message about the Town Administrator’s role is certainly conflicted, but the bylaws and job description are clearly written to convey a message that the Town Administrator’s role is to be constrained.

Similarly, the Finance Director position lacks statutory authority, even while it is at times described as being the “chief financial officer” of the Town. As noted in the Center’s prior report:

*Wayland’s Town Administrator Special Act (Chapter 320 of the Acts of 2004) and the Town bylaws (Chapter 60, Section 2) both describe the finance director position as “Finance Director, who shall have the authority and responsibilities of a Town accountant.” The only other reference to the position in either the special act or town bylaws involve the position’s role to work with the Town Administrator and Finance Committee on budget-related strategies, guidelines, etc.*

To add to the confusion, the Finance Director job description twice refers to the position as the “chief financial officer” of the Town. However, the first time that description is buried in a laundry list “Summary of Duties” on the first page (emphasis added):

*Professional, administrative and technical work in the management, direction and monitoring of the municipal financial operations of the Town in accordance with applicable federal and state statutes and Town by-laws, regulations and policies; professional accounting work of a supervisory and participatory nature with responsibility for maintaining financial records in accordance with federal, state, Town and professional standards; coordination of overall budget preparation process; supervision and control over expenditures of all Town funds; functions as chief financial officer and member of the senior leadership team consisting of the Town Administrator, Assistant Town Administrator/HR Director, Town Counsel and one or more other Town employees; serves as principal staff person and liaison to the Finance Committee; and all other related work as required.*

The second reference opens the “Essential Functions” section on the second page, but even here the list of functions described includes words and phrases like “analyzes” and “prepares projections...”, as opposed to “manages” and “directs,” which would be more expected for a CFO-level position (emphasis added):

*As Chief Financial Officer and member of the senior leadership team, analyzes financial and economic data and trends; analyzes changes in federal, state and local laws and regulations that have an economic impact on the Town; and with an understanding of the short- and long-term goals of the Town, prepares projections, recommendations and reports for the Town Administrator, Board of Selectmen, Finance Committee and others relating to financial management strategies, plans, policies and actions of the Town. Recommends improvements to the Town’s financial systems to increase efficiency, cut costs and enhance revenues and improvements to the internal financial controls throughout the Town.*

The Finance Director’s job description adds further confusion in describing the Finance Director’s reporting relationships: “Reports to and works under the general administrative direction of the Town Administrator and under the policy direction of the Town Administrator and, where appropriate, the Finance Committee.” This is reiterated within the Essential Functions list: “Performs other duties as assigned by the Town Administrator and/or the Finance Committee.”

Looking at both positions together, it is clear that neither position (nor any other in Town government) is granted sufficient authority to truly manage the overall financial operations of the Town.

To set this in context, it’s worth comparing the Town to Wayland’s peer communities, as seen above in Table 1: Wayland Peer Community Organizational Structures. Some have explicitly charged the Town Manager or Town Administrator with being the chief financial officer of the Town. As Cohasset’s Town Manager Act bluntly states, “The town manager shall be the chief financial officer of the town.” Others have placed those responsibilities with a Finance Director (reporting to a Town Manager). This is the approach Hopkinton takes through its charter: “The Finance Director shall provide oversight for the financial operations of the Town, including accounting, collections, management of funds, borrowing and assessing.” Other towns create consolidated finance departments, as Westwood does in its charter: “There shall be a department of municipal finance which shall be responsible for the coordination of all financial services and activities of the town, the maintenance of all accounting records and other financial statements, payment of all obligations, receipt of all funds due, monitoring of and reporting on all fiscal and financial activities of the town, supervision of all purchases of goods, materials and supplies, and maintenance of inventory controls. The department shall include the offices and functions of the town accountant, town treasurer, tax collector and board of assessors; provided, however, that



although the offices of the town treasurer, tax collector and board of assessors shall be part of the department of municipal finance, such officers shall continue to exercise their respective duties and responsibilities under the General Laws, except as otherwise provided in this charter. The department shall have such additional powers, duties and responsibilities with respect to municipal finance-related functions and activities as the town may provide by town by-law.”

Regardless of the particular approach, what is common is that there is a clear location for responsibility and authority for the financial management of the town. The Center project team frequently hears in the course of the work the quote that “government should be run like a business.” It would be hard to conceive of a successful corporation with \$80 million in annual revenue (and a portfolio of work as diverse as a town’s) that could not clearly identify where the final responsibility for financial management lies or where that responsibility was so distributed across so many independent entities. It is for that reason that most towns of Wayland’s size have consolidated their financial operations under a Town Administrator (or Manager) and Finance Director reporting to that position.

In addition to these problems around the statutory construction of the Town Administrator and Finance Director positions, a second related issue revolves around the roles of the Board of Selectmen and the Finance Committee. This will be covered in more detail in Sections 2.2, 3.1, and 3.2.

*Recommendation: Consider strengthening both the Town Administrator position and the Finance Director position. (See Appendix E for example.)*

*In particular, the Town Administrator position should be given more control over certain positions, including the Finance Director and Assistant Town Administrator/HR Director, who should work directly and solely for the Town Administrator. (Also, see Section 4.2.)*

*The Town should establish reporting relationships and clear lines of accountability between the Finance Director and finance officers. One way to do that would be for the Finance Director to become the appointing authority for all finance divisions, including the Treasurer/Collector, Accountant, and the Director of Assessing. (The Board of Assessors could screen, interview, and recommend a candidate for Director of Assessing to the Finance Director for appointment. The Board of Assessors will still retain all of its statutory duties and authority provided in the Massachusetts General Laws.) The Town should consolidate these divisions into a true “Finance Department” that is responsible for all the financial functions of the Town.*

*These steps could be accomplished either through a Special Act similar to the Town’s current Town Administrator Special Act (Chapter 320 of the Acts of 2004) or through the adoption of a charter, which will be addressed in Section 1.3. Alternatively, the creation of a Finance Department could be accomplished following the procedures outlined in Chapter 43C, Section 11 of the Massachusetts General Laws.*

## **1.2: The organizational structure of boards and committees interacting with the financial operations in Town is highly decentralized for a town of Wayland’s size and complexity.**

The Town website lists over 50 boards and committees. Having a large number of boards and committees is common for Massachusetts towns of all sizes. Given the history of local volunteer-driven

government in the Commonwealth, this is not surprising. However, it has become increasingly challenging in recent decades and years for several reasons.

First, the project team was informed that Wayland appears to be facing the same challenge of volunteer recruitment that many towns are experiencing. There are likely multiple reasons for this. As more people work outside the community during the day, commute times may play a role in decreasing people's interest in serving their towns. A similar case could be made about the increase in two-income households. Additionally, it's possible that the increasing statutory demands on boards and committees are dampening volunteer interest. Changes to open meeting laws, public records laws, accessibility laws, etc., all of which have the important goals of increasing transparency and access, can make volunteer board work more challenging and onerous, turning people off from service. Finally, in towns with recent histories of political animosity or factional fighting, people who are worried about being caught in political fights they have no interest in can be turned off from service.

Second, volunteer boards and committees do have costs for a Town government, even if many are mostly hidden. Professional staff have to spend time helping to recruit members, providing training, assisting with research, and responding to requests from volunteer boards. Particularly when there is high turnover, boards and committees can absorb significant amounts of staff time.

There is a direct challenge to financial management in that the decisions and recommendations that boards and committees make frequently have financial and operational impacts. This, together with the lack of clarity around reporting relationships among various professional staff, leaves the Town with an organizational structure that does not support coordinated, efficient financial management.

While reviewing boards and committees, the Town could also include a review of whether some are best structured as elected or appointed. With the exception of the Board of Selectmen and School Committee, any board or committee can be elected or appointed. (Beyond boards and committees, the Moderator is also required to be elected.)

There are multiple variables to consider when discussing whether boards or committees should be elected or appointed, and there are good arguments in both directions for most boards and committees. The Center has developed a framework to help towns consider whether boards, committees, or other positions should be elected or appointed. (See Appendix F: Framework for considering elected and appointed offices.) One of the variables in the framework that is easy to examine is the competitiveness of the races for elected positions. If voters have a choice of candidates, that provides a clear mechanism for accountability of the work of a board or committee. If there are not competitive elections at least occasionally, then elected positions can become *de facto* self-appointments. While it can be the case that the lack of competitiveness may be a marker of great satisfaction with the work, it's difficult to determine the cause of the lack of candidates. (Anecdotally, the project team has heard multiple local officials in communities across Massachusetts state that there are subsets of people who would be willing to be appointed to a board or committee but do not like the idea of running for an elected community position. However, the project team has seen no data to support this claim.)

For the purposes of financial management, having elected boards and committees matters because it can be more difficult to achieve cooperation and collaboration between boards and committees that report only to the voters and those that have an appointing authority. The project team was not made aware of any specific challenges of this kind in Wayland, but the Town is certainly not immune from

having them, especially given the recent history of the lack of competitiveness in various elections in Wayland.

In the last 10 years of local elections, there was not a single contested seat for the board of assessors, library trustees, board of health, planning board, or housing authority during regular elections (i.e., not including special elections or the occasional write-in campaign). (See Figure 2: Wayland Elections Competitiveness Analysis.) There was only one contested seat for board of public works (or its predecessors), only one for commissioner of trust funds, and only two for the recreation commission (or its predecessor). In short, only 3.4% of seats on those boards and committees were contested in the last decade, a relatively low percent, even in the general context of declining competitiveness of local elections in Massachusetts. The boards and committees that have been regularly contested, the Board of Selectmen and the School Committee, are the two that are required by law to be elected in a town form of government.

None of this means that this lack of competitiveness for elected boards and positions has caused problems to date in Wayland. However, it has the potential to cause problems. For that reason, as part of a review of boards and committees, it is worth the Town reviewing the status of its elected boards. (It is important to note that typically when a town board is converted from elected to appointed the individuals serving at the time are grandfathered in until the end of their terms and frequently even are reappointed when their terms expire.)

Within the topic of elected boards, it should also be noted that while boards of public works used to be relatively common in Massachusetts, there are only a few left in towns of Wayland's size. (See Table 1: Wayland Peer Community Organizational Structures.) Given that public works is such a large and critical part of Town operations, many towns have chosen to distribute those boards' duties among the Board of Selectmen, Town Administrator or Manager, and a Public Works Director, and to dissolve the boards themselves. Among Wayland's 12 self-selected comparable communities, none has a board of public works. One has an ad hoc Public Works Initiative Committee, and one gives the Town Administrator the option to create a Public Works Advisory Board.

***Recommendation:*** Review the current roster of boards and committees, determine where there are unclear or conflicting roles. Consider combining or consolidating functions, and clarify the mandates and responsibilities of boards and committees. Provide additional training and support to remaining boards and committees. Consider whether any elected boards may make more sense as appointed boards.



Figure 2: Wayland Elections Competitiveness Analysis

Year	Board of Selectmen			School Committee			Board of Assessors			Library Trustees					
	Candidates	Positions	Comp?	Candidates	Positions	Comp?	Candidates	Positions	Comp?	Candidates	Positions	Comp?			
2008	4	2	Yes	3	2	Yes	1	2	No	2	2	No			
2009	3	2	Yes	5	2	Yes	2	2	No	2	2	No			
2010	2	1	Yes	2	1	Yes	1	1	No	2	2	No			
2011	3	2	Yes	3	2	Yes	2	2	No	2	2	No			
2012	4	2	Yes	2	2	No	2	2	No	2	2	No			
2013	2	1	Yes	2	1	Yes	1	1	No	2	2	No			
2014	4	2	Yes	3	2	Yes	2	2	No	2	2	No			
2015	3	2	Yes	2	2	No	2	2	No	2	2	No			
2016	1	1	No	1	1	No	1	1	No	2	2	No			
2017	3	2	Yes	2	2	No	2	2	No	2	2	No			
<b># of competitive races:</b>			<b>9</b>	<b>of competitive races:</b>			<b>6</b>	<b>of competitive races:</b>			<b>0</b>	<b>of competitive races:</b>			<b>0</b>

Year	Board of Health			Planning Board			Board of Public Works			Recreation Commissioner					
	Candidates	Positions	Comp?	Candidates	Positions	Comp?	Candidates	Positions	Comp?	Candidates	Positions	Comp?			
2008	2	2	No	1	1	No	n/a	n/a	n/a	n/a	n/a	n/a			
2009	2	2	No	1	1	No	n/a	n/a	n/a	n/a	n/a	n/a			
2010	1	1	No	1	1	No	2	2	No	2	2	No			
2011	2	2	No	1	1	No	1	1	No	1	1	No			
2012	2	2	No	1	1	No	2	2	No	4	2	Yes			
2013	1	1	No	1	1	No	2	2	No	2	2	No			
2014	2	2	No	1	1	No	1	1	No	1	1	No			
2015	2	2	No	1	1	No	2	2	No	3	2	Yes			
2016	1	1	No	1	1	No	2	2	No	2	2	No			
2017	2	2	No	1	1	No	2	1	Yes	1	1	No			
<b># of competitive races:</b>			<b>0</b>	<b>of competitive races:</b>			<b>0</b>	<b>of competitive races:</b>			<b>1</b>	<b>of competitive races:</b>			<b>2</b>

Year	Com. of Trust Funds			Housing Authority			Moderator			Town Clerk					
	Candidates	Positions	Comp?	Candidates	Positions	Comp?	Candidates	Positions	Comp?	Candidates	Positions	Comp?			
2008	1	1	No	1	1	No	1	1	No	n/a	n/a	n/a			
2009	0	1	No	1	1	No	n/a	n/a	n/a	n/a	n/a	n/a			
2010	1	1	No	1	1	No	n/a	n/a	n/a	1	1	No			
2011	2	1	Yes	n/a	n/a	n/a	1	1	No	n/a	n/a	n/a			
2012	1	1	No	1	1	No	n/a	n/a	n/a	n/a	n/a	n/a			
2013	1	1	No	1	1	No	n/a	n/a	n/a	1	1	No			
2014	1	1	No	1	1	No	1	1	No	n/a	n/a	n/a			
2015	1	1	No	1	1	No	n/a	n/a	n/a	n/a	n/a	n/a			
2016	1	1	No	n/a	n/a	n/a	n/a	n/a	n/a	1	1	No			
2017	1	1	No	1	1	No	1	1	No	n/a	n/a	n/a			
<b># of competitive races:</b>			<b>1</b>	<b>of competitive races:</b>			<b>0</b>	<b>of competitive races:</b>			<b>0</b>	<b>of competitive races:</b>			<b>0</b>

Year	Road Commissioner			Park & Rec Commissioner			Water Commissioner				
	Candidates	Positions	Comp?	Candidates	Positions	Comp?	Candidates	Positions	Comp?		
2008	1	1	No	1	1	No	1	1	No		
2009	1	2	No	2	2	No	1	1	No		
2010	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
2014	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
2015	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
<b># of competitive races:</b>			<b>0</b>	<b>of competitive races:</b>			<b>0</b>	<b>of competitive races:</b>			<b>0</b>

**Notes:**  
 Does not include special elections to fill vacancy  
 Does not include write-in candidates  
 Road Commission and Water Commission merged into Board of Public Works in 2010  
 Parks and Recreation Commission became Recreation in 2010

**1.3: The Town has not undertaken a systemic review of the overall organizational structure of the Town since 2002.**

The last time the Town appears to have taken a complete review of its overall structure was with the Maximus study in 2002, which is still available on the Town website. That report led to some changes, including the creation of the DPW and the creation of the current Town Administrator position. Prior to that, the last systemic review was the charter commission in 1989 that produced a charter that did not pass the voters in 1991.

To this day, the Town of Wayland operates without a charter. Instead, the Town operates with what is sometimes referred to as a “legal base,” which more simply stated is the collection of bylaws, special acts, and general laws accepted relevant to Wayland’s governance. The lack of a charter is very common among smaller towns in the Commonwealth and somewhat common among towns of Wayland’s size, although the number without a charter has been slowly but steadily dropping as a handful of municipalities adopt charters every year.

The lack of a charter makes the Town government less transparent, because it is more difficult for residents to know where authority resides. For example, if a visitor to the Wayland website clicked on the “Town Code/Bylaws” link, they would be taken to the Town’s bylaws, which one might assume were the controlling statutory framework. Unless a user knew to scroll all the way to *Appendix A801: Special Acts*, they would not know that there is a set of Wayland-specific statutes with important statutory information that supersede the Town bylaws. (Even knowing that, clicking on it takes the user to the full list of special acts to the Town, going back to its act of incorporation in 1780, which would make researching the most current and relevant acts challenging.) The most directly relevant example of this is the Town Administrator position. As noted, there is both a bylaw section and a superseding Special Act that is not referenced by the bylaws (outside the Appendix).

In contrast, having a charter means having a single source for information and (assuming it is well put together) clarity about the roles, responsibilities, authorities, and relationships between the various boards, officials, and departments of town government.

Furthermore, the process of developing a charter is an opportunity for the community, via either an elected or appointed group of residents charged with only a single, focused mandate, to take a step back from day-to-day issues, problems, and disputes and think systemically about the communities long-term needs and challenges. The result of this work could simply be a codification of Wayland’s existing structure with minor tweaks that clarify some of the issues raised in this and prior reports, or it could be a completely new form of government for the community, or anything in between.

*Recommendation: Consider undertaking a systemic review of the overall organizational structure of the Town at some point in the future, with the goal of eventually solidifying the Town’s statutory construction via a charter.*

*This could be accomplished through an appointed charter committee that would draft a Special Act charter or through the charter commission process spelled out in the Home Rule Procedures Act (Chapter 43B of the Massachusetts General Laws).*

## **2. Policy-Setting, Goal-Setting, and Long-Term Planning**

The following findings and recommendations relate to Policy-Setting, Goal-Setting, and Long-Term Planning.

### **2.1: The Board of Selectmen has not adopted financial policies for the Town.**

As far as the Center could determine, the Board of Selectmen has not adopted financial policies for the Town in the last several decades and possibly longer.

This absence of policies may derive from a lack of clarity about whose responsibility it is to adopt financial policies. While the *drafting* of financial policies could fall to any combination of the Board, the Town Administrator, the Finance Director, the Finance Committee, or others, the *formal adoption* of financial policies is the purview of the Board of Selectmen as the chief executive officer of the Town.

In Wayland's case, it appears that, in the absence of the Board of Selectmen adopting financial policies for the Town, the Finance Committee has stepped up and adopted many policies of its own in an attempt to create a framework needed to complete its statutory duties. This was a helpful stopgap measure, and some of the policies the Finance Committee has already adopted may simply be reviewed and adopted quickly by the Board of Selectmen.

As part of the Compact project, the Center project team is working to develop a first set of draft policies for consideration (and will review policies already developed by the Finance Committee).

***Recommendation:** Formally adopt financial policies, including a policy on policies. The Board of Selectmen should review, adapt, and eventually approve financial policies created through this process. Additionally, the Board should make clear what the process will be going forward for creating additional policies.*

### **2.2 The Board of Selectmen has not been as actively exercising its role as head of the executive branch as most boards of selectmen do, and it has historically spent less time on goal-setting and long-term planning than may be optimal.**

The Board of Selectmen has not historically spent much time on goal-setting and long-term planning. This is common in more complicated and larger towns like Wayland that still retain a weak town administrator or executive secretary position, because the Board of Selectmen ends up spending significant amounts of time handling smaller and more operational matters, leaving less time for long-term planning, goal-setting, forecasting, etc.

While it is difficult to quantify how much time could be repurposed with a shifting of responsibilities, a quick review of the meeting minutes of the last 10 Board of Selectmen meetings showed that the Board spent 258 minutes (about 16%) of its total 1,597 minutes in executive session, working on collective bargaining agreements, employee contracts, and development agreements. Some of that time could likely be reduced with a shift in responsibilities. Note that there are likely many other Board tasks that could also be redistributed, but searching for time spent in executive session was a quick and simple way to get some sense of how the Board is spending its meeting time, even if it is admittedly a relatively poor proxy for the full picture.

Regardless, the Board of Selectmen is the head of the executive branch of the Town and has been elected by the voters to lead the Town, a critical component of which is developing the vision, goals, strategies, and plans for the Town's long-term future, and then working to implement the vision and plans. The Board has done a good job to date on some pieces of this work. The Board-appointed Wayland Real Asset Planning (WRAP) Committee released a "comprehensive long-range facilities plan, siting strategy and capital funding plan to assist the Town with making informed decisions regarding major capital projects (defined as \$500,000 and above) related to future uses of municipal (Town and School) land and buildings." This follows on a 2010 update to the 2004 master plan, which is a tempo faster than many towns follow in adopting and revising master plans.

Given the structure of the Town, the challenge for the Board will be finding a way to implement these plans, as well as their own vision for the Town's future, both over the long-term and over the course of each fiscal year.

If the Town Administrator position has more authority to take on directly and/or delegate work currently handled by the Board of Selectmen, as also recommended above, that will free up time for the Board to spend more of its time and energy on policy-setting, long-term planning, goal-setting, and implementation of its vision and plans. This has the potential both to improve those important tasks directly and to draw more people to run for positions that have a greater ratio of policy-making to managerial duties.

More generally, the Board should take steps to reassert its position as the head of the executive branch of town government. As the Board recognizes on the first page of its Policies and Procedures guidelines (emphasis added): "The Board of Selectmen is a five-member, non-partisan governing board that acts as the **principal policy-making authority of the town.**" (Available on the Board of Selectmen's webpage: [http://www.wayland.ma.us/Pages/WaylandMA\\_Selectmen/PolProc.pdf](http://www.wayland.ma.us/Pages/WaylandMA_Selectmen/PolProc.pdf)) This claim is supported by the Massachusetts General Laws, which define both "Chief Administrative Officer" and "Chief Executive Officer" as follows: "Chief administrative officer/Chief executive officer": when used in connection with the operation of municipal governments shall include the mayor in a city and the board of selectmen in a town unless some other municipal office is designated to be the chief executive officer under the provisions of a local charter." (Chapter 4, Section 7)

***Recommendation:** Reduce time spent on administrative and operational tasks by transferring them to the Town Administrator and other officials. Use additional time to focus on goal-setting and long-term planning. Reassert Board of Selectmen's role as chief executive officer of the Town.*

### 3. Annual Operating Budget

The following findings and recommendations relate to the Annual Operating Budget.

**3.1: There have been a range of frustrations with the annual budget process over the years, coming from different parties in the process in different years.**

At the core of Wayland’s budget process issues may be the fact that, unusual for a Town of Wayland’s size and sophistication, responsibility for the annual budget statutorily lies with the Finance Committee. As stated in the bylaws, “The Finance Committee shall prepare the omnibus operating budget of the Town and submit it at the annual Town meeting.” Historically, that was how most towns operated, and that is still how many much smaller towns still operate, but most towns similar to Wayland have moved away from this model.

In fact, of the 12 peer communities selected by the Finance Committee as reference points for Wayland, the only one where the Finance Committee develops the budget is Lincoln, whose population and budget are less than half that of Wayland’s. In the remaining 11, the budget is developed by the Town Administrator or Town Manager (or, in one case, Board of Selectmen in conjunction with the Town Administrator), with varying levels of collaboration with the Finance Committee. See Table 3: Statutory Language Describing Who Prepares the Annual Budget in Wayland’s Comparable Communities below for the statutory basis for the development of the annual budget in Wayland’s Finance Committee-selected comparable communities.

<b>Table 3: Statutory Language Describing Who Prepares the Annual Budget in Wayland’s Comparable Communities</b>		
<b>Town</b>	<b>Who prepares the annual operating budget?</b>	<b>Statutory Language</b>
Cohasset	TM	"Annually, the town manager shall be responsible for the preparation of the proposed budget to be included in the annual town meeting warrant."
Hingham	TA	"Pursuant to assignment by the board of selectmen, the town administrator shall have additional authority and responsibility as follows: ... The authority and responsibility to, in a timely manner, prepare, develop and assemble the town budget for all non-school departments and accounts and following the development of the budget, the town administrator shall submit the entire budget document to the board of selectmen for review. The town administrator shall forward the budget document, including any alterations approved and incorporated therein by the board of selectmen, to the Advisory Committee."
Hopkinton	TM	"The powers and duties of the Town Manager shall include but are not intended to be limited to the following: ... To coordinate the preparation of the Town’s annual budget."



Lincoln	FC	"The [Finance] Committee shall consider any or all municipal questions for the purpose of making reports and recommendations to the Town, and in particular shall perform the following duties: ... 1) It shall prepare and submit the Annual Budget for consideration at the Annual Town Meeting..."
Medfield	BOS/TA	"The Selectmen shall prepare the annual budget for all offices and departments for which they are responsible. They shall assemble a budget, consisting of requests for expenditures and supporting material for all offices, departments, boards, commissions, and committees in the executive branch of Town government as set forth in this Article." "The Town Administrator shall: Assist the Selectmen with their budgetary responsibilities by assembling the budget requests of all departments into a unified document, by informing the Selectmen of unusual budgetary matters that require their attention, by preparing for the approval of the Selectmen a long-range Town fiscal plan that sets forth anticipated operating and capital expenditures, and by performing at the request of the Selectmen special studies and analyses of the costs and benefits of Town programs."
North Andover	TM	"[The Town Manager] shall: ... Assemble, prepare, and present to the Board of Selectmen all annual operating and capital budgets of the town and be responsible for the development and annual revision of the capital improvements program."
North Reading	TA	"[The Town Manager] shall prepare and submit to the Selectmen the annual budget and capital program for the departments under his jurisdiction; he shall also receive and consolidate into the comprehensive budget the annual budgets and capital programs for the School Committee and Planning Commission."
Scituate	TA	"The town administrator shall prepare and submit the annual budget as provided in article 6."
Sharon	FD/TA	"[The Director of Municipal Finance] shall be specifically responsible in conjunction with the Town Administrator for the Annual Budgeting process."
Sudbury	TM	"Such functions shall include, but are not intended to be limited to, the following: (a) to prepare and submit, after consultation with all town departments, an annual operating budget and capital improvement program for all town departments."
Wayland	FC	"The Finance Committee shall prepare the omnibus operating budget of the Town and submit it at the annual Town meeting."
Westford	TM	"The financial management powers, duties and responsibilities of the town manager shall include but not be limited to the following: (a) to prepare and submit, after consultation with all town departments an annual operating budget and capital improvements program for all town departments;"
Westwood	TA	"The powers and duties of the town administrator shall include, but not be limited to, the power or duty to: ... prepare, in consultation with the director of municipal finance, and submit an annual operating budget and capital improvement plan as provided in section 9-3-1 of this charter"

**KEY: TM = Town Manager, TA = Town Administrator, FD = Finance Director, BOS = Board of Selectmen, FC = Finance Committee**

There are challenges both for the Finance Committee and for Town professional staff in the model where the Finance Committee develops the budget. For the Finance Committee, a volunteer board is required to spend an extraordinary amount of time in late meetings in order to get enough information to develop the budget. The project team understands that in Wayland the Finance Committee has traditionally done exactly this, logging enormous efforts on behalf of the Town. Not surprisingly, this can lead to Committee burnout, particularly in a town like Wayland where many of the volunteers for Finance Committee already have significant and demanding roles in the management or finances of the organizations where they are employed.

For Town staff, this approach also requires significant extra late night meetings and often can lead to even more time having to re-educate new Committee members who join the Committee, which can be frequently in some towns with this model due to the burnout issue noted.

The Town should consider rebalancing the roles and responsibilities of the major players in the budget process. A good starting point for thinking about what reconfigured roles might look like is the widely-respected *Finance Committee Handbook* produced by the Massachusetts Association of Town Finance Committees and available on the Wayland Finance Committee's webpage ([http://www.wayland.ma.us/Pages/WaylandMA\\_BComm/Finance/FinCommHandbook2012.pdf](http://www.wayland.ma.us/Pages/WaylandMA_BComm/Finance/FinCommHandbook2012.pdf)). In the preface on "The Role of the Finance Committee," the *Handbook* Editor and long-time Arlington Finance Committee chairman writes (emphasis added):

*This preface will summarize this "discussion" into the broader framework of the division of powers within local government. I see this division of powers as comparable to that at the state and federal government. The board of selectmen and town manager/administrator/executive secretary are part of the executive branch of government. It is their job to collect budget information, develop budget priorities and formulate a balanced budget, the same as a president or governor. Once developed, that budget is presented to the finance committee, representing the legislative branch, the town meeting. In effect, the local finance committee has the same role as the House Ways and Means Committee in the State Legislature. It is the finance committee's responsibility to receive the budgets from the executive branch (either as a collective whole or individually by department), analyze them, have hearings where the department heads and the public can testify, and present a balanced budget to town meeting. That budget should reflect the finance committee's decisions based upon their best judgement of the issues and finances of the town. The budget before town meeting is the finance committee's and it is their job to explain and defend it.*

While the Center project team does not agree with two parts of this formulation (that it is wise for the Finance Committee to receive budgets individually by department and that it must be the Finance Committee's budget presented to Town Meeting), this statement otherwise paints a good picture of the roles of the Board of Selectmen, Town Administrator, and Finance Committee in a budget process.

As the project team understands it, this year the Finance Committee has been working directly with the Finance Director on the development of the operating budget with only minimal participation of the Board of Selectmen and Town Administrator. This is an understandable adaptation to the Town's statutory framework and particular traditions. Yet it is also highly unusual in both theory and practice. In theory, it is a major blurring of executive and legislative functions (as noted elsewhere) and a weakening of the checks and balances typically built into a budget process. In practice, it decouples those who have the

direct responsibility for and the most direct knowledge of the operations of the Town (the Board of Selectmen and Town Administrator) from the process that provides the resources to run those operations. At the same time, it forces the Finance Committee to do an extraordinary amount of work to learn about the detailed operations of the Town. It is also thus not surprising that the Finance Committee has pushed to begin its work in the summer, given that it is taking on significantly more work than most Finance Committees do.

In keeping with the recommendations elsewhere to strengthen the Town Administrator and Finance Director positions, the Town should consider altering its bylaws (or superseding them via a Special Act or charter, if one of those is developed) to move responsibility for “preparing” the budget to the Town Administrator and Finance Director (under the policy guidance of the Board of Selectmen) and “reviewing and making recommendations on” the budget under the purview of the Finance Committee.

*Recommendation: Rebalance the roles and responsibilities of the major players in the budget process, so that the Board of Selectmen, Town Administrator, and Finance Director have more of a role in the development of the annual operating budget, and the Finance Committee has a greater role in the review, analysis, and critique of the budget, as now occurs in most other towns of Wayland’s size and complexity. In the short term, this could be accomplished by revision of the bylaws. (See Appendix G for sample bylaw.) As a longer-term measure, the various roles in the budget process can be included in either a Special Act or a Charter.*

### **3.2: Wayland is in a minority of towns where the Finance Committee is solely appointed by the Board of Selectmen.**

As implied in the previous section, there is a bit of blurring in the branches of government in Wayland’s current budget process, relative to other municipal government forms. Wayland is in a minority of towns where the Finance Committee is solely appointed by the Board of Selectmen. A plurality of towns have the Finance Committee appointed by the Moderator. A small number also have elected finance committees or hybrid committees with different members elected or appointed by different appointing authorities. Within Wayland’s 12 self-selected comparable communities, nine have Finance Committees (frequently under different names) appointed by the Moderator, two have Finance Committees appointed by a committee that includes the Moderator and the Board of Selectman (plus others), and one has a Finance Committee appointed by Town Meeting from candidates recommended by a committee appointed by the Moderator. None of Wayland’s comparables have a Finance Committee appointed by the Board of Selectmen. (See Table 1: Wayland Peer Community Organizational Structures.)

The reason that the Moderator is more frequently the appointing authority is that the Finance Committee is often viewed as being a legislative check on the executive branch, as noted previously in the excerpt from the Finance Committee Handbook. Because the legislative branch in Massachusetts open town meeting towns only exists for very brief periods of time throughout the year, a Moderator would appoint a Finance Committee to provide an independent check on the executive’s budgeting and spending. The Finance Committee has statutory authority over the reserve fund for this exact reason: the executive cannot unilaterally decide what to use the reserve funds on.

Similarly, a Moderator-appointed Finance Committee provides an independent review, on behalf of Town Meeting, of a budget developed by the executive, as discussed previously. In the process created



in Wayland's bylaws, the Finance Committee is appointed by and develops the budget for the Board of Selectmen. Although the project team was told that there is significant informal outside vetting of the budget developed, there is no formal outside party review of the executive's branches budget other than Town Meeting itself, which is not a good setting for in-depth review of detailed budget information.

*Recommendation: Contemplate whether the appointing authority of the Finance Committee should remain solely the Board of Selectmen, or whether it should be moved or made into a hybrid appointing authority, both of which are more common among Wayland's peers.*

**3.3: There is no formal summit or joint meeting at the beginning of the process to get all key parties on the same page.**

To make sure all parties are on the same page from the start, many towns initiate the budget process with a joint budget summit led by the Board of Selectmen, and including the School Committee, Finance Committee, and other boards as necessary, wherein the Town Administrator and Finance Director present to the Town on the financial condition of the Town and the financial forecast, and where the Board of Selectmen can begin to outline what the budget guideline will be the next fiscal year. It is the project team's understanding that this has not happened in Wayland in recent years, although it may have been a practice at other points in Wayland's history.

*Recommendation: Begin the annual budget process with a budget summit or tri-board meeting the budget process for FY19.*

**3.4: The Town's final budget documents provided to the public could be significantly more transparent.**

Towns where the budget is developed by a Town Manager or Town Administrator, either directly or delegated to a Finance Director, frequently are able to develop much more detailed budget documents and presentation materials, leading to major increases in financial transparency for the public. This may be particularly helpful in Wayland, where there may be a historical deficit in trust of Town government and between various groups within the community.

The gold standard of budget document transparency is the Government Finance Officers' Association (GFOA) annual budget award, which was received by the 11 Massachusetts towns in 2016 (the most recent year available): Andover, Arlington, Brookline, Concord, Hanover, Longmeadow, North Andover, Northborough, Swampscott, and Weston. (It is worth noting that all have budgets developed by the Town Manager or Town Administrator, usually in conjunction with a Finance Director.) The award itself is not of any particular value, but the level of information required in the budget document to receive the award provides significantly more transparency in budgeting and finance than the typical municipal budget. Wayland could have significantly greater budget transparency with a more developed budget document available to the public.

*Recommendation: Consider developing a budget document that meets GFOA criteria, once the budget process has been reorganized.*

#### 4. Miscellaneous Additional Topics

The following findings and recommendations relate to the Miscellaneous Additional Topics.

##### 4.1: Wayland has traditionally handled capital planning and budgeting in the same way as operational budgeting.

As with many other towns around Massachusetts, Wayland still seems to be looking for a capital planning process that makes possible the regular, efficient, and coordinated development of capital planning across all Town and School departments and divisions.

At the moment, capital planning is primarily the purview of the Finance Committee, which shall “prepare and present to the annual Town meeting a five-year capital improvement program for the Town, which shall include the construction and reconstruction of capital assets (such as municipal buildings, recreational facilities, roads and landfills) and acquisition of land, equipment and vehicles and other personal property, and shall make recommendations to the appropriate authorities proposing such improvements.” Additionally, as noted, the WRAP Committee has taken a longer-term view of the large capital needs of the Town.

Unlike the annual operating budget process, which has seen convergence around a single approach that communities similar to Wayland have found most effective, there is relatively little consistency in how capital budgeting is handled in towns across the state. Some towns have capital planning committees, while many do not. Some simply have the town manager or town administrator present the capital plan along with the operating budget, while others have a separate pathway for the capital budget. (See Table 4: Statutory Language Describing Capital Planning in Wayland's Comparable Communities.)

<b>Town</b>	<b>Capital Planning Cmte?</b>	<b>Capital planning statutory language (highlighting added)</b>
Cohasset	Yes	(e) The town manager shall submit a preliminary budget and capital plan to the board of selectmen, the advisory committee and the capital budget committee pursuant to the budget process set forth in subsection (i) of section 3. The preliminary budget and capital plan shall be submitted not later than 70 days prior to the date of the annual town meeting.

Hingham	Yes	<p><b>ARTICLE 14, PART 2 CAPITAL OUTLAY COMMITTEE</b></p> <p><b>SECTION 1 - There shall be a Capital Outlay Committee (Committee), which shall perform the duties set forth in the following sections of this Article 14 and be governed by the provisions hereof. Said Committee shall consist of five citizens of the Town, appointed as provided in the following sections, and the Town Accountant ex-officio.</b></p> <p><b>SECTION 6 - It shall be the duty of the Committee to ascertain annually what capital outlays will be required by the Town during the next five years. In making this determination, it may consult with Town, county, and state officials, and with other boards and committees of the Town. It shall publish and distribute to each voter an annual report and such further reports as it deems advisable, and shall include in such reports its recommendation for scheduling capital outlays and for the financing of such outlays as in its judgment cannot be, or should not be, paid for entirely out of current revenues.</b></p>
Hopkinton	Yes	<p><b>Section 7-3: Capital Improvements</b></p> <p><b>The Town Manager shall annually submit a Capital Improvements Program to the Board of Selectmen and Appropriation Committee in accordance with the budget schedule established pursuant to Section 7-2(a) of this Charter. The Capital Improvements Program shall be designed to address unmet, long-range needs and to implement the capital goals and objectives of the Town, and shall include all Town activities, all Town Departments including the School Department, and all enterprise funds. ...</b></p>
Lincoln	Yes	<p><b>ARTICLE XXVII Capital Planning</b></p> <p><b>There shall be a committee known as the Capital Planning Committee (the "CapCom"). The fundamental purpose of the CapCom shall be to work with the Finance Committee to enhance the Town's capacity to identify, prioritize, and understand the financial implications of capital projects and land acquisitions, including but not limited to: A) all proposed real estate acquisitions that have a cost over \$10,000; and (B) all proposed construction projects, preventive maintenance, repairs, replacements, and equipment acquisitions that will have a useful life of at least five years and a cost that requires capitalization in accordance with the Town's financial accounting policies, in all cases regardless of the method by which they are or may be funded, including but not limited to: (a) annual appropriations (a/k/a cash-capital); (b) debt-financing; (c) capital-exclusions; and (d) Community Preservation Act appropriations. The CapCom shall develop and consult with the Finance Committee regarding a long-term Capital Plan that addresses the timing and estimated costs of capital projects anticipated by the agencies whose budgets are considered by the Town Meeting, including Lincoln-Sudbury Regional High School and the Water Commission. The CapCom shall also review and make recommendations regarding capital projects and maintenance expenditures that will be funded by annual appropriations in accordance with the Finance Committee's annual financial guidelines.</b></p>

<b>Medfield</b>	Yes	<p><b>Article 3: The Board of Selectmen</b>  <b>Section 3-4: Fiscal Procedures</b>  The Selectmen shall prepare the annual budget for all offices and departments for which they are responsible. They shall assemble a budget, consisting of requests for expenditures and supporting material for all offices, departments, boards, commissions, and committees in the executive branch of Town government as set forth in this Article. They shall deliver this budget to the Warrant Committee for its review and recommendation no later than 90 days before the Annual Town Meeting. The Warrant Committee shall act for the Town Meeting for this purpose. <b>The Selectmen shall also prepare a capital and operations expenditure plan containing a list of projects, project costs, and yearly expenditures for five years in the future. Fiscal responsibilities of the Selectmen shall be exercised by the Town Administrator as set forth in Article 4 of this Charter.</b></p> <p><b>Article 4: The Town Administrator</b>  <b>Section 4-1: Duties and Responsibilities</b>  b. <b>Assist the Selectmen with their budgetary responsibilities by assembling the budget requests of all departments into a unified document, by informing the Selectmen of unusual budgetary matters that require their attention, by preparing for the approval of the Selectmen a long-range Town fiscal plan that sets forth anticipated operating and capital expenditures, and by performing at the request of the Selectmen special studies and analyses of the costs and benefits of Town programs.</b></p>
<b>North Andover</b>	No	<p><b>Capital Improvements Plan</b>  <b>9-5-1 The Town Manager shall prepare a five-year capital improvements plan which shall include: (a) a clear summary of its contents; (b) a list of all capital improvements proposed to be undertaken during the next five years, together with supporting data; (c) cost estimates, methods of financing, and recommended time schedules; and (d) the estimated annual cost of operating and maintaining the facilities or equipment to be contracted or acquired. The above information may be revised and shall be extended each year with regard to capital improvements pending or in the process of construction or acquisition.</b></p>
<b>North Reading</b>	No	<p><b>Section 4 Capital Improvements Program</b>  <b>7.4.1 At least one month prior to the final date fixed through bylaw for the submission of budgets, the Town Administrator shall submit a five year capital improvements program to the Board of Selectmen and the Finance Committee. Such program shall include: (a) a list of all capital expenditures proposed during the five fiscal years next ensuing; (b) cost estimates, methods of financing, and a time schedule for each such acquisition; and (c) the estimated cost of operating and maintaining the equipment or facility to be acquired. The capital program shall be revised and expanded annually. [Amended 10/3/1988 ATM by Art. 16, approved 5/2/1989]</b></p>

Scituate	Yes	<p><b>Section 6-6 - Capital Improvement Program</b></p> <p>(a) The capital planning program shall consist of a schedule of proposed capital expenditures for at least the next five fiscal years and the proposed methods of financing each such expenditure. The objectives of the program shall be: (1) to establish priorities that will best serve the town as a whole; and (2) to so schedule and finance capital outlay that it will have as level an effect as possible upon the tax rate from year to year.</p> <p>(b) The board of selectmen shall be responsible for preparation and annual revision of the capital planning program. To assist it in doing so and to advise the town meeting on capital planning matters, there shall be a capital planning committee, consisting of five members appointed by the town moderator for overlapping three-year terms, the town administrator and one member designated, annually, by the school committee.</p> <p>(c) The capital planning committee shall submit annually to the board of selectmen a revised and updated report, which shall contain: (1) a list of proposed capital expenditures for the next fiscal year and the ensuing five years; (2) a recommended time schedule for executing them; (3) cost estimates and recommended financing method for each; and (4) the estimated additional cost of operating and maintaining each new facility and piece of major equipment involved. It shall also prepare a summary of its report, and shall submit such summary to the board for inclusion as a separate entity in the advisory committee's annual report to the town meeting.</p> <p>(d) The board of selectmen shall base its final capital planning program on the capital planning committee's report with such changes as it considers necessary to reflect its stated policies and shall deliver it to the advisory committee not less than five months prior to the annual town meeting. The advisory committee shall forthwith proceed to consider the program and shall, in its report to the annual town meeting, make such recommendations as it deems to be in the best interests of the town, both with respect to the capital budget for the next fiscal year and the schedule for the ensuing years.</p>
Sharon	Yes	?
Sudbury	Yes	<p><i>SEE ANNUAL BUDGET TAB – Town Manager</i></p> <p>(a) to prepare and submit, after consultation with all town departments, an annual operating budget and capital improvement program for all town departments.</p>
Wayland	No	<p>“[The Finance Committee] shall also prepare and present to the annual Town meeting a five-year capital improvement program for the Town, which shall include the construction and reconstruction of capital assets (such as municipal buildings, recreational facilities, roads and landfills) and acquisition of land, equipment and vehicles and other personal property, and shall make recommendations to the appropriate authorities proposing such improvements.</p>
Westford	Yes	<p><b>SECTION 11. The financial management powers, duties and responsibilities of the town manager shall include but not be limited to the following:</b></p> <p>(a) to prepare and submit, after consultation with all town departments an annual operating budget and capital improvements program for all town</p>



		departments;
Westwood	No	9-3-1. The town administrator shall prepare an annual operating budget for the town as described in section 9-4-3. For such purposes, the town administrator shall establish a budget schedule for the development and submission of all departmental budgets to the town administrator and director of municipal finance, and for the compilation of a proposed consolidated operating budget for the town, or such schedule may be established by town by-law. The town administrator shall also prepare, in consultation with the director of municipal finance, a 5-year capital plan.

While creating a Capital Planning Committee may have some benefits in providing a central location for the work on developing a revising a capital plan in Wayland, it also cuts against the project team's other recommendation for the Town to analyze and streamline the use of boards and committees. For that reason, the project team does not recommend the creation of a new committee for capital planning.

Instead, the project team recommends that, for the short term at least, the Finance Committee retain its role developing and updating the capital plan. The Finance Committee was recognized by all parties the project team interviewed to consistently have strong appointees. Given that this Committee will gain additional time if the changes recommended in this report are implemented, and given that it now will have the WRAP Committee's work as an additional tool, leaving capital planning with the Finance Committee for the time being is likely to maintain some continuity throughout other changes.

In the longer term, the Town may want to consider moving capital planning under the purview of the Town Administrator and Finance Director, potentially supported by a capital committee consisting of appointees from existing boards and committees (e.g., Board of Selectmen, Finance Committee, School Committee, and Planning Board).

*Recommendation: Leave capital planning under the purview of the Finance Committee for the short term. At a future review of Town operations, consider whether moving the responsibility to the Town Administrator or the Finance Director makes sense.*

**4.2: The upcoming departure of the Assistant Town Administrator/Human Resources Director provides an opportunity for the town to strengthen its administrative structure.**

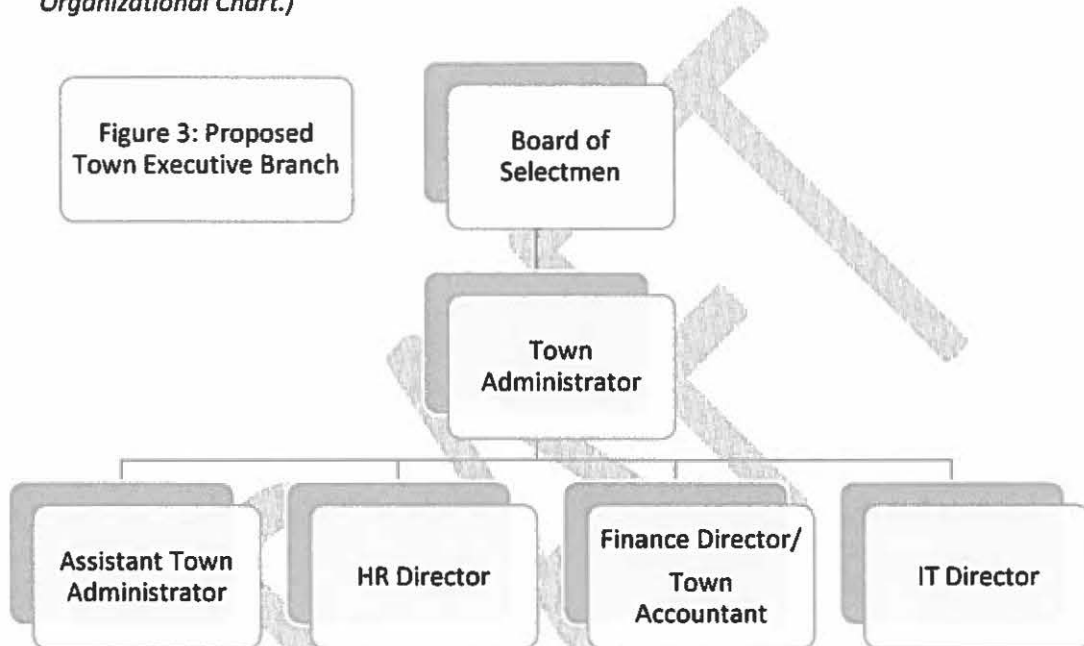
The Assistant Town Administrator (ATA) has announced that he will be leaving Town service in February of 2018. The Town intends to start recruiting for this position no later than October of 2017. The ATA devotes most of his time to human resources and benefits responsibilities, but also pitches in as a "utility player" on a variety of projects for the Selectmen and Town Administrator. However, based on the position description and past practice, the ATA has historically been accountable to the Selectmen rather than the Town Administrator.

*Recommendation: Consider separating the Assistant Town Administrator and Human Resources responsibilities into two separate positions.*

*With the added financial responsibilities recommended for the Town Administrator and the Selectmen elsewhere in this report, it will be important to have a strong, cohesive administrative*



structure in place in the executive branch. Therefore, it is important that the ATA report directly to the Town Administrator and be part of the town's senior management team. The ATA then would provide support to the Town Administrator in all aspects of the job, as assigned by the Town Administrator. Human resource and benefits responsibilities should be separated from the existing ATA position and performed by a separate Human Resources Director. The ATA and HR Director would then both report to the Town Administrator, along with the Finance Director. Additionally, given the growing importance of Information Technology in municipal operations, an increasing number of cities and towns are beginning to view the IT Director as part of the senior management team of the Town. (See below for Figure 3: Proposed Town Executive Branch Organizational Chart.)



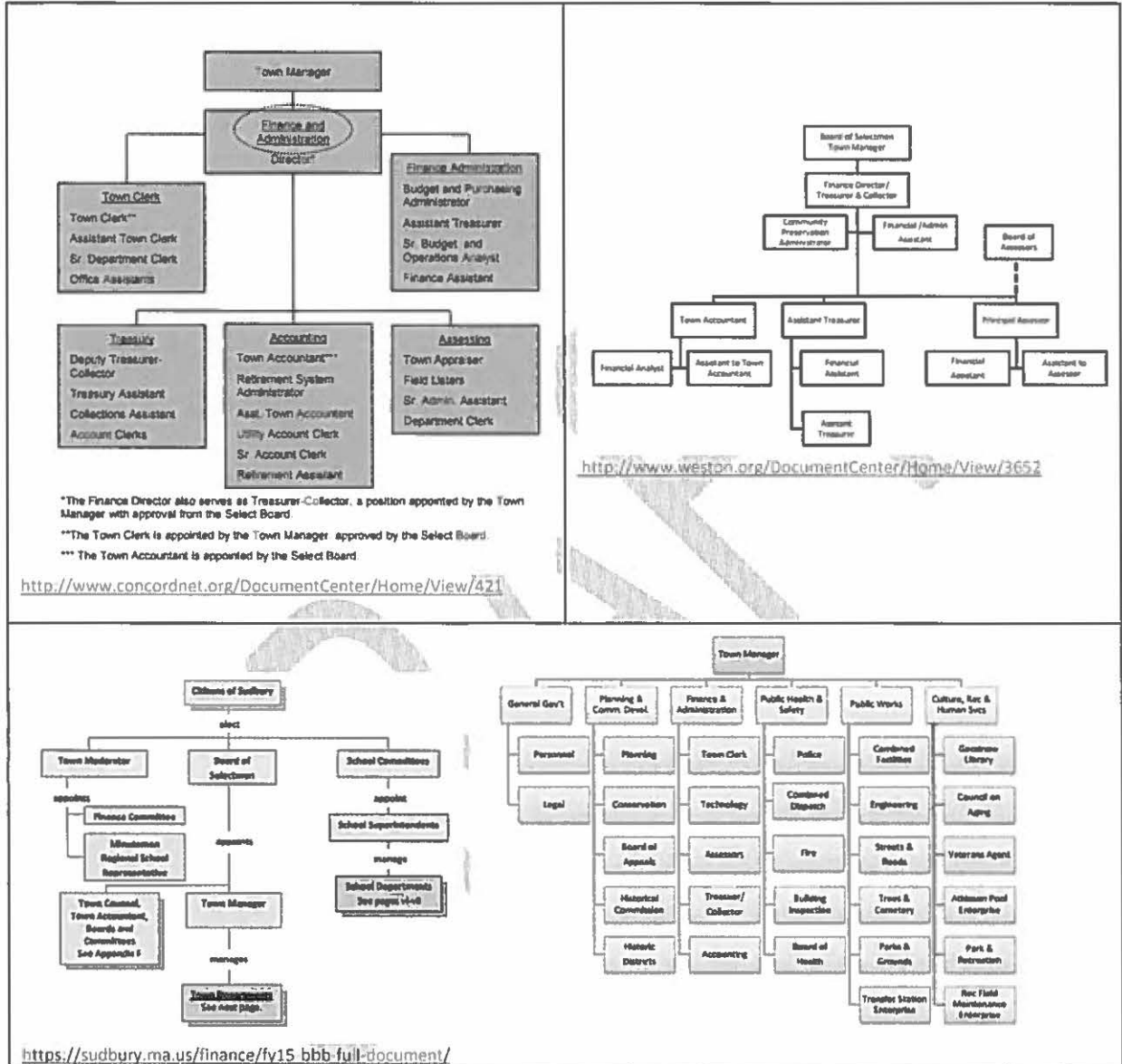
**4.3: Members of boards and committees sometimes have been operating as individual agents in interactions with Town staff.**

The project team was informed through the course of both projects that Town staff, and finance-related staff in particular, often face requests for information from individual board and committee members. While all board and committee members, and in fact all members of the public, have the right to ask for information of any Town staff person they wish, these requests can quickly absorb significant amounts of staff time. When requests are directly related to a board or committee's work, they should be from the group as a whole, not from individual members. This will help reduce redundant requests for information and free up time for Town staff to do their work.

*Recommendation: Adopt policy clarifying the ability of individual board or committee members to make requests of Town staff.*

# APPENDICES

## APPENDIX A: Organizational Charts of Finance Operations of Neighboring Towns



## **APPENDIX B: List of documents reviewed**

The existing bylaws, general laws accepted, and special acts (often referred to as the “legal base” of the Town):

<http://www.ecode360.com/WA1635>

The most recent Town budget, annual report, and external audit management letter:

[http://www.wayland.ma.us/Pages/WaylandMA\\_Finance/docs](http://www.wayland.ma.us/Pages/WaylandMA_Finance/docs)

[http://www.wayland.ma.us/Pages/WaylandMA\\_BComm/Finance/FY17Function.pdf](http://www.wayland.ma.us/Pages/WaylandMA_BComm/Finance/FY17Function.pdf)

[http://www.wayland.ma.us/Pages/WaylandMA\\_Selectmen/TownReports/index](http://www.wayland.ma.us/Pages/WaylandMA_Selectmen/TownReports/index)

[http://www.wayland.ma.us/Pages/WaylandMA\\_Finance/Finstatements](http://www.wayland.ma.us/Pages/WaylandMA_Finance/Finstatements)

Any recent external reports commissioned by the Town related to finance:

[http://www.wayland.ma.us/Pages/WaylandMA\\_IT/itmasterplan2015.pdf](http://www.wayland.ma.us/Pages/WaylandMA_IT/itmasterplan2015.pdf)

[http://www.wayland.ma.us/Pages/WaylandMA\\_Selectmen/MaximusReport.pdf](http://www.wayland.ma.us/Pages/WaylandMA_Selectmen/MaximusReport.pdf)

Job descriptions of finance-related positions:

[http://www.wayland.ma.us/Pages/WaylandMA\\_HR/jobs](http://www.wayland.ma.us/Pages/WaylandMA_HR/jobs)

Written financial policies:

[http://www.wayland.ma.us/Pages/WaylandMA\\_BComm/Finance/DebtManagementPolicy2008.pdf](http://www.wayland.ma.us/Pages/WaylandMA_BComm/Finance/DebtManagementPolicy2008.pdf)

*Review of Budget and Expenditure Reporting, Evaluation of Non-Educational Service Delivery Structure and Review of School Administrative Structure*

[http://www.wayland.ma.us/Pages/WaylandMA\\_BComm/Finance/Abrahams1Final.pdf](http://www.wayland.ma.us/Pages/WaylandMA_BComm/Finance/Abrahams1Final.pdf)

*Maximus Report - Townwide Study of Organization and Operations*

[http://www.wayland.ma.us/Pages/WaylandMA\\_Selectmen/MaximusReport.pdf](http://www.wayland.ma.us/Pages/WaylandMA_Selectmen/MaximusReport.pdf)

**APPENDIX C: Comparable Town (as selected by the Finance Committee) Statutory Bases**

Former peer town
Current peer town

Town	Charter or TM/TA Special Act	Charter/Act/Bylaws link
Carlisle	No	<a href="http://www.carlislema.gov/Pages/CarlisleMA_Clerk/town_records/GeneralBylaws-20June2014.pdf">http://www.carlislema.gov/Pages/CarlisleMA_Clerk/town_records/GeneralBylaws-20June2014.pdf</a>
Cohasset	TM Act (strong)	<a href="http://cohassetma.org/DocumentCenter/Home/View/278">http://cohassetma.org/DocumentCenter/Home/View/278</a>
Concord	TM Act (strong)	<a href="http://ma-concord.civicplus.com/1233/Town-Charter-Sections">http://ma-concord.civicplus.com/1233/Town-Charter-Sections</a>
Hingham	No	<a href="http://www.hingham-ma.com/DocumentCenter/View/2464">http://www.hingham-ma.com/DocumentCenter/View/2464</a>
Hopkinton	Charter	<a href="https://drive.google.com/drive/folders/0B_K9oi9FHIWPbFE5dk1ZWfJTbEU">https://drive.google.com/drive/folders/0B_K9oi9FHIWPbFE5dk1ZWfJTbEU</a>
Lincoln	No	<a href="http://www.lincolntown.org/DocumentCenter/View/20981">http://www.lincolntown.org/DocumentCenter/View/20981</a>
Lynnfield	Charter	<a href="http://ecode360.com/28618353">http://ecode360.com/28618353</a>
Manchester-by-the-Sea	No	<a href="http://www.manchester.ma.us/DocumentCenter/Home/View/972">http://www.manchester.ma.us/DocumentCenter/Home/View/972</a>
Marshfield	Charter	<a href="https://www.marshfield-ma.gov/sites/marshfieldma/files/uploads/town_charter.pdf">https://www.marshfield-ma.gov/sites/marshfieldma/files/uploads/town_charter.pdf</a>
Medfield	Charter	<a href="http://ecode360.com/27373232">http://ecode360.com/27373232</a>
Milton	???	<a href="https://www.townofmilton.org/sites/miltonma/files/uploads/generalbylaw.pdf">https://www.townofmilton.org/sites/miltonma/files/uploads/generalbylaw.pdf</a>
North Andover	Charter	<a href="http://ecode360.com/attachment/NO1118/NO1118-C.pdf">http://ecode360.com/attachment/NO1118/NO1118-C.pdf</a>
North Reading	Charter	<a href="https://www.northreadingma.gov/board-selectmen/pages/town-charter">https://www.northreadingma.gov/board-selectmen/pages/town-charter</a>
Scituate	Charter	<a href="https://www.scituatema.gov/sites/scituatema/files/file/file/chartermar2003.pdf">https://www.scituatema.gov/sites/scituatema/files/file/file/chartermar2003.pdf</a>
Sharon	???	<a href="https://www.townofsharon.net/town-clerk/pages/article-2-finance-committee">https://www.townofsharon.net/town-clerk/pages/article-2-finance-committee</a>
Sudbury	TM Act (strong)	<a href="https://sudbury.ma.us/selectmen/wp-content/uploads/sites/342/2014/08/TownManagerAct_1993.pdf?version=367ad7a333c727e29fe370732054bce3">https://sudbury.ma.us/selectmen/wp-content/uploads/sites/342/2014/08/TownManagerAct_1993.pdf?version=367ad7a333c727e29fe370732054bce3</a>
Wayland	TA Act (weak)	<a href="https://ecode360.com/WA1635">https://ecode360.com/WA1635</a>
Westford	Charter	<a href="https://westfordma.gov/DocumentCenter/View/3029">https://westfordma.gov/DocumentCenter/View/3029</a>
Weston	TM Act (strong)	<a href="http://www.weston.org/DocumentCenter/View/429">http://www.weston.org/DocumentCenter/View/429</a>
Westwood	Charter	<a href="http://ecode360.com/13018704">http://ecode360.com/13018704</a>

**APPENDIX D: Possible Implementation Sequence and Timeline**

Recommendation	Steps	Fiscal Year and Quarter											
		18-Q2	18-Q3	18-Q4	19-Q1	19-Q2	19-Q3	19-Q4	20-Q1	20-Q2	20-Q3	20-Q4	
<b>1. Overarching Findings and Recommendations</b>													
1.1: Strengthen Town Administrator (TA) and Finance Director (FD) positions	Adopt new special act replacing and superseding existing act and relevant bylaws		XX	XX	XX	XX							
1.2: Review the boards and committees	The BoS should initiate a review of boards and committees		XX	XX	XX	XX							
1.3: Consider systemic review of Town structure	Create appointed charter committee (or collect signatures for elected charter commission)									XX	XX	XX	XX
<b>2. Policy-Setting, Goal-Setting, and Long-Term Planning</b>													
2.1: Formally adopt financial policies, including policy on policies	Continue working with the Center to draft first set of financial policies for BoS to approve	XX	XX	XX									
2.2: Transfer more authority to TA. Focus on goal-setting, planning, and policymaking	The transfer could be part of 1.1, and the BoS new focus would be continuous after that		XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
<b>3. Annual Operating Budget</b>													
3.1: Rebalance the roles and responsibilities of the major players in the budget process	Update bylaws to bring them more into line with common practices for budget process roles	XX	XX	XX	XX								
3.2: Contemplate the appointing authority of the Finance Committee	The review could be part of 1.2, and the changes could be part of 1.3.		XX	XX	XX	XX				XX	XX	XX	XX
3.3: Begin the annual budget process with a budget summit or tri-board meeting	Host budget summit in the first quarter of FY19 to kick off FY20 budget process				XX								

3.4: Consider developing a budget document that meets GFOA criteria	Attempt to fulfill GFOA criteria for budget document award for FY21 budget								XX	XX	XX	XX
<b>4. Miscellaneous Additional Topics</b>												
4.1: Leave capital planning under Finance Committee for the short term	A review of how capital planning should be handled long-term can be part of the charter discussion								XX	XX	XX	XX
4.2: Consider separating Assistant TA and HR into two separate positions	Reconfiguring these positions and their responsibilities can happen immediately	XX	XX	XX								
4.3: Adopt policy clarifying how individual committee members make requests of Town staff	The BoS should clarify that committee members must act as part of their committees	XX	XX	XX								

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**APPENDIX E: Maynard Charter (Town Administrator Article, which could be carved into a special act of its own)**

**Article 4**

**Town Administrator**

**Section 4-1: Appointment; Qualification; Term**

The board of selectmen shall appoint a town administrator from a list prepared by a screening committee as established in Article 4-6 or by by-law. The board of selectmen shall appoint the town administrator to serve for a renewable term of three (3) years and shall fix the compensation for such person, annually, within the amount appropriated by the town. The town administrator shall be appointed on the basis of educational, executive, and administrative qualifications and experience. A town administrator need not be a resident of town or of the Commonwealth at the time of appointment, nor at any time during the period of such service. The town administrator shall not have served in an elective office in the town government for at least twelve months prior to appointment. The town may from time to time establish, by by-law, such qualifications as seem necessary and appropriate.

The town administrator shall devote full time to the office and shall not hold any other public office, elected or appointive, nor engage in any business or occupation during such service, unless such action is approved in advance by the board of selectmen.

The board of selectmen shall provide for an annual review of the job performance of the town administrator which shall, at least in summary form, be a public record. This review shall reflect the town administrator's performance of duties as listed in Section 4-2.

At the expiration of any three-year term, the board of selectmen shall vote on the reappointment of the Town Administrator. The annual reviews for the three previous years shall be used as a basis for reappointment. The majority vote of the full Board of Selectmen is required to reappoint. If the vote to reappoint fails, the appeal process of Section 4-5 shall not apply.

**SECTION 4-2: POWERS AND DUTIES**

The town administrator shall be the chief administrative officer of the town, directly responsible to the board of selectmen for the administration of all town affairs for which the offices of town administrator is given responsibility by or under this charter. The powers and duties of the town administrator shall include, but are not intended to be limited to the following:

a) To supervise, direct and be responsible for the efficient administration of all functions and activities, according to best business practices, for which the office of town administrator is given authority, responsibility or control by this charter, by by-law, by town meeting vote, by vote of the board of selectmen, or otherwise to best serve the citizens of Maynard.

b) To appoint, subject to the provisions of the civil service law and any other collective bargaining agreements as may be applicable, all department heads, officers, members of boards and commissions and employees for whom no other method of selection is provided by this charter. Such appointments shall become effective on the fifteenth (15th) day following the day on which such notice of the appointment is filed with the board of selectmen, unless the board of selectmen shall, within that period by a majority of all of its members, vote to reject such appointment, or has sooner voted to affirm it. Copies of the notices of all such proposed appointments shall be posted on the town bulletin board when submitted to the board of selectmen.

- c) To be entrusted with the administration of the town personnel system, including, but not limited to personnel policies and procedures, rules, and regulations, including provisions for an annual employee performance review, personnel by-law and collective bargaining agreements entered into by the town. The town administrator shall also prepare and keep current a plan establishing the personnel staffing requirements for each town agency, except the library and school department.
- d) To attend all regular and special meetings of the board of selectmen, unless unavoidable for reasonable cause, and shall have a voice, but no vote, in all of its proceedings.
- e) To assure that full and complete records of the financial and administrative activities of the town are kept and to render as often as may be required by the board of selectmen, but not less than once a year, a full report of all town administrative operations during the period reported on, which report shall be made available to the public.
- f) To keep the board of selectmen fully advised as to the needs of the town and recommend to the board of selectmen and to other elected town officers and agencies for adoption such measures requiring action by them or by the town meeting as the town administrator may deem necessary or expedient.
- g) The town administrator shall be responsible for the maintenance and repair, rental and use, of all town buildings and facilities placed under the town administrator's control by this charter, by by-law, by vote of the town or otherwise.
- h) To prepare and present, in the manner provided in Article 6, an annual operating budget for the town and develop material to furnish to the capital planning committee for the preparation of a proposed capital improvement plan for the five (5) fiscal years next ensuing.
- i) To assure that a full and complete inventory of all property of the town, both real and personal, is kept, including all property under the control of the school committee or library trustees.
- j) To negotiate, on behalf of the board of selectmen, all contracts and collective bargaining agreements involving any subject within the jurisdiction of the office of the town administrator, including contracts with town employees, except employees of the school department and library employees outside collective bargaining control, involving wages, hours and other terms and conditions of employment. All such contracts and agreements shall be subject to the approval of the board of selectmen.
- k) To be the chief procurement officer for the town, in accordance with the provisions of Chapter 30B of the Massachusetts General Laws, and to appoint such assistant procurement officers as provided in Chapter 30B of the Massachusetts General Laws.
- l) To see that the provisions of the general laws, of this charter, town by-laws and other votes of the town meeting and votes of the board of selectmen which require enforcement by the town administrator are faithfully executed, performed or otherwise carried out.
- m) To inquire, at any time, into the conduct and operation of office or performance of duties of any officer or employee, department, board, commission or other town agency.
- n) To attend all sessions of all town meetings and answer questions raised by voters which relate to warrant articles and to matters over which the town administrator exercises any supervision.
- o) To reorganize, consolidate, or abolish, in the manner provided in Article 5, town agencies serving under the supervision of the town administrator, in whole or in part, provide for new town agencies and provide for a reassignment of powers, duties and responsibilities among such agencies so established or existing.
- p) To facilitate activities between and among the following:
- (1) town agencies serving under the office of the town administrator
  - (2) town agencies serving under the of the board of selectmen
  - (3) town agencies under the control of other officers and multiple member bodies elected directly by the voters.

For this purpose, the town administrator shall have authority to require the persons so elected, or their representatives, to meet with the town administrator, at reasonable times, for the purpose of effecting coordination and cooperation among all agencies of the town.

The town administrator shall have the right to attend and speak at any regular meeting of any multiple member body.

q) To seek and review, by initiative or upon request of any town officer, those state, federal, regional and all other grants which may be of benefit to the Town of Maynard.

The town administrator shall be the authority responsible for reviewing all applications for such grants which require the approval of the board of selectmen.

r) To be responsible for any and all dispositions of non-criminal citations issued in the Town of Maynard. The town administrator will be responsible for appointing one or more assistant clerks as required.

s) To be responsible for the publication, maintenance and review of the town by-laws and of any duly authorized revisions, amendments, additions, or other changes pertaining thereto. The review of town by-laws shall be in conjunction with the town counsel, or, by special counsel retained for that purpose. Subsequent to enactment by the town meeting, copies of the revised by-laws shall be forwarded to the attorney general of the Commonwealth for approval, and they shall be otherwise published, all as required by general laws. Copies of the revised by-laws shall be made available for distribution to the public.

t) To perform any other duties as are required to be performed by the town administrator by by-laws, administrative code, votes of the town meeting, or votes of the board of selectmen, or otherwise.

#### **SECTION 4-3: DELEGATION OF AUTHORITY**

The town administrator may authorize any subordinate officer or employee to exercise any power or perform any function or duty which is assigned to the office of the town administrator, provided, however, that all acts performed under any such delegation shall at all times be deemed to be the acts of the town administrator. On a form approved by the board of selectmen, the town administrator shall submit a record of any such delegation to the board of selectmen.

#### **SECTION 4-4: ACTING TOWN ADMINISTRATOR**

a) Temporary Absence - With the approval of the board of selectmen, the town administrator may designate a qualified town administrative officer or employee to exercise the powers and perform the duties of the town administrator during an absence of the town administrator of not more than fifteen (15) days. Such delegation shall be made by letter filed with the town clerk and the board of selectmen.

b) Vacancy - Any vacancy in the office of town administrator shall be filled as soon as possible by the board of selectmen, but, pending such regular appointment the board of selectmen shall appoint a qualified town administrative officer or employee to perform the duties of the office on an acting basis. Such temporary appointment may not exceed three (3) months but one renewal may be voted by the board of selectmen not to exceed a second three (3) months. Compensation for such person shall be set by the board of selectmen.

c) Powers and Duties - The powers and duties of temporary or acting town administrator, under a) and b) above, shall be limited to matters not admitting of delay and shall include authority to make temporary, emergency appointments or designations to town office or employment but not to make permanent appointments or designations.

#### **SECTION 4-5: SUSPENSION AND REMOVAL FOR CAUSE**

The board of selectmen may, by a majority vote of the full board, terminate and remove, or suspend, the town administrator from office in accordance with the following procedure.

a) The board of selectmen shall adopt a preliminary resolution of removal by the affirmative vote of a majority of all its members, which must state the reason or reasons for removal. This preliminary resolution may suspend the town administrator for a period not to exceed forty-five (45) days. A copy of the resolution shall be delivered to the town administrator forthwith.

The town administrator shall continue to receive a salary until the effective date of the final resolution of removal.

b) Within five (5) working days of receipt of the preliminary resolution the town administrator may request a public hearing by filing a written request for such hearing with the board of selectmen. This hearing shall be held at a meeting of the board of selectmen not later than thirty (30) days after the request is filed nor earlier than twenty (20) days. The town moderator shall preside at any public hearing to discuss the suspension or removal of the town administrator. The town administrator may file a written statement responding to the reasons stated in the resolution of removal with the board of selectmen provided the same is received at its office more than forty-eight (48) hours in advance of the public hearing.

c) The board of selectmen may adopt a final resolution of removal, which may be made effective immediately, by the affirmative vote of a majority of all its members not less than ten (10) days nor more than twenty-one (21) days following the date of delivery of a copy of the preliminary resolution to the town administrator, if the town administrator has not requested a public hearing; or, within ten (10) working days following the close of the public hearing if the town administrator has requested one. Failure to adopt a final resolution of removal within the time periods as provided in this section shall nullify the preliminary resolution of removal and the town administrator shall, at the expiration of said time, forthwith resume the duties of the office.

The action of the board of selectmen in suspending or removing the town administrator shall be final, it being the intention of this provision to vest all authority and fix all responsibility for such suspension or removal solely in the board of selectmen.

#### **SECTION 4-6: SELECTING A TOWN ADMINISTRATOR**

Forthwith following a vacancy in the office of the Town Administrator, the board of selectmen shall establish a screening committee to review applicants for the position of town administrator. The screening committee is to consist of nine (9) persons, representing as nearly as possible the town demographic and occupational base.

Not more than thirty (30) days following the vacancy in the office of the Town Administrator the nine persons chosen aforesaid shall meet to organize and to plan a process for the selection of the town administrator.

The screening committee shall review all applications received by it, screen all such applicants by checking and verifying work records and other credentials, and provide for interviews to be conducted with such number of candidates it deems to be necessary, desirable, or expedient.

Not more than ninety (90) days following the date on which the committee meets to organize, the committee shall submit to the board of selectmen the names of not less than three (3) nor more than five (5) persons whom it believes to be best suited to perform the duties of the office of town administrator.

Within thirty (30) days following the date the list of nominees is submitted to it, the board of selectmen shall choose by majority vote one of the said nominees to serve as town administrator. In the event the board of selectmen shall fail to make an appointment within the said thirty days, the screening committee shall reopen the screening process to solicit more nominees.

Upon the appointment of a town administrator, the committee established hereunder shall be considered discharged.



**APPENDIX F: Framework for considering elected and appointed offices**

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

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

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

## APPENDIX G: Proposed changes to bylaw to implement budget process rebalancing

### Current bylaw on annual operating budget:

#### ***§ 19-2 Budget; capital improvement program. [Amended 5-6-1992 ATM by Art. 20]***

The Finance Committee shall prepare the omnibus operating budget of the Town and submit it at the annual Town meeting. It shall also prepare and present to the annual Town meeting a five-year capital improvement program for the Town, which shall include the construction and reconstruction of capital assets (such as municipal buildings, recreational facilities, roads and landfills) and acquisition of land, equipment and vehicles and other personal property, and shall make recommendations to the appropriate authorities proposing such improvements.

### Option 1: Proposed revisions of existing bylaw (changes marked with strikethroughs and yellow highlighting):

#### ***§ 19-2 Budget; capital improvement program. [Amended {put amendment information here}]***

The Finance Committee shall ~~prepare~~ review the omnibus operating budget of the Town *prepared by the Town Administrator and Finance Director under the direction of the Board of Selectmen* and shall submit it at the annual Town meeting. It shall also prepare, *in collaboration with the Town Administrator and Finance Director*, and present to the annual Town meeting a five-year capital improvement program for the Town, which shall include the construction and reconstruction of capital assets (such as municipal buildings, recreational facilities, roads and landfills) and acquisition of land, equipment and vehicles and other personal property, and shall make recommendations to the appropriate authorities proposing such improvements.

### Option 2: Proposed replacement bylaw (modified from Hingham bylaw, Article 14, Part 1, Section 4)

The Finance Committee shall consider the budget proposed for the town for the ensuing fiscal year by the Board of Selectmen. Such budget shall show in detail all estimated income from the proposed tax levy and other sources and all proposed expenditures, including debt service, for the ensuing fiscal year, and shall be arranged to show the actual and estimated income and expenditures for the previous, current and ensuing fiscal years. The Finance Committee shall, after considering such proposed budget, establish the amounts which should, in its opinion, be appropriated for the ensuing fiscal year, shall add thereto such explanations and suggestions as it deems expedient, and shall report to the town meeting, in print or otherwise, such recommendations as it deems best for the interests of the town.