

# Article 51

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## Consolidation of Financial Management Operations

2011 ARLINGTON TOWN MEETING  
ARTICLE 51  
CONSOLIDATION OF FINANCIAL MANAGEMENT OPERATIONS

*What is it?*



**WICKED LOCAL<sup>®</sup> ARLINGTON**  
WITH NEWS FROM THE ARLINGTON ADVOCATE

### The 'mystery' of Article 51

By Maria Chutchian/Staff Writer  
GateHouse News Service  
Posted Apr 06, 2011 @ 01:45 PM

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Arlington, Mass. — The article on this year's annual Town Meeting warrant that appears to be creating a great deal of buzz among town officials and residents asks the town manager to research the implementation of a consolidated town and school finance department, causing residents to wonder if that means a treasurer or similar position would be appointed rather than elected by voters, as it is now.

The Board of Selectmen voted unanimous favorable action on the article, which was altered from its original version that simply instructed the

## What is Article 51?

The intent of Article 51 is to eliminate the fragmentation of financial management operations by consolidating them into a single department managed by a Chief Financial Officer.

***Article 51 does not dictate any particular plan; that will be the product of the task force.***

## Why Me?

- Experiences in Finance Committee & Information Technology Advisory Board.
- ~~Technology problem~~ *NOT*
- ~~Management problem~~ *NOT*
- ***Organizational problem***

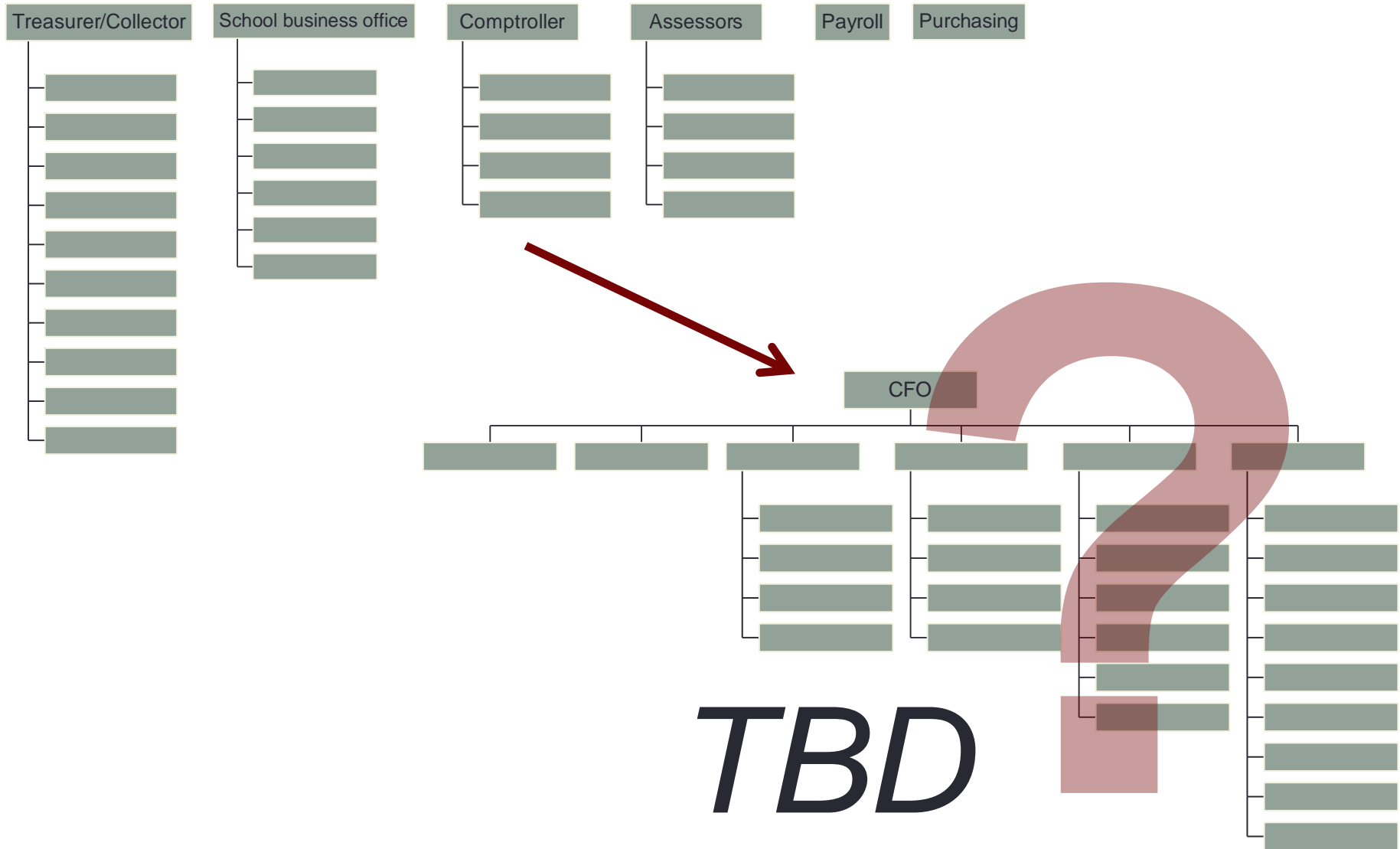
# Why Now?

- We always need to consider every opportunity to use our (taxpayers') money more efficiently.
- Successes with IT consolidation, now Human Resources
- Reorganization Committee did not tackle it.
- *Not a direct response to last year's \$1,500,000 school deficit. However, a consolidated financial operation could have addressed this type of issue and other risks.*

# 2011 ARLINGTON TOWN MEETING

## ARTICLE 51

### CONSOLIDATION OF FINANCIAL MANAGEMENT OPERATIONS



# Problems Caused by Fragmentation

- Complexity
  - Lack of common budget & reporting formats
  - Incompatible software systems
- Inefficiency/Duplication
  - Unnecessary expenses, waste of scarce resources
- Organizational fragmentation leads to:
  - Silo mentality; promotes barriers to protect turf.
  - Poor communication between financial groups.
  - Lack of accountability – who is ultimately responsible?

# Benefits of Consolidation

- **Simplicity/Streamlined Operations**
  - Common shared tools (software, methods, equipment)
  - Better communication, transparency, consistency
  - Increased agility, acceptance of best practices, new tools
- **Efficiency/Savings**
  - Support larger “customer base,” with fewer resources, staff
- **Effectiveness**
  - Improved financial reporting, long-term analysis and planning
- **Accountability**
  - No ambiguous responsibilities, ultimate responsibility defined.



# Town-School Consolidation

## *What to Expect*

- Balanced approach to town & school funding, better visibility of budget impact.
- Consistent, integrated forecasting, reporting and cross-checking.
- Not a policy-making authority budget authority stays with the School Committee.
- Frees up school leadership to spend more time concentrating on issues relating to teaching and learning, less time answering financial information requests.
- Productivity benefits and savings

## Town-School Consolidation

### *Steps to get there*

- 2011 Town Meeting – indicates support for consolidation and directs the Town Manager to lead a task force to consider all options and return to 2012 with an implementation plan.
- 2012 Town Meeting – considers the proposal and votes to accept under the terms of G.L. c. 71, §37M (as accepted by 2010 ATM, Article 33)
- School Committee accepts by majority vote (2012).
- Ballot question ultimately required to transition from elected to appointed position.

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**Chapter 71 - Section 37M**

**Consolidation of administrative functions with city or town**

- Section 37M. (a) Notwithstanding the provisions of chapter forty-one or chapter seventy-one or any other special or general law to the contrary, any city or town which accepts the provisions of this section may consolidate administrative functions, including but not limited to **financial**, personnel, and maintenance functions, of the school committee with those of the city or town; provided, however, that such consolidation may occur **only upon a majority vote of both the school committee** and in a city, the city council, with approval of the mayor required by law or in a town, the **annual town meeting** or in a town with no town meeting, the town council.
- (b) Notwithstanding any general or special law to the contrary, a decision to consolidate functions pursuant to paragraph (a) of this section may be revoked by a majority vote of either the school committee of the city or town, or the city or town, or both as such vote is described in said paragraph (a).

## Benefits of Appointed Position

- Position is professional, not political; not a policy making entity.
- Qualifications – larger applicant pool, rigorous interview process
- Accountability – annual performance reviews, greater visibility, immediate resolution of problems
- Collaboration – on equal footing with other functional managers – part of a team working together, sharing resources
- 51 out of 55 Massachusetts towns with populations over 30K have appointed treasurers.

# Transitioning Elected to Appointed *How?*

## **General Laws**

- Converting Offices from Elected-to-Appointed: MGL c. 41, §1B
- Authorize Selectmen to Appoint Assessors: MGL c. 41, §25
- Authorize Selectmen to Act as, or Appoint, Other Town Officers: MGL c. 41, §21
- Establish a Municipal Finance Department: MGL c. 43C
- Adopt, Revise and Amend City and Town Charters: MGL c. 43B

## **Special Act**

- Enacted by the General Court, Special Acts create or revise charters and enable cities and towns to act in other ways to reorganize municipal government.

*We will be working with the Mass. Dept. of Revenue, Division of Local Services, Technical Assistance Section*

Please support the  
Selectmen's  
recommended vote on  
Article 51.

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*If we had a single financial management department, would you split it up?*

