

FINANCIAL MANAGEMENT REVIEW | TOWN OF BREWSTER

JUNE 2019



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

PREPARED BY:

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DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Christopher C. Harding
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

June 7, 2019

Select Board
2198 Main Street
Brewster, MA 02631

Dear Board Members,

I am pleased to present the enclosed financial management review for the Town of Brewster, along with a set of financial policies that was previously delivered. It is my hope that our guidance provides direction and serves as a resource for local officials as we build better government for our citizens.

If you have any questions regarding the report, please contact Zack Blake, Technical Assistance Bureau Chief, at (617) 626-2358 or blakez@dor.state.ma.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sean R. Cronin".

Sean R. Cronin
Senior Deputy Commissioner

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INTRODUCTION

At the request of the Select Board, the Department of Revenue's Division of Local Services (DLS) completed this financial management review for the Town of Brewster. A team from the Technical Assistance Bureau (TAB) conducted the review in consultation with staff from the Division's Bureau of Accounts.

The purpose of this assessment is to assist Brewster officials as they evaluate government operations and the overall efficiency and effectiveness of financial management practices and procedures as the Town transitions two key management positions. The Town and its financial operations experienced a series of events beginning in late-2015 with the retirement of the long-term Town Administrator, followed by close to three years of instability in critical leadership roles which included the 2016 resignation of the long-term finance director. Although this report reviews the operations that led to much public concern and discourse, our primary goal is to provide guidance for future success. In reviewing operations, we focused on financial officers' duties and responsibilities, the coordination and communication among local officials, and opportunities for improving procedures and internal controls. We provide recommendations in three areas: general administration, finance department operations, and information technology.

Included with our financial management review is a framework for developing financial policies. These policies were started in the summer of 2017 but without the engagement of the new town administrator, we were unable to develop and deliver the policy document at that time. The purpose of this framework is to formalize as many policy areas as possible by providing instructive guidance and consistency. The document contains a series of footnotes that reflect required changes to the Town's bylaws or town meeting actions based on how the policy is presented. However, all final policy decisions are left to policymakers, who along with Town personnel, will need to evaluate the framework and tailor its content to Brewster's processes.

COMMUNITY OVERVIEW

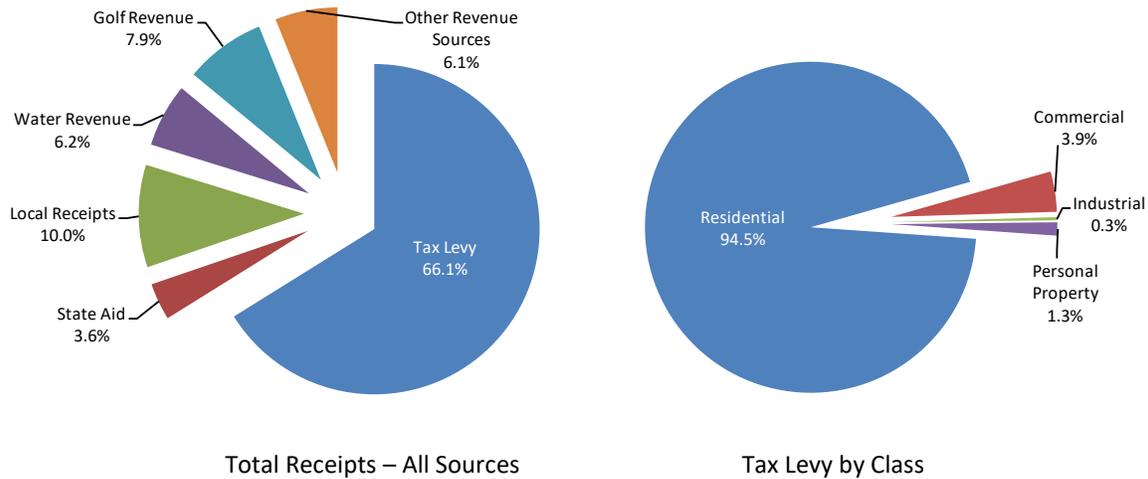
Brewster is a historic sea captains' town located approximately 90 road miles from Boston on Cape Cod's bay side. With a year-round population of fewer than 10,000, the Town swells to over 30,000 in the summer months as recreation enthusiasts flock to its many beaches freshwater ponds, golf courses, and Nickerson State Park. Also drawing in day-trippers and vacationers are Brewster's abundant antique shops, boutiques, art galleries, hotels, inns, and the Cape Cod Baseball League team.

The community operates under a board of selectmen-open town meeting form of government, with an appointed town administrator to manage day-to-day affairs. Along with the full range of municipal services typical of Brewster's size, including police, fire, and public works departments and a town library, the Town operating budget funds public education, a water department and a golf department that manages two 18-hole courses. Brewster is part of the of Nauset Public Schools and provides prekindergarten through fifth grade education at two local elementary schools. Students in grades sixth through twelve attend Nauset Regional for middle and high school or can elect to attend the Cape Cod Technical High School. The Town also has an enthusiastic volunteer force serving on various elected and appointed boards, committees, and commissions.¹

Of the Town's \$51.2 million dollar FY2019 budget, \$33.8 million is derived from the tax levy, \$5.1 million from various local receipts (including motor vehicle excise), \$4 million from golf course fees, \$3.1 million from water charges, and \$3.1 from other revenue sources. State aid accounts for just under \$1.9 million. As with almost all of the region's communities, 94.5% of Brewster's tax levy is attributable to residential properties.

¹ A town-wide organizational chart is included in the Appendix

FY2019 Revenues by Source



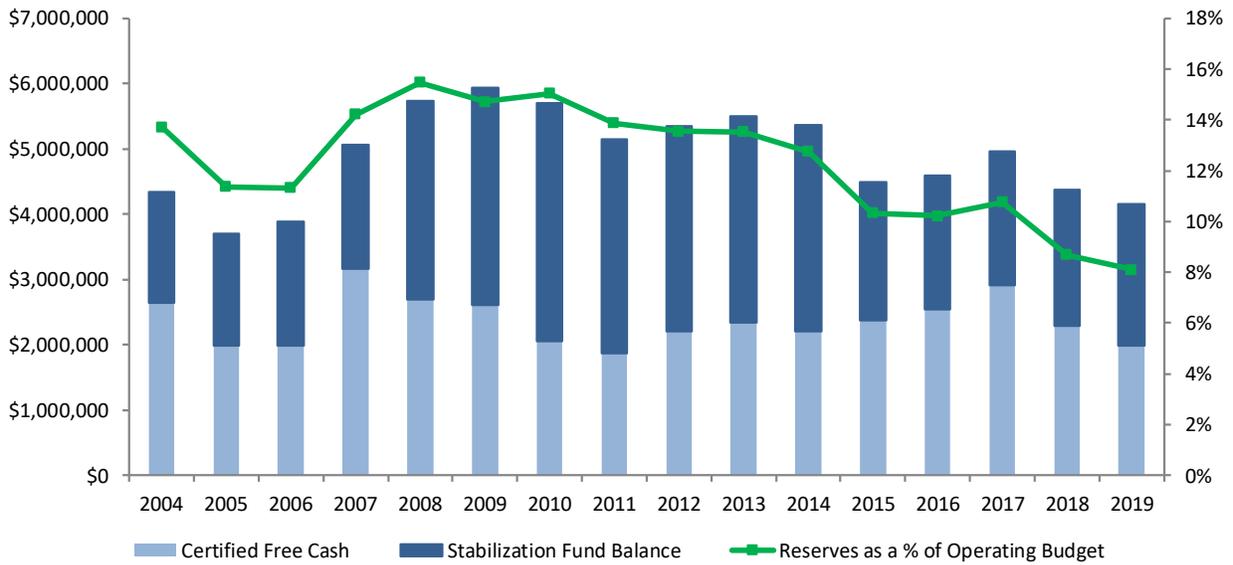
Brewster’s main reserves consist of free cash and a general stabilization fund. Other reserves include an other post-employment benefits (OPEB) trust fund and amounts reserved for abatements and exemptions (overlay) declared as surplus by the Board of Assessors. The Town manages these reserves based on well-established practices, but without any formal long-term strategy.

Certified annually, free cash is a revenue source resulting from the calculation of a town’s remaining, unrestricted funds from the previous fiscal year’s operations based on the balance sheet as of June 30. Key factors that contribute to the amount of free cash include prior year unappropriated free cash, unexpended appropriations, local receipts in excess of budgeted amounts, and changes in fund equity². Free cash is offset by property tax receivables and certain deficits or overdrawn accounts, and as a result, can be a negative amount.

Although Brewster’s overall level of reserves have remained somewhat consistent, the balance of free cash and stabilization as a percentage of the operating budget has declined from a peak of 15.5% in 2008 to the current 8.1%. As the chart on the next page shows, Brewster’s most recent free cash certification of \$2 million (as of 07/01/2018 based on the results of FY2018 revenues and expenditures) is below its 16-year annual certification average of close to \$2.4 million. This reflects a two-year downward trend and is the third lowest certified amount since 2004. The stabilization fund decreased \$1 million in FY2014 due to a transfer to the OPEB fund and has since stayed at the same level of \$2.1 million but will increase in FY2019 with a \$275,000 appropriation at the 2018 May annual town meeting and no subsequent withdrawals.

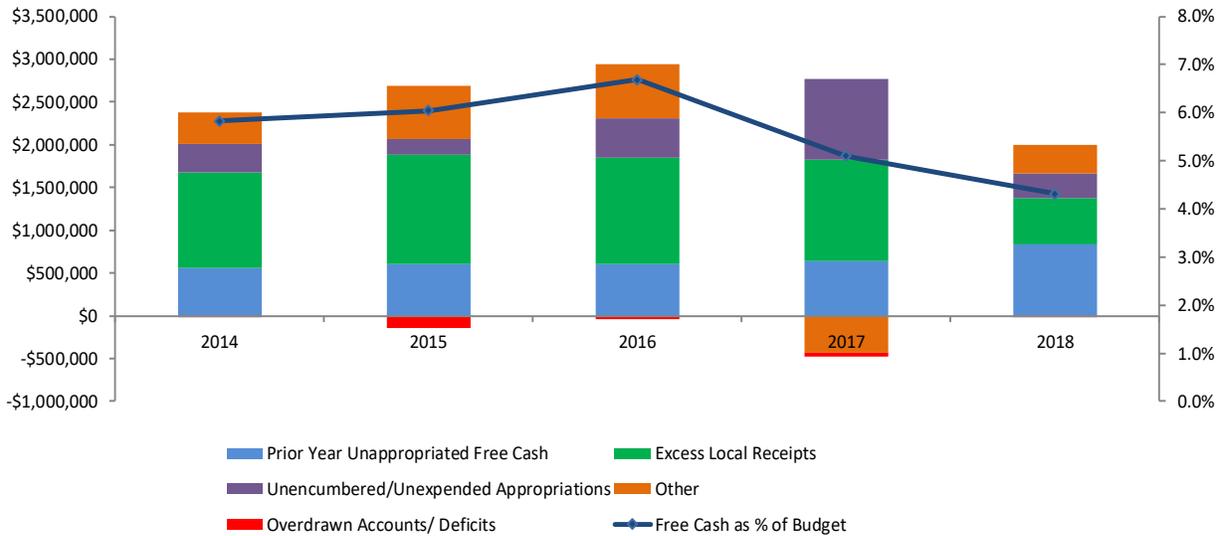
² Fund equity is the change in undesignated balance (cash, receivables, liabilities, and amounts reserved)

Financial Reserves³



To further understand Brewster’s fluctuation in free cash, the following graph and chart detail the key components for last five years. The general fund experienced a significant decrease in fund equity from FY2016 to FY2017⁴ along with an increase in reported outstanding receivables that contributed to the \$610,589 decrease in free cash (both reflected in the ‘other’ category). A substantial drop in both unexpended appropriations and local receipts the following year caused a further decline.

Free Cash Components as of Fiscal Year End



³ Balances available as of the first day of the fiscal year

⁴ FY2017 Schedule A Part 11: fund equity decreased by \$1.3M

Fiscal Year End	Total Free Cash	Excess Local Receipts	Unencumbered/Unexpended Appropriations	Prior Year Unappropriated Free Cash	Overdrawn Accounts/Deficits	Other	Free Cash as % of Budget
2014	2,365,624	1,109,786	334,818	561,989	(11,270)	370,301	5.45%
2015	2,542,316	1,269,900	194,497	607,861	(144,550)	614,608	5.65%
2016	2,905,830	1,239,282	465,125	606,836	(37,759)	632,346	6.29%
2017	2,295,241	1,182,283	942,798	642,084	(42,552)	(429,372)	4.55%
2018	1,989,981	547,926	279,862	833,652	(6,719)	335,260	3.89%

It was noted by local officials during our meetings that free cash was viewed as too high; conversely, we also heard that others thought that it was too low. While it is not unusual for community members to have varying opinions on the appropriate amount of free cash and its use, the discussion highlights the need for the Town’s policymakers to formalize not only the free cash level, but the strategy for maintaining all the Town’s reserves. Fittingly local officials are currently working on a reserves policy to be adopted by the Select Board that will define the target level and provide guidelines on generating and using free cash, as well as appropriate target levels of other reserves.

Standard & Poor’s Global Inc. (S&P) evaluates ongoing management practices and policies when reviewing a town’s credit quality. In early 2018, S&P reaffirmed Brewster’s bond rating of AAA⁵ with a stable outlook, which the Town has held since 2014. In doing so, S&P cited the community’s traditionally strong financial management and budgetary practices, as well as the healthy local economy. S&P’s outlook expects the Town to continue its management practices, including focusing on financial and capital planning and maintaining transparency with ongoing reporting to the Select Board on financial matters. Noted though is the lack of certain formal policies, which the Select Board is now addressing.

Whereas Brewster’s financial characteristics are similar to many of the other 14 Barnstable County communities, the county itself is very different than the rest of the state. This is primarily due to the Cape’s many seasonal property owners (close to 50% of Brewster’s residential properties are second homes) and permanent resident population’s demographics.

As shown in the chart on the next page, Brewster’s FY2019 average single-family tax bill of \$4,499 is just slightly lower than the county’s average (\$4,888) and significantly less than the state’s (\$5,796). At the same time, Brewster’s average single-family value of \$524,325 is higher than the statewide average of \$409,914. All this combines to return a very favorable average percentage of tax bill to value. The Town’s per capita income of \$32,143 places it lower than almost all the other county

⁵ AAA is the highest possible rating. The higher the credit rating, the lower the cost of borrowing and easier access to credit

communities and 24% lower than the statewide average of \$42,286. This is less favorable when comparing the ratio of tax bill to income. Brewster’s per capita equalized valuation (EQV), which represents the full and fair cash value of all taxable property, of \$375,169 is well below the county average of \$547,927 but 42% higher than the statewide average (\$216,950). EQV is used to calculate various state aid allocations (e.g., Chapter 70) and assessments (e.g., county tax, mosquito control) and the Town’s debt limit.

	Average Single Family Tax Bill	Average Single Family Value	Average Tax Bill as a % of Value	DOR Income Per Capita	Average Tax Bill as a % of Income	2016 EQV
Brewster	4,499	524,325	0.86%	32,143	14.00%	375,169
Barnstable County	4,888	603,836	0.81%	38,806	12.60%	549,927
Statewide	5,796	409,914	1.41%	42,286	13.71%	216,950

While Brewster maintains much of its quaint character, it is not the same small town it was 40 years ago. From 1980 to 2005, its population virtually doubled in size, from 5,226 to 10,242, with this growth exceeding the average for the Cape and Islands region as a whole. However, the decline since that peak is projected to continue over the next 20 years as the population also becomes more disproportionately elderly. In 2015, over 40% of residents were over 60 years of age and just 17% under age 20. By 2035, with an expected overall population decrease of close to 20%, the 60+ group is expected to grow to more than 55% of the total⁶. This population shift may strain the Town’s budget as service demands change.

⁶ Source: UMASS Donahue Institute [Population Estimates Program](#)

BACKGROUND

In mid-2015, the Select Board was made aware of the approaching retirement of its long-serving Town Administrator (29 years). Anticipating this retirement, the Select Board engaged in a wide search for a well-seasoned leader to carry the community forward. With this process, they were able to appoint a qualified professional to the position as soon as the vacancy occurred in October 2015. It was soon thereafter, however that the Finance Director of 26 years also retired, and in September 2016, the position was filled with another experienced Finance Director. Although this type of thoughtful, prepared hiring process often favors successful outcomes, there was a convergence of factors that undermined the transitions in Brewster.

Over more than two decades, successive Select Board members had developed such confidence in the effectiveness of the former leadership tandem that the board typically took a hands-off approach to oversight of ongoing operations. Through years of competent management, the Town Administrator in particular earned the trust of the Select Board, employees, and residents, and he continues to hold a position of influence within Town in his retirement. Unfortunately, very few policies or procedures practiced under his administration were formalized in writing.

As Brewster moved to a new administration, the Select Board failed to anticipate the impact of the cultural shift that should be expected in this scenario. It was incumbent on the Board to give some consideration to the new officeholders' initiatives, to set goals for the transition period, and to follow-up on them. For their part, the new hires would have been well advised to take a gradual and consultative approach to implementing changes. Instead, with little or no formal transition from the prior administration, the Select Board and Town employees struggled to adjust to what they viewed as sweeping departures from longstanding practices. Poor communication from the administration and disregard of seasoned department heads' expertise strained relationships. Compounding this situation was the December 2017 resignation of the long-term Assistant Town Administrator, upon whom the Town had heavily relied for her human resource capabilities.

The most crucial change during this period was the Finance Director/Town Accountant's revision of the chart of accounts in the VADAR financial system. It is common for an incoming accountant to assess an inherited chart of accounts for potential improvements. And in this particular case, the Finance Director/Town Accountant's intent was, in part, to bring the chart into compliance with the Municipal Modernization Act, as she understood them. However, to mitigate the inherent, high risks involved with making changes to the chart and fund accounts, the accountant must have a strong understanding of the financial system (or active assistance from the software vendor) to verify that revisions achieve the desired outcomes and to notify relevant users of the changes made

to the chart or its data. By not taking these actions, the Finance Director/Town Accountant's revisions damaged the chart's integrity and the user's understanding of the accounts. Making the changes mid-fiscal year also led to issues with the financial records requiring costly analysis and remediation that delayed the year-end closing and free cash certification.

Changes initiated by the Town Administrator and Finance Director also led to various other problems in Town operations that were not recognized or addressed by the Select Board. Department heads stopped receiving timely revenue and expenditure reports and lacked confidence in the reports they received. Formerly well-established procurement procedures were not followed, allowing contracts to be signed without proper vetting and authorization. Unexplained changes in the annual budget process and treatment of certain items created doubts and confusion. The Town Administrator did not address department head concerns and the Select Board was uninformed, signaling a communication breakdown between Town Hall and the policymakers.

In March 2018, issues finally came into focus for the Select Board (and the public) when the Town received its FY2017 examination of financial statements and communication of internal control related matters, i.e., management letter, from the audit firm R.E. Brown & Company as part of the Town's annual independent audit. For the first time ever, the firm cited in the letter a material weakness and a separate significant deficiency related to account reconciliations. Now spurred into action, the Select Board engaged The Abrahams Group⁷ to review Brewster's FY2018 accounting records, reconcile the FY2017 general ledger ending balances and FY2018 beginning balances for all funds, reconcile and close the FY2018 books, and prepare the documents required for free cash certification by DLS.

The Finance Director/Town Accountant had gone on leave in the spring of 2018 to not return, and in June of that year the Town Administrator resigned. To stabilize operations, the Select Board hired an experienced interim Town Administrator and also brought back the recently retired Finance Director as interim Town Accountant. As the result of all these corrective actions, we have been informed that the FY2017 audit citations have been addressed; FY2018's books have been corrected, reconciled, and closed; FY2019's accounting is on track; and a balanced FY2020 budget was presented at the annual town meeting in May.

Internal control deficiencies, lack of formal policies, poor communication, absence of a smooth transition to the new Finance Director, and inadequate Select Board oversight all contributed to the issues Brewster faced over the past few years. But local leaders have since made positive strides

⁷ Click [here](#) for a copy of The Abrahams Group Status Report and R.E. Brown's FY2017 Annual Audit Recap

towards stabilizing operations and bringing confidence back in town government. A new Town Administrator is in place as of the end April, and the hiring of a new Finance Director is complete. It is well understood that a transition plan that includes adequate training for the Finance Director on the Town's financial system is critical to that office's success. Finance Team meetings with the Town Administrator and a member of the Select Board (rotating based on availability) are now routine. In addition, Town officials are following through on a plan to implement formal financial policies recommended by DLS.

On the following pages, we offer recommendations designed to assist the Select Board in its commitment to ensure effective operations and sound financial management into the future. We caution the Select Board, Brewster officials, and all interested parties, under the authority and guidance of the Town Administrator, to methodically review and evaluate the recommendations. While some of the recommendations are strictly procedural and others have financial implications, almost all impact multiple departments. Thoughtful review, communication and agreement with affected parties, and a deliberate implementation approach will increase the likelihood of desired outcomes.

We also recommend this approach for adopting the financial policies. Mindful that the goal of policies is to help ensure sound fiscal governance and management practices, prioritizing the policies for review, consensus, and adoption will lead to acceptance and more important, adherence. Formalized financial policies adopted by the Select Board will also facilitate future transitions in the various financial offices.

OVERALL FINANCIAL MANAGEMENT

The five members of Brewster's Select Board collectively act as the executive branch of government with responsibility over Town operations. They meet formally semimonthly and periodically as needed throughout the month to oversee Town affairs, decide policy, and approve payroll and vendor warrants. To advocate for the financial interests of town meeting, the bylaws call for a Finance Committee, as well as a Capital Planning Committee to coordinate the Town's capital improvement program.

In accordance with [Chapter 5, Article I, Section 5-5](#) of the Town's bylaws, the Select Board appoints a full-time Town Administrator to function as chief administrative officer. Subject to Select Board approval, the Town Administrator appoints almost all the departmental personnel under the Board's jurisdiction. The Select Board retains appointing authority for the Town Counsel, Town Clerk, Police Chief, Fire Chief, Director of Golf Operations, and Board of Water Commissioners.

The Town Administrator is responsible for coordinating Brewster's day-to-day operations and carrying out the Select Board's policies and objectives. Despite the Town having a Finance Director, the Town Administrator also functions as Brewster's chief financial officer, with responsibility for preparing the annual budget and five-year capital improvement program. Supporting the Town Administrator's office are two Assistant Town Administrators and an Administrative Assistant, who together perform a broad mix of both high-level and administrative tasks in roles that are not clearly defined. Each of the two Assistant Administrators has some distinct duties but also share some responsibilities, all the while maintaining a 'whatever needs to be done' attitude.

Brewster is fortunate that one Assistant Town Administrator is a Massachusetts Certified Public Purchasing Official (MCPPO), who manages a centralized procurement office, develops policies, and administers contracts. She also provides purchasing assistance to all departments, monitors compliance with procurement laws, prepares and executes contracts, and processes purchase orders. Her other responsibilities include managing the Town's affordable housing program, oversight of town-wide insurance coverages and special project management. She also works very closely with the Department of Public Works operations, including overseeing the Swap Shop.

The second Assistant Town Administrator is a member of the Massachusetts Municipal Personnel Association (MMPA) and essentially functions as the Town's Human Resource Director. Her responsibilities include maintaining job descriptions, recruiting, and ensuring compliance with personnel policies. She also manages road betterments, the senior and veteran tax work-off programs, and town meeting warrant production and distribution.

The Administrative Assistant posts meetings, prepares all meeting documents, takes minutes, prepares the Town's annual report, and publishes documents on the Town website. Additionally, she fields incoming phone calls, manages seasonal permit sales, and interacts with residents when they walk into the office.

In early 2014, the Select Board appointed a Government Study Committee (GSC) to research, discuss, and consider potential changes to the Town government's structure. For this purpose, town meeting approved funding for a consultant (Edward J. Collins Center) to provide expert analyses. In July 2016, the Committee issued a [report](#) with 24 recommendations, some of which we comment on in the following recommendations.

Establish a Town Charter and Review Bylaws

The GSC recommended that Brewster consider establishing a town charter, and the Select Board recently voted to appoint a Charter Study Committee to develop a special act for that purpose. Unlike the charter process allowed under [MGL c. 43B](#), which sets specific guidelines and time frames, petitioning the legislature for a special act has no specific requirements. We support the local movement in this direction. By establishing a charter, the Town can succinctly and clearly define its government structure, establish the distribution of powers, and delineate lines of authority.

In conducting its work, we suggest the Committee consider the following:

- Approach the process without predetermined outcomes
- Seek assistance from Town Counsel or another experienced consultant familiar with governmental organizations including drafting of charters
- Set a timeline for key milestones and report progress to the Select Board
- Meet with Department Heads and other local officials
- Encourage local input through surveys and public forums
- Research and review other Massachusetts town charters
- Speak with officials from other communities about their experiences establishing charters⁸

Ultimately, the Charter Study Committee should be charged to draft the text of a special act and present it to the Select Board. The Select Board would then put the finalized draft in an article to be voted on at the next annual town meeting. If approved there, the Town will submit the proposed special act to the state legislature for review and approval. Local action to adopt a charter through a special law need not be approved by voters at large after the legislative branch's enactment in

⁸ Additional charter information is included in the Appendix

order to take effect. However, as a matter of practice, the legislature or town meeting almost always make special laws to adopt or change a charter contingent on ballot vote approval.

Concurrent with the work of the Charter Study Committee, we recommend Brewster conduct a comprehensive review of its Town bylaws. Bylaws establish the codes, policies, and procedures under which the Town operates (e.g., personnel rules, zoning regulations, and health codes). When a town has a charter, they act as a supplement to it. Many of our recommendations and the GSC's would require changes to existing bylaws, and with the possible adoption of a town charter, it makes sense for the Town to conduct a thorough review of the whole set of bylaws. The process of establishing or amending bylaws requires only a majority vote of town meeting (and subsequent submission to the Attorney General's office), which is substantially less cumbersome than creating or revising a charter.

Establish a Human Resources Department

Similar to another GSC recommendation, we advise Brewster to consider creating a Human Resources Department headed by a full-time director. The Town's largest annual expenditure is its labor force, including the costs of compensation, fringe benefits, professional development, and other related expenses. Employees constitute an active investment, and when properly trained, managed, and deployed, can provide efficient and cost-effective services to residents, businesses, and visitors. The Town Administrator, Assistant Town Administrator, Treasurer/Collector, Finance Director, and other local officials all devote considerable time to administering and addressing human resources concerns. Many people we interviewed cited a rise in employee discontent, complaints, changing job descriptions, and inconsistent application of collective bargaining agreement policies and benefits, which have taxed the Town's resources.

Proper personnel management requires the Town to have a staff member with extensive human resource management experience and broad knowledge of all local, state, and federal compliance requirements. As workplace requirements, collective bargaining agreements, and benefit programs grow in complexity, the Town bears an increasing responsibility to provide proper working conditions, ensure consistent personnel policies, and meet minimum compliance standards. In creating this department, the Select Board should consider the Town Hall's office configuration since confidentiality concerns require that Human Resource staff have private space to work in.

The Human Resource Director's duties should include:

- Provide timely direction and oversight on employee matters
- Develop and administer personnel policies and procedures to ensure consistent interpretation and application among all Town departments

- Administer employee benefit programs, including health, dental, life, and disability insurances, unemployment insurance, workers' compensation, and employee assistance programs
- Maintain employee classification, benefit, and compensation plans
- Direct employee recruitment and hiring activities
- Coordinate orientation, training, and employee recognition activities
- Manage the collection, custody, and compliance reporting of employee data to local, state, and federal agencies
- Assist local officials during collective bargaining negotiations, labor relations issues, grievances, arbitrations, and disputes
- Develop labor cost impact studies, plans, and forecasts

Disband the Personnel Board

We recommend that Brewster disband the Personnel Board and revise its bylaws to remove all references to it. Existing bylaws currently distribute overlapping personnel responsibilities among the Town Administrator, Select Board, and Personnel Board. In fact, bylaw [Chapter 36, Section 36-3](#) designates the Select Board to serve as the Personnel Board, so they are presently one and the same entity. The Personnel Board's charge also becomes moot if the Town establishes a Human Resource Director.

Procure Auditing Services

Since 1987, Brewster has contracted with R.E. Brown & Company to annually examine the Town's financial statements and compliance with accounting standards. For good reason, it is rare to find a community having this type of long and continuous 31-year engagement with the same audit firm. Periodically putting the job out for competitive bidding is a sound procedural control to mitigate the risk of complacency. It is good practice to seek a fresh look at the Town's bookkeeping and financial procedures by qualified new experts.

We therefore echo the advice of the Government Finance Officers Association (GFOA) and Massachusetts Office of Inspector General⁹ that communities change their external auditors every five to eight years. The GFOA also recommends entering into multiyear agreements with audit firms (or a series of one-year contracts) for terms of at least five years. A multiyear agreement allows for greater continuity and also enables a new auditor to spread initial start-up costs over multiple years to thereby potentially reduce costs in the initial years. Thereafter, at the direction of the Select Board, the Town Administrator should engage in a full competitive selection process and rotation of

⁹ For guidance, see the Inspector General publication [A Local Official's Guide to Procuring and Administering Audit Services](#)

auditors after each multiyear agreement to provide fresh perspective and foster long-term independence. We also recommend that as part of the required scope of services the auditor issue a written management letter and present the audit at an exit conference with the Select Board and members of the public.

Adopt Enterprise Funds for the Water and Golf Operations

We recommend the adoption of enterprise fund accounting for Brewster’s water and golf operations. The Collins Center provided the GSC some analysis on this question and indicated that an enterprise fund would especially make sense for the Golf Department, but we believe there are compelling reasons to convert both water and golf to this form of accounting. The Town should analyze the current revenue, expenditure, and capital needs of the two funds to make an informed decision supported by the affected departments.

[M.G.L. c 53 § F½](#) is the statute that allows communities to create an enterprise fund through local acceptance, and it provides more flexibility and transparency than the enabling statutes currently providing for the water and golf operations. For the water operation under [M.G.L. c. 41 § 69B](#), the town must first apply any surplus funds to indirect costs and may then expend surplus on any needed maintenance, repairs or capital purpose. If any surplus funds still remain, they must be used to reduce water rates. In the case of the golf operation, [M.G.L. c. 40 § 5F](#) requires that any appropriation be based on the fund’s current account balance, not on anticipated revenues. This restriction could adversely affect the department’s ability to operate.

Enterprise fund accounting enables a community to identify the total cost of providing a service and determine if the rates charged are sufficient to cover the cost, providing useful management information and data tracking for more informative decision making. It allows payments for indirect costs to flow from the enterprise to the general fund to reimburse the town for the associated costs of town employees working on enterprise activities. Also, surpluses remain in the fund and may be used to pay operating, capital, or debt service costs associated with the operation. Additionally, investment income earned by the particular enterprise fund is retained within the fund to finance anticipated projects.

A list of communities with golf and water enterprise funds is in the appendix.

Codify the Budget Process in Bylaw

In conjunction with establishing a town charter, we recommend Brewster adopt a bylaw that lays out the key elements of the budget process, including roles and responsibilities, event calendar, data collection procedures, and required approvals. A primary policymaking tool, the budget

reflects a town's decisions on the allocation of its scarce resources. By codifying the process, a community can promote year-to-year consistency and inspire confidence among local officials and residents that decisions are made pursuant to a thoughtful process that endures even as elected and appointed officeholders change.

Among other considerations, a comprehensive budget process bylaw would include the following:

Calendar of events – Working backwards from the date of annual town meeting, set dates for the key events, beginning with a joint kickoff meeting between the Select Board, School Committee, and Finance Committee in the early fall to reach consensus on budget guidelines for the next year. Include deadlines for submitting operational and capital appropriation requests and the consequences for late submission. Joint meetings with the Finance Committee, Department Heads, and Select Board should also be incorporated into the calendar.

Long-range revenue and expenditure forecasts – Assign responsibility for the timely creation and presentation of initial projections and for updating data as warranted. This will provide context for analyzing requests relative to long-term, town-wide goals and incorporating capital planning.

Linear progression – Outline the procedural flow from initial budget consolidation by the Town Administrator, to the Select Board's review and approval, to the Finance Committee's review and final recommendations. Provide for budget hearings with Department Heads and for a public hearing hosted by the Finance Committee.

Town meeting presentation – Assign responsibility for presenting the operating and capital budgets.

Ongoing review – Require quarterly review of revenue and expenditure reports by the Select Board and Finance Committee to monitor the budget during the year. This provides the opportunity to make plans for any necessary corrective actions and to consider advance forecasting into the next year.

Throughout the budget's development, it is crucial that officials maintain a strong commitment to the process, to a high level of communication, and to reaching consensus. There should be an ongoing exchange of information among officials, particularly as they get deeper into the process, to attain a unified budget position at town meeting. In addition to a budget process bylaw, we

encourage local leaders to meet early in the budget year with the Nauset Public Schools Regional School Committee and the region's Select and Finance Boards.

Revise the Capital Planning Bylaw

We recommend Brewster revise the current capital planning bylaw to assign oversight of the Town's capital program to the Town Administrator. Although bylaw [Chapter 12, Article XI](#) provides for a Capital Planning Committee (CPC), the Committee has been dormant in recent years. Furthermore, in both practice and per the Town Administrator bylaw, the Town Administrator is ultimately responsible for assembling the Town's operating and capital budgets and presenting them to the Select Board and Finance Committee. In addition, the Town Administrator bylaw assigns the position with the duty to maintain an inventory of the Town's capital assets.

Along with spelling out the Town Administrator's capital planning oversight role, we recommend that a revised bylaw include the following:

- 1) Clear definition of capital project based on the years of useful life and dollar cost
- 2) Criteria for prioritizing capital project requests
- 3) Maintenance of a capital asset inventory
- 4) Development of multiyear capital plans
- 5) Presentation to town meeting of a comprehensive capital budget warrant article and annual report of the Town's capital needs

The current CPC bylaw states that the capital plan shall include all projects that cost \$10,000 or more and that the five-year capital report presented to town meeting need only show potential future projects with cost thresholds of \$100,000 or more. To truly comprehend the Town's capital needs, it makes sense to present the whole plan. With a comprehensive capital program shaped by clear, consistent standards and spending priorities, the Town can more effectively direct funds to identified needs and make strategic plans based on explicit long-term goals.

Determine if a Special Purpose Stabilization Fund for Capital Projects is Needed

By special act in August 2002 ([Chapter 210 of the Acts of 2002](#)), the legislature authorized Brewster to establish a capital investment fund, but the Town has never appropriated to it. We recommend the Town review the original purpose of the fund to determine if such a fund is still necessary or desired. Instead of the special act fund, we suggest establishing a special purpose stabilization fund for capital projects under [M.G.L. c. 40, § 5B](#). An important advantage of adopting this statute is that it would permit the Town to designate to the fund certain types of revenues, including those from specified fees and charges such as short-term rental excises. Creating a special purpose fund and

dedicating a revenue stream to it both require two-thirds town meeting votes. A sample dedication article and motion are included in the appendix.

Seek Municipal Finance Professional Development and Training

We recommend that Brewster develop a proactive and systematic approach to professional development and training for the Finance Team and finance-related boards and committees. By investing time, energy and funds into employee development, the Finance Team can improve customer service, create efficiencies through appropriate delegation, and provide for succession planning. Expanding training to related boards and committees fosters the team approach with the various offices by developing an understanding of their responsibilities and interrelationships.

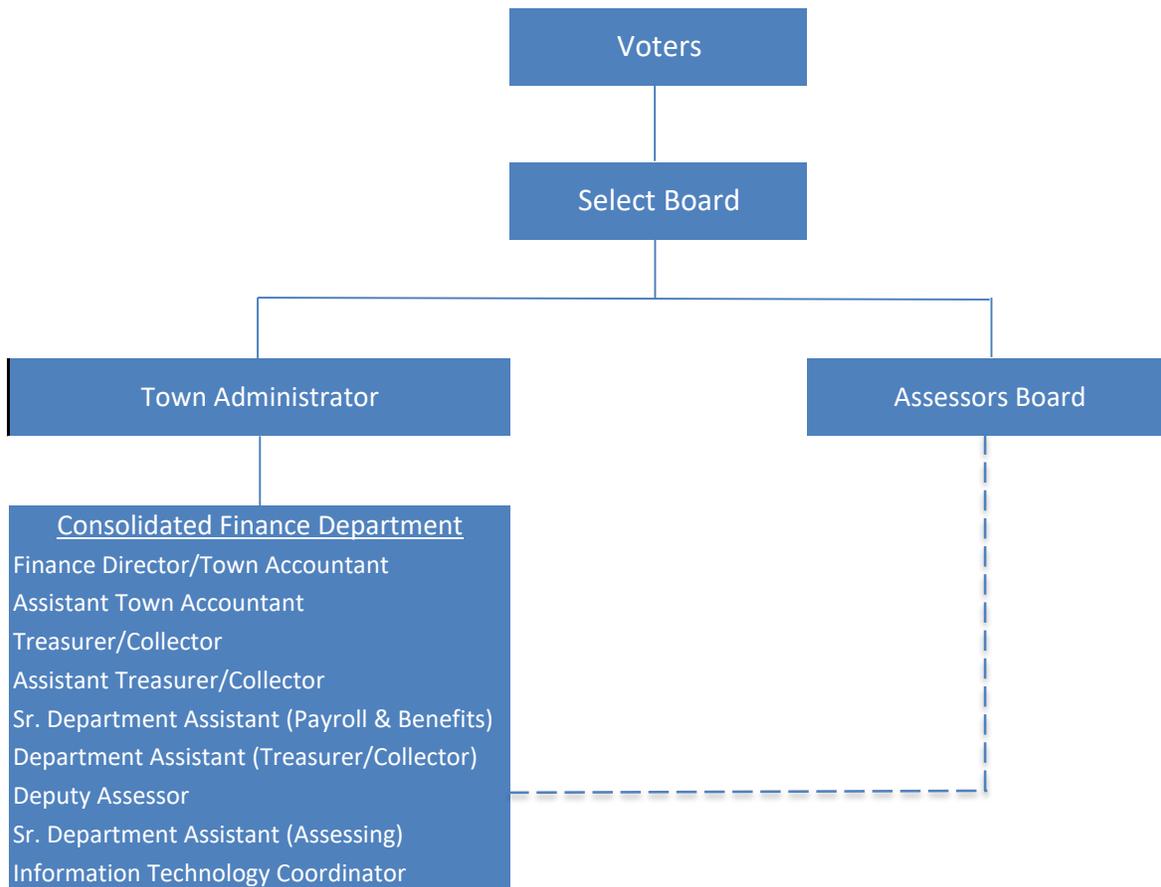
For the financial departments, we suggest that the Department Heads compile in writing a top-to-bottom inventory of tasks that must be completed to achieve the department's objectives, along with the requisite skills and knowledge to perform them. Department Heads should meet with employees individually to discuss the breadth of their skills and identify any gaps in the employee's knowledge. These meetings can then be used as a basis to develop a roadmap for scheduling training that will serve as a career ladder to mark progress through an employee's continuing educational development. The departments should also dedicate time to hands-on cross-training, especially in critical areas like payroll processing and interdepartmental reconciliations.

Besides in-house training, we recommend the Town continue to support attendance at conferences and trainings provided by the associated professional organizations (i.e., Massachusetts Collectors and Treasurers Association, Massachusetts Accountants and Auditors Association, Massachusetts Association of Assessing Officers, and their regional counterparts). Likewise, we encourage attendance at trainings sponsored by the Massachusetts Municipal Association and its organizations in general and those specifically offered for Select Boards, Town Managers and Administrators, and Finance Committees. Lastly, training provided by DLS such as the New Officials Finance Forum and Municipal Law Seminars are a valuable resource for all finance officials. By attending the meetings and trainings of these groups, officials can gain concrete, functional information, hear about new practices developing in their fields, and interact with peers to exchange practical tips.

CONSOLIDATED DEPARTMENT OF MUNICIPAL FINANCE

Subsequent to the GSC's report recommendation, in the spring of 2017, Brewster adopted bylaw [Article IV](#), which established a Consolidated Finance Department. Led by a Director of Municipal Finance, otherwise known as the Finance Director, the department includes the offices of the Accountant, Treasurer/Collector, Assessor, and Information Technology (IT). All the department's employees are appointed by the Town Administrator.

Current Consolidated Finance Department



The accountant's office has a legal obligation to review Brewster's financial books and ensure that proper procedures are maintained. In doing so, the department plays a critical role in the system of statutory checks and balances established to safeguard local assets. Through the maintenance of independent records and by following well-defined procedures, the office documents the flow of money into and out of municipal accounts and manages the system of internal controls established by state statute to monitor and protect local assets. To fulfill these responsibilities, the staff prepare

payroll and vendor warrants, maintain a general ledger (in which receipts, expenditures, and other Town financial activity are recorded), and reconcile cash, receivables, and debt with the Treasurer/Collector.

The Finance Director, who also functions as Town Accountant, is a senior-level manager and custodian of the financial records, supervises the administration of the Assessors' and Treasurer/Collector's offices, and plays a central role in the development of the annual operating budget by providing support for analyses, forecasts, and projections. Currently the position is filled temporarily with the retired Finance Director until a new director is hired. The office also includes a long-term (30-year), full-time Assistant Town Accountant. Both individuals regularly participate in professional development offered by the Massachusetts Municipal Auditors and Accountants Association (MMAAA) and other regional municipal associations.

The Finance Director coordinates the preparation of the annual tax recapitulation sheet (tax recap) and produces the annual Schedule A and year-end balance sheet submittals required for free cash certification. The Assistant Town Accountant's primary responsibilities include preparing the weekly accounts payable warrant, monitoring compliance with procurement procedures, maintaining the attendance database, and verifying payroll file transmissions. While the Assistant Town Accountant is very organized and performs her duties with precision, many of these daily and weekly routines are very labor-intensive and not well documented. Additionally, there is no other employee cross-trained to fulfill her duties when she is out of the office, which restricts her ability to take time off.

As the Town's cash manager, the Treasurer has custody of all municipal funds, issues debt, posts and deposits town receipts into appropriate bank accounts, and monitors balances to ensure that sufficient funds are available to cover obligations. Additionally, the Treasurer maintains the cash book, debt schedules, check registers, and tax title and foreclosure accounts. As a financial control, the Treasurer is obligated to reconcile cash balances, debt, and payroll deductions on a regular basis both internally and with the accounting office. Brewster's payroll and employee insurance benefits are also handled through this department.

The Collector issues bills for real and personal property taxes, motor vehicle excise and boat excise, betterments, and makes certain that collections are properly received, counted, and posted to payer accounts. The Collector maintains a receivable control that is reconciled regularly with the Accountant's records. Looking out for the Town's best interest and fairness to all taxpayers, the Collector pursues delinquent accounts and places them into tax title and eventually into foreclosure.

In Brewster, treasury and collection functions are combined into one office led by a full-time Treasurer/Collector, who has been with the Town for over 15 years. The incumbent is certified for both roles by the Massachusetts Collectors and Treasurers Association (MCTA) and with her human resources background, she manages a well-run, professional office. She supervises a staff of three: a full-time Assistant Treasurer/Collector, a Senior Department Assistant, and a Department Assistant. The Assistant Treasurer/Collector is generally responsible for the daily collections process, including weekly reporting of revenues to the Accountant and reconciling receivables, and she also functions as the Treasurer/Collector in her manager's absence. The Senior Department Assistant handles payroll and human resource-related matters, and the Department Assistant primarily provides customer service, including receiving tax and other payments made at the window and turnovers from departments, although preparing municipal lien certificates and processing the mail are also her responsibility. All members of the department participate in professional development opportunities offered by the MCTA, MMPA, and other regional municipal associations.

For the last few years, the Treasurer/Collector has maintained a property tax collection rate of over 98%. Along with employing the services of a Deputy Collector and tax title attorney, the Treasurer/Collector makes every effort to collect on outstanding taxes before advancing any prior year unpaid balances into tax title. The Treasurer/Collector's outstanding collection rate and carefully monitored cash flow provide sufficient liquidity and investment of the Town's funds.

As the office's roles and responsibilities have been defined, there is proper segregation of duties providing suitable internal controls. Daily, weekly, and monthly procedures are well documented and followed evidenced by the timely updating of the Treasurer's cash book, recording and depositing turnovers, and funding payroll and vendor warrants. Reconciliations, both within the department and with the Accountant's office are completed on a regular basis, without significant variances. The current office staff takes their responsibilities very seriously, understanding the role they provide interfacing with taxpayers. They describe a positive office environment, one that is proactive in looking for ways to be more efficient and effective.

The assessing office is responsible for valuing all real and personal property in Town and generating the commitments authorizing the Treasurer/Collector to collect real estate taxes, betterments, and motor vehicle and boat excises. The Assessors annually review property assessments to ensure they reflect full and fair cash value so residents are taxed equitably and accurately. Subject to the approval of the Board of Assessors, the Deputy Assessor sets the annual overlay amount, provides information for tax classification hearings and the tax recap, and makes decisions on all abatement applications and property tax exemptions. Other duties of the Assessors' office include updating tax maps and deed transfer information and responding to public inquiries. The office also shares

responsibility with the Town Administrator and Treasurer/Collector offices for the various betterments processes which includes reviewing applicable municipal lien certificates.

The full-time Deputy Assessor was appointed in August 2017 and is accredited by the Massachusetts Association of Assessing Officers. He receives support from a full-time Senior Department Assistant, who handles customer service issues and prepares motor vehicle excise commitments and abatements. Performing required statutory duties is an appointed three-member Board of Assessors. As with the other financial offices, staff professional development is ongoing with the association.

Brewster contracts with PK Valuation Group to maintain the computer assisted mass appraisal system, perform cyclical revaluation work, compile data of residential sales and permit inspections, and determine personal and commercial property valuations. The current process for conveying permit information between the building department and assessing office is effective but paper-based. To increase efficiency, the Town is in the process of developing electronic permitting capability. The office offers Geographical Information System (GIS) mapping through PeopleGIS, which is supported by the IT Department on a limited basis. Without a dedicated IT resource, the Assessors (and other departments, such as planning and public works) are not able to fully utilize this software.

Clarify the Reporting Structure of the Consolidated Department of Municipal Finance

We recommend Brewster clarify the appointing and reporting relationships in the consolidated department. By elevating the Finance Director position to a true department head, the position is granted appointing and managerial authority over all departmental functions and personnel¹⁰. Under bylaw [Chapter 21 Article IV](#), the Finance Director is “responsible for the performance of the functions of Treasurer/Collector, Accountant, Assessor, and Information Technology.” However, in October 2017, at the same time that Brewster adopted this bylaw and revised the Town Administrator bylaw ([Chapter 5, Article I, Section 5-5](#)), no change was made to the Town Administrator’s authority to appoint the Treasurer/Collector and Assessor. Both bylaws should be revised so that there is no confusion as to whom the individual financial officers report. By streamlining and clearly defining the organizational structure of the financial offices, the Town would be able to fully realize the benefits of a consolidated department.

The main purpose for having a finance department is to concentrate responsibility for the execution of the Town’s day-to-day, interconnected financial activities in a professional manager well suited to the task. To do this effectively, the position should be explicitly assigned full managerial oversight

¹⁰ Updated consolidated finance department organization chart is included in the Appendix

over the employees in the department, including all requisite authority to hold them accountable for work performance. Firmly establishing this framework would enhance coordination, make it easier to clarify roles and assign tasks, and better promote accountability. In addition, it would help create a more vertical, government structure in the town overall, thereby reducing the total number of direct reports to the Town Administrator and freeing up more of his time for other concerns.

A Finance Director's overall mission should be to coordinate the Town's financial management, monitor its fiscal health, and analyze data for long-range planning. In addition to supervising and directing the activities of finance department managers, the officeholder should assist the Town Administrator and other Department Heads with budgets, capital planning, and the tracking of revenues and expenditures. As the Town seeks to hire a new director, we suggest the position's duties should include:

- Ensure timely compliance with internal and external reporting
- Facilitate the annual audit engagement and develop and monitor corrective action plans
- Assist the Town Administrator in preparing multiyear revenue and expenditure forecasts
- Monitor progress of capital projects
- Provide periodic and ad hoc fiscal analysis to departments, boards, and committees
- Participate in collective bargaining
- Compile personnel costs for the annual budget
- Assure timely and accurate free cash certification and tax recap submissions to DLS

Conduct a Workflow Analysis and Create a Procedures Manual

We recommend the Finance Director conduct a workflow analysis to review all departmental procedures, with a focus on using currently available technology to maximize efficiencies and reduce duplicative tasks. The accounting office, in particular, has some outdated, time- and labor-intensive practices entrenched in its day-to-day routines, making it difficult to allocate time for training and professional development. Processes worthy of review include multiple payroll verifications in the Treasurer/Collector's and Accountant's offices, duplicative information on the invoices and Excel schedules of bills payable provided by Department Heads, and the handwritten log of all journal entries being maintained alongside of a system-generated transaction log and hard-copy printout.

Complementing the workflow review should be the creation of a manual encompassing all the key procedures of the Finance Department. This task will take considerable effort and should be approached in stages, beginning with the department's most high risk activities. The manual should

be designed so that any new staff who start working in the department can quickly learn what they need to do. As important, the manual should explicitly highlight internal controls and how they are expected to function. Internal controls refers to a system of measures designed to mitigate the risks that an operation's objectives will not be achieved, which includes assuring the reliability and accuracy of financial accounting activities. These controls, which can be preventative or detective, include examples such as segregation of duties, approvals, authorizations, verifications, physical asset security, reconciliations, inventories, as well as policies and procedures themselves.

As initial efforts are being made to standardize various policies, documenting a detailed list of responsibilities that each staff member completes on an ongoing basis is the next step. The process of creating manuals can help discover redundant controls and to make risk assessment decisions on the cost of sustaining particular controls or adding new ones. A well-conceived procedures manual not only provides guidance on a host of financial management activities and reinforces internal controls; it serves as a valuable tool for any staff to reference procedures, helps maintain services when there are unexpected employee absences, facilitates employee time-off, and supports the training of new hires.

Expand Remote Data Entry

We recommend the Town expand remote entry capability to all departments. With proper training, departmental staff could be given responsibility for data entering their vendor bills into VADAR. As systems upgrade, this could be expanded to include payroll information and receipts as well. This would distribute the burden of data entry without weakening financial controls. The Accountant's or Treasurer's staff would match the departments' electronic submissions against their submitted back-up documents before accepting and posting the data to the appropriate system (e.g., warrant, general ledger, or cash book).

Shift Water Department Collection to Collector's Office

We recommend the Town shift responsibility for collecting water fees to the Treasurer/Collector's office. With this change, the Water Department would commit water bills to the Treasurer/Collector, who would subsequently transmit a bill file to the appropriate billing vendor. The bills would list the Treasurer/Collector's office as the remittance address and Treasurer/Collector staff would process the receipts. The Town should analyze the current workflow, personnel time and costs, and Town and customer impact to make an informed decision that is supported by the affected departments and personnel.

Currently, Water Department clerks assign charges to almost 7,000 water accounts, print the bills, and then receive and process the receipts. They post the payments to the Billmaster Utility billing

system and subsequently turn over the collections to the Treasurer/Collector. Shifting the collection function into the Treasurer/Collector's office will improve the Town's financial management in numerous ways, including the reconciliation of outstanding invoices. It will decrease the number of departments that handle and transport receipts, which will strengthen financial control by centralizing cash management. In addition, processing all major receipts in one office will allow the Treasurer/Collector to review billing procedures and suggest ways to adjust billings and distribute workloads more evenly. Finally, it will establish an important check and balance by segregating the assessment of charges from the collection of payments for those charges.

INFORMATION TECHNOLOGY

The management of information technology (IT) is a central component of modern day municipal government. As technology continues to advance, so does the investment in both time and financial resources necessary to manage and maintain computer systems. Today, IT managers must ensure that various hardware components such as town servers are running properly and that critical data is backed-up on a routine schedule. They maintain and monitor system performance so it is continually available to users. The department also investigates, purchases, and installs new software and/or upgrades to existing applications. Additional responsibilities include providing helpdesk support for general technology-related issues or problems, acting as a liaison between vendors and Town officials, supporting the Town's website, and coordinating the development of town-wide technology related policies and procedures.

Brewster's IT Department staff is one full-time Information Technology Coordinator within the Consolidated Finance Department. She supports the computer and technology usage throughout Town government, excluding the Elementary School Department. This includes 150 users and over 100 desktops and laptops, 15 physical and virtual servers dedicated to accounting, payroll, permitting, document management, backup, and departmental management, and the Town's website consisting of over 500 separate pages and a public records portal offering over 44,000 minutes, agendas, applications, reports, and other documents.

The following table lists all the software systems that support financial transactions in Brewster.

Department	Primary Systems	Observations
Assessing	<ul style="list-style-type: none"> ▪ PK system for computer-assisted mass appraisal system (real estate and personal property) ▪ VADAR for motor vehicle and boat excise, as well as abatements and exemptions of receivables 	PK transfers tax levy commitment information to VADAR by electronic interface
Collections	<ul style="list-style-type: none"> ▪ VADAR for property tax and excise billing and collections and for municipal lien certificates ▪ Invoice Cloud for online payments (both Town and water) 	<p>PK system interfaces with VADAR</p> <p>Collections and Water Department use Invoice Cloud independently Treasurer/Collector reconciles both records with bank activity</p>
Treasury	<ul style="list-style-type: none"> ▪ Excel for cash book and treasury receipts ▪ VADAR tax title module ▪ Sage/Abra Payroll Services ▪ Paper time sheets 	<p>There is no integration of VADAR's Collections records with the treasury receipts</p> <p>Treasurer module for maintaining tax title accounts</p> <p>There is no integration between Abra and VADAR's general ledger (GL) Duplicative data entry is required to record transactions in both systems</p> <p>Sage/Abra has functions available to track critical information, like emergency contact, dependent, beneficiary, education, certification, accident reporting, and other comprehensive data needed for compliance requirements but they are not used</p>
Water Department	<ul style="list-style-type: none"> ▪ Billmaster for billing and collecting water charges 	No interface with treasury receipts

Department	Primary Systems	Observations
Accounting	<ul style="list-style-type: none"> ▪ VADAR for GL, financial reporting, and accounts payable ▪ Manual (paper) reconciliations 	<p>VADAR's GL is not integrated with any other software applications, such as accounts receivable or payroll Some departments use remote entry for invoices</p> <p>VADAR Bridge (integrated cash module) is available but not used Best practice is to have formal reconciliation signoffs</p>
School Business Office	<ul style="list-style-type: none"> ▪ SoftRight for accounts payable invoice tracking 	<p>School enters invoices in SoftRight for its budget monitoring Town Accountant enters the same data into VADAR for warrant processing</p>

Reposition the IT Department

We recommend moving the IT Department out from the within the Finance Department to strengthen town-wide IT coordination and internal controls.¹¹ The efficiency and effectiveness of town operations as a whole depends on maximizing the potential of the Town's computer network hardware and software while still focusing on cost-effectiveness. Therefore, the IT needs of all Town departments would be best served by an IT Director who holds a more global, senior-level management position reporting directly to the Town Administrator.

Additionally, the best control environment entails positioning the IT Director apart from those responsible for day-to-day financial transactions. This officeholder should be the person in Town with administrator rights for all systems, including being the gatekeeper for all user profiles with their particular edit or read-only permissions. Segregating this oversight from department managers is an effective means to deter fraud, safeguard data integrity, and ensure employee accountability. Making this change will codify the current practice of the IT Coordinator reporting directly to the Town Administrator and eliminate any confusion regarding segregation of duties.

Explore Software Upgrades

We recommend the Town perform a comprehensive reevaluation of its financial goals and whether existing software adequately meets the needs. Earlier decisions to maintain standalone software packages that are either not compatible or fully integrated with each other may have at the time

¹¹ An updated Finance Department organizational chart is included in the Appendix.

provided certain checks and balances, a sense of financial integrity, or particular efficiencies. Current available software, with either more compatible applications or even a single integrated system, might address those concerns and permit departments to more easily share data, reduce data entry errors, and eliminate duplicative data entry.

The Treasurer/Collector does not use the treasury module to interface with the Accountant's VADAR software, and therefore both offices manually enter all town receipts each month. While the Sage Abra payroll system has interface capabilities, it is used as a standalone system. The Water Department has a billing and collection system separate from the Finance Department.

Although the current VADAR system can detect duplicate accounts payable invoices, one of the stated reasons for the lack of widespread remote data entry is the concern of paying bills more than once. An upgraded system could possibly provide greater insurance against entering duplicate invoices along with streamlined budget data-entry and document handling technology to reduce time, cost, and waste. A software evaluation committee chaired by the Town Administrator and consisting of the Finance Team and IT Coordinator could be formed to explore options.

Implement a Human Resource Information System

As part of a complete review for establishing a Human Resources Department with a HR Director, we further recommend that the Town implement a human resource information system (HRIS) to manage and report the complex data required by federal, state, and local agencies and to mitigate the risks presented by incomplete recordkeeping. To mitigate various risks and avoid significant penalties, personnel management not only requires highly trained staff but also adequate employee tracking systems to maintain complete and accurate personnel records, develop and implement consistent employee policies, and report required data to regulatory agencies. The Town may consider the possibility of fully utilizing the HR capabilities in the current payroll system as well as conduct an assessment to replace it with an integrated payroll/HRIS. In either case, interfacing with the accounting financial system should also be explored.

Maintain Vigilant Cybersecurity Awareness

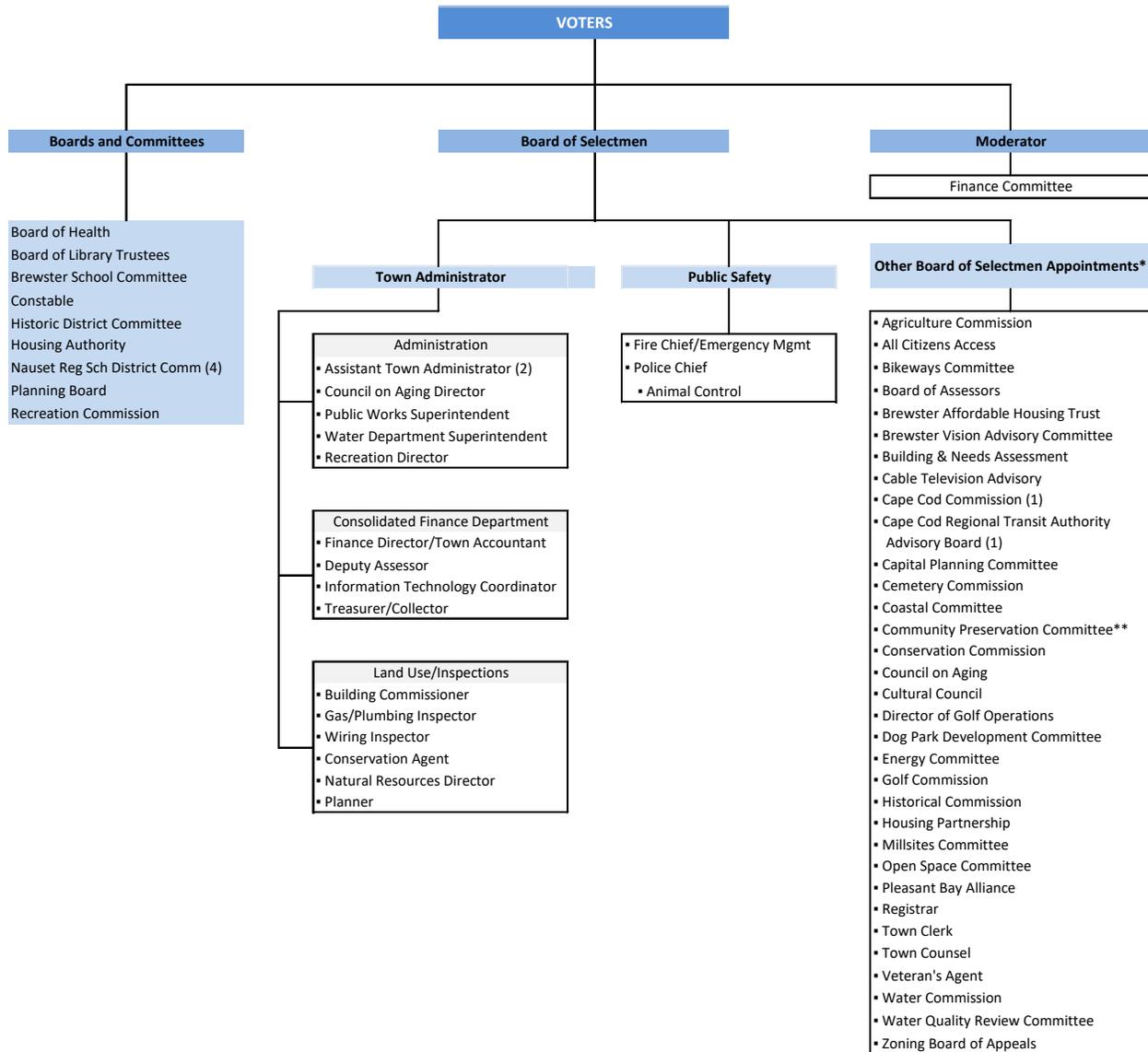
Cybersecurity, which refers to measures employed to protect computer networks, programs, and data against unauthorized access or attacks, is critical to the Town's operational continuity and a vital component of the IT Coordinator's responsibilities. Cyberattacks are aimed at accessing, changing, or destroying information, extorting money, or interrupting normal business processes. Weaknesses in cybersecurity can also expose the Town to significant penalties and potential lawsuits for failure to protect confidential data.

In Brewster, the IT Coordinator maintains a vigorous cyber protocol throughout the Town's network, email, and remote offices and all devices that includes continual monitoring of systems and system reports. The network has a robust firewall with advanced intrusion protection scanning all traffic in and out with multiple anti-virus products. Redundant email protections are in place to protect the system against unauthorized access and attacks, along with the utilization of hosting service to block phishing schemes and malware. All workstations, remote offices, and laptops are well-managed with anti-malware/anti-virus systems, require encryption, and are subject to the same network scrutiny. Multiple redundant backups both on and off site of all servers are maintained, with regular testing to restore data. To mitigate risk, the IT Coordinator is in the process of implementing new written employee policies and conducting ongoing cyber training.

We include cybersecurity in the recommendations to draw attention to its vital importance. The IT Coordinator has implemented a forceful cyber defense; however, security risks are continually evolving and require a proactive approach. The extent of time, resources, and investment required to be dedicated to cybersecurity should not be underestimated.

APPENDIX

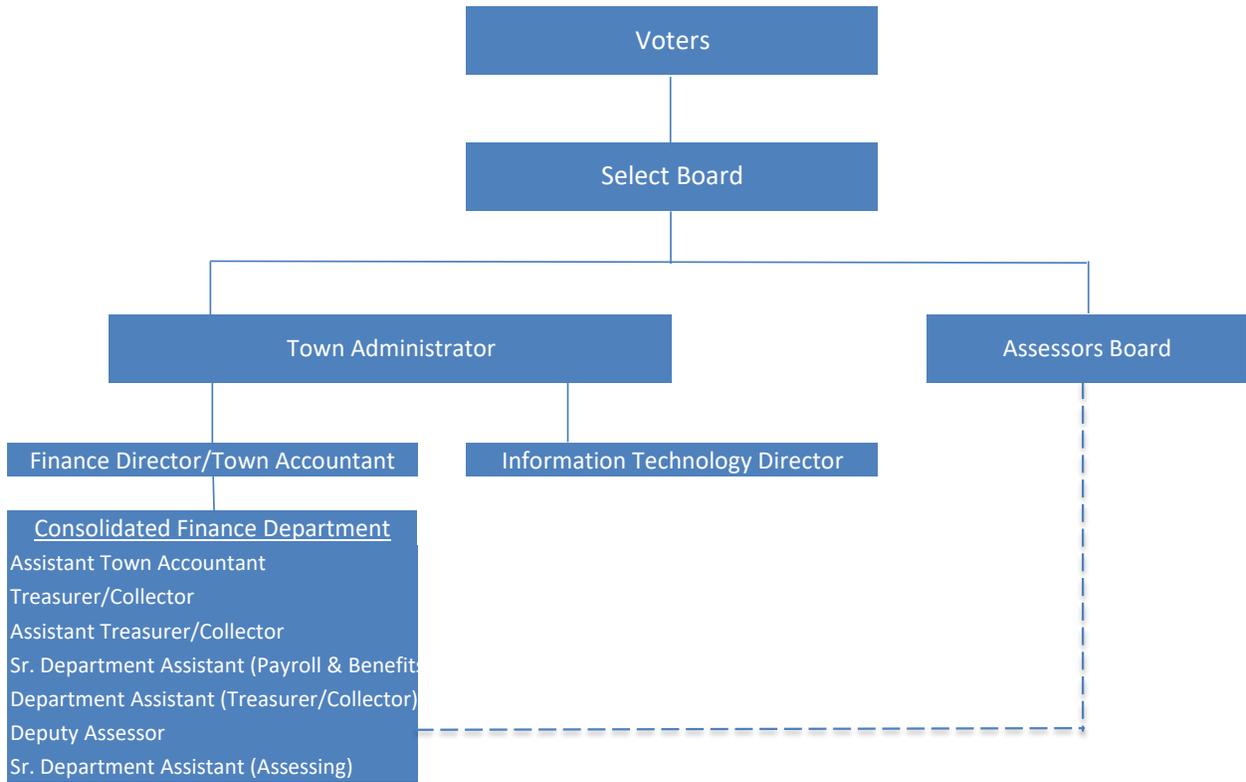
Brewster Town-wide Organization Chart



* Currently active committees.

** The Community Preservation Committee - 9 members: 4 appointed by the Select Board and one member designated by each of the following: Conservation Commission, Planning Board, Brewster Historical Commission, Housing Authority and Recreation Commission.

Proposed Consolidated Finance Department Organization Chart



Examples of Previous and Current Government Review Committees and Comparable Communities

Amherst Charter Commission, 2018

<https://www.amherstma.gov/2248/Charter-Commission>

https://www.masslive.com/news/index.ssf/2018/03/amherst_charter_vote_results_2018.html

Framingham Charter Commission, 2017

<http://www.framinghamma.gov/2067/Charter-Commission>

North Attleborough Charter Commission, May 2018

<https://www.nattleboro.com/charter-commission/news/may-2018-charter-commission-preliminary-report>

Westborough Charter Review Committee

<https://www.town.westborough.ma.us/town-clerk/events/30183>

<https://www.town.westborough.ma.us/town-manager>

Wrentham Town Government Study Committee, 2014

<http://www.wrentham.ma.us/boards-committees/wrentham-ma-board-of-selectmen/tgsc>

Comparable Communities

City/Town	County	2015 Population	2018 Average Single Family Tax Bill	2015 DOR Income Per Capita	2016 EQV Per Capita	Land Area	FY2018 Total Budget	FY2018 Total Assessed Value	R/O % of Total Value	FY2018 Total Tax Levy	R/O % of Total Levy
Brewster	Barnstable	9,918	4,219	32,143	374,075	22.9	52,505,673	3,819,923,720	94.5	31,552,570	94.5
Abington	Plymouth	16,227	6,113	34,342	116,975	9.7	58,207,580	1,977,712,400	87.4	35,242,835	87.4
Acushnet	Bristol	10,477	4,029	29,416	106,162	18.4	32,399,384	1,152,639,265	90.6	17,062,788	88.3
Boxford	Essex	8,253	10,092	104,605	213,178	23.6	35,590,134	1,763,654,655	97.0	28,571,205	97.0
Carver	Plymouth	11,629	5,206	29,476	107,380	37.4	47,774,889	1,288,013,270	81.4	24,988,866	74.0
Chatham	Barnstable	6,143	4,462	56,654	1,073,316	16.1	48,758,139	6,767,129,050	93.3	32,955,918	93.3
Dennis	Barnstable	14,005	2,810	32,046	479,573	20.5	61,385,689	6,669,724,660	92.3	42,286,054	92.3
Dover	Norfolk	5,961	14,670	214,886	425,376	15.1	39,024,234	2,498,440,838	97.1	32,079,980	97.1
East Bridgewater	Plymouth	14,343	5,844	32,092	110,710	17.2	52,021,741	1,634,125,080	89.2	29,348,886	89.2
Fairhaven	Bristol	16,140	3,205	27,423	125,283	12.3	60,941,615	2,047,117,260	84.8	27,795,589	73.4
Freetown	Bristol	9,179	4,114	33,919	140,856	34.5	26,621,137	1,318,756,110	79.4	19,751,881	70.6
Georgetown	Essex	8,584	6,752	47,302	142,244	12.9	34,227,813	1,281,049,282	91.3	20,343,063	91.3
Groton	Middlesex	11,296	8,002	68,739	145,714	32.8	42,122,208	1,668,133,803	94.1	31,144,058	94.1
Hamilton	Essex	8,179	9,187	66,838	179,474	14.2	32,887,567	1,578,350,094	95.2	25,600,839	95.2
Holbrook	Norfolk	11,050	5,843	29,206	102,161	7.3	46,620,916	1,202,398,242	86.2	27,831,012	77.0
Hull	Plymouth	10,491	5,606	37,180	198,544	2.8	45,893,826	2,117,744,590	95.7	28,420,132	95.7
Ipswich	Essex	13,804	7,332	48,008	194,297	32.1	59,787,177	2,808,621,152	89.4	39,994,765	89.4
Kingston	Plymouth	13,301	6,279	39,718	137,309	18.7	57,250,527	1,965,846,163	87.4	32,338,169	87.4
Lincoln	Middlesex	7,491	15,629	121,195	286,860	14.2	39,545,552	2,116,457,949	96.5	29,099,955	95.5
Lynnfield	Essex	12,761	8,674	75,692	237,683	9.9	59,674,861	3,076,618,902	85.9	43,778,411	83.0
Mattapoisett	Plymouth	6,267	6,306	56,676	273,330	17.4	33,064,677	1,718,098,797	93.6	22,369,646	93.6
Maynard	Middlesex	10,676	7,440	37,389	125,359	5.2	49,248,975	1,289,112,607	89.1	30,376,658	85.6
Middleton	Essex	9,738	8,082	49,275	196,860	13.5	36,679,538	1,980,480,580	83.0	27,647,509	83.1
Millis	Norfolk	8,169	6,900	41,178	142,865	12.0	34,022,711	1,160,779,300	90.0	20,917,243	90.0
Norfolk	Norfolk	11,908	8,432	51,131	144,003	14.9	43,618,357	1,665,413,394	92.2	31,009,997	92.2
Norwell	Plymouth	10,984	10,193	89,034	233,974	20.9	58,532,338	2,634,342,866	85.6	43,045,162	85.6
Orleans	Barnstable	5,846	5,200	50,677	682,347	14.1	37,746,101	3,963,296,600	92.3	26,276,656	92.3
Rehoboth	Bristol	12,008	4,603	42,310	147,359	46.9	29,620,110	1,822,690,885	91.6	21,817,610	91.6
Rockport	Essex	7,206	6,329	46,586	270,786	7.0	36,293,592	2,154,384,450	94.7	21,780,827	94.7
Salisbury	Essex	9,261	4,358	27,007	182,549	15.4	32,317,640	1,735,216,906	82.7	20,440,855	82.7
South Hadley	Hampshire	17,743	4,361	30,266	85,281	17.7	50,016,073	1,542,235,758	91.4	27,205,039	91.5
Stow	Middlesex	7,125	9,657	67,147	180,442	17.3	33,247,901	1,246,517,591	91.3	26,151,939	91.3
Swansea	Bristol	16,387	3,868	32,374	130,007	22.7	48,069,531	2,123,582,150	85.0	32,485,132	76.7
Topsfield	Essex	6,529	10,122	77,781	207,350	11.9	31,348,967	1,362,278,394	92.7	23,649,153	92.7
Tyngsborough	Middlesex	12,267	6,166	40,962	124,386	16.8	46,003,959	1,577,966,795	87.4	26,999,012	87.4
Westport	Bristol	15,814	3,304	37,345	200,007	49.8	42,363,143	3,207,982,982	92.5	26,209,221	92.5
Whitman	Plymouth	14,849	4,687	29,722	101,048	6.9	37,817,809	1,525,857,032	87.4	24,428,971	87.4

Comparable Communities

City/Town	Free Cash Amount as of 7/1/2017	FY17 Stabilization Fund	Moody's Bond Rating	S&P Bond Rating	CEO	BOS	Town Meeting	Finance Head	Treasurer/ Collector	Charter
Brewster	2,905,830	2,064,083		AAA	Town Administrator	5	OTM	FD	Appointed	
Abington	1,956,315	1,436,610		AA	Town Manager	5	OTM		Appointed	43B Charter 2004 (as amended)
Acushnet	2,078,886	1,696,590		AA	Town Administrator	3	OTM	FD	Appointed	43B Charter 1971 (as amended)
Boxford	3,420,347	793,268	Aa1	AAA	Town Administrator	5	OTM	FD	Appointed	
Carver	2,956,900	2,879,319		AA	Town Administrator	5	OTM		Appointed	
Chatham	3,014,245	1,826,370	Aa2	AAA	Town Manager	5	OTM	FD	Appointed	43B Charter 1995 (as amended)
Dennis	3,843,616	3,487,300		AAA	Town Administrator	5	OTM		Appointed	
Dover	8,139,482	886,721	Aaa		Town Administrator	3	OTM		Appointed	
East Bridgewater	1,913,587	6,470,947	Aa3		Town Administrator	3	OTM		Appointed	
Fairhaven	5,068,586	3,254,710	Aa2		Town Administrator	3	RTM	T/C	Appointed	
Freetown	1,559,694	3,808,831		AA+	Town Administrator	3	OTM		Appointed	
Georgetown	473,860	936,979	Aa2		Town Administrator	5	OTM	FD	Appointed	
Groton	1,219,850	2,340,549		AAA	Town Manager	5	OTM		Appointed	c 81 Acts of 2008
Hamilton	2,890,774	1,799,008	Aa2	AAA	Town Manager	5	OTM	FD	Appointed	c 114 Acts of 2009*
Holbrook	1,448,638	1,904,819	A2	AA-	Town Administrator	5	OTM		Elected	
Hull	1,703,760	414,670		AA	Town Manager	5	OTM		Appointed	c 8 Acts of 1989
Ipswich	1,594,316	2,360,611	Aa2	AAA	Town Manager	5	OTM	FD	Appointed	c 620 Acts of 1966
Kingston	2,709,706	2,216,656	Aa2	AA+	Town Administrator	5	OTM		Elected (Separate)	
Lincoln	5,084,978	-		AAA	Town Administrator	3	OTM		Appointed	
Lynnfield	2,757,692	1,335,050		AA+	Town Administrator	3	OTM		Appointed	43B Charter 1971 (as amended)
Mattapoisett	1,109,177	2,772,899		AAA	Town Administrator	3	OTM		Appointed	
Maynard	1,326,652	5,334,942	Aa3		Town Administrator	5	OTM		Appointed	43B Charter (as amended)
Middleton	1,997,831	1,779,387	Aa2		Town Administrator	5	OTM	CFO	Appointed	43B Charter 1974 (as amended)
Millis	1,049,003	1,073,050	Aa3		Town Administrator	3	OTM	FD	Appointed	charter
Norfolk	1,552,778	1,155,421	Aa3	AA+	Town Administrator	3	OTM	FD	Appointed	
Norwell	2,259,358	2,833,023		AAA	Town Administrator	5	OTM	FD	Appointed	43B Charter 2012 (as amended)
Orleans	2,581,494	134,432		AAA	Town Administrator	5	OTM	FD	Appointed	43B Charter 1988 (as amended)
Rehoboth	1,780,635	2,258,945			Town Administrator	5	OTM		Elected (Separate)	
Rockport	913,937	1,766,192		AA+	Town Administrator	5	OTM		Appointed	
Salisbury	1,607,637	558,365	Aa3	AA	Town Manager	5	OTM	FD	Appointed	43B Charter 1989 (as amended)
South Hadley	1,973,540	1,646,688	Aa2		Town Administrator	5	RTM		Appointed	
Stow	2,266,676	944,882		AAA	Town Administrator	5	OTM		Appointed	Charter 1991
Swansea	4,782,248	2,006,469		AA	Town Administrator	3	OTM		Elected	
Topsfield	1,611,613	1,269,163	Aa2		Town Administrator	5	OTM		Appointed	
Tyngsborough	2,018,870	1,765,020	Aa3		Town Administrator				Appointed	
Westport	1,342,338	887,204	Aa3		Town Administrator	5	OTM		Elected (Separate)	
Whitman	1,123,287	2,582,928	Aa3		Town Administrator	5	OTM		Appointed	

Sample: Dedication of Revenues to a Stabilization Fund Acceptance Legislative Body Vote

ARTICLE. To see if the town will vote to accept the fourth paragraph of Massachusetts General Laws Chapter 40, Section 5B, which allows the dedication, without further appropriation, of all, or a percentage not less than 25 percent, of particular fees, charges or receipts to a stabilization fund established under Massachusetts General Laws Chapter 40, Section 5B, to be effective for the fiscal year beginning on July 1, _____, or take any other action relative thereto.

MOTION. Moved that the town accept the fourth paragraph of Massachusetts General Laws Chapter 40, Section 5B, which provides for the dedication, without further appropriation, of all, or a percentage not less than 25 percent, of particular fees, charges or receipts to a stabilization fund established under Massachusetts General Laws Chapter 40, Section 5B, to be effective for the fiscal year beginning on July 1, _____.

Communities with Enterprise Funds

Golf Enterprise Funds As of Fiscal Year 2019

Community	FY2019 Budget	GF Subsidy Amount
Abington	29,780	0
Acushnet	1,464,070	0
Agawam	522,391	4,282
Auburn	375,229	0
Barnstable	3,545,757	190,012
Beverly	438,152	0
Braintree	1,586,992	194,459
Bridgewater	1,407,205	0
Brookline	1,772,700	0
Chelmsford	116,500	0
Gardner	819,380	0
Hingham	2,123,677	133,302
Ludlow	769,060	0
Lynnfield	950,000	0
Natick	729,219	270,000
North Reading	1,584,438	0
Peabody	1,550,800	0
Sandwich	977,466	0
Scituate	1,225,860	0
South Hadley	1,206,895	637,890
Stoughton	218,720	58,286
Taunton	15,000	0
Westborough	501,842	0
Worcester	1,368,701	200,000
Yarmouth	3,366,600	364,040

**Water Enterprise
Funds**

Agawam
Amesbury
Amherst
Andover
Ashburnham
Ashland
Athol
Attleboro
Ayer
Barnstable
Barre
Bellingham
Belmont
Beverly
Billerica
Blandford
Bridgewater
Brockton
Canton
Carver
Carver
Charlton
Chelsea
Cheshire
Cohasset
Danvers
Dartmouth
Dracut
Dunstable
Duxbury
East Bridgewater
East Longmeadow
Easton
Egremont
Erving
Essex
Fairhaven
Fall River

Fitchburg
Foxborough
Franklin
Gardner
Georgetown
Gloucester
Gosnold
Greenfield
Groton
Groveland
Hadley
Halifax
Hamilton
Hamilton
Hanover
Harwich
Haverhill
Holbrook
Holliston
Hopedale
Hopkinton
Ipswich
Kingston
Lancaster
Lee
Lenox
Lexington
Lincoln
Littleton
Longmeadow
Lowell
Lunenburg
Manchester By The
Sea
Mansfield
Marblehead
Marion
Marshfield
Mattapoisett
Maynard
Medfield
Medford

Medway
Melrose
Merrimac
Middleborough
Milford
Millis
Milton
Monson
Nantucket
Nantucket
Needham
New Bedford
Newburyport
Norfolk
Norfolk
North Andover
North Attleborough
North Brookfield
North Reading
Northampton
Northborough
Northbridge
Norton
Orange
Oxford
Paxton
Pembroke
Pepperell
Pittsfield
Plymouth
Provincetown
Quincy
Randolph
Reading
Reading
Rockport
Rowley
Rutland
Salisbury
Saugus
Scituate
Sharon

Somerville
Southampton
Southbridge
Spencer
Sterling
Stoneham
Stoughton
Swampscott
Taunton
Tewksbury
Tisbury
Tisbury
Topsfield
Townsend
Upton
Uxbridge
Wakefield
Walpole
Waltham
Ware
Watertown
Wayland
Webster
Wellesley
Wellfleet
West Bridgewater
West Newbury
West Springfield
West Stockbridge
Westborough
Westfield
Westford
Westminster
Weston
Westport
Weymouth
Whately
Wilbraham
Williamsburg
Williamstown
Winchendon
Worcester

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Lisa Vitale, Treasurer/Collector
James Gallagher, Deputy Assessor
Michael Fitzgerald, Chair, Finance Committee
Harvey Pete Dahl, Finance Committee
Lisa Souve, Former Finance Director
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Sherry Theuet, Administrative Supervisor, Deputy Collector Water Department
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