

MEMORANDUM

TO: Winchendon Board of Selectmen
FROM: Bernard Lynch, Acting Town Manager
DATE: December 10, 2015
RE: Final Report

The purpose of this memorandum is to transmit a report summarizing the activities that I undertook over the past six months as Acting Town Manager since being appointed in early June of 2014, and to outline some thoughts for the Board relative to future initiatives. I should note that many of the finance related undertakings were handled by Sheryl Wright. As I noted during the Town's process to select me for this assignment, expertise in financial controls and management would be best coordinated by an individual of Sheryl's experience.

I believe a substantial amount of activity was undertaken over the past six months and some solid progress and accomplishments were realized in stabilizing the Town's finances and operations after a period of instability and uncertainty. I am hopeful that citizen confidence in their local government also occurred as a byproduct of what we have been able to accomplish over this period.

Sheryl and I certainly appreciate the opportunity to work with everyone here in Winchendon over these past several months. The successes that have been realized are truly the result of everyone working together to improve the Town and its operation. Our role has been to simply offer whatever expertise we could in carrying out our activities, based upon our past experience.

The Town is fortunate to have a dedicated Board of Selectmen willing to carefully carry out its responsibilities and support appropriate administrative actions, making the difficult decisions as needed. The Town is also fortunate to have a conscientious Finance Committee that wants to be of assistance in understanding the financial issues of the Town and providing advice to Town Meeting and the Board of Selectmen. And, I'd be remiss if I did not also note the good work by the other boards and committees of the Town who work on behalf of the citizens of Winchendon.

Finally, I want to recognize the outstanding Town employees who do the day-to-day work on operating the Town government. Of note I want to recognize the great department heads that tirelessly go about their jobs with a real sense of pride in managing their departments. Their support and efforts have been crucial to what occurs in this Town and

the initiatives that have been realized over the past six months. Many of the initiatives listed truly belong to them as Sheryl and I have served more to coordinate and manage these responses. Last, but not least, I want to thank the staff of the Town Manager's office that have done an incredible job during this period of turmoil and have supported me during my time as Acting Town Manager.

I want to wish the entire Town, the Selectmen, the other Boards and Committees, the Town Manager's Office, the Department heads, and the Town employees the best in moving forward. I also want to wish your new Town Manager, Keith Hickey, the best as he takes the helm. I am confident that with the support and assistance of everyone Keith will be an outstanding Manager for Winchendon.

I look forward to watching the Town progress and would be happy to be of assistance to you in the future.

FINAL REPORT OF ACTING TOWN MANAGER

December 14, 2015

Overview

Certainly, the activities of the Town Manager, Acting or Permanent, include managing the day to day activities that arise. This would certainly include handling citizen issues and requests for service. Most of this activity was directly handled by the Manager's office staff with my general oversight including dog matters, building and health code complaints, liquor licenses, etc.

In addition there have been a number of undertakings that I have worked with department heads and employees to manage and to coordinate a Town response including:

- Progress of Solar Farm
- Brandywine Development
- Transfer Station operations
- Ingleside Project
- Senior Center bathroom project
- Bike Path construction
- Transfer Station operation
- Winchendon School relations
- Office staffing issues
- Joint Ashburnham-Winchendon Water Utility
- Winchendon School Department relations
- Procurements
- Labor relations
- Personnel Issues

Major Initiatives

Beyond the day to day, there have been a number of major initiatives that have been the focus of my attention, and undertaken with Ms. Wright and appropriate department heads and staff. These are listed in bullet form below:

- FY15 Budget
 - Addressed immediate issue of fully funding FY15 School Transportation through correction of FY14 encumbrances
 - Closed FY15 with budgetary modifications to close shortfalls through YTD analyses and prepared necessary transfers
 - Prepared Weekly School department analysis to eliminate deficits
 - Closed FY15 Books
 - Implemented completion of FY15 Audit
 - Reviewed and Proved School End-of-Year report for DESE
- FY16 Budget
 - Addressed immediate FY16 cash needs
 - Reviewed and modified FY16 Budget to a balanced status

- Prepared revenues and un-posted expenses for final budget entries
 - Completed requisite filings with DOR to receive FY16 tax rate approval
 - Implemented 3rd party procurement of electricity
- Completed \$3.75m Bond sale
- Completion of Five Year Budget Forecast
- General Financial Improvements
 - DOR Report Implementation
 - Primary
 - Financial Management Action Plan
 - MUNIS Upgrade Initiated and Training Commenced
 - Implemented Spending Controls
 - Increased tax collection efforts (ongoing)
 - Created plan for Monthly Reconciliations
 - Identified Back-up Payroll Strategy
 - Move to GIC (see Health Insurance)
 - Other
 - Financial Policies (under review with FinCom)
 - Long Term Capital Plan initiated and application on file with DOR for technical assistance for future improvements
 - Developed Indirect Cost Methodology for Enterprise Funds using DOR templates.
 - Treasurer/Collector Computer Terminal installed
 - Other
 - Reviewed Chart of Accounts including fund structure
 - MUNIS advisory services to Town Accountant including a review of available reports
 - Proved Revenues to Revenue Controls
 - Proved Expenses to Expense Controls and finding of circumstances where controls were circumvented through direct posting to balance sheets
 - Developed Spreadsheets for Multi-Year Funds (Trusts and Special Revenues)
 - Reviewed Warrants payable and finding irregular postings off AP Warrants
 - Prepared Fixed Asset Reports
 - Prepared School Indirect Cost Sheets for FY15 and FY16
- Filled Key Staff Positions
 - Appointed Police Chief
 - Appointed DPW Director
 - Appointed Planning Director
- Created Special Purpose Task Forces
 - Substance Abuse Task Force
 - Pedestrian Safety Committee
- Approved initiation of 2016 CDBG filing
- Health Insurance
 - Engaged consultant for Enrollment Audit (in-progress)

- o Engaged consultant for Audit of Health Insurance Re-insurance Receipts (in-progress)
 - o Acceptance of MGL Chap. 32B, Section 21-23
 - o Negotiated Revised Health Insurance Program through Massachusetts Group Insurance Commission
- Police Station Project
 - o Completed revision of design
 - o Successfully bid project
 - o Awarded Project

Future Initiatives

Every organization, but especially local governments, can always make improvements in how they operate. Winchendon is certainly included in this description. In local government there is always work to be done to meet ongoing as well as new challenges. Over the past six months many initiatives were undertaken and completed but some are not yet fully realized. Additionally, there are a number of areas that we were not able to address, or were of such a nature that we believed they were best laid out for future attention. I have attempted to compile some of the issues that I have identified during my time in working in Winchendon. It certainly isn't a complete listing and there may be some disagreement on some of these ideas.

- DOR Report Implementation:
There remains a number of elements of the DOR report that require completion or ongoing efforts. These include:
 - Quarterly billing of utilities
 - Bulk sale of tax tile properties at auction
 - Implementation of MUNIS module for collections
 - Assessing Improvements in filings and certifications
 - IT improvements including usage policies, disaster recovery systems, website oversight and a help desk. This work should be implemented with the increased hours of the IT Director
- Personnel Policies:
The Town is lacking a Personnel By-law or regulation. This should be addressed so that there is greater uniformity in personnel practices and internal and external equity relative to compensation. It is likely that the state will be providing some financial assistance to the Town in order to create such policies as we did seek a grant for this project.
- Capital Improvement Program:
The Town does need a more comprehensive analysis and plan for its capital needs. The preparation of the Fixed Asset report will help with this effort. In addition we have begun the task of assembling departmental requests/needs for the next five years. It is likely that the state DOR will help with this project through some technical assistance.

- Economic Development:
For a variety of reasons including tax revenues, jobs, vibrancy, etc. the Town should prioritize economic development in order to gain new investment in the community. I would recommend that this effort be undertaken through a partnership approach with the businesses of the Town and local non-profit institutions including the Winchendon School and health care organizations. This approach can help identify strengths, weaknesses, opportunities and threats (SWOT) as well as creating a strategy to utilize this information for implementation. I also recommend that this effort be extended through a regional approach. (see below)
- Downtown Revitalization:
Certainly, one area that represents an economic development SWOT is the downtown corridor of Central Street. The Town should prioritize this corridor as it reflects upon the economic vibrancy of the community as a whole, and is a tremendous opportunity for new investment. There are some positive signs of good things happening including investments at the grocery store site and the new police station. I would caution against becoming too desperate for investment where short-term visions outweigh long term best interests. I would also recommend that the corridor become the focus of outside grant funding for the Town.
- Intersection Improvements:
There are several problematic intersections in the Town that require attention. I had hoped to have plans for you for Ash/Water/Spring and Front/River/School. Those should be addressed in the near future as should the intersection at Spring/Hall/Glenallen, and in the downtown area as part of a much bigger project, Spring/Front/Central/High.
- High Street Bridge:
The High Street bridge has been closed for several months now. It has limited impact on travel within the Town as Water Street quickly brings motorists out to Spring Street. However, it is an issue for fire response and snow operations. As such, it should be addressed as soon as possible. The best case scenario for state funding of this project is likely 5-8 years. The DPW Director is working on a quicker fix utilizing C.90 funds.
- Redevelopment Authority
The Winchendon Redevelopment Authority has been in existence for a number of years but has become more active the past several years with the industrial park probably being the biggest project as they invested a substantial amount of money in utilities for the site. It seems to be unclear as to when any more development will occur at the site. At the same time the Town has used a strategy of funding the WRA by transferring tax properties to them at the expense of the general fund. I think the

Town should rethink its process of transferring properties and whether the WRA is the best vehicle for economic development.

- Infrastructure Fund

There is currently about \$800,000 in the infrastructure fund that was established for the costs associated with the closure of the landfill. A portion of the fund was utilized in the Five Year Forecast to fund landfill related costs. At the conclusion of the closure costs in 2020 the necessary steps should be taken to transfer remaining monies to the stabilization fund.

- Landfill Operation

The Landfill/Transfer Station has been set up as an enterprise fund and as such is expected to work as a self-sufficient operation. There are some costs that could be reduced at the site but generally it will need to see a dramatic increase in fees or should be put back into the general fund. I recommend a careful analysis of options.

- Streetlights Acquisition

Since the utility deregulation in the late 1990's there are increased opportunities and reasons to acquire streetlights from National Grid rather than continued leasing of the lights. There are savings that come from acquisition but the payback on this type of project is enhanced by the opportunity to switch to LED lighting. The DPW Director and I have done some work on this and this project should move forward.

- Energy Service Contract

Some work may have already occurred with regards to the energy usage of the Town's facilities. At a minimum there should be energy audits of all facilities and investments made whereby energy savings create funds to pay back the investment over a short time frame. State law allows this type of work under an Energy Services Contract whereby an energy firm performs the audit, determines paybacks, bids and manages the construction work and assists with the future energy management. The Town may have the opportunity under its aggregation contract to pay for an energy manager to coordinate this effort.

- Social Media/Technology

There had been a motion at a Selectmen's meeting several months ago to investigate the use of a Facebook page to deliver information to Town residents. I encourage the Town to move forward with this as well as other information providing mechanisms including automated call-outs, alert subscription services, more robust webpage, etc. I would also recommend the use of technology that enables residents to deliver information to the Town. There are a number of packages available including eGov, See-Click-Fix. The purpose of all of these products and services is to improve communication and engagement.

- Regional Perspective

There is increasing sense that thinking as a region as opposed to individual localities may be necessary from the perspective of sustainability of service delivery and

strategy related to economic development. The Town should look to partner with area municipalities to begin a dialogue about the opportunities of utilizing a more regional perspective. There are several specific areas:

- o Economy
 - Regions generally have their own economic assets that transcend boundaries. Winchendon should work with neighboring communities to identify assets and ways in which the region as a whole can move forward economically with a strategy in which communities complement neighboring efforts.
- o Services
 - There is some question of the sustainability of small Towns to continue providing services at current levels given flat revenues and increasing costs. The Town should work with neighboring communities to explore a range of options to achieve economy of scale. The range extends from minimal efforts like procurement to singular shared services to combining into single entities of service delivery.
- o Procurement
 - The most minimal effort in regionalization is procuring goods and services as a single unit for multiple jurisdictions. These opportunities should be explored.