



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Supporting a Commonwealth of Communities

Technical Assistance Bureau

Early Intervention Initiative

October 21, 2019

Division of Local Services – Mission

The Division of Local Services (DLS) provides oversight, training, and guidance to assist Massachusetts cities and towns in the achievement of sound and efficient fiscal management

DLS has five units:

- Bureau of Accounts
- Bureau of Local Assessment
- Municipal Finance Law Bureau
- Data Analytics and Resources Bureau
- Technical Assistance Bureau

DLS is responsible for:

- Ensuring the fairness and equity of local property assessment and taxation
- The accuracy and quality of local accounting and treasury management
- Interpreting state laws that govern local finances
- Distributing local aid
- Maintaining a comprehensive databank on local finances

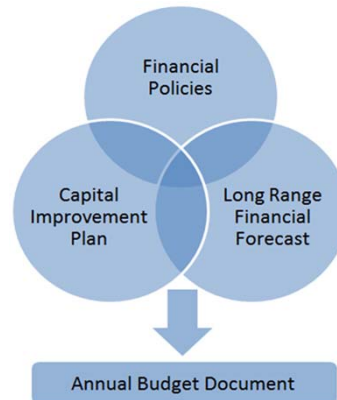
DLS has a \$6.2M operating budget, 55 employees, and offices are located in Boston, Worcester and Springfield

Technical Assistance Bureau (TAB) – Mission

Provides communities with guidance and resources they need to strengthen core competencies and operate more efficiently and effectively.

- Implement Financial Policies and Practices
- Develop a Long-range Financial Forecasts
- Prepare a Capital Improvement Plans
- Evaluate Financial Management Structures
- Utilize Financial Trend Monitoring
- Develop and circulate best practice guidance and tools
- Provide hands-on training and workshops

TAB has visited over 300+ communities since 2000



What kinds of challenges do communities face every day?

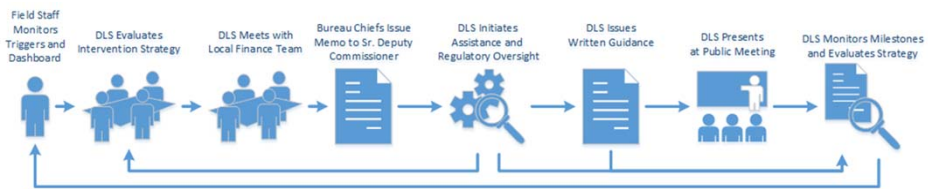


Technical Assistance Bureau (TAB) – Early Intervention Initiative

Simply put, it brings together the Division’s resources, expertise, and talent to develop strategies, tools, and guidance for assisting distressed communities.



TAB Early Intervention Initiative – How does it work?



Indicators

- Late tax rate setting or Schedule A filing
- Free cash deficits or balance sheet submission issues
- Turnover in key positions or other staffing issues
- Cash flow issues (revenue anticipation borrowing)
- Large outstanding receivable balance
- Audit material weaknesses, lack of audit
- Significant debt burden
- Sizable or recurring deficits
- Reliance on one-time revenues or reserves
- Outdated, inefficient, or manual processes
- Internal control issues

Trend Monitoring

- Operating position: free cash, reserves, outstanding receivables
- Unfunded liabilities: pension and OPEB
- Property taxes: average single family tax bills, new growth, tax levies
- General fund revenues and expenditures: budget per capita, local receipts
- Demographics: population, unemployment, income per capita, property valuation per capita (equalized across state)
- Debt: total outstanding debt, debt per capita, annual debt service, debt as a percentage of budget
- Bond rating

TAB Early Intervention Initiative – Recent Examples

Royalston

- longstanding financial issues, late reporting, staffing issues

Charlton

- recordkeeping, late reporting, staffing issues

Webster

- longstanding financial issues, late reporting, new town admin, staffing issues

Hardwick

- significant capital needs

Methuen

- structural budget problems, deficit

Millville

- Structural budget problems, RSD assessments

Pioneer Valley RSD

- deficit, lack of oversight or accountability, staffing issues

Hatfield

- Turnover, longstanding financial issues, late reporting

Bedford

- certification issues, communication, priorities

West Brookfield

- unexpected turnover

Gosnold

- Late reporting

Ashburnham

- Missed debt service payment, turnover, staffing issues, recordkeeping, late reporting

TAB Early Intervention Initiative – Observations

Policies Work

Document Processes and Procedures

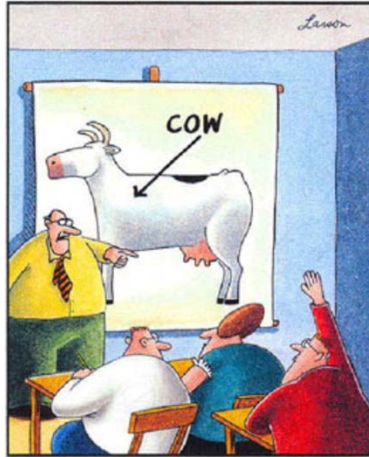
Hold Financial Management Team Meetings

Plan for Turnover

Understand and Address Audit Findings

Invest in People and Infrastructure

Move from Elected to Appointed



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