

COMPREHENSIVE REVIEW OF TOWN OPERATIONS



October 4, 2016

TABLE OF CONTENTS

Introduction	1
List of Actions	
Already Accomplished (10 Actions)	5
In Progress (9 Actions)	6
Short Term (19 Actions)	8
Medium Term (10 Actions)	11
Long Term (2 Actions)	13

INTRODUCTION

A letter from Town Manager Peter Elwell to the Selectboard and the People of Brattleboro:

The Town of Brattleboro has a history of active local government and high levels of service. This dates back at least to the 1950s (when, for instance, Living Memorial Park was created, the Town's administrative offices expanded to the Municipal Center, and the current West Brattleboro Fire Station was approved). It is reflected in such aspects of Town operations as our full-service professional Police and Fire Departments, our extensive Recreation programming, and our early adoption and regular upgrades of modern sanitary sewer (and sewage treatment) systems.

Brattleboro, like any town, experienced ups and downs over the years, both in local financial conditions and in relation to economic forces in our region, state, and nation. Through those cycles, the Town mostly maintained its high levels of services and adjusted funding priorities, as needed, to reflect political and economic realities of any given point in time. Put another way, there were periods of investment and periods of cost cutting, but the overall trend was upwards and the overall focus was on maintaining the generally high levels of service.

Then, during the past two decades, Brattleboro experienced a prolonged period of cost cutting and budget constraints in virtually all areas of Town government. Service levels have been reduced in some functions, while in other functions the levels of service have been maintained but funding has been reduced. Some cuts have resulted from innovations and efficiencies, while others have simply reduced resources to avoid or contain increased costs.

A couple of Public Works examples provide a good illustration of these different approaches to cost containment. The Town is maintaining more roadway miles now than ever before (an increase in level of service), but is doing so with fewer people and a much smaller budget (adjusted for inflation) than in prior years. The sidewalk plowing and sidewalk replacement budgets also have been reduced significantly, but in those cases it was through consciously reducing levels of service (fewer miles of sidewalk plowed and fewer feet of sidewalk replaced).

Despite the extended period of intense cost control work, our municipal tax rate is high compared to surrounding communities (it is about average for a regional economic hub town in Vermont and is 11% lower than in the nearby hub town of Keene, New Hampshire). Our property tax rate would be lower if the Town had more non-tax options for raising municipal revenue under Vermont law. Nevertheless, under current conditions, there is continuous pressure on staff, the Selectboard, and Representative Town Meeting to keep the property tax rate as low as possible when making decisions about Town services and projects.

When I arrived to become Brattleboro's Town Manager in January of 2015, I was aware of the financial pressures described above but not fully aware of the history. I also needed to become familiar with our organizational structure and services before I could assess the appropriateness of our current allocation of resources among the many functions of Town government. For this reason, I had advised the Selectboard during the hiring process that I believed we should undertake a Comprehensive Review of Town Operations (CRTO) and examine every aspect of Town government to identify ways in which we could achieve the following three objectives:

1. Save money without negatively affecting the community;
2. Improve our service to the community without increasing costs; and/or
3. Judiciously increase cost in specific areas where either we had cut too far previously or where new investment now would yield significant positive impacts for the community.

In February of 2015, Town staff began work on the CRTO. The department heads and their teams provided me with historical perspective on cost cutting (both through achieving efficiencies and through reducing service levels) and with ideas for future actions that would achieve one or more of the three objectives enumerated above. After my initial review of those reports and of department operations and budgets, the department heads and I worked together to expand and refine their individual "action items" lists. By then it was the early summer of 2015. Due to other more urgent matters (including, among other things, the Police-Fire Facilities Project, the NEA Our Town Public Art Project, various economic development matters, the FY17 Budget, health insurance plan modification, retirement plan modification, and collective bargaining with the Town's four unions), my work on this project stopped almost completely until after the Representative Town Meetings in March of 2016.

In the meantime, between June of 2015 and April of 2016, we implemented several of the highest priority actions we had identified during our initial work on the CRTO. Because of the importance of those items in the overall scope of this project, there is an "Already Accomplished" section below. There also is an "In Progress" section listing actions which we have begun but not yet completed. The remainder of the action items are on "Short Term" (0-2 years), "Medium Term" (2-5 years), or "Long Term" (more than 5 years) lists of improvements we intend to make in the future.

Although the hiatus was longer than I originally intended, it provided an important advantage when I resumed work on the CRTO in April of 2016: After 15 months as Town Manager, I was much better prepared to judge our Town government's strengths and weaknesses than I was after just the first 5 months. I prepared a draft of the action items and reviewed that with the department heads. Then I refined the action items, wrote this letter, and prepared the overall report. After a final review with the department heads, I distributed a draft CRTO to the Selectboard on July 29. Following the Selectboard's initial consideration on August 4, we received public comments on the draft document until September 9. Staff reviewed the public's comments, refined the CRTO document, and submitted the updated document for formal consideration by the Selectboard. At its meeting on October 4, the Selectboard discussed and approved the CRTO.

Although the creation phase of this project is now finished, the final action list in this CRTO document will not be static during the implementation phase. The list should be viewed as a living plan of action that will be updated and modified in the years ahead to reflect future changes in Town needs and circumstances.

The primary purpose of this project was to create the list of actions. However, in the course of our work some broad themes and overarching conclusions emerged. I share those here because they provide important context and background for the specific "to do list" that follows:

1. There is no more "low hanging fruit." We can – and will – achieve additional efficiencies in Town operations, but any major budget cuts in the future will require noticeable reductions in levels of service.
2. We have cut too far in some areas, saving money but negatively impacting the community in ways that were not intended and are sometimes not very visible. Examples include infrastructure maintenance and replacement, information technology (IT) systems, and some administrative support services.
3. Some action items identify areas that just need more attention, not more money or other resources. Examples include the planned updating of the Procurement Manual and Employee Handbook.
4. Technological advances will make some of the action items easier and less expensive to implement than they would be if we were constrained by our current systems and practices. That makes our planned IT upgrades especially important and requires that we keep up-to-date best practices in mind as we develop a detailed plan for implementing each individual improvement.
5. Brattleboro is fortunate to have active citizen engagement and a great team of employees. This positions us well to implement the recommended changes and improve Town government's service to the community.

6. During the past two decades, Town staff has developed an outstanding ability to respond to and overcome crisis situations. Implementing the action items will result in more long-term planning and fewer emergencies, but we will benefit from staff's resilience and adaptability as we encounter unforeseen challenges and/or unintended consequences during implementation of changes in the way we do business.
7. In 2012, the Selectboard approved a fund balance guideline that established 10% of General Fund expenditures as the intended minimum amount of unassigned fund balance at any given time. The Town has adhered to that guideline through a combination of prudent budget preparation and frugal budget execution. We currently have almost 11% in unassigned fund balance with additional surplus funds accruing as we close the books for FY16. This financial security and "available fund balance" will allow the Town to approach implementation of the action items from a position of financial strength.

Finally, it should be noted that staff's commitment to continuous improvement and cost effective local government goes far beyond the scope of this document. We are constantly on the lookout for better ways of doing what we do. While the CRTO identifies larger scale opportunities and certain specific policy changes that arose from our work on this project, we also will continue to implement (or recommend to the Selectboard on policy matters) a wide variety of smaller scale, department specific changes that are intended to meet the same three objectives described on page 2 above.

The department heads and I look forward to working with the Selectboard to implement the recommended improvements. We also are committed to ensuring that our progress on these matters will be transparent to the public. Some items will require future Selectboard action and/or other public consideration, and staff intends to provide the Selectboard and the community with occasional updates on the entire project.

Respectfully Submitted,

Peter B. Elwell

Peter B. Elwell, Town Manager

THE LIST OF ACTIONS

ALREADY ACCOMPLISHED

Reduce Future Cost of Employee Health Insurance and Maintain Top Quality Coverage

Created a health reimbursement arrangement (HRA) to save Town taxpayers over \$120,000 each year while maintaining a platinum level plan for Town employees.

Reduce Future Cost of Employee Retirement Benefits and Maintain Competitive Pension Plan

Approved Vermont Municipal Employees Retirement System (VMERS) Plan B defined benefit pension plan for civilian employees. (Police Officers and Firefighters have been enrolled in VMERS Plan D for the past decade.) Town taxpayers will save over \$120,000 each year and employees will receive an improved benefit.

Stabilize Police Officer Staffing Levels

Authorized limited and strategic overfill during hiring to ensure full complement of officers. Significantly increased entry level officer pay (from bottom through middle of pay range) to attract and retain top quality officers. Adjusted step increments to reduce implementation cost and maintain stability of top steps (which were already competitive).

Review and Recommit to Active Strategy for Economic Development

Identify and pursue opportunities in partnership with BDCC, State of Vermont, and others. Team approach (Selectboard and several Town staff) with no added cost to the Town. 2015 results include GS Precision retention/expansion, active role in WCEDP process, and EPA Brownfields grant.

Reduce the Frequency and Cost of Solid Waste Collection

During implementation of the Pay-as-You-Throw garbage collection system, so much of Brattleboro's waste stream was diverted to the curbside compost and recycling programs that we have been able to reduce the frequency of curbside garbage collection from every week to every-other-week.

This saves the Town approximately \$100,000 per year.

Update Traffic Calming Plan

Completed with help from Local Motion (a bike/ped advocacy organization from Burlington) through a grant from VTrans.

The updated document is shorter, clearer, and more useful for decision making.

To reflect its improved form and updated purpose, the document is now called the Street and Sidewalk Safety Policy.

Improve License + Permit Processes

Consolidated the application form for administratively issued permits.

Streamlined the Special Event Permit process and added a small fee for all liquor related permits.

Improve Performance Evaluation System

Streamlined and standardized evaluation form and grading scale to increase clarity and fairness. Changed from “all at once” to staggered evaluation schedule using employee anniversary dates to increase individual attention and improvement potential for every employee.

Restructure Library Staff to Create an Electronic Services Support Specialist (ESSS)

This was implemented without increasing operating costs (by reallocating library clerk hours). The ESSS has expanded services offered within the library and outreach in the community.

Restore Library Hours to 2011 Levels

This was accomplished with Read bequest funds to avoid having any impact on taxpayers.

IN PROGRESSLong Term Financial Plan (LTFP)

This will be a multi-year forecast of expenditures and revenues. It will first be completed as part of the FY18 Budget process and then updated annually prior to every budget preparation cycle.

The LTFP will improve our understanding of the future financial implications of current budget decisions, thereby increasing our ability to maintain stable tax rates and to prepare for tax increases, when warranted.

Each forecast will be prepared with as much specificity as possible (incorporating foreseeable material budget increases and decreases from year to year). Any use of assumptions or trend projections will be disclosed in each LTFP so those factors can be considered when making budgetary decisions.

Create and Implement an Information Technology (IT) Plan

Planning is underway. Implementation will begin during 2016.

Goal is to improve IT security and functionality in a financially sustainable manner.

We will accomplish this by reallocating resources wherever possible and by strategically adding resources where necessary and affordable.

This transition could involve modifying our contractual IT management structure and/or adding an IT staff person.

Among other benefits, this project will improve internal and external communications and will allow us to move toward “paperless” operations for efficiency and cost savings.

Review All Current and Potential Sources of Non-Tax Revenue + Increase Where Possible

Completed review.

Recommended and approved increases in the FY17 Budget.

Due to State controls on municipal revenue sources, total impact of increases was very small.

Per Selectboard direction, staff will conduct an additional review this year in an attempt to increase non-tax revenue for FY18.

Continue to Aggressively Pursue Grant Funding Assistance for Town Projects and Programs

This is already an area of strength for the Town.

We are committed to continuing to seek large and small grants to enable the Town to provide programs and complete projects that we could not afford with local funding alone.

Update and Synchronize Collective Bargaining Agreements with All 4 Employee Unions

Removed obsolete language from 3 agreements. (Still working on the fourth.)

Updated language in 3 agreements to ensure consistency with all applicable practices and regulations. (Still working on the fourth.)

Synchronized 3 of the agreements and will seek to have the fourth align with the other 3.

The 4 agreements previously were on 3 different cycles. Having all 4 on a single schedule is more efficient administratively, facilitates major changes like 2016's modifications of the health insurance and retirement programs, and makes it more feasible to maintain consistency (where applicable) and equity (to the maximum extent possible) in the Town's relationship with all different classifications of employees.

Create a Realistic + Financially Sustainable Capital Improvement Program for Enterprise Funds

This will require a long term plan and the Selectboard's commitment to fund that plan.

The Utilities Fund also will have an Equipment Replacement Program with a long term plan.

The substantial retained earnings (fund balance) in the Utilities Fund allows us to apply these financial best practices for capital planning in this fund, both to expedite this work where we can and to set an example of how we can accomplish the same improvements over a longer period of time in the General Fund.

Continue to Implement Energy Efficiency Improvements in Town Facilities

Use the results of the 2015-2016 Energy Audit project to prioritize near-term improvements.

Include approved projects in the upgraded CIP's for the Enterprise Funds and the General Fund.

Continuously seek additional opportunities to implement energy efficient projects and practices both to save money and to reduce the environmental impact of Town operations.

Continue to Pursue Opportunities to Increase Flood Resiliency Throughout the Community

Implement plans that have already been made.

Create additional plans, as needed, for sections of town that have not yet been addressed.

Be opportunistic in identifying when and where additional ad hoc improvements can be made both on Town properties and on private properties.

Continue to work in conjunction with EPA, FEMA, and the State of Vermont.

Review Non-Resident Recreation Fees

The balanced purpose of this review is to ensure that non-residents pay fees that are sufficient to offset their non-participation in Town tax funding for Recreation and Parks without making non-resident fees so high that we discourage participation and diminish the value of applicable programs for resident participants.

Review will be completed during FY18 Budget process.

Improve Worker's Compensation Procedures and Case Management

The Town is partnering with our insurance provider (the Vermont League of Cities and Towns' Property and Casualty Intermunicipal Fund or VLCT-PACIF) to establish a designated medical provider for conducting fit-for-service exams and medical case management for worker's compensation claims.

Simultaneously, Town staff and VLCT-PACIF are identifying opportunities for Town departments to make greater use of light-duty assignments to enable worker's compensation claimants to return to work sooner in their recovery period.

The combined impact of these two measures will be to lower costs and increase productivity.

Reconfigure Library Interior to Improve Service Delivery and Achieve Operational Efficiencies

The renovation was planned during FY16 and is being implemented during FY17.

This project is funded by Read bequest funds to avoid having any impact on taxpayers.

SHORT TERM (0-2 Years)

Update the Town's Website

The primary purpose of this will be to make the site more user-friendly for all users and more compatible with smartphones and tablets.

Secondary goals will be to provide a fresh appearance and to establish procedures for efficiently maintaining up-to-date information on all sub-pages of the site.

Organize a Regional Economic Hub Coalition

In 2016, we will convene a meeting of hub towns and cities from throughout Vermont.

If we can generate sufficient interest, we will form a Regional Economic Hub Coalition that will meet regularly to share information and develop a collaborative legislative strategy.

Focus will be on best practices for managing operational challenges unique to hub communities and on obtaining State approval for hub communities to have more local control over revenue sources.

While the coalition's overall objectives will be broader than just reducing the disproportionate property tax burden borne by hub communities, the concept of a local wage tax provides an example of the potential impact of this effort: It has been estimated that a one-quarter per cent local wage tax would raise more than \$1 million per year in Brattleboro, and much of it would be paid by people who receive services here but live (and pay property taxes) elsewhere.

Review All Existing and Potential PILOTs and Negotiate Increases Where Possible

A Payment in Lieu of Taxes (PILOT) is how tax exempt entities pay a fair share of support for essential public services. PILOTs are negotiated agreements and often do not offset the actual cost of providing Town services to the tax exempt entity. This is a statewide problem. We will address it both in Brattleboro and as part of the broader work of the Regional Economic Hub Coalition.

Increase Oversight of Large Capital Improvement Projects

Currently, operating staff also oversee most capital projects.

Increased oversight would better protect the Town.

This could be accomplished by centralizing this function within Town staff and/or by contracting for project management as we currently are doing for the Police-Fire Facilities Project.

Create a Realistic and Financially Sustainable Capital Improvement Program in the General Fund

In the short term, this will prioritize capital projects and accomplish the most urgent ones.

In the longer term, this will reduce infrastructure emergencies and allow us to complete projects more methodically and cost effectively.

Unlike many of the other CRTO action items, this one will increase the Town's annual budget.

Complete Space Analysis + Planning for Public Works, Recreation, and Administrative Departments

This is one of the steps required to achieve the CIP goal stated immediately above.

It is mentioned individually because of its magnitude financially and because of its interrelationship with our overarching goal of continually improving both the effectiveness and the efficiency of all Town functions.

The administrative department portion (including public meeting rooms) will be expedited to facilitate decision making about the future of the Municipal Center in 2017.

Increase Funding for Improving Safety for Pedestrians and Bicyclists

This will continue the work completed in recent years.

Funding should be included annually within the CIP and projects should be recommended by Town staff and the Traffic Safety Committee for review and approval by the Selectboard and, when appropriate, by Representative Town Meeting.

Complete an Inventory of Accessibility at Town Facilities and an Action Plan to Correct Deficiencies

Projects in the Action Plan would be included in the CIP.

Replace Salt Shed to Allow Use of Modern Winter Maintenance Chemicals

Would improve performance and reduce operating cost.

Operating cost savings are potentially significant.

Existing salt shed will fall down soon if we do not replace it.

This project will be included in the General Fund's Capital Improvement Plan but is highlighted here due to the severely deteriorated condition of the existing salt shed and the potentially significant operational and financial implications of not replacing it.

Establish (or Revise, as appropriate) Financial Policies

Examples include debt policy, fund balance policy, reserve policies, budget control policy, and revenue shortfall policy.

Update Procurement Manual

Eliminate obsolete provisions.

Align with best practices recommended by VLCT and others.

Make purchasing processes more efficient while ensuring compliance with all legal requirements and promoting competition to obtain favorable pricing.

Update Employee Handbook

Eliminate obsolete provisions.

Align with best practices recommended by VLCT and others.

Maintain a fair and equitable work environment for all employees.

Reduce Town liability.

Complete Succession Planning for All Departments

Include all Department Heads and Assistant Department Heads.

Include other key positions, as appropriate.

Analysis will focus on replacement plans within current structure,
but also will consider reorganization of functions, when appropriate.

Create an Inventory of Vehicles + Other Major Equipment w/ Estimated Replacement Schedule

Every vehicle or other major equipment needed for Town operations will be identified.

A replacement year will be established for every item on the list. (Replacements will still occur only when needed, but our financial planning and fleet management will be guided by the replacement schedule.)

This also is a necessary first step toward the longer term goal (described below) of creating and sustaining a well planned and funded Equipment Replacement Program.

Increase Town of Brattleboro Communication with Vermont State Government

The Town currently has extensive communication with certain State departments and with our local legislative delegation on matters that are of direct importance to the Town.

We should extend our communications to include involvement in statewide issues both to protect the Town's broader interests and to build relationships with more State officials.

Increase Opportunities for Residents to Use Credit Cards in Paying for Town Services

This will be part of an ongoing Townwide effort to ensure that it is as easy as possible for all residents to obtain and pay for Town services.

Consider Centralization of Administrative Functions

The most obvious candidates here are Human Resources, Purchasing, and Risk Management.

Other functions should be considered, as needed.

This could include consolidation of some functions that are already centralized in part or whole. Centralization/consolidation to occur only if it provides both cost savings + improved operation.

Explore Use of Interns, AmeriCorps Volunteers, Other Volunteers, Seasonal Employees, Job Sharing, etc., to Cost Effectively Increase Staff Capacity

Seasonal employees have been used successfully and cost effectively in the Recreation+Parks Department for many years.

The same used to be true in the Public Works Department (DPW). Some of our infrastructure has suffered from insufficient maintenance since the DPW seasonal employees were cut from the budget.

Some administrative offices could benefit from low cost temporary staff for special projects or to help with seasonal workload fluctuations.

Consider Alternative Service Delivery Model for Town Health Officer Services

Would enable Assistant Fire Chief to focus on Fire Department operations.

Explore potential for contracting with a private entity, collaborating with other municipalities, or developing a regional approach to this service via the Windham Regional Commission.

Consider Alternative Service Delivery Model for Other Town Services

Address this opportunistically as circumstances dictate and time permits.

Update Social Media Policy and Consider Creating a Broader Internet Use Policy

The Social Media Policy update is needed to reflect technological and legal changes that have occurred since the current policy was adopted.

Many organizations also have adopted Internet Use Policies to prevent inappropriate use of that resource.

Goals are to improve communication, maintain transparency, and reduce Town liability.

Improve Payroll Procedures

Streamline both intra-departmentally and inter-departmentally.

This will increase staff efficiency and payroll accuracy.

Create a Townwide Records Retention Policy and Records Preservation Program

Provide uniformity (or at least greater consistency) from department to department.

Increase digitization to reduce paper. This is better for the environment and will reduce long-term costs for taxpayers; but in the near term this may require additional expense.

Stop Providing Winter Sand for Private Use of Town Residents

Beyond the cost of the sand, maintaining and managing the stockpile causes DPW to incur costs for labor, fuel, and equipment.

This service diverts personnel away from essential winter maintenance functions that benefit the broader community.

Town will still sufficiently sand and salt all Town-maintained streets, sidewalks, and other areas.

MEDIUM TERM (2-5 Years)Increase Training and Professional Development in All Areas of Town Government

Increase staff capacity.

Reduce Town liability.

Promote a culture of innovation.

At least in the short term, this will require increased financial investment.

Evaluate Current Emergency Service Collaboration and Assess Opportunity for Improvement

Review: (1) Division of labor between Rescue Inc. and Brattleboro Fire Department (BFD).

(2) Collaboration between Rescue Inc., BFD, Brattleboro Police Department, and others.

Evaluate both for operational effectiveness in serving the public and for cost effectiveness in expending public funds.

Consider Creating a Municipal Life Safety Division for Plan Review and Inspections

More convenient for local project sponsors than dealing with the State.

Source of revenue for the Town (although mostly just to cover costs).

New employee would be a firefighter, adding one more to our complement for major incidents.

Downside: During slow periods, revenue may not fully offset the cost of the new employee.

Eliminate (or Convert to Wireless Technology) the Public Fire Alarm Box System

To reduce capital costs and operations/maintenance costs without reducing community safety.

Consider Converting Private Fire Alarm System to a Subscription Service

Could reduce cost, increase revenue, or accomplish both without reducing community safety.

Review Fleet Maintenance Practices for Potential Consolidation and/or Other Improvements

To reduce cost and to prolong vehicle life.

Explore Establishing Brooks Memorial Library (BML) as a Regional Hub Library

Could provide services by contract to communities with no library or a small library.

Possible additional revenue source for BML.

Expand Economic Development Function and Restore Community Development Function

If funding allows, commit additional resources to these functions to promote economic growth and community capacity, with the expectation that accomplishing both of those goals will offset the cost of this investment in the long run.

Improve the Form and Content of the Town's Budget Document

This could include converting to a program style budget.

It will at least include adding narrative to the document (to better explain the content of the line item budget) and more graphs and tables (to make the "numbers content" more visually informative to decision-makers and observers).

Review and Update the Entire Municipal Code of Ordinances

Eliminate obsolete provisions.

Ensure internal consistency and compliance with all applicable State and Federal laws.

Consider Local Regulation of Drone Usage

Consider the existence and sufficiency of applicable State laws.

Consider known and expected impacts of drone usage in Brattleboro (re: safety, privacy, etc.)

Create a local ordinance if that is determined to be necessary and enforceable.

LONG TERM (More Than 5 Years)

(Please See Next Page)

LONG TERM (More Than 5 Years)

Create a Realistic and Sustainable Equipment Replacement Program in the General Fund

Full implementation of this long term goal will involve not only creating and following a planned replacement schedule (which is a prerequisite action item noted in the “short term” list above) but also funding the program by depreciating existing vehicles to levelize budgets (and property taxes) from year to year.

This goal will be very difficult for us to achieve, but it should be on our long-term action list because (1) it may be possible to obtain grants or other creative financing that will enable catch-up funding of the accumulated depreciation to expedite full implementation of the program and (2) achieving the prerequisite steps (i.e. a replacement schedule and cash purchasing) on this “equipment replacement program continuum” will substantively improve Town government operations even if we never are able to implement depreciation-based funding of the program.

---END---