

Sept. 3 2014

We the undersigned members of the Assembly of Delegates hereby join in the following motion;

Whereas: The Department of Revenue states the following:

Since the passage of Proposition 2½ in 1980, municipal budgeting in Massachusetts has been revenue driven. This means that the ability to maintain or increase a community's level and/or quality of services is dependent on its revenues and careful planning. Therefore, at the start of the annual budget process, a community should review its four major revenue sources — tax levy, state aid, local estimated receipts and available funds — before entertaining departmental spending requests. However, because of the constraints of Proposition 2½, recent fluctuations in state aid, and the depletion of local reserves, communities have become more aware of local receipts as a source of needed funds.

Whereas: The Department of Revenue offers Technical Assistance services;

See attachments and corresponding web sites.

*Reference*  
*see Exhibit (A)* <http://www.mass.gov/dor/local-officials/municipal-data-and-financial-management/financial-mgt-assistance/>

*See Exhibit (B)* <http://www.mass.gov/dor/local-officials/municipal-data-and-financial-management/financial-mgt-assistance/technical-assistance-services.html>

Motion; We move that the Speaker of the Assembly of Delegates of Barnstable County contact Mr. Zack Blake of the Department Of Revenue (or appropriate representative) to schedule Technical Assistance Services as described, #1 "Review Financial Operations", #3 "Analyze Government Structure" and # 6 "Explore Feasibility of Regionalizing Consolidating Services" of all of Barnstable County financial operations, including yet not limited to County Departments and agencies in which the County acts as a Fiscal Agent. This action shall take place before the preparation of the FY 16 Budget process.

Respectfully Submitted, Suzanne McAuliffe Yarmouth Rep.  
Leo G. Cakounes Harwich Rep.

\* See "User Fees" attachment #1 (2 pgs)



The Official Website of the Department of Revenue (DOR)

**Department of Revenue**  
About DOR

*Exhibit A*

Home > Local Officials > Municipal Data Management and Technical Assistance Bureau > Technical Assistance Services

## Technical Assistance Services

The DLS Technical Assistance Section provides consultant-type services to cities and towns on municipal operations, government structure and matters of financial management. A complete list of the services that a DLS Technical Assistance team can provide for your community appears at the first link below.

If you think your community might benefit from a general assessment from DLS and/or you need help deciding which of these services might be most appropriate for your community, we are available to conduct on-site meetings or telephone consultations with local officials to assist in determining which services best meet your needs. To schedule a consultation of this type, please call Zack Blake at (617) 626-2358 or send an e-mail to [blakez@dor.state.ma.us](mailto:blakez@dor.state.ma.us).

Published reports, best practices, financial calculators and inter-municipal agreement drafting guides are among the resources posted to the technical assistance area of our website. New information is continually added to keep local officials up-to-date on ways to improve financial operations in their community

List of Technical Assistance Services

---

Published Reports

---

Sound Financial Management Practices

---

Ask TA a Question

---

Regionalization Resources

---

Restructuring City and Town Government

---

Financial Calculators and Sample Forms

---

Job Responsibilities and Manuals

---

DLS Municipal Data Bank

---

Publications and Other Useful Links

---

### News & Updates

Heath Report, July 2014

Scituate Review of Organizational Structure and Budget

Chelmsford Report, May 2014

Northampton Report, May 2014

Charlemont Finance Offices Review, April 2014

North Carver Water District Report, April 2014

Wareham Water Pollution Control Finances, April 2014

[Subscribe](#) [Learn more](#)

Exhibit (B)



The Official Website of the Department of Revenue (DOR)

**Department of Revenue**

About DOR

Home > Local Officials > Municipal Data Management and Technical Assistance Bureau > Technical Assistance Services > List of Technical Assistance Services

**List of Technical Assistance Services**

Share On: Facebook Twitter Google+ LinkedIn Like 0

1. **Review Financial Operations** – We will review your core financial operations (or a single financial office) and, where necessary, make recommendations for improvement based on sound management practices.
2. **Assess Financial Condition/Fiscal Health** – We will assess your community's financial condition through the use of a scorecard and offer suggestions to improve the long-term outlook and strengthen fiscal health and flexibility.
3. **Analyze Government Structure** – We will analyze your current government structure and provide recommendations designed to improve the day-to-day management and the level of accountability across your municipal government.
4. **Prepare Costing Study/Determine Indirect Costs** – We will determine the full cost of providing a particular service such as water or sewer, or analyze the indirect costs in an enterprise fund to determine if they are appropriate.
5. **Evaluate Information Technology Systems** – We will evaluate your Information Technology systems to identify areas of potential risk and provide recommendations to ensure that systems are performing efficiently, that important data can be restored in the event of a disaster, and that systems are adequate and secure for the future.
6. **Explore Feasibility of Regionalizing/Consolidating Services** – We will explore the feasibility of regionalizing or consolidating government services either within a community or where two or more communities are involved.
7. **Examine Specific or Emerging Problems** – We will review various issues that may have created financial problems for your community, including those that have impacted a timely certification of property values, setting a timely tax rate, or that have been raised by your auditors in the management letter.

User Fees

Since the passage of Proposition 2½ in 1980, municipal budgeting in Massachusetts has been revenue driven. This means that the ability to maintain or increase a community's level and/or quality of services is dependent on its revenues and careful planning. Therefore, at the start of the annual budget process, a community should review its four major revenue sources — tax levy, state aid, local estimated receipts and available funds — before entertaining departmental spending requests. However, because of the constraints of Proposition 2½, recent fluctuations in state aid, and the depletion of local reserves, communities have become more aware of local receipts as a source of needed funds.

Local receipts include a variety of excises, user fees, charges, and other revenues. Some are dictated by statute (i.e., motor vehicle excise, hunting license and firearms permits) while others may be negotiated (i.e., investment income and in-lieu-of-tax payments). Still other local receipts are established through the adoption of an ordinance or bylaw. However, among all categories, user fees typically offer communities the greatest potential for revenue gain.

A fee is an amount charged for a service to individuals who use or benefit from it. A fee may be imposed when a local government provides a particular service (i.e., police detail) issues a permit or license (i.e., building permit, dog license), or offers a benefit (i.e., recreational programs).

Much of the legal authority for specific municipal fees is found in MGL Ch. 140. However, absent statutory authority, municipalities can still establish fees and charges as long as the three-prong test set out in *Emerson College v. Boston*, 391 Mass. 415 (1984) is met.

1. A fee must be charged for a particular service which benefits the party paying the fee in a manner not shared by other members of society. In other words, a fee may not be charged for general services that are mandatory or supplied to the public at large, such as core education and police protection.
2. A fee must be paid by choice, that is, the person paying the fee must have the option of not utilizing the service, thereby avoiding the charge. It follows that a service can be withheld from individuals who refuse to pay.
3. A fee must be collected not to raise revenues, per se, but to compensate the governmental entity for its expenses in providing the services. This has been interpreted to mean that a fee cannot exceed the cost to provide the service that is provided.

As a practical matter, local officials are faced with many considerations when deciding whether or not to implement or increase fees. These include, but are not limited to, the legal authority (e.g., general laws, special legislation and home rule powers) to charge a fee, the

attitudes of citizens and political leaders towards fees, and the cost. To start, before proposing new local charges or increases, a community should review its current user fees in accordance with formal guidelines.

As a recommended practice, communities should adopt written policies for setting charges and fees. A policy should identify what factors are to be taken into account when pricing services. It should also state whether the community intends to recover the full cost of providing the service or benefit and under what circumstances a charge or fee is set at less than full recovery (e.g., debt exclusion or other subsidy). A policy, as well as an existing fee structure, should be reviewed periodically to ensure it is current and both should be communicated with the public clearly and openly. For guidance, see the Government Finance Officers Association (GFOA) recommended practices at <http://www.gfoa.org/services/rp/budget.shtml>.

When pricing a service or benefit, it is highly recommended that a community conduct a costing study. A costing study identifies and measures the direct, indirect, capital and debt service costs of providing a service or benefit over a given period. If a team of municipal officials is involved, all possible aspects of costing data will be accounted for and different perspectives will be entertained. The process and results should be documented for public disclosure and organized for easy replication when annually reviewed. With the costing information, a community can analyze the efficiency of a service, make budgetary decisions, set fees or charges, and/or consider alternative methods of providing a service (e.g., smaller scale, out source and privatization). For more information on costing services, see the Division of Local Services' workbook, *Costing Municipal Services: Workbook and Case Study*, at <http://www.mass.gov/dls>.

Finally, it is a good idea to maintain a log of all municipal fees. In addition to a name and description, useful information might include the amount of the fee, when it was last reviewed and which department collects it. This data might also be incorporated into a more encompassing revenue manual. (For more information on a revenue manual, see to [www.gfoa.org](http://www.gfoa.org))