DLS
DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Mark E. Nunnelly
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Senior Deputy Commissioner

August 10, 2015

Mayor David J. Narkewicz
City of Northampton
210 Main Street, Room 12
Northampton, MA 01060-3199

Dear Mayor Narkewicz,

I am writing in response to your request for comment on the proposal you placed before the Northampton City Council to consolidate the treasurer and collector departments. This is a topic the Technical Assistance Bureau (TAB) has examined and written about often in our years of providing consulting services to cities and towns throughout the Commonwealth. Additionally, TAB conducted a review of Northampton's financial offices in 2014, so we already have some familiarly with the operations and personnel there.

Based on my understanding of events, the opportunity to combine the treasurer and collector positions presented itself with the longtime collector's recent, unanticipated retirement. In the wake of this, the city has employed a part-time, experienced consultant to function as an interim treasurer/collector and to mentor the city's current treasurer to eventually take over that role. The treasurer herself has prior experience performing the duties of a treasurer/collector in another community. Northampton officials have contemplated merging these positions in the past, but the combination of a vacancy and a potential candidate with the interest in and aptitude for fulfilling the responsibilities of both offices did not exist.

In my opinion, it makes a good deal of sense for the city to seize the opportunity to make this structural change while conditions are favorable. Positive outcomes the city could expect from this initiative include enhanced operational efficiencies, improved service provision, greater oversight of internal controls, and long-term cost savings derived from reduced personnel costs.

A primary treasury function is the managing of turned over departmental receipts, which involves counting, posting, and depositing cash and checks, as well as maintaining accounts for these transactions and reconciling them with the bank. Collectors' offices also perform these activities except in greater individual volume. Recognizing the parallel nature of these tasks is one reason that communities decide to combine these departments into a single operation.

Northampton's parking administration is a high-volume cash management operation that is already part of the collector department and would be included in the proposed consolidation. In addition,

the collector's office processes many receipt types that in other communities would be taken in by other departments and turned over to the treasurer directly. These departmental receipts include fees for preschool tuition, cemetery, and trash bags, among various others. Having a single treasurer/collector office will remove an intermediary processing step, hasten recognition of this revenue, and enhance cash management controls.

Presuming management will ensure that staff are cross-trained to handle various receipt types and other functions as appropriate, the new treasurer/collector can implement work plans to maximize efficiencies and ensure good coverage for spikes in work volumes. These would include heavier workloads that occur during quarterly real estate and water utility receipt cycles. There are also new tax title efficiencies to be gained since the same employee who initiated the process and researched accounts under the collector function can carry them forward on the treasury side, thus eliminating the need for someone new to reinvestigate the information.

The prevalence of treasurer/collector departments in the state could be viewed as an indication of the model's effectiveness. We researched communities comparable to Northampton based on similarly-sized populations, budgets, and average single-family tax bill amounts. Among these 12 cities and towns, we found that nine (75 percent) had combined treasurer/collector positions. Attached to this letter is a chart displaying these comparable communities.

It is my understanding that, post-consolidation, the city will employ one less full-time employee. Not only would this be a cost reduction in an annual management-level salary, it also would provide long-term savings by reducing the city's obligation to pay retirement and other postemployment benefits in the future. Moreover, in our TAB experience, we have found that the opportunity to offer a combined treasurer/collector position to candidates for any future office vacancy enhances a community's ability to attract a larger pool of well-qualified job applicants.

For all these reasons, I believe the City of Northampton would be well served by implementing a combined treasuer/collector department. Please advise if I can be of any further assistance.

Sincerely,

Zack Blake

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Treasurer and Collector Departments in Peer Communities

(Comparison criteria are similarly-sized populations, budgets, and average single family tax bills.)

Municipality	City/Town	2013 Population	Total Budget	2015 Average Single Family Tax Bill	Combined Treasurer/Collector	Charter Adopted
Northampton	City	28,495	$110,007,608	$4,757	No	2012
Agawam	City	28,705	95,263,871	3,292	Yes	1972
Amherst	Town	38,919	82,597,290	6,842	Yes	2001
Easthampton	City	15,971	42,313,584	3,497	No	1986
Franklin	Town	32,581	122,429,417	5,657	Yes	2013
Gloucester	City	29,393	120,637,404	6,433	Yes	1986
Melrose	City	27,690	91,210,969	5,549	Yes	2005
Milford	Town	28,288	99,261,932	4,652	No	
North Attleborough	Town	28,801	93,925,103	4,416	Yes	
Randolph	Town	33,456	105,527,886	4,407	Yes	2004
Tewksbury	Town	30,107	119,657,931	5,355	Yes	1989
Wakefield	Town	26,080	95,884,035	5,608	No	1998
West Springfield	City	28,684	103,414,372	3,798	Yes	1959

Percentage of Combined Treasurer/Collector Departments Among Peer Communities: 75.0%

Percentage of Combined Treasurer/Collector Departments Statewide: 63.5%