

From: James D McNair III <jmcnair3@comcast.net>
Sent: Saturday, March 10, 2018 12:20 PM
To: Robert Tarlov
Subject: questions about opengov benefits for voters

Rob,

I've been asked the following and thought to pass it onto the BOF.

My recollection was the BOF stated open gov would help the BOF do a better job. Yet, as we've discussed, there is an expectation's gap between the BOF and public what is the job of the BOF. Can you clarify this please?

What information will opengov provide the BOF to do a better job? I always had issues the way Maggie presents the data with YTD actual spending, encumbrances, available budget as percent of full budget. There never is a point of reference by looking at the previous year to date. Or how is YTD spending versus the budget assumption since Maggie does not build the budget by month. An example was asking how fiscal year to date police overtime compares to previous year or the budget assumptions?

What authority, if any, does the BOF have to influence policy or operations to reduce taxes or increase efficiencies or improve services?

Thanks,

James McNair
Publisher Colchestercitizenswatch.com

From: Robert Tarlov
Sent: Sunday, March 11, 2018 4:23 PM
To: James D McNair III
Subject: Re: questions about opengov benefits for voters

James,

Below are answers to your questions. Some of your questions require opinion to answer, so these responses are a combination of personal opinion and facts, and in some cases my perspective on the facts.

My recollection was the BOF stated open gov would help the BOF do a better job. Yet, as we've discussed, there is an expectation's gap between the BOF and public what is the job of the BOF. Can you clarify this please.

To me, the reason it is so difficult to define what the responsibilities of BOF are is that the statutes are very weak in defining them.

The Charter lays out certain responsibilities.

The Handbook for CT Board of Finances written by a UCONN professor lays out many responsibilities beyond what the statutes and Charter lay out. Although written long ago, I have been told it is still relevant today and the Statutes have not changed since then either. Some towns have this document on their website.

The BOF has the following responsibilities (things we must do) explicitly spelled out in the Charter:

- Responsible for presenting the budgets to the voter.
- Setting the mill rate.
- Approving/recommending special appropriations after recommended by BOS.
- Approving/recommending appropriations for purchase of real estate after recommended by BOS.
- Approving/recommending appropriations for lease after recommended by BOS.
- Approving transfers between town departments.

The BOF has no authority over (things we can't do):

- BOE line items
- Spending within a town department
- Create Town Policies.

Then in addition, there are things we should do and can do. There are things we cannot actually do, but when these things are tied to the spending of a dollar, we can influence others to create policy or plan as a condition for funding. Also, by starting a public dialogue, the decision making and actions of others can be influenced. Much of what can be accomplished by any board requires the cooperation of other Boards, and sometimes town employees.

- Make decisions to position the town to achieve good ratings
 - Make decisions that helps the town maintain a healthy fund balance.
 - Monitor town expenditures to come in under budget.
 - Initiating and Promoting the creation of (or in process of) town plans and policies impacting town finances.
- Communications
 - Encourage the town and BOE to provide comprehensive budget information to the public.
 - Encourage the town to improve overall transparency
 - Create and continue to support a budget survey
 - Budget Forums to solicit input at the beginning of the budget season.

What information will opengov provide the BOF to do a better job?

OpenGov pulls from the data entered into Munis. If a check is written and entered into Munis, that data can be used in any form, (monthly reports, department reports, annual reports, historical reports, etc.) The CFO should save time each month as she would not have to create monthly reports for BOF and BOE as we can pull the information from OpenGov and it would be in a form much easier to review than the current. The number of requests for information coming to her would be substantially decreased, too.

BOF members, in doing what they must do and should do, rely on information that is available, accessible and understandable. Most of that information is financial, but sometimes we are asked to review activity reports in order to evaluate requests for new or additional funding. When the information is presented, we must rely on its quality, completeness and proper context. The quality of what we can do, and the amount of what we can do are largely dependent on availability of quality information that must be quickly absorbed. We are unpaid volunteers with limited time and sometimes limited competence to quickly and correctly appraise information in its current form and, which often is not available when needed. Also not to be able to see and analyze the actual Excel spreadsheets, it is difficult to understand the sources behind the numbers and is too easy for the creator to inadvertently or purposely leave important information out. Also the way information is presented can lead someone to believe that 1+1=3. As most members are working during town hall hours, we are often looking for information on weekends, evenings and early morning, when Town Hall is closed.

Everything we get is in pdf, much of it after making multiple requests, and then when received, needs to be manually entered into Excel or converted to Excel with an online service which requires an annual subscription, and then still requires additional formatting. Then multiple spreadsheets, sometime formatted differently in different spreadsheets, often need to be combined. How long does all that take versus a few clicks in OpenGov? How much analysis does not get done because of the amount of work perceived to be done or the ability for the user to know how to do the work? How much analysis does not get done because it takes so much time to do one thing, that the next things are never started. How many times have we heard, after doing 10's of hours of work, that we cannot use the charts and graphs created because Maggie does not have the time to vet them? There are few volunteers that have the persistence, ability, desire or time to do what you and I have done over the last 4 - 8 years. We like doing it, we have the competence to do it, we don't let it go when we don't initially get what we requested and we have had the time flexibility. You are no longer on the board and in 3 ½ years, I will not either. Unpaid volunteers should not be expected to, or are able to do, what you and have done.

The OpenGov website has many case studies and testimonials posted from other towns and government entities.

OpenGov gives us a single source of information, presented in a consistent way. The BOE reports through OpenGov would look like the town one. I can look at a variety of graph styles, including %, or I can download excel spreadsheets.

What we can use OpenGov for, falls into 3 broad areas. There are other levels of service that we should look at in the future if the current package is approved, such as Budgeting and Forecasting. We are also getting a more robust package than we were originally quoted. The package we originally were quoted on is no longer available and has been replaced by a more comprehensive package. OpenGov is honoring the quote they gave us over a year ago for an upgraded package.

- **Public transparency** – uploaded automatically from Munis
- **Internal Financial reporting** to be used by BOF, BOE, Department Heads, First Selectman, Finance Department and School Administrators.
 - Upload automatically from Munis
 - On Demand – up to date
 - In a format easier to use than Munis
- **Internal Operations: Monitoring and Management**

Public transparency - As we view online samples, we are limited to which reports and to the levels the different towns have elected the public to drill down to. I am in favor of few limitations. Other than being the right thing to do, one of the advantages we saw in the public transparency was to reduce the number of FOI requests and the impact on staff productivity. If we are too limited with availability, how would we accomplish this? The information is the public's property, so why make access difficult when you have tools that can provide easy access. Some towns don't drill down on the graphs but list every check written under the items: <https://miltonga.opengov.com/data#/1750/query=9F25BD3CB8A0AAC6A55D2A1C626EAD04>

Internal reporting - As you mention, interpreting Munis reports, especially the monthly reports with all their encumbrances, is difficult for some and impossible for others to interpret. Below are different ways that 2 towns have YTD budget reports. I like Darien in that they use departments, but I like Sausalito's two versions of looking at the YTD budgets. These are public views and don't have the same level of detail that these towns have for internal reporting, or that I would favor for Colchester's public views.

https://sausalitoca.opengov.com/transparency#/13627/accountType=expenses&breakdown=types¤tYearAmount=cumulative¤tYearPeriod=years&graph=bar&legendSort=coa&month=2&proration=true&saved_view=null&selection=B562233CE96643632964D61B16918612&fiscal_start=2015&fiscal_end=latest

https://sausalitoca.opengov.com/transparency#/383/accountType=expenses&breakdown=types¤tYearAmount=cumulative¤tYearPeriod=years&graph=bar&legendSort=coa&month=2&proration=true&saved_view=null&selection=DEA6244C93E38E45A41577AC09898480&fiscal_start=2015&fiscal_end=latest

https://darienct.opengov.com/transparency#/15425/accountType=expenses&breakdown=7dd75cac-092a-428c-9a49-6d2632693fe8¤tYearAmount=cumulative¤tYearPeriod=months&graph=bar&legendSort=coa&month=6&proration=false&saved_view=35533&selection=3C49BF71E80AB5C70A5A0DD8B3433AAA&fiscal_start=earliest&fiscal_end=latest

Internal Operations: Monitoring and Management

OpenGov can, from the Excel spreadsheets uploaded (already being used by town employees, or new ones), show on a map, the locations and types of police calls, fire and EMS calls, road projects, capital projects, building permits etc.

At the last BOF meeting Jim P came with several large printouts, clearly needing special paper and the use of our blueprint printer and with font size very small. We also needed to share the output and lean across the table to see them and with limited copies provided, only some members were able to review at a later time. OpenGov would have allowed us to see these reports, without the need to print them out, on our laptops (at the meeting and later) and in addition to the ledgers we could have viewed pie charts, a five year history of what we have already done as well as hot map showing the locations and conditions of the roads.

The same with any other report, IGA, fire calls, police calls, capital projects, town clerk activity, building department, overtime, etc.

These can be used by the First Selectman and Department heads to monitor activity across the town.

As stated above, the information “is one singular source of truth”, so would create some consistency in report formats, not only between departments, but from year to year.

I have pointed out previously how the activity reported in the presentations to BOF not only has changed in format from year to year, but the activity numbers changed for same periods of time, too.

Different departments in their presentations requesting additional funding compare us to different towns (Police, Town Clerk, Tax Collector, etc.). Each presentation picks out different towns and often those towns have little relevance to Colchester. To verify the special circumstances of the towns being compared to put the analysis in the correct context is an undertaking. Although every town is different, comparing our financials and activity to other towns can still tell an important story. As OpenGov expands their customer base, currently at 1800 (up 300 from a year ago), there will be more towns to match to. OpenGov has towns smaller than Colchester (North Stonington) to cities with populations of 500K+ (Boston) to state agencies. Two years ago, one of the town’s budget subcommittees chose 7 CT towns similar to us in population, household income, grand list, commercial grand list. How many hours could be saved if those 7 towns became OpenGov customers and we didn't need to comb through their websites to extract data (limited) for the benchmarking.

Some ask if in these times of financial stress, should we be spending this money. In my opinion, it is the reason we should. This software will allow those with oversight, both on the three elected boards as well employees to better evaluate spending and to oversee department activity to ensure efficiency and effectiveness. If used fully by the boards and town management, this software should pay for itself in dollars and increased productivity. This is an example of reasons one town implemented

OpenGov: <https://opengov.com/newsroom/news/petersburg-va-launches-opengov-financial-transparency>

What authority, if any, does the BOF have to influence policy or operations to reduce taxes or increase efficiencies or improve services?

You don't need authority to have influence. Even where one may not have authority, future decisions on policy and spending can be impacted by creating a forum for public dialogue to take place and then, persistence to keep discussion alive and moving forward. As stated above, much of what can be accomplished by any board requires the cooperation of other Boards, so there are limits to what can be accomplished when one does not have the authority and cannot influence those that do. I believe those situations have not occurred a lot in my 9 years of experience on the Board. Most of the items below are examples of past things accomplished where the BOF either had the authority to, or influence to, create change. On some of these BOF had the authority to effect the changes and while BOF may have been the catalyst on others, they could not have been accomplished without the cooperation and expertise of the other Boards or town staff.

- BOF took the position that they would not look at funding of 24/7 until the Commission/Department created a 5 year impact plan and provided crime statistics to consider funding. BOF insisted that the police department show us what crimes would have been prevented with overnight coverage. After 4 - 5 years we are still waiting for that data needed to substantiate the need for this additional cost (250K plus per year)
- BOF took the position that they would not look at additional funding requests from the Fire Department until a Strategic Plan was created. – this resulted in the recommendation for the town to look into creating a certified paramed program. This will be a net revenue generator for the town. Hope to have it presented to BOF and BOS this month.
- BOF pushed for creation of a joint committee for alternative funding solutions to an improved level of rec field maintenance and upgrades which led to a policy where a new user fee, added to the current registration fee is directed toward a fund for rec field improvements.
- BOF initiated discussions for a Program Fund Policy and continues to follow up until it's completed. The BOF has moved items from the budget into the Program Fund. New discussion about using the program Fund to help pay for rec field upgrades without a budget impact. Tennis court rehab being fund 50% by Program Fund.
- Facilities Plans – BOF pushed for the creation of a plan for both town and schools. On the school side, this resulted in a study of the Bacon Academy roof, leading to remediation work which extended the life expectancy of that roof.
- Norwich Tuition Policy
 - School administration planned to use the Norwich tuition to acquire and pay for items not in the approved budget. Maggie told BOF that BOE had the authority to do so. Because BOF brought the issue to a public meeting, BOE members saw a different side of the issue, and the entire amount is now added to the town revenue and any expenditure relating to this money is put in the budget. In 2017/2018 the revenue amount was about 300K, in 2018/2019 projected to be 450K and in 2019-2020, 600K.
- BOF has no line item authority in the BOE budget yet can influence BOE decision making on some items.
 - Health Insurance Funding
 - Capital Investment
- In 2008, the Town Budget Book was 59 pages, this year it is 308 pages

- In 2011 the BOE budget was 47 pages, the proposed budget this year is 236 pages
- Health Insurance was funded at 90% with no reserves, today we are funding at 115% with adequate reserves and have recently created a revised formula to lower the volatility in annual funding requirements.
- In 2010, we had no Fund Balance Policy, low Unassigned General Fund Balance, no funded capital plan, no special reserves, no insurance reserves and an annual underfunded health plan and our rating had been reduce reduced. Now we have Fund Balance Policy created by BOF in 2010
 - This has mentioned several times by rating companies as a positive in past, current and future rating decisions. If it wasn't for the State of the State, I would almost guarantee a rating increase for the new school bonds. We are still hopeful based on Moody's recent action on our existing debt.
- Our fund balance in 2009 was below 7% and below our confidence zone. Today it is nearly 12% and above our confidence zone. We used fund balance to buy the senior center and the property adjacent to town hall as a future town building site.
 - This directly impacts the town's cost of borrowing. The better the rating the lower the interest rate on the debt.
 - This healthy fund balance got us through last fall. Many towns were running out of money as the State withheld municipal aid and a large portion of the ECS money. Moody's specifically mentioned in their rating evaluation for Colchester how well the town was able to handle the crisis.
- Together with the planning of the CFO and Town Financial Advisor, we have prefunded part of the school building project creating a reserve from the savings in reductions in debt service on our existing debt to offset future debt service.
- With BOF advocacy, the CFO and Public Works director have created long term capital improvement plans (including road maintenance) which BOF ensures funding for each year.
 - Much of this was funded through the savings from annually decreasing debt service. In the past rather than using this money for equipment and infrastructure, the town had let our building and fleets fall into a state of disrepair which we have spent the last 8 years recovering from.
- We now have special reserve funds for snow removal, equipment reserve and BOE Capital reserve, funded through the BOE budget and unexpended year end funds.
- With past discussion with BOF, BOE now has an annual commitment to a capital maintenance plan and a facilities plan. BOE has been reserving to fund these future needs. BOE is now in the process of creating a 5 year technology replacement and maintenance plan.
- When the Charter fell short in clearly laying out BOF/BOS financial process, BOF pushed for an agreement (Transfer and Capital Reserve Policy) to address this. An agreement was created and agreed to by BOF and BOS. The new Charter Revision, in making changes, included much of the language from this Agreement.
- Capital Reserve Policy (formerly part of the Transfer Policy created jointly by BOS and BOF).
- BOF brought the idea of OpenGov to the town in August of 2016. BOF did 100% of the research on three different companies, including calling other towns for their experience, before choosing OpenGov in February of 2017, and then ensured that the funding would be included in the 2017/2018 budget. BOF continues to advocate for the software as the BOS weighs information in advance of a decision.

Rob

Rob Tarlov, Chairman, Board of Finance
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