

TOWN ADMINISTRATIVE NEEDS COMMITTEE

SUMMARY OF REPORT

Please read the full report for a more complete elaboration on the statements made in this summary.

SECTION ONE: CURRENT ADMINISTRATIVE NEEDS

I. CHARGE (p.1)

The Selectboard created the Town Administrative Needs Committee after the March, 2001 town vote on a petition to create the position of town manager. This committee's charge was:

[T]o make recommendations to the Selectboard regarding options for the administration of town government. The committee should study, as a minimum, the following options:

- *Current administrative structure*
- *Administrative Assistant*
- *Town Administrator*
- *Town Manager*

To do this, we interviewed elected officials and town employees, as well as officials in towns with different structures.

II. CURRENT STRUCTURE (p.2)

Please see this section in the full report and the chart in Appendix I.

III. WHAT'S NOT WORKING (p.2)

As a Committee, we do not believe that pointing the finger at individuals or detailing particular personality conflicts serves any constructive purpose. Rather, we think instances of discord and the evident disharmony within town government highlight certain administrative shortcomings that we, as a community, need to address. These are:

A. PERSONNEL MANAGEMENT

There is widespread discontent among town employees concerning personnel issues. Nearly all reported a frustrating lack of clear lines of authority over the administration of personnel matters. In particular: interviewees feel employment policies are not being consistently enforced or administered; the Treasurer's authority concerning personnel policies was not adequately clarified by the 1996 job description revisions; if the 1996 revisions intended to invest this authority with the Treasurer's Office, the office lacks adequate support for these responsibilities; conflicts among departments are not being resolved; some departments feel too removed from the Selectboard; performance reviews are not being performed reliably; there appears to be no consistent process for handling either employee grievances or public complaints about employee actions.

B. FINANCIAL MANAGEMENT

We received numerous comments suggesting that no clear line of authority exists to handle certain non-statutory financial management issues. In the absence of any clear authority over these matters, important aspects of financial management are not being performed, or are performed in a piecemeal fashion: there is no central purchasing for departments; investments in capital equipment are handled unpredictably; the budget process can become politicized at the Selectboard level; departments need better budgeting and accounting support; the Treasurer's Office reports that her office lacks adequate staffing to improve overall financial management within the town.

C. SELECTBOARD ISSUES:

The Selectboard was roundly criticized on a number of fronts in our interviews, including by its own members: some interviewees believe the Selectboard, as a body of volunteers, is inherently ill-suited to

manage current town business effectively; the laws, rules and regulations applicable to municipalities are becoming more complex, increasing the burden on non-professionals within town government; the board's liaison system is an inconsistent channel for receiving information and propagating policy; there is a general perception among town employees that they are vulnerable to the political whims of the Selectboard and of individual Selectboard members; there is a general perception within town government that the Selectboard has not created clear lines of management authority; some interviewees believe the Selectboard has overdone its effort to become more open to public participation at its meetings; some also contend the board becomes too bogged down in "trivialities"; board members are having trouble preparing for meetings; the Selectboard often operates by crisis management, rather than approaching town issues (including legally significant issues) with the forethought necessary to proceed in an orderly fashion.

IV. ADMINISTRATIVE NEEDS (p.5)

- A. The Town needs a clear locus of managerial authority over financial and personnel functions.
- B. Two efforts to maintain managerial oversight—the 1996 job description changes for Town Treasurer and the Selectboard liaison structure—are broken and need to be revisited.
- C. To achieve any suggested changes to the Town's administrative structure, the Town must be willing to:
 - 1) Decide what role it wants the Selectboard to play; and 2) Support good administration with adequate resources.

SECTION TWO: OPTIONS

I. CURRENT STRUCTURE WITH FINANCE OFFICE (p.9)

Speaking solely in terms of town administration, there is little to recommend keeping things as they are, with the Selectboard serving as administrator-by-committee. The town has spent much of the last decade struggling to manage departments and finances under this system, with limited success. Our interviews suggest that problems continue to accumulate, and we believe there is little chance the Selectboard will find the time it needs to sort things out.

Should the town retain its current structure, at a minimum the Selectboard needs to sort out the roles it wants the Treasurer's Office to play, and then either support it fully or find the resources to ensure that someone else can handle town financial and personnel matters effectively. It also must rethink its liaison system in a way that minimizes the impact of political infighting on administrative matters.

II. ADMINISTRATIVE ASSISTANT (p.9)

An administrative assistant would assist the Selectboard in administering town business. The Selectboard would retain exclusive responsibility for management decisions, a situation we view as problematic, as it would not address the need for clear lines of management authority.

III. TOWN ADMINISTRATOR (p.10)

In our survey of other towns, we found great variety in the duties of town administrator, with some administrators substantively no different from town managers, and others overseeing some services (i.e., 911, water and sewer, solid waste) but not involved in budget or finance issues. Because the position would be defined by the Selectboard, it can be tailored to the needs and political realities of each town. This is also the position's greatest liability, since the administrator's job description is subject to change at the discretion of the Selectboard. One possible alternative would be to adopt a town charter incorporating a job description for the town administrator position.

IV. TOWN MANAGER (p.10)

Under Vermont law, the town manager's duties are defined by state statute. For a description, please see the corresponding section in the full report. Moving to a town manager structure would create a position with clear lines of authority, relieving the Selectboard of most of its administrative role and allowing its members to concentrate on planning and town policies. The manager structure appears to provide less direct voter input into day-to-day town administration, but it also relieves selectboard members of having to deal with minutiae. A good manager helps the selectboard make better decisions, by virtue of his or her knowledge of statutes, precedent, and other communities' practices.

In both the manager and administrator forms, success depends on selectboard members leaving day-to-day administrative decision-making to the administrator or manager.

SECTION THREE: COSTS

This section attempts to estimate the net costs involved in each of the four options we were asked to consider. Our cost analyses were conducted using the best information available to the Committee, based upon the Norwich 2000 Town Report, job descriptions gleaned from our interviews, and comparisons to what other Vermont towns have done. Our estimates are highly subjective as they required us to make decisions regarding staffing and compensation for theoretical positions which may or may not reflect the job market or the Selectboard's own preferences. However, understood in this context, we feel these estimates can be useful in comparing the options before us.

I. CURRENT STRUCTURE WITH FINANCE OFFICE (p.12 and p.17-Table One of Appendix)

Please see main text for detailed outline of cost estimates and underlying assumptions. Bottom Line: Net additional cost of \$7,200. This would result in a net increase of \$0.002 (per \$100 assessed value) in our tax rate. This is the equivalent of an increase of \$2 per \$100,000 assessed value in annual property taxes.

II. ADMINISTRATIVE ASSISTANT (p.13 and p. 19 -Table Two of Appendix)

Please see main text for detailed outline of cost estimates and underlying assumptions. Bottom Line: Net additional cost of \$27,500. This would result in a net increase of \$ 0.01 (per \$100 assessed value) in our tax rate. This is the equivalent of an increase of \$10 per \$100,000 assessed value in annual property taxes.

III. TOWN ADMINISTRATOR (p.13 and p.21 -Table Three of Appendix)

Please see main text for detailed outline of cost estimates and underlying assumptions. Bottom Line: Net additional cost of \$46,600. This would result in a net increase of \$ 0.015 (per \$100 assessed value) to the tax rate. This is the equivalent of an increase of \$15 per \$100,000 assessed value in annual property taxes.

IV. TOWN MANAGER (p.14 and p.23 -Table Four of Appendix)

Please see main text for detailed outline of cost estimates and underlying assumptions. Bottom Line: Net additional cost of \$72,280. This would result in a net increase of \$0.025 (per \$100 assessed value) to the tax rate. This is the equivalent of an increase of \$25 per \$100,000 assessed value in annual property taxes.

SECTION FOUR: COMMITTEE RECOMMENDATION

The Town Administrative Options Committee unanimously recommends that Norwich adopt a town manager form of government, and that the Selectboard place this option before the town's voters at the annual town meeting in March, 2002.

I.WHY A TOWN MANAGER RATHER THAN A TOWN ADMINISTRATOR? (p.14)

There is a noteworthy distinction between a town administrator and town manager that persuades us to recommend the latter. The statute defining a town manager's authority clearly separates the town's "executive" and "legislative" functions between the town manager and the Selectboard. We believe this delineation of roles is better suited to the political realities of the town and is more likely to succeed in the long term. In contrast, we feel a town administrator, with his or her job description crafted by the Selectboard, would be hamstrung by the politicization of what should be apolitical administrative matters. The Selectboard could find itself constantly revisiting the town administrator's job description as questions of competence become intertwined with arguments over the breadth and specificity of the administrator's responsibilities.

II.SUCCESS HINGES ON THE SELECTBOARD (p.15)

The manager's prospects of success will improve to the degree that the Selectboard understands, embraces, and respects its reduced role in day-to-day affairs under the town manager statute. The Selectboard, *as a*

whole, retains the authority to direct and supervise the town manager in his or her job performance. Unlike the current liaison system, in which individual members maintain close contact with town departments, the Selectboard will need a much more hands-off approach to day-to-day matters and to communicate with town employees as a body, not as individual members.

III.SUCCESS ALSO DEPENDS ON THE PEOPLE OF NORWICH (p.15)

Ultimately, however, Norwich *residents* will determine whether adoption of a town manager helps our town. We have two concerns. First, the adoption of a town manager form of government may erode our tradition of self-governance. Second, there is no administrative remedy for incivility or for seeking to use town government as a weapon in political disputes. It is up to us, as individuals and as a community, to show—and expect of our neighbors—greater civility and constructive participation in public affairs. Prior generations have shown us what Norwich can achieve through self-reliance, sacrifice, and restraint. As we recommend practical steps to address future needs through the adoption of a town manager, we also hope our neighbors will keep in place the traditions of civil discourse and active participation that have meant so much in creating the town and community we share.

SECTION FIVE: HOW DO WE GET THERE?

I.GETTING READY FOR TOWN MEETING (p.16)

The Selectboard should:

- Recommend the hiring of a full-time town manager pursuant to 24 VSA§1231, with the appropriate salary and benefits (see our recommendation in Table Four);
- Recommend the hiring of a finance person, with the appropriate salary and benefits (see our recommendation in Table Four)
- Recommend the hiring of staff support for both;
- Reduce the Town Treasurer's duties to those outlined by state statute, and reduce the salary accordingly;
- Work out, in conjunction with the Treasurer and the town auditors, the specifics of the new finance person's duties;
- Recommend to the town that the Delinquent Tax Collector's duties be taken over by the town manager.

II.BROADER ISSUES (p.16)

We also recommend that early in the new manager's tenure, he or she should help the town clarify the lines of authority and communication among each of the statutory committees, the Selectboard, and other statutory offices.

APPENDICES:

Appendix I: Current Organizational Chart for Town of Norwich (pp.17-18)

Appendix II: Cost Analysis and Organizational Charts for Administrative Options (pp.19-26)

- Table One: "Retaining Current Structure with Finance Office"
- Table Two: "Administrative Assistant"
- Table Three: "Town Administrator"
- Table Four: "Town Manager"

Appendix III: 1996 Job Description for Town Treasurer (pp. 27-28)

TOWN ADMINISTRATIVE OPTIONS COMMITTEE

REPORT ON FINDINGS

SECTION ONE: CURRENT ADMINISTRATIVE NEEDS

I. OVERVIEW:

The Selectboard created the Town Administrative Options Committee after the March, 2001 town vote on a petition to create the position of town manager. Although the voters defeated that measure, there was a broad consensus—expressed both at Town Meeting and on the Selectboard itself—that Norwich needed to investigate the current administrative structure of town government, get a sense of what is working and what is not, and look at options for improving the town's operations.

This committee's charge was as follows:

[T]o make recommendations to the Selectboard regarding options for the administration of town government. The committee should study, as a minimum, the following options:

- *Current administrative structure*
- *Administrative Assistant*
- *Town Administrator*
- *Town Manager*

In conducting its study the committee should interview department heads, elected officials, a sample of employees, and officials of other towns with similar administrative structures.

The committee should conduct at least two public forums, one at the beginning of the process and one when the draft report is ready for review.

The final report from the committee should include a full discussion of the advantages and disadvantages of each option considered, the financial costs and/or savings of adopting any change in the administrative structure of the town, a suggested organizational chart for each option considered and the steps necessary to implement any change in administrative structure. The final report from the committee should be presented to the Selectboard on, or before, October 23, 2001.

* * *

We need to underscore at the outset that there are limits to what this committee and the town of Norwich can do. Under Vermont law, towns are limited in their options; unless the legislature has explicitly said that local governments may take a particular step, they can't take it. And because the law lays out particular roles for the Selectboard and other statutory officers, Norwich cannot alter the legally defined duties of statutory employees. We can only restructure so-called "non-statutory" duties—that is, duties not specifically delegated to a town official by state law—and change the administrative structure in line with the options the legislature has given us. Simply put, this means that we cannot decide to jettison the Selectboard and install a mayor instead, or change the responsibilities of the town clerk any way we'd like. Instead, the task of this committee was to look at how town officers, and the town as a whole, might better be able to function within the statutory constraints.

The first step in our work involved a detailed study of the Town's current administrative structure, focused on what is working within that structure and what is not. We interviewed Selectboard members, all statutory employees of the Town, the heads of each department within town government, and a sampling of other town employees. We also solicited written comment from Norwich residents. These interviews and comments produced a comprehensive and largely consistent portrait of the current situation, which the next section attempts to summarize.

II. CURRENT STRUCTURE

An organizational chart of the town's current administrative structure may be found in Appendix I. The five boxes across the top of the chart represent the five elected administrative offices within town government, consisting of the Town Clerk, Listers, Delinquent Tax Collector, Selectboard, and Town Treasurer. As elected officials, each of these positions is defined, and their responsibilities described, by Vermont state law. Until 1996, three of these "statutory" positions – Town Clerk, Delinquent Tax Collector, and Town Treasurer – were combined in a single office held by a single person. That year, the Selectboard decided to separate these functions into three distinct offices and created detailed job descriptions for the Clerk and Treasurer positions. You'll find these in Appendix II. As the job descriptions show, the Selectboard added significant non-statutory responsibilities to the duties laid out by state law. This move made sense for a town grappling with chronic administrative problems in a combined tax collector/clerk/treasurer's office, but it also laid the foundation for some of the difficulties town government now faces.

In addition to the statutorily defined town offices, Vermont law grants the Selectboard broad authority to see that the town's business is done. The ten boxes in a column beneath the Selectboard in Appendix I represent the ten departments created over time by the Selectboard to address specific town needs. The specific structure of these departments and the scope of their responsibilities is up to the Selectboard. Throughout this report, we will refer to Selectboard-defined duties and departments as "non-statutory" duties and/or offices. As may be seen in Appendix I, reflecting changes made in the 1996 job descriptions for the Town Clerk and Town Treasurer, the Clerk and Treasurer have statutory duties for which they are responsible, and non-statutory duties for which the Selectboard is ultimately responsible. The Selectboard as a whole oversees these individual town departments, but in day-to-day matters each department works with an individual Selectboard member who is its liaison to the board as a whole.

In a small town, the personalities and styles of elected officials, department heads and line employees matter a great deal. Where individuals are willing to work together, the town can thrive no matter how inadequate the organizational chart. When they conflict, and those conflicts are allowed to fester, even the most comprehensive and carefully planned organizational chart becomes irrelevant. Our interviews suggest that both these situations describe Norwich town government. The town suffers from a variety of ongoing conflicts rooted in personality, philosophy, and approach, but also benefits substantially from the dedication and hard work of employees and public servants who have its interests at heart. As a Committee, we do not believe that pointing the finger at individuals or detailing particular personality conflicts serves any constructive purpose. Rather, we think instances of discord and the evident disharmony within town government highlight certain administrative shortcomings that we, as a town, need to address.

III. WHAT'S NOT WORKING

Our interviews uncovered three broad areas of administrative difficulty within the town. Generally speaking, they concern management of personnel matters; management of town finances; and the Selectboard's difficulty managing town business effectively.

A. Personnel Management:

It is apparent from our interviews that there is widespread discontent among town employees concerning the management of personnel issues. Department heads and employees all spoke highly of their own jobs, how much they enjoy their work and, in general, their co-workers. However, nearly all reported a frustrating lack of clear lines of authority over the administration of personnel matters. In that vacuum, substantial problems have emerged:

- Many interviewees report that they feel employment policies and applicable regulations are not being consistently enforced or administered. We heard a number of complaints regarding the administration of employee benefits, time-card reporting, payroll administration, and uneven enforcement of existing town policies by department heads.
- The Treasurer's Office has become a focal point for this frustration. In the absence of any clear lines of authority governing personnel matters, the Treasurer has stepped in to enforce personnel policies, in keeping with the office's responsibility for overseeing payroll and keeping an account of the Town's monies. However, a number of employees question whether the Treasurer has the authority to administer personnel policy and, in the absence of any clear statement of authority over these matters, resent this

situation. As a Committee, we express no opinion regarding this approach or the Treasurer's job performance in this capacity. Rather, we feel it simply highlights the unnecessary friction which arises in the absence of a clear delegation of management authority.

- There appear to be a number of personality conflicts between departments and among department heads that are not being resolved. The Selectboard seems unwilling or unable to mediate such disputes, and because no one else can, they continue to fester.
- Certain departments feel the Selectboard is too removed from day-to-day operations to appreciate what they do and how hard they work. They feel this lack of appreciation is reflected in their compensation, in their ability to hire support staff, and in what they view to be irrational pay differences among a variety of town employees.
- Performance reviews of department heads are not being done consistently. As a result, some employees feel good work is going unrecognized and unsupported, while poor performance escapes notice.
- There does not appear to be any consistent process for handling either employee grievances or public complaints about employee actions. The Selectboard takes these matters up at its own discretion; those it does not address simply become bottled up at the Selectboard level.

B. Financial Management:

Again, we received numerous comments suggesting that no clear authority exists to handle certain non-statutory financial management issues. In the absence of any clear authority over these matters, important aspects of financial management are not being performed, or are performed in a piecemeal fashion.

- There is no central purchasing for departments, which means that the town does not get the benefit it might from bulk purchases.
- Some department heads complain that investments in capital equipment are handled unpredictably; routine maintenance is not consistently followed; commitments to purchase or fund certain acquisitions and repairs are sometimes neglected; future needs are not discussed.
- The budget process, and flexibility within the budget, can become politicized at the Selectboard level. As a result, departments find that straightforward management decisions can get bogged down in policy disputes at the Selectboard level.
- Several departments report that they need better budgeting and accounting support. In particular, departments don't get timely monthly income and expense statements. Currently, budgeting and accounting practices vary department by department, often depending upon the administrative skills and backgrounds of individual department heads.
- The Treasurer's Office reports that they lack adequate staffing both to improve overall financial management within the Town and to carry out statutory duties such as investing town monies and serving as school treasurer.

C. Selectboard Issues:

The Selectboard was roundly criticized on a number of fronts in our interviews. To the board's credit, some of the most critical comments regarding its ability to manage its current responsibilities came from board members themselves.

Our role as a committee vis-à-vis the Selectboard is complicated and deserves a moment's comment. First, our charge was to recommend ways to improve the administration of town business. It would be inappropriate for us to take sides in political disputes about town policies or the legislative prerogatives of the Selectboard. We take an interest in Selectboard politics only as it affects the administration of town business and suggests pitfalls to be wary of as the town ponders changing its administrative structure.

Second, we need to keep in mind certain things about selectboards in general. Being elected bodies, they are inherently political. It is no secret that our Selectboard has become politically divided in recent years. As the board is a reflection of the town's voters, this simply suggests that our town may itself have become divided. For the purposes of our work, whether these changes are good or bad is not an issue; instead, we expect that political divisions within the town will continue, and believe the town's administrative structure should be able to withstand such disputes. We will highlight a number of instances in which political division itself, rather than any particular political viewpoint, has hampered the administration of town business.

Finally, our Selectboard is, at heart, a volunteer organization. The most serious criticism of the current administrative structure may be that the board's administrative burden discourages otherwise interested citizens from seeking to serve, simply because the time commitment has become so onerous.

- A number of interviewees believe that the Selectboard is inherently ill-suited to manage current town business effectively because, as a five-member body of volunteers, it lacks the focus of an individual manager, and the time and expertise needed to address the variety and complexity of issues facing a modern municipality.
- The laws, rules and regulations applicable to municipalities are becoming more complex, increasing the burden on non-professionals within town government.
- The liaison system is an inconsistent channel for receiving information and propagating policy. It relies upon a single Selectboard member to serve as the ears and mouth of the five-member board. This is fine when the Selectboard is functioning smoothly and cohesively, but when it is not, two things seem to happen: Departments have no recourse when the single member serving as their liaison does not represent their needs and positions; and, as we note below, departments can fall prey to internal board politics because they are identified with individual Selectboard members.
- There is a general perception among town employees that they are vulnerable to the political whims of the Selectboard and of individual Selectboard members. In particular, they feel the liaison system has become subverted by personal politics and dependent on the individual personalities involved. They believe town departments that enjoy a good working relationship with their Selectboard liaison receive better funding support. They also report that under the liaison system, departments can become political footballs, subject to conflicts among individual Selectboard members. They feel that Selectboard politics—and in particular, Selectboard members striking at each other through their departments—affects how departments are treated.
- There is a general perception within town government that the Selectboard has not created clear lines of management authority, and so it is difficult for citizens and employees alike to discern where accountability lies for the town's actions.
- Whether due to political division or other constraints, the Selectboard is generally seen as unable to manage personnel and financial matters consistently or effectively.
- Several interviewees believe the Selectboard has overdone its effort to become more open to public participation at Selectboard meetings. They argue that Selectboard meetings have become unnecessarily drawn out, and that as individual audience members raise and pursue new issues and extend discussion, the board sacrifices its ability to handle other town business effectively.
- Another version of this criticism suggests that the Selectboard cannot effectively handle its administrative duties because it becomes bogged down in "trivialities."
- Interviewees also feel that the Selectboard's ability to make timely decisions has been shackled by town politics, and especially an over-sensitivity to past demands for greater accountability. They believe matters that were once more or less routine—especially anything involving the expenditure of town money—have become subject to political grandstanding or been drawn into unrelated political disputes among individual Selectboard members.

- At the moment, Selectboard members are having difficulty preparing for meetings. In part, this is because the agenda is not set long enough in advance, and in part because there is no one to help them prepare for particularly complicated agenda items.
- The Selectboard operates by crisis management, rather than approaching town issues in a deliberate fashion with as much forethought as possible.
- Similarly, some commented that the Selectboard does not adequately consult legal counsel as it prepares to make legally significant decisions. As a consequence, they believe, the Town has become enmeshed in costly, divisive legal disputes that could have been avoided.

IV. SUMMARY OF ADMINISTRATIVE NEEDS

Having outlined what our interviews revealed as administrative shortcomings within town government, this section attempts to summarize the Town's administrative needs. We feel whatever administrative structure the town ultimately chooses must address these specific structural issues:

A. The Town lacks a clear locus of managerial authority over financial and personnel functions.

As we explained earlier, in 1996 the Selectboard changed the town's administrative structure to address certain administrative functions it felt were not working well. These changes improved the collection of delinquent taxes, sped up the recording of real estate documents, allowed the town to computerize payroll and tax processing and yielded better record-keeping within both the clerk and treasurer's offices.

However, the town continues to struggle with management, especially in financial and personnel matters. Under Vermont law, responsibility for the overall management of town government rests with the Selectboard. The board maintains management oversight through the liaison system, which assigns an individual board member to each town department to serve as the eyes and ears for the Selectboard as a whole. This structure should help the Selectboard stay on top of emerging issues within town departments and maintain open lines of communication throughout town government. Yet even under the best of circumstances, the liaison system has its limits. In particular, it cannot provide the broad administrative support necessary to maintain a modern employee benefits system, up-to-date regulatory compliance, or in-depth financial analysis and accounting.

The 1996 changes to the Town Treasurer's job description appear to have been an attempt to fill this gap. For a variety of reasons, including different interpretations by Selectboard members as to the precise scope of these changes, the cure has proven as troublesome as the illness. Five years on, we find the Treasurer's office laboring under a hodge-podge of managerial and clerical responsibilities. The 1996 job description directed the Treasurer to receive time sheets from town employees, prepare payroll, keep records on sick time, vacation, and overtime, and deal with the broad array of payroll deductions required under state and federal law. The Treasurer has interpreted these responsibilities to include enforcing the Town's written personnel policies and verifying individual time cards, benefit claims, vacation accrual, etc. This has led to considerable tension within town government. The Treasurer feels overburdened by this combination of clerical and managerial responsibilities which, she believes, keep her from putting in the time she'd like on maintaining the town's finances, keeping up to date on forthcoming financial regulations, and serving the town's various departments as a central resource for budget information. The result is that the Treasurer resents the Selectboard's unwillingness to allocate additional staffing and exercise greater managerial oversight in support of its own policies.

On the other hand, town employees are frustrated by what they view as an over-zealous Treasurer's office. The Treasurer's job, they believe, should be purely clerical, and enforcement of personnel policies should rest entirely with the Selectboard. They contend that the Treasurer's managerial efforts impair her clerical duties, ranging from timely income and expense statements to meeting payroll and benefits obligations.

As a committee, we do not take sides in this dispute. But we do think it illustrates the problems that arise when managerial authority is not clearly delegated and consistently supported by the Selectboard, and we suggest that whatever course the town takes, it must address this problem.

B. Two efforts to maintain managerial oversight – the 1996 job description changes for Town Treasurer and the Selectboard liaison structure -- are broken and need to be revisited.

The dispute over the Treasurer's authority suggests that the 1996 job description revisions need reconsidering. There is universal agreement among Norwich employees that the Town needs better, more centralized, management, so at first glance it would seem the Selectboard need only delegate the appropriate authority to the Treasurer and then provide the appropriate budgetary and political support. However, the Selectboard has hesitated to do so, in part because of the ambiguity of the Treasurer's statutory authority and position as an elected town officer.

Under Vermont law, a Town Treasurer is responsible for keeping an account of all money received and paid out by the town. The Town Treasurer and Selectboard are together responsible for investing town money while it is held by the town. In addition, the Treasurer's 1996 job description includes preparing monthly income statements for both the Town and individual departments, reconciling monthly bank statements, assisting the Selectboard in developing annual budgets, maintaining a computerized accounting system and developing a procedures manual for using this system.

Considering the breadth of the Treasurer's statutory authority over the town's funds, it seems natural to add these other financial and personnel functions. Indeed, it would seem pointless to place them elsewhere, given the Treasurer's accounting responsibilities. In practice, however, this has proven awkward.

One major reason is that the Treasurer is an elected town officer. The elected nature of this office was designed to maintain the position's political independence from the Selectboard and ensure accountability to voters. As an elected official with independent statutory authority, the Treasurer is the equal of the Selectboard, not its subordinate.

Yet when the Treasurer's state-mandated role is combined with responsibilities delegated by the Selectboard, it creates an oversight dilemma: Who supervises the Treasurer's performance of non-statutory tasks? Clearly that role should fall to the Selectboard, and yet it cannot fire or otherwise call to task another elected official; only the voters can do that. In essence, the Selectboard has combined the roles of Treasurer and municipal finance director, and once they are mixed, it is hard to separate them in judging job performance. As our Treasurer herself says, "It is very difficult to have an elected official as the town's top financial person."

At the same time, the Selectboard has treated the Treasurer as a statutorily defined elected official when it prepares the budget. It has not developed the incentives, provided the resources or offered the compensation that would be appropriate for someone being asked to exercise the fiscal expertise it wants. Fairness alone would suggest that this situation cannot continue, but there is a regulatory issue looming as well: Towns throughout the country are expected over the next year to come into compliance with a federally mandated set of accounting rules (the Government Accounting Standards Board's Statement 34). This will require towns like Norwich to change their accounting practices, and bringing Norwich into compliance with these regulations will almost certainly require a level of expertise and a commitment of time that the town will be hard-pressed to meet under the current arrangement.

If nothing else, the committee feels that the Town can learn from the difficulties the Treasurer has encountered, and strive not to create a hybrid job under any new administrative structure. However we move forward, we will need to reconsider the Treasurer's job description.

The other structural issue the Town faces is the Selectboard liaison system, which seems sensible on paper, but has also proven awkward in practice. At base, the problem is that we expect Selectboard members to wear two hats: We want them to represent the political and policy concerns of townspeople; and then we want them to divorce themselves entirely from politics and serve as even-handed, efficient and rigorous overseers of town functions. This is not an impossible job, but it is difficult. As town government comes under greater political and administrative stress, it seems a great deal to expect consistent performance on both fronts from five different individuals, let alone from the collective body.

Yet consistency is vital in the administration of town government. It is vital to town employees, who have a right to expect that both they and their departments will be treated fairly and uniformly. It is vital to Norwich residents, who

have a right to expect that services will be delivered as efficiently as possible and that policies laid out by their elected officials will be put into practice. And it is vital to the Selectboard, which can lay itself open both to political and legal challenge if it is seen to be acting inconsistently or without consideration for its own policies and outside regulations.

At the moment, however, a number of Norwich residents and employees believe the Selectboard has acted inconsistently on a broad array of issues such as addressing grievances about the behavior of town employees or department heads; mediating disputes between departments; enforcing personnel policies; adhering to clear standards as it hires and fires town employees; paying town employees; and evaluating employees and department heads. Whether or not Selectboard members believe it is fair, the fact remains that town employees believe that administrative decisions carried out through the liaison system are often based on Selectboard politics, not on what is administratively most effective. This undermines the Selectboard's authority and erodes morale.

As a result, the committee believes the Town needs to reconsider the Selectboard liaison system for town departments. In particular, we think that Norwich would benefit greatly from more centralized and professional oversight of town departments. While we do not think it either possible or appropriate that town affairs be entirely divorced from politics, we do believe that more professional administration can insulate departments from tit-for-tat politics on the part of the board and lay the basis for a more consistent work product from all.

C. To achieve any suggested changes to the Town's administrative structure, the Town must: 1) Decide what role it wants the Selectboard to play; and 2) Support good administration with adequate resources.

As we sift through the extensive list of administrative needs identified in this report, it is clear that the Selectboard needs help with the administration of Town government, and that whoever performs that role will have to call on a broad range of skills and experience.

- *The Selectboard itself needs administrative support if it is to improve its performance as a policy-making body.* In particular, it needs: a) clear agendas, set out long enough in advance that board members can prepare adequately for meetings; b) someone who can research the issues it confronts, and whose conclusions and findings it can trust; c) someone who can continue to do the job that the current board secretary performs: attending meetings, reporting on them, and preparing letters and other documents for follow-up.
- *Individual departments need better administrative oversight and support.* The Town needs regular and consistent performance reviews for both departments and department heads. Both the Selectboard and individual departments need more timely monthly income and expense reports to monitor costs and budget appropriately. Individual departments also need more help preparing annual budgets. Centralized purchasing would both lower overall purchasing costs and lead to more uniform purchase requisition and invoice processing for purchases and payment of services.
- *Centralized management of personnel and financial matters would also help create uniform and consistent procedures among departments.* Currently, a number of routine reporting procedures, from processing invoices to completing time cards, vary according to department. Some department heads have resisted, or sought to eliminate, the "paperwork" portion of their jobs. In some cases, these responsibilities have been shifted to other offices in an effort to retain the operational expertise of the department head in question. This increases the paperwork burden by requiring an unrelated office to track down, verify, and then process invoices, receipts, time cards and the like from the department head. More centralized management should streamline the reporting process and ease the paperwork burden at the department-head level by maintaining uniform procedures. A central administrator should also have the authority to require department heads to shoulder their share of the burden.
- *Clerical responsibility and managerial authority over personnel matters need to be combined in a single office.* Personnel matters require an increasingly broad range of expertise, including knowledge of state and federal statutory and regulatory requirements, town policies, and familiarity with the specifics of a variety of benefits programs for employees. These matters are driven by specific payroll and timesheet requirements. So, too, the conduct and maintenance of performance reviews has a direct bearing on hiring

and firing decisions within town government. It makes sense to combine the clerical and managerial functions within a single office to maintain consistency and centralize expertise.

- There are a number of non-statutory responsibilities which are included in the Town Treasurer's 1996 job description which would need to be adopted by another office if the statutory and non-statutory duties currently entrusted to the Treasurer are separated.
- *Interdepartmental disputes require consistent and active management, which the Town currently lacks.* Either the Selectboard, acting as a body, needs to mediate these disputes, or the authority to do so should be clearly delegated to another office.
- *The Town and Selectboard would also benefit from greater expertise in financial analysis and reporting, beyond accounting and monthly financial reports.* Whether considering different investment vehicles for town money, assessing the costs and benefits of proposed policy changes, or identifying long-term implications in budget decisions, the Town depends for its success on the abilities of each year's elected officials. More professional expertise in these matters might both insulate analysis and information-gathering from political influence and help the town retain expertise no matter how any given election turns out.

We need to recognize that demands on Town government are growing, and that legal and regulatory constraints on its operation will continue to become more complex. Overall, we do not believe that Norwich can meet these challenges as it is currently structured. As the Selectboard chair in another town with a budget somewhat smaller than ours said, "I have to give the board in a town like Norwich a lot of credit, because I can't imagine running a town of any size with just a board and without professional administration."

This means that Norwich must take a hard look at what it wants from its elected leadership. Does it want the Selectboard to maintain day-to-day responsibility for town services? Or does it want Selectboard members to focus on the Town's overall direction, on planning for its needs, and on setting policies for town departments to carry out? The two types of board are not necessarily exclusive of one another, but our survey of Norwich and other towns suggests they're no longer comfortably combined. To put it another way, it's a lot easier to think through the implications of changing road policies if you don't also have to worry about whether the town dump truck is working.

We will address later the costs any new administrative structure will impose, but we want to make one suggestion before we move on to consider the Town's options. Norwich should focus on improving town government's performance. Any administrative changes aimed at doing so will cost money. We should be willing to pay for what we want in the expectation—but not the certainty—that sounder administration will produce efficiencies and savings that the town cannot achieve under its current structure. There are a lot of calculations one can undertake as to the net financial gain or loss from changing the town's structure, but in the end the committee believes such calculations to be conjectural and other considerations to be just as important for determining whether and how we do so.

SECTION TWO: OPTIONS

As a Committee, we were asked to study four different administrative options:

- Keeping things substantially as they are;
- Creating the position of an administrative assistant to the Selectboard;
- Hiring a town administrator, whose job would be defined by the Selectboard;
- Hiring a town manager, whose job description is set by state statute.

There are 93 towns in Vermont with populations above 2,000. Of those ninety-three, 45 have town managers, 24 have either administrators or administrative assistants, and 23 are administered purely by a selectboard. Of those last 23, only five are larger than Norwich. Looked at another way, almost two-thirds of the towns with populations between 2,500 and 5,000 are professionally managed, by either an administrator or a town manager.

I. RETAIN THE CURRENT STRUCTURE

Speaking solely in terms of town administration, there is little to recommend keeping things as they are, with the Selectboard serving as administrator-by-committee. The town has spent much of the last decade struggling to manage departments and finances under this system, with only limited success. Our interviews suggest that problems continue to accumulate, and we believe there is little chance the Selectboard will find the time it needs to sort things out.

Should the town retain its current structure, at a minimum the Selectboard needs to sort out the Town Treasurer's non-statutory duties. The Selectboard must either delegate broad managerial authority to that office and then give it the financial and political support the Treasurer needs, or it must find the resources to ensure that someone else can handle town financial and personnel matters effectively. Furthermore, the Selectboard must rethink its liaison system in a way that minimizes the impact of political infighting on administrative matters.

We do not think those steps go far enough, however. To sum up, we believe:

- The town currently lacks consistent management of its departments and of its overall financial and personnel matters;
- Given its broad administrative responsibilities, the Selectboard does not have the time for effective long-range planning;
- There is no guarantee elected officials will have the expertise needed to deal with the complex array of rules, regulations and issues that beset even small-town government today;
- The town is hampered by the persistent intrusion of politics into administratively apolitical issues;
- It lacks clear lines of authority over administrative matters, obscuring accountability among office holders and department heads.

Most of the arguments against changing the town's administrative structure are really arguments against change, rather than arguments for the current structure. A new structure would mark a decisive break from the long tradition of managing our own affairs through an elected, volunteer selectboard. But we think the Selectboard no longer has the luxury of handling most administrative matters through informal consent and without public fanfare, as it once did. An increasingly complex regulatory climate, greater political tension within the town, and a population more accustomed to suburban and urban municipal services all make that style of governance more difficult to sustain.

Any change will also require the town to spend money to hire and retain a skilled administrator. No one wants to see Norwich raise taxes further. Yet any argument against change on that basis begs the question, "Are we getting value for our tax dollars now?" Based on our interviews we think not, and that the disadvantages of the current system outweigh the advantages.

II. ADMINISTRATIVE ASSISTANT

As the title suggests, an administrative assistant would assist the Selectboard in administering town business. Hiring a full-time administrative assistant to the Selectboard would also be the least costly, least intrusive way to move ahead. The Selectboard would have sole discretion in determining the scope of such a position.

Clearly, an administrative assistant could help Selectboard members with research, paperwork, correspondence, setting agendas, and ensuring an orderly flow of material and issues to board members. Our Selectboard recently hired a Selectboard Secretary to take on some of these duties. Towns with administrative assistants tend to be smaller than Norwich, and the assistant's duties vary according to the needs of their selectboards. We found instances where a knowledgeable assistant assumed some of the selectboard's detail work, freeing up board members for more substantive decision-making. A first-rate assistant can also alert the board to regulatory and legal issues, and research them as needed; he or she would, however, be unlikely to have the depth of knowledge the town could expect of an administrator or manager.

At the same time, under the administrative assistant model the Selectboard would retain exclusive responsibility for management decisions, a situation we view as problematic. An administrative assistant would lack the authority to make personnel decisions or direct the town's financial affairs, and would be unable to make many of the day-to-day administrative decisions that are currently the board's responsibility. Furthermore, there is no reason to believe an administrative assistant would be any less subject to board politics than any other town employee.

III. TOWN ADMINISTRATOR

In our survey of other towns, we found great variety in the role of town administrator. Because the position is defined either by the Selectboard or by the town's charter, it can be tailored to the needs and political realities of each town. In some towns, the role seems to have evolved over time, with the administrator picking up duties as the need arose. In at least one town we looked at, the administrator is substantively no different from a town manager; in others, the administrator handles personnel matters, runs such services as solid waste, water, and sewer, and serves as 911 coordinator, but has no direct involvement with either budget or finance issues. In these towns, services such as roads and police are left to the selectboard to administer.

In Norwich, the Selectboard could certainly create an administrative role that addresses many of the Town's needs. A Town Administrator could resolve sundry administrative issues if given:

- The ability to hire and fire town employees;
- Responsibility for human resources administration;
- Control over financial planning, purchasing, grant-writing, capital planning and follow-through, and budgeting and accounting support to departments;
- Responsibility for advising the Selectboard on regulatory issues.

An administrator might even be able to help the board come to grips with its own political divisions by helping it set agendas and removing some of the more mundane responsibilities over which board members have clashed in the past.

But the administrator's greatest attraction—the Selectboard's ability to define his or her role—is also the position's greatest liability. A town administrator's job description is subject to alteration at the discretion of the Selectboard—there is nothing to prevent the administrator's duties from changing with each shift in the board's makeup. This means that the very definition of Town Administrator would become subject to the vagaries of board politics. The town could address this weakness by adopting a town charter that spells out the Town Administrator's duties, taking that ability out of the Selectboard's hands. But any such move would require the drafting of a charter, its approval by Norwich voters, and then the approval of the state Legislature. Any subsequent changes to the charter would likewise need not just the agreement of voters, but legislative sanction as well.

IV. TOWN MANAGER

Under Vermont law, the town manager's role is defined by state statute. The manager's overall responsibility is to see that the town performs those duties not charged to any particular officer, such as the town clerk. The town's elected officials would retain exclusive responsibility for:

- Preparing tax bills;
- Signing orders on any town funds;
- Calling special or annual town meetings;
- Laying out, altering or discontinuing highways;
- Establishing and laying out public parks;
- Making assessments;
- Awarding damages;
- Making regulations or ordinances;
- Entering into contracts on behalf of the town
- Acting as a member of the Board of Civil Authority;
- Making appointments to boards or commissions.

The manager, according to the statute, would:

- Be the town's general purchasing agent;
- Supervise all public town buildings;
- Be in charge of town highway maintenance;
- Do all accounting for town departments;
- Supervise and spend all special appropriations of the town, unless otherwise voted by the town;

- Supervise the following departments:
 - Police (with hiring and firing responsibility);
 - Fire;
 - The system of licenses not otherwise regulated by law;
 - Sewers and drainage;
 - Lighting of streets, highways and bridges;
 - Park and playground maintenance.
- Collect all taxes and perform all the duties now conferred upon the collector of taxes, if the town so votes. If the manager does become delinquent tax collector, then the fees collected will go into the town treasury;
- Assist the members of the Selectboard;
- Recruit, hire, evaluate, direct, and, if needed, discipline and fire town employees, subject to personnel policies laid out by the Selectboard;
- Develop systems and procedures to carry out Selectboard decisions, then execute them;
- Develop new program directions and needs, identify resources to accomplish them, and recommend action to the Selectboard;
- Staff the Selectboard;
- Help the Selectboard develop, update and carry out a long-range strategic plan;
- Prepare a draft town budget for the Selectboard to review and change if needed, then present the budget to the voters;
- Assist the Selectboard in collective bargaining contracts;
- Perform other duties assigned by the Selectboard, which might include town health officer, zoning administrator, or road commissioner.

In essence, moving to a Town Manager structure would create a position with clear lines of authority, relieving the Selectboard of most of its administrative role and allowing its members to concentrate on planning and town policies. Establishing the position would have other implications, as well:

- It would relieve the Treasurer of many non-statutory duties, returning the role to a part-time, statutory position;
- If the town chooses, it would relieve the delinquent tax collector of all responsibilities, and bring delinquent tax fees into the town treasury;
- It should relieve the police chief and other department heads of some portion of their administrative and paperwork burden, freeing them to concentrate on direct service delivery.

There is no question that a manager is the most expensive option of those we are considering. However, as noted by Steve Jeffrey, director of the Vermont League of Cities and Towns,

The more responsibility you vest in the position, the more 'high powered' the person you will attract. If you want a person with a lot of drive, who is able to generate a lot of new ideas, you are less likely to attract that type of a person to a job with little decision-making authority.

In our research, we have been impressed by the quality both of the administrative assistants and the administrators we spoke with, but also by the degree to which they built their "skill sets" on the job; if Norwich wants someone with great administrative skills from the beginning, the town needs to craft a job description accordingly.

We are also mindful of the point that the town manager structure appears to provide less direct voter input into town administration, since it transfers duties from the Selectboard to the manager. In our conversations with manager-run towns, however, we found that they did not consider this a drawback. As a selectboard member in one such town said,

Having the manager doesn't stop people from calling us to complain about problems. What it means is that we don't make unilateral decisions: We either bring the problem to the attention of the manager ourselves, or tell the citizen to call the manager directly. It relieves the Selectboard of the responsibility of having to deal with minutiae.

Moreover, this elected official pointed out, one of the most important roles the manager fills is to help the Selectboard make better decisions—that is, to make it a better representative body. He added,

The manager in that sense acts as an advisor and researcher. He calls other towns and talks to other managers, not only in Vermont but around the country, and asks them how this problem or that has been resolved. Because you know, there's nothing that any town does that hasn't been done by many other towns—you've just got to find out how they did it. So you want someone who can do the research, offer the advice, who knows the statutes, and can keep the board out of trouble.

Again, none of this knowledge is out of the reach of a competent town administrator, but we suspect we're more likely to find it easily in a town manager.

SECTION THREE: COSTS AND STRUCTURAL CHANGES

This section attempts to estimate the net costs involved in each of the four options we were asked to consider. Our estimates are highly subjective as they required us to make decisions regarding staffing and compensation for theoretical positions which may or may not reflect the job market or the Selectboard's own preferences. However, understood in this context, we feel these estimates can be useful in comparing the options before us.

I: RETAIN THE CURRENT STRUCTURE

As we noted above, the Committee feels the Selectboard must address the Town Treasurer's non-statutory duties and its own liaison system. This means some change in the current administrative structure, since it would require clearly delegating managerial authority to an existing office or creating a new office with these responsibilities. A new office would likely require hiring someone to staff that office. If the Selectboard chose instead to consolidate this authority within the Treasurer's Office, this would likely require more staff for these additional responsibilities. As a Committee, we are in no position to assess whether current staffing is used efficiently or whether offsetting savings might be found.

Our Committee briefly discussed the possibility, suggested by some interviewees, of creating a new position of finance manager. This position would lack managerial authority over individual departments or employees, but would serve as a bookkeeper and administrative aide to the Selectboard in processing such personnel and financial matters as:

- Payroll Administration
- Employee Benefits
- Budget Preparation
- Purchasing and Processing Purchase Orders
- Accounting for Town and Departments

Were such a position created, these non-statutory duties could be removed from the Town Treasurer job description resulting in significant off-setting savings within that office. However, we feel the lack of centralized managerial authority under this option would be unacceptable. The Town Administrator and Town Manager options outlined below suggest how a combined clerical and managerial office might operate.

II: ADMINISTRATIVE ASSISTANT

For our purposes, we assumed an Administrative Assistant would merge the duties currently performed by the Selectboard Secretary and Solid Waste Coordinator with additional administrative duties, but would not be given managerial authority over town departments.

Table One reflects these assumptions as follows:

- \$47,500 in additional spending to hire and retain an Administrative Assistant;
- Savings of \$5,300 by subsuming the Solid Waste Coordinator's office within the Administrative Assistant position;
- Savings of \$14,700 by subsuming the Selectboard Secretary's position within the Administrative Assistant position.

This results in estimated net additional spending of approximately \$27,500 for this option.

III: TOWN ADMINISTRATOR

Our assumptions regarding this model are based on the creation of a Finance Manager position as outlined under the "Retain Current Structure" model, together with the creation of a new Town Administrator position to consolidate managerial authority over personnel and financial matters within a single office. The Finance Manager would be part of the Town Administrator's office. We have also assumed the Town Administrator would require an assistant with responsibilities similar to the current Selectboard Secretary position.

Table Two reflects these assumptions as follows:

- \$61,000 – 66,600 in additional spending to hire and retain a Town Administrator;
- \$50,000 to hire and retain a Finance Manager to serve under the Town Administrator;
- \$15,000 to hire and retain a Town Administrator's Assistant;
- Savings of \$65,000 in removing the non-statutory duties from the Town Treasurer Office, eliminating support staff, and reducing that position to a stipend for purely statutory duties;
- Savings of \$5,300 by subsuming the Solid Waste Coordinator's office within the Town Administrator's Office;
- Savings of \$14,700 by subsuming the Selectboard Secretary's position within the Town Administrator's Office

This results in estimated net additional spending of approximately \$41,000 to \$46,600. (It may be possible to shift the statutory duties of the Delinquent Tax Collector to a Town Administrator as well, which would achieve additional savings of \$17,200, reducing the net cost of this change to approximately \$23,800 to 29,400.)

IV: TOWN MANAGER

Our assumptions regarding a shift to a Town Manager model are nearly identical to those for the Town Administrator. Additional costs in hiring a Town Manager, Finance Manager, and support staff would be partially offset by savings in reducing the Town Treasurer's office to purely statutory duties, eliminating support staff within that office, and subsuming the positions of Solid Waste Coordinator, Delinquent Tax Collector, and Selectboard Secretary within the new Town Manager's office.

Table Three reflects these assumptions as follows:

- \$83,500 in additional spending to hire and retain a Town Manager;
- \$50,000 to hire and retain a Finance Manager;
- \$15,000 to hire and retain a Town Administrator's Assistant;
- Savings of \$65,000 in removing the non-statutory duties from the Town Treasurer Office, eliminating support staff, and reducing that position to a stipend for purely statutory duties;
- Savings of \$5,300 by subsuming the Solid Waste Coordinator's office within the Town Manager's Office;
- Savings of \$14,700 by subsuming the Selectboard Secretary's position within the Town Manager's Office;
- Savings of \$17,200 by subsuming the position of Delinquent Tax Collector within the Town Manager's Office as provided by statute.

This results in estimated net additional spending of approximately \$46,280.

A Note Of Caution:

The towns we surveyed that ran best—and in which satisfaction with the structure seemed to be highest—all had the same characteristic: Selectboard members were content to leave day-to-day administrative decision-making to the administrator or manager. This is not an easy state of affairs to maintain, and it may be especially difficult in Norwich, given the board's tradition of hands-on authority. A town managed by a chief administrative officer who

lacks Selectboard support, is constantly second-guessed by individual Selectboard members, or whose authority is undermined by Selectboard interference may well be worse off than one with no professional administrator at all.

As we talked with other towns about how they do things, we were struck by the fact that some are quite happy with their structure, while others have switched from one form to another—and, in a few cases, back again—as they search for the perfect governing blueprint. This suggests to us that there *is* no perfect blueprint; any structure might work, given the right alignment of personalities, politics and needs.

We are quite aware, then, that what has worked in other towns will not necessarily work for Norwich. One thing we *can* say for certain, though, is that no change will work unless it clarifies lines of authority within town government. Even then, it will take more than a statutorily defined job description to do so. Switching to a town manager will require the Selectboard to change its style of operation dramatically, and the townspeople of Norwich to respect the new structure. As a committee, we have become convinced that town government can improve under a better administrative structure. But we are equally convinced that end-runs around the manager by townspeople and political power plays by elected officials can sabotage even the best-designed structure. Whatever option we adopt, we hope the people of Norwich will give those charged with making it work all the support and encouragement they need to be successful.

SECTION FOUR: RECOMMENDATION

The Town Administrative Options Committee unanimously recommends that Norwich adopt a town manager form of government, and that the Selectboard place this option before the town's voters at the annual town meeting in March, 2002.

We believe this will give Norwich its best opportunity to make town administration more professional while guarding its accessibility, protecting the town's tradition of citizen involvement, and helping the Selectboard become a policy-making body that acts in an informed and timely fashion.

I. WHY A TOWN MANAGER RATHER THAN AN ADMINISTRATOR?

We make this recommendation because there is a tension between our tradition of self-governance and the many demands of municipal government today. We believe that demands for both time and expertise have exceeded what we can reasonably expect from a volunteer Selectboard and other elected officers. Professional support for the day-to-day operations of town government is simply a concession to reality.

Persuaded that Norwich needs professional administration, we were left with the choice between a town administrator and a town manager. As we suggested earlier, a town administrator's authority and duties need differ very little from a town manager's statutory authority. We could reasonably expect either one to establish and maintain adequate lines of authority and meet the administrative needs we've identified. So we looked to other factors as we weighed whether one option was preferable to the other.

One difference we considered was the likely impact on taxes. The greatest impact comes from opting for professional management rather than keeping administration in the hands of the Selectboard. Since the administrator and manager options both envision an office comprised of several people with a wide array of responsibilities, the difference in cost between them is not very significant.

There is a noteworthy distinction between a town administrator and town manager, though, that persuades us to recommend the latter. The statute defining a town manager's authority clearly separates the town's "executive" and "legislative" functions between the town manager and the Selectboard. The town manager acts subject to the direction and review of the Selectboard, but is otherwise given broad authority to manage town government. At the same time, the statute curtails the Selectboard's administrative responsibilities, allowing it to refocus on broader policy issues and away from day-to-day management. We believe this delineation of roles is better suited to the political realities of the town and is more likely to succeed in the long term.

In contrast, we feel a town administrator, with his or her job description crafted by the Selectboard, would be hamstrung by the politicization of what should be apolitical administrative matters. The Selectboard could find

itself constantly revisiting the town administrator's job description as questions of competence become intertwined with arguments over the breadth and specificity of the administrator's responsibilities.

Still, we do not make our recommendation without misgivings. Our interviews were an education in the numerous ways town and Selectboard politics have made it difficult for town employees to do their jobs well. We have been persuaded that structural changes can improve the administration of town government, the workplace for our town's employees, and the overall value of tax dollars spent on town government. Adopting a town manager form of government offers the best chance of achieving these administrative improvements. Administrative improvements are only part of the picture, however, and their success hinges on the behavior of the Selectboard and town residents alike.

II. SUCCESS HINGES ON THE SELECTBOARD

As we said in the body of the report, the manager's prospects of success will improve to the degree that the Selectboard understands, embraces, and respects its reduced role in day-to-day affairs under the town manager statute. The town manager statute clearly states that a town manager,

shall have general supervision of the affairs of the town, be the administrative head of all departments of the town government and shall be responsible for the efficient administration thereof. (24 V.S.A. § 1235)

Further on, the statute clearly delineates the respective spheres of duty for both town manager and Selectboard, stating, at 24 V.S.A. § 1236(2), (and we emphasize by bold type) that "[t]he manager shall have authority and it shall be his duty to perform all duties now conferred by law upon the selectmen, except that he shall not:"

- Prepare tax bills;
- Sign orders on the town's general fund;
- Call special or annual town meetings;
- Lay out highways or public parks;
- Make assessments or award damages;
- Nor fill vacancies which the Selectboard is currently authorized by law to fill.

These six exceptions, together with supervising the town manager, comprise the Selectboard's *administrative* duties under a town manager form of government.

The Selectboard, *as a whole*, retains the authority to direct and supervise the town manager in his or her job performance. Unlike the current liaison system, in which individual members maintain close contact with town departments, the Selectboard will need a much more hands-off approach to day-to-day matters and to communicate with town employees as a body, not as individual members.

III. SUCCESS ALSO DEPENDS ON THE PEOPLE OF NORWICH

Ultimately, however, Norwich *residents* will determine whether adoption of a town manager helps our town. We have two concerns. First, the adoption of a town manager form of government may help erode our tradition of self-governance. As certain governmental matters are shifted to professional managers—and away from a volunteer Selectboard of our peers—we run the risk of creating a "hired" government and ourselves becoming mere consumers of municipal services. We feel strongly that this town and its people have been served well by a tradition of active civic involvement in town matters, and hope natives and newcomers alike will preserve this tradition even as we make concessions to today's demands for professional services.

Second, there is no administrative remedy for incivility or for seeking to use town government as a weapon in political disputes. It is up to us, as individuals and as a community, to show—and expect of our neighbors—greater civility and constructive participation in public affairs. Prior generations have shown us what Norwich can achieve through self-reliance, sacrifice, and restraint. As we recommend practical steps to address future needs through the adoption of a town manager, we also hope our neighbors will keep in place the traditions of civil discourse and active participation that have meant so much in creating the town and community we share.

SECTION FIVE: HOW DO WE GET THERE?

In the short term, our recommendation is that the Selectboard take the necessary steps to place on the March, 2002 Town Meeting warrant a series of articles moving Norwich to a town manager form of government.

I. GETTING READY FOR TOWN MEETING

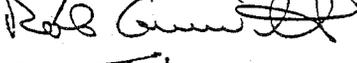
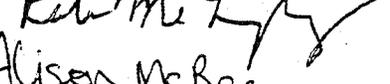
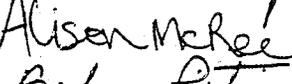
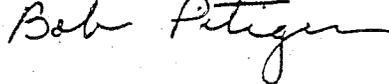
In particular, the Selectboard should:

- Recommend the hiring of a full-time town manager pursuant to 24 VSA§1231, with the appropriate salary and benefits (see our recommendation in Table Four);
- Recommend the hiring of a finance person, with the appropriate salary and benefits (see our recommendation in Table Four)
- Recommend the hiring of staff support for both;
- Reduce the Town Treasurer's duties to those outlined by state statute, and reduce the salary accordingly;
- Work out, in conjunction with the Treasurer and the town auditors, the specifics of the new finance person's duties;
- Recommend to the town that the Delinquent Tax Collector's duties be taken over by the town manager.

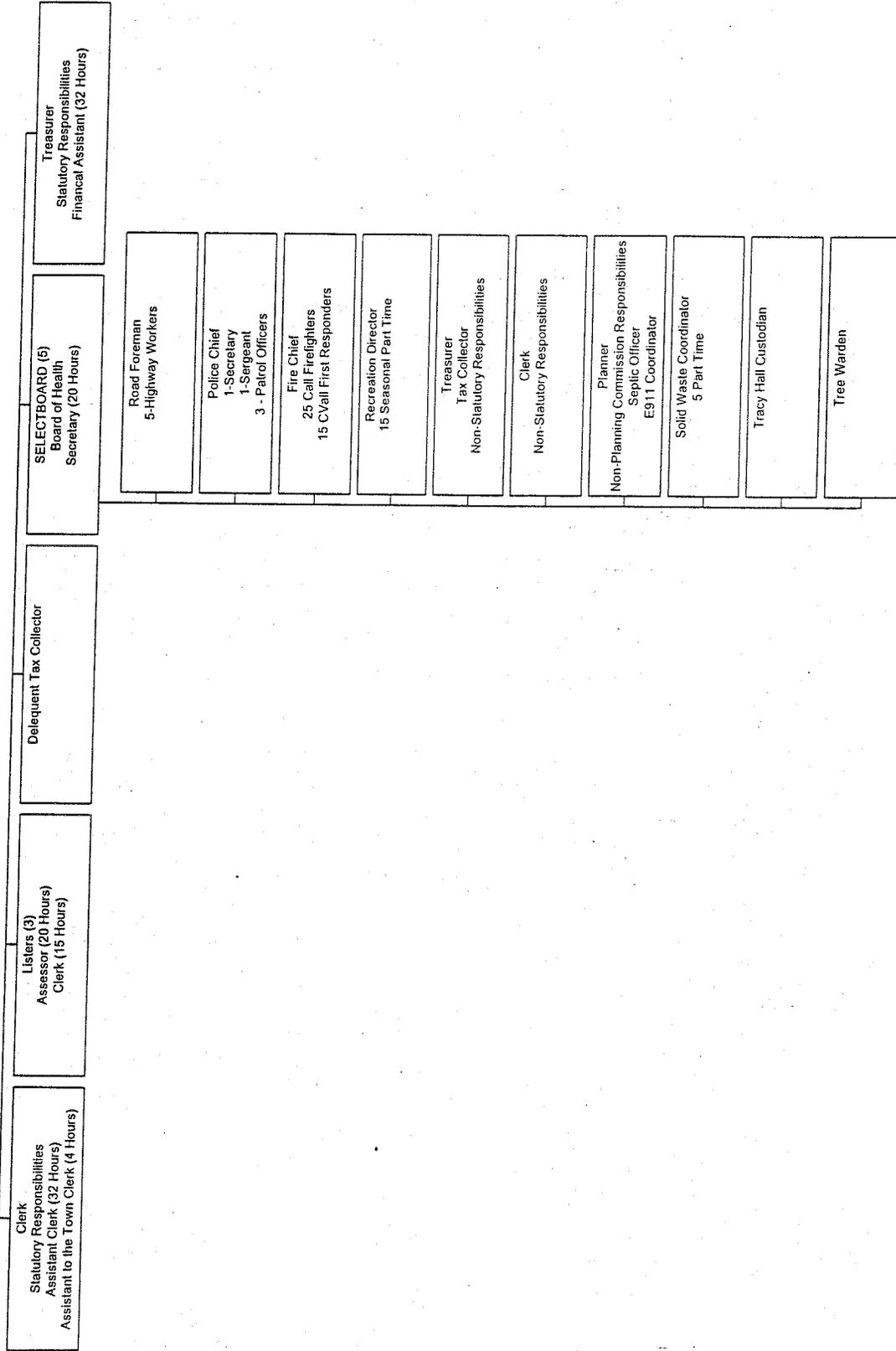
II. BROADER ISSUES

Bringing in a town manager is a relatively straightforward process; improving the overall functioning of town government is more difficult. We recognize that there are facets of town government that will remain unchanged by the hiring of a town manager, but that bear much closer examination. In particular, our interviews revealed ongoing disagreements over the powers and roles of various town committees. Addressing these was beyond our purview as a committee, but if the town as a whole is to work better, these conflicts need to be resolved. Therefore, we also recommend that early in the new manager's tenure, he or she should help the town clarify the lines of authority and communication among each of the statutory committees, the Selectboard, and other statutory offices.

The Norwich Committee to Review Town Administrative Options:

Watt Alexander 
Doug Britton 
Jack Candon, Chair 
Rob Gurwitt 
Bob Huke 
Nick Krembs 
Rob McLaughry 
Alison McRee 
Bob Pitiger 

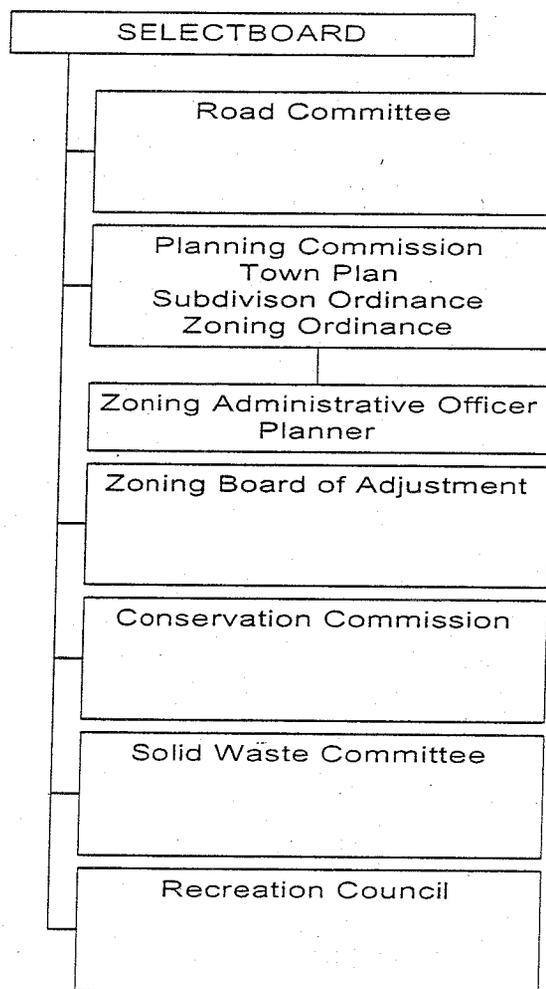
Organizational Chart Town of Norwich



The Selectboard appoints members of the following Committees with the exception of the Road Committee which is elected. Some of the Committees may take independent action such as the ZBA and Planning Commission. The Selectboard, on the recommendation of the Planning Commission, adopts the Town Plan, Subdivision Ordinance and Zoning Ordinance.

The Selectboard, upon nomination of the Planning Commission, appoints the Planner.

Individuals who work for elected officials are employees of the Selectboard and are supervised by the elected official.



**Organizational Chart - Table One: Retain Current Structure w/ Finance Office
Town of Norwich**

(Changes from current structure in bold italics)

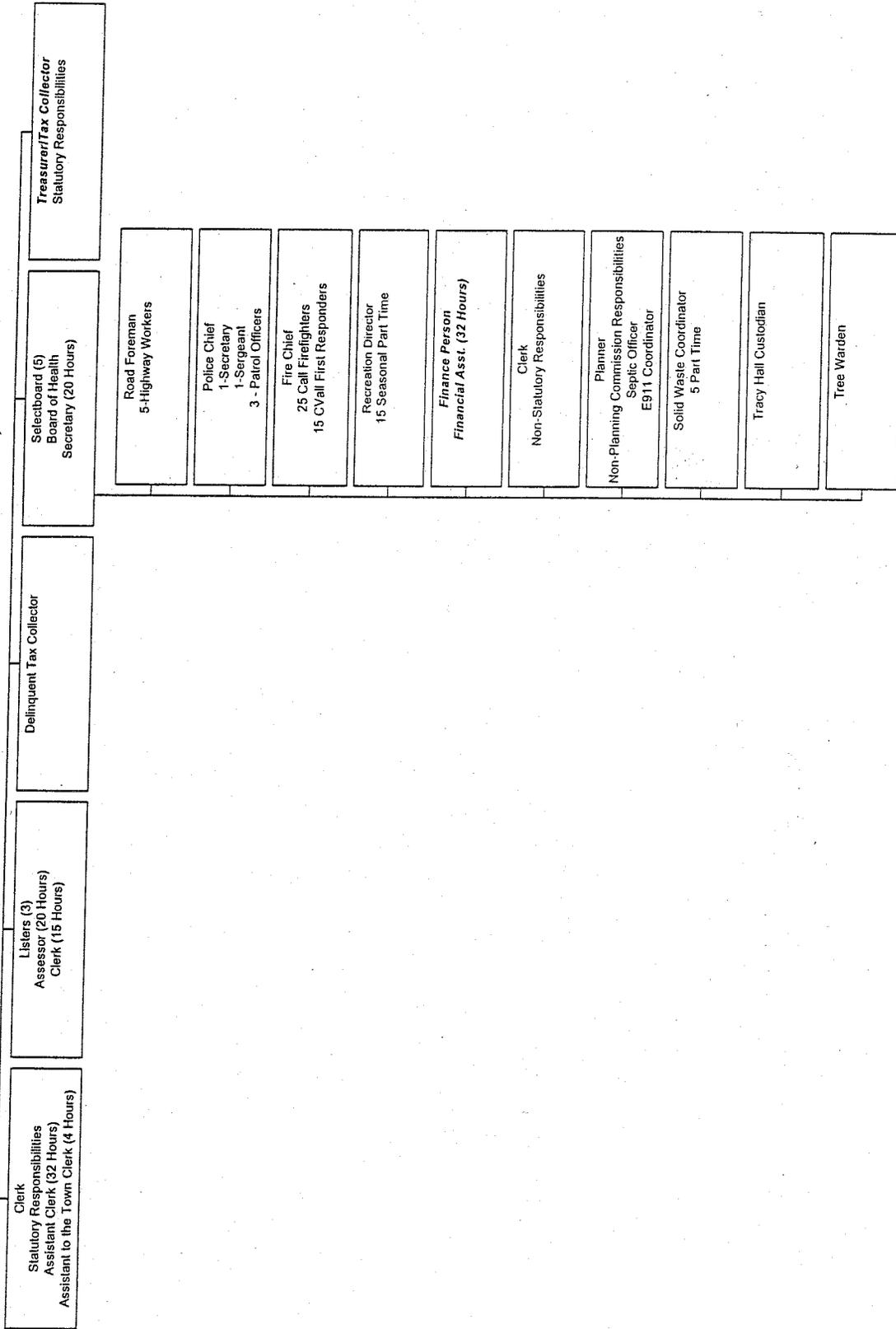


TABLE ONE
Town Administration - Cost Analysis
Current Structure with Finance Person Form of Government

Department or Position	Current Cost * F/Y 2002	Future Cost (with projected changes)	Difference (Rounded off)
Finance Person Payroll Tax Health care Retirement	0	35,000 2,678 10,500 1,575 49,753	+ 50,000
Treasurer Assistant Payroll Tax Health care Retirement	32,272 20,932 4,070 10,500 2,660	5,000	- 65,000
Solid Waste Coord.	5,300	N/C	N/C
Tax Collector Payroll Tax	16,000 1,224	N/C	N/C
Selectboard Secretary Payroll tax	--- 13,496 1,224	N/C	N/C
Town Clerk Assistant TC Assistant to TC Payroll Tax Retirement	32,272 18,194 2,000 4,014 2,523	Only 5-10% of the TC duties are non-statutory. Moving those duties to the AA office might not reduce payroll.	N/C
Police Dept.	---		N/C
Fire Dept.	---		N/C
Highway Dept.	---		N/C
Listers	---		N/C
Rec Dept.	---		N/C
Planning Admin.	---		N/C
Total			- 15,000

* Source is Town Report 2000

- This table looks at payroll expenses only. Other office expenses would need to be compared.

Assumptions for Finance Manager job

40 hour week

Would cover clerical aspects of financial and personnel needs including accounting, budgeting, payroll, and employee benefits

Please note - These are rough estimates using the best information the committee had available. We feel that these charts are useful in helping the town analyze the options, but keep in mind that decisions on how to staff both statutory and non-statutory positions could significantly change these numbers.

**Organizational Chart - Table Two: Administrative Assistant
Town of Norwich**

(Changes from current structure in bold italics)

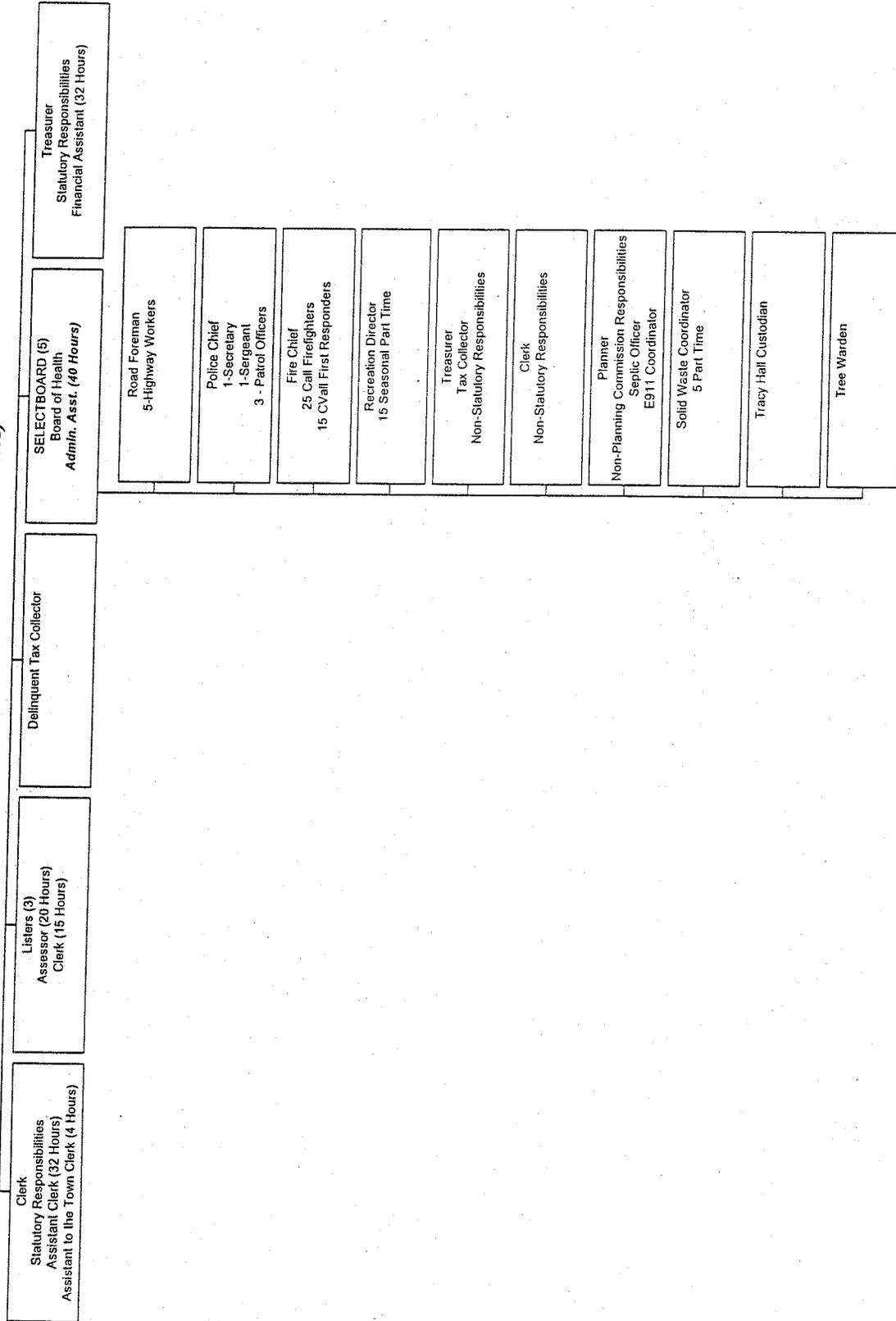


TABLE TWO
 Town Administration - Cost Analysis
Administrative Assistant Form of Government

Department or Position	Current Cost * F/Y 2002	Future Cost (with projected changes)	Difference (Rounded off)
Administrative Assistant Payroll Tax Health care Retirement	0	33,000 2,525 10,500 1,485 47,510	+ 47,500
Treasurer Assistant Payroll Tax Health care Retirement	32,272 20,932 4,070 10,500 2,660	N/C	N/C
Solid Waste Coord.	5,300	0	- 5,300
Tax Collector Payroll Tax	16,000 1,224	16,000 1,224	N/C
Selectboard Secretary Payroll tax	--- 13,496 1,224	C 0 0	- 14,700
Town Clerk Assistant TC Assistant to TC Payroll Tax Retirement	32,272 18,194 2,000 4,014 2,523	Only 5-10% of the TC duties are non-statutory. Moving those duties to the AA office might not reduce payroll.	N/C
Police Dept.	---		N/C
Fire Dept.	---		N/C
Highway Dept.	---		N/C
Listers	---		N/C
Rec Dept.	---		N/C
Planning Admin.	---		N/C
Total			+ 27,500

* Source is Town Report 2000

- This table looks at payroll expenses only. Other office expenses would need to be compared.

Assumptions for AA job

40 hour week

Would cover secretarial and general administrative responsibilities for the Select board

Solid waste coordinator

Please note - These are rough estimates using the best information the committee had available. We feel that these charts are useful in helping the town analyze the options, but keep in mind that decisions on how to staff both statutory and non-statutory positions could significantly change these numbers.

**Organizational Chart - Table Three: Town Administrator
Town of Norwich**

(Changes from current structure in bold italics)

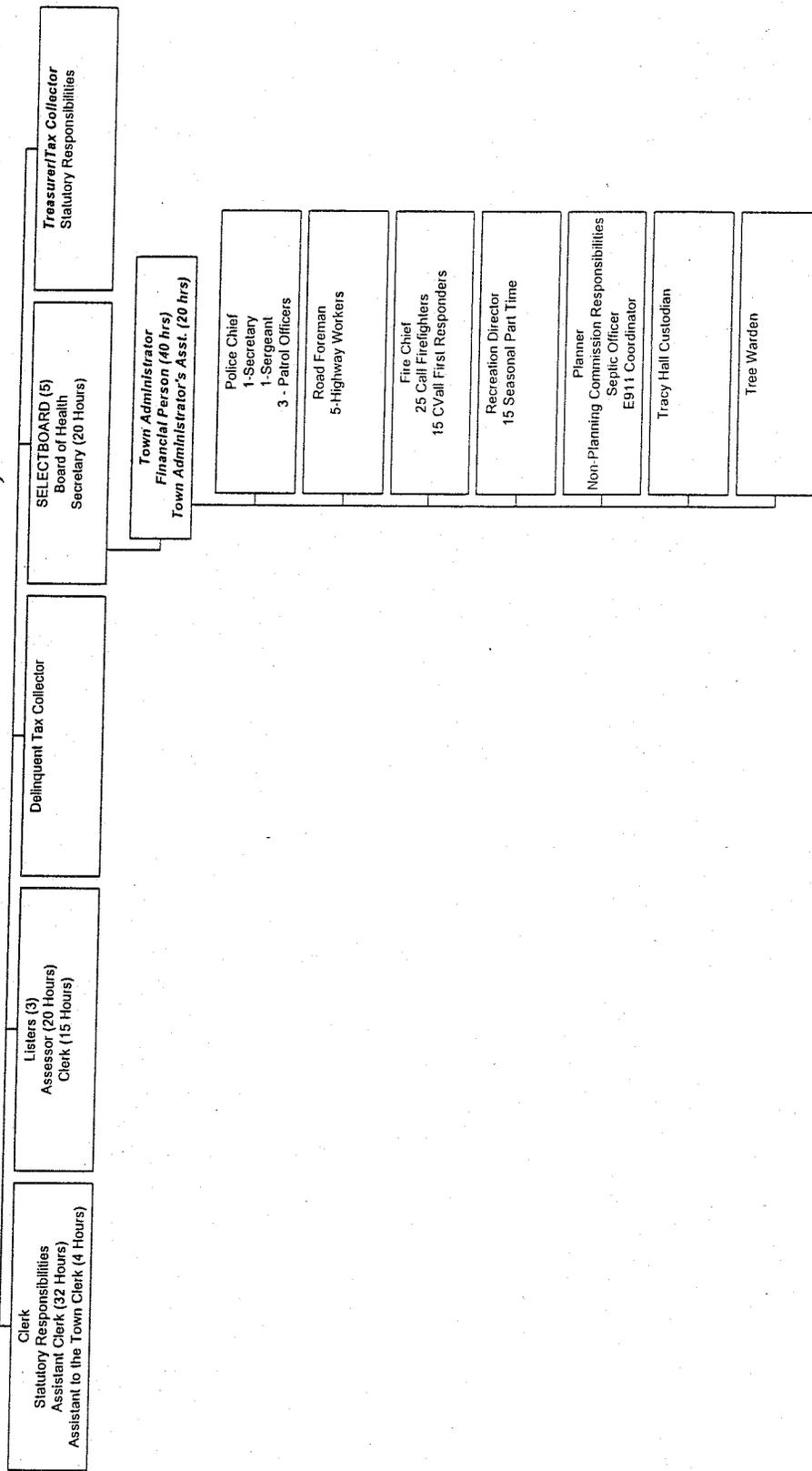


TABLE THREE
Town Administration - Cost Analysis
Town Administrator Form of Government

Department or Position	Current Cost * F/Y 2002	Future Cost (with projected changes)	Difference (Rounded off)
Town Administrator Payroll Tax Health care Retirement	0	45,000- 50,000 3,442- 3,825 10,500- 10,500 2,025- 2,250 60,967- 66,575 (Total)	+ 61,000 - 66,600
Finance Person Payroll Tax Health care Retirement	0	35,000 2,678 10,500 1,575 49,753	+ 50,000
T M Assistant Payroll Tax	0	13,500 1,224 14,725	+ 15,000
Treasurer Assistant Payroll Tax Health care Retirement	32,272 20,932 4,070 10,500 2,660	5,000 0 0 0 0	- 65,000
Solid Waste Coord.	5,300	0	- 5,300
Tax Collector Payroll Tax	16,000 1,224	16,000 1,224	N/C
Selectboard Secretary Payroll tax	--- 13,496 1,224	0 0 0	- 14,700
Town Clerk Assistant TC Assistant to TC Payroll Tax Retirement	32,272 18,194 2,000 4,014 2,523	Only 5-10% of the TC duties are non-statutory. Moving those duties to the TA office might not reduce payroll.	N/C
Police Dept.	---		N/C **
Fire Dept.	---		N/C
Highway Dept.	---		N/C **
Listers	---		N/C
Rec Dept.	---		N/C
Planning Admin.	---		N/C
Total			+ 41,000 - 46,600

* Source is Town Report 2000

** It is likely that the TA's office could reduce management costs in these departments, but we chose not to speculate as to how much would be saved initially.

- This table looks at payroll expenses only. Other office expenses would need to be compared.

Please note - These are rough estimates using the best information the committee had available. We feel that these charts are useful in helping the town analyze the options, but keep in mind that decisions on how to staff both statutory and non-statutory positions could significantly change these numbers.

Organizational Chart - Table Four: Town Manager
Town of Norwich
(Changes from current structure in bold italics)

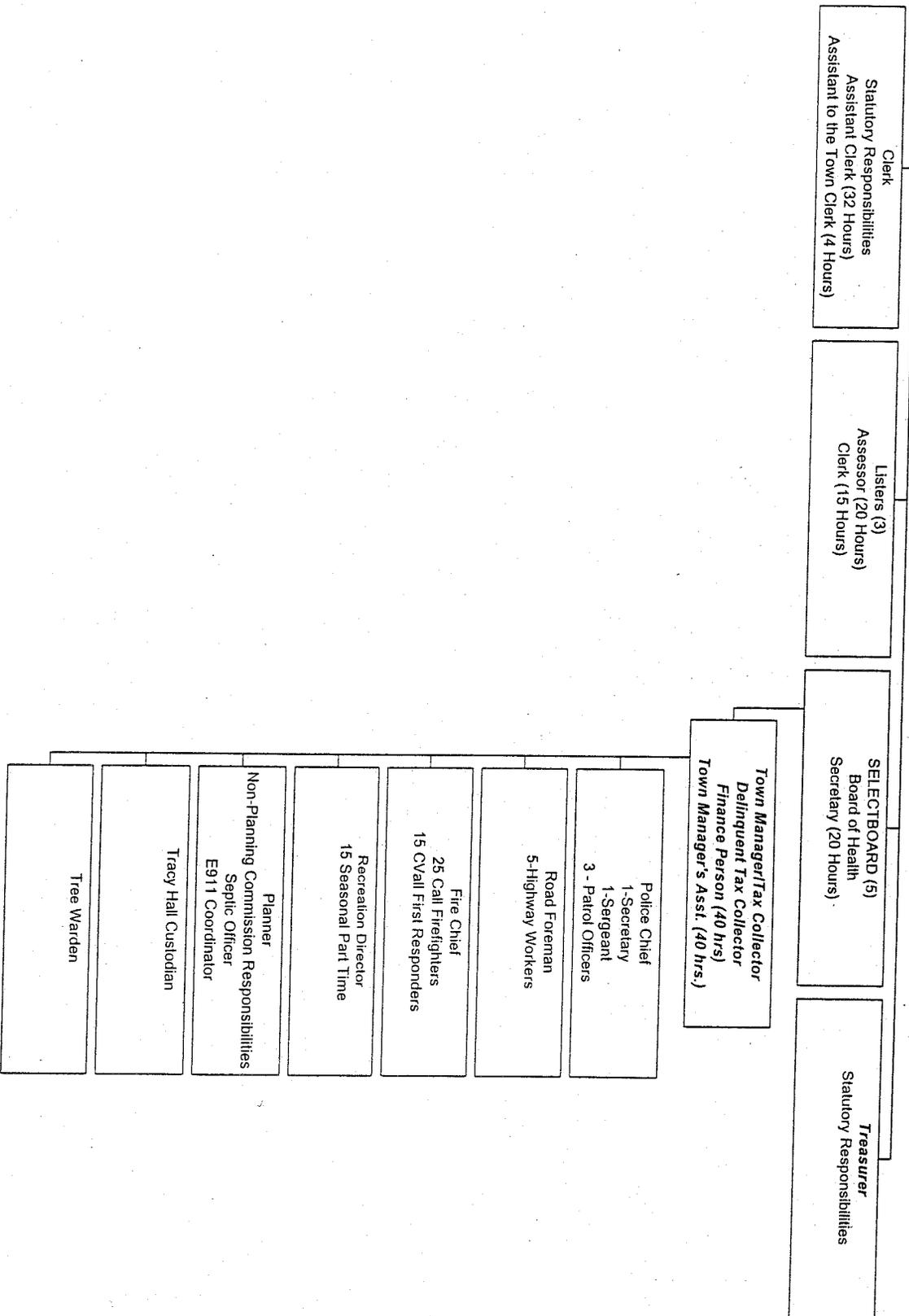


TABLE FOUR
Town Administration - Cost Analysis
Town Manager Form of Government

Department or Position	Current Cost * F/Y 2002	Future Cost (with projected changes)	Difference (Rounded off)
Town Manager Payroll Tax Health care Retirement	0	65,000 4,972 10,500 2,900 Total 83,372	+ 83,500
Finance Person Payroll Tax Health care Retirement	0	35,000 2,678 10,500 1,575 49,753	+ 50,000
T M Assistant Payroll Tax	0	13,500 1,224 14,724	+15,000
Treasurer Assistant Payroll Tax Health care Retirement	32,272 20,932 4,070 10,500 2,660 70,434	5,000 0 0 0 0	- 65,000
Solid Waste Coord.	5,300	0	- 5,300
Tax Collector Payroll Tax	16,000 1,224 17,224	0 0	- 17,200
Selectboard Secretary Payroll tax	--- 13,496 1,224 14,720	--- 0 0	- 14,720
Town Clerk Assistant TC Assistant to TC Payroll Tax Retirement	32,272 18,194 2,000 4,014 2,523	Only 5-10% of the TC duties are non-statutory. Moving those duties to the TM office might not reduce payroll.	N/C
Police Dept.	C		N/C **
Fire Dept.	C		N/C
Highway Dept.	---		N/C **
Listers	C		N/C
Rec Dept.	C		N/C
Planning Admin.	---		N/C
Total			+ 46,280

* Source is Town Report 2000

** It is likely that the TM office could reduce management costs in these departments, but we chose not to speculate as to how much would be saved initially.

- This table looks at payroll expenses only. Other office expenses would need to be compared.

Please note - These are rough estimates using the best information the committee had available. We feel that these charts are useful in helping the town analyze the options, but keep in mind that decisions on how to staff both statutory and non-statutory positions could significantly change these numbers.

**Job Description
TOWN TREASURER
TOWN OF NORWICH**

1. Position Summary.

- 1.1. The Treasurer is responsible for the Statutory Duties of Town Treasurer and Current Tax Collector as laid out in VT statutes. (See below).
- 1.2. The Treasurer oversees the accounting, payroll, accounts receivable and payable functions. The Treasurer may appoint Assistant Treasurer(s) as needed, VSA T24, §1573.
- 1.3. The Treasurer is responsible for co-ordination with the Town Clerk to ensure that the essential functions of the Town administration are carried out.
- 1.4. The Treasurer may be allocated additional administrative duties.

2. Statutory Treasurer Duties - VSA T24

- 2.1. The town Treasurer shall keep an account of moneys, bonds, notes and evidences of debt paid or delivered to him and of moneys paid out by him for the town and the town school district which accounts shall at all times be open to the inspection of persons interested.
- 2.2. Moneys received by the town Treasurer on behalf of the town may be invested and reinvested by the Treasurer with the approval of the legislative body.

3. The Treasurer's duties include but are not limited to:

- 3.1. Receive all revenues and tax payments for the town and town school district, deposit these in a bank, maintain all accounting records including the computerized accounting system.
- 3.2. Reconcile monthly the bank statements for the town and the town school district.
- 3.3. Prepare warrant and checks for accounts payable.
- 3.4. Prepare monthly income and expense statements for the Town as a whole and individual departments and
- 3.5. Distribute the reports as directed. Issue balance sheets as needed.
- 3.6. Receive the biweekly time sheets and prepare the payroll, including paychecks and warrant. Maintain the sick time, vacation time, holiday time and overtime/compensatory time files. Administer the payroll deductions including FICA, VMERS deductions, voluntary payments, reimbursements for part-time employee's benefits etc. File quarterly payroll filings, W2s and 1099 as required.
- 3.7. Prepare and mail tax bills to taxpayers, VSA T32, 4792.
- 3.8. Send reminders when so requested. Administer VT land use credits. Prepare list of delinquent taxes and deliver to the Auditors for verification and then to the Delinquent Tax Collector for collection, VSA T32, 4874.
- 3.9. Review warrant and sign checks for expenditures and payroll of the Norwich School District, VSA T16, 3224.
- 3.10. Work with the Trustees of Trust Funds as requested by them.

4. Other duties of the Treasurer.

- 4.1. Develop procedure manuals for all the significant Treasurer's tasks including use of the computer accounting system.
- 4.2. Work with the Selectboard and the Budget Committee to prepare the annual budget.
- 4.3. Administer the purchase order system, as authorized by the Selectboard.
- 4.4. Act as an ex-officio member of the Norwich Finance Committee, the Norwich Budget Committee and the Dresden Finance Committee.

- 4.5. Act as Clerk of the Board of Abatement, calling meetings and keeping records of the actions of this Board.

5. Minimum job requirements.

- 5.1. High School Graduate with either
 - 5.1.1. At least two year's experience on the job including knowledge of double-entry bookkeeping and computerized accounting systems, or:
 - 5.1.2. Completion of an Accounting (or bookkeeping) educational program to the satisfaction of the Selectboard. Must be able to use a computer and see the screen. Must be able to lift and carry packages up to 40 pounds weight of documents.