

TOWN OF WINCHESTER

***MIS NEEDS ANALYSIS
AND PROPOSAL***

PREPARED BY THE SELECTMEN'S MIS COMMITTEE

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1 Background and Introduction

In 1998 the Board of Selectmen established a Management Information Systems (MIS) Committee consisting of Town officials, employees and citizens. Although the primary purpose of the Committee was to address Y2K issues, many additional needs became apparent and the Committee has continued to bring these needs to the attention of the Board of Selectmen.

In 2000, the Board of Selectmen established a FACTS Committee consisting exclusively of Winchester citizens. The purpose of this Committee was to study the financial and related operations of the Town. As was the case with the MIS Committee, the FACTS Committee also identified many weaknesses and shortcomings within the Town's Information Technology capabilities and infrastructure, and recommended replacements and upgrades in several areas.

Also in 2000, the Commonwealth of Massachusetts Department of Revenue (DOR) conducted a Financial Management Review of the Town, resulting in several recommendations, including significant upgrades to the Town's Information Systems.

Both of the above Committees, as well as the DOR, agree that the Town of Winchester is a complex multi-faceted business. In many respects, it operates as a conglomerate, operating with several distinct and very different businesses. Some of these businesses include:

- Financial – billing, collecting, investing, grant administration
- Education
- Public Safety & Emergency Services
- Building and infrastructure construction and maintenance
- Utility – Water & Sewer

Each of these functions has unique operating and reporting requirements. They also have an increasing need for information and must receive or generate, store, retrieve and analyze this information for both operating and reporting requirements. State and Federal governments and the investment community have complex financial and program reporting standards that require the maintenance of vast amounts of data to be available in different formats. Town and School officials, Town Meeting and taxpayers also need ready access to this information. The information demands are constantly increasing.

While the need for information continues to increase, the Town has lost at least four positions over the last several years in the administrative area. This loss of personnel, coupled with reliance on manual processes and obsolete technology, results in significant operational problems. Many functions are still done manually, resulting in reentry of data with resultant errors, delays in filing required reports, and require inordinate amounts of time and frustration for the independent auditors to conduct annual audits. In addition, elected Town boards and committees, Town Meeting, and our citizens cannot get the data that they need to make intelligent decisions without diverting Town employees from other important tasks.

Given our current level of personnel and technological resources, we are simply not getting the job done the way it needs to be done and the situation is becoming progressively worse. Next fiscal year, new and substantial financial reporting standards (GASB 34) are mandated. Action needs to be taken now to avoid a crisis with the financial management systems.

Managing information is one of our government's basic functions. How we perform here impacts all our other businesses and functions including educational services to our students. As pointed out by the FACTS Committee and the Department of Revenue, the Town and Schools need to employ more information

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technology if they are to have any hope of keeping proper management control over business operations and providing efficient and timely services to the public.

In response to the recommendations of the FACTS Committee, MIS Committee, and DOR, the Fall 2000 Town Meeting appropriated funding for consulting services to assist the Town in the design and implementation of new financial management and other technology systems. To date, the majority of the design work has been completed, including the solicitation of bids from qualified vendors. With respect to the financial management system, the committee and consultant, JFK Systems, evaluated responses to the RFP, narrowing the field to four vendors, plus the incumbent vendor, for detailed 8-hour live demonstrations. Based on reference checks and site visits, the committee selected two finalists. These vendors are used by over 120 Massachusetts communities and have comparable costs. As a result of this work, the MIS Committee is now able to present Warrant Article #5. This article is a proposal for bonding authorization in the amount of \$850,000, consisting of the following five components:

• Financial Management System	\$390,000
• Licensing and Permitting System	60,000
• Document Management System	60,000
• Wide Area Network	225,000
• Other Computer Hardware & Software	<u>115,000</u>
Total	<u>\$850,000</u>

The MIS Committee is proposing the purchase of current software and hardware in each of the above areas. These items will have the capability of addressing all of the Information Technology recommendations of the MIS Committee, the FACTS Committee, and DOR. The systems will be fully integrated where appropriate, and will eliminate many manual and redundant processes and tasks.

2 Scope of Requirements

This section of the report provides an understanding of the Town’s major information systems requirements that are included in the funding request. In this section, we have chosen to further categorize the requirements into Reporting and Operational requirements.

2.1 Reporting Requirements

The Town’s reporting requirements are primarily within the Financial Management System. The Town’s requirements for this system consist of several integrated components, including: General Ledger/Budgeting, Project Accounting, Requisitions/Purchase Orders, Accounts Payable, Payroll, Human Resources, Property Tax, Excise Tax, Utility Billing, Miscellaneous Billing, Treasurer’s Cash Receipts, Fixed Assets, Work Orders, Inventory, and Maintenance Management.

Some of the more critical reporting requirements within the above components include the following. Each requirement is noted by department.

Requirement	Comptroller	School	Treas./Coll.	Selectmen	DPW	Other
The ability to develop “custom” reports that contain any information in the Financial Management System	X	X	X	X	X	ALL

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Requirement	Comptroller	School	Treas./Coll.	Selectmen	DPW	Other
database, including the ability to do “ad-hoc” reporting						
The ability to export any information in the Financial Management System database to PC-based applications for further analysis	X	X	X	X	X	X
Financial Statements in compliance with Accounting Standards, as well the Uniform Municipal Accounting System, the Department of Revenue, the Department of Education, and Chapter 90 Reporting	X	X			X	
Grant reports that are on a fiscal year-to-date basis as well as inception to-date.	X	X			X	Grant Mgr.
Vendor and Purchase Order reports	X	X	X	X	X	All
Departmental Budget Status Reports	X	X	X	X	X	All
Project status reports	X	X	X	X	X	All
School and Town Warrants	X	X				
Revenue and Expenditure reports for Grants and Revolving funds	X	X			X	Grant Mgr.
Budget development reports	X	X	X	X	X	All
Fixed Asset reports	X	X	X	X	X	X
Monthly and quarterly payroll reports required by the Federal Government	X					
Attendance reports	X	X	X	X	X	All
Information required by external agencies, such as financial institutions and retirement plans	X					
Payroll projection reports	X	X	X	X	X	X
Tax Commitments			X			
Utility Billing Commitments	X		X		X	
Water/Sewer Lien lists			X		X	
Municipal Lien Certificates			X			
Tax bills, Utility bills, and miscellaneous bills			X		X	Police

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Requirement	Comptroller	School	Treas./Coll.	Selectmen	DPW	Other
Receivables Delinquent listings			X		X	
Tax Title reports			X			
Cash Receipt Journals			X			
Schedule of Treasurer's Cash Receipts	X		X			
Refund listings	X		X			
Trial Balance Reports			X			
Water/Sewer Consumption Analysis Reports			X			

Within the Licensing/Permitting System, the Town needs to produce a variety of different Permits and Licenses, as well as a variety of statistical reports that summarize activities and fees in these areas. The departments who require these items are identified in Section 2.2.2.

2.2 Operational Requirements

2.2.1 Financial Management System

In order to support the above-referenced reporting and other informational requirements, some of the more critical operational needs of the Financial Management system include the following. Again, each requirement is noted by department.

Requirement	Comptroller	School	Treas./Coll.	Selectmen	DPW	Other
Allow multi-user access to the system by all departments for purposes of entering transactions and obtaining information.	X	X	X	X	X	ALL
Integrate all expenditure and revenue applications with the General Ledger	X		X		X	
Integrate all revenue applications with the Treasurer's Cash Receipts application			X			
Integrate Payroll budget development with overall	X	X	X	X	X	ALL

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Requirement	Comptroller	School	Treas./Coll.	Selectmen	DPW	Other
budget development						
Maintain vendor records	X	X			X	
Encumber funds via Requisitions and Purchase Orders	X	X	X	X	X	ALL
Produce bid requests	X	X	X	X	X	ALL
Process vendor invoices and distribute charges accordingly	X	X	X	X	X	ALL
Develop the Town Budget	X	X	X	X	X	ALL
Maintain fixed asset records	X	X	X	X	X	ALL
Maintain employee records, including time and attendance and human resource data	X	X	X	X	X	ALL
Process weekly payrolls and distribute charges accordingly	X	X	X	X	X	ALL
Monitor and calculate salary increases	X	X	X	X	X	ALL
Apply raises retro-actively	X	X	X	X	X	ALL
Maintain control over staff positions town-wide	X	X	X	X	X	ALL
Maintain taxpayer and customer records			X		X	POLICE
Integrate Utility Billing with an automated meter reading system					X	
Provide access to taxpayer/customer records in an integrated fashion, linking all receivables together			X		X	
Produce and collect all bill types			X		X	POLICE
Process cash receipts via scanning equipment			X			
Integrate cash receipts with lock box and mortgage companies			X			
Process abatements and exemptions			X		X	ASSESSOR
Process Water and Sewer liens			X		X	
Process tax refunds	X		X			

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Requirement	Comptroller	School	Treas./Coll.	Selectmen	DPW	Other
Process Tax Title accounts			X			
Maintain bank account records			X			
Issue and monitor work orders		X			X	
Maintain and monitor equipment and building maintenance activities.					X	

2.2.2 Licensing/Permitting

Several Departments are responsible for issuing, tracking, and monitoring a variety of licenses and permits. In many cases there is a need for multiple departments to interact regarding the issuance of a license or permit, and information maintained in one department is needed by another in order to proceed with steps leading to the issuance. Most permits and licenses also require the maintenance of supporting documentation.

Following are the departments that are involved in this issuance of Licenses and Permits and a description of the significant manual functions that are involved. Many of these departments obviously have other duties, but only those tasks relevant to the issuance of Licenses and Permits are identified here.

2.2.2.1 Fire

- Issue over 500 permits and certificates annually, including smoke detector inspection certificates, and permits for fire alarm installation, oil burners, oil storage, blasting, underground flammable fluid storage tanks, propane tanks, etc.
- Schedule and record related inspections
- Maintain supporting records

2.2.2.2 Board of Health

- Schedule inspections and maintain all inspection cards re: compliance with minimum housing standards, lead paint, public housing, food service establishments
- Process death certificates and burial permits
- Review and approve or disapprove preliminary and definitive plans for the subdivision of land.
- Reviews plans before the Board for new subdivisions in town.
- Request various approvals from other departments when required, prior to the issuance of building permits.

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- Interact with other departments (Conservation, Engineering, Fire, Town Clerk, Public Works) to insure proper enforcement and administration in matters that could be a threat to public safety and health.
- Accept and process building and zoning complaints.
- Schedule and conduct inspections; maintain related inspection cards
- Issue Occupancy Permits
- Interact with Fire and Engineering Departments for sign off authorizations.
- Maintain Certificate of Inspection books as mandated by State.
- Issue Certificates of Inspection for places of assembly as mandated by State.
- Issue permits for the disposal of special wastes.
- Issue permits for food service establishments, including restaurants and food service facilities in stores, recreational camps for children, institutions, schools, nursing homes, etc.
- Register retail food establishments (other than food service establishments).
- Issue annual pool permits

2.2.2.3 Selectmen's Office

- Issue the following types of Licenses and Permits (annual volume estimates included)

- Auctioneer – 3
- Automatic Amusement Licenses – 1 club
- Block Party – 15
- Chuck Wagon – 4
- Club Liquor Licenses – 4
- Common Victualler – 25
- Estates Sales – 3
- Food Vendor – 9
- Flea Markets – 1
- Fuel Storage Licenses – 4
- Hackney Carriage Licenses – 2
- Liquor Store License – 1
- Lodging House – 1
- One Day Liquor Licenses – 50
- Old Gold & Silver – 3
- Parade – 3
- Restaurant Liquor Licenses – 3
- Restaurant Liquor Licenses; Beer and Wine Only – 1
- Secondhand Articles – 5
- Secondhand Motor Vehicles – 4
- Staging Permits – 15
- Sunday Entertainment Licenses – 0-3
- Yard/Garage Sales – 50

(Note: The majority of the above licenses require comments from interaction with other Town departments including Fire, Police, Building, and Health)

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- Monitor expiration dates of each license; these dates vary.

2.2.2.4 Building

- Issue the following types of permits (annual estimates included)
 - 622 Building Permits
 - 663 Wiring Permits
 - 481 Plumbing Permits
 - 367 Gas Permits
- Prepare building activity report and submit to Assessors, Town Clerk's office, DPW and Engineering Department.
- Complete report form for the Federal Government Census Bureau for statistics on building activity.
- Make periodic inspections in accordance with the State Building Code of churches, places of assembly, nursing homes, hospital, schools, day care centers, apartment houses, swimming pools, etc.
- Inspect buildings damaged by fire and post them if deemed dangerous
- Process Board of Appeal applications, including monitoring of various deadlines

2.2.2.5 Town Clerk

- Issue dump stickers

2.2.2.6 DPW

- Issue 205 Street Opening Permits annually
- Issue 75 Commercial Trash Hauler Permits annually

2.3 Document Management

Nearly every Town Department currently has extensive manual files of various records that are accessed frequently for a variety of purposes. A large amount of manual effort is expended performing routine tasks such as sorting, inserting, stapling, reading and reviewing, making notations, and making photocopies for other departments as well as external sources such as homeowners, real estate agencies, appraisers, attorneys, contractors, etc. Due to state and/or federal requirements, many of these records need to be stored for several years, some permanently. Therefore, physical storage space also affects the Town's requirements.

Other potential document management needs include the transmission of items such as vendor invoices to the Comptroller's Office.

In addition to the usual text-related documents referred to above, certain departments also manually maintain and store more "graphical" types of documents such as building and lot plans, water and sewer connection cards, "as-builts", etc.

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2.4 Wide Area Network

In order to perform their tasks associated with the above systems, as well as to gain access to other Town information systems, each Town department needs to be connected to a central network allowing *high-speed* and *secure* real-time access to needed information and electronic functions.

The Wide Area Network (WAN) is the vehicle necessary for all Town and School buildings to interact with each other and with the critical technology resources to be centrally located at the Town Office. Critical functions to be performed via the WAN include the following:

- Financial Management System transaction processing, including purchase orders, accounts payable, payroll, and cash receipts
- Maintenance of human resource data
- Access to critical financial and human resource information
- Processing of facilities' work orders
- Sharing and processing critical information during the budget preparation period
- Town-wide Internet access via a single access point
- Town-wide electronic mail
- Document and file exchanges
- Access to the Document Management System
- Access to the Licensing and Permitting System
- Access to the Geographic Information System

The majority of the above needs exist within all Town and School buildings. In addition, the School department has an extensive list of requirements supporting the need to connect all School buildings. Some of these requirements are as follows:

- Provide School Administration access to Student Information Systems and Special Education Information Systems that are located in each School.
- Share curriculum from building to building in a secure manner
- Share DOE reports from business office to school buildings and in reverse
- Collaboration of lesson plans throughout the district
- Use homework clubs on line
- Use an email system between parents and teachers with secure homework web-sites for teachers
- Share resources among individual school libraries and with the Town Library
- Create and share student work
- Submit Financial and Student Information reports to the DOE and DOR

As stated above, the WAN must provide for high-speed and secure transmission and information access. Many of the needs identified above suggest that large amounts of information will be accessed over the WAN, and this access will be very inefficient without a high-speed WAN. Also, security is a major consideration, particularly with respect to segregating the student network from the School and Town administrative networks, as well as protecting the entire School and Town network from the outside Internet community.

3 Assessment of Current Systems

In this section we have explained the degree to which the existing automated or electronic information systems capabilities of the Town are satisfied. We also identify those needs that are *not* satisfied the current automated or electronic systems of the Town.

3.1 Financial Management System

Many of the more basic needs are satisfied by the current system. These include:

- Maintenance of vendor records
- Production of budget status reports
- Production of vendor checks and warrants
- Production of payroll checks and warrants
- Provide payroll information to external agencies
- Distribution of payroll and expense charges to appropriate categories
- Production of monthly and quarterly payroll reports
- Maintenance of taxpayer and customer information
- Integration of Utility Bills with an automated meter reading system
- Production and collection Tax and Utility Bills
- Production of Tax and Utility commitments
- Processing of abatements and exemptions
- Processing of Water/Sewer Liens
- Integration with Lock box and mortgage companies

However, many of the above functions are provided in an unnecessarily cumbersome manner, suggesting a requirement for a more “user-friendly” environment. Furthermore, the following section identifies more extensive Town needs that are not being met by the current system.

We also wish to point out here that the current system is based upon obsolete technology, and that the MIS Committee has some serious concerns about the future viability of the supplier of its current Financial Management System.

3.1.1 General

- The system is very limited regarding “multi-user” processing. It is desirable to allow each Town department to perform the following functions via direct communication with the system, and simultaneously with any or all other departments: Enter and approve Purchase Requisitions, enter Accounts Payable transactions, enter Payroll transactions, enter departmental cash receipts, budget development, inquire into relevant information such as Budget Status reports, vendor records, Purchase Orders, and employee data. In addition to other inefficiencies caused by this situation, most departments maintain independent manual or PC-based records to assist them in monitoring budget status. To a large degree this is redundant.
- There is no ability to develop custom reports. Information is only available on Standard reports within the system. All additional reporting must be done manually or by manually entering data into PC-based applications.

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- It is not possible to export any data electronically to PC-based applications for further analysis. As noted above, this requires manual entry into the PC-based applications.
- The system is not Web-enabled. It is desired to make selected Financial Management system data available via the Internet, and to eventually support the ability to conduct business over the Internet with taxpayers, customers, and suppliers.

3.1.2 Accounting Applications

- There is no electronic integration between the Revenue applications and the General Ledger application. This requires an extensive amount of manual input to the General Ledger regarding revenue and cash receipt transactions, and also increases the possibility of errors.
- Grant and Revolving Fund reports do not combine Revenues and Expenditures on one report. This represents an unnecessarily cumbersome method of monitoring the status of these funds.
- It is not possible to produce School and Town Grant reports on an inception-to-date basis, and for those Grants that have a fiscal year-end of other than 6/30, it is not possible to produce reports on a fiscal year basis.
- Within the General Ledger application, the chart of accounts structure is not sufficient to handle needed reporting levels, particularly regarding DOE requirements. Expanded reporting requirements mandate additional “segments” within the chart of accounts such as School location, DOE function code, and DOE Program Codes.
- The chart of accounts limitations also prevent the identification of Projects when recording expenditures. This limitation, combined with the lack of a Project Accounting application, requires the Town to monitor projects via manual methods. This includes the preparation of project inception-to-date reports.
- The system is not in compliance with new Accounting Standards such as GASB 34, and therefore it is necessary to produce compliant Financial Statements manually, in multiple formats. These Financial Statements should be produced by the system.
- There is no Requisition/Purchase Order application. This forces the Town to issue and approve Purchase Orders manually, including the need to determine availability of funds in a non-integrated fashion. Also, when currently checking funds availability, figures may not be timely, due to the lack of a pre-encumbrance capability that would otherwise be available via an automated Requisitions function.
- The lack of a Purchase Order module also requires contracts to be monitored manually.
- All bid requests are generated manually. If there were an electronic bid application, together with an electronic Requisition/Purchase Order application, the process of issuing and tracking bids would be much more streamlined and efficient.
- The system is lacking many automated budget-development functions, such as the ability to produce budget worksheets, enter narrative data with budget requests, calculation of budget requests based on variations of prior year actuals and/or budgets, and the production of formal budget reports for Finance Committee, Board of Selectmen, and Town Meeting.
- The systems lacks a commodity code feature, preventing the recording and tracking of expenses by commodity. Among other benefits, this feature would greatly assist in the budget development process.
- There is no automated Fixed Assets application. In order to comply with GASB 34, the Town will soon be required to record and track all of its Fixed Assets.

3.1.3 Payroll Application

- Regarding the maintenance and reporting of employee payroll records, the system is limited regarding the tracking of type of hours worked and when they were worked, by function and department.
- The payroll system does not include a budget-checking component. Consequently, the Town must rely on reports produced after-the-fact in order to determine payroll budget status.
- There is no payroll expense projection capability, which would allow the Town to analyze projected payroll expenditures for the remainder of the year, at any time during the year.

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- When an employee holds multiple positions, there is no ability to maintain all information within one employee record. Multiple employee records are required, creating the need to produce multiple W-2's for these employees, as well as related reporting and tracking difficulties.
- The system's attendance tracking capabilities are limited. For example, the system does not provide any warnings or error messages when an employee has exceeded the maximum allowable days for sick or vacation time.
- There is no ability to maintain contract/bargaining unit information, including ability to link employees to specific categories within each contract/bargaining unit and apply raises accordingly. This information is also needed to project when raises are due and the related amounts.
- The Town needs to maintain extensive personnel and human resource data for each employee, including professional development information required for teachers. This capability is lacking in the current system.
- The Town needs to comply with "Retirement Plus" for teachers, which requires extensive tracking of historical information. Due to system limitations in this area, this function is performed manually.
- The system does not produce reports on use of substitute teachers. Information needed includes when and why the substitute was used.
- The system provides no automated assistance in the calculation of salary increases and retroactive raises. All calculations must be performed manually.
- The system does not provide an applicant tracking capability. All such recordkeeping and analysis, including determining if previously rejected applicants may qualify for new positions, must be performed manually.
- The system does not provide a Position Control function. This feature would enhance the Town's ability to maintain control over staff positions, including ability to budget by position, FTE, and salary level and assign staff to specific positions and multiple organizational units.
- There is no payroll budgeting capability. All payroll budgeting tasks are performed manually and are very time consuming. An automated capability would allow the use of historical data to develop multiple "what-if" scenarios, use a variety of calculations to project salary budgets, and once the payroll budget is finalized, have it automatically update the Town's overall budget. The use of some of these automated routines would be of particular value to the collective bargaining process.

3.1.4 Revenue Applications

- 'Final read' bills for Water/Sewer bills are not produced by the system. They must be produced manually.
- "Miscellaneous" charges pertaining to Water/Sewer bills, Police Detail bills, and bills for street opening permits are all manually calculated and produced. The automation of these bills would make the billing process more efficient and would certainly enhance the recording of cash receipts and monitoring of receivables.
- The system does electronically interface with the automated scale system regarding the production of Trash Hauler bills, but there have some software errors that need to be reviewed and improved upon.
- All cash receipts that are received "over-the-counter" or via the mail are manually entered into the system, without the use of scanning equipment and electronic cash registers. The use of such equipment would allow cash receipts to be processed more efficiently and more accurately. It would also allow the system to produce electronic receipts to the taxpayer/customer, which is a function not present in the existing system.
- Aside from the Collector's office, nearly every Town Department collects cash for one reason or another. The recording and reporting off all such cash receipts to the Treasurer's Office is all done manually. If all departments had the ability to record all receipts on-line, the amount of manual effort would be substantially reduced and efficiency would be increased.
- The Treasurer is required, on a daily basis, to consolidate all cash receipts, by type, and to report all cash receipts to the Comptroller's office on a monthly basis. All of these steps are completely manual. The use of a Treasurer's cash receipts application would make this process much more efficient.
- Each of the automated Revenue applications (Property Tax, Excise Tax, and Utility Billing) are "stand-alone" in the sense that there is no ability to combine information for a single taxpayer/customer on a

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single screen to determine the total amount due across all applications. This integrated receivables function would also allow a taxpayer to pay all amounts due in a single transaction without having to access each individual application.

- All Tax Title functions are performed completely manually. This involves the production of a variety of manual forms and notices leading up to the placement of an account into Tax Title, as well as recording all Tax Title cash receipts manually. An automated Tax Title module would streamline this process.
- The processing of refunds is primarily a manual function. This requires manually entering refund transactions to each taxpayers account, as well as manually entering the appropriate data into the Accounts Payable system so that refund checks can be prepared. An automated refund routine would eliminate the need for most of these manual efforts.
- Although the current system does produce Municipal Lien Certificates (MLC's), the fact that the system does not include an automated Miscellaneous Receivables function nor a Tax Title function requires that these amounts be manually added to an MLC when applicable.
- The system does not accept payments in advance, regarding a future Tax Commitment.
- It is critical that the Collector' Office has the ability to produce Trial Balance reports for each commitment type. Due to a variety of limitations in the current system, these reports are very limited.
- The Treasurer's bank account records are completely manual, as there is no bank account tracking capability in the current system. Such capability would allow each cash receipt and disbursement to be linked not only to the General Ledger but also to individual bank accounts, thus eliminating much of the manual effort involved regarding bank accounts.
- The Water/Sewer Consumption Analysis reports provided by the system are extremely limited and inflexible. Consequently, they are not used and all such analyses are performed manually.

3.1.5 Other Applications

The system does not provide for any of the following functions, suggesting that they are performed manually or not at all (primarily within DPW and Schools): Work Orders, Maintenance Management, and Inventory. There is also a need for these functions to integrate with the Accounting and Fixed Assets functions

3.2 Licensing/Permitting

With the exception of dump stickers issued by the Town Clerk's Office, the issuance, tracking, and monitoring of all Town Permits and Licenses is a *completely manual* function, and involves several Town Departments. Therefore, essentially there is no automated system currently in place for these functions, resulting in a significant amount of inefficient manual processes involved in these functions, and a large degree of duplicate land-based information (parcel information, ownership, etc.) maintained by each department.

3.3 Document Management

There is no automated system currently in place for Document Management, and therefore all of the previously described needs in this area are handled manually.

3.4 Wide Area Network

Currently all Schools are connected to the Internet via cable modems. As part of AT&T's license agreement, this service is provided at no cost to the Town. This agreement expires in 2002. This connection provides Internet access for each school building. *However, with the exception of the*

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connection between the School Administrative Office to the Town Hall (see below), none of the School buildings are connected to each other or to the Town Hall.

The Department of Public Works is connected to the Town Hall by a DSL line. This connection is used primarily for access to the current Financial Management system regarding accounts payable and payroll processing as well as utility billing.

The Public Safety Building is connected to the Town Hall via an underground fiber optic cable that was installed by the Town approximately 2 years ago. The Fire Department is currently using this cable to connect to the Town's T1 Internet access line, which also provides Internet access to those employees within Town Hall.

The School's administrative offices are located at the Lynch School and are connected to the Town Hall by a leased phone line. Currently this connection is used primarily for access to the current Financial Management System regarding accounts payable and payroll processing.

No other Town or School buildings are connected to the Town network. Therefore, there are a total of 12 Town and School buildings that are not connected to the Town network:

- Transfer Station
- Library
- Sanborn House (Recreation)
- West Side Fire Station
- Water Treatment Plant

- Lincoln School
- McCall Middle School
- Winchester High School
- Ambrose School
- Parkhurst School
- Vinson-Owen School
- Muraco School

Due to the fact that the majority of the Town and School buildings are not connected to the Network, the following limitations exist:

- The Town is unable to use the Financial Management System to fully support the aforementioned "multi-user" processing, in that many remote sites are not connected to the Town Office. Again, the desired functions include entry and approval Purchase Requisitions, entry of Accounts Payable transactions, entry of Payroll transactions, entry of departmental cash receipts, budget development, inquiry into relevant information such as Budget Status reports, vendor records, Purchase Orders, and employee data.
- The Town is unable to allow each remote site to have direct access to some or all of the following planned or existing automated applications and functions, including:

- Permits/Licenses
- Document Management
- Shared Internet access
- Electronic Mail
- Document and file exchanges
- Geographic Information Systems

- The School Department is unable to support any of its previously-noted requirements, including:

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Provide School Administration access to Student Information Systems and Special Education Information Systems that are located in each School.

Share curriculum from building to building in a secure manner

Share DOE reports from business office to school buildings and in reverse

Collaboration of lesson plans throughout the district

Use homework clubs on line

Use an email system between parents and teachers with secure homework web-sites for teachers

Share resources among individual school libraries and with the Town Library

Create and share student work

Submit Financial and Student Information reports to the DOE and DOR

Finally, the Town will be better served by a standard Network methodology, rather than the hybrid methodology currently utilized by those buildings that are currently connected.

4 Projected Cost Benefits/Enhancement of Services

The cost benefits and service enhancements resulting from the implementation of a new financial management system, document imaging system, licensing and permitting system, and a wide area network connecting all Town and School buildings are substantial.

Currently, thousands of hours of management and secretarial time are wasted working with the current inadequate or non-existent automated systems. Financial analysis has to be performed off-line, reports have to be prepared off-line, data has to be re-keyed, documents have to be delivered by hand between buildings, and documents are retrieved only after a great deal of time and effort. This is something we can ill-afford given the cutbacks in personnel over the years. As it is, there are numerous tasks and issues that do not get addressed or at least do not get addressed on a timely basis.

Very conservatively we estimate that with the new systems there would be at least the equivalent of six persons (combined managerial and secretarial) between the Town and School that would be freed up to perform other tasks which should be done but simply are not getting done. Assuming an average of \$50,000 per position for salary and benefits, this equates to \$300,000, well in excess of the average debt service annual payment of \$110,000 over the next ten years and operating costs of the new system. In addition, the freed up managerial time will allow management to spend more time on larger issues that could result in the achievement of further savings.

The chart at the end of this report (Departmental Functional Analysis) contains a summary of the hours of staff time freed up as a result of the implementation of each new system.

The FACTS Committee made a number of recommendations to improve the operation of the Town and School, to improve communications within the organization and with the public, and to reduce long-term costs. Some of those included:

- *Pursue grants more actively*
- *Consider pay-as-you-throw (i.e. per bag) program for refuse*

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- *Pursue payments-in-lieu-of-taxes with tax exempt institutions*
- *Establish a “Fund for Winchester”*
- *Make roles of Town Manager and School Superintendent more strategic*
- *Implement measurement system to quantify performance against goals*
- *Planning and budgeting should be more standardized and goal driven*
- *Improve capital planning process and inventory of assets*
- *Centralize maintenance functions and increase resources*
- *Establish fixed replacement schedule for capital equipment*
- *Consider a direct role for revenue maximization*
- *Publish “Guide to Town Finances”*

Other related recommendations of the FACTS Committee are summarized as follows:

- *Publish standard set of reports monthly for both Town management and citizens*
- *Develop a historical “data warehouse” of information to allow for easier analysis and projection*
- *Directly allocate “undistributed” funds to departments where possible to permit full cost accounting*
- *Move to program-based accounting, budgeting and reporting*
- *Consider including more financial data with tax bills*
- *Strengthen School Department communication*
- *Accelerate move to comply with recent changes issued by the Governmental Accounting Standards Boards (fixed assets)*
- *The Town should create and maintain a useful and current web-site*
- *Improve methods to forecast school enrollments*

In order to achieve these benefits we are going to need to free up additional management and support capacity. The new financial management system and other technology upgrades proposed will increase productivity and will provide the extra capacity necessary.

Following is an identification of significant expected benefits for key departments. In some cases these benefits will be a direct result of the new systems, while in other cases the other benefits represent additional tasks that can be performed as a result of increased efficiencies.

Department of Public Works

- More effectively manage and expedite projects
- Develop inventory of hazardous materials and establish employee safety program
- Establish vehicle and building preventative maintenance programs
- Consumption analysis to more accurately establish water and sewer rate structure
- Develop detailed paving and sidewalk replacement programs for capital planning
- Analyze refuse collection to develop more effective recycling program
- Develop energy conservation program for all Town owned properties
- Improve commercial hauler’s billing system
- Explore opportunities available for providing Town services in a more cost effective manner
- Develop Town-wide storm water drainage improvements plan

Collector/Treasurer

- Improve investment management in order to maximize interest earnings
- Establish cash flow projections
- More aggressive resolution of real estate credit balances

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- Improved records management
- Analyze personal property and motor excise overdue accounts to determine if write-off is required
- More effective follow-up on collector billings e.g. police details

Building Department

- Improved records management
- More timely response to building/zoning complaints
- Inspection of licensed facilities to identify zoning/building violations
- Establish more proactive enforcement policy

Library

- Replacement of unreliable public access personal computers
- Enhanced circulation and reference requests
- More accurate analysis regarding circulation in order to determine purchasing needs

Health Department

- More effectively pursue grants
- Establish more proactive enforcement policy
- Improved monitoring of hazardous waste sites (21E sites)
- Establish preventative and educational programs

Engineering Department

- Updating plans and records
- Electronic transfer of map data
- Improved inspections of sub-divisions, street and utility openings
- Pursue outside funding for flood improvements

Comptroller's Office

- More timely reporting to Board of Selectmen, Department of Revenue and auditors.
- Development of comprehensive Human Resources Database

Town Manager's Office

- Enhance long-range strategic and financial planning
- Implementation of GASB 34
- Improve communication and information to the public
- Review Town services to determine most cost effective method of delivery

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Police Department

- Improved records management
- Enhance Community Policing Efforts
- Develop closer working relationship with School Department
- Implement further technology improvements for crime prevention, investigations and training

Fire Department

- Improve disaster preparedness program
- Improve records management
- More effective tracking of hazardous materials

School Department

- Long range planning and strategic planning for the future of the system, incorporating financial planning
- More time for integration into whole town long range planning
- Increased opportunities to access and acquire grants to add revenue and programs for the schools and town
- Increased ability to network with other towns and school districts to improve policies, procedures and programs
- More time to spent in classrooms with teachers and students
- More time to fine-tune and update curriculum and instruction
- Business office personnel will have time to prepare analyses of trends in educational finances and facilities improvements in the industry.
- Central Office members will have time to complete their own professional development plans for the DOE
- More financial collaboration with other districts
- More time to develop cost-savings ideas for the school district
- More time to consolidate services in the personnel area, potentially leading to a unified town and school HR division
- Time to supervise and evaluate all building administrators and curriculum administrators
- Time to coach and mentor new administrators in the system
- Time for the secretarial staff to coach school building secretaries
- More time available to communicate with legislators regarding funding

5 Costs

As reported in May, 2001 to the Annual Spring Town Meeting the estimated costs of the project are \$850,000 in total. The estimate consists of the following:

• Financial Management System	\$390,000
• Licensing and Permitting System	60,000
• Document Management System	60,000
• Wide Area Network	225,000

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• Other Computer Hardware & Software	<u>115,000</u>
Total	<u>\$850,000</u>

The first four components listed above are discussed throughout this report. The final component – Other Computer Hardware & Software - consists of several “ancillary” items needed in order to effectively utilize the preceding components. It includes several new PC’s that will be needed by Town employees in order to access the newer technologies recommended in this report. Some of these PC’s will replace older PC’s, and others will be provided to users who do not currently have PC’s. A significant number of users will also be provided with new or upgraded versions of Office Automation software (word processing, spreadsheet, database, etc.) There are also several PC’s that will be provided to the Library to replace obsolete PC’s used by the public. Also included are several printers and a Network “Server” that will be used to control each user’s access to the network and will store Office Automation files and documents.

The details of this component are as follows:

<u>Hardware Components</u>	<u>#</u>
PC's	18
Network Printers	8
Stand alone printer	1
One network server	1
Network cables	25
Office 2000 Licenses (Upgrade)	10
Office 2000 Licenses (New)	35
Emulation Software	30
Windows 2000 upgrade	<u>30</u>
Subtotal of Costs	\$85,000
Library public use PC's	<u>\$30,000</u>
Total Hardware/Software	\$115,000

In future years, routine PC equipment replacement will be included in a technology refreshment line item in the operating budget. The MIS Committee will be retained to review major technology requests for the capital budget.

6 Proposed MIS Management Structure

The key to effective utilization of technology is to have a good Information Technology(IT) management staff in place and to provide a good training program for the users. Last spring Town Meeting approved 1 ½ additional IT positions. Whether we upgrade/replace our current systems or not, these positions are essential.

The positions include an Information Technology Director, a Network Administrator/ Support position and a half-time support position. While this staffing level is thin, we believe that it is adequate. Also included in the budget are additional funds for contract professional services and for user training. In addition, added training is being required from the vendors providing the proposed systems.

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The IT Director and staff will report directly to the Town Manager's office. The Director will have overall responsibility for implementing the financial management system and work closely with the Assistant Town Manager. In the key financial departments, the Comptroller will be responsible for implementing those finance modules in his office and will be assisted by the Assistant Comptroller, Payroll and HR Coordinator, and the accounts payable clerk.

In the Treasurer's Office, which is one of the least automated offices, the Treasurer will have overall responsibility. However, the day to day implementation task will fall to the Assistant Treasurer. This position is currently vacant and is proposed to be upgraded in recognition of the added responsibility of implementing, and maintaining the new technology systems in the Treasurer's Office.

In the School Department, the new School Business Manager (SBM), with assistance for the School's MIS Director and staff, will be responsible for implementing the systems within the school department. The SBM will have a dotted-line relationship to the Assistant Town Manager and Comptroller, meaning that he will work in close concert with them and comply with town-wide financial operating procedures and requirements.

During the first year of implementation, the Town will utilize its existing consultant to serve as project manager for the overall project and he will report to the Assistant Town Manager. He serves independent of the vendor's own project manager.

7 Funding Sources

The Committee considered using funding from current revenues, but given demands of other operating budgets rejected this option.

While the ability of the Town to meet further debt obligations is limited within the operating budget due to the lack of funding of capital reserves, the debt service to be encumbered by this project does fit within the confines of available debt capacity. The annual bond payments are approximately \$110,000 per year for the next ten years and assume a 5-year life for hardware and a 10-year life for the financial management system.

**Departmental Function Analysis
Existing and Proposed
(A= Automated M=Manual)**

Departments	Payroll		Payables		Purchase Orders		Licenses/Permits		Department Receipts		Budgeting	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Town Manager	M	A	M	A	M	A	M	A	M	A	A	A
Comptroller	A	A	A	A	M	A					M	A
Collector Treasurer	M	A	M	A	M	A	M	A	M/A	A	M	A
Town Clerk	M	A	M	A	M	A	M	A	M	A	M	A
Assessors	M	A	M	A	M	A					M	A
Engineering	M	A	M	A	M	A	M	A			M	A
Conservation	M	A	M	A	M	A	M	A	M	A	M	A
Board of Health	M	A	M	A	M	A	M	A	M	A	M	A
Building/Zoning	M	A	M	A	M	A	M	A	M	A	M	A
Planning Board	M	A	M	A	M	A	M	A	M	A	M	A
Board of Appeals	M	A	M	A	M	A	M	A	M	A	M	A
Library	M	A	M	A	M	A	M	A	M	A	M	A
Police	M	A	M	A	M	A	M	A	M	A	M	A
Fire	M	A	M	A	M	A	M	A	M	A	M	A

Departments	Payroll		Payables		Purchase Orders		Licenses/Permits		Department Receipts		Budgeting	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Council on Aging	M	A	M	A	M	A					M	A
DPW	A	A	A	A	M	A	M	A	M	A	A	A
Recreation	M	A	M	A	M	A	M	A	M	A	M	A
School Department	A	A	A	A	M	A	M	A	M	A	A	A
Water & Sewer	A	A	A	A	M	A	M	A	A	A	M	A
Estimated annual hours available for Reallocation		910		910		2730		910		910		1820

Departmental Function Analysis
Existing and Proposed
(A= Automated M=Manual)

Departments	Expenditure Monitoring		Bank Reconciliation		Projects/Grants		Misc. Billing		Personnel/HR		Document Imaging	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Town Manager	A	A			M	A	M	A	M	A	M	A
Comptroller	A	A			M	A			M/A	A	M	A
Collector Treasurer	M	A	M	A	M	A	M	A	M	A	M	A
Town Clerk	M	A							M	A	M	A
Assessors	M	A							M	A	M	A
Engineering	M	A							M	A	M	A
Conservation	M	A							M	A	M	A
Board of Health	M	A			M	A			M	A	M	A
Building/Zoning	M	A							M	A	M	A
Planning Board	M	A					M	A	M	A	M	A
Board of Appeals	M	A					M	A	M	A	M	A
Library	M	A			M	A			M	A	M	A
Police	M	A			M	A	M	A	M	A	M	A
Fire	M	A					M	A	M	A	M	A
Council on Aging	M	A			M	A			M	A	M	A
DPW	A	A			M	A	M	A	M/A	A	M	A
Recreation	M	A			M	A			M	A	M	A
School Department	A	A			M	A	M	A	M/A	A	M	A

Departments	Expenditure Monitoring		Bank Reconciliation		Projects/Grants		Misc. Billing		Personnel/HR		Document Imaging	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Water & Sewer	A	A					M	A	M/A	A	M	A
Estimated annual hours available for reallocation		910		182		364		364		546		910

Grand Total annual hours available for reallocation 11,466