



Conor M. Baldwin  
Chief Financial Officer

Allison Chambers  
Deputy CFO

## MEMORANDUM

**TO:** Eileen M. Donoghue, City Manager *EMD*

**FROM:** Conor Baldwin, Chief Financial Officer

**DATE:** March 16, 2022

**SUBJECT: MOTION RESPONSE: 3/1/2022 – C. Mercier - Req. City Mgr. Prepare A Report That Will Give An Update On The Progress And Strategies Of The Monthly Meetings Between The City And School Finance Department**

This memorandum is in response to Councilor Mercier’s motion regarding the ongoing partnership within the finance department at City Hall and with the School Department’s finance office at Central Administration.

Prior to 2006, the city’s various finance offices in City Hall operated independently of one another. In April of 2007, a “financial management review” was completed by the Department of Revenue (“DOR”), which included twenty (20) recommendations for the City of Lowell on ways to more effectively manage the financial operations of the city, based on best management practices that encourage efficiencies, checks and balances, and accountability. The first recommendation in the aforementioned report was to create a formal finance department. It additionally recommended that regular, monthly meetings be held by Finance Department Heads which included the City Auditor and the Business Manager at the School Department.

Since that time, the city has moved, incrementally, towards a more formal finance structure. Ultimately, in May of 2016, the City Council adopted an Ordinance to formally create a Finance Department, pursuant to the DOR recommendation, which included a clear reporting structure to the CFO for Treasury, Assessing, MIS, Purchasing, and the Budget Department. Since then and to the current time, monthly meetings have been held regularly with all Department Heads in the Finance Department, as well as with the City Auditor and HR Director who are members of the “finance team,” but do not report directly to the CFO position. The School Business Manager is also invited to these monthly meetings and regularly attends, or sends a designee.

The last City Council term, through series of joint meetings between the City and School finance subcommittees, strongly encouraged the continued collaboration and cooperation between the City and School finance departments. This collaboration continues to date and has taken on a more formal structure. Each month, Department Heads in the Finance Department meet to discuss and strategize on various financial matters including: the annual operating and capital budgets, statutory reporting requirements to the Department of Revenue or other state and federal regulatory agencies, financial policies, fiscal processes, revenue and expenditure monitoring, responses to management comments on the annual audit, and



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technology. The finance team utilizes formal agendas and meeting minutes are taken and distributed to members of the team for follow-up at the next month's meeting. The finance team has further codified its purpose in a policy document, which is included in the overall financial policies of the city included in the annual budget each year, which is presented and adopted by the City Council in the spring. A copy of the Financial Management Team Policy is enclosed with this memorandum for reference.

This regular system of communication has fostered an enhanced level of partnership and oversight on matters of finance in the City of Lowell. For example, as the Council is aware there has been a significant staffing turnover in the payroll departments within the City Auditor's office, as well as in the School Central Office. This turnover has led to a series of issues in the payroll process. The City Auditor recently provided a separate communication on this matter to the City Council, but through the regular meetings of the finance department a working group has been established with the members of the finance team and staff from city and school payroll offices to examine current practices, implement new technologies, and identify efficiencies in the payroll process, city-wide. This working group has been meeting bi-weekly and will continue to collaborate until such a time that the city is able to move away from the manual, paper-driven payroll process that has been in place for decades.

Finally, the Deputy CFO chairs a series of regular monthly meetings with the various budget directors or similar positions in city departments (Police, Fire, DPW, HHS, etc.). These meetings focus more on fiscal processes within departments such as procurement, accounts payable, and year-end procedures, but are modeled on the finance team meetings. The finance personnel identify many efficiencies through these meetings and we will be extending an invitation to the school department to join these meetings, in order to further enhance collaborative efforts between the city and the schools.

Please let me know if you have any questions.

## FINANCIAL MANAGEMENT TEAM POLICY

### I. BACKGROUND AND PURPOSE

A formal, financial management team provides an operational framework that can maximize effectiveness of financial practices by promoting optimal coordination of interdepartmental activities and long-term planning. Regular team meetings serve to enhance the City Manager's ongoing insight into progress on fiscal objectives and provide a valuable analytical resource for budget decision making.

Another important benefit of the financial management team approach is institutional continuity during times of turnover in financial offices. Team meetings open lines of communication among finance officers and reinforce awareness of their interdependence. These meetings help team members identify critical junctures, consider strategies to deal with anticipated areas of concern, and establish agreement about goals, deadlines, and each individual's role in meeting common objectives.

### II. APPLICABILITY

This policy applies to the Chief Financial Officer, City Auditor, Deputy Chief Financial Officer (CFO), Treasurer/Collector, Assessing Board Chair, Chief Procurement Officer (CPO), School Business Manager, Chief Information Officer (CIO)/ Information Technology Director, and Human Resource Director.

### III. POLICY STATEMENT

Pursuant to the Ordinance creating the Finance Department ([§20-62 of the Code of Ordinances of the City of Lowell](#)), the City established a Financial Management Team consisting of—organizationally—the Chief Financial Officer, Deputy Chief Financial Officer (CFO), Treasurer/Collector, Assessing Board Chair, Chief Procurement Officer (CPO), Chief Information Officer (CIO), and their respective departments and employees. In addition, pursuant to this policy, the Council formally adopts and approves of the immediate coordination and cooperation, but not direct oversight and management, between the aforementioned officers and departments with the City Auditor, Human Resource Director, School Business Manager/ Assistant Superintendent, and their relevant subordinates and departments.

Meetings of the financial team will be scheduled at a consistent time each month and more frequently when necessary. Agenda topics may include, but are not limited to the following:

- Status of projects requested by the City Manager, City Council, or School Committee;

- Review of revenue and expenditure reports and analysis of cash flow;
- Financial forecasting (e.g., discussion of new growth, fees, etc.);
- Analysis of capital funding sources;
- Creating and reporting on corrective action plans in response to management letter;
- Citations by the independent auditor;
- Reviewing the effectiveness of internal controls and proposing internal audits;
- Analysis for collective bargaining negotiations;
- Coordinating annual submissions/ reports to the Division of Local Services (and Department of Revenue).

**IV. REFERENCES**

- a. Division of Local Services Best Practice: [Financial Management Team](#)
- b. Standard & Poor's article: [The Top 10 Management Characteristics of Highly Rated U.S. Public Finance Issuers, 2012](#)

**V. EFFECTIVE DATES**

- a. Implementation Date: 7/1/2018
- b. Last Revision Date: 5/1/2021