



TOWN OF LINCOLN
MIDDLESEX COUNTY MASSACHUSETTS

LINCOLN TOWN OFFICES
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To: Lincoln Budgeting Departments

From: Lincoln Finance Committee

Re: Annual Reports Initiative

Date: 5 May 2010

As we have discussed with you over the past months, the Finance Committee has adopted a new initiative whereby all Lincoln budgeting departments will be requested to prepare reports to assist the Finance Committee and the Town to better understand each department's operational and performance parameters. The Finance Committee believes these reports will enhance the Finance Committee's and the Town's ability to evaluate the annual budget requests, as well as enable the Finance Committee to make appropriate comparisons to similar agencies in other communities. Historically, the budgets prepared by each department have primarily been responsive to the budget guideline set by the Finance Committee, without reference to any objective measurements of the costs of the services. We believe that these reports will help inform us and the Town more specifically regarding what we are paying for with our tax dollars.

We contemplate that the reports will provide year-to-year comparisons of meaningful statistics for each department. These comparisons might cover a 5 to 10 year period, subject to the availability of relevant information. Second, the report for each department will provide comparisons between that department and similar departments in other towns.

We will work with each department in a collaborative effort to develop a set of measurements that are both meaningful and relatively easy to obtain. We anticipate candid dialogue to achieve consensus regarding the right measurements. We fully recognize that each department best knows its budget, budget drivers and key performance parameters. Accordingly, we will look to each department to provide guidance on the proper measurements.

With respect to year-to-year comparisons, we anticipate that much of the internal information is already maintained by each department. With respect to comparisons to other towns, we contemplate that each department will propose its own comparison towns for purposes of these reports. The meaningful comparison for one department may come from different towns than the comparisons for another department. Also, it may be easier for a department to obtain meaningful comparisons from some towns, but not from others.

We recognize that no town departments have budget line items to fund such work, and that each department has to work within the time constraints of its core functions to the town. It is therefore our intent that these reports will be prepared using data that is relatively easy to obtain.

We also contemplate that these reports will be developed incrementally over time, as systems are developed to make gathering and reporting of the relevant information easier. In other words, we do not anticipate that the first report will be as comprehensive as reports delivered in later years. However, it is also our intent that these reports become part of the annual budget process of each department.

Finally, due to our own time constraints, we do not plan to pursue this request with every town department immediately. Rather, we plan to work initially with the K-8 schools, the library, and one town department, and we will request participation from other departments over time. It is our understanding that initiatives similar to this have been undertaken in the past, but that they have been so broad-based as to be lacking in focus and utility, and once undertaken, have not been subject to any follow up. By focusing on a smaller number of budgeting departments at a time, we hope to improve upon past undertakings.

We look forward to working with you on this initiative.

Lincoln Agency Annual Report

Purpose

- Boost transparency for citizens – give a context and analysis for how we are spending our dollars and why
- Tell a story about what is working, what you want to change
- Present future challenges/opportunities

Tone

This report takes budgetary numbers, puts them in context, and tells a story so that the reader can see what we are getting for our money and be aware of upcoming challenges. It needn't be an advocacy piece nor a description of program – but rather, a big picture analysis, or an interpretation, of the budget.

Format

This report should be based on existing data, data that is not difficult to obtain, and that can be updated relatively easily. This is a process -- this first draft will be updated and refined on an annual basis.

Report should be less than 20 pages and should have as much text as graphs, with graphs interspersed throughout. Report should be organized so that it can be skimmed (Exec Summary, Table of Contents, Section Headers summarize key points, all graphs labeled). The Weston School Annual Report, as a model, is attached.

All data should be presented in context and should tell a story, make a point, and elucidate spending priorities, trends, and challenges:

- Over time (5-10 years)
- On a per resident or per pupil expenditure
- In comparison to similar towns.

Outline

- **Cover Page:** Agency name, contact information (staff names, address, phones, fax), and where a copy can be found on the web
- **Executive Summary** (1 page)
- **Table of Contents**
- **Intro** (2-4 pp)
 - Brief agency description (goals, staff, #s served, summarize budget and reference Appendix 1)
 - Highlights of the past year (financial and other)
 - Important state and agency-area trends
 - This year's key priorities/goals
 - Long term vision
- **How the agency is performing** (this is the bulk of the report):
 - Success/results: Are we getting the outcomes we seek?
 - Comparative costs (key budgetary drivers, per pupil or per resident expenditures)
 - Challenges (what was difficult, didn't work, what do we want to change)
 - Innovation: What is new, how are we adapting
 - Future challenges/opportunities
- **Key challenges/ opportunities** (1-2 pp)
- **Appendix:** 1-page summary budget