



City of Brockton

# **Financial Management Review**

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Division of Local Services / Technical Assistance Section

November 2012



November 29, 2012

The Honorable Linda M. Balzotti  
Mayor, City of Brockton  
45 School Street  
Brockton, MA. 02301

Dear Mayor Balzotti:

It is with pleasure that I transmit to you the enclosed Financial Management Review completed by the Division of Local Services for the City of Brockton. It is our hope that the information presented in this report will assist the city in improving its financial management practices, addressing areas of concern and meeting its long-term planning needs.

Our technical assistance team welcomes the opportunity to present the report at a public meeting. As an added service, we are willing to meet with staff, earlier on the same day, to discuss implementation of the report recommendations.

As a routine practice, we will post the completed report on the DLS website, [www.mass.gov/dls](http://www.mass.gov/dls), and forward a copy of the report to the city's state senator and representatives.

If you have any questions or comments regarding our findings and recommendations, please feel free to contact Rick Kingsley, Bureau Chief of the DLS Municipal Data Management and Technical Assistance Bureau at 617-626-2376 or at [kingsleyf@dor.state.ma.us](mailto:kingsleyf@dor.state.ma.us).

Sincerely,

A handwritten signature in black ink that reads "Robert G. Nunes".

Robert G. Nunes  
Deputy Commissioner &  
Director of Municipal Affairs

cc: Senator Thomas P. Kennedy  
Representative Michael D. Brady  
Representative Christine E. Canavan  
Representative Geraldine Creedon

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## Introduction

At the request of Brockton's Mayor Balzotti, the Department of Revenue's Division of Local Services (DLS) completed a financial management review of the city. The recommendations contained within this report are based on site visits by a team from the DLS Technical Assistance Section and Bureau of Accounts and in consultation with the Bureau of Local Assessment.

The scope of this review focused on the city's financial offices and on the practices, procedures and policies that guide municipal decisions. We examined the duties and responsibilities of finance officers and the degree of coordination and communication that exists between and among the various boards, committees and officials involved in financial management. We comment on the effectiveness of financial checks and balances and on compliance with state laws and regulations that govern fiscal matters. The municipality's technology condition was assessed and the impact of organizational structure on financial operations was evaluated.

To complete the report, we interviewed and received information from the mayor, city council president, legislative counsel, chief financial officer, city auditor, collector/treasurer, acting information technology director, assessors, school executive director of financial services, personnel director, chief procurement officer and others. A full list is available in the Acknowledgements section of this report.

Included as part of our review, we gathered and examined information from various documents including the Tax Recapitulation Sheet, Schedule A, Balance Sheet, and Brockton's annual budget, warrants payable and revenue and expenditure reports, and reconciliation reports. We reviewed the city's charter and ordinances, locally accepted statutes, special acts, as well as the outside audit report completed by KPMG LLP, a special water and sewer department review conducted jointly by The Abrahams Group and Woodward & Curran, and the independent credit rating reports by Moody's and Standard & Poor's.

## Overview

Often referred to as the “City of Champions,” Brockton is closely associated with the accomplishments of native boxers Rocky Marciano and Marvin Hagler. The city was home to one of the most significant technology innovations as well, one that profoundly impacted both industry and modern living. For it was here that Thomas Edison developed the world’s first standardized electric grid, an achievement that demonstrated that electricity could be efficiently generated at a central location and safely distributed on a community-wide basis. However, over time, changing city demographics, persistent levels of poverty, and the loss of manufacturing employment, coupled with the city’s reliance on state aid, have required the city to be vigilant in the management of its financial affairs.

According to 2010 US Census data, Brockton has a population of 93,810 persons and a land area of 21.5 square miles, making it the seventh largest and the 27<sup>th</sup> most densely populated municipality in the state. City income and property wealth levels lag state averages by substantial amounts though, with an income per capita (DOR 2009 figures) of \$16,916, or 54 percent of the state average of \$31,265, and a 2010 equalized value (EQV) per capita of \$68,399, or less than half of the state average of \$156,493. The city’s FY2012 operating budget was over \$350 million.

Brockton was originally part of the Town of Bridgewater. The north parish, or North Bridgewater, was incorporated as a separate community in 1821, renamed Brockton in 1874, and become a city in 1881 (Acts of 1881, c. 192). Due to its location on the Salisbury Plain River, the community attracted manufacturing businesses. Chief among them was the shoe industry. Brockton became a leader in the production of shoes during the mid-1800s, supplying American markets as well as other countries. The development of manufacturing and other commercial businesses contributed to a rapid population growth in Brockton (see Appendix). The shoe industry continued to expand until the Depression. The stronger shoe companies were able to survive and once again thrive during World War II. Nonetheless, by the 1950s, the shoe manufacturers started moving south or to other markets with cheaper labor. Today, the city’s largest employers are in the health, retail and social services sectors.

As the community grew, Brockton’s operating budget, which is funded with a combination of property taxes, state aid, local receipts and other reserves, increased to accommodate the service needs of its residents (see Appendix). However, during the 1980s, changes came into play that impacted the way the city financed its operations. First, Proposition 2½ was enacted and to comply with new tax limits Brockton had to reduce its property tax levy over four years from almost \$53 million (FY1981) to about \$36 million (FY1985). Once within its levy ceiling, Brockton’s property tax levy again grew as a result of the statutory 2.5 percent increases plus new tax base growth. However, new growth was stymied by a water supply problem that forced a building moratorium in

the city. By the end of the decade, the city and state were in a recession, which resulted in smaller increases in state aid to communities as well as mid-year cuts to state aid. After using most of its one-time reserves in the prior year, the city adopted a FY1990 budget that underfunded appropriations. By the end of FY1990, the city had a significant operating deficit and did not have sufficient resources to cover the deficit and balance its FY1991 budget.

The General Court approved special legislation (Chapter 324 of the Acts of 1990) that enabled the city to avoid insolvency and gave the city tools to get its financial house in order. The act enabled the city to issue bonds to fund an accumulated \$15 million in operating deficits. In return, the city had to give up control of its finances to a state-controlled board and create a finance department under a chief financial officer (CFO) with administrative and budgetary responsibilities. Under the budgetary direction of the CFO in 1991, the city made hard decisions to lay-off staff, reduce services and increase fees. Brockton crafted balanced budgets three years in a row, established a contingency reserve of over a \$1 million, and improved its bond rating. The Brockton Control Board voted itself out of existence in June 1993, a full year earlier than projected. Through the joint efforts of city and state officials, Brockton's fiscal stability was restored.

Accomplishments have continued under the leadership of the CFO, who has served five mayors over the last 21 years. Chief among them is the annual budget that is balanced based on conservative revenue projections that seeks to maintain city services and provides for capital improvement planning.

The city annually appropriates funding for city services, public safety, education, debt service, insurance, and retirement costs. In FY2013, the single largest expenditure is education, which is over \$159 million and more than 50 percent of the city's general fund budget, excluding enterprise funds. There are five city departments that operate as enterprise funds: refuse, renewable energy, sewer, water, and recreation. These services are supported by user fees that are reviewed regularly. With the exception of the recreation department, which has its indirect costs subsidized by the general fund, all are self-sufficient.

Given Brockton's fiscal experience, the CFO analyzes and monitors the city's revenues continually. At the beginning of the budget process, he develops initial revenue projections with input from the finance department staff. Since the city's largest revenue source is state aid (roughly 46 percent), the CFO cautiously estimates this figure and closely monitors the legislative process at the state level. Through his efforts, the city has weathered three recessions in which state funding was stagnant, reduced or cut mid-year after the budget was adopted and the property tax rate was set.

The CFO has devoted equal attention to the property tax levy (about 31 percent of total revenues), which is the second largest source of revenue for Brockton. Generally, Brockton has a 95 percent

collection rate in the year of commitment. However, in recent years, collections have been hampered by foreclosure activity in the community. According to the Massachusetts Housing Partnership (MPH), since 2007 Brockton has been among the top ten communities in the number of foreclosure petitions filed as well as housing units in distress. Not only have tax payments slowed, but properties have been left unattended or abandoned, resulting in general deterioration, overgrown lots, boarded up windows, dumping and graffiti. Vandalized and stripped of valuable metals, these run down properties are suppressing neighborhood property values (see Appendix).

In response, the treasurer has contacted home owners and mortgage companies to pursue the outstanding taxes or make arrangements for payment plans. The city also acted to place the properties in tax title and to pursue foreclosure remedies. Lastly, the city adopted an ordinance that requires owners of vacant or abandoned homes to register them with the city annually. A fee is assessed that goes into a revolving fund to pay for costs of monitoring, cleaning up and/or boarding up homes. As an incentive to maintain the residential structures, make repairs, or attract occupants, the fee escalates the longer a property is empty, starting at \$150 and going as high as \$1,500 for homes that are vacant three or more years.

With such a high reliance on state aid and the tax levy, the CFO continually looks into available options that will help produce a balanced budget. Brockton has taken advantage of revenue enhancements, including adopting the optional room occupancy and meals taxes. The CFO has incorporated spending reductions or new expenditure avoidance (e.g., funding cuts and staff reductions through attrition or vacant positions). He also has tackled health insurance costs. The city has moved to less costly health insurance plans and recently reached a four-year agreement with 17 unions on health insurance through coalition bargaining. At \$49.8 million, the city's health insurance costs for about 2,350 active employees and 2,590 retirees consume about 17 percent of the FY2013 budget. A four-year agreement is projected to save the city and its employees a combined \$28 million.

As a part of the budget process, the CFO develops a capital replacement plan. The CFO reviews all departmental requests and prepares a multi-year capital improvement plan and capital budget. The plan includes equipment as well as building remodeling, other improvements and new construction. Acquisitions and capital improvements are funded with available reserves and through long-term bonding. The city has built new schools and altered others with financial assistance from the state, made improvements to the water and sewer services, and constructed a solar-power plant on the site of a former gas plant. With financing from the city's economic development agency and a state grant, it constructed a new baseball stadium and conference center complex. Moving forward, among other possible projects, the city is contemplating whether to refurbish an older school, which had been closed, to accommodate its student population that has grown by 250-350 children annually in recent years (see Appendix).

Once the budget is approved by city council, the city's deficit borrowing legislation requires that the CFO carefully monitor expenditures throughout the year through an allotment system. The system calls for each department's appropriation to be allocated and then released in five stages over the course of the year, thus preventing overspending. The special act also calls for the CFO to submit his professional opinion in writing to the mayor and city council as to whether the city's resources are adequate to fund proposed expenditures, collective bargaining agreements, borrowing authorizations, ordinances or legislation, without a detrimental impact on existing services. He also participates in city and school collective bargaining negotiations to ensure potential agreements are affordable.

Through the combination of conservative revenue estimates, aggressive tax collections and strong spending controls, the CFO strives to ensure that the city has a positive free cash certification. When the CFO first began, the city's free cash was more than \$10 million in the negative. Since then, the city's free cash has been positive every year, reaching a high at nearly \$20 million in FY2003 (see Appendix). Historically, the city's free cash has been certified in the spring and generally used to fund the subsequent year's budget. City officials acknowledge that the availability of reserves has enabled them to address some budgetary gaps from year to year, but also recognize that this approach is not sustainable in the long-term.

The CFO has worked to build up other reserves for the city as well. Annually, contributions are made to the supplemental reserve fund, meeting the legal funding requirements in the deficit borrowing legislation. Similarly, the CFO has recommended appropriations to the stabilization fund for subsequent use in funding the annual capital budget or other emergent needs.

In large part through the planning efforts and decisions of the CFO, Brockton's fiscal position has improved over time and remained stable in recent years. The city's bond rating from Moody's has gone from a B in 1991, which is not considered a desirable investment, to an Aa3 in 2010, which is considered a high-grade bond. When measured against cities with comparable populations and per capita incomes, Brockton had the highest credit ratings in the group (see chart on next page). In the early 1990s, to ensure a successful sale of the city's bonds, the CFO had no choice but to issue debt through the state's qualified bond program (MGL c. 44A). The program effectively elevates the bond rating in a financially distressed municipality by pledging the city's state aid to cover annual debt service payments. With its improved bond rating, however, Brockton now has the option to issue debt on its own with favorable terms and low interest rates, thereby reducing borrowing costs.

It should be noted that Brockton is one of the few municipalities to issue pension obligation bonds. Permitted by special legislation (Chapter 483 of the Acts of 2004) in 2005, the city issued \$101.5 million (of a \$149 million authorization) in bonds to reduce the unfunded pension liability and



decrease the annual pension contribution in the annual budget. This was an affirmative action to address the city’s unfunded liability, but is not without risk.

During our interviews with city officials, many credited the CFO and acknowledged that the city’s successes are due largely to his hard work and consistent fiscal stewardship. While it may not be on the horizon for several years, there will come a time when the current CFO will leave city service. Given the current organization, however, there is no one prepared to succeed him in the event of a temporary or permanent absence. Of equal concern are the city’s prospects for replicating in a replacement the knowledge and experience that the incumbent possesses. It has been our observation that other Massachusetts cities similar to Brockton have experienced difficulty attracting and retaining a professional of the caliber of the current CFO. Vacancies can linger through a protracted search process, the individual hired may not prove to be suitable for the job or the person may depart after a brief tenure.

Comparable Cities Population 70,000-100,000 Persons 2009 DOR Income Per Capita \$10,000-\$20,000							
Municipality	2010 Actual US Census	2009 Income Per Capita	2010 EQV Per Capita	FY2012 Free Cash	FY2011 Stabilization Fund	Moody's 2012 Bond Rating	S&P 2012 Bond Rating
Brockton	93,810	16,916	68,399	14,071,332	3,668,809	Aa3	A
Fall River	88,857	14,214	71,979	4,362,623	705,153	A2	BBB
Lawrence	76,377	11,188	42,437	4,688,685	0	Baa1	BBB
Lynn	90,329	16,719	65,999	16,834,433	0	A1	A-
New Bedford	95,072	13,918	68,101	984,743	8,266,611	A1	

Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports

It also is important to note that the CFO is supported by a financial staff that is dedicated and hardworking. Procedures are adequate to ensure that money due the city is collected, department heads operate within appropriations and obligations are paid. The city is timely in the submission to DOR of its Tax Recap Sheet (for tax rate approval), its balance sheet (for free cash certification) and its Schedule A (a required year-end report of revenues, expenditures and fund balances).

In this report, we offer recommendations on further improving accountability within city government and overall procedures in departmental operations. The CFO position and the city’s

consolidated finance department are central to the successful oversight and coordination of the city and school finances. The city needs to begin looking at succession planning for the CFO position and codifying the current finance department organization in the city's ordinances. The city also should consider moving to biweekly payroll and direct deposit for all city and school employees, rescinding its residency requirement and making changes to its personnel procedures. While the city has embraced technology, there are areas that could benefit from automating records and forms, developing databases and sharing electronic information among departments. We further recommend that the school committee approve vendor and payroll warrants for the school department and that the treasurer take custody of student activity accounts.

## Governmental Structure and Ordinances

Brockton has a Plan B city charter. There is a mayor, who is the chief executive officer and chair of the elected seven-member (one from each ward) school committee. An eleven-member (seven ward representatives and four at-large members) city council serves as the legislative body. The mayor, city council and school committee are elected bi-annually, though for a brief period (1988-1995) the mayor served four-year terms.

According to the city's charter, most boards and department heads are appointed by the mayor, subject to confirmation of the city council. However, some department heads report to part-time boards (e.g., health, library trustees, park commission, cemetery trustees and council on aging) and not the mayor.

The CFO is appointed by the mayor without council approval and oversees the day-to-day fiscal management of the city. He reviews and makes recommendations on all contracts, budget and financial orders prior to submission to the mayor and city council, and manages the budgetary allotment system established by the special act. The CFO coordinates, administers and supervises all financial services, including the city auditor, treasurer/collector and assessing offices. The finance department was expanded in 1998 when the city council and school committee voted to adopt MGL c. 71, §37M, creating a consolidated finance department under the CFO. In the city's ordinances, the creation of the original finance department is referenced (Section 2-296), but other than citing c. 324 of the Acts of 1990, the current consolidated finance department is not mentioned.

Central to the fiscal stability of the city, the CFO manages the preparation and oversight of the municipal operating and capital budgets. The process begins in the fall with the development of conservative preliminary revenue figures. A cover letter with operating budget and capital request forms is distributed to the departments by the first of the year. Each department enters its budget request into MUNIS, the city's financial software system, and submits a printout of it with supplemental information and a department mission statement by early February. The CFO reviews the submissions, updates revenues estimates, and presents his recommendations for the mayor's review.

After measuring the effects of each budget request, together with pension, health and other costs against available resources and taking into consideration attrition and possible layoffs, a balanced budget proposal is developed. Detailed departmental requests and supplemental information is submitted to the city council along with two messages: one from the CFO and the other from the mayor. Each letter describes the makeup of the budget and the revenue components that support the proposed spending plan. The council holds budget hearings and debates the merits of the proposed spending plan before voting on the final order or making cuts.

Spending is monitored throughout the year and controlled through a requisition and purchase order (PO) system. In Brockton, a PO is required for all expenditures. Departments enter requisitions into MUNIS. If a requisition is greater than \$5,000, it is forwarded to the procurement officer and then the city auditor, and if less than \$5,000, it is forwarded directly to city auditor's office. Once the auditor ensures that funds are available, the spending purpose is legal and there is no evidence of fraud, funds are encumbered and the PO is approved. The chief procurement officer reviews requisitions for purchases over \$5,000 and over \$25,000 for compliance with the state procurement laws. The chief procurement officer is appointed by the mayor, subject to council confirmation, but is not part of the consolidated finance department.

We believe the city ordinances were last reviewed and updated in 1984 (and supplemented as of January 2011) and are electronically available on the city's website via the hosting website, [Municode](#). When special acts are approved, local acceptance statutes are approved and amendments are enacted, the changes are added to the ordinances with appropriate citations.

In reviewing the city ordinances, we noted some changes, reportedly enacted by special act or adoption of general laws, were not included in the current version. For example, the consolidated finance department is not included. Similarly, the basic duties, membership, method of appointment and terms for many departments, committees and boards are included, but are omitted for others. For example, the regulatory role of the board of health is codified in the ordinances, while guidance on the appointment and composition of the board is missing.

### **1. Develop a Succession Plan for the CFO Position**

We recommend that the city begin developing a succession plan for the CFO position. Succession planning is an approach or plan that provides for a smooth and thoughtful transition for filling vacancies in important positions. A good succession plan will allow the city to make best use of the remaining tenure of the current CFO to develop and train an in-house candidate to be qualified to compete for the CFO's position when the incumbent leaves city service. Given the issues other cities have had in filling important positions of this nature, having a qualified in-house candidate mitigates the potential risk associated with the departure of the current CFO. A plan also presents an opportunity to rethink individual roles, reporting relationships and office functions with an eye toward creating greater efficiencies and possible cost savings.

To this end, we recommend that the city consider the following options:

- Create an assistant CFO position – Unlike the treasurer/collector and auditor, the CFO does not have an assistant department head that is being trained on all the responsibilities of the office and would assume the role of the department head in his absence. This choice would require creating a new position by council order and the added expense of the requisite salary

and benefit costs to attract a professional with the necessary experience and skills to serve in this role.

- Upgrade the financial analyst position to assistant CFO – Rather than creating a separate position, the current financial analyst position would be upgraded under this option. Again, this would require council action to create the new position, but the impact of the salary increase on the city’s budget is significantly reduced.
- Appoint the executive director of school financial services as the assistant CFO – Under the current consolidated finance department, the executive director reports to and works with the CFO on budgetary and financial matters. If the executive director and school committee are amenable to this expanded role, this option has the potential to further strengthen and integrate the two financial operations and could potentially lead to the additional consolidation of functions (e.g., procurement, payroll and accounts payable).

## **2. Codify the Consolidated Finance Department in the City Ordinances**

We recommend that the consolidated finance department be codified in the city ordinances. The ordinance should clearly identify the CFO position, listing the duties and responsibilities of the office consistent with c. 324 of the Acts of 1990. The ordinance should further identify the financial offices (e.g., city auditor, collector/treasurer, assessors and the school financial services) that comprise the consolidated department and the department heads that are supervised by the CFO. This will provide clear information on the role and responsibilities of this significant operation.

We further recommend that the city include the procurement department in the consolidated finance department. The procurement department is an important financial function that monitors department purchasing practices and oversees bidding. As a part of a consolidated finance operation, the procurement department would continue to work with the city auditor’s staff as well as the school department on compliance issues. It also would be more involved in the planning stages to ensure that the city takes advantage of the most beneficial purchasing opportunities.

## **3. Conduct a Substantive Review of City Ordinances**

A strong and complete set of ordinances establishes a formal framework of codes and procedures under which city government operates. Therefore, we recommend that the city perform a comprehensive, substantive review of its ordinances. The process should begin with a review of city council minutes to generate a log of approved ordinances and ordinance amendments, as well as a separate list of approved local acceptance statutes. The list of all Brockton special acts should be updated to ensure they are complete and current. A substantive review would then involve a page-

by-page and section-by-section reading of the ordinances, local acceptances and special acts with a focus on the content and meaning of each.

Such a review will by its nature prompt debate on larger topics and on the future of city government. New ordinances or amendments to existing provisions could result, therefore a mechanism for public input should be considered. For example, the city might consider new ordinances that would codify the basic responsibilities, method of appointment and term of all officials, permanent committees and boards.

Once the content is determined, steps should be taken to reorganize and renumber sections to reflect decisions to merge, divide, delete or add provisions to create a more logical and more easily searchable record.

## Personnel Department

The personnel department is comprised of a director and three clerks. The director was originally appointed by the mayor in 1996 and is confirmed by the council every three years. While she is not a member of the finance department, she participates in the department's weekly meetings.

The personnel director handles employee relations and participates with the CFO, city solicitor and the personnel director in negotiations with the eleven city unions. The city union contracts expired at the end of FY2010 and the non-union salary schedule was last updated for FY2010. The director also serves as the hearing officer in the event of employee grievances or disciplinary matters.

The city has written job descriptions and a position classification plan, which was studied ten years ago, but recommended changes were not accepted. When a position is authorized to be filled, the director reviews the pay class and job description, advertises the opening, does a preliminary review of applications and coordinates the hiring process. New hires attend an orientation, complete payroll and insurance related forms and acknowledge personnel policies with a signature.

In addition to classification and compensation plans, the city's personnel ordinance has sections on job transfers and promotions; paid holidays; vacation, sick, and other types of leave; overtime pay; health and life insurance; and other benefits. The city has a residency requirement and all employees must submit a certificate of residency annually. The ordinance also refers to a wage and personnel board that was disbanded under the prior mayor.

Personnel department clerks spend the vast majority of their time overseeing Brockton's health, life and dental insurance plans for city and school active employees (about 2,350) and retirees (nearly 2,590) as well as elected city councilors and school committee members. Department staff enroll new employees, process changes in status, hold annual health fairs, manage payroll deductions, and pay monthly bills to over a dozen health, life and dental insurance carriers. Since the city is self-insured, the fund activity is constantly monitored to ensure charges are accurate, annual funding schedule increases are reasonable and adequate reserves are in place. Based on annual analysis of claims history, surpluses have been identified, which have allowed the city to grant periodic monthly insurance contribution holidays in recent years.

In an effort to contain escalating insurance costs, the city has moved to less expensive health plans and recently negotiated a new four-year agreement with city and school unions that will trim city expenses considerably. The mayor initially attempted to reduce health costs by accepting the new municipal health insurance reform law, but the city council rejected the proposal. Most of the city councilors participate in the city's health insurance program.

The personnel department keeps personnel information for most employees stored in locked files, which separate employment and medical records and comply with federal and state laws. The school, police and fire departments maintain their own personnel files. For all personnel and payroll changes affecting an employee's status, a six-part form is initiated at the department level, reviewed by the personnel director, approved by the mayor and entered into the MUNIS system by the auditor's office.

#### **4. Repeal the Residency Requirement**

We recommend that the city repeal the residency requirement for city employment. Currently, many employees are either exempt from the residency requirement or are exempt after seven years in a position covered by collective bargaining agreements. Consequently, it is generally the non-union department heads and staff that are subject to this provision. The city's interests are best served when it has the ability to hire and retain employees that have the strongest credentials and the most relevant professional experience. This is achieved by expanding, to the extent possible, the pool from which a prospective candidate is likely to emerge. A residency requirement generally limits the field of candidates that may have the necessary skills required to perform in a job successfully and may present a hardship to a strong candidate if the individual has to relocate.

#### **5. Reassign the Wage and Personnel Board Responsibilities to the Personnel Director**

We recommend that the city council amend the personnel ordinance, reassigning the wage and personnel board's duties to the director. Given the size of the city and the complexities of personnel administration, the board was disbanded and the director, a full-time professional, is now responsible for reviewing and recommending to the city council any salary, compensation, and other benefits for individuals not covered by collective bargaining agreements. The ordinance should be revised to reflect the current practice.

#### **6. Conduct a New Classification Study**

We recommend that the city conduct a new study to review and update its classification and compensation plans. During the course of our review, we found that the information technology director position has been filled by the assistant director on an acting basis because the current position in the classification and compensation plan would not attract a qualified candidate to the city. There is a data processing department head position with a salary range of about \$72,000-\$79,000, which is well below the assistant information technology director's salary that is closer to \$100,000.

A full review of all classified positions not covered by union agreements would begin with a review of the title, job responsibilities, duties, and hours of work, to ensure that each job description is current and accurate. Positions would be arranged and grouped to ensure each is properly placed in the classification plan while defunct positions would be removed. The minimum and maximum



salaries or wage rates of the compensation plan also should be revised to bring them in line with the city's union contracts. These would be developed by the personnel director or by a consultant and must be adopted by the city council.

### **7. Automate the Personnel Action Form and Develop a Central Data Base**

We recommend that the city convert the personnel action form for city employees to an electronic format. Currently, a six-part form is manually produced and physically transported through the process of reviewing, authorizing, and implementing changes to employee records. A revised system would enable the process to be done electronically similar to the payroll and purchase order system. Working collectively, the personnel department, auditor's office and the information technology department would decide the content and design of the form. The form would be routed to the appropriate party for each required step in the process, providing an electronic signature for each official. The information technology center (ITC) has proposed a similar project, but no action has been taken as of this writing.

We further recommend that the city consider developing a central personnel data base. Currently, the payroll group in the auditor's office maintains manual index cards that record personnel and payroll changes for each city employee during his/her employment with the city and any breaks in service. From time to time, the personnel department needs access to information kept on these cards and must request it from the auditor's office. It has been suggested by ITC that there may be a couple of options using the MUNIS system to develop such a database. The central data base would enable the city to scan in or enter historical data, add new information as personnel action forms are approved and/or other payroll changes occur for each employee, and produce reports. The data base would be secure and access would be restricted to certain individuals in the personnel and auditor's office.

### **8. Centrally Locate Non-School Personnel Records**

We recommend that all non-school personnel files be centrally located in the personnel department. While departments may maintain certain information (e.g., anniversary date, grade and step, and personal leave balance) for its employees for budgeting and tracking purposes, the official, complete file should be in the personnel department, where employee information is kept separately and access is guarded. Under M.G.L. c. 149, §52C, a personnel file would include all employment related documents, including those involving an employee's promotion, transfer, additional compensation or disciplinary action. Personal information protected under M.G.L. c. 214 §1(b), I-9 forms and medical records must be maintained, and may be in the same location, but must be in separate folders.

## **9. Reconsider Providing Insurance Benefits to Elected Officials**

We recommend that the city review its policy of allowing certain elected officials to enroll in its insurance programs. According to M.G.L. c. 32B, §2(d), an “employee” eligible for health-care benefits is one that receives either a salary or stipend and works at least 20 hours per week. Paid elected officials, however, have no minimum hourly requirement to qualify. Once “vested” in the retirement system, that employee is eligible for retirement benefits, including health care, at a significant cost to the municipality. Currently, some city councilors and school committee officials are enrolled in the city’s health insurance plan, an FY2013 estimated expense of over \$92,000. Therefore, the city should consider its current liability and the long-term impact of providing health insurance to elected officials. This can be done by a directive of the mayor.

## Information Technology

The information technology (IT) staff consists of an acting director, a network systems administrator, administrative assistant, three systems analysts, a computer operator, a technical support specialist and a help desk administrative assistant. IT is responsible for managing, servicing, programming, and providing technology support to all departments. This includes managing three (two older I-loops and a newer fiber) converged networks that have 42 physical server boxes and 17 virtualized machines. The system connects 59 city and school buildings, houses over 300 software applications and supports about 660 users. IT staff maintains the network security, which includes virus protection, fire walls, offsite back-up systems and a disaster recovery plan. The staff provides training and computer support, tracking over 1,200 requests annually. IT oversees the telephone and voice mail systems (a new digital system as well as seven older systems located in remote locations in the city). IT also is responsible for printing payroll and vendor checks.

City departments have email capability and Internet access, employee use of which is subject to written policies. Microsoft Office applications and other specialty software also are installed on desktops. The financial offices use MUNIS, a Tyler Technologies integrated financial system, which includes modules for the general ledger, purchase order system, budgeting, human resources management, treasury management, and fixed assets, tax, excise and utility billing, collections, and accounts receivable. The assessors use the Unifers computer assisted mass appraisal (CAMA) system for real estate, which is another product of Tyler Technologies, and RRC software for personal property.

Currently, departments (except the city clerk and elections commission) remote enter payroll, procurement requests, departmental receipts and annual budget requests into MUNIS. Information is reviewed against backup documentation prior to approval and posting by the auditor, chief procurement officer, treasurer or chief financial officer respectively. Departments also have read-only access to their own budgets. On the other hand, all vendor bills are submitted to the city auditor's office in hardcopy for review and data entry to the MUNIS system.

The school department has its own technology services department (TSD). TSD manages the school's educational instruction programs and student information management systems as well as maintains the school's website ([www.brocktonpublicschools.com](http://www.brocktonpublicschools.com)). Instead of maintaining a separate financial system, the school department's administrative offices and staff are connected to the city's MUNIS system, which is solely managed by IT. Consequently, authorized school department users enter payroll, purchase orders, vendor invoices and departmental revenues. IT staff provides training and support upon request.

IT also oversees the city's website ([www.brockton.ma.us](http://www.brockton.ma.us)). Content includes departmental listings, telephone numbers, emails, hours of operation, meeting notices, on-line bill payment options, forms, community links and other content supplied by departments. The website provides a calendar of events, news, press releases and announcements, as well as ten video tours of the city. While many departments actively place new information, forms, links and other content on their web pages, some do not. IT has recommended developing forms and other information to be placed on-line, but no progress has been made.

Currently, IT has an extensive list of capital improvements, system upgrades and projects to automate and improve workflow for city departments. Near completion is the installation of a fiber network to all municipal and school buildings, which is expected to improve bandwidth and communication in the city. Once installed, the city will be able to move to a voice over Internet protocol (VoIP) system for telephone service and reduce the number of land lines at an estimated savings of about \$7,000/month. Another project is the installation of the latest MUNIS system upgrade. It is set up and has been used in the testing environment to train staff. The city expects to go live in November 2012 shortly after the final closing of the city's books is complete. IT also is managing a consultant who is in the initial stages of developing a geographical information system (GIS) for the internal use of departments.

#### **10. Expand the Remote Access to the Financial System**

We recommend that all departments receive training to enter vendor bills to the city's financial system from their office desktop computer. Once complete, each office would forward the original invoices to the auditor. The auditor's office would then review the electronic entries against the backup documentation, and if acceptable, add them to the warrant and post them to the general ledger. Once established, the electronic transmission of financial data will greatly reduce the amount of manual entries the auditor's office is performing, thereby freeing up staff to perform other management and analysis activities.

#### **11. Survey Current Shared Information and Provide Electronic Access**

We recommend that IT survey town government staff, focusing on information that is shared with other offices and employees. IT should perform a similar review of shared data (e.g., permits issued and scheduled fire department inspections) or duplicate information (e.g., personnel policies, capital project request forms, and procurement forms). Where possible, forms would be made available through an intranet network so that authorized users may complete and forward them electronically. For existing databases from which information is shared with other departments, read-access could be granted internally. Lastly, the city's policies, forms, contracts and other documents should be placed on an intranet for easy access by all staff. Given the limited staff and resources, exploring ways to operate more efficiently can free up valuable staff time.

## Finance Department

The Brockton finance department includes the office of the city auditor, treasurer/collector, assessors, and school finance offices. It was initially created by the city's special legislation (Chapter 324 of the Acts of 1990) and later expanded through the adoption of M.G.L. c. 71, §37M in 1998. A chief financial officer (CFO) is responsible for the overall budgetary and financial administration of the city, including the school department. The CFO is appointed by the mayor to three-year terms. In addition to the CFO, there is a financial analyst, who was hired a year ago, and a clerk. A specialized secretary, who worked over 20 years in the department, retired this past July and there are no plans to replace her due to the reinstatement of the financial analyst position that was vacant in recent years.

The finance department manages the operating and capital budget process; determines the budget allotment system annually; monitors revenues and spending; reviews all contracts, labor agreements and multi-year obligations; and oversees risk management. The finance department prepares a multi-year financial forecast and a capital improvement plan. All budgetary, supplemental or capital requests, appropriation transfers, debt authorizations, labor or general contracts, as well as ordinances or special acts with a financial implication, must be reviewed by the CFO. For each proposal, he submits in writing to the mayor and city council an opinion as to whether there are sufficient resources available to support the proposal without a detrimental impact on the city's finances and current services. The CFO participates in the city and school collective bargaining sessions.

The city auditor's office oversees financial activity of the municipality, maintains the general ledger, handles payroll and oversees the city's mail room. The auditor's office is staffed by the auditor, an assistant auditor, a compliance, quality and technical control administrator, a senior bookkeeper, a payroll supervisor, an accounts payable supervisor, a head clerk and a secretary. In addition, the city contracts with a certified public accountant to provide technical assistance and act as an internal auditor, who reviews operations (e.g., cash/receivable reconciliations, federal and state financial reporting) for compliance with existing policies and procedures, or to propose new ones. The city auditor also serves as a member of the Brockton Retirement Board.

The auditor's office reviews and processes purchase order requisitions, vendor invoices and payroll. A requisition is input into MUNIS at the department level, reviewed by the chief procurement officer if greater than \$5,000, and submitted to the auditor's staff for examination against backup documentation prior to issuing a purchase order and encumbering the funds. Vendor bills (roughly 25,000 annually) are submitted by departments with back-up materials weekly for review and input by the auditor's staff and finance clerk. Payroll (for over 3,900 employees) is input at the department level for city and school departments, which is paid weekly or biweekly after review

against authorized payroll sheets. Approved vendor bills and payroll are placed on a warrant for the mayor's approval before the treasurer's office releases payment.

The auditor's office has grants and contracts on file and maintains information on city debt. Monthly, the staff produces trial balances, reconcile cash and receivables with the treasurer/collector, and review expenditure variances reported by departments. At the close of each fiscal year, the auditor's office prepares and submits the balance sheet and year-end report of revenues, expenditures and fund balances (commonly referred to as the Schedule A) to DOR. The staff conducts year-end inventory counts and prepares schedules for the external audit firm. In compliance with Governmental Accounting Standards Board (GASB) requirements, the auditor's staff annually updates the capital and infrastructure inventory data (Statement 34) and biannually initiates the actuarial analysis of Brockton's OPEB liability (Statement 45).

The treasurer/collector's office is situated in two separate spaces; the collector's function is located on the ground floor while the treasurer's operation is on an upper level. The staff consists of a treasurer/collector, assistant treasurer/collector, a collections supervisor, a cash management supervisor, nine clerks and a secretary.

The collector's office processes property tax and combined water/sewer/refuse (about 23,000 accounts) bills quarterly and motor vehicle and boat excise annually. The office prepares about 3,100 municipal lien certificates each year. The city uses its deputy collector, Kelley & Ryan, to print and mail all the bills. Payments are taken in by lock box, mail, in the office, from escrow (real estate taxes via mortgage companies) services and on-line through the city's website. Payment detail is entered into the MUNIS system and then funds are deposited. Monthly, the tax, excise and utility receivables are reconciled with the auditor's office.

The city uses a variety of measures to pursue collections. Once a property tax bill or excise bill becomes past due, the treasurer/collector issues a demand notice. If the real estate demand notice does not result in payment, the treasurer/collector contacts property owners to discuss payment plans. Otherwise, he initiates tax taking proceedings within a year. Currently, the city has over \$5.3 million in tax liens. Outstanding personal property tax and excise amounts are warranted over to the deputy collector, who maintains an office on the ground floor in city hall. The deputy collector marks drivers' licenses and registrations if motor vehicle excise accounts remain unpaid. Delinquent collections by the deputy collector are deposited into the bank and the deputy collector's fees are paid by check when a weekly report is turned over to the city. The outstanding utility charges at the end of the fiscal year are liened on the subsequent year's property tax bill.

The treasurer manages the city's cash, debt and tax title accounts. At least weekly, departments enter receipts into MUNIS and turn over the report along with the funds to the treasurer/collector.

Money is counted and deposited in the bank. All deposits, as well as disbursements by warrants and transfers, are recorded in the MUNIS cash book. The cash book is reconciled against bank statements and then with the auditor shortly after the close of each month. All vendor and payroll checks printed by IT are sent to the treasurer's office to match the vendor payments with the invoices prior to mailing and for distribution of the payroll/stubs on Fridays.

Using the services of a private attorney, the city pursues tax title accounts and foreclosures. At present, the city has over 630 parcels in foreclosure (totaling nearly \$2.45 million). Periodically, the city holds an auction where some properties have been sold and placed back on the tax roll.

The assessing office is staffed by two full-time assessors, a part-time assessor, a revaluation technician, an office manager and three clerks. The assessing office is responsible for determining full and fair cash valuations, classifying all property, assigning tax payments to owners, and generating the commitment authorizing the treasurer/collector to collect property taxes and excise. The city's assessing office maintains assessment data on approximately 27,720 real property parcels and personal property accounts, 71,300 motor vehicle excise accounts and 190 boat excise accounts. In addition, the office processes approximately 1,700 deed transfers, 1,700 exemptions and abatements, 1,430 building permits, 520 income and expense reports and 200 forms of lists annually. Brockton's real and personal property assessment records are maintained on the Unifers CAMA system, which is used to compile analytical reports and property tax commitments. The assessors' maps are updated by the city's engineering department and property record cards are available on-line.

The assessors performs field work, which includes measuring, listing and photographing new and improved properties where a building permit has been issued. In the office, they enter property data and sketches into the CAMA system. The assessors review and act on abatement and exemption requests and may inspect sale properties. The revaluation technician maintains the city's assessment records. She analyzes property sales, prepares interim year value adjustments, updates CAMA tables, proposes values for the assessors' approval and oversees the appraisal consultants' work. Brockton contracts with two appraisal consultants, CLT for triennial revaluations and RRC for personal property.

The office manager oversees the clerical staff, handles general office administrative activities, and acts as liaison with other city departments. Under her direction, the clerks maintain all records, process deed transfers, and enter property legal information into the CAMA system. They assist individuals with exemption and abatement applications, handle motor vehicle and boat excise accounts and respond to public inquiries by telephone and at the service counter.

The school's office of financial services also is part of the consolidated finance department. The office is staffed by an executive director, a budget and requisition manager, an accounts payable supervisor, two accounts payable clerks, two accountants, a junior accountant, a payroll supervisor, five payroll clerks, a confidential secretary, and an administrative assistant. The executive director, jointly with the operations director, oversees an outside contractor (Chartwells) who manages the school's food service program (at all public and two parochial schools) and staff. In coordination with the CFO, this office oversees the school department's budget, making sure operations and expenditures remain within the assigned allotment. The financial services office centrally processes payroll, reviews payroll sheets on an exception basis and monitors its online program, SubFinder, which enables teachers to log in absences and make arrangements for substitutes. Requisitions are initiated at the department level and submitted for review and issuance of a purchase order. Once the purchase or service is complete, approved invoices are submitted to financial services staff for input into the MUNIS system. The payroll as well as the list of payables is reviewed by the executive director before he forwards them with backup documentation to the city auditor's office. Once approved, they are included on the warrant for the mayor's signature and release for payment.

## **12. Obtain School Committee Approval of Payroll and Vendor Payments**

We recommend that the school committee approve all payroll and vendor warrants charged to its budget before submitting them to the city auditor. Neither the creation of the CFO position nor the consolidation of city and school finance offices alters the school committee's role as the department head. As such, the school committee must "approve and transmit" to the city auditor all bills, drafts and orders chargeable to the school budget (M.G.L. c. 41, §56, M.G.L. c 41, §3, and M.G.L. c. 71, §34). Approval of vendor payments requires action by the majority of the school committee membership, present and voting, while the approval of payroll may be delegated to a single member of the committee (M.G.L. c. 41, §41).

## **13. Provide Professional and Other Training for Financial Analyst and Assistant Auditor**

We recommend that the financial analyst and assistant auditor attend professional development courses. While the assistant treasurer/collector has attended the Massachusetts Collectors and Treasurers Association annual school for two years, the financial analyst has not participated in professional training (e.g., the Government Finance Officers Association). Currently, the assistant auditor is participating in a six-week course run by The Abrahams Group and a two-day grant writing course, but has not attended the Massachusetts Accountants and Auditors Association annual school. Attending professional training will provide useful information and opportunities to learn about alternative practices conducted in other municipalities. Participants can interact with counterparts from other communities. The training also would expand their knowledge base as well as better prepare them if called upon to perform added responsibilities in the absence of the CFO and auditor.



#### **14. Establish Compensated Absence Reserve**

We recommend that the city council adopt MGL c. 40, §13D, establishing a compensated absence reserve. During the course of our review, we discovered that two of the auditor's staff members would be retiring during FY2013. Each has been employed with the city for a number of years and is entitled to be paid for compensated absences upon retirement from the city. However, the funding of the separation costs was to be paid from the remaining salary appropriations, which would have delayed the hiring of new people to critical positions. While additional funding was eventually appropriated by city council to avoid the temporary reduction in staffing, the establishment of a compensated absences reserve would help avoid this situation in the future. Funds would be appropriated annually and, if unexpended would remain in the reserve from year to year. The reserve would retain any investment income, similar to a stabilization fund.

#### **15. Adopt Biweekly Payroll, Require Direct Deposit and Streamline the Payroll Process**

We recommend that the city adopt biweekly payroll for all city and school employees. An increasing number of employers in both the public and private sectors, including the Commonwealth, compensate employees on a bi-weekly basis. The current payroll system is a combination of weekly and biweekly payroll. While some unions have already agreed to be paid biweekly, some members of those unions have returned to weekly payroll as authorized by a previous mayor. This makes for a difficult system to manage when it is not abundantly clear which positions and individuals fall under either the weekly or biweekly process.

We recommend that the city require direct deposit of payroll for all employees. For the city, this would reduce the cost of issuing checks, prevent the need to reissue checks when lost, and simplify the reconciliation of the payroll bank accounts because there would be no outstanding checks. For the employee, the benefit is the money generally is deposited in the bank account overnight, is available immediately, and saves the time necessary to go to the bank and wait in line.

We also recommend that the city review the payroll submission timeline and entertain changes that will ensure approved timesheets are submitted after the close of the work week. The city and school payrolls are processed on alternate weeks. While employees are not being paid early, employee timesheets are completed, approved by a department head and submitted before the work week is complete. This can be problematic when corrections have to be made at the last minute or in the subsequent pay period. Consequently, hand written paper calendars are kept by each employee to keep track of the correct information and electronic accruals are not up-to-date, preventing the city from including employees' use and balance of sick, vacation and personal time on their pay stub.

Adjustments to the current process of when and how employees are paid would streamline the process and reduce the workload of the payroll unit as well as in the treasurer's office. Staff would

then be freed up to perform other activities. To implement changes would require negotiations with collective bargaining unions and should be included in the personnel ordinance. Therefore, it would need support of city council and union leaders.

### **16. Obtain Custody of Student Activity Accounts**

We recommend that the treasurer obtain custody of the student activity accounts. We were informed there are student activity accounts that are managed by principals. To properly establish these in compliance with M.G.L. c. 71, §47, the school committee must vote to establish each student activity agency account and turn over all funds to the custody of the treasurer. All funds collected should be deposited with the treasurer, a maximum balance for each checking account is established, all personnel authorized to sign checks are bonded, and monthly reporting/annual auditing procedures are developed with finance department officers.

### **17. Establish a Deputy Collector Account and Pay Fees by Warrant**

We recommend that the treasurer/collector establish his own account for the deposit of all amounts collected by the deputy collector and that the city process the deputy collector's service fees through the warrant. A deputy collector may not receive checks for tax payments that are made out to him, nor may he endorse any instrument payable to the city. In addition, a deputy may not deposit municipal funds in a personal bank account nor may he maintain a personal bank account in the name of a community (M.G.L. c. 60, §92). Under the preferred practice, a deputy collector would prepare a turn over to the city at least weekly of all amounts he collects or deposits into the community's deputy collector bank account. The deputy collector would provide an invoice for his service fees, which would be processed through the vendor warrant.

### **18. Reverse Tax Foreclosure Account After Successful Auction**

After each successful auction, we recommend that the city close the tax foreclosure account relating to a sold property. During our review, we were given a spreadsheet of tax possessions, which provided the property information, foreclosure date, if sold/vacated/redeemed, and unpaid balance. Three properties reflect sales, which occurred a few years ago, and are back on the tax roll. However, the tax foreclosure accounts are still included on the treasurer's spreadsheet and in the auditor's general ledger, resulting in an overstatement. At the time of a property sale, the treasurer should remove it from his tax possession spreadsheet and notify the city auditor of the amount taken in from the sale as well as the total of the foreclosed account. The city auditor would then post the cash collected to tax foreclosure revenue and reverse the foreclosure account. This will enable the city to remove the liability timely from both sets of records and ensure the two offices continue to reconcile the balances.

## **19. Review Tax Title Accounts**

We recommend that the treasurer/collector review the tax title accounts to determine if the information is current and accurate. During the course of our review, we were provided with a detailed report for all properties in tax title. Three of the properties no longer exist in the assessors' database. It appears that after the sale of the parcels they continued to be assessed to the prior owner and the taking was made to the same. The treasurer/collector will have to vacate these takings and request the assessor reassess to the correct owner or potentially seek an 8 of 58 from the Commissioner of Revenue if the property has transferred ownership since. As for the third parcel, the Land Court issued a foreclosure decree in January 2011, so the city is the current owner and the treasurer/collector should transfer the parcel to the tax possession list.

We further recommend that the treasurer/collector work with the city solicitor, assessors and the engineering department to develop a procedure to ensure all parties are notified when parcels are combined. According to the assessing office, the staff was instructed by the engineering department to combine parcels, enlarging an adjacent property and retiring the old map and lot reference in the process. The treasurer/collector's office had tax liens on the properties and was unaware of the changes. If the city had foreclosed on a parcel that was combined with another owner's property, it would have created quite a problem.

## **20. Re-Advertise for Auditing Services Periodically**

We recommend that the city re-advertise for auditing services every five to eight years. Audits conducted since FY1984 have been done by KPMG (formerly Peat, Marwick, Mitchell & Co). As a routine practice, we comment on the number of years that a municipality might contract with or rely on the same auditor. The Government Finance Officers Association (GFOA) recommends that communities enter into multi-year agreements with auditors, or a series of one-year contracts, for a term of at least five years. A multi-year agreement allows for greater continuity and enables a new auditor to spread initial start-up costs over multiple years, potentially reducing costs in the initial years. However, after this term, GFOA recommends a full competitive selection process and a rotation of auditors after each multi-year agreement. Contracting with a new audit firm can not only bring a fresh perspective, but reflects good practice.

## **21. Coordinate Inspectional Department Visits**

We recommend that the assessors work with the fire department and the building inspector to accompany them on their respective inspections. Teaming up with the fire department when it schedules a smoke/CO2 inspection because of a pending sale would ensure complete and timely interior information for the assessing database as well as for analyzing sales. Similarly, working separately with the building inspector to be present at the final scheduled inspection for occupancy also will help ensure timely review of improvements. As an added opportunity, the assessor should

contact the water department about its citywide meter replacement schedule, accompanying them into properties that have not been inspected in years and are not being sold or having improvements made. This is suggested as a courtesy to residents, combining visits with another department would reduce the number of scheduled city trips to the same properties. These inspections would assist the assessors in fulfilling their cyclical inspection program as well.

We further recommend that the city consider adopting an ordinance that requires an assessor sign off on an occupancy permit before it becomes valid. This will require that the assessors be able to view a property before or at the time of the building inspector's final inspection for occupancy. Again, this will enable the assessors to measure and collect information that will assist the city keeping a current and accurate assessment database as well as capturing new growth timely.

## **22. Follow-up on Income and Expense Requests**

We recommend that the assessors make every effort to contact and inform the commercial, industrial and apartment property owners of the need to complete timely income and expense requests. The assessors report that they receive about an 11 percent return on income and expenses reports. To improve response rate, the assessors could begin sending a letter along with the income and expense forms (see [LA-38D Template](#) on DLS' website, [www.mass.gov/local-officials/assessor-info/general-info](http://www.mass.gov/local-officials/assessor-info/general-info)). This will inform the commercial and industrial property owners as well as the residential apartment owners that failure to comply with the request would result in the loss of any statutory appeal and that a penalty, \$250 and \$50 respectively, will be imposed on the ensuing fiscal year's property tax bill (M.G.L. c. 59, §38D). The assessing office also could make presentations at area business or Chamber of Commerce meetings on the importance and value of completing these requests.

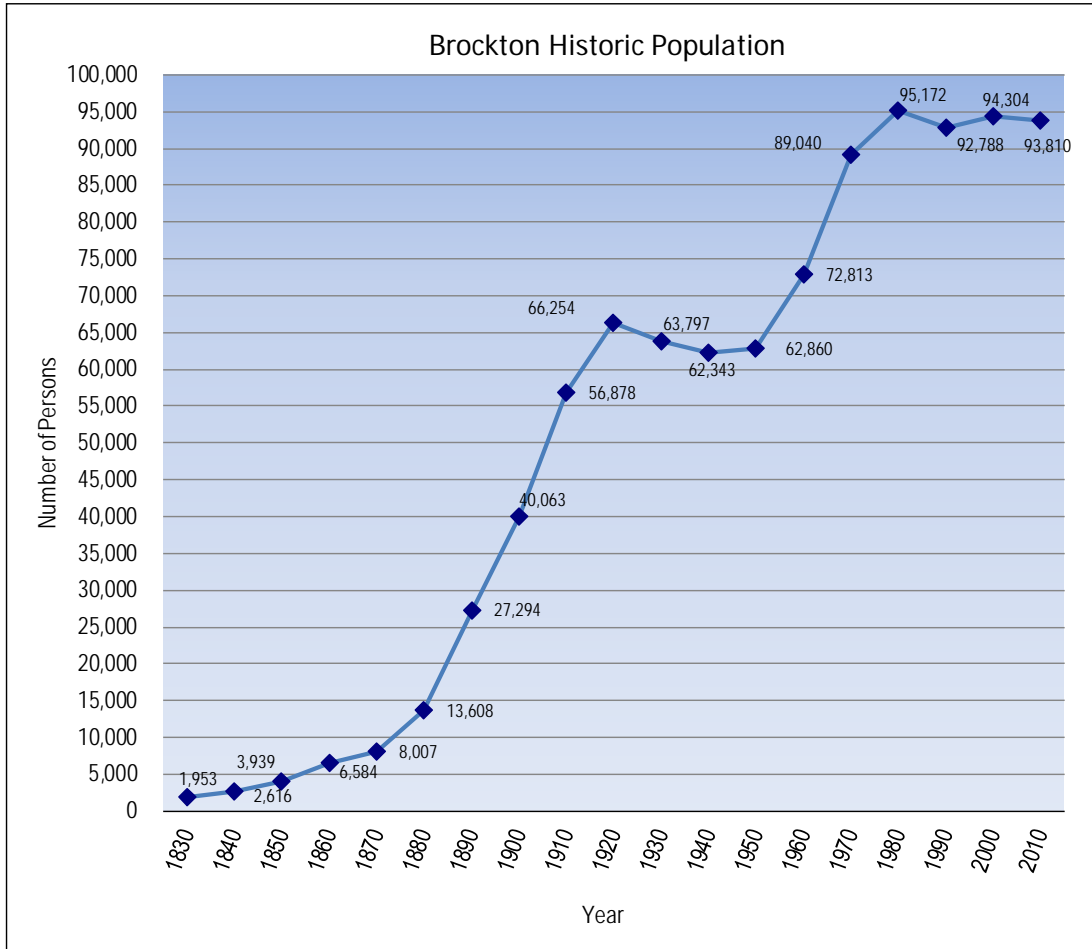
## **23. Rescind Accelerated Growth Local Option**

We recommend that the city rescind the accelerated growth local option, Chapter 653 §40 of the Acts of 1989. While the city adopted this provision in 1991 in hopes of implementing it, it has never been done and the assessors have no plans to implement it. Therefore to correct DOR's information on the acceptance of local option statutes, the city council should vote to rescind local acceptance and report it to DOR.

## **24. Discontinue Binding Counter Reports**

We recommend that the assessors discontinue printing and binding the counter files - alphabetical listings of properties and the associated fiscal year values and assessments. While the counter files are a useful record, the information duplicates the collector's commitment book, which is a permanent record. Consequently, the counter files can be disposed of when their administrative use ceases. Disposal of the counter files do not require permission from the State Supervisor of Records.

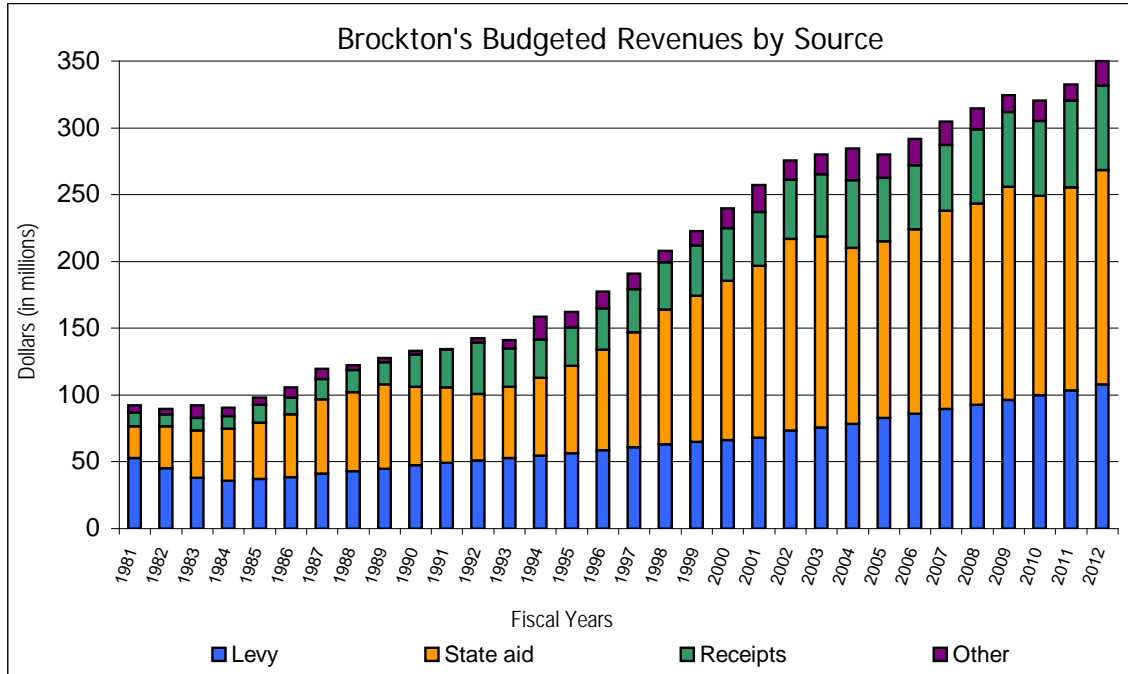
## Appendix



**Brockton's Historic Population**

<u>Year</u>	<u>Persons</u>	<u>Chg.</u>
1830	1,953	
1840	2,616	33.9%
1850	3,939	50.6%
1860	6,584	67.1%
1870	8,007	21.6%
1880	13,608	70.0%
1890	27,294	100.6%
1900	40,063	46.8%
1910	56,878	42.0%
1920	66,254	16.5%
1930	63,797	-3.7%
1940	62,343	-2.3%
1950	62,860	0.8%
1960	72,813	15.8%
1970	89,040	22.3%
1980	95,172	6.9%
1990	92,788	-2.5%
2000	94,304	1.6%
2010	93,810	-0.5%

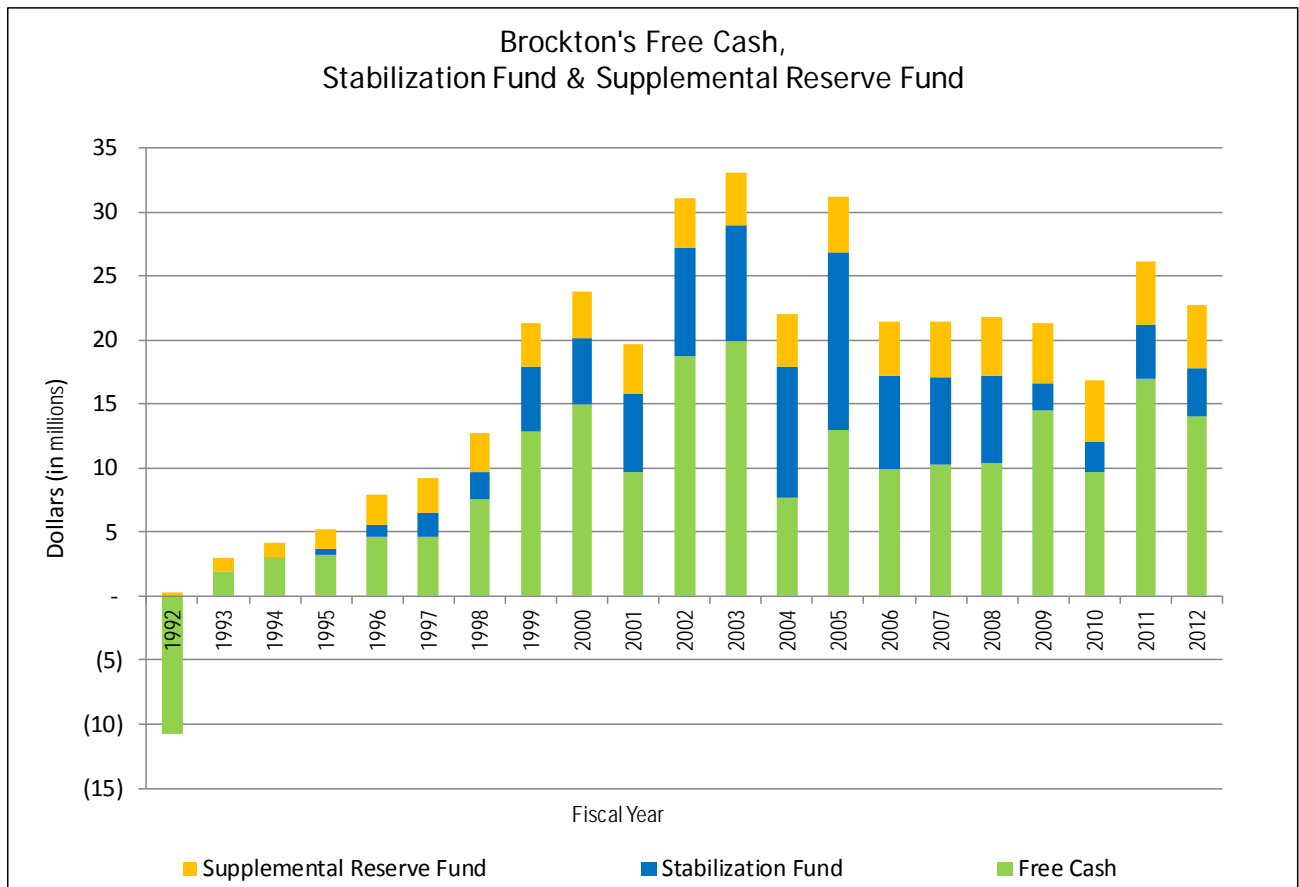
Source: U.S. Census



Brockton Budgeted Revenues by Source (in millions)

FY	Levy	State aid	Receipts	Other	Total
1981	53.0	23.6	10.3	5.3	92.2
1982	45.0	31.8	8.6	4.1	89.5
1983	38.3	35.2	9.4	9.6	92.5
1984	36.0	38.6	9.5	6.3	90.5
1985	37.2	42.3	13.4	5.1	98.0
1986	38.6	46.8	12.6	7.9	105.9
1987	41.1	55.7	15.0	7.9	119.8
1988	43.2	59.1	16.4	3.5	122.2
1989	45.0	62.9	16.7	3.2	127.9
1990	47.5	58.8	24.0	2.8	133.0
1991	49.4	56.2	28.6	0.5	134.7
1992	51.1	49.8	38.3	3.4	142.7
1993	52.9	53.2	28.6	6.4	141.1
1994	54.6	58.4	28.4	17.1	158.5
1995	56.4	65.5	28.6	11.6	162.0
1996	58.7	75.3	30.7	12.5	177.3
1997	61.1	86.0	32.1	11.8	191.0
1998	63.1	100.9	35.2	8.5	207.7
1999	64.9	109.3	37.8	10.7	222.7
2000	66.1	119.3	39.5	14.7	239.6
2001	68.0	128.6	40.6	20.1	257.4
2002	73.4	143.4	44.6	14.1	275.5
2003	75.8	142.7	46.5	14.9	280.0
2004	78.5	131.4	51.0	23.7	284.7
2005	83.1	131.8	47.5	17.7	280.1
2006	86.2	137.8	47.9	19.9	291.7
2007	89.5	148.4	49.6	17.2	304.6
2008	92.8	150.5	55.7	15.8	314.7
2009	96.4	159.7	55.9	12.7	324.6
2010	99.8	149.2	56.1	15.4	320.5
2011	103.3	152.0	65.1	12.3	332.6
2012	108.2	160.3	63.3	18.3	350.1

Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports



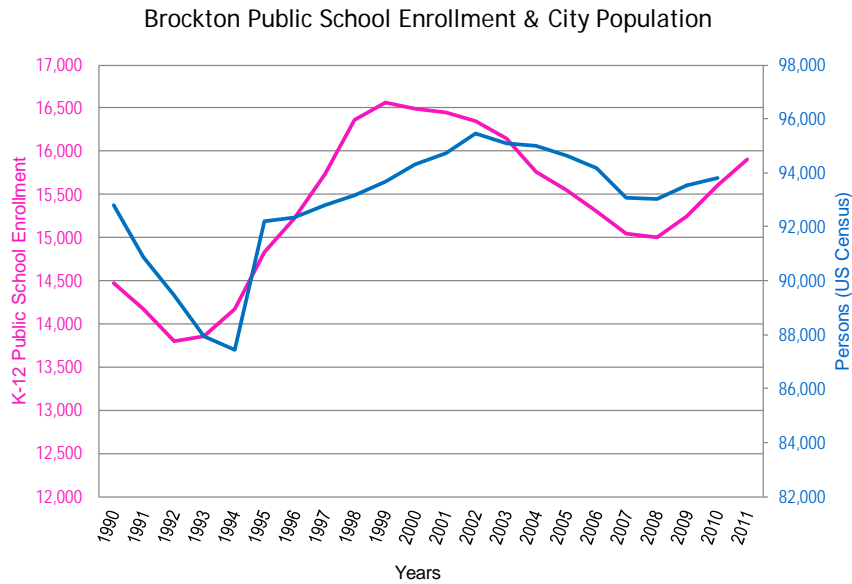
<u>FY</u>	<u>Free Cash</u>	<u>Stabilization Fund</u>	<u>Supplemental Reserve Fund</u>	<u>Total Available</u>
1992	(10,769,416)	0	336,667	336,667
1993	1,933,663	0	1,083,909	3,017,572
1994	2,964,156	5,076	1,173,909	4,143,141
1995	3,273,404	415,059	1,584,501	5,272,964
1996	4,655,160	875,276	2,430,399	7,960,835
1997	4,678,112	1,857,527	2,658,798	9,194,437
1998	7,556,813	2,110,657	3,093,345	12,760,815
1999	12,886,657	5,048,674	3,363,297	21,298,628
2000	14,964,229	5,209,165	3,594,297	23,767,691
2001	9,665,916	6,136,229	3,860,523	19,662,668
2002	18,763,426	8,459,207	3,864,297	31,086,930
2003	19,899,989	9,090,168	4,133,244	33,123,401
2004	7,685,262	10,181,758	4,199,719	22,066,739
2005	12,974,370	13,888,799	4,270,316	31,133,485
2006	9,909,582	7,295,386	4,270,316	21,475,284
2007	10,221,254	6,877,946	4,376,090	21,475,290
2008	10,383,451	6,823,671	4,569,331	21,776,453
2009	14,490,760	2,114,005	4,720,203	21,324,968
2010	9,656,070	2,387,468	4,869,582	16,913,120
2011	16,948,909	4,307,493	4,869,582	26,125,984
2012	14,071,332	3,668,809	4,989,679	22,729,820

Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports  
City of Brockton, Auditor's Office

### Unemployment Rates

Year	Brockton	Massachusetts	Year	Brockton	Massachusetts
2000	3.6%	2.6%	2006	6.2%	4.9%
2001	5.0%	3.7%	2007	6.1%	4.4%
2002	6.5%	5.3%	2008	8.2%	6.9%
2003	6.6%	5.4%	2009	10.8%	8.8%
2004	5.2%	4.1%	2010	11.0%	8.1%
2005	5.7%	4.5%	2011	10.8%	7.8%

Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports

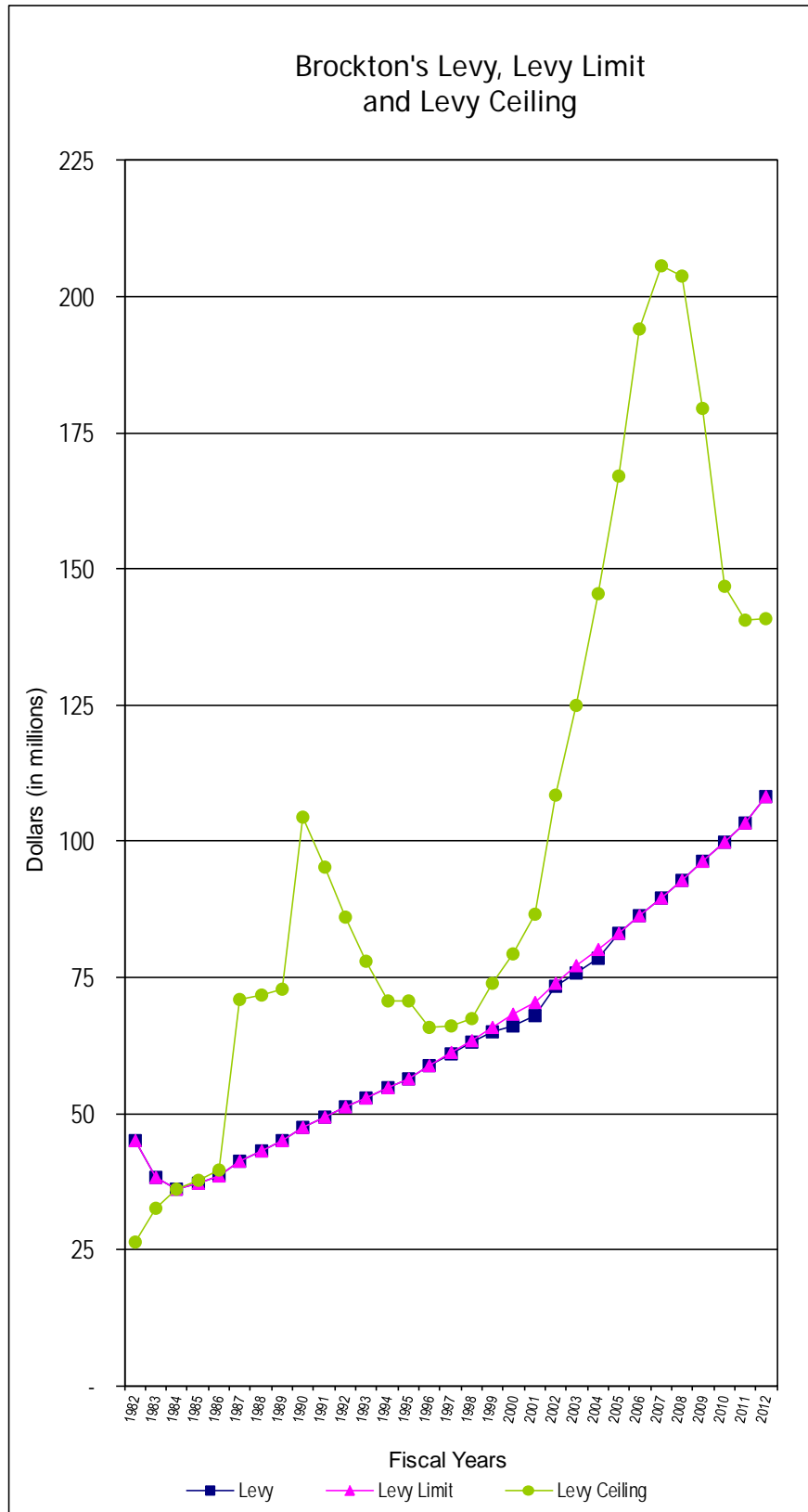


Sources: Massachusetts Department of Elementary and Secondary Education. Enrollment data as of October 1 of each fiscal year. Department of Revenue's Division of Local Services. Decennial (e.g., 1990, 200 and 2010) census data is actual and intervening years are estimates.

K-12 Public School Enrollment				City Population (US Census)			
October 1	Students	# chg.	% chg.	July 1	Persons	# chg.	% chg.
1990	14,692			1990	92,788		
1991	14,478	-214	-1.5%	1991*	90,853	-1,935	-2.1%
1992	14,177	-301	-2.1%	1992*	89,430	-1,423	-1.6%
1993	13,803	-374	-2.6%	1993*	87,921	-1,509	-1.7%
1994	13,856	53	0.4%	1994*	87,411	-510	-0.6%
1995	14,166	310	2.2%	1995*	92,209	4,798	5.5%
1996	14,827	661	4.7%	1996*	92,324	115	0.1%
1997	15,212	385	2.6%	1997*	92,817	493	0.5%
1998	15,727	515	3.4%	1998*	93,173	356	0.4%
1999	16,359	632	4.0%	1999*	93,653	480	0.5%
2000	16,562	203	1.2%	2000	94,304	651	0.7%
2001	16,498	-64	-0.4%	2001*	94,725	421	0.4%
2002	16,453	-45	-0.3%	2002*	95,437	712	0.8%
2003	16,347	-106	-0.6%	2003*	95,090	-347	-0.4%
2004	16,141	-206	-1.3%	2004*	95,009	-81	-0.1%
2005	15,758	-383	-2.4%	2005*	94,632	-377	-0.4%
2006	15,551	-207	-1.3%	2006*	94,191	-441	-0.5%
2007	15,301	-250	-1.6%	2007*	93,092	-1,099	-1.2%
2008	15,045	-256	-1.7%	2008*	93,007	-85	-0.1%
2009	14,995	-50	-0.3%	2009*	93,529	522	0.6%
2010	15,252	257	1.7%	2010	93,810	281	0.3%
2011	15,603	351	2.3%				
2012	15,903	300	1.9%				

\* Estimate





**Brockton's Property Tax Levy, Levy Limit, and Levy Ceiling**  
(in millions)

<u>FY</u>	<u>Levy</u>	<u>Levy Limit</u>	<u>Levy Ceiling</u>
1982	45.05	45.05	26.30
1983	38.29	38.29	32.60
1984	36.02	36.02	36.02
1985	37.17	37.17	37.71
1986	38.61	38.61	39.64
1987	41.15	41.15	70.98
1988	43.16	43.16	71.67
1989	45.01	45.03	72.94
1990	47.50	47.53	104.29
1991	49.40	49.42	95.24
1992	51.14	51.16	86.03
1993	52.88	52.91	77.87
1994	54.62	54.62	70.64
1995	56.36	56.37	70.70
1996	58.74	58.75	65.87
1997	61.08	61.09	65.99
1998	63.10	63.37	67.33
1999	64.88	65.84	73.83
2000	66.10	68.23	79.40
2001	68.01	70.51	86.48
2002	73.39	73.99	108.54
2003	75.85	77.16	125.06
2004	78.55	80.11	145.54
2005	83.08	83.17	166.99
2006	86.20	86.24	193.94
2007	89.47	89.56	205.76
2008	92.77	92.78	203.92
2009	96.38	96.44	179.36
2010	99.83	99.86	146.71
2011	103.33	103.34	140.73
2012	108.22	108.26	140.87

Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports

## Acknowledgements

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MaryLynn Peters-Chu, Senior Financial Analyst

Susan Thompson, Senior Clerk

Paul Sullivan, Assessor

Kenneth Cohen, Assessor

Robert Harrington, Assessor

Margaret O'Sullivan, Revaluation Technician

Jill Picanzi, Head Administrative Clerk

Linda Kruger, Head Clerk

Gale Gleason, Principal Clerk

Eleanor Casieri, Senior Clerk Typist

Aldo Petronio, School Department Executive  
Director of Financial Services

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Edward Medeiros, Network Systems  
Administrator

Roberta Mann, IT Administrative Assistant

Maureen Cruise, Personnel Director

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Ann Marie Raymond, Assistant Auditor

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Control Administrator

Robin Carbonara, Senior Bookkeeper

Anne St Onge, Payroll Supervisor (former)

Judith Burke, Head Clerk

Sallyann Carter, Accounts Payable Supervisor

Deanne Tarantino, Secretary

Dominick Coppola CPA, Consultant

Martin Brophy, Treasurer/Collector

Bethany Couture, Assistant Treasurer/Collector

Ellen Farrell, Cash Management Supervisor

Debra Williams, Secretary

Deborah Lett, Treasurer's Clerk

Debra Paparo, Supervisor of Collections

Michael Morris, Executive Procurement Officer

Larry Rowley, Superintendent of Utilities