



## Town of Bridgewater

# Financial Management Review

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Division of Local Services / Technical Assistance Section

September 2008

## INTRODUCTION

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At the request of the Bridgewater Board of Selectmen, the Department of Revenue's (DOR) Division of Local Services has completed this financial management review of the town.

We have based our findings and recommendations on site visits by staff members of the Municipal Data Management & Technical Assistance Bureau (MDM/TAB), the Bureau of Accounts (BOA), and the Bureau of Local Assessment (BLA). During these visits, the staff interviewed members of the selectmen and advisory board, the municipal administrator, accountant, assistant assessor, town collector & treasurer, computer systems administrator and other municipal office staff.

DOR staff examined such documents as the tax rate recapitulation sheet, annual budgets, audits, cash and receivables reconciliation reports, and statements of indebtedness. The town also provided us with warrants, debt schedules, town bylaws, various job descriptions, and other assorted financial documents.

The purpose of this review is to assist Bridgewater officials as they evaluate the town's financial management. In reviewing the existing financial management, we have focused on: (1) the town government structure in the context of the duties and responsibilities of financial officers; (2) the degree of coordination and communication that exists between and among boards, officials and staff involved in the financial management function; (3) the performance of financial operations in such a way as to maximize resources and minimize costs.

We encourage the selectmen, when formulating overall strategies for improving the town's financial management, to consider the observations, analyses, and recommendations contained in this report. These are recommendations only and can be implemented, at the town's option, provided there is sufficient cooperation among the various boards, committees, and officials.

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## EXECUTIVE SUMMARY

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Bridgewater is located near the interchange of Route 24 and Interstate 495. Incorporated in 1656, the town is approximately 28 square miles with a population of 25,695 persons (2006 Estimated US Census). It began as a large agricultural community from which six municipalities emerged. Located on the Taunton River, Bridgewater attracted mills and forges during the 1800s and was an important industrial center in southeastern Massachusetts. While many of the old mills have been converted into commercial space, one long-time brick manufacturer continues to operate in town.

Today, Bridgewater is predominantly a residential community with a mixture of commercial (including agricultural production) and manufacturing development as well as undeveloped areas, which include several ponds, state and town forests, conservation areas, and a wildlife management area in the Hockomock Swamp. The town also is home to a state college, a state correctional facility, and a psychiatric hospital (that is part of the state corrections system). While some may regard the town as if it were a little picturesque college community with charming historic buildings, Bridgewater is actually a large growing community.

Between 1993 and 2008, Bridgewater's single-family parcels have increased from 3,780 to 5,186, or over 30 percent. During this same timeframe, the town's condominium units also increased from 638 to 856. As a result of this development, the town's population grew from 21,249 persons (1990 US Census) to 25,695 persons or an increase of 17.7 percent, making Bridgewater the 71<sup>st</sup> most populated community in the state in 2006.

In response to its growth, the town's budget increased about 82 percent from about \$27.2 million (FY1998) to \$49.5 million (FY2008), while statewide municipal budgets grew during this period from about \$12.6 billion to \$20.9 billion or 65 percent on average. To support its budgetary growth, Bridgewater's property tax levy increased about 89 percent, state aid increased 39 percent (because the town is a member of two regional schools, the regions receive Chapter 70 school aid directly), and local receipts (e.g., excise, permits and user fees) more than doubled. Other available funds and reserves fluctuated annually.

Like many communities, Bridgewater has struggled to maintain services with its limited resources in recent years. The town has aggressively estimated its local receipts and used one-time revenues and reserves to fund recurring expenditures. Bridgewater also has attempted to get voter approved overrides.

In May 2007, town meeting adopted a FY2008 budget that was balanced. However, the appropriation for the Bridgewater-Raynham Regional School District (BRRSD) was less than the assessment submitted to the town. A \$2.87 million override question was presented to the voters to fund the BRRSD budget gap (about \$1.5 million) and to restore town services (\$1.37 million), but it failed in a close election, 3,893 to 3,504 votes. Despite this loss, town meeting appropriated the increase in funding to BRRSD at the end of July 2007, which put the town well over its levy limit. Because the budget was clearly out of balance, the selectmen called another town meeting in August,

which approved \$705,000 in additional town spending, and a second \$2.2 million override vote was scheduled. In September, this override attempt also failed in another close tally (3,553 to 3,303 votes). With this defeat, a final October special town meeting was held to balance the FY2008 budget by cutting non-school appropriations. Among these, the library department was the most severely impacted. Its budget was reduced over \$327,000 or 40 percent, the staff was trimmed to eight part-time positions, and the operational hours were curtailed from 52 to 15. As a result, the library was not certified by the Massachusetts Board of Library Commissioner in FY2008, it is ineligible for state aid to public libraries, and residents may not borrow materials from many area libraries.

After a year of struggling to provide non-school services, the selectmen and the town advisory board collaborated on a \$48.7 million FY2009 budget that was contingent upon a \$1.36 million override vote. If approved, it would provide \$40,000 for community development, \$100,000 for fire service, \$275,000 for BRRSD, \$326,000 for the library, \$20,000 for medical/life insurance, and \$600,000 for the stabilization fund. At a special town election held in June 2008, the third override proposal in a year failed by a wider margin, 3,529 votes to 2,024 votes (or 64 to 36 percent).

As a result of its fiscal issues, the town's bond rating has been impacted. Dating back to 1997, the town's bond rating from Moody's Investment Service was Baa1. Because of a trend of improved financial operations, Bridgewater's rating was upgraded to A3 in March 1998 and to A2 in December 2000. However, the town's progress took a turn for the worse beginning in July 2003 when Bridgewater was placed on a watch list due to its diminished financial position and narrow reserve levels. Because factors did not improve and there were concerns of a negative outlook for the community, the town's bond rating was downgraded to A3 in September 2004 and further reduced to Baa1 in January 2007. When a municipality's credit rating decreases, the financial markets take notice and the community generally will find that it is more expensive to borrow funds.

Adding to this situation, the municipal administrator announced he would be retiring at the end of the calendar year 2008. With this pending vacancy and given recent events, the town realized it was time to reevaluate the way business is conducted in Bridgewater. According to town officials, there is a general sense of dissatisfaction with town government because it lacks accountability and coordination. There is a need for a strong central administration and leadership that will aid in the most efficient and effective delivery of services. Concurrently, the selectmen requested that the Department of Revenue's (DOR) Division of Local Services conduct a comprehensive review of Bridgewater's financial offices to provide an objective assessment of current operations, to help identify areas of potential improvement, and to offer advice on Bridgewater's organizational structure.

In the report that follows, a series of recommendations are presented based on best management practices that comply with state laws and regulations. They are designed to encourage checks and balances, accountability, and increased efficiency in the town's financial operations. Chief among these is need to adopt a charter with a strong and accountable management structure and to develop financial planning tools and policies. With increased communication, coordination, and good management practices in place, Bridgewater will be able to plan for the future and position itself for whatever lies ahead.

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## OVERALL FINANCIAL MANAGEMENT & BUDGETING

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During the course of our review, we looked at the overall financial management in the town, its governmental structure, bylaws, the budget and financial practices, and personnel procedures and policies. What follows is a summary of our observations and recommendations.

### GOVERNMENT STRUCTURE AND BYLAWS

Bridgewater does not have a charter. It is organized under a combination of state statutes, special acts, and local bylaws and has a selectmen-municipal administrator form of government. State statutes generally provide allowable methods of governance and often offer guidance on minimum requirements, while special acts and bylaws enable a community to establish specific authority and procedures by which it operates.

The five-member board of selectmen are the chief executive officers. They appoint a municipal administrator, who acts on behalf of the board in the management of town affairs. He supervises department heads appointed by the selectmen, manages procurement, participates in the budget process, oversees the town's daily administration, coordinates activities with independently elected officials and their departments, and keeps the selectmen informed. Unlike comparably sized communities, Bridgewater's municipal administrator was not designed to be a strong management position.

The town's current organization is decentralized with a number of elected offices that can act independently. Elected officials include the moderator, the town clerk, the assessors, the collector, the treasurer, the board of health, the planning board, the library trustees, the water & sewer commission, the tree warden, the recreation commission, the regional school committees, and the housing authority. Among these, one person has served as the collector and the treasurer for the past eleven years. While he has worked cooperatively with the municipal administrator and other members of the financial team (e.g., accountant and assistant assessor) on budgeting and financial planning activities throughout the fiscal year, as an elected official, there is no accountability to the selectmen, who are ultimately responsible for the fiscal well-being of the town.

In reviewing Bridgewater's bylaws, we found that they are sparse and not all inclusive. Some town boards/officials and their basic duties are included in the bylaws while others are not. For example, the municipal administrator's position and its responsibilities have not been codified in a bylaw. Instead, his duties exist by virtue of a job description and personal services contract. Similarly, the town has a classification and compensation plan that is approved and periodically amended by town meeting, yet it is not included in Bridgewater's bylaws.

Recognizing its shortcomings, Bridgewater formed a government study committee in November 2007. This committee is charged with reviewing the current structure and operating practices and proposing recommendations that would improve or change the traditional way Bridgewater has been organized and conducts business. The committee is investigating the benefits

and disadvantages of alternate forms of government (e.g., council-mayor, council-manager, and town meeting-selectmen/manager). The committee has solicited input through public meetings and a survey, and has interviewed managers and similar study committee representatives in other municipalities. It is the committee's goal to publish a report just after the first of the calendar year, hold a series of forums in the spring, and then submit a final plan to the May 2009 town meeting.

## BUDGET AND FINANCIAL PRACTICES

The annual budget process begins in the fall when the accountant, working with the financial team, prepares preliminary revenue projections for the selectmen. Based on this information, spending guidelines and appropriation request forms are distributed to all departments and boards. Completed requests are submitted to the accountant. Working with the financial officers, the accountant prepares a balanced plan for the selectmen, who review it and may make changes prior to forwarding the budget to the nine-member advisory board. The advisory board then reviews the budget (as well as all other warrant articles), holds hearings, works with the accountant and municipal administrator (who provide updated revenues and other information), and prepares recommendations for the town meeting. Because there are no formal budget procedures or calendar of events, this process varies annually.

Bridgewater pays monthly assessments to BRRSD. The operating portion of the assessment is paid in twelve equal installments, while the capital assessments vary based on the district's debt payment schedules. Because of the timing and amount of these payments, Bridgewater has not always had the funds available to cover these obligations, in part, due to the town's semiannual property tax billing system. As a result, the treasurer has had to issue revenue anticipation notes annually to meet the community's cash flow needs. Over the last few years, the cost of these issuances has ranged between \$24,000 and \$83,000.

During the course of our review, we noted the general lack of any official statements of financial policies. Generally, these are designed to provide guidance to policymakers when making decisions and planning for the long-term. In Bridgewater, there are no guidelines on the projection or use of different types of revenues. For example, local receipts are aggressively estimated, thus contributing to the town's declining free cash certifications (from about \$1.1 million in FY2005 down to \$283,000 in FY2008) over the last few years. Stagnant revenue growth and less free cash available have contributed to tight budgets, which Bridgewater has balanced by making staff cuts (20 percent since 2002) and service reductions. In addition, while revenues and expenditures are estimated on an annual basis, a multi-year revenue and expenditure forecast was developed, but is not current.

In addition to free cash, Bridgewater has unrestricted net assets of the self-supported water, sewer, transfer station, and golf course enterprise funds, a stabilization fund, and a capital project fund (Chapter 22 of the Acts of 1997). The unrestricted net assets, or surplus revenue, of an enterprise fund may be used for expenditures relating to the specific enterprise fund. The stabilization fund, on the other hand, has no restriction on its use, so town meeting has appropriated it to support recurring expenditures, drawing the balance from a high of \$1.17 million in FY2003 to \$4,600 as of 6/30/08.

By special act of the legislature, Bridgewater also has a capital project fund. This fund may be used for expenditures for which the town would be authorized to borrow money under section 7 or 8 of Chapter 44 of the General Laws and no more than 25 percent of the balance may be used in any one fiscal year. When this reserve was created, the town placed \$3 million of one-time state funds (which were received because of the state prison expansion in Bridgewater) in to it. Over the years, the town has used this funding sparingly, bringing the current available balance down to about \$1.2 million.

Bridgewater has a capital planning committee that reviews and makes recommendations on construction and maintenance of public structures and capital purchases greater than \$10,000. Because of limited town resources in recent years, capital requests are evaluated on a case-by-case basis, with no formal planning process or multi-year projections. As a result of deferred maintenance, many of the town's buildings, including the town hall, academy building, and memorial hall, are in need of significant and costly repairs.

Historically, Bridgewater has had an audit performed annually, complying with Article IV, Section 3 of the town bylaws. An audit is an independent examination of a municipality's financial systems, procedures, transactions, and account balances that determines whether a town's financial statements are "fairly presented." However, Bridgewater's most recent audit was for FY2006. Because the town only appropriated \$15,000 for the engagement, the scope of services was limited. The audit did not include a review of the community's capital assets and infrastructure and so the town did not present government-wide statements and management's discussion and analysis section. Consequently, the auditor issued an adverse opinion. An adverse opinion is when the auditor believes the financial statements do not comply with generally accepted accounting principles (GAAP). An audit for FY2007 was not conducted and one for FY2008 is not planned due to the lack of funding.

## PERSONNEL PROCEDURES AND POLICIES

There are roughly 170 regular, active employees on the town's payroll, who are paid weekly. An estimated 50 are non-union workers that are subject to town rules and policies. By virtue of a collective bargaining agreement or individual employment contract, some employees are subject to annual job performance evaluations. Other employees, including non-union staff, are not.

All regular employees (working more than 20 hours) and qualifying retirees may choose to receive health, dental and life insurance benefits through the town. Currently, the town covers 88 percent of the health plan cost. While Bridgewater has not accepted M.G.L. c. 32B, §18, many retirees have enrolled in Medicare upon retirement, but a few did not join at age 65. Recognizing the significance of health insurance costs on the community, Bridgewater adopted M.G.L. c. 32B, §19, establishing an employee coalition bargaining committee, which has begun to discuss health insurance options for the community.



## RECOMMENDATION 1: CREATE A STRONG ADMINISTRATIVE POSITION BY CHARTER

We recommend that the town establish a strong administrator or town manager position by charter. Recognizing the success many communities have in providing coordinated financial management, we encourage adoption of a charter that would create strong central leadership. The manager would be responsible for coordinating financial management and overseeing municipal operations to insure that they are performed in an efficient manner. This role should include, but not be limited to, the following:

- Municipal operations – The manager would oversee operations to ensure all services are provided in a coordinated manner and are as cost effective as possible. He or she should be responsible for appointing, supervising, and evaluating all department heads to create a more accountable government. He also should convene monthly department head meeting to ensure communication on ongoing activities, future planning issues, or other matters as they come up.
- Budget process – The manager should administer the budget process. He or she should chair the monthly financial team meetings at which technical and financial information is solicited. He or she should prepare a balanced budget proposal, and present it to policymakers. The manager should provide updated revenue and budgetary information as it becomes available and provide managerial and analytical support to the advisory committee so they may review proposals and focus on decisions and planning that will impact future budgets. The advisory board would continue to make budget recommendations to town meeting.
- Revenue and expenditure forecast and capital planning – The manager, with the assistance of the financial team, should prepare multi-year forecasts and direct the capital planning process (see Recommendation 4). Commonly used in many communities, a multi-year forecast generally spans between three and five years and is updated routinely as new information becomes available. It is a financial planning tool that can be useful in revealing budget problems and formulating long-range plans such as capital funding decisions.
- Financial policies – The manager should be responsible for developing cohesive fiscal planning, revenue and expenditure policies (see Recommendation 6) that are adopted by policymakers. These policies should be reviewed annually as a part of the budget proposal.

A charter would clearly define the government structure under which the town operates. It would document all positions, boards, and committees, establish the distribution of power, and provide lines of authority. It is complemented by a series of bylaws that fill in the details and are revised as circumstances warrant. Bylaws establish codes, policies, and procedures under which municipal government operates (e.g., personnel rules, zoning regulations, and health codes). They should describe specific roles and duties of local officials and multi-member boards, and prescribe procedures for budget development and the capital improvement program.

## RECOMMENDATION 2: CONSIDER CHANGING TO A REPRESENTATIVE TOWN MEETING

We also recommend that Bridgewater, if it continues as a town, consider adopting a representative town meeting. In Massachusetts, 67 (out of 71 or 94 percent) communities with

populations greater than 25,000 persons have a council or a representative town meeting, which serve as the legislative body. Representative town meetings functions largely the same as an open town meeting, except that not all registered voters can participate or vote. The townspeople instead elect town meeting members by precinct to represent them and to vote on the issues for them.

Overall, a representative town meeting is a less cumbersome form of government for a community with over 25,000 persons and 14,000 registered voters. In operation, it minimizes those occasions during an open town meeting when members attend and vote on a particular issue of interest, then immediately depart, potentially jeopardizing the presence of a quorum.

### RECOMMENDATION 3: COMBINE AND APPOINT THE COLLECTOR AND TREASURER POSITIONS

We recommend that the town collector and treasurer positions be combined and appointed. Officially combining these offices will solidify the parallel operations that have functioned in town for a number of years. Increasingly, municipalities are appointing this office to improve financial accountability on a daily basis as well as to ensure that future collector/treasurers have strong professional credentials and relevant experience. This change may be accomplished in a charter (or by special act of the legislature).

### RECOMMENDATION 4: ADOPT QUARTERLY TAX BILLS

We recommend that Bridgewater convert to quarterly tax billing by accepting M.G.L. c. 59, §57C. With collections occurring four times per year rather than two, a community has access to its property tax revenue earlier in the fiscal year. It is then in a stronger cash flow position to meet disbursement demands. It can eliminate the need for revenue anticipation notes, and can provide opportunities for increased investment income.

Adopting quarterly tax billing will require advanced planning and work in the assessors' and collector's offices. The assessor would have to be consulted because the property records must be updated in order to generate the commitment for mailing the preliminary bills by July 1. As for the collector's office, costs associated with quarterly billing are in the staff-hours needed during two additional tax collection periods, the increase in printing costs (i.e., bill forms) and other additional costs (i.e., envelopes and postage) if the community mails four times a year. These are relatively small costs, which are offset by gains in interest income. The additional burden placed on staff can be lightened by engaging a lockbox service.

### RECOMMENDATION 5: ESTABLISH CAPITAL PLANNING & MAINTAIN MULTI-YEAR FORECASTING

We recommend that the town develop a comprehensive capital plan and submit an annual capital budget to town meeting. The capital planning committee, with the assistance of the municipal administrator, should develop a multi-year capital plan and annual capital budget for all town

departments. These documents should: (1) prioritize the various proposed capital projects and purchases based on objective criteria; (2) estimate costs; and (3) list the proposed method of payment (direct dollar outlay, debt, or Proposition 2½ debt or capital exclusion) for each proposal. Regardless of funding ability, annual presentation of a capital budget to town meeting has merit. It serves to inform citizens of the community's capital needs and makes them aware of essential capital needs that may be deferred due to financial constraints. For more information on the capital planning process, we direct you to the "[Developing a Capital Improvement Program](#)" workbook on our website.

We recommend that the town update and maintain its multi-year revenue and expenditure forecast. The municipal administrator, with the assistance of the financial team, should update the forecast previously developed and make maintaining it a priority. Forecasting used in conjunction with the town's capital plan will enable officials to evaluate multi-year impacts of budget requests. It would help identify programs that may not be funded, highlight capital requests that will be deferred, and develop long-range financial plans.

## RECOMMENDATION 6: DEVELOP FINANCIAL POLICIES

We recommend that the town adopt formal financial policies. The Government Finance Officers Association recommends that, at a minimum, municipalities adopt fiscal planning, revenue, and expenditure policies. These should be developed by the municipal administrator, with input from the financial officers, and adopted by the town's policymakers, including the selectmen, advisory board, and capital planning committee.

1. Fiscal Planning Policies – These policies should guide budget development and long-term planning.
  - Balanced Budget – This policy should identify the participants' roles and responsibilities, the budget process and timeframe, and disclosure for other unusual circumstances.
  - Long-Range Financial Planning – The town should adopt a policy that looks towards the future because today's decisions have long-term impacts. The policy should include multi-year revenue and expenditure forecasting, capital outlay planning, and cash management and investment goals.
  - Asset Inventory – Because of the Government Accounting Standards Board (GASB) Statement 34, all governments are required to maintain a capital asset and infrastructure inventory that is reported on the entity's financial statements. Therefore, a policy on the process and frequency of data collection, valuation, and depreciation for all capital purchases, town property and buildings, and infrastructure should be developed.
2. Revenue Policies – Because budgeting is revenue driven, it is essential that all revenue sources be identified and properly administered.

- Fees and Charges – These policies should identify the legal basis for assessing a fee or charge, the method by which they are set, and the extent to which costs are recovered. As a part of the budget process, these fees and charges should be reviewed annually through a [costing study](#).
  - Use of One-Time Revenues – This policy should discourage the use of a non-recurring revenue source to fund recurring expenditures.
3. Expenditure Policies – Given limited resources versus the potential needs of a community, prudent expenditure planning will help fiscal stability.
- Debt Capacity, Issuance, and Management – This policy should specify appropriate uses for debt, when to issue long-term bonds, role of a financial advisor, the range amount or percentage of debt outstanding at any time and debt service payable in any fiscal year.
  - Reserves and Stabilization Funds – A formal reserve policy should establish a practice of appropriating money annually to legal reserves for future needs, identify prudent levels of financial resources to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures, and identify extenuating circumstances where reserves may be used.

We encourage the town to seek guidance or sample products from other communities. Officials should review each policy received to determine what would work best for them.

#### RECOMMENDATION 7: CONDUCT ANNUAL AUDIT

We recommend that Bridgewater have audits of its basic financial statements on an annual basis. Annual audits and accompanying management letters are important to ensure the quality of a town's financial health by providing an independent assessment to either confirm sound financial practice or point out systemic weaknesses.

We understand that Bridgewater is not required to complete an annual audit subject to the federal Single Audit Act and such an engagement would be an additional expense for the community. However, based on the continuing disclosure certificate Bridgewater entered into with existing bond holders of the town's debt, there is a certain expectation that the community will have annual audits performed for the duration of the debt. Failing to comply with any provision of the disclosure certificate, bond holders could seek a court order compelling the town to meet specific terms they set.

#### RECOMMENDATION 8: CONSIDER CHANGES TO THE PERSONNEL/PAYROLL SYSTEMS

We recommend that the town develop a detailed personnel evaluation policy and conduct annual performance reviews for all employees. Increasingly, government is placing greater attention on written job descriptions with goals, performance expectations, and provisions for annual employee evaluations. The town should develop evaluation criteria that will provide uniform standards and guidance as well as benchmarks by which each employee's job performance may be measured. Based

on the annual evaluation, an employee may be rewarded (i.e., step increase) for a job well done and/or given suggestions if performance improvement is warranted.

An evaluation program works best when it is recognized as a two-way process. Employee performance is an obvious focus, but employee opinion and comment during the process can provide valuable insight to management. Ultimately, the evaluation process can evolve into a collaborative effort leading to improvements in job performance, the operation of government and in work place conditions. Implementation of performance evaluations would be subject to labor negotiations.

We recommend that the town adopt a biweekly payroll process. With the adoption of biweekly payroll, workloads in the treasurer's and accountant's offices would be reduced, freeing time for the completion of other important tasks. Any adjustment to pay periods must be bargained.

We recommend that town officials annually evaluate Bridgewater's options regarding employee and retiree health insurance. With the creation of the employee coalition bargaining committee, the town is exploring healthcare alternatives to reduce overall costs. We encourage officials to hold these discussions on an annual basis. As part of these annual evaluations, we think town officials ought to consider the following:

- Compare competing joint and regional programs – Officials should review the current health insurance program with other joint purchasing groups or regional health insurance consortiums. Using reasonable benefit assumptions, a comparison of competing program costs should be developed that could identify potential savings for the town.
- Consider the [Group Insurance Commission](#) (GIC) option – With a membership of about 300,000 subscribers, GIC dictates plan design and the rate increases have been significantly lower and less volatile than the rate increases experienced in most municipalities. From FY2001 through FY2007, GIC costs have increase 54.7 percent or 7.5 percent annually, on average, compared to an 98 percent overall increase and 12 percent annually in Bridgewater.
- Review employee and retiree percentage share and co-payment amounts – Increasingly, communities are reviewing the percentage shares that employees and retirees are paying for health insurance programs as well as the co-pays for office visits and medication. Often, increases in co-payments for doctor appointments, medications and emergency room visits can significantly reduce premium costs.

We also recommend that the town accept M.G.L. c. 32B, §18 that requires retired employees and their spouses, who are eligible for Medicare, to join at age 65. Once accepted, the town would continue to provide the same level of health care services, but shift a portion of the cost to the Federal Medicare program, which should reduce the town's share of total employee health insurance costs. The community would also then be responsible for any financial penalties for eligible individuals that did not enroll timely.

## INFORMATION TECHNOLOGY

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Bridgewater has an information technology (IT) department with one full-time employee. Employed with the town since 2002, the computer systems administrator manages and supports all computer systems, including desktops, servers, networks, operating systems, software applications, Internet access, electronic mail, and the public website. The computer systems administrator also is responsible for user support and training, security and virus protection, backups, application development and programming. Because it is a department of one, he generally is on call at all hours of the day and when issues occur during his temporary absence, they must wait until his return.

Town departments have access to Microsoft Office applications, as well as the Internet and electronic mail services. The computer systems administrator has drafted technology user policies, but the community has not adopted them. The accountant's, collector's, and treasurer's offices use DataNational financial software to which the assessing office has access for posting approved abatement and exemption amounts. The treasurer keeps the cash book in a series of Excel spreadsheets and the assessing office uses the PK Valuation Group (formerly Paul S. Kapinos and Associates) computer assisted mass appraisal (CAMA) application to maintain the property database.

For five years, Bridgewater State College provided technology services and support to the town. Before this management contract expired in FY2006, a seven-member computer systems transition committee was created to study the move away from the college and to propose an IT budget. To assist the committee, the computer systems administrator conducted an inventory and assessment of the town's information technology environment and prepared a technology master plan. This plan provided a three to five year spending plan to move this function in-house and to address the aging network, hardware and applications. While operating and start-up costs totaling \$53,000 were identified, only \$18,000 was appropriated, which was used along with a Homeland Security grant to establish a fiber optic network among some town buildings and to purchase and install a new server and software at the police and fire stations. Due to budgetary constraints, little else has been done to address Bridgewater's technology needs.

However, Bridgewater officials were informed by DataNational that the town's SCO/Unix version of their application would not be supported after FY2009. Consequently, the town appropriated over \$67,000 to purchase a server and install a Windows 2003 operating system to support an upgrade to a Windows version of the DataNational software, DNWindows. In addition, other technology requests including further upgrading the network, replacing some personal computers, and to installing new virus security and backup operating systems were addressed. Once DNWindows is operable, the financial offices will have more management reporting functions and tools available to them. Furthermore, an option available currently, but not used, is the remote access and data entry features for time and attendance, payroll, vendor billing and departmental receipts.

Bridgewater has an Internet website that provides departmental listings and contact information, community links, access to forms, electronic payment options, news, and announcements.

However, some helpful reference materials such as the town's bylaws, revenue and expenditure data, and town reports are not available on the website. The computer systems administrator works with the selectmen's office administrator to post news, announcements and information prepared by departments as time allows, but a significant amount of the content is not up-to-date. Examples of this include agendas and minutes of meetings, the assessors' property database, and the geographic information system (GIS). The GIS system was transferred to the IT department when the part-time community development position responsible for maintaining it was eliminated in the budget. Given the workload of this office, the computer systems administrator has not had the time to devote to the GIS nor does he have a working knowledge of the system to maintain it, thus it lies idle. In the absence of useful or current information, users (e.g., residents, realtors, and appraisers) call or visit town hall offices for assistance, which causes work interruptions for personnel.

#### RECOMMENDATION 9: HIRE CONTRACTUAL BACK-UP SUPPORT

We recommend that the town hire a contractor to provide system support and maintenance on an as-needed basis. Because the technology systems are a vital part of daily operations, Bridgewater should consider hiring a contractor to provide coverage in the temporary absence of the computer systems administrator as well as to assist him if urgent issues arise. These types of technical support can be contracted for on an hourly basis and could range between \$5,000 and \$15,000 annually, depending upon the level of services required and how the contract is structured.

#### RECOMMENDATION 10: USE REMOTE ACCESS FEATURES

We recommend that departments be granted remote access and data entry capabilities offered by the DNWindows System. With training, each office would be able to inquire about the status of its budget. However, a major efficiency gain would be that staff could enter all financial information (e.g., departmental receipts, payroll, and vendor payments) at the departmental level. This would enable the treasurer's and accountant's offices to review the electronic submission against backup documentation before accepting and posting it to the departmental receipt, payroll, and accounts payable systems. Once established, even though hardcopy information is exchanged, the electronic transmission of financial data will greatly reduce the amount of manual entries the offices are performing, thereby freeing up staff to perform other management and analysis activities.

#### RECOMMENDATION 11: ADOPT TECHNOLOGY USER GUIDELINES AND POLICIES

We recommend that the town adopt written guidelines and policies for all employees and officials who use the town's computerized systems. At the initiative of the computer systems

administrator, Internet and electronic mail user policies have been drafted. Once these are approved by the selectmen, each user should be required to signoff on the acceptance of them.

## RECOMMENDATION 12: UPDATE AND EXPAND THE WEBSITE AND GIS

We recommend that Bridgewater update and expand its Internet website. A comprehensive, up-to-date, and accurate website would help generate public awareness and confidence in government. In other communities, user-friendly and informative websites have proven successful in reducing the amount of time that town employees spend fielding questions in person or on the phone.

We recommend that the town seek assistance in the operation and maintenance of the GIS. A significant amount of time and expense was put into this resource. So that the GIS system may be used widely in town (e.g., police, fire, water/sewer, assessors, planning, zoning, and emergency management), Bridgewater should seek consulting services to update and maintain it or obtain training to manage it in-house.

## RECOMMENDATION 13: ESTABLISH A TECHNOLOGY COMMITTEE

We recommend the computer study committee be reorganized to form a technology committee that includes users from within town hall and volunteers from the community that have appropriate knowledge or work experience. A technology committee can be a meaningful and objective contributor of information, analysis, and insight for the town decision-makers. The committee, including the computer systems administrator, would work on the following issues.

- **Systems**—The committee would review and monitor the performance of hardware and software in town departments to identify and prioritize the need for upgrades. They would maintain and update the technology master plan and incorporate projected budgetary costs into a long-term capital planning program.
- **Training**—The committee would survey staff on their knowledge and use of available computer applications. This could help identify training needs and tasks that may be automated.
- **Website**—The committee would explore how the town might improve its website with a goal to reduce traffic and workloads in town hall.



## ACCOUNTANT'S OFFICE

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The primary responsibilities of the accountant's office are to maintain the town's general ledger; to review invoices and prepare warrants; to produce trial balance, revenue, and expenditure reports; to maintain information on debt; and to reconcile cash and receivables with the collector and treasurer. In addition, this office is responsible for processing town payroll.

The office is staffed by an accountant, an assistant accountant, and a payroll clerk. The accountant has been employed by the town for almost six years. As of FY2009, the accountant's salary range set by town meeting is from \$57,000 to \$66,000. However, due to budget cuts in her office, she retired near the end of FY2007, but the selectmen hired her back part-time (not to exceed 960 hours/year) at a budgeted salary of about \$35,000. Despite this arrangement, the accountant often is contacted by phone and electronic mail at home as issues come up outside of her established part-time office hours.

The assistant accountant is full-time and has been in the town's service for over 19 years. She is trained to assume the responsibilities (including signing the warrant) of the accountant for brief or extended absences, thereby protecting the town from potential disruptions in activity or the need to hire outside assistance. The payroll clerk also is full-time and has been employed by Bridgewater since 2002. She reviews timesheet submissions and enters payroll information into the DataNational software on an exception basis. The payroll clerk also tracks employees' accumulated personal time balances, which is kept in a central data base, but not reported on an employee's payroll stub.

Weekly, the accountant and assistant accountant review vendor bill and payroll submissions for completeness and accuracy, consult approved contracts and grants, and reconcile with the payroll entries before including them on the warrant for the selectmen's approval. In regard to vendor payments, DataNational software has a purchase order system, but it is not used. Instead, to control spending, a department submits a hand-written request for any purchase greater than \$100 to the municipal administrator for approval. Without the pre-approval, the accountant will not process the bill.

Throughout the year, internal and external reports are prepared. The accountant produces monthly expenditure and revenue reports to verify and monitor the town's financial activity. A set of summary level revenue and expenditure reports are given to the municipal administrator monthly, who briefs the selectmen and advisory board quarterly and distributes printouts during the budget process and upon request. Monthly, each department is provided with general fund expenditure reports, which are reconciled with each department's internal records. Where applicable, they also receive revenue and expenditure reports for special funds and grants that must also balance with the accountant's records. The accounting staff generate monthly receivable and trial balance reports, which are used to reconcile with the collector's receivable and the treasurer's cash. These reconciliations are conducted shortly after the close of each month. The accountant also prepares the Schedule A, a year-end fiscal

statement of revenue, expenditures, and fund balances, and produces the balance sheet that DOR uses to certify free cash.

When an audit is initiated, the accountant prepares financial statements upon which the auditor formulates an opinion. GASB Statements 34 and 45 set forth certain requirements that the community should comply with when an audit is performed. GASB Statement 34 requires the inventory and valuation of capital assets and infrastructure. GASB Statement 45 requires the financial reporting and accounting of other post employee benefits (OPEB) a governmental unit is providing or has promised to current and future retirees such as healthcare, life insurance, disability, and long-term care when they are provided separately from a retirement plan. Bridgewater had a data collection and valuation of assets and infrastructure done in 2003, but the information has not been maintained since. As for GASB 45, Bridgewater is a tier-2 community and is required to implement this by the end of FY2009. However, the town has not appropriated funding to conduct an actuarial study at this time.

#### RECOMMENDATION 14: RESTORE FULL-TIME ACCOUNTANT POSITION

We recommend that the town restore the funding to make the town accountant a full-time position. Given the population and size of its budget, Bridgewater should have an accountant that serves full-time to be available on-site as issues come up and to manage this office.

We further recommend that the town review the current salary of the accountant's position. As of FY2009, this salary ranges between \$57,000 and \$66,000. While the accountant has not indicated any plans to leave the town's service, the community would be hard pressed to attract a knowledgeable and experienced professional to replace her given the current salary range.

#### RECOMMENDATION 15: IMPLEMENT THE PERSONNEL INFORMATION TRACKING SYSTEM

We recommend that the accountant's office implement the personnel information tracking application in DNWindows. The DNWindows software being installed has a tracking system for accumulated personal, sick and vacation time balances. This application would enable the accounting office to monitor employee balances and readily report the accumulated liability through an integrated module rather than importing a figure at year's end. Using this application, the town also may print the available time balances on each employee's pay stub.

#### RECOMMENDATION 16: ACTIVATE PURCHASE ORDER SYSTEM

We recommend that Bridgewater consider implementing the DNWindows purchase order (PO) system to track and to control spending. A PO system would require that departments receive approval from the municipal administrator's office prior to purchasing items or entering into service agreements.

Once approved, the funding would be encumbered by the accounting office and a purchase order would be issued. This formal process would enable the town to oversee spending, to encumber funds as they are committed, and to verify compliance with procurement laws prior to expenditure.

If a purchase order system is implemented, we further recommend that a minimum purchase order amount be adopted, similar to the \$100 threshold currently used. Requiring a purchase order for all expenditures could become burdensome on the municipal administrator and the accounting office and not be cost effective.

#### RECOMMENDATION 17: UPDATE AND MAINTAIN ASSET AND INFRASTRUCTURE INVENTORY SYSTEM

We recommend that the accountant update and maintain the asset and infrastructure inventory system. Starting with the data collection and valuations that have already been prepared by an independent contractor, the accountant should add new acquisitions purchased through the warrant process and improvements made to town structures, utility lines, and roads to this inventory. The accountant should distribute a listing of assets to the appropriate departments annually. Each department head would confirm the existence of listed items, provide an explanation of the method and reason for disposal, and return a signed report to the accountant to update and confirm the town's asset inventory. The accountant would then update the values and apply depreciation (based on the town's policy), enabling her to prepare annual government-wide financial statements in compliance with GAAP.

#### RECOMMENDATION 18: CONDUCT ACTUARIAL STUDY FOR NON-PENSION RETIREE BENEFITS

We recommend that the accountant plan to have an actuarial analysis of the town's non-pension retiree benefits liability conducted. GASB Statement 45 requires that the dollar value of the unfunded OPEB liability be determined every two years for governments with 200 or more participants in benefit programs (including current employees, former workers, and retirees). After the town completes its evaluation, the officials should discuss the findings and begin developing a plan or policy on how Bridgewater will manage this liability, including cost containment and benefit changes. While there currently is no state mandated requirement to fund the OPEB liability at this time, some communities have special legislation to begin funding it and other communities have expressed similar interest. For additional information regarding OPEB, and steps to reduce the size of the liability, see resources available on the [Division of Local Services](#) and the [Government Finance Officers Association](#) websites.

## ASSESSING OFFICE

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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 collector to collect property taxes and excise. The Bridgewater Assessing Office maintains assessment data on approximately 8,400 real property parcels and personal property accounts, 25,300 motor vehicle excise accounts, 320 betterment accounts, and 190 boat excise accounts. In addition, the office processes approximately 600 building permits, 450 deed transfers (270 of which are sales), 100 abatements (170 in recertification year), and 250 exemptions annually. The town's real and personal property assessment records are maintained on the PK Valuation Group computer assisted mass appraisal (CAMA) system, which is used to compile analytical reports and property tax commitments. Bridgewater's property database, assessors' maps, and forms are accessible online through the town's website. However, neither the online assessment data (FY2007) nor the assessors' maps (FY2005) are current.

Reporting to an elected board of assessors, an assistant assessor, administrative clerk and a part-time clerk staff the office. The assistant assessor oversees the daily office operations and supervises the staff. She conducts some property inspections (e.g., measuring and listing some new and improved properties where a building permit has been issued and locates new businesses to determine the taxable personal property), and inspects most sale properties generally well after they transfer ownership. The assistant assessor maintains the town's CAMA assessment records. She also reviews abatement and exemption requests and provides recommendations to the board for its approval.

The administrative clerk maintains paper files, processes deed transfers, and coordinates exemption and abatement applications. She also oversees the personal property, boat excise and classified chapter land accounts. Both the assistant assessor and administrative clerk enter property information and sketches into the CAMA system. The part-time clerk manages the motor vehicle excise accounts and prepares abutters' lists. All of the staff respond to public inquiries by telephone and at the service counter.

Bridgewater uses the services of appraisal consultant PK Valuation Group. Overseen by the assistant assessor, the consultant annually measures and lists the majority of the new and improved properties, and data enters the information into the CAMA system. The consultant collects data, prepares values, and updates all real and personal property files triennially and analyzes property sales and income and expense statements for interim property value adjustments in the intervening years. For these combined services, Bridgewater budgets about \$40,000 during a revaluation year and \$30,000 in non-revaluation years.

The town's appraisal contractor just completed a three-year full re-inspection program at an estimated cost of \$130,000. A cyclical re-inspection program involves an interior and exterior inspection of all town property that must be completed over a period not to exceed nine years

according to state statutes and Bureau of Local Assessment (BLA) guidelines. The primary benefit of this program is to provide the assessors' office with current, accurate data. From these inspections, any changes in the properties are entered into the CAMA system and may result in additional new growth for the town. A cyclical re-inspection program may be performed in-house or it may be contracted to an appraisal consultant. Going forward, the board is hoping to spread the work load out over nine years, depending on available resources appropriated by town meeting.

Historically, Bridgewater's tax maps were updated annually by a contractor, which were digitized and placed on the town's geographic information system (GIS). However, due to budget cuts, this annual tax map operating line-item was not funded in recent years and the GIS has become dormant. To comply with BLA's recertification guidelines, the assessors were able to reduce their appraisal consultant's expense a fraction in order to get the maps updated for FY2009.

It has been a longstanding practice that each motor vehicle excise run received from the Registry of Motor Vehicles has been committed to the collector in full. This includes bills for government, religious and charitable organization owned vehicles, which are exempt from the motor vehicle excise. As a result, the assessing clerk must process abatements for bills generated for exempt vehicles.

#### RECOMMENDATION 19: CONDUCT SALES INSPECTIONS AT THE TIME OF TRANSFER

We recommend that the assistant assessor inspect the interior and exterior of all sale properties at the time of the transfer. Often, a sale property may have been upgraded without a permit or allowed to deteriorate to an extent that the assessors' files do not accurately reflect its true characteristics or condition. Not being aware of the exact condition of properties at the time of the sale affects the assessors' ability to analyze market data. Teaming up with other departments (e.g., fire and water departments) that schedule property visits because of a pending sale would ensure timely, interior inspections for the assessing database. It would reduce the number of scheduled town visits to the same properties and assist in the town's cyclical re-inspection program.

#### RECOMMENDATION 20: PLACE CURRENT PROPERTY DATA BASE ON WEBSITE

We recommend that the assessors place the current year's property assessment information on the town's website. This data should be updated annually, shortly after the town's values have been approved and the tax rate is set. Having this information available online enables real-estate agents, appraisers, and other users to make inquiries without interrupting the assessing staff.

## RECOMMENDATION 21: MAINTAIN TAX MAPS

We recommend that the town annually appropriate funding for the ongoing maintenance of the assessors' maps. Tax maps depict the location, size, and shape of properties for the purpose of assessment and taxation. Since an accurate mapping system contributes to a well-organized, efficient assessing operation, it is essential that the town annually appropriate funding for updating map. The maps may be updated by a contractor or done in-house by uploading computer aided design (CAD) approved plans from the planning board onto the GIS system.

## RECOMMENDATION 22: DELETE EXEMPT MOTOR VEHICLE REGISTRATIONS PRIOR TO COMMITMENT

We recommend that the assessors review each Registry of Motor Vehicles' data run and remove government, religious and charitable exempt registrations prior to committing the excise to the collector (M.G.L. c 60A, §1). By removing expressly exempted vehicle registrations from each run prior to commitment, the office would avoid the time consuming and needless task of abating bills on exempt vehicles.

## RECOMMENDATION 23: ACCOUNT FOR THE TELECOMMUNICATIONS DECISIONS

We recommend that the assessors adjust the overlay balance to mitigate any potential telecommunication liability. In 2008, the ATB ruled that Verizon NE is subject to personal property taxation by cities and towns on poles and wires over public ways. The case involved the valuation and taxation of landline machinery, poles, wires, underground conduits and pipes. The ATB subsequently issued a ruling in a case involving MCI that valuations also include any construction work in progress and all other property in place, but not in service, and that partnerships, trusts, and limited liability corporations are subject to central valuation and assessment on all telephone machinery.

At stake is millions of dollars in potential personal property tax revenue for cities and towns. However, until the central or local valuation appeal process is complete, DOR requires that cities and towns place and retain sufficient amounts in their overlay accounts, dating back to FY2004, to cover the new tax revenue as potential abatements or refunds may result in the event that the rulings are not upheld. In order to assist city and town assessors to make adequate provisions in their overlay for the potential liability, BLA has provided information on these telecommunication issues and valuation data specific to each community at [www.mass.gov/dls](http://www.mass.gov/dls).

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## TOWN COLLECTOR'S AND TREASURER'S OFFICES

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The collector is responsible for receiving tax, excise, utility, and betterment payments as well as the community preservation surcharge on real property tax bills. The treasurer, on the other hand, is in charge of the town's cash management (including the investment, disbursement, and borrowing of cash), administration of employee benefits, and oversight of tax title and foreclosed property accounts.

In Bridgewater, the town collector and treasurer positions are separately elected, but have been filled by the same individual for the past 11 years. Staff are located in a combined office and include an assistant treasurer, an assistant collector, a water clerk, and a part-time clerk. While each staff member has primary responsibilities, they are cross-trained.

The collector's staff processes approximately 8,400 property tax bills semiannually and 25,300 motor vehicle excise bills annually, all of which are printed and mailed by an outside service. They handle roughly 6,900 water/sewer accounts semiannually (though a few heavier commercial users are billed quarterly), 190 boat excise accounts annually, and post payments to 320 betterment accounts annually. The collector's staff also prepares about 350 municipal lien certificates annually and takes in and counts all receipts turned over by departments.

According to the assistant collector, about 6,500 bills or 11.6 percent of all tax, excise and utility payments are received through Internet and escrow (real estate taxes via mortgage companies) collection services, and are electronically posted to the appropriate account. All other committed payments, received through the mail and over-the-counter, are posted manually or by using scanners to the DataNational financial software. All funds are deposited in the bank daily and a collector's report of receipts is prepared weekly for the treasurer. To monitor the outstanding tax, excise and utility billings, the office has a receivable control, which is reconciled internally and then externally with the accountant's office monthly.

Once a tax or an excise bill becomes past due, a demand notice is issued. If a real estate tax remains unpaid, the collector contacts the taxpayer and may set up a payment plan. If a property is in tax title then the subsequent taxes are added before the end of June and new takings generally are done before the close of the subsequent fiscal year. Once in tax title, the treasurer uses the services of an attorney to pursue foreclosure remedies.

To pursue outstanding excise accounts (as well as some personal property taxes), the collector uses a deputy collector. The town gives him a warrant and he completes online license and registration markings for non-renewal status with the Registry of Motor Vehicles. The deputy collector deposits funds to a bank account in the town's name, but the statements are not mailed to the collector because it is not a town account. Weekly, the deputy collector prepares a turnover report of the collections made and includes two checks, one for the deputy's service fees and one for the net revenues to the town, for the collector's signature.

The assistant treasurer posts departmental turnovers, maintains the cash book, and reconciles the bank statements. For the accountant, she prepares a weekly statement of receipts and she provides

monthly cash balances by fund after reconciling the cash book with the bank statements. While the cash is reconciled shortly after the close of each month, the cash book is carrying about \$41,000 in returned or unclaimed payroll, vendor, and refund checks, commonly referred to as tailings.

The assistant treasurer also administers employee benefits. These include health, dental and life insurance, as well as deferred compensation. She reviews monthly statements, verifying the membership enrollment and amount billed before authorizing payments. In the absence of a personnel director, the assistant treasurer enrolls new employees, handles changes in service, and answers or directs inquiries from active and retired employees.

#### RECOMMENDATION 24: ENGAGE A LOCK BOX SERVICE

We recommend that the collector consider a lock box service. A number of financial institutions offer lockbox services to collect tax or other payments by mail and process the payments through their collection system. The service deposits payments into a municipal bank account and returns daily electronic (and/or hardcopy) receipt reports to the client community. To post the payments, the collector's staff review the file and, if it reconciles to the deposit, upload the information to the accounts receivable software. A contract between the town and a lockbox service would specify the scope of services to be provided and how costs would be calculated, which typically is on a per piece basis.

As a major benefit, these services free-up staff time by reducing over-the-counter and mail payments at the collector's office. Consequently, a lock box will assist the staff greatly if quarterly tax billing is implemented. The process makes posting automatic, accelerates deposits, makes funds available sooner, and improves investment earnings. Additional interest earned and efficiencies gained help offset the cost to the town for the service. However, a successful lockbox payment service also relies on a certain amount of public relations. The town should seek ways to inform the public and encourage their use of these services in returning tax and other payments.

#### RECOMMENDATION 25: ISSUE WATER AND SEWER BILLS QUARTERLY

We recommend the town shift the collection of water and sewer bills from semi-annual billing to quarterly billing. Similar to the recommended quarterly tax billing, issuing utility bills four times each year would more evenly distribute revenue collections during the year, and create opportunities to increase investment income potential. This would help improve cash flow and further reduce or eliminate tax anticipation borrowing costs.

Before making this decision, the municipal administrator should initiate a meeting of persons from departments that would be impacted. At issue would be the ability of the water department to complete and process meter readings four times each year as well as the capacity of the collector's office to receive, post and deposit payments twice as often, which could be mitigated with a lockbox service. These are not insurmountable issues, but should be addressed in advance.



**RECOMMENDATION 26: ESTABLISH DEPUTY COLLECTOR ACCOUNT & PAY FEES BY WARRANT**

We recommend that the collector establish his own account for the deposit of all amounts collected by the deputy collector and that the deputy collector's service fees are processed 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 town. 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). A deputy collector must turn over to the collector at least weekly, all amounts he collects or deposits into the community's deputy collector bank account. Furthermore, because of a town bylaw that requires all funds be turned over the treasurer, the collector should not be endorsing the deputy collector's service fees check, but paying them through the warrant process.

**RECOMMENDATION 27: PURSUE TAILINGS**

We recommend that the office research the returned or unclaimed checks, commonly referred to as tailings. Bridgewater has a listing of unclaimed checks issued to pay employees and vendors, refund municipal taxes or charges, or pay other municipal obligations. Any check that is not cashed within three years of issuance is deemed abandoned under M.G.L. c. 200A, §5. A municipal treasurer holding abandoned checks may turn them over to the state treasurer (M.G.L. c. 200A, §7). Alternatively, the treasurer may advertise the unclaimed checks himself and hold hearings, to settle any claims (M.G.L. c. 200A, §9A). Once having complied with all legal requirements of M.G.L. c. 200A, any remaining unclaimed monies are credited to the municipality's general fund.

## ACKNOWLEDGEMENTS

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