

# FINANCIAL MANAGEMENT ASSESSMENT

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TOWN OF GROVELAND

NOVEMBER 2022



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

**PREPARED BY:**

**Financial Management Resource Bureau | DLS**

[www.mass.gov/dls](http://www.mass.gov/dls)

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DIVISION OF LOCAL SERVICES  
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Geoffrey E. Snyder  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

November 16, 2022

Board of Selectmen  
Town of Groveland  
183 Main Street  
Groveland, MA 01834

Dear Selectmen,

I am pleased to present the enclosed Financial Management Assessment for the Town of Groveland. It is my hope that our guidance provides direction and serves as a resource for local officials as we build better government for our citizens.

If you have any questions regarding this report, please contact Zack Blake, Financial Management Resource Bureau Chief, at 617-626-2358 or [blakez@dor.state.ma.us](mailto:blakez@dor.state.ma.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Sean R. Cronin".

Sean R. Cronin  
Senior Deputy Commissioner

*Supporting a Commonwealth of Communities*

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## INTRODUCTION

At the request of the board of selectmen, the Division of Local Services (DLS) completed this financial management assessment for the Town of Groveland. Our review’s scope encompassed the town’s government structure, financial policies and procedures, and overall fiscal planning and strategy. As part of this project, we spoke with both elected and appointed staff and policymakers, including the board of selectmen, finance board chair, town administrator, treasurer/collector, town accountant, board of assessors chair, and assessing manager. After our initial discussions and the recent transition to a new management structure for the town, we felt the following tools, analysis and guidance would offer the most assistance to the town:

- Financial Management Recommendations
- Draft five-year financial forecast
- Financial indicators analysis
- Peer communities list and initial benchmarking analysis

Our hope is that these resources will assist with developing the town’s financial management strategies to achieve its near- and long-term goals.

## COMMUNITY PROFILE

Groveland is a small, rural town of just under 7,000 residents located along the Merrimack River to the south of Haverhill and West Newbury. The residential property class comprises 93% of its tax levy. The below table displays how certain town economic and financial demographics compare to the statewide average:

Indicator	Groveland	State average
Average single family tax bill	\$7,383	\$6,525
Income per capita, 2019	\$43,642	\$48,030
Equalized valuation per capita, 2020	\$165,341	\$202,012

The town is a member of the Pentucket Regional School District (PRSD) along with nearby Merrimac and West Newbury. Elementary students attend the Dr. Elmer S. Bagnall School, located in Groveland, while seventh to twelfth graders attend the Pentucket Regional Middle or High Schools. Students also have the option of going to the Essex North Shore Agricultural and Technical School or Whittier Regional Vocational Technical High School. The regional school district assessments to the town account for the majority of its spending, totaling 67% of the operating budget for Fiscal Year 2022. A

Proposition 2 ½ override of \$426,838 proposed by the PRSD was defeated by Groveland voters in May 2022. Town officials expect an additional attempt for an override by the district again in the near future.

A thorough review of the town's costs and revenue sources is available in the financial indicator analysis accompanying this report. As it shows, the town finds itself on solid financial footing. Despite a recent decrease in certified free cash, Groveland's combined reserves remain relatively high. Total assessed values have grown each year since Fiscal Year 2015 and new growth in the residential class has been steady.

## **FINANCIAL MANAGEMENT STRUCTURE**

Groveland operates under an open town meeting-board of selectmen form of government. The board of selectmen, whose size increased from three to five members in 2013, appoints a town administrator to manage the day-to-day operations of the town. The position of town administrator is still relatively new to Groveland when in October 2021 the board hired their first. The town administrator previously served as the town's director of economic development, planning, and conservation beginning in March 2021 and previously served as the town planner beginning in September 2018.

Before the creation of the town administrator position, Groveland had a decentralized management structure overseen by a finance director/treasurer/collector who handled financial and personnel matters but lacked any formal authority to coordinate or oversee town wide affairs. The expectation today is for the town administrator to assume the same financial management responsibilities held by the prior finance director, but this sentiment is only reflected in the position's job description. A proposed bylaw codifying the town administrator's responsibilities has yet to be adopted, and the town's current bylaws still reflect the previous structure, with fiscal and budget related duties led by the finance director.

Groveland's financial management team consists of the town accountant, treasurer/collector, and assessing manager. While the town administrator does convene financial management team meetings, there is no bylaw or policy that guides their purpose, nor the development or maintenance of the town's operating or capital budgets. The town accountant is the most tenured member of the group, having joined the town five years ago. She previously served as an assistant town accountant in a nearby community. The treasurer/collector was originally hired as a clerk in August 2020, was promoted to assistant treasurer/collector in December 2020, and began her current role in October 2021. The assessing manager joined the town two years ago, serving in a different municipality's

assessing office for eleven years. She reports to a three-member elected board of assessors, which currently has vacancy.

As previously mentioned, the town has no bylaw or policies that guide the development of the annual operating budget or other financial processes, procedures, or long-term strategy. In the most recent budget cycle, the first under its new management structure, the town administrator consolidated departmental budget requests for review by the town's finance board. The finance board is made up of seven members, all appointed by the board of selectmen. As part of their review, the board meets with all department heads, and ultimately, with assistance from the town administrator and town accountant, provides a balanced budget recommendation to the board of selectmen. Favorable or unfavorable opinions from both boards are presented as part of each article on the town meeting warrant. In the future, the town intends to have the town administrator begin the budget process by presenting a balanced budget to the finance board, which was the process under the former finance director.

Our impression from town officials is that there is no capital planning process in place. As with the operating budget, there is no capital planning policy to guide the process or a long-term capital funding strategy. The town's bylaws establish a capital improvement committee to be appointed by the board of selectmen, however that board is dormant and has not met for several years. Appendix A of the town's Fiscal Year 2023 town meeting warrant included a one-page capital improvement plan with no recommended appropriations despite \$1.2 million in departmental requests. According to its most recent balance sheet submitted to the Bureau of Accounts within DLS, the town's capital stabilization fund balance totaled \$344,247.61 as of June 30, 2021.

## **RECOMMENDATIONS**

### **1. Conduct a Comprehensive Bylaw Review**

Given the recent restructuring of town government, Groveland should perform a thorough and comprehensive bylaw review to propose and enact changes that will bring its bylaws up to date with its current management model. The town's bylaws were last revised in 2019 and still reflect a consolidated Finance Director/Treasurer and Collector who has responsibility for the town's financial management. We therefore recommend that the town adopt the town administrator bylaw drafted and proposed by the town government study committee. The town's bylaws need to be updated to ensure clear lines of accountability for financial management and other day-to-day responsibilities, especially given the structural changes made in recent years.



The budget development process should also be codified into a town bylaw. As with the town administrator's role, adoption of a bylaw would establish accountability by assigning specific responsibilities to town officials and a timeline for these responsibilities to be completed. Among others, these would include: the presentation of preliminary revenue projections to a joint meeting of the board of selectmen, finance board, and school committee representatives; development and distribution of budget guidelines; department submission deadlines; preparation of a balanced budget by the town administrator for recommendation to the finance board; all finance and select board hearing dates; updated revenue projections and any budget adjustments; and, the final preparation of budget recommendations for town meeting.

In addition, we recommend that the town's capital improvement planning committee bylaw be updated to empower the town administrator to coordinate the process on behalf of the committee and prepare a five-year plan for the committee's review. This would mirror the town administrator's role in the development of the operating budget. Note that additional updates to this bylaw and committee are further recommended in this report.

## **2. Develop and Adopt Financial Policies**

To provide instructive guidance for promoting sound, consistent fiscal planning and effective financial management, we encourage the board of selectmen to adopt a set of formal financial policies. At minimum, the topics we recommend for Groveland to explore include:

- Antifraud
- Capital planning
- Debt management
- Disbursements
- Financial reserves
- Revenue turnover
- Forecasting
- Investments
- Procurement conflict of interest
- Reconciliations
- Tax enforcement

These policies will strengthen the town's internal controls, provide instructive guidance, and promote consistency as local officials plan, direct, monitor, and protect municipal assets and resources.

As a model that could be converted for local adoption, Groveland could look to the policy manual that we recently created for the Town of Berlin, which we are transmitting along with the report as a Word document. Referring to the adopted policies of peer communities, who we will also identify and discuss in this report, may also be a good starting point. If the town would like to address additional policy topics over time, it can review the other manuals we have posted: [mass.gov/consulting-reports](https://www.mass.gov/consulting-reports).

We suggest the town administrator review our policy manuals and seek input from selectmen and finance board members on specific policy decision points, such as targets for reserve and debt levels, forecasting assumptions, and other specifics. A consensus between the two groups is desirable. The policies that relate to day-to-day operations should be discussed with professional staff from the financial management team, as well as the board of selectmen. Once any operational policy has been adopted, the board of selectmen and town administrator should ensure that it is distributed to all applicable parties, including all relevant department heads. Lastly, adopted policies should be reviewed periodically and updated as needed.

### **3. Transition the Board of Assessors from Elected to Appointed / Professional Development**

We recommend that the Board of Assessors be converted to an appointed board. We also suggest that Groveland offer a stipend to those serving in these appointed seats as a means to entice professional assessors from surrounding communities who might serve. This is a model utilized successfully in other smaller Essex County communities. Additionally, we strongly encourage the town to invest in professional development opportunities for its current assessing manager. Once the assessing manager achieves a full designation, this position should be elevated to principal assessor.

Communities across Massachusetts are struggling to find qualified staff to hire in their assessing departments. Given the assessor's office has just one employee, the town should ensure it is giving the current assessing manager the tools and support needed to succeed in their role. As the role of the board members and principal assessor change, the town could explore offsetting new salary and stipend costs with reducing the amount of related work that is currently contracted out to a vendor to instead be performed by town staff.

### **4. Implement a Goal Setting Process for the Board of Selectmen and Town Administrator**

We recommend the board of selectmen set goals for the town administrator annually. We suggest that at the beginning of each fiscal year, the board of selectmen reach consensus on a list of objectives for the upcoming year. Throughout the following months the town administrator should then provide updates on progress towards these goals. At the end of the fiscal year, the town administrator would then deliver a final status report for each objective. This report would then be followed by an annual performance review of the town administrator by the board of selectmen.

Establishing goals and objectives provides clarity and accountability between the board of selectmen, the town administrator, and the town's residents. With a straightforward list of long- and short- term objectives, realistic benchmarks to measure progress by, and open lines of communication, the town

administrator will have clear direction on how to work with town departments and others to achieve the board's agreed upon vision.

## **5. Hold Quarterly Financial Presentations**

We recommend that Groveland hold quarterly meetings of the board of selectmen and finance board to review updates on the town's finances. It would also be beneficial to ensure Groveland's representatives on the Pentucket Regional School District Committee are invited. These meetings would be an opportunity for the town administrator and the rest of the financial management team, including the assessing manager, to present fiscal and other related updates simultaneously to the town's policymakers and answer or follow-up on any questions raised. The updates presented at these meetings should include:

- Current budget and actions needed prior to setting the tax rate
- Current fiscal year revenue and expenditure actual vs. budget
- Prior fiscal year end results
- Preliminary revenue projections for the ensuing fiscal year budget process
- New growth projections based on permits and development trends
- Budget-related developments from the Pentucket Regional School District

We recommend one of these meetings occur prior to the development and distribution of budget guidance to department heads by the town administrator. In that meeting, the town administrator could present her outlook for the upcoming fiscal year, and it would give the board of selectmen and finance board members an opportunity to ask questions and provide feedback. Perspective from school committee representatives, who will also have knowledge of the district's budget process and outlook, would prove to be valuable as well.

Perhaps most importantly, establishing a structure and schedule for these updates will also ensure that professional staff and elected policymakers are on the same page about the town's financial situation, especially ahead of budget development.

## **6. Reactivate and Consider Reorganizing the Capital Planning Committee**

Groveland's capital planning committee should begin meeting again and fulfilling its role in the town's long-term planning process. Additionally, and as part of the comprehensive bylaw review recommended earlier, we suggest that officials reconsider the composition of the committee as it currently stands to include the town administrator, treasurer/collector, public safety department heads, highway superintendent, and representatives from the board of selectmen and finance board. This group is a balanced representation of capital-intensive departments, elected policy makers, and

professional staff focused on the long-term financial standing and needs of the town. Lastly, while the town has established a list of capital needs, no long-term funding strategy has been developed. This committee, in partnership with the town's financial management team and board of selectmen, should work together to develop a funding plan along with finalizing a capital planning policy. The forecasting tool and sample financial policies transmitted with this report can also assist with this effort.

## **7. Consider Adding Clerical Support for Town Administrator and Finance Department Heads**

We recommend that Groveland consider hiring additional help to fulfill the administrative and other clerical needs of the board of selectmen, town administrator, town accountant, and assessing department. It is apparent that these financial department heads lack staff support needed to allow them to focus on more managerial-related responsibilities. Today, managers appear to focus more of their limited time and effort on tasks that should otherwise be completed by support staff. To use the town administrator as an example, she should be focused on collective bargaining negotiation strategies and succession planning for town departments, rather than posting town employment opportunities on various online job boards.

Our solution, which appears in line with the thinking of local officials we spoke with about adding new staff positions, is twofold:

- Hire a Municipal Assistant: This 10–15 hour per week position would provide administrative support to the board of selectmen and the town administrator, alleviating the clerical burden on the town's chief executive and administrative officers.
- Hire a Financial Clerk: This 10–15 hour per week position would support the town accountant and assessing department by assisting with any filing, data entry, and customer service-related duties, so the town accountant can focus on monitoring revenues and expenditures and the assessor on property valuations or other field work.

These two new staff positions will allow the town to maximize the investment it has already made in its financial management department heads. The town stands to benefit from better utilizing the skillsets of the individuals in these roles currently and could avoid burnout among staff in an environment where it is already difficult to hire experienced municipal finance professionals.

## PEER COMMUNITY ANALYSIS

While analyzing Groveland’s financial operations and conditions, we developed a list of peer communities based on a number of fiscal and socioeconomic datapoints that local officials might like to consider for future use. Local officials and residents alike often find it helpful to see their community in comparison to others. Based on the criteria shown in the table below, we have identified the following communities as Groveland’s peers:

Municipality	County	2019 Population	2019 DOR Income Per Capita	Land Area	Population Density	2021 RO% of Total	2020 EQV Per Capita	FY 2022 Single Family Tax Bill	2021 Total Budget	School District
Groveland	ESSEX	6,752	\$43,642	8.88	760	93.4%	\$165,341	\$7,383	\$23,987,280	Regional
Berkley	BRISTOL	6,764	\$41,948	17	410	95.1%	\$143,685	\$5,790	\$25,857,803	Regional High School
Halifax	PLYMOUTH	7,749	\$43,560	16	484	90.4%	\$136,762	\$6,589	\$28,267,679	Regional
Hampden	HAMPDEN	4,966	\$46,241	20	253	84.8%	\$133,354	\$5,784	\$16,354,038	Regional
Merrimac	ESSEX	6,723	\$54,260	8	795	95.9%	\$143,767	\$7,483	\$23,028,517	Regional
Paxton	WORCESTER	5,004	\$39,965	15	341	95.7%	\$121,307	\$6,969	\$16,249,977	Regional
Rowley	ESSEX	6,161	\$50,745	18	338	86.2%	\$195,090	\$7,753	\$28,747,453	Regional

We also developed an initial list of benchmarks for the town to consider when comparing itself against its peers:

Municipality	County	Override Capacity as a % of Levy Ceiling	Excess Levy Capacity	Outstanding Debt Per Capita	Debt Service as a % of Budget, FY2021	Salary, wages, and health benefits as % of budget
Groveland	ESSEX	49	\$97,657	\$902	3.2%	17.9%
Berkley	BRISTOL	59	\$7,865	\$404	1.5%	41.9%
Halifax	PLYMOUTH	38	\$231,930	\$675	1.7%	38.1%
Hampden	HAMPDEN	25	\$899,822	\$484	1.5%	20.9%
Merrimac	ESSEX	42	\$204,118	\$1,683	5.6%	19.8%
Paxton	WORCESTER	31	\$248.	\$1,030	5.2%	26.9%
Rowley	ESSEX	48	\$15,272	\$6,426	11.7%	20.2%

FMRB was also in contact with the Collins Center, whose staff is in the process of developing a wage and classification plan for the town during the time of our review. The Center’s project manager kindly included our list of peer communities with their own list to be used for a staffing survey. While our recommendations do not speak to human resources management, we strongly encourage the town to leverage the data provided in both reports and to act on recommendations by the Collins Center regarding human resources management, employee wages, and job classifications.

## ACKNOWLEDGEMENTS

**The following individuals were interviewed in preparing this review:**

Edward Watson, Board of Selectmen Chair

Kathleen Kastrinelis, Board of Selectmen

Daniel MacDonald, Board of Selectmen

Jason Naves, Board of Selectmen

Ruth Rivard, Finance Board Chair

William Darke, Board of Assessors

Julie Yebba, Assessing Manager

Rebecca Oldham, Town Administrator

Michele Beegan, Treasurer/Tax Collector

Ellen Petrillo, Town Accountant