

Town of Plympton

Review of Financial Operations

Division of Local Services / Technical Assistance Section

January 2015



January 14, 2015

Board of Selectmen
Town of Plympton
5 Palmer Road
Plympton, MA 02367

Dear Board Members:

It is with pleasure that I transmit to you the enclosed Review of Financial Operations completed by the Division of Local Services for the Town of Plympton. It is our hope that the information presented in this report will assist the town in improving its financial operations.

As a routine practice, we will post the completed report on the DLS website, www.mass.gov/dls, and forward a copy of the report to the town's state senator and representative.

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph J. McDermott", written in a cursive style.

Joseph J. McDermott
Interim Deputy Commissioner &
Director of Municipal Affairs

cc: Senator Thomas P. Kennedy
Representative Thomas J. Calter

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Introduction

At the request of the board of selectmen, the Department of Revenue's Division of Local Services (DLS) completed a review of Plympton's financial operations. The scope of our review is primarily focused on the town's financial practices and procedures. However, at the board of selectmen's request, we were asked to comment on any issues that arise relative to the town's government structure.

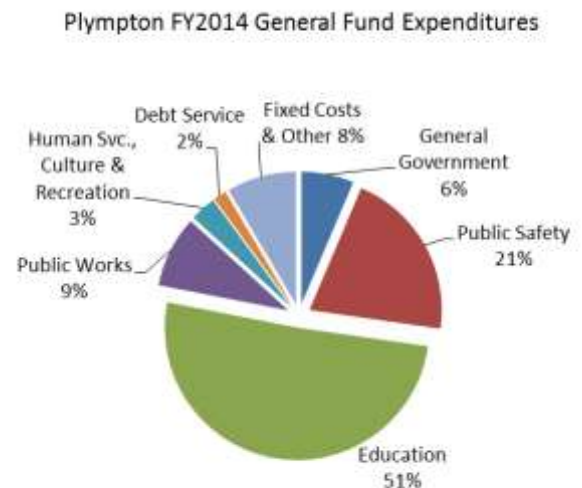
The recommendations contained within this report are based on a site visit by a team from the DLS Technical Assistance Section and Bureau of Accounts, and in consultation with the Bureau of Local Assessment. Our team interviewed members of the board of selectmen, finance committee and wage & personnel board, along with the town coordinator, accountant, treasurer/collector, assistant assessor, and the town's independent auditor. We also reviewed bylaws and special acts, staff job descriptions, financial reports, budget documents, and audited financial statements and management letters.

Town Overview

The Town of Plympton is a small, rural community located on Massachusetts' south shore. It is accessible by Route 44 from the south, Route 106 to the north, and Route 58. It occupies a land area of 14.8 square miles and has a population of 2,859 (2013 US Census) persons.

The town's FY2015 total operating budget is \$10.87 million, which is funded through four revenue sources: the property tax levy (74.5 percent); state aid (9.0 percent); local receipts (9.0 percent); and other available sources (7.5 percent). Plympton offers a full-range of municipal services, including a full-time police force, volunteer call fire department, ambulance service, highway department, library, recreation, and council on aging. The town also is a member of the regional dispatch center out of Duxbury. Education is partially regionalized through the Silver Lake Regional School District, which also serves as the

Superintendency Union 31 School District for the local elementary school. Education-related expenditures represent the largest portion of the town's annual operating budget at 51 percent.



Plympton operates under an open town meeting-board of selectmen form of government. The elected, three-member board serves as the chief executive and is ultimately responsible for the fiscal well-being of the town. In addition, there are separately elected officers and boards (e.g., assessors, health, finance committee, library trustees, planning, highway surveyor, and town clerk), who oversee their own departments. While this existing organizational structure is horizontal in nature, it is less so since the town established an appointed accountant, who is separate from the treasurer's office (Chapter 85 Acts of 1998), and combined and appointed the treasurer's and collector's positions (Chapter 137 Acts of 2011).

Recognizing the increasing complexity of municipal finance, town meeting adopted a town coordinator bylaw in 2001. According to officials, this administrative position was established to oversee day-to-day town activities and to coordinate functions between the separately elected officials and boards. However, it was only in 2011 that the position was first funded and subsequently filled at the urging of the selectmen. It also should be noted that the bylaw establishes the position by title only and offers no other content. A job description provided by the town identifies the coordinator as a professional manager. He/she coordinates activities under the selectmen's jurisdiction, conducts research, responds to public inquiries, oversees non-school facility maintenance, administers grants, manages liability insurance and workers' compensation plans, and serves as the town's procurement officer. While the job description lists additional responsibilities in the areas of budget development, financial planning, and personnel administration, the current coordinator has limited involvement in these areas.

Recent Developments

Plympton is predominantly a residential community. In FY2015, 70.2 percent of the town's assessed value is attributable to residential uses and 29.8 percent is associated with commercial and industrial properties. Interestingly, this is a significant shift from a few years ago, when commercial and industrial parcels amounted to 11.5 percent (FY2012) of the total assessed value. This change is primarily the result of a major development by Sysco Boston LLC, which built a 650,000 square foot distribution center in Plympton's business park off of Route 44. As a result of this project, the town's local receipts in FY2012 had a one-time increase of over \$1.6 million due to permits issued. Sysco's construction of the facility and associated personal property also substantially impacted the town's levy limit over two years, contributing to an increase from \$5,835,325 in FY2012 to \$7,895,844 in FY2014. In addition, record new growth figures in FY2013 (\$559,452) and FY2014 (\$1,191,674) were well above the town's previous new growth high in FY2005 (\$156,889).

With rapid growth in the town's levy limit, officials carefully considered the town's future financial plans. Initially, the additional levying capacity helped offset the recent decline in state aid due to the recession, enabled the town to upgrade the ambulance service from basic life support to the advanced life support level, and provided some increases to other department budgets. However, officials proceeded cautiously and did not levy to the maximum levy limit, hoping to avoid a tremendous expansion in the operating budget.

In a unique approach, Plympton sought a special act (Chapter 321 Acts of 2012) that is designed to build up the town's stabilization funds and as a result limit operating budget growth. Based on a formula, a portion of the property tax and motor vehicle excise revenues generated each year from eight commercial and industrial parcels in the town's business park, which includes the Sysco properties that has a small fleet of trucks, is pledged to the general stabilization fund and a new capital stabilization fund. During the budget planning process, the assessors provide tax and excise assessment information tied to the parcels to a selectman, who in turn runs a calculation that provides the amounts to be raised each year to the accountant. The accountant then places it on a projected revenues spreadsheet for the finance committee, which itemizes revenues sources and nets out specific amounts that are raised on page two of the tax recap sheet and the stabilization contributions. By providing the projected revenues less these costs, the finance committee is provided with a net available figure from which to consider funding the operating budget.

Budget and Capital Planning

According to bylaw, the finance committee is an elected, five-member advisory board, who also serves as the town's capital improvement planning committee. Historically, the finance committee is responsible for organizing the budget process. They issue budget guidelines, review requests, hold hearings with departments, meet with the Silver Lake Regional communities' finance committees, and develop the operating budget and capital budget recommendations for town meeting. The accountant provides revenue and other financial information upon request, while the assessors provide new growth estimates and an overlay figure for abatements and exemptions. The selectmen meet with the finance committee at the beginning of the budget process and then again prior to town meeting with the hope that the two boards reach consensus on the budget and other warrant articles. Selectmen then approve the town meeting warrant and the finance committee submits a budget to town meeting. To date, the town coordinator's involvement in the process is limited to the selectmen's budget. Overall, town bylaws offer little guidance on the budget process.

In Plympton, capital improvement items are defined as “any acquisition or lease, tangible asset or project that costs at least twenty thousand dollars (\$20,000) and has a useful life greater than five (5) years as determined by the Committee.” Bylaw states that the finance committee develops a five-year capital plan and proposes an annual capital budget. The committee recommends capital expenditures based on available funding, but admittedly has not developed a multi-year capital plan that includes and prioritizes acquisitions and facility needs. With the availability of a new capital stabilization fund, some capital expenditures have been funded, and the town is exploring the construction of a public safety building and other building improvements. However, it is unclear what the projected revenue stream would be from the capital stabilization fund or if the fund would be able to support both proposed debt service and other requests previously submitted to the finance committee.

Financial Offices

Plympton’s town accountant has served the community in a variety of financial management roles since 1977. In 2005, she retired, but returned 11 months later when her successor left. She has no assistant and is limited in the number of hours she works as a retiree. As town accountant, she maintains the general ledger, processes vendor invoices, and reviews payroll submissions prior to the selectmen’s approval of the warrants. The accountant submits timely reports to DOR and prepares schedules for the independent auditor.

The treasurer/collector oversees collections, manages cash, handles payroll, and administers employee benefits. The treasurer/collector was appointed in mid-2012, and previously worked in the assessing office. She works 30 hours per week as treasurer/collector and ten hours as the transfer station’s clerk under the highway surveyor. She has two part-time assistant treasurer/collectors (18.5 and 8 hours), one of whom recently left and a replacement is being hired. For professional development and training, the treasurer/collector has attended the Massachusetts Collectors and Treasurers Association annual school and other meetings as time allows and when funding is available in her budget.

On the collection side, the office processes property tax bills semi-annually; farm and motor vehicle excises annually; and municipal lien certificates throughout the year. The town contracts with Customized Data Services, Inc. (CDS) to print and mail property tax and farm excise bills, and with Hobin & Hobin, its deputy collector, to print and mail motor vehicle excise bills. The town receives payments by lockbox, mail, over the counter, from escrow services, and online through its website. The treasurer/collector also issues demand notices to delinquent taxpayers and transfers

subsequent taxes on existing tax title accounts and completes new tax takings during the following fiscal year. She warrants outstanding motor vehicle excise to the deputy collector.

Treasury responsibilities include managing the town's cash, debt, and tax title accounts. Office staff receive departmental turnovers, deposit funds in the bank, and prepare monthly treasurer's receipts reports for the accountant. The treasurer/collector reconciles the cash book against bank statements and with the accountant shortly after the close of each month. Using the services of an attorney, the town has foreclosed some tax title accounts and held an auction. The treasurer/collector's staff also handles payroll and employee benefits administration. Payroll is entered on an exception basis into the CDS system, which is then transmitted to the company who prints and delivers paychecks and direct deposit statements to town hall.

The assessing office is guided by and reports to an elected, three-member board of assessors. The office is staffed by a part-time assistant assessor, who was hired in June 2011, and a part-time administrative assistant, who joined the office in May 2013. 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. Fieldwork, including building permit, sale, and abatement inspections, and interim year value adjustments are completed in-house. Through the town's cyclical inspection program, every residential, forest/farm/recreational, and tax-exempt property is visited at least once every nine years. Plympton contracts with Vision Government Solutions, Inc. to collect commercial, industrial and personal property class data and to assist with the triennial revaluation review and analysis. The assistant assessor makes abatement and personal exemption recommendations to the board, which once approved, are entered into the CDS system by the administrative assistant. The assessors' digital maps are updated annually and posted online along with a database of property record cards.

Information technology responsibilities fall under the selectmen's office. The town contracts with a local business, The Computer Store, for maintenance, network, security, daily backups, disaster recovery, and other technology-related issues as needed. Town offices have Microsoft Office applications, access to the Internet and e-mail service, while the financial offices also use specialized computer applications. The assessors use the Vision computer assisted mass appraisal (CAMA) system for real estate and personal property. The accountant's and the treasurer/collector's offices use software developed by CDS for the fund accounting system and the billing, collections and payroll and the treasurer uses Excel for the cash book. The local elementary school is part of a school union that is managed by the Silver Lake Regional School District. School payroll and vendor warrants are prepared by the regional school business office and transmitted to the

town, where they are reviewed by the accountant and entered into the CDS software. Beginning in January, the information detail will be transferred by Excel spreadsheet, enabling the accountant to upload the detail to her system.

Lastly, the town contracts with Lynch, Malloy, Marini, LLP to conduct annual audits. The auditor examines the community's financial systems, procedures, and data, reports on the fairness of financial statements, and comments on local compliance with statutes and regulations. For a number of years, the auditor has identified a material weakness in the town's internal controls and made other findings. Among the list of issues the town needs to address are the need to further segregate the treasury and accounting operations with regards to cash and receivables reconciliations, ensure all account balances are reconciled to the detail, and computerized enhancements prevent abatements and exemptions entered by the assessing office from automatically hitting the collectors' accounts. In addition, it should be noted that audits completed between FY2010-FY2013 occurred after the close of the subsequent fiscal year, reportedly due to delays and issues relating to closing the town's books and preparing for the auditor.

Conclusion

Plympton is a small community that historically relies on the work of elected board members and a handful of part-time staff to manage and provide town services. While this model served Plympton well in the past, municipal government has become increasingly complex. In an effort to best position itself going forward, the town has adopted some changes, including creating a separate accounting officer, combining and appointing the treasurer/collector, and hiring a professional town coordinator. While hiring professional staff is a step in the right direction, the board of selectmen is still actively involved in day-to-day matters and the independent auditors continue to identify material weaknesses in the town's internal operations.

In this report, we recommend a series of primary and other recommendations. Chief among them is the need to develop a corrective action plan to resolve material weaknesses identified by the independent auditor and to adopt a formal set of financial policies and procedures. Progress has reportedly been made this past year in addressing some of the auditors' findings, but more needs to be done. Until the auditor completes the FY2014 engagement and finds that issues have been resolved, the material weakness finding will continue to stand. It is therefore important that the town schedule and complete its audit as soon as possible. Equally important is the need to develop understandable guidelines and instructions for local officials to ensure financial management activities are performed consistently and efficiently. In addition, we recommend that the town

expand and codify the responsibilities of the town coordinator and formalize the budget process in a bylaw. We also encourage the treasurer/collector to continue professional development and to exchange ideas with experienced peers to help strengthen office operations and resolve audit findings. Other recommendations offered reflect many of the practices implemented in communities regarded as well run. These recommendations can be implemented provided there is sufficient cooperation among the various boards, committees, and local officials.

Primary Recommendations

1. Resolve Internal Control Weaknesses

We recommend that the town develop a corrective action plan to resolve the internal control weaknesses identified in the independent auditor's management letter. When weaknesses in a management structure and other findings are reported, a corrective action plan should be developed; identifying what actions will be taken, who will be responsible, and when the action will be completed. The selectmen should monitor the implementation of the corrective action plan and require periodic updates of the progress from the town coordinator and financial staff. Effective use of the audit reports and the recommendations of this financial operations review can assist the community in improving its financial controls and practices, which may lead to increased public confidence in the government.

To address some of the auditor's findings, the treasurer's office needs to strengthen its internal cash and receivables reconciliation procedures to ensure that are completed independently and serve as a "check and balance" to the accountant's balances. Participation in professional training and interaction with peers (see Recommendation 3) as well as development of financial practice and procedure manuals (see Recommendation 2) will help strengthen the treasurer's operation and address the material weakness.

As part of this recommendation, the community also should make every effort to close its books promptly, prepare for the auditor, and schedule its audit engagement so that the final written report is completed within six months after the close of the fiscal year being audited. An audit only serves as a useful management tool for evaluating the fiscal performance of a community if town officials have timely access to the final report so corrective action can be taken immediately. Otherwise, it loses value when issues are not addressed promptly.

2. Adopt Formal Financial Practices and Procedure Manuals

We recommend that the town adopt formal financial policies. Plympton has some historical practices, which have evolved but are not documented for future reference, and other areas where no operating procedures exist. The Government Finance Officers Association recommends that, municipalities adopt fiscal planning, revenue, and expenditure policies. Policies should be developed and adopted by selectmen, with input from the town coordinator and financial officers.

1. Fiscal Planning Policies – These policies should guide budget development and long-term planning.
 - Budget Process – This policy should identify the participants' roles and responsibilities, the budget process and timeframe/calendar of events, and provide for the disclosure of unique fiscal issues in the budget message.
 - 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 annual contributions to the other post-employment benefits (OPEB) fund.
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 every couple of years 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, role of a financial advisor, the 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 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 unforeseen one-time expenditures, and identify extenuating circumstances where reserves may be used.

We also recommend that financial offices document routine financial procedures as part of an internal control manual. Collectively, internal controls are procedures designed to provide

reasonable assurance that a community's assets are adequately safeguarded. Examples include the handling and turnover of receipts and the reconciliation of accounts. A manual should illustrate the steps for accomplishing routine, important office tasks. A well-conceived procedural manual not only provides guidance on a host of financial management activities, but also serves as a valuable "how to" resource for training new officials.

For both the financial policies and procedure manuals, we encourage the town to seek guidance or sample products from other communities. Then, in consultation with the town's financial officers, selectmen can determine what would work best for Plympton.

3. Continue Professional Development

We recommend that the town budget funding for the treasurer/collector to continue her professional development training and that she make it a priority to attend. Participation in professional organizations offers an individual the opportunity to interact with and develop professional relationships with peers, to exchange information and experiences, and to learn of innovations in their respective fields. More often than not, a counterpart with experience in another community can provide practical insights into municipal practices that supplement what courses have to offer. In addition, they may have formal policies and procedures that provide useful guidance in resolving long-standing internal control weaknesses identified by the private auditors.

4. Codify Town Coordinator Responsibilities

We recommend that the town codify the town coordinator's responsibilities in town bylaw. To improve accountability and insure that operational and financial management responsibilities are performed in a coordinated and efficient manner, the town coordinator bylaw should specify the various roles that the office plays in the general administrative and financial management of the town. The town coordinator should be involved in staff supervision, the budget process, financial operations, policy research and analysis, personnel administration, information technology oversight, grants administration, contract negotiations, and procurement.

The absence of a clear bylaw can create confusion as to the extent of the position's responsibilities and legal authorizations. Equally important in the event the current coordinator leaves town service, professionals seeking employment in administrative positions are most attracted to communities that have bylaws with well-defined duties and powers for the position.

5. Assign Budget Responsibilities to Town Coordinator

We recommend that the town coordinator be responsible for the mechanics of the annual budget process. The town coordinator's responsibilities should include developing and updating revenue and fixed cost estimates, preparing, distributing, and collecting budget materials, assisting departments in preparing requests, conducting financial analyses for policymakers, and drafting a balanced budget proposal. The coordinator's role is intended not to impinge on the finance committee's advisory role, but to reduce the burden on the finance committee through administrative and analytical support. Consequently, the members would be able to focus on more important global policy-related issues.

6. Establish a Financial Management Team

We recommend that the town establish a financial management team through bylaw. The financial management team should include the town coordinator, who would serve as chair, the accountant, treasurer/collector, and assistant assessor. During the budget process, the team would help develop revenue and fixed cost estimates, ensuring they are reliable and updated as new information becomes available. In addition, the team would be responsible for gathering data and running the calculations for the automatic contributions to the general and capital stabilization funds dictated by the town's special act.

Beyond the budget process, the financial management team should meet regularly during the year. The team can assist the town coordinator in compiling information on the prior year's performance, year-to-date activities, and other fiscal issues as they come up. They could also develop financial analyses, explore the financial impact of future events, and offer early strategies to deal with anticipated problems, which the town coordinator can present to a joint meeting of the selectmen and finance committee periodically throughout the year.

7. Formalize the Budget Process in Bylaw

We recommend that the town adopt a formal budget process in a bylaw. As a means to guide the budget process, the town should develop a model that identifies the sequence of tasks, establishes deadlines to be followed, and indicates the responsible parties, including the town coordinator and the financial management team. The annual budget process would begin with a meeting of the selectmen and finance committee chairs to agree upon a detailed budget calendar each year. The calendar would begin with revenue projections and fixed costs, establish submission deadlines, set out the finance committee's hearing schedule, and provide for a consensus building meeting prior

to submitting the budget for town meeting approval. The town coordinator would be responsible for managing the process, and the financial management team would review reports, gather data, develop analyses, update projections based on new information, and provide support to the policymakers.

8. Perform a Comprehensive Review of the Bylaws

We recommend that the town perform a comprehensive review of its bylaws. We found that the town's current published bylaws are sparse, do not include all provisions adopted by town meeting, and lack the town's special acts establishing the town accountant and treasurer/collector offices.

A strong set of bylaws establishes a formal framework of codes, policies, and procedures under which town government operates. The bylaws should identify and describe the membership, terms, role and responsibilities of appointed and elected officials, departments, and permanent committees and boards. The bylaws should be expanded to create a financial management team and prescribe procedures for the annual budget development process. The bylaws also should be organized by topic not chronological and include sections for special acts of the town and adoption of general enabling laws.

9. Conduct Succession Planning for Accountant's Position

We recommend that the town begin exploring a succession plan for the town accountant. While the accountant has not made mention of any immediate plans to leave, when the time comes, the town may experience trouble attracting qualified and experienced candidates because of the salary and part-time nature of the job. Succession planning is an approach or plan that provides for a smooth and thoughtful transition for filling vacancies. A plan presents an opportunity to review the current office organization and consider alternatives. One consideration would be to boost the current hours and salary of the office. Another would be to pursue an arrangement in which one accountant works part-time for more than one town. In this arrangement, it would be easier to retain a town accountant, who does not have to depend solely on a part-time salary from one community for income. Yet another consideration would be creating an accounting clerk position, who would process vendor invoices and payroll submissions for a part-time accountant's review before the warrant is submitted for the selectmen's approval. As an added advantage, a clerk would provide an additional presence in town hall when a department has questions, assist in the distribution of expenditure and revenue reports, and be trained to prepare warrants in the event the accountant is not available.

Other Recommendations

10. Review Revolving Funds

We recommend the town review its revolving funds to ensure they comply with the legal purpose and authorized use requirements of G.L. c. 44, §53E½. All revenue should be deposited to the general fund unless another law provides for an alternate treatment (G.L. c. 44, §53). Only the receipts received for a program or service and then spent in support of that program or service should be segregated into a departmental revolving fund.

Currently, the town annually adopts three revolving funds which are questionable:

- **Assessors Revolving Fund** – Planning board fees are diverted to this account and used to subsidize the cost of updating the assessors' maps. The source funding is general revenue that may not be deposited into the revolving fund. The town should annually provide adequate funding in the assessors' budget to update the tax maps and use these receipts as general fund revenue to offset this appropriation.
- **Recreation Revolving Fund** – This fund is for youth sports programs, community activities and special events. While participants' program fees are appropriately deposited to this fund, revenues received through the advertising sign sponsorship program, private sponsorship, and donations should not be comingled in this account. All contributions, donations and gifts are deposited into gift funds and spent without appropriation (G.L. c. 44, §53A or c. 71, §37A).
- **Tax Title Revolving Fund** – Miscellaneous and legal fees as well as one half of the interest collected on tax title and tax possession accounts when paid/sold are deposited to this fund for tax title and tax possession expenditures, including legal fees, miscellaneous expenses, treasurer/collector's staff salaries and Land Court fees. The fees and interest receipts are general revenues that may not be deposited into the revolving fund. However, Chapter 390 of the Acts of 2014 recently passed that provides for a local option tax title collection revolving fund. Fees, charges and costs incurred and collected upon the redemption of tax titles and sales of real property acquired through foreclosures of tax titles would be deposited into the fund and expended in connection to the tax title and foreclosure processes. Interest collected on the tax title and tax possession accounts is general revenue and would not be included in this local option revolving fund.

11. Transfer Subsequent Taxes into Tax Title Accounts Before End of Fiscal Year

We recommend that the treasurer/collector transfer subsequent taxes into previously established tax title accounts before the close of the fiscal year. Once the demand bill due date passes, she should transfer the subsequent taxes outstanding immediately. This will enable her to reduce her remaining outstanding receivable list, leaving only those parcels that she may focus on for future takings.

12. Use Deputy Collector for Outstanding Personal Property Accounts

We recommend that the treasurer/collector use the services of a deputy collector to pursue outstanding personal property tax accounts. As of June 30, 2014, the town's balance sheet shows nearly \$40,000 in personal property tax receivables dating back to FY1996. The deputy collector may be able to obtain money owed the town or provide evidence (e.g., death, absence, poverty, insolvency, or other inability of the person assessed to pay) that the accounts are uncollectible.

13. Abate Older Motor Vehicle Excise Charges

We recommend that the treasurer/collector contact the assessing office about abating motor vehicle excise determined to be uncollectible. As of June 30, 2014, the town's balance sheet includes more than \$57,000 in outstanding motor vehicle excise that dates back to 2002. Abating the older amounts will help clean up and reduce the town's receivables on its balance sheet. Having previously committed all outstanding amounts to the deputy collector, any amount that eventually may be collected and turned over to the town may be easily recommitted by the assessors on a special warrant so the treasurer/collector may accept the payment.

14. Research Receivable Credit Balances

We recommend that the treasurer/collector review her older real and personal property outstanding lists for credit balances, determine if they are accurate and take all necessary actions to resolve them. In the detailed receivable reports (6/30/2014) provided, the town is carrying over two dozen credit balances. A receivable credit balance may be due to an overpayment, the result of abatement or an erroneous posting. The office would need to research each, clearing them off the tax receivable ledger as time allows.

15. Seek Permission to Assess to Owners Unknown

We recommend that the assessors research the ownership of any parcels in question and, if unable to find the current owner, seek the authorization from the Commissioner of Revenue to assess to persons unknown (G.L. c. 59, §11). The town has a number of parcels where the current ownership is not known. The assessing office should perform a thorough review of its records and registry of deeds information to help identify the ownership of the parcels in question. If ownership is determined, the assessors should reassess all years' uncollected taxes to the correct owner. If no owner is found, the assessors would have to request authorization of the Commissioner of Revenue to assess to "owners unknown." With their request, the assessors would provide an account of their attempt to determine who the owner is. Once the town receives permission to assess to owners unknown, the assessors would reassess the prior years' taxes that were improperly assessed. For any affected parcels in tax title, the treasurer would disclaim the previous taking and make a new one. With clear authority to assess to owners unknown, the town may obtain title to the property through the foreclosure process, which could be auctioned or preserved as town-owned land.

16. Develop Standardized Turnover Sheet

We recommend that the treasurer/collector develop a standardized turnover sheet for all departments using Excel. The sheet should be customized to the extent that a department's name, a list of revenue account codes and fund number specific to the department would be used, plus spaces for the department head signature and subtotals for the amount of checks and cash turned over. If completed in Excel, a formula can automatically total the entries and the cells can be protected to prevent changes.

17. Issue Expenditure and Revenue Reports Electronically

We recommend that the accountant issue the monthly expenditure and revenue reports electronically. Currently, the accountant prints out the reports and distributes them monthly. The CDS software is capable of exporting data to PDF. While this would require assistance from the vendor, once established, individual reports for town departments can be created and distributed via email. Each department can then reply electronically that the information is correct or provide details on any variances. In addition, a full set of statements for all departments can be produced and transmitted, along with a cover memo, summarizing the town's current fiscal position and indicating any areas of concern to the selectmen, finance committee and town coordinator. Those without an available email account can continue to receive the printed reports.

18. Consider Biweekly Payroll

We recommend that the town adopt biweekly payroll for all town employees. The current payroll system is weekly for town employees and biweekly for the school department and call firefighters. An increasing number of employers in both the public and private sectors, including the Commonwealth, compensate employees on a biweekly basis. With biweekly payroll, staff would then be freed up to perform other activities. To implement this change will require negotiations with collective bargaining unions and any changes should be included in the personnel bylaw.

19. Advertise for Auditing Services Periodically

We recommend that the town advertise for auditing services every five-to-eight years. According to DOR's records, audits conducted since FY2003 have been completed by Lynch, Malloy, Marini, LLP (formerly Malloy, Lynch, Bienvenue, LLP that was previously Thevenin, Lynch, Bienvenue, LLP). 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 five-to-eight 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. If auditors are retained over many years, the principal in charge of the town's account should periodically change. Contracting with a new audit firm can not only bring a fresh perspective, but reflects good practice.

20. Make Annual Contributions to the OPEB Fund

We recommend that the town establish and commit to a policy to provide annual contributions to its other post-employment benefits (OPEB) fund. OPEB obligations reflect the future cost of employee benefits, primarily employee health insurance benefits, which are earned or accrue as the result of the employee working during that year. Plympton's total Unfunded Actuarially Accrued Liability (UAAL) is \$3,301,848 million (as of July 1, 2012). In May 2013, town meeting adopted G.L. c. 32B, §20, creating an OPEB trust fund, to set money aside for their OPEB obligations. As of this writing, town meeting has not appropriated money into the fund. While funding the trust at the full annual required contribution (ARC) level determined by the actuarial report may not be possible, providing annual funding that is manageable and increases over time will enable the community to build up the balance.

Once the balance reaches at least \$250,000, Plympton would be able to seek approval from the Health Care Security Trust (HCST) Board to participate in the State Retiree Benefits Trust Fund (SRBTF). The SRBTF is invested in the Pension Reserves Investment Trust (PRIT) Fund's General Allocation Account (GAA), also known as the PRIT Core Fund. This fund is the vehicle for investing state and many local pension fund assets. The fund is professionally managed and is one of the best performing state pension funds in the country. As of November 30, 2014, fund rates of return have averaged 9.72 percent annually since the fund's inception in 1985.

21. Complete Personal Property Analysis

We recommend that the board of assessors "rediscover, relist and revalue" all personal property accounts every six years. Historically, Plympton has completed this work every nine years, complying with cyclical re-inspection guidelines. However, with millions of dollars in personal property growth as a result of Sysco Boston LLC locating in the community, it may be advantageous to perform this work more frequently. In the interim years, the assessors should diligently review all Form of List submissions, and identify and value in accordance with an appropriate appraisal methodology all additions and retirements. Cost and depreciation tables need to reflect the current valuation date and be applied to each item in an account.

22. Consider Discontinuing the Assessment of Farm Excise

We recommend that the town consider adopting the optional assessment of farm excise (Bulletin 2009-07B). Annually, the assessors value and assess individuals and non-corporate entities principally engaged in agriculture for the value of their animals, machinery and equipment (G.L. c. 59, § 8A) that is then billed and collected by the treasurer/collector. For the roughly 35 accounts that generate a little over \$1,600 in farm animal and machinery excise for Plympton, this is a time consuming process for both the assessors and treasurer/collector. Alternatively, the selectmen could submit a referendum question to the voters on any regular or special municipal ballot and, if approved, the assessors would be authorized to stop assessing all farm excises in subsequent years. Those previously assessed the excise on their farm animals, machinery and equipment are liable for any amounts committed prior to the referendum, but would be exempt from any personal property taxes going forward.

Acknowledgements

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