



Town of Seekonk

Financial Management Review

Division of Local Services/Technical Assistance Section

October 2007



visit our website at



<http://www.mass.gov/dls>



Introduction

At the request of the board of selectmen, the Department of Revenue's Division of Local Services (DLS) has completed a financial management review of the Town of Seekonk.

We have based our findings and recommendations on site visits by a team consisting of staff from the Division's Technical Assistance Section (TA), Bureau of Accounts (BOA) and Bureau of Local Assessment (BLA). During these visits and by telephone, the team interviewed and received information from the members of the board of selectmen, the finance committee chair, the school committee chair, the capital planning committee chair, the town administrator, finance director, treasurer/collector, town assessor, as well as other staff members, as available, in each office.

DLS staff examined such documents as the tax recapitulation sheet, warrants, annual budgets, balance sheets, cash reconciliation reports, statements of indebtedness, the town charter and by-laws as well as other assorted financial records. Other documents reviewed included July 2005 ratings reports from Moody's Investors Services and Standard & Poor's Ratings Services, and the independent audits for FY2005 and FY2006 completed by R.E. Brown & Company.

In reviewing the town's financial management practices, we have focused on: (1) town government structure in the context of the duties and responsibilities of financial officers; (2) the town's budget, warrant and capital planning processes; (3) the degree of coordination and communication that exists between and among boards, officials and staff involved in the financial management function; and (4) the general efficiency of financial operations measured by the town's success in maximizing resources and minimizing costs.

We encourage the members of the board and others, 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 town boards, committees and officials.

Overview

The Division of Local Services (DLS) typically conducts financial management reviews in instances where help is sought to resolve a particular problem, or where an overall evaluation of government operations is desired. In Seekonk, the board of selectmen made a formal request that DLS review the town's fiscal practices in search of ways to improve financial practices and procedures.

Seekonk, with a population of 13,648 (2006 estimate), is located on the western edge of Bristol County in southeastern Massachusetts. The town is bordered to the north by the City of Attleboro, to the east by the Town of Rehoboth, to the south by the Town of Swansea, and to the west by the City of East Providence, Rhode Island. Primary transportation amenities include access to I-195; Route 6, which is a major commercial corridor; and Route 44, which runs east-and-west, bisecting the town.

In May, Seekonk Town Meeting appropriated a \$38.3 million general fund operating budget for FY2008. Historically, Seekonk's budget has been comparable in size to those of communities with similar populations. The residential tax rate for FY2007 was \$8.92 per \$1,000 of assessed value. The average single family home was assessed at \$360,426 with a corresponding tax bill of \$3,215, which falls below the state-wide average of \$3,962. The town's commercial and industrial property is taxed on a separate, or split, rate (\$19.64 per \$1,000 in FY2007) compared to residential property.

The legal framework for financial management in Seekonk is established in the town's home rule charter and in relevant town bylaws. The selectmen collectively act as the head of the executive branch of government and appoint a town administrator to manage day-to-day operations. The finance director, who also functions as the town accountant, is appointed by the board of selectmen at the recommendation of the town administrator. The treasurer/collector is similarly appointed. Operations in the assessing office are overseen by the town assessing officer who is appointed by a part-time, elected board of assessors. There is a finance committee which annually reviews the budget and recommends action to town meeting. More recently, a capital improvement committee was appointed jointly by the selectmen and the town moderator to prepare and make recommendations on a five-year capital plan.

Our review found that individual departments operate within the dictates of municipal finance law and, on average, financial staff perform their jobs well and complete tasks on a timely basis with careful attention to detail. However, during our review several issues surfaced relating to broad matters of fiscal management and policy.

The first issue is the tenure of board/committee members and finance department heads, most of whom are new to their positions with the town as illustrated below.

<i>Board of Selectmen</i>	Four of the five members have tenures of three years or less
<i>Finance Committee</i>	Four of the seven members have tenures of less than two years
<i>Capital Planning</i>	Established as a standing committee in November 2006
<i>Town Administrator</i>	One year (interim); four administrators in six years
<i>Finance Director</i>	Two years
<i>Treasurer/Collector</i>	Four years
<i>Assessor</i>	Six months

The next town administrator in Seekonk will be the fifth person to hold the office in the last seven years.

Taken in isolation, length of service would not be considered compelling, but viewed collectively, it is indicative of substantial turnover. Notwithstanding individual skills and capabilities, with persistent turnover, institutional knowledge is lacking and the benefits of working together as a cohesive team are difficult to fully realize. It can also make for difficulty in recruiting quality personnel for other positions in government, including the town administrator's position, itself. Furthermore, turnover in departmental and board/committee leadership has already depleted the historical knowledge base at town hall. While the town has been fortunate to fill positions in the finance-related offices with skilled and experienced professionals, government as a whole has lacked managerial longevity.

Directly related to the issue of tenure is the upcoming search and pending appointment of a new town administrator. In an environment where turnover has occurred and tenures are short, the decision-makers should carefully consider the skill-set required and expectations for the position. However, it is unclear to us what role the selectmen seek to entrust to the next town administrator.

In speaking with town officials, opinions about the most important characteristics to seek were wide-ranging. Because Seekonk has struggled to attract and retain individuals to the administrator's position, it has caused some to question the present structure of government. However, from our perspective, a suitable *structure* is already in place. Only appropriate *roles and expectations* for the various officials need to be clarified. Once well defined roles have been established in town government, we expect to see improvement both in citizens' perception of government and the capacity of town officials to plan for the future. Selecting a town administrator who can facilitate this cultural change is crucial to future success.

The second issue of concern is late decision-making on the town's operating budget. The bulk of deliberation appears to take place between March and the spring town meeting in May. Limited financial analysis or policy-making is occurring in the fall and winter which should be the front-end of the annual budget process. Normally, early agreements on available resources and spending strategies establish a framework for choices affecting appropriations proposed at town meeting.

Ideally, the process should begin in the fall with revenue projections for the upcoming budget year. Presentation of a multi-year financial forecast is also important in order to understand the ongoing relationship between future revenue sources, the likely use of funds and, particularly, the way program costs in the current year affect the community's fiscal picture 2-3 years out. Furthermore, budget deliberations should be completed far enough in advance to allow the meaningful communication of recommendations to town meeting.

Originally, as a response to the need for communication on contract negotiations and other ad hoc issues, so-called "tri-board" meetings were initiated. The tri-board first consisted of the selectmen, school committee and finance committee, but now includes the newly formed capital improvement committee. The "quad-board" offers a platform for positive and meaningful communication that should be continued. Recommendations within this report offer ways to further mobilize the quad-board as part of the budget process.

A third area of focus is the potential to improve or streamline procedures in various finance-related departments. Many procedures are currently manual. Some internal controls are redundant. Still other cumbersome processes could be streamlined through the use of technology. However, opportunities for such improvements exist on an issue-by-issue basis and do not represent a unifying thread that runs through one office or another. Therefore, our recommendations are presented as a series of specific enhancements, as opposed to a comprehensive restructuring of any particular function or department.

Conclusion – What one could say about financial management in Seekonk could also be said of most communities in Massachusetts – that while day-to-day operations are generally sound, more focus is needed on long-term planning. The town has brought on new financial staff and town boards/committees have also seen turnover in recent years. Such turnover has created short-run barriers to financial planning, but has also fostered creative and thoughtful changes to town government. After meeting with board/committee members and staff, we see no reason why confusion about roles and responsibilities should persist once stability and sound processes have taken hold. With the pending appointment of a permanent town administrator, the personnel components are nearly in place for government to chart a better course for the future. Our report is designed to provide tools and frameworks that will help board/committee members and staff moving forward.

Summary of Report Recommendations

Overall Financial Management (page 5)

- 1) Establish Qualifications for Town Administrator and Working Relationship with Selectmen
- 2) Consider Bi-Weekly Selectmen's Meetings
- 3) Produce Financial Forecasts
- 4) Modify Budget Calendar
- 5) Establish Formal Reserve and Debt Policies
- 6) Further Enhance Capital Budgeting
- 7) Modify Purchase Order Process
- 8) Strengthen Personnel Function
- 9) Adopt M.G.L. c. 32B, §18 – Shift Retiree Healthcare Costs to Medicare
- 10) Convert to Bi-Weekly Payroll
- 11) Budget for Compensated Absences

Information Technology (page 16)

- 12) Develop Town-Wide Technology Plan
- 13) Make More Information Available on the Town Website
- 14) Consider Implementation of Permitting Software

Accounting (page 19)

- 15) Restrict Access to the General Ledger
- 16) Enhance Turnover Procedures
- 17) Use Account Roll-Up Codes
- 18) Enable Departmental Entry of Accounts Payable Information

Treasurer/Collector (page 22)

- 19) Accept Town Collector/Formally Combine Treasurer and Collector Positions
- 20) Modify Payroll Warrant
- 21) Eliminate Duplication of Effort Balancing Cash Drawers
- 22) Seek to Reduce Hard Copy Payroll Reports

Assessing (page 26)

- 23) Coordinate Inspections with Building Department
- 24) Require Electronic Submission of Plans
- 25) Send Monthly Address and Sales Information to Treasurer/Collector

Overall Financial Management

A review of the town's overall financial management practices focuses on the procedures in place to accomplish tasks that typically cross over various municipal departments, as well as those that tend to impact town government on a global basis. Accordingly, we examined the annual budget and the decision-making process leading up to town meeting. We looked at long-term planning, financial monitoring practices and financial policies, as well as the effect of the town's organizational structure on the operation of government. We studied the town's current operations in contrast with "best practices" recommended by the Department of Revenue (DOR) and observed in other communities. We considered the roles and relationships among individuals together with the level of communication and cooperation that exists among offices. Finally, we reviewed local compliance with state laws and regulations relating to finance issues, adherence to acceptable form, and to timetables for the submission of periodic reports to DOR.

Seekonk operates under a town charter, where the board of selectmen functions as the executive and town meeting is the legislative branch of government. A town administrator, whose primary duties are established in the charter, oversees the day-to-day management of municipal offices. His staff consists of an office manager and a part-time clerk.

There is a finance director, who also functions as the town accountant, and is appointed by the board of selectmen. The selectmen appoint a treasurer/collector who manages the functions and staff of her office. The assessing office is accountable to an elected board of assessors, who appoint a full-time town assessor to manage day-to-day operations in the office. Many functions in Seekonk are governed by a series of written administrative policies, several of which apply directly to town finances.

The finance committee reviews the operating budget requests of each municipal department as proposed by the board of selectmen and the town administrator. The committee subsequently makes its budget recommendations to the spring town meeting. There is a capital improvement committee that considers town-wide infrastructure needs, presenting a five-year capital plan and capital budget request at the fall town meeting.

One practice recently established in Seekonk is the concept of "tri-board" or "quad-board" meetings. Originally intended to confront challenges surrounding contract negotiations, the meetings have expanded on an ad hoc basis to address budgetary and other issues.

Prior to beginning our site visits in Seekonk, we were aware of a backlog in selectmen's meeting minutes. The fact that available records of selectmen's meetings are over a year behind has been publicly reported and acknowledged. The board and the town administrator have hired a part-time clerk to transcribe meeting minutes and bring the board's records up to date. We expect that the board will monitor progress until the backlog is resolved and, therefore, see no need to comment further on this matter as part of our report.

Conclusion – Generally, short-term routine tasks (i.e., preparing warrants, completing reconciliations, paying bills, etc.) occur on time with sufficient control systems in place to ensure accuracy. The town is timely in its submission of the Tax Recap Sheet, balance sheet and Schedule A to DOR. Despite the relatively short time in town hall, the various financial offices work well together when interdepartmental action is required.

There are, however, opportunities for improvement in the overall financial management of the town. The most immediate hurdle facing the town is the selection of a new town administrator and we offer our observations on what qualities that person should possess. We recommend expanding the budget calendar and using the “quad-board” to reach consensus on critical, revenue related issues. Long-term financial forecasting and planning has not taken hold among board/committee members and we offer recommendations to make this a more consistent practice. We also encourage the town to devote more attention to personnel matters, which across Massachusetts continue to demand greater focus.

On balance, our recommendations are intended to address immediate issues and to help the town create a sustainable framework for decision-making. Enhanced financial management will be the natural outgrowth of improved processes, policies and timely preparation for town meeting.

Recommendation 1: Establish Qualifications for Town Administrator and Working Relationship with Selectmen

We recommend that the selectmen reexamine their working relationship with, and expectations for, the town administrator’s position. For the past year, the selectmen have utilized the services of an interim administrator. Meanwhile, the town has contracted with a professional search firm and an effort is well under way to identify candidates for a permanent town administrator. He or she is expected to take office on January 1, 2008 and, at that time, will become the fifth person to serve as Seekonk town administrator in the last seven years. This factor and the relatively brief tenure of many elected officials and finance department managers have denied the town continuity in government, hampered collaboration among staff, and impacted the town’s ability to plan long-term. In this context, we offer the following:

- We assume that a qualified candidate must have prior management experience. However, because so many local decisions today have fiscal overtones, we favor a candidate with firm understanding of Massachusetts municipal finance laws and practices.
- The new town administrator will benefit from capable managers in finance related departments, but should have a track record of successful team building to maximize their talents and expertise. Opening lines of communication should be a priority.

- Because technology is increasingly important to all town departments, and not only to finance departments as in the past, oversight should be placed in someone with a global view of town government. Therefore, a new town administrator should have the knowledge and ability to balance town-wide needs and manage a technology program.
- Because personnel issues can consume substantial time and energy, a new town administrator should have the capacity to guide the execution of fair and equitable policies and procedures. He or she should be familiar with benefits administration, labor issues, and have experience negotiating union contracts. Key is an understanding of health care issues, cost trends and the implications of the Group Insurance Commission (GIC) option.
- A new town administrator should understand the value of long range planning as it relates to financial forecasts, debt, capital improvements and technology advancements.

Finally, we encourage the board of selectmen to re-evaluate how it relates to the town administrator with an intent to clarify expectations and establish priorities. Implicit in this suggestion is that each member objectively consider whether his or her requests for information, decisions or actions are justified. While we understand the need for elected officials to be informed, we recognize also that the town is engaging the services, at substantial compensation, of a professional manager to oversee its affairs. The value of his or her time should be viewed accordingly.

We recommend that the selectmen and new town administrator come to an understanding on long and short-term priorities, expectations, and realistic reporting or decision-making deadlines. Together they should establish goals and objectives that more clearly define their relationship, as well as day-to-day performance expectations. Annual performance reviews can serve a primary role in this process.

Recommendation 2: Consider Bi-Weekly Selectmen's Meetings

We recommend that the board of selectmen consider meeting on a bi-weekly basis. The new town administrator will be occupied with the task of implementing board policies and managing government. A weekly meeting schedule not only consumes the time of board members, it puts time constraints on staff who must prepare presentations and information packages, and on the town administrator who is pressured to complete and report on the status of various assignments. Often we find that a board of selectmen's workload conforms to established timeframes. Therefore, we would expect that, as time goes on, the workload in Seekonk will similarly adjust to the new schedule.

Recommendation 3: Produce Financial Forecasts

We recommend that the town develop a multi-year, town-wide financial plan. Currently Seekonk, like many communities, performs budget projections for the ensuing fiscal year in preparation for annual town meeting in May. Revenue projections are continually adjusted over time. We encourage establishing certainty in projections and minimizing adjustments. Under Proposition 2½, tax revenue can be predicted subject to conservative new growth estimates. Local receipts should be based on historical trends and anticipated economic circumstances. The use of miscellaneous revenue sources (free cash, stabilization, overlay surplus, etc.) should be guided by well thought-out and sound policies that are intended to protect reserves. Finally, state aid should initially be level funded, then adjusted according to the Governor's budget (House 1 or 1A) in January, the House budget in April, and the Senate budget in May. A consensus on initial projections should be reached among the quad-board in a joint meeting in the fall. Even with adjustments to state aid, there should be no expectation by department managers of additional revenues in the fall to supplement already approved budgets.

Long-range financial forecasting presents spending obligations beyond one year in the context of future estimated revenue. Analysis of the ongoing relationship between the town's revenue and expenditure trends will assist decision-makers by allowing them to anticipate the financial future of the town in an informed and thoughtful way, and to plan accordingly. In addition, forecasting permits the town to quantify the long-range fiscal impact of proposed policies and initiatives before final action is taken.

During the course of a fiscal year, the town should also complete quarterly projections. Using the accountant's expenditure and revenue reports of activity to date, the town should review and adjust projections from that point forward to the end of the fiscal year. In this way, if problem areas are identified, adjustments can be made. Moreover, if financial gains are projected, decisions on the use of excess funds can be made.

For additional information on, and assistance with, forecasting and quarterly projections, see the [Division of Local Services Best Practices website](#). These useful tools will assist the town in developing a meaningful and manageable forecasting practice. We also direct the town administrator and finance director to the Department of Revenue's [Revenue and Expenditure Forecasting Tool](#) available on the Technical Assistance website. It contains detailed information and pre-set calculation tables that can help communities customize revenue and expenditure assumptions to produce multi-year financial projections.

Recommendation 4: Modify Budget Calendar

We recommend that town officials conduct their deliberations on the operating budget earlier. It is our understanding that the finance committee does not begin reviewing the budget with department heads until late March. Simultaneously, revenue estimates are being

continuously revisited and final budget numbers are being modified right up to the beginning of annual town meeting. We advocate a more linear process. There also seems to be a consensus among town officials that greater attention toward the budget is warranted, requiring a longer process of consideration. We agree. Therefore, we recommend that the town modify the budget calendar accordingly.

Early November – As a first step, revenue and fixed cost projections for the upcoming fiscal year should be completed and presented to the quad-board for consensus. The combined group should resolve to make no adjustments to the revenue projections after a certain date or event in the spring. Furthermore, decisions should be made on how to allocate any new revenue that is identified when projections are updated (e.g. 65/35 percent schools/town split or other method). Multi-year revenue and expenditure projections should also be developed by the town administrator and presented at this time to the quad-board.

Early December – Based on projections, budget guidelines should be developed and distributed to department managers as they begin to prepare their appropriation requests.

Early January – A deadline should be set for the submission of departmental requests and the town administrator should assemble a working, or draft, budget document.

End of January – By the end of January, the town administrator should complete budget meetings with department managers. An adjustment can be made to revenue projections based on proposed state aid distributions in the Governor's budget (House 1 or 1A). The change should be presented to the quad-board for consensus and agreement to apply the previously accepted allocation formula.

Mid-February – The town administrator's budget recommendation should be presented to the selectmen and on their approval to the finance committee for its review.

Late April – Revenue projections can be adjusted again based on House/Senate joint local aid resolution which may be passed in the first week of April, or on state aid in the House Ways and Means budget at the end of the month. Again, the quad board should be advised and agree on the allocation of any state aid increase.

By May – The finance committee should complete its review and prepare its budget recommendation for presentation to the annual town meeting.

Recommendation 5: Establish Formal Reserve and Debt Policies

We recommend that the town adopt a formal policy that defines adequate reserve levels based on the community's needs. The town's financial reserves are adequate based on general DLS benchmarks. Seekonk has received praise from both Moody's and Standard & Poor's in their most recent bond rating reports (July 2005) for its success in building reserves. For the vast majority of appropriations from reserves, town meeting has dedicated funds to capital spending or stabilization, which is sound financial practice. Moving forward, to avoid erosion in reserve

levels, and subsequent financial exposure, a formal reserve policy should be adopted. Such a policy would represent a conscious decision about, and define in specific language, the amount of available funds to be retained in any given year, as well as the circumstances under which these reserves will be spent.

Reserves in a municipal context typically include free cash and stabilization fund balances. A formal reserve policy should reflect a consensus among board of selectmen and finance committee members that defines target reserve levels as part of a broader financial plan. Toward this end, we would expect policy-making boards to act on the recommendations of the town administrator and finance director.

In Seekonk's case, the combined total of free cash (\$1,453,148), general purpose stabilization fund (\$1,093,387) and municipal capital stabilization fund (\$347,288) was 7.6 percent of the FY2008 general fund budget (\$38.3 million). Unclear at this point is how the town might choose to spend-down these reserve amounts during FY2008, as well as what additional free cash (if any) might be generated through surplus revenue or departmental turn-backs. The finance committee also maintains a reserve fund for unanticipated expenses under M.G.L. c. 40, §6, the appropriation for which is \$100,000 in FY2008.

Healthy free cash reserves should be in the 3-5 percent range of annual general fund revenue. As a rule, free cash should be treated as one-time revenue and, therefore, only be put toward one-time expenses or stabilization. However, when municipalities fund operating budgets with free cash, it is sound policy to retain as unexpended an amount of free cash equal to that used in the operating budget. This unexpended amount then serves as a starting point for the next year's free cash calculation. There should also be balances in stabilization to bring the total reserve up to the 5-7 percent level or beyond.

We recommend that the town adopt a formal policy to guide decisions on debt issuance. The importance of having a debt policy will become more relevant as the newly formed capital improvement committee continues deliberations on ways to meet infrastructure challenges. The town's financial advisor (UniBank) can be of assistance in developing a policy specifically for Seekonk which should, among other considerations:

- Specify purposes for which long and short-term borrowing will be permitted, notwithstanding state law.
- Set parameters for amortization of long-term debt (i.e., how long to borrow money above or below a certain amount).
- Set limits on the debt service payments as a percent of general fund operating budget.

Once debt policies are established, the town can use the guidelines and thresholds to fully develop their capital improvement plan and more accurately predict funding sources. Developing a more comprehensive and accurate funding plan will, in turn, improve the precision of the town's revenue and expenditure forecast (see Recommendation 3).

Recommendation 6: Further Enhance Capital Budgeting

We recommend that the town establish formal policies on capital spending. In November 2006, Seekonk formally created the capital improvement committee. We view the committee as a valuable forum for bringing the town's infrastructure needs into focus. Moving forward, the town should also agree upon policies that add clarity in two primary areas related to capital spending by establishing:

- Uniform criteria for determining what qualifies as a capital expenditure. Typically distinctive characteristics include a minimum useful life threshold (e.g., three or five years) and a minimum dollar amount threshold (e.g., \$10,000, \$20,000). If a project fails to meet a minimum life-span requirement and minimum cost threshold, it must per the policy be funded through a line-item in the department's budget.
- Objective criteria for prioritizing capital projects. To arrive at an objective means to compare the urgency of proposed projects and to formulate a priority listing, each requested capital project or purchase might be given a score based on answers to questions such as those listed below. Once all are scored, a ranking will emerge.
 - Is the project necessary to address public safety issues?
 - Is the project legally required, i.e., to satisfy ADA standards, or a court judgment?
 - Are there timing issues, i.e., will the town face extra-ordinary costs if a capital project does not move forward, or an on-going project is over budget?
 - Does the proposed project have future operating cost impacts?
 - Is the cost necessary to address deferred maintenance?

Criteria need not be limited to the above, and scoring is more meaningful if weighted. As a matter of process, we would typically expect the town administrator to prioritize requests received from those departments that report to him/her and submit his rankings to the capital improvement committee for consideration. The committee should then evaluate the proposals, together with town-wide requests, applying criteria similar to that outlined above to arrive at its final recommendation.

We also recommend that, to the extent possible, all capital expenditures be included in one of two capital articles on the town meeting warrant. Capital projects to be funded through borrowing should be incorporated into a single warrant article, because an authorization to bond

requires a two thirds vote of town meeting. In some instances, a separate vote in a separate article will be required by bond counsel. Capital projects to be funded by direct dollar outlays require only a majority vote and can be consolidated in a second warrant article. Although one vote is taken on each article, each project within the article is regarded as an individual motion and can be separately debated and amended.

The presentation of capital information through two articles will go far to help town meeting see a comprehensive capital program. In addition, a five -year plan can be included in an appendix. Keeping in mind that one town meeting cannot bind another, town meeting will only be voting on that portion of the capital plan that applies to the next fiscal year.

When proposed in a town meeting warrant, each capital project or purchase must be sufficiently described so that residents understand what is being voted. A funding source, as well, must be identified for each proposed capital expenditure. Of course, any articles dealing with bond authorization should be reviewed in advance by bond counsel.

Recommendation 7: Modify Purchase Order Process

We recommend that the town establish a purchase order threshold and streamline the approval process. A purchase order (PO) system places an encumbrance on a departmental budget line item prior to expenditure. It can also ensure compliance with state procurement rules under M.G.L. c. 30B (i.e., a purchase over \$5,000 requires three quotes, and a purchase over \$25,000 requires a sealed bid process or a request for proposals).

In Seekonk, purchase orders are governed by Town Administrative Policy #50. The policy dictates that purchases over \$200 require approval of a PO from the town administrator, who is the chief procurement officer (CPO). While it is an appropriate role of a CPO to ensure that communities do not run afoul of laws governing municipal procurement, the appearance here is that the town administrator is approving or rejecting department spending decisions. If so, the exercise of this power runs counter to CPO responsibilities and can conflict with department managers' authority to expend their approved budget appropriations beginning on July 1. As structured, the PO system reflects unusually tight control and close monitoring of departmental spending which is usually justified only if departments are habitually and flagrantly overspending their appropriations, or ignoring procurement rules.

Checks and balances on departmental spending are built into the verification process completed by the finance director, acting in his capacity as the accountant, after goods or services are received, and before invoices are placed on the vendor warrant. The finance director reviews the invoice and certifies that funds are available to cover the cost, that the purpose is consistent with the intent of the appropriation and that no fraud is evident. Clarifications can be sought, but if criteria are met, a department manager's spending decision cannot be reversed.

If a PO system is favored, we recommend that the threshold be raised to a minimum of \$500. We suggest that PO requisitions run through the finance director's (accountant's) office first, as they

currently do. Unlike current practice, we recommend that only those requisitions that raise procurement questions be forwarded to the town administrator (CPO). For example, a purchase of \$4,000 would only require the finance director to verify the availability of funds while a purchase for \$6,000 would require the finance director to verify both the funds and that appropriate purchasing procedures were followed (i.e. solicitation of three quotes).

The town administrator, acting as CPO, can receive reports of POs approved. Through monthly expenditure reports, he can also review on-going spending levels and address problem line items in the budget.

We recommend as well that the town take advantage of the MUNIS system's purchase order module. Ideally, the purchase order process would be initiated by a department head, who would enter a requisition for purchase directly into the MUNIS system. The accountant would receive and review electronically transferred PO requisitions. With approval, a signed PO with requisite multiple copies would be returned to the department head and an encumbrance would be placed in the account from which the expense would later be paid. This last step ensures that departmental appropriations are not over-committed for expenses incurred through other POs, or outside the process altogether.

Recommendation 8: Strengthen Personnel Function

We recommend that the town establish a system of performance reviews for department heads and staff. Performance evaluations are required under Section 209 of the town's personnel by-law. However, turnover in the town administrator's position, collective bargaining agreements and personal service contracts have all contributed to a lapse in the practice of reviewing worker performance. The town administrator, whose office oversees the town-wide personnel function, should develop formal guidelines establishing a time, procedure and framework for reviewing the job performance of all town employees. The board of selectmen would evaluate the town administrator, and he would evaluate the managers of all departments over which the board has jurisdiction. Other boards would evaluate their respective department heads, while staff evaluations in general would be completed by department heads. The town should keep in mind that implementing performance evaluations will have collective bargaining implications.

We recommend that administration of the town's personnel system be consolidated in one person. The duties normally associated with the personnel function have been delegated to individual department heads with some responsibilities for payroll and benefits falling on the treasurer/collector's office. However, as municipal management becomes more complex, personnel matters have increased in importance and become more time consuming.

As such, the town should plan for more comprehensive and centralized personnel and benefits administration. Such a plan should consolidate in one person responsibilities to guide new hires through the system, maintain updated and complete personnel records, track salary classifications and update job descriptions, and to otherwise carry-out the requirements of the town's personnel by-law. We suggest that personnel administration is a function appropriately assigned to the town administrator's office, and should in large part be delegated to a person under his supervision. When that occurs, and since only 10 town employees fall under the personnel by-law, the time may be appropriate to disband the town's personnel board, which is currently inactive.

We recommend that the town utilize the personnel classification schedule for non-union employees. The overwhelming majority of positions in Seekonk town government are unionized and incorporated into one bargaining unit or another. However, there are several employees and department heads who are not union members. For these workers, their employment status is established through contracts based on management's independent assessment of skills and qualifications and the individual employee's ability to negotiate.

As a practical matter, negotiating contracts on a case-by-case basis with non-union individuals has the potential to make for cumbersome and inconsistent personnel administration. Compounding matters, the lack of formal job classifications and of a commitment to formally adopted salary schedules could give rise to suspicions that inequity exists. On the other hand, adherence across the board to a classification schedule and annual wage and salary increases would help reassure employees, town residents and taxpayers that the personnel procedures are both impartial and transparent.

Recommendation 9: Adopt M.G.L. c. 32B, §18 – Shift Retiree Healthcare Costs to Medicare

We recommend that the town shift some of the costs of retiree health insurance to the Federal Medicare program by accepting the local option statute M.G.L. c. 32B, §18. The provisions of this statute require eligible retirees to enroll in Medicare at age 65 without any loss of benefits. Once Medicare replaces the town's coverage, the town must only insure retirees for the gap in coverage between that of Medicare and the existing municipal coverage on a "comparable actuarial value" basis. With the rapid increases in healthcare costs, provisions of this law may provide a way to cut town costs initially and reduce the magnitude of year-over-year cost escalation without any loss of benefits to retirees. While not subject to collective bargaining with current retirees, there may be a requirement to collectively bargain with current employees to the extent that it affects their retirement benefits. Also, officials should be aware that while the town would save money based on its share of the reduced costs to provide an extension plan, there are premium penalties for late enrollment in Medicare which the town is

obligated to pay. The penalties are calculated based on the period that a retiree was eligible, but not enrolled in Medicare. For each full year that an employee was eligible, but not enrolled, a penalty of 10 percent of the Medicare B premium is assessed.

Recommendation 10: Convert to Bi-Weekly Payroll

We recommend that Seekonk negotiate to move town personnel from a weekly to bi-weekly payroll schedule. Most employers in both the public and private sectors, including the Commonwealth, compensate employees on a bi-weekly basis. Furthermore, Seekonk's school department is already on a bi-weekly pay schedule. Paying employees bi-weekly would create an advantage on non-paycheck weeks by freeing up staff time enabling them to focus on other tasks. To move employees to a bi-weekly pay period will require collective bargaining.

Recommendation 11: Budget for Compensated Absences

We recommend that the town annually appropriate, in a single budget line-item, a sufficient amount to fund compensated leave obligations. Under Town Administrative Policy #37, when employees leave town service, they are entitled to a lump-sum payment for varying amounts of unused vacation and sick time accrued based on contracts and pay rates. The total liability for these "compensated absences" is tracked by the town's treasurer/collector and reported in the town's financial statements (\$266,988 overall as of June 30, 2006).

The current method for tracking compensated absences is sound and consistent with good personnel administration. However, the payment due a retiree is charged to the balance remaining in the department salary slot he or she vacated. Using this money to cover compensated absences means it is not available to hire a new person for the remainder of the fiscal year. As a result, departments are short-staffed and operations are negatively affected.

Neither is there a guarantee that the department's appropriation balance will be sufficient to cover the obligation. In these instances, a reserve fund transfer from the finance committee is often sought. However, because most retirements can be anticipated, it becomes difficult to justify a reserve fund transfer under M.G.L. c. 40, §6, which states that costs must be "extraordinary or unforeseen."

Compensated absences are viewed as a liability of the town for financial reporting purposes, as opposed to a liability of individual departments. Therefore, a more appropriate funding mechanism is to budget for them aggregately in a free-standing budget line-item. Since leave balances are already tracked centrally, the finance director and town administrator should be able to provide a reasonable estimate for the appropriation. Having an understanding of who is eligible, and likely to file, for retirement will help serve as a guide when budgeting for compensated absences, as well.

Technology

Information Technology (IT) is a vital component to the thorough and efficient operation of government. Because technology in government has moved far beyond merely processing data as in the past, IT utilization, advancement and support are all the more relevant. Budgets, ledgers, cash books and other financial records are typically maintained electronically. Electronic transactions between governments and banking institutions have also become the norm. As a practical matter, financial and operational systems' heavy reliance on technology necessitates that knowledgeable, system-savvy individuals be involved in the purchase and support of equipment and software. To facilitate the need for technology support, communities often employ one or more full-time professionals as part of an IT department or unit.

All municipal buildings in the town and all office computers in town hall are connected through a virtual private network. Each has Internet access and email capacity. However, there is no town-wide IT department and little coordination exists among IT functions in town hall, the schools and other departments. The town's budget for IT expenses in the current fiscal year is \$51,375 and is managed by the finance director. He also serves as the point of contact for technology issues within town hall and provides support to all finance-related departments. He serves as the town's webmaster.

To assist with system maintenance, on site equipment/software support and troubleshooting, the town contracts with MX Consulting Services. Hardware purchases are typically made through state contract lists, but not in accordance with a replacement schedule. With respect to the town's financial system, MUNIS is not only the financial software provider, but also acts as the off-site database administrator. In that capacity, it conducts regular back-ups of information in the MUNIS system.

Conclusion – The IT function in Seekonk operates on a decentralized basis with no wholly dedicated staff. However, the consulting arrangement seems to serve the town well and keeps the overall cost of system maintenance low. While there appears to be a residual allegiance to certain manual procedures, on the whole, for those financial processes that have been automated, the changes have been effective. Our recommendations below are intended to point-out further opportunities to enhance operations and hasten the implementation of technology. There are other, department-specific recommendations elsewhere in our report that will also require a technology solution.

Recommendation 12: Develop Town-wide Technology Plan

We recommend that the town administrator, with the participation of department heads, develop a multi-year plan for utilizing technology in government. The lack of in-house IT management in Seekonk makes solutions to technology challenges cumbersome. However, we also understand that the financial burden of centralizing IT, as a separate town department for

instance, may be cost prohibitive. As an alternative, some communities have found success in developing formal, coordinated technology plans by relying on staff involvement. Therefore, we recommend that, as a starting point, the selectmen appoint an ad hoc technology committee chaired by the town administrator and comprised of department heads who represent end-users. The task of the committee would be to evaluate the town's current technology status, the performance of hardware and software, the proficiency of staff and plan for future needs. The components of an effective technology program might typically include:

- An evaluation of troubleshooting capabilities
- An inventory of hardware and software
- Development of a replacement and upgrade schedule
- A long-term financing plan
- An analysis of system capacity to handle current and future demands
- The design and implementation of a back-up policy
- A survey of employees to assess training and software needs
- The development of Internet and email policies
- A single technology budget line item to consolidate decisions and purchases

Recommendation 13: Make More Information Available on the Town Website

We recommend that the town make more information and material available through its Internet website. An up-to-date, comprehensive website helps communities bolster public awareness of issues and fosters confidence in government. Other communities are finding that user-friendly and informative websites are successful in reducing the amount of time that staff spend fielding questions in person or on the phone. A reciprocal time-savings is also experienced by residents and taxpayers.

As noted, the town website makes available the town charter, by-laws and audit reports, but other materials and resources are notably absent. Information not currently on the town's website that would be helpful include:

- Town meeting minutes
- Agendas and minutes of all board/committee meetings
- Proposed/approved operating budget and financial planning data
- Links to commonly requested forms
- Availability of town maps and data via GIS

Recommendation 14: Consider Implementation of Permitting Software

We recommend that the town explore the option of using a software solution for processing various town permits. Permitting in the selectmen's office, for instance, is an entirely manual process. A typewriter is used to create every permit and license issued by the office while record files are maintained in hard copy form. Many communities have had success implementing permitting software, which generates permits/licenses through a computer program and keeps related files electronically. Even though the non-finance departments were not the focus of our review, we suspect that there may be opportunities to improve permit processing through the same type of technology.

Accounting

The accountant has a legal obligation to oversee all financial activity of a municipality. Through the maintenance of independent records and by following well-defined procedures, the office documents the flow of money into and out of municipal accounts and plays a role in the system of checks and balances established by statute to monitor and protect local assets. To fulfill this responsibility, the office prepares warrants; maintains a general ledger where receipts, expenditures and all other town financial activity are recorded; reconciles cash and debt with the treasurer and receivables with the collector monthly; produces a monthly expenditure report and reports annually on the town's liability for accrued sick leave and vacation time. The accountant also tracks revenue and is typically involved in the annual budget process.

Among required submissions to DOR, the accountant is responsible for producing the town's annual Schedule A by October 31 and its year-end Balance Sheet (for Free Cash certification). Finally, the accountant works with the assessors and town clerk in the preparation of the town's Tax Recap Sheet.

In Seekonk, the finance director who has held the position for two years, also performs the duties of the town accountant. There is a full-time coordinator of municipal services position, which is currently vacant, that would handle the accounts payable function. Instead, that duty is being performed by the finance director. The accountant has his own office while the desk of the coordinator of municipal services is in a shared space with staff from the treasurer/collector's office. Each person has a desktop computer with Microsoft Office installed. Also installed on both computers is the MUNIS financial software, which includes the town's electronic general ledger. Data contained in MUNIS is regularly backed-up onto tape and stored in the town vault.

The accountant maintains the general ledger using the Uniform Massachusetts Accounting System (UMAS) which is the universally accepted standard for municipalities. Outside the statewide norm, staff in the treasurer/collector's office are permitted to post receipts directly to the general ledger and turnover records for property tax payments are neither created nor transmitted to the finance director.

Reconciliations occur monthly, as recommended, and departments are receiving monthly budget reports, as required by statute. Purchase orders arrive in hard copy from departments and are approved by the finance director before being forwarded to the town administrator. Vendor warrants are typically prepared by the coordinator of municipal services but, with the position vacant, the finance director has taken over that responsibility. Invoices are entered into the MUNIS system by staff in the finance director's office. It is during this process that the system red flags line-items as being overspent. In addition, the finance director has acted quickly to address comments that appeared in the FY2006 management letter from the town's outside auditor.

The finance director works with the assessors on the annual Tax Recap sheet, is involved in the budget process and is also assigned technology oversight responsibilities. He frequently integrates accounting information into presentations and other prepared materials for the board of selectmen and finance committee.

Conclusion – Despite a staff vacancy, accounting functions are fulfilled in a timely and diligent manner. Still, we see opportunities to improve on some of the town’s manual accounting processes. While, in general, financial controls are in place, we see a need to bolster checks and balances by restricting access to the town’s general ledger. The recommendations below are offered as a means to further enhance internal controls and financial reporting.

Recommendation 15: Restrict Access to the General Ledger

We recommend that only the finance director post receipts to the general ledger. Currently, tax and excise payments, together with other local receipts are posted directly to the accountant’s general ledger by treasurer’s office staff. This practice conflicts with M.G.L. c. 41, §57, which gives the town accountant exclusive responsibility for maintaining the town’s official books of accounts and control over its financial records (i.e. the general and subsidiary ledgers). Therefore, we recommend that only the finance director/accountant have authority to post changes or updates to the general ledger. The MUNIS system should be programmed to place a hold on the data being entered by treasurer’s staff. As a check and balance, the finance director/accountant should compare the entries appearing on the MUNIS screen (in a hold) to the corresponding amounts on departmental turnover sheets before actually posting to the general ledger.

Recommendation 16: Enhance Turnover Procedures

We recommend that the finance director/accountant receive an original turnover sheet from the collections side of the office when receipts are turned over to the treasurer’s side. Currently, the staff on the collections side of the office is responsible for collecting tax receipts and sending daily batches to be deposited by staff on the treasurer’s side of the office. This procedure is appropriate for maintaining internal controls on money. However, the finance director is not receiving a copy of the turnover information. So, lacking is an independent source of information for him to reconcile MUNIS entries against source documents. Similar to procedures required for department turnovers, the collections staff should complete a turnover sheet in three copies. One is provided to the treasurer’s side of the office, one copy goes to the finance director/accountant and a third copy is retained by the collections staff.

Recommendation 17: Use Account Roll-Up Codes

We recommend that the finance director utilize the roll-up code function in MUNIS to monitor appropriations that are currently being subdivided on the general ledger. To track

spending by function throughout the year, some departmental appropriations are broken down in the appropriation ledger by categories and assigned an organization code. This format helps department heads and the finance director monitor the spending patterns in each category.

When examining the FY2007 year-to-date budget report as of June 30, there were several expenditure categories that appeared to be overspent, and in fact, town officials questioned how this could occur. However, once we combined each line-item balance, both positive and negative, total department spending was, in fact, within the appropriation parameters established by town meeting. Therefore, despite initial appearances, the overall appropriation was *not* overspent at year-end. However, the finance director indicated that he calculates the appropriation balance manually. This method of accounting for expenditures is cumbersome and creates greater opportunity for spending against an appropriation to approach its limit without being detected because the verification process is done periodically, as opposed to automatically.

As an alternative, the MUNIS system can assign a “roll-up” number to each organization code associated with an appropriation. This coding method will eliminate the erroneous warning messages that appear, so long as the balances associated with the roll-up code are not over expended. Furthermore, it will allow the finance director and the coordinator of municipal services to easily query the balance in the appropriation at any given point in time.

Recommendation 18: Enable Departmental Entry of Accounts Payable Information

We recommend that the town consider utilizing the MUNIS system to allow remote entry of invoices for payment through the vendor warrant process. Currently, town departments forward invoices, each with its own blue processing form, to the accountant’s office for review, approval and placement on the vendor warrant. Necessary to the process, the accountant data enters all vendor and payment information into MUNIS. Staff report that they process as many as 200 invoices on a weekly warrant.

A more efficient alternative would be to eliminate the blue forms altogether and grant departments access to the MUNIS system to data enter invoice information at their location. Original invoices would still be forwarded to the accountant to comply with the review requirements of M.G.L. c. 41, §56. The department head also should sign and attach a MUNIS generated report that provides summary information on all the invoices submitted.

Treasurer/Collector

The treasurer is a community's cash manager and, as such, has custody of all municipal money. Included is the responsibility to make certain that town receipts are deposited into appropriate bank accounts and to monitor balances to ensure that sufficient funds are available to cover town obligations as they become due. The treasurer invests town funds and manages debt to maximize investment income and meet cash flow needs. To fulfill these responsibilities, the treasurer maintains a cashbook, debt schedule, check registers, and various logs to track balances for grants, trusts and revolving funds as well as other special revenue funds. As a financial control, the treasurer is obligated to reconcile cash balances and debt, internally, and then with the accountant on a regular basis. Finally, the treasurer maintains tax title accounts, conducts sales of land and prepares documents to petition for foreclosure.

A municipality's tax collector possesses the authority to collect all tax and excise commitments due to the community. Collections need to be counted, posted to taxpayer accounts, and either turned-over to the treasurer or deposited daily. Delinquent accounts need to be pursued and then moved efficiently into the treasurer's tax title accounts. To be successful, a tax collector must maintain an up-to-date receivable control that is reconciled internally and then externally with the accountant monthly. Credit reports should be run as appropriate and research needs to be completed to confirm legitimate refunds due to residents. In accordance with state law, the office should respond to requests for municipal lien certificates within ten days. In most communities, the tax collector manages the contractual agreement with the Deputy Collector.

In Seekonk, the treasurer and tax collector roles have been functionally combined. The treasurer/collector has been in office four years, and has been with the town for a total of 13 years. Prior to her appointment, she served as the assistant treasurer/collector. The assistant's position is currently vacant. Other staff include two full-time clerks who handle collections and two full-time clerks who work on the treasurer's side. At the time of our site visits, an interim treasurer/collector had been hired because the treasurer/collector was on leave and the assistant had left to take a job with another community.

The office is equipped with desktop computers with Microsoft Office installed for each staff member. MUNIS is used to post real estate, personal property, motor vehicle excise and other payments. The treasurer's cash book and the collector's receivable control are both maintained in Microsoft Excel. Staff process the payroll each week based on employee hours as shown on daily time sheets submitted by departments.

Conclusion – Overall, the treasurer/collector appears to have systems in place to ensure that the responsibilities of the office are fulfilled. Even in the absence of an assistant treasurer/collector, the combination of an organized office and knowledgeable and capable staff, ease the task of the temporary treasurer/collector. Careful attention is given to detail and staff approach to maintaining tight internal controls is meticulous. The recommendations we offer are

intended to make existing structures formal and permanent as well as streamline certain routine and cyclical activities of the office.

Recommendation 19: Accept Town Collector/Formally Combine Treasurer and Collector Positions

We recommend that town meeting accept the local option statute establishing the collector's position as that of a "town collector". As a "tax collector", the office possesses the authority to collect only real and personal property taxes, excises, betterments, and certain other charges added to, and committed as, taxes. In order to receive payments for any other monies owed to the town, a town must take specific action to designate its collector a "town collector" through local acceptance of M.G.L. c. 41, §38A. According to materials forwarded to DLS from the town clerk's office, Seekonk has not accepted this statute. Yet, the collector's side of the office currently receives payment for police details in addition to taxes. We recommend that the board of selectmen place an article for the acceptance of the local option statute on the warrant for the next town meeting.

We recommend that the town codify, in both charter and by-law, the combined role of the collector and the treasurer. The town is currently functioning with one appointee serving in the capacities of both the treasurer and the collector. The contract between the town and the supervisory union recognizes the positions of treasurer and collector as combined. However, Article 9, Section 1(E) and (F) of the town charter appears to imply that the collector and treasurer are separate positions. Furthermore, neither the separation nor the combining is clearly stated in other provisions of the charter. While seeking further clarification in the town by-laws, we identified at least one area where the language referencing the positions is inconsistent. Category 7, paragraph (A) twice refers to a "treasurer/collector" while paragraph (B) refers in five instances to a "tax collector."

As a housekeeping matter, we suggest that the town administrator work with the town clerk and town counsel to verify whether or not the two positions have been formally combined. If their review confirms our initial findings, then the town should seek a remedy through technical amendments to the town charter and by-laws accordingly. This can only be accomplished by charter commission or special legislation, in the case of a charter amendment, or an amendment at town meeting, in the case of a by-law. We do not recommend that the two positions remain, or revert to being, separate.

Recommendation 20: Modify Payroll Warrant

We recommend employee withholding information be eliminated from the payroll warrant. Currently, individual employee withholding detail is listed on the payroll warrant.

However, this detailed employee information is proprietary, and should be securely retained in personnel files, where it is available only to legally authorized individuals. In order for the selectmen to fulfill their obligation to review the payroll warrant and authorize the treasurer/collector to make payments, it is sufficient that warrant information include gross or net salary amounts due each employee. This information can be incorporated into the warrant or listed separately as an attachment. The warrant should continue to include a list of withholding categories with aggregate amounts due and the total amount due all employees for the payment period.

Recommendation 21: Eliminate Duplication of Effort Balancing Cash Drawers

We recommend that the treasurer/collector's office eliminate the step of balancing receipts twice. The two clerks on the collections side of the office each maintain a separate cash drawer, which is an appropriate internal control when receiving over the counter payments. When the time comes to balance the drawers, each clerk reconciles the information entered into MUNIS from the bills against an adding machine tape run on the cash and checks she received. The clerks then swap drawers and the process is repeated as a "double check." The batch of cash and checks is then sent with a deposit slip to the treasurer's side of the office, where it awaits deposit at the bank. This "double check" is an unnecessary duplication of effort. So long as total receipts reported by MUNIS match the tape run by the clerk, there is no need to repeat the process a second time before turning-over to the treasurer's staff.

Recommendation 22: Seek to Reduce Hard Copy Payroll Reports

We recommend that the treasurer/collector seek opportunities to store, and make available, payroll reports electronically, rather than in hard copy form. Every week, the treasurer's side of the office runs payroll. A general ledger distribution journal is produced and transmitted to the finance director, who posts it and prepares a warrant for approval by the selectmen. Additionally, other reports are prepared including check registers, accrual reports, earnings and deductions reports. While these are important records that help verify proper payments and withholdings, there is no compelling reason for these reports to exist in paper form. Producing an electronic, or "spool" file in MUNIS provides adequate on-screen viewing capability to those who need the information. Whereas maintaining spool files will consume significant computer memory, space can be freed up with frequent back-up onto disk or text file.

We further recommend that the treasurer/collector consult the Secretary of State's records retention schedule and seek to electronically retain or destroy hard copy files, as appropriate. It is our observation that financial records consume significant space in the treasurer/collector's

office. The Secretary of State's Records Management Unit provides guidelines to help municipalities identify what records can be discarded and when, what records must be retained, and what records can be retained in an electronic format. The treasurer/collector should consult this schedule and consider opportunities to eliminate reports that are no longer required or used. The guidelines can be accessed through the State Secretary's website at (<http://www.sec.state.ma.us/arc/arcrmu/rmurds/rdsmds.htm>).

Assessing

The assessors' office is responsible for valuing all real and personal property in the town, assigning tax payments to owners, and generating the commitment authorizing the treasurer/collector to collect real estate tax and motor vehicle excise payments.

To ensure that residents are taxed equitably and accurately, the office maintains and updates property records with information received from deeds and through the on-site inspection of sale properties, data from properties where a building permit has been issued, and in response to mailings. Additional information is gathered during an on-going or cyclical property re-inspection program. Assessors act on and track exemption and property tax abatement applications. They estimate new growth and make recommendations to the board of selectmen at the annual classification hearing. The assessors calculate the tax rate, recommend the annual overlay and provide levy information for use in the Tax Recap Sheet submitted to DOR. The office is also required by DOR to document an annual interim year adjustment analysis and to prepare for State certification of property values every three years.

In Seekonk, the volume of work in the assessing department involves 4,771 residential real estate parcels, 420 commercial/industrial accounts and 646 vacant/open space parcels. The town bills on a quarterly basis and has adopted a split-tax rate. There are approximately 17,000 motor vehicle accounts yielding just over \$2 million in excise revenue in FY2006.

Day-to-day activities in the assessing office are directed by the full-time town assessor, who is appointed by a three-member elected board. At the time of our first site visit, the town assessor was new, having come from a similar position in another Massachusetts community four months prior. In addition, there was recently added a position of assistant assessor, which was filled through promotion within the office. There is one senior clerk and one junior clerk who primarily assist with customer service and data entry. The assistant performs inspections and is currently aiding the new town assessor to implement an office re-configuration, workflow changes and technology improvements. With these changes, all staff members will be assigned multiple duties in a way that will increase cross-training, internal support and flexibility.

The assessing department uses the DOR's computer assisted mass appraisal (CAMA) software package to maintain property records and values. The town assessor routinely backs-up data onto a CD-R and stores disks off-site. The department has contracted with consultants to help with personal and commercial property data collection. A consultant also assists the town assessor with commercial/industrial property valuation analyses. It is also expected that the assessing office will contract with outside consultants to assist with the 2009 triennial certification. The office has worked to make additional information available through the town's website and has added a computer terminal at the counter to improve customer service.

Conclusion – The office is staffed with skilled personnel capable of handling day-to-day and cyclical responsibilities. Historically, the department has been able to meet the deadlines

established in statute and by DOR. We have no reason to expect this to change with recent changes in the office. The recommendations offered are designed to augment the current efforts of the town assessor to improve operations and office efficiency.

Recommendation 23: Coordinate Inspections with Building Department

We recommend that the assessor seek to schedule inspections in conjunction with those performed by the building department. By coupling its inspections of building permit properties with those routinely conducted by the building department, the assessing office will have a better chance to improve entry rates to properties for both the assessment of new growth and the cyclical re-inspection program. Furthermore, combining multiple inspections into a single visit is likely to be more convenient for the homeowner.

We recommend that the assessing office receive copies of the actual building permit from the building department. Currently, the assessing office receives a list of building permits issued by the building department. However, a photocopy of the actual building permit would be of greater value to the assessor. With more information, the ability of the assessor to capture all new growth and the potential to generate new revenue for the town increases. Therefore, we recommend that the town assessor and the building inspector explore how copies of permits might be provided. Looking ahead, the town should consider purchasing permitting software that will allow building permits to be electronically transferred to, or accessed by, the assessing office.

Recommendation 24: Require Electronic Submission of Plans

We recommend that the assessing office work with the planning board to require that all subdivision and other plans submitted to the planning board be in an electronic format. The planning board has it within its authority to require all applicants to submit plans in an electronic format. If this were the case, plans could be forwarded to the assessing office electronically for record keeping and map updating purposes. The electronic submission of plans is becoming a more frequent practice in municipalities. It is also a cost saving measure. The town will not have to pay for a hard copy conversion of plans to an electronic format in order to update assessing maps, or the planned on-line geographic information system (GIS) database.

Recommendation 25: Send Monthly Address and Sales Information to Treasurer/Collector

We recommend that the assessing office send a monthly report of recent sales and address changes to the treasurer/collector's office. The assessing office is in the unique position of knowing when sales occur and taxpayer address information changes. The assessor notes the

new owners in the property records, but as a practical matter, the assessors' records are updated only once each year as of January 1. As a result, tax or excise bills mailed subsequent to an ownership change, after January 1, are returned to the collector or forwarded to the wrong address. When this occurs, the burden falls to the collector to correct the problem. Receiving information concerning property ownership changes more frequently than once per year would help. Therefore, we recommend that the assessors run a monthly report of property record changes, which the CAMA system can provide, and forward that report to the collector. It had been suggested that the treasurer/collector's office utilize the assessor's searchable database. However, we feel that the more formal practice of monthly reporting will better ensure the regularity of updates.

Acknowledgements

This report was prepared by

The Department of Revenue, Division of Local Services (DLS)

Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

Frederick E. Kingsley, Bureau Chief
Municipal Data Management and Technical Assistance Bureau (MDM/TAB)

Joseph Markarian, Jr., Supervisor, Technical Assistance, MDM/TAB

Christopher J. Ketchen, Project Manager, Technical Assistance, MDM/TAB

Diane Dziura, Field Representative, Bureau of Accounts

Deborah Stuart, Community Advisor, Bureau of Local Assessment

In preparing this review, DLS spoke with the following persons
and numerous other town hall staff members

Robert L. Richardson, Chair, Board of Selectmen
Michael H. Brady, Board of Selectmen
Carol M. Bragg, Board of Selectmen
John W. Whelan, Board of Selectmen
Robert McLintock, Chair, School Committee
Kimberly Leinson, Chair, Finance Committee
Beverly Hart, Chair, Capital Improvement Committee
Paul E. Lamont, Town Administrator
Anne P. Rogers, Office Manager
Bruce N. Alexander, Finance Director
Tracey Lavoie, *former* Coordinator of Municipal Services
Christine N. DeFontes, Treasurer/Collector
Virginia Cahill, Interim Treasurer/Collector
Lisa Lyon, Senior Clerk-Treasurer's Office
Diane Kirkwood, Senior Clerk-Treasurer's Office
Lorraine Sorel, Senior Clerk-Tax Collector's Office
Krystal DeFontes, Clerk-Tax Collector's Office
Theodora Gabriel, Town Assessor
Lydia Cordeiro, Assistant Assessor
Patricia Schiavulli, Senior Clerk-Assessor's Office
Karen Springer, Junior Clerk-Assessor's Office