



Town of Westminster

Financial Management Review

Division of Local Services / Technical Assistance Section

December 2009

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 Westminster.

We have based our findings and recommendations on site visits by a Technical Assistance team consisting of staff from the Division's Technical Assistance Section, Bureau of Accounts, and Bureau of Local Assessment. During these visits and by telephone, the team interviewed and received information from the selectmen, members of the advisory board and capital planning committee, the town coordinator, town accountant, town clerk, treasurer/collector and assessors.

DLS staff examined such documents as the tax recapitulation sheet, warrants, annual budgets, balance sheets, cash reconciliation reports, statements of indebtedness, the town by-laws as well as other assorted financial records. Other documents reviewed included the town's outside audit for fiscal year 2008 completed by Roselli, Clark and Associates.

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 selectmen 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 boards, committees and officials.

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Overview

Westminster, population 7,391, is a suburban hill town in northern Worcester County in central Massachusetts, bordered by Ashburnham on the north, Fitchburg and Leominster on the east, Princeton and Hubbardston on the south, and Gardner on the west. The town is strategically located on Route 2, 6 miles west of Fitchburg, 24 miles north of Worcester and 53 miles northwest of Boston.

Originally the six-square mile Narragansett Township Number 2 granted to veterans and heirs of veterans of King Philip's War in 1728, Westminster was officially recognized as a town in 1770. Townspeople made chairs and manufactured paper in the early 20th century while a large influx of Finnish immigrants took over the old farms in town. Suburban development of the town on attractive lakeside sites and in sections with views of Wachusett Mountain has been part of its recent growth.

Westminster taxes are fairly competitive in terms of both single family tax bills and tax rates. The town's average single-family tax bill was \$3,852 in fiscal 2009, or 9.4 percent lower than the state average. Westminster's average single-family tax bill has been growing faster than the state average since the early 1990s when it was more than a third lower than the state average. At \$13.00 per \$1,000 in 2009, Westminster's single tax rate is only slightly higher than the average residential tax rate of the abutting cities and towns, \$12.83. Only one of its neighbors, Fitchburg, had a split tax rate, imposing a commercial-industrial tax rate of \$18.45 per \$1,000. In recent years, Westminster has left a relatively larger portion of its allowable levy untaxed, unlike the 1990s when it consistently taxed very near to its levy limit. From FY1990 to FY2000 excess capacity averaged 0.04 percent of the levy limit; in FY 2009, excess capacity was \$443,417 or 3.2 percent of the levy limit.

One comparative advantage Westminster enjoys is the significant local receipts it garners from playing host to a solid waste landfill since FY2004. The landfill is owned and operated by Waste Management, Inc. (WMI) which has a contract with the town that runs through FY2017. At its peak operation in FY2007, WMI payments of \$2.8 million represented almost 14 percent of the town's total budget that year. While revenues have declined since, the landfill is still projected to provide the town with more than a million dollars a year through the end of the contract, and WMI is expected to negotiate an extension at that time.

In the years since the town negotiated its agreement with the landfill, it has been able to generate large levels of free cash. In FY2006, FY2007 and FY2008, Westminster's free cash averaged \$2.9 million or 15.1 percent of budgeted revenues per year. In FY2009 Westminster began the year with free cash of \$1.1 million, or 4.7 percent of its annual budget, still outperforming the statewide average of 3.3 percent.

As a result of prudent management decisions, Westminster has been able to build significant reserves. Westminster ended FY2008 with \$1.2 million or 5.2 percent of its budget in its stabilization fund, compared to 2.8 percent statewide. In fact, the town has traditionally maintained a very healthy stabilization fund, even before the influx of landfill revenues. Between FY1994 and FY2003, the ten years prior to Westminster's landfill contract, the town's stabilization fund averaged 6.3 percent of the town budget compared to a statewide average of 1.7 percent. In addition to the town's general stabilization account, the town has also been able to create three special purpose stabilization funds with significant reserves. They include separate funds for Building Maintenance, Capital Equipment and Technology Investment. All told, the town has \$3.1 million, or more than 13 percent of its operating budget in reserves. In fact, the town's outside auditor lauded the town for its reserve position in his FY2008 management letter.

Table One
Westminster Landfill Receipts, Free Cash and Stabilization Funds
Cash Balances and as a percent of Total Town Budget, FY2004-FY2009¹

	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>
Landfill Receipts	\$892,773	\$2,532,609	\$2,511,425	\$2,773,013	\$2,133,771	\$1,599,717
<i>as % of Total Budget</i>	6.4%	15.1%	13.2%	13.8%	11.1%	6.7%
Free Cash	\$967,993	\$1,067,573	\$2,819,804	\$2,514,922	\$3,430,622	\$1,120,123
<i>as % of Total Budget</i>	6.9%	6.4%	14.8%	12.5%	17.9%	4.7%
Stabilization/General	\$1,584,452	\$919,067	\$1,052,460	\$1,146,386	\$1,239,528	\$988,739
Stabilization/Building Maintenance	--	\$102,032	\$463,839	\$540,217	\$816,707	\$823,405
Stabilization/Capital Equipment	--	\$122,438	\$485,116	\$562,648	\$840,144	\$732,078
Stabilization/Technology	--	\$50,945	\$257,379	\$299,235	\$564,921	\$528,384
Total, Stabilization Funds	\$1,584,452	\$1,194,482	\$2,258,794	\$2,548,486	\$3,461,301	\$3,072,606
<i>as % of Total Budget</i>	11.3%	7.1%	11.9%	12.7%	18.1%	12.9%
Total Budget	\$13,975,735	\$16,745,821	\$19,010,609	\$20,126,114	\$19,168,426	\$23,850,871

Westminster's government and fiscal management fall under the control of a mix of elected and appointed officials. A three-member board of selectmen is the executive branch of government. It appoints the accountant and the town coordinator who coordinates the day-to-day financial activities of the town and oversees department managers. The town coordinator serves as the town's personnel director and is responsible for presenting an annual budget plan to the

¹ Figures provided by town of Westminster; FY2009 stabilization funds not yet certified by DOR.

selectmen and advisory board each year. She manages the day to day operations of government and supervises the town's financial officers. The treasurer/collector and the three-member board of assessors (one of whom is the administrative assessor) are elected. The seven members of the advisory board are appointed by the elected town moderator.

Westminster's management structure is less hierarchal and more decentralized than most towns of its size. The vast majority of the 68 towns with populations between 5,000 and 10,000 operate under the direction of a chief municipal officer with greater authority over other town offices than a town coordinator. Of the towns of this size, 43 employ a town administrator; 12 towns had a town manager form of government or its equivalent.² Only four towns operate under a town coordinator. Several towns have a less centralized management structure: two of the 68 communities operate with an executive assistant or an executive secretary and seven of the smaller communities have no one at all in an authoritative or coordinating position between the board of selectmen and town departments.

The Westminster bylaws are largely silent on the role of the town coordinator. In fact, only five mention the town coordinator position. She is responsible for the day to day administration of the personnel system as developed by the personnel board and is an ex-officio member of the town's Capital Planning Committee along with the accountant and treasurer/collector. In addition, she is responsible for opening and closing Town Hall each day and knowing the whereabouts of all town employees during business hours. The only real decision-making power vested in the town coordinator in the bylaws is her authority to close town offices in the event of inclement weather, and then, only if no member of the board of selectmen can be contacted to make the decision.

In practice, the town coordinator is integrally engaged in town affairs, although she at times seems hampered by her lack of clear formal authority. In addition to the normal range of duties for a town coordinator, she is heavily involved in the town's marketing and economic development efforts as the town lacks a town planner or development office. She also spends a great deal of time on personnel issues, although very few town employees report directly to her.

Conclusion: Due to its prior fiscal management and performance, the Town of Westminster is better prepared than most Massachusetts cities and towns to weather the current fiscal storm. Reserve balances and free cash levels are much higher than in most communities today. The town is fortunate to have a reliable source of significant funding from the landfill operating in town that other communities lack. As a result, the town has been able to maintain its spending and undertake capital projects in spite of local aid cuts.

² The equivalent level of authority to a town manager was in the communities with a chief administrative officer or a chief administrative & financial officer.

At the same time, the town operates under a weak government structure. The town coordinator lacks the authority to impose any degree of control over town financial operations. While the town accountant reports directly to her, the town coordinator's ability to carry out the directives of the board of selectmen in most areas of town government depends on the willing cooperation of others, including the town's elected assessors and treasurer/collector. Fortunately, department heads and independent boards have a track record of working in concert to ensure that all necessary financial tasks get accomplished on time. However, they may not always exhibit the same team attitude in the future as personnel change.

Primary Recommendations

We found Westminster to be well run from a fiscal management perspective and therefore the majority of our recommendations are directed at day-to-day operations in individual departments. At the same time we observed that the town was very different from similarly situated towns with regards to its form of government. Most towns of Westminster's size operate under the day to day management of a town administrator or town manager. The town coordinator-selectmen form of government under which Westminster operates is generally better suited for smaller communities.

Therefore, our primary recommendation for the town of Westminster is that it adopt a more centralized management structure by changing the town coordinator position to a town administrator with the appropriate level of authority over other town officials. Our second proposal, to appoint rather than elect the treasurer/collector and assessors, is similarly intended to level the playing field between financial officials and establish greater accountability in government.

Recommendation 1: Establish a Town Administrator

We recommend that the town of Westminster adopt a "town administrator" position to replace the current position of "town coordinator". The town would benefit if the town coordinator had greater authority to act as the town's chief administrative officer. The new title and greater authority will allow the office holder to resolve the issues, concerns and problems that are brought to town hall. In addition, the elevated title would better reflect the already prominent role the current town coordinator plays in leading the town's economic development efforts and personnel management. It would empower the administrator with true standing to manage town government on a daily basis.

To demonstrate a commitment to the concept of central management, and to create stability, the town administrator job description should be defined in a new town bylaw or town charter. As such, her responsibilities for appointing, supervising and evaluating department heads and budget development should be delineated and formalized. An annual evaluation of the town administrator should be required to monitor performance. Clear expectations need to be set and communicated. To demonstrate their support, the board of selectman should propose the change.

Because Westminster lacks a charter, the adoption of a town administrator position could be accomplished by the adoption of a bylaw. Alternatively, a special act provides another means to establish the position. Finally, town leaders may decide that charter development may be the appropriate course for Westminster to define the general structure under which the town

government would operate. However, the charter process usually takes longer to complete than a bylaw change because it is typically more comprehensive in scope.

Recommendation 2: Appoint the Treasurer/Collector and Board of Assessors

We recommend that the town convert the office of treasurer/collector to an appointed position. A clear trend has emerged among Massachusetts communities in favor of appointed positions for a number of compelling reasons. Most relate to ensuring that office holders possess the experience and qualifications for the position and to expanding the pool of potential candidates for the job. Often mentioned is the prevailing theory of government practice that policy makers should be elected, but operational positions, where a certain skill set is required, such as the treasurer/collector, accountant, assessor, etc., should be appointed. Some municipalities see value in placing all town hall positions on equal footing and subject to the same review structure.

We also recommend that the town convert the board of assessors from an elected to an appointed board. Assessing offices throughout Massachusetts vary in how the workload is allocated among the assessing board, in-house staff, and outside consultants. Regardless of size, however, fundamental duties and responsibilities must be accounted for and carried-out effectively to preserve public confidence that the system of taxation is consistent and equitable.

In Westminster, the day-to-day activities of the assessors' office have been delegated to professional staff and consultants, led by one of the elected board members. The board meets, as needed, primarily to approve or reject abatement and exemption requests. On balance, the duties and responsibilities of the assessors' office are not policy oriented, but ministerial and carried out in accordance with laws and regulations. As such, we recommend that the town would be served best if members of the board of assessors were appointed, rather than elected.

In Westminster's case, should the treasurer/tax collector or assessing board chair resign or choose to not pursue reelection, there is no guarantee that those possessing the necessary knowledge and capabilities will, in the end, seek and win election. Either occurrence represents an opportune time to convert an elected position to an appointed one. In the meantime, we offer this recommendation without the same urgency as our first recommendation.

The treasurer/collector and board of assessors can be made appointed positions by majority vote of town meeting and subsequent acceptance by the voters at a town election under the provisions of M.G.L. c. 41 §1B, or by a special act, or by adopting a town charter.

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 budget process and the payroll and vendor warrant processes. 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 examined the purchasing system and personnel administration. 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 the State Department of Revenue (DOR).

In this context, finance department heads and staff are effective in producing vendor and payroll warrants for review and approval by the selectmen. The town coordinator plays the lead role in the development of the annual budget for the select board's submission to town meeting. A capital planning committee appointed by the town moderator evaluates capital spending requests and prioritizes project proposals for town meeting. Staff involvement is necessary, as well, in the preparation of required submissions to DOR. The balance sheet (for free cash certification) is completed by the accountant, as is the town's Schedule A. Finally, the accountant, assessors and town clerk collaborate on the preparation of the town's Tax Recap Sheet, which is the basis of DOR approval of the annual tax rate. DOR needs to approve Tax Recap submissions by December in order to generate the first actual quarterly tax bill on time; Westminster finance officers regularly meet DOR reporting deadlines.

One area of strength in Westminster's financial position is its reserve situation. As detailed in the prior section of this report, the town has \$1.2 million or 5.2 percent of its operating budget in a general stabilization account, and another \$2 million in three special purpose stabilization funds. This is not accidental but the result of sound financial management practices. These include policies that set goals on the size and use of reserves, that restrict the use of free cash to reserves and other one-time uses, and that encourage conservative budgeting practices which help generate free cash each year. Of course, Westminster is in a better position to comply with its prudent policies than other towns because of the sizeable, predictable and recurring funding from the landfill contract.

The annual budget process begins early in Westminster. The town coordinator works with the accountant and treasurer/collector to produce a revenue estimate for the ensuing year, which she presents jointly to the selectmen and the advisory board. A letter detailing the budget calendar is sent to all department heads, boards and commissions early in September by the

chairs of the select and advisory boards. The budget instructions include deadlines, guidelines for departments, and budget request forms. The town coordinator and accountant develop a working budget document from the departmental requests for the selectmen and advisory board. Finally, at town meeting, the selectmen present the budget for approval, while the advisory board submits a separate written report of its budget recommendations.

An appointed Capital Planning Committee solicits requests from town departments each year and prioritizes their capital proposals in a five year capital plan, including suggested funding sources for the projects it recommends. Town meeting approved the committee's recommendation for \$1.3 million in projects for FY2010. The town's stabilization funds provide most of the funding although \$450,000 of land acquisitions will be financed by borrowing.

Day-to-day financial matters are capably handled by the respective finance offices. Where cooperation is required, the department heads meet regularly with the town coordinator in finance team meetings. For example, completion of the Tax Recap sheet and preparation of warrants occur with relative ease. However, one shared responsibility, the monthly reconciliation of the town's cash by the accountant and treasurer/ collector, has been slightly worrisome of late. Both parties are concerned that their monthly cash totals have differed slightly for about a year. The accountant believes the differences, trivial but recurring, may be related to a recent software conversion in her office. The accountant and treasurer/collector are systematically reviewing their accounts to locate the source of their differences.

Westminster belongs to the Ashburnham-Westminster Regional School District with the neighboring town of Ashburnham. The town has also entered into a group purchasing arrangement with the school district to purchase health insurance for town employees. Annually, Westminster reevaluates its health insurance options, including participation in the state's Group Insurance Commission. The town also purchases water and sewer services from the City of Fitchburg. Westminster is open to additional partnerships to save costs through group purchasing arrangements or by sharing services with neighboring towns, but it has not identified any prospects for the immediate future.

Although not required, Westminster has an outside audit of its financial statements performed each year, currently by Roselli, Clark and Associates. An independent audit is not only an assessment of a community's fiscal performance, but also a valuable management tool for identifying areas that need improvement. The town coordinator, accountant and treasurer/collector meet regularly to report their progress on implementing the recommendations of the auditor in his management letter. The most recent audit report found no material weaknesses and praised the town for its management of town reserves.

Conclusion—We found Westminster to be well-managed from a municipal finance perspective. Town officials are capable and committed; finance officers are knowledgeable and observant of state finance laws. Staff are diligent in the performance of their duties and attention

to detail. Offices cooperate to ensure that important financial tasks such as the preparation of warrants, the commitment and collection of taxes and preparation of the annual budget recommendation are accomplished smoothly and timely.

Therefore, our recommendations are relatively minor. They include two suggestions to encourage long term thinking, a change to collective bargaining practices and several other issues.

Recommendation 3: Develop Multi-Year Revenue and Expenditure Forecasts

We recommend that the town coordinator, in collaboration with the town's financial officers, develop revenue and expenditure forecasts for the next three-to-five fiscal years. Building revenue and expenditure assumptions helps community leaders to enhance fiscal stability through planning, and quantify the future financial commitment associated with current policy decisions. Forecasting reveals trends in revenue and spending, and enables a community to build capital and infrastructure improvements into a financial plan. More importantly in the case of Westminster, a rigorous, well designed forecast can be a useful tool for educating residents on the town's fiscal position and demonstrating a level of fiscal competence to the citizens.

DLS offers a free forecasting tool that can be downloaded off the Internet at the "Financial Management Assistance" page at www.mass.gov/dls. The tool draws the town's historical data from DOR databases and presents it in an organized way. It then offers a structured method for developing a multi-year forecast. Such a tool would help the town coordinator, selectmen and advisory board to analyze the impact of different fiscal scenarios such as changes in local aid, the impact of additional debt service, or the passage of a Proposition 2 ½ override.

We understand that the current town coordinator does produce a detailed, single-year expenditure and revenue forecast as part of the annual budget development process. Extending her forecast over a longer time horizon will illustrate the multi-year impact of certain budget decisions and help to encourage long-term thinking.

Recommendation 4: Develop a Plan for Landfill Closure

We recommend that the town begin to work on a long term financial plan that anticipates the end of the landfill revenue stream. Westminster is in an enviable position relative to other cities and towns because of the significant revenues it receives as the host community for the Waste Management, Inc. owned and operated landfill operation. The town can rely on a predictable revenue stream of \$1.5 to \$2.5 million annually until at least 2017 when their current

contract ends. Nonetheless, it is not too early to start planning on how the town will deal with the loss of this revenue when the landfill eventually closes.

Recommendation 5: Reconcile Cash Differences

We recommend that the accountant and treasurer/collector reconcile their accounting of the town's cash. It is our understanding that the two offices have not been able to reconcile variances in their cash balances on a monthly basis for nearly a year. While the differences are not material, they recur from month to month by varying amounts. The continuing difference raises nagging doubts about the town's financial software and erodes confidence in the town's internal controls.

We understand that the accountant and treasurer/collector meet regularly to resolve their cash balance differences, but have not been successful as yet. They may need to involve the town's computer consultant and/or the town's software vendors in the event that the differences are the result of a software glitch or a conversion error related to the change in the town's accounting software, as the accountant believes.

Recommendation 6: Adopt Direct Deposit

We recommend the town implement direct deposit for all employees. In Westminster, approximately half of the town workforce is currently enrolled in direct deposit. Additional employees can voluntarily enroll in direct deposit, but to impose it universally would require collective bargaining. We encourage the town to explore how it might expand the direct deposit program to all employees. In particular, it should seek out bank incentives to those individuals who enroll. With direct deposit, staff and employee time would no longer be expended mailing and distributing checks, and on researching lost and uncashed checks.

Recommendation 7: Adopt M.G.L. c. 32B, §18

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 would 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 costs initially and reduce the magnitude of year-over-year cost

escalation. While not subject to collective bargaining with current retirees, there is a requirement to collectively bargain with current employees to the extent that it affects their future retirement benefits.

Recommendation 8: Adopt a Rate Setting Process

We recommend that the town adopt an annual rate setting process for the water and sewer enterprises in a town bylaw or charter. Such a bylaw or charter provision would specify a timeline for the setting of the water and sewer rates by the public works commissioners. Starting in the spring when budgets are determined, the process should include an analysis of usage, expenditures and revenues from the previous year, and anticipate any changes for the coming fiscal year. Then a rate could be established to raise the needed amount of money to fully support the service provided.

The board of public works established new water and sewer rates in 2008, but it was the first time rates had been adjusted since 1988, and created a bit of rate shock for users. We strongly believe that rates, like the budgets they support, should be annually reviewed and adjusted when warranted. We also support the town's intention to change from semi-annual to quarterly usage bills when the town-wide conversion to radio-read billing meters is complete.

Information Technology

Computers and technology play a vital role in municipal financial management today. On the revenue side, computers are used by the assessor to maintain property values and to generate the property tax and motor vehicle excise commitments; the treasurer/collector takes the assessor's commitments electronically to generate the tax bills, and then to post receipts and manage receivables; the treasurer/collector records the turnovers of town monies to her department to track the town's cash position. On the expenditure side, data from vendor invoices and employees' time is entered into the computer system so that the accountant can generate the vendor and payroll warrants for the selectmen's approval; the treasurer/collector signs the computer-generated checks and tracks the disbursements in her electronic cash book. Cash balances and receivables are all reconciled on electronically generated reports. Debt schedules, revenue and expenditure reports, annual budgets, and balance sheets are all maintained in electronic files. E-mail is used regularly to communicate and to provide internal access to information. A town website typically provides e-mail links to town offices, access to town documents and forms, and a link to pay taxes on-line. The management of information technology (IT) is a central component of modern day municipal government. As technology continues to advance, town halls need to invest in sufficient resources to manage and maintain its computer systems.

Westminster has a contract with Regis Consulting Partners to oversee the technology needs of the town. The contractor provides a complete range of computer hardware and software services. Under the direction of the town coordinator, they assist with the entire gamut of town computer needs including: procurement assistance, hardware and network installation, software updates, routine maintenance, hardware and software support, training opportunities for town hall staff, and developing a replacement and capital plan. Support for the specialized municipal financial software packages is provided by their separate vendors.

All of the financial systems are backed up daily to the town server. Other offices back up their systems three times or once a week, depending on the character of the data. A weekly system backup is performed and copies stored offsite. The town has a detailed, comprehensive policy on computer, internet and e-mail usage. Employees must sign a form to acknowledge that they have read the policies and understand the penalties for noncompliance. Upon receipt of the acknowledgement form, each employee is granted a user account with a unique ID and password to gain access to the town's computer systems and network, including a personal e-mail account and internet access.

Like most communities today, the town has a website, <http://www.westminster-ma.gov/>. Though updated by the planning clerk, the Westminster website is sparsely populated and poorly organized compared to many other cities and towns. The home page contains a list of town

departments and their phone numbers. Some announcements and important dates, the protocol for town email addresses, and a link to town by-laws appear at the bottom of the home page, but off the opening computer screen. Each town department has its own page with staff names, but they lack any staff email addresses or page links. The site does include a link to pay taxes online through Unibank, however the link is not on the Treasurer/Collector's page, but is hidden on a secondary page, the "Bulletin Board" along with a miscellany of town information. The site also lacks financial information such as the annual budget, the capital improvement plan and annual audit. Nor does the site contain the town's annual report, or property record information. The fire department, library and police department maintain their own websites, which are linked to the town site and contain many links and robust content.

A survey of town offices revealed 32 desktop computers of various age in use in Town Hall and another 61 in other town offices. Operating systems include a variety of Windows versions and Microsoft Office products. All computers have e-mail capacity, internet access and frequently updated anti-virus software. Otherwise, the accountant uses newly updated municipal financial software from WTI (formerly Data National); the treasurer/collector uses an older version of Data National's software for collection purposes; and, the assessor's office uses Vision Appraisal Technology's computer aided mass appraisal (CAMA) software. The assessor's office recently acquired a geographic information system which it uses to produce abutters maps. Despite the different packages in use, the necessary flow of financial information between offices occurs.

Westminster created a special purpose stabilization fund, the Information Technology Stabilization Fund, to support the town's technology plan. The fund will provide \$20,000 in FY2010 to replace nine town computers, upgrade another 14 computers to prolong their useful life and upgrade software licenses. Even after the FY2010 expenditures, the fund will have a balance of over \$200,000 to meet computer needs in future years.

Of concern is the risk that the town's investment in state of the art hardware and software will be squandered because employees are not trained in their use. In that respect, the accountant's office is particularly impacted. As part of an upgrade to a new software program, the vendor contract promised 96 hours of training for the accountant and her assistant. To date, they have received less than 20 hours of the contracted amount. Otherwise, Westminster has no formal computer training program in place. The \$2,000 line-item for general in-service training which departments may use for computer training upon application to the town coordinator is typically exhausted early in the fiscal year.

Conclusion— Westminster's technology equipment needs are adequately met. The town's consultant is attentive and responsive to the town's needs. Technology investment is often one of the first items many towns forego when revenues are tight, yet the town's special purpose stabilization fund provides sufficient resources to maintain a technology plan even in

these difficult times. At the same time, the town's website lacks content and links to town officials and forms. Town websites can be an important tool to provide information to and communicate with town residents. Our main technology recommendation addresses this issue.

Recommendation 9: Enhance the Town Website

We recommend that the town make more information and material available through its Internet website. An up-to-date, comprehensive website would help bolster public awareness of issues and confidence in municipal 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. The town currently has a web site, <http://www.westminster-ma.gov/>, but it could provide more links and content.

Information not currently on the town's website that would serve as an improvement includes:

- Email links to town offices and employees
- Town meeting minutes
- All board and committee meeting dates, agendas and minutes
- Proposed/approved budget data
- Audited financial statements
- Links to commonly requested forms

The ability to conduct business online rather than in person or by mail benefits citizens and town officials alike. With a well-designed web site, many time-intensive tasks such as researching deeds, filling out permit applications and paying multiple bills can be handled by citizens themselves. Then municipal officials can focus on other work and citizens can have their needs met at their convenience, rather than adapting to the town's schedule.

Recommendation 10: Expand GIS Use

We recommend that the town expand the use of its Geographical Information System (GIS). Currently, the town's GIS system data base only includes resident property information originating from the assessors' office where it is used to produce abutters' maps. At full utilization, however, a GIS system typically incorporates overlay information of value to the water and sewer operations, the highway department, the conservation commission and any other town office that works with real property, infrastructure or natural characteristics of the town.

We encourage the town in their intention to expand GIS utilization in the assessor's office and to other town offices. We understand that the town has only recently acquired GIS capabilities and plans to make it available to other town departments.

Recommendation 11: Survey Staff for Training Needs

We recommend that the town's computer consultant survey staff on their knowledge and use of available computer applications. Based on the survey results, the contractor will be able to identify staff needs and to recommend a training program to the town. For some staff, additional training may be required so they will better understand how the computerized systems can be useful to them. The consultant may also help identify repetitive and/or manual tasks that may be automated, streamlined, or items to be developed into a shared database available to more than one office.

Certainly, one area where greater software training is a necessity rather than a luxury is in the town's new accounting software package, WTI. Both the accountant and her assistant are in need of additional training from the software vendor. The cost of training is already included in the acquisition of the new application, but to date the accounting personnel have received only 20 hours of the contracted 96 hours of in-house training. The town should insist on the contractually promised training so that staff can take full advantage of the accounting software.

Treasurer/Collector

As town collector, the treasurer/collector collects real and personal property taxes, excises, betterments as well as other charges and payments due the town. As treasurer, she is the 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/collector invests town funds and manages debt to maximize investment income and meet cash flow needs. To fulfill these responsibilities, she 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/collector is obligated to reconcile cash balances and debt, internally, and then with the accountant on a regular basis. Finally, the treasurer/collector maintains tax title accounts, conducts sales of land and prepares documents to petition for foreclosure.

The Westminster treasurer/collector was first elected to the full-time position 16 years ago. She is assisted by a part-time and a full-time clerk. The part-time clerk is responsible for handling the office counter and answering the telephone on the three days she is in the office. This division of labor allows the full-time clerk to concentrate on the treasury functions when they are in the office together. Both clerks get the opportunity to go to the Massachusetts Collectors and Treasurers Association (MCTA) school each year. The treasurer/collector and both her staff persons are bonded.

The volume of work on the collections side of the office includes approximately 3,600 real estate bills and 270 personal property tax bills quarterly, another 1,200 water and 800 sewer accounts every six months, and 12,000 motor vehicle excise bills annually. Approximately one-third of the real estate tax bills are paid and posted electronically by mortgage service companies; the balance are received in the mail or over the counter as the town does not employ a lockbox service. The office uses the services of a deputy collector, Kelly and Ryan, to collect delinquent motor vehicle excise taxes. The deputy deposits all payments to a town controlled bank account and is reimbursed for his fees through the vendor warrant process, as DOR prefers. Kelly and Ryan also prints, stuffs and mails the property tax and motor vehicle excise bills.

At the end of each day, the clerks count the daily collections received at the window and in the mail, run an adding machine tapes on the cash and checks, and match the total against another tape run on the tax bills. The money is then secured in the office vault until deposited. Payments are not posted to the treasurer/collector's financial software until the following day. The same process applies to departmental turnovers to the treasurer; most, but not all, departments turn over monies on a weekly or more frequent basis. An armored car visits town hall twice a week to carry the deposit to the bank.

The treasurer/collector maintains her cash book and debt schedules in Excel spreadsheets. The cash book tracks the cash position in the town's 18 checking and investment accounts. It records turnovers from the collector's side of the office and other departments, and disbursements through vendor and payroll warrants. The treasurer/collector reconciles her cash book, internally against bank statements and externally against the accountant's general ledger, on a monthly basis. Reconciliations typically occur late in the month because the accountant waits until the bank statements arrive so that interest postings are up to date and reconciled at the same time. The treasurer/collector and accountant still manage to reconcile cash before the close of the following month. As previously mentioned, both parties are concerned because their cash balances have differed slightly for about a year. The differences, while minor in amount, continue each month.

The office has a \$10,000 budget for processing tax title accounts. The treasurer/collector typically sends three letters to encourage payment before proceeding in tax taking. Currently, the record of tax title receivables is maintained in an Excel spreadsheet, but the office is in the process of transferring the spreadsheet information into a Data National module. The transfer will allow the letters to be automatically generated as a report instead of individually produced. Most of the tax title budget is spent advertising and perfecting the town's lien; all liens are perfected before the end of the following June to protect the town's interests. The remaining funds typically allow her enough resources to hire the town's attorney to pursue three properties through the tax foreclosure process. The tax title balance at the end of FY2009 was \$320,000, including \$28,000 assessed to owners unknown.

The treasurer/collector invests town funds according to a well-founded set of investment guidelines designed to balance the investment goals of safety of principal, liquidity and yield while meeting all legal requirements, including federal arbitrage rules. She also uses the services of a financial advisor, UniBank, to assist in the investment of funds and the issuance of town debt. The town has \$7.5 million in outstanding long-term debt, and typically avoids having to issue short-term debt for cash flow purposes.

Conclusion—Overall, the treasurer/collector appears to have systems in place to ensure that the responsibilities of the office are fulfilled and adequate checks and balances exist with other finance offices. However, we did observe two procedures whereby the workload in the office can be reduced slightly by a streamlined process. We also suggest two minor changes which will increase the security of the town's cash.

Recommendation 12: Post Bills on Receipt

We recommend that the treasurer/collector post payments to the financial software as they are received. As payments are received at the collections counter, a clerk verifies the amount of payment and provides a receipt to the taxpayer. Cash is placed in the cash drawer; checks and the bills are filed separately by tax type; and, payments are posted into the financial software the following morning. We suggest that staff take advantage of the counter computer terminal in the office to post payments as they occur during the course of the day instead of waiting until the following morning to post the entire day's collections.

Recommendation 13: Eliminate Redundancies

We recommend that posting and deposit procedures be modified to eliminate a redundant calculation. We observed a duplication of effort in the posting of daily collections. When processing a batch of collections, the assistant treasurer keys the amount of the bill into the Data National software, runs an adding machine tape on the bills, and then runs a separate adding machine tape on the checks and cash. She compares the totals on the two tapes to a Data National report to see if she has made any errors. However, the computer generated report should be identical to the adding machine tape on the bills since they are from the same source. Therefore, the adding machine total for the bills is redundant, and could be eliminated without sacrificing any data integrity.

Recommendation 14: Maintain Control of Checks

We recommend that the treasurer/collector take over the responsibility for printing the town's vendor checks from the accountant. Under the current division of responsibilities, the accountant's office generates the checks to pay the town's vendors. As part of the bill paying process, the accountant generates a warrant from bills, prints unsigned vendor checks and forwards the warrant, the checks and bill coupons to the treasurer/collector's office. There, the part-time office clerk stamps the checks with the treasurer's signature and stuffs each check with the payment coupon for mailing. While this practice is acceptable, it is less than ideal. It is our opinion that as custodian of the town's cash, the treasurer/collector's office should have sole access to the check stock as well as the check signature stamp. We recommend as much.

Recommendation 15: Insist Departments Turnover Weekly

We recommend that town departments turn over receipts to the treasurer/collector at least once every week. It is our understanding that several town departments which handle money turn over their receipts to the treasurer on a monthly basis. We encourage the treasurer to adopt a policy requiring departments to turn over their receipts at least weekly, and more frequently if certain cash thresholds are exceeded. This will both improve the town's cash flow and increase the security of town funds.

Accountant

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, she prepares warrants; maintains a general ledger where receipts, expenditures and all other town financial activity are recorded; reconciles cash, debt and receivables with the treasurer/collector regularly; produces a monthly expenditure report and is involved in the annual budget process. The accountant also tracks revenue, is required to maintain a detailed record of the town debt, and to report annually on the town's liability for accrued sick leave and vacation time. 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. Westminster regularly meets DOR deadlines for both the Schedule A and the Tax Recap Sheet.

The Westminster town accountant is a salaried position budgeted for a 35-hour work week. A part-time clerk works 19 hours over three days a week; she is the part-time assistant treasurer in the neighboring town of Templeton the other two days of the week.

The town accountant assists the town coordinator with the development of a revenue estimate at the start of the budget process and she is also a source of information for others. This year, in particular, she responded to the Advisory Board request for more detailed management revenue and expenditure reports by department as they deliberated on the budget. In addition, the accountant compiles the capital requests of departments into a working document for the Capital Improvement Committee. The office issues revenue and expenditure reports regularly during the course of the year so that town leaders can monitor the town's fiscal situation and individual departments can manage their budgets.

The accountant reconciles cash with the treasurer/collector monthly. Typically, she waits until after the 20th of the month so that she can include the interest payments from the town's bank statements. Trust funds, debt and receivables are reconciled quarterly. Both the accountant and treasurer/collector are mindful of the importance of accurate, frequent and timely reconciliations and work cooperatively to resolve their differences. As we pointed out earlier, the two offices are trying to resolve a minor difference in their accounting of the town's cash balances.³

³ See Recommendation 5 on page 10.

Another important office responsibility is verifying payroll and tracking employee accrued sick and vacation time. In order to generate the biweekly payroll warrant the accountant receives a report of hours worked that was keyed into Harpers payroll software by the payroll/personnel administrator and copies of employees' time sheets. She proofs the Harpers entries as she hand enters the same hourly information from the time sheets into her own software system. The accountant keeps copies of the time sheets as part of her payroll records. As for accrued sick and vacation time, she relies on an Excel spreadsheet maintained by the payroll/personnel administrator.

The assistant accountant is responsible for preparing a weekly vendor warrant. Bills must be submitted to the accountant's office by 9 am Tuesday to be included on the weekly warrant. Most departments prepare a cover sheet summarizing the bills they are submitting, but there is no standard form for this purpose. Sometimes the department will identify the account number to be charged, more often they omit the vendor number, and the library submits a separate cover sheet for each bill it submits. The assistant checks the documentation for each bill, ascertains that the department's appropriation is sufficient to pay the bill, and verifies that sales tax was not included in the charges before generating the warrant. The warrant then goes to the selectmen for their signature, together with all the bills and payment coupons. The signed warrant is returned to the accountant who then generates the checks for the treasurer/collector's signature.

One of the challenges the office continues to confront is learning to work with the new WTI software which was installed in November 2008. The software was chosen for its compatibility with the collection and billing software in the treasurer/collector's office and the water and sewer enterprises. The accountant is confident that she and her assistant will be proficient in the software once they have been properly trained. However, the software provider has not yet delivered the contracted on-site training.

Conclusion—The accounting function is paramount to the credibility and integrity of town financial records. Westminster is fortunate to have a capable accounting office as fundamental responsibilities relative to the general ledger, the payroll and vendor warrant process, as well as reporting requirements are competently fulfilled. However, we do make some recommendations that will help the town accountant to streamline operations, freeing her to work on more important matters.

Recommendation 16: Change Vendor Warrant Process

We recommend that the town change its schedule and procedure for processing vendor warrants. Currently, the assistant accountant prepares the vendor warrants for the selectmen's signature on a weekly basis. The process is timed so that the selectmen can drop by town hall on

Thursdays and attach their signature to warrants. We recommend instead that all invoices be submitted every other week and be timed so that the accountant can prepare the warrant for the selectmen's regularly scheduled biweekly meeting. This would save on the selectmen's time by eliminating an interim week visit to town hall. Despite moving from a one-week to a two-week warrant schedule, bills would still be paid within the required 30 days if departments submit their invoices to the accountant in a timely fashion.

Recommendation 17: Design a Coversheet for Expense Vouchers

We recommend that the accountant design a custom coversheet in Excel for each department's vendor warrant submission. The cover sheet could be preprinted with vendor numbers where purchases are consistent from month to month. Codes of the general ledger accounts to be charged might also be preprinted. Blank rows could be included for non-standard purchases. If departments enter the billed amounts in Excel, the weekly total could be automatically generated in a protected formula. To make this task more manageable, the accountant might consider working with one department per warrant until each has their own customized coversheet. Department heads would sign cover sheets, attach original copies of invoices and submit the package to the accountant.

The question was asked whether each individual invoice requires its own cover sheet and the signature of the department head. In each case, the answer is a definite no. These are totally unnecessary steps.

Recommendation 18: Investigate Software Bridge for Payroll Software

We recommend that the accountant consult with the town's computer consultant and software vendors to formulate an electronic bridge between the Harpers payroll software and the WTI accounting software. Currently, all the hourly detail of each employee is hand keyed into an electronic format at least twice, once by the personnel/payroll administrator into Harpers and once by the town accountant into her accounting software. Many software packages have the ability to export and import data into other formats so that data need not be reentered from one application to another. The accountant should investigate whether this is an option so she does not have to rekey the payroll data and can spend her time on higher order tasks. Alternatively, rather than forward all employee timesheets to the accountant, it should be determined if Harpers can generate a report, by account, which would reduce data entry.

We further address timesheet issues in the Personnel Department section of this report.

Recommendation 19: Cease Sending Invoices and Coupons to the Selectmen

We recommend that the accountant cease sending the vendor invoices and payment coupons as part of the warrant for the selectmen's signature. Once the vendor information is keyed in, the WTI software should be able to generate a list of vendor payments including relevant information and a location for the selectmen's signature which would serve as the warrant. The invoices should remain in the custody of the accountant or the treasurer until checks are sorted and stuffed for mailing. The accountant would then file the original invoices with the signed warrant.

Recommendation 20: Grants and Contracts on Time

We recommend that departments, boards and commissions submit copies of all grants and contracts to the accountant's office in compliance with MGL Chapter 41 §57. The accountant must have the proper documentation to substantiate the revenue sources against which vendor payments are charged, and to verify that the terms of the contract are met when reviewing payment requests. This recommendation is really directed at the few departments that are slow in submitting their documentation, particularly grant information, to the accountant. Therefore, whether a department reports to the selectmen or to an independently elected or appointed board, it must submit copies of all contracts and grants to the accountant's office. If a bill is submitted for payment and the contract that contains information to payment terms is not on file, the accountant should not process the payment until said contract is presented.

Personnel Department

Westminster is unique with respect to payroll and personnel matters in several ways. We do not make this observation to be critical, but simply to point out that the town is different. First, Westminster has a separate office for payroll and benefit administration, something we typically encounter in cities but not in towns. Second, there are an extraordinary number of part-time personnel in town offices—97 of the 158 town workers are part-time. This, we believe, is the result of a deliberate town decision to reduce town costs—only four of these 97 part-time employees work more than 19 hours per week and thus qualify to receive benefits. Finally, approximately two-thirds of the town work force is non-union, which is relatively high in our experience. Part of the explanation is that Westminster, as part of a regional school system, has no unionized teachers on its payroll. However, another contributing factor is the large number of part-time workers who include the clerical staff in non-union positions at town hall.

Although nominally handled in the same office, personnel administration and payroll and benefit administration are really handled separately in Westminster. The administration of the personnel bylaws and most higher-order personnel duties, including the handling of discipline issues and union grievances, are the responsibility of the town coordinator. The three selectmen represent the town in collective bargaining negotiations with the three unions in town (fire, police, and department of public works). The town coordinator, as personnel administrator, sees to it that department heads evaluate all non-contract employees. Payroll and benefits administration for the town's 158 employees is the responsibility of the Personnel Department under the direction of a personnel administrator.

With regards to payroll, the Personnel Department works with all town departments and the accountant's office to generate the bi-weekly payroll. Each department submits a departmental cover sheet and employee time sheets to the office each week. On Monday the personnel administrator enters the hourly data into the Harpers payroll software and generates payroll reports for the accountant. The accountant checks the Harpers reports and employee time sheets before entering the same payroll data into the general ledger software to generate the payroll warrant. Upon receipt of the warrant the personnel administrator prints the checks for the treasurer. During our review, we noticed that the personnel department maintains an accounting of sick and vacation time separate from the Harpers software record in an Excel spreadsheet. In addition, we noted that there was no uniformity among the departmental cover sheets, and that the personnel department and accountant both keep copies of employees' individual time sheets. Generally, the payroll process runs smoothly except on occasions when departments submit incorrect cover sheets.

As for benefits, the town currently provides health insurance for employees through a group purchasing arrangement with the Ashburnham Westminster Regional School District and

the Town of Ashburnham. Employees pay 25 percent of the cost of their health coverage, the town 75 percent; retiree's pay 50 percent of their health insurance cost; employee copays are \$5 per visit. The purchasing group only offers Blue Cross insurance products but the town does use a health care consultant to evaluate the price of other options each year. Workers compensation benefits are managed by the Massachusetts Interlocal Insurance Association (MIIA), and retirement benefits for the town's 18 active retirees are managed by the Worcester Regional Retirement System.

One consequence of having a large number of non-union employees is that Westminster has paid greater attention to its personnel policies. The town has recently revised its compensation and position classification system with the help of a professional human resources consulting firm, Human Resources, Inc. The consultant has also revised the town's personnel handbook which is currently being reviewed by town labor counsel before final adoption. The handbook is very comprehensive and includes clearly assigned responsibilities, skillfully delineated procedures, and employee acknowledgement and performance evaluation forms.

Conclusion—Personnel and payroll related matters receive a greater degree of attention in Westminster than in many towns. There are few union grievances and the new classification tables and personnel handbook are thorough and well crafted. The personnel office has the cooperation of town departments and the town accountant to see to it that payroll is processed smoothly. Still, we make a couple of recommendations relative to collective bargaining, employee time sheets, and records of sick and vacation time.

Recommendation 21: Change Collective Bargaining Representation

We recommend that the town alter the composition of its representation in collective bargaining negotiations with the town's three unions. Typically, all three of the selectmen represent the town's interests during contract negotiations with the town's three bargaining units. While it is important for selectmen, as chief policy makers for the town, to be represented in the discussions, others who have daily experience dealing with union members and offer a different perspective might be in a better position to negotiate the town's interests. Therefore, we recommend that the town delegate a committee composed of one selectperson, the town coordinator and the relevant department head to negotiate future agreements. Town labor counsel may be included as needed. We also suggest that it would be helpful to have the town coordinator and the financial team conduct a financial analysis to cost out various scenarios before agreements are signed.

Recommendation 22: Standardize Departmental Cover Sheets

We recommend that department managers submit summaries of employee hours worked on a standardized cover sheet to be designed by the personnel administrator and accountant. We suggest that each department should submit a summary sheet listing the names of all employees, hours worked and any sick or vacation time used. The summary sheet, created as an Excel spreadsheet template, would be signed by the department head. The personnel office could extract the information it needs to enter in the Harpers payroll software and then forward the spreadsheets received from each department to the accountant. If the individualized departmental spreadsheet is stored in a template with protected formulas, it may also reduce the frequency of cover sheet errors. Individual timesheets signed by employees would remain with department heads.

Recommendation 23: Maintain Time Sheets with Departments

We recommend that individual employee time sheets remain with department heads. In the payroll process, both the personnel office and the accountant receive and keep copies of individual employee's time sheets. All of the information needed to generate the payroll is located on the departmental cover sheet. Furthermore, the department head's signature on the cover sheet is sufficient certification for the accountant's verification purposes. In any event, it is unnecessary to maintain more than one copy of an employee's individual time sheet, and the natural place for that is at the department in the event of a dispute with an employee over their time.

Recommendation 24: Cease Manual Record of Sick and Vacation Time

We recommend that Westminster utilize its payroll service company to track employee sick and vacation time accruals and usage. Currently, the payroll/personnel administrator maintains a separate Excel file tracking employee sick and vacation time, which she updates as she is entering payroll records from employee time sheets into Harpers. Payroll systems are generally set up to easily track sick and vacation time accruals, and print the information on pay stubs. Westminster should utilize this feature of their pre-existing payroll service rather than maintain a duplicative system with the same information which requires additional time-consuming data entry.

Assessors

The assessors' office is responsible for valuing all the town's real and personal property, assigning tax payments to owners, and generating the commitments authorizing the treasurer/collector to collect real estate tax, personal property tax and motor vehicle excise payments. In Westminster there is a three-member board of assessors who determine property values, new growth and the overlay. The elected assessors include the full-time deputy assessor who performs all the administrative and clerical functions of the assessing office, the town's payroll/personnel administrator, and a local contractor. The office is also staffed by two part-time clerks for a total of 12 hours per week.

To ensure that residents are taxed equitably and accurately, an assessing office maintains and updates property records with information received in response to mailings, from deeds and through the on-site inspection of sale properties and properties where a building permit has been issued. Additional information is gathered during an ongoing property measure and list program. Upon resident application, assessors act on and track exemptions and abatements. They estimate new growth and conduct classification hearings. The assessors recommend the annual overlay and provide levy information for use in the Tax Recap Sheet submitted to DOR for setting the tax rate. The office is required by DOR to document an annual property value adjustment analysis and to prepare for state certification of property values every three years; FY2010 is a recertification year.

The volume of work in the Westminster assessing department involves 3,425 residential real estate parcels, 116 commercial/industrial parcels, 18 parcels of mixed use and 48 parcels in agricultural, forestry or recreational use. There are an additional 269 personal property accounts. All are billed on a quarterly basis. Over the course of one year, motor vehicle commitments total about 12,000 accounts. A cyclical property re-inspection program is completed every nine years, but, the town waits until three years are left and then measures one-third of the properties each year. The current re-inspection program is scheduled for completion for the FY2013 tax certification. The assessors granted 100 abatements and 50 personal exemptions in FY2009.

Day-to-day office functions, including all data entry, are performed in-house by the deputy assessor and her two clerks. The deputy assessor receives the building permits from the building department once a month, enters the data into the Vision property appraisal software and does the drawings. Deeds are received from the Registry of Deeds monthly and the clerks enter the updated information into the software. The clerks scan the deeds for electronic storage and then file paper copies into ledger books the office maintains. The clerks also update the old property record cards with the change in ownership information. Sales questionnaires are mailed to new owners when the new deed information is recorded. Requests for commercial/industrial

property income and expense information are mailed annually, as are forms of list to update personal property accounts.

The office accepts money from taxpayers for copies of property record cards, abutters' lists, and other information and turns the receipts over to the treasurer/collector once a month. Other foot traffic to the office includes taxpayers seeking abatement and exemption forms. Much of this traffic could be reduced if property tax records and commonly requested forms and information were available on-line. The assessors do have a page on the town website which lists the office telephone number, the staff names and a list of items that may be requested in person.

Most real and personal property inspections and the property valuation analyses are performed by an outside contractor, Vision. The contractor performs all building permit and sales inspections; the board members conduct abatement inspections. Vision also provides the appraisal software for the assessing office computers. Once the clerks have entered the data, the consultant prepares the data tables for the board's approval. In addition, Vision represents the town before the Appellate Tax Board (ATB) where there are currently five pending cases, three of which involve commercial properties and two involve residential properties. The assessors are very satisfied with the quality of the Vision consulting services and the performance of the software.

Conclusion – Overall, the assessing office performs adequately. The assessors have a good relationship with their consultant to see that inspections and valuations are completed on schedule. The office is one of the more neatly organized assessor's offices that we have visited in the course of our financial management reviews. We did notice that the office could make better use of technology to maintain property records and to make information available to taxpayers, and our recommendations address these issues.

Recommendation 25: Place Property Records On-Line

We recommend that the town place its property records on-line. In order to reduce foot traffic and free-up staff time, a growing number of assessing offices make property records available to the public on line. In this way, residents, appraisers and others can independently and conveniently search property records and print field card type information without creating office disruptions. In addition to minimizing office traffic, it offers convenience and flexibility to taxpayers. It also sends a message to taxpayers about progressive customer service and the use of technology.

Recommendation 26: Electronic Copies of Deeds Only

We recommend that the assessor contact the Worcester County Registry of Deeds to inquire about receiving copies of deeds in an electronic format. Currently, deeds come into the office once a month in the mail. After the deputy assessor enters the changes into the Vision software, a clerk makes a copy of the deed and files the original and the copy. Many towns are moving to electronic records of deeds to save on copying charges and filing space. Westminster should consider doing the same. At the very least, there is no reason to maintain two copies of each deed.

Recommendation 27: Stop Updating Paper Property Record Cards

We recommend that the assessing office cease updating its old hard-copy property record cards. Property record cards are currently kept in three places. One set of records is maintained electronically in the Vision mass appraisal software while two sets of paper cards are cataloged by owner's name and by street number, respectively. The hard copy cards are also updated manually every time a change is registered in the Vision system. This activity makes for duplicative and unnecessary work. While the older hard copy property record cards are worth keeping for historical reference, virtually all communities have stopped manually updating them. The Vision system keeps an up-to-date log of data which is routinely backed-up and readily retrieved.

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