



Town of Georgetown

# **Financial Management Review**

---

Division of Local Services / Technical Assistance Section

February 2013



February 22, 2013

Board of Selectmen  
Memorial Town Hall  
One Liberty Street  
Georgetown, MA 01833

Dear Board Members:

It is with pleasure that I transmit to you the enclosed Financial Management Review completed by the Division of Local Services for the Town of Georgetown. It is our hope that the information presented in this report will assist the town in improving its financial management practices, addressing areas of concern and meeting its long-term planning needs.

Our technical assistance team welcomes the opportunity to present the report to the board of selectmen at a public meeting. As an added service, we are willing to meet with staff, earlier on the same day, to discuss implementation of the report recommendations.

As a routine practice, we will post the completed report on the DLS website, [www.mass.gov/dls](http://www.mass.gov/dls), and forward a copy of the report to the town's state senator and representatives.

If you have any questions or comments regarding our findings and recommendations, please feel free to contact Rick Kingsley, Bureau Chief of the DLS Municipal Data Management and Technical Assistance Bureau at 617-626-2376 or at [kingsleyf@dor.state.ma.us](mailto:kingsleyf@dor.state.ma.us).

Sincerely,

A handwritten signature in black ink that reads "Robert G. Nunes".

Robert G. Nunes  
Deputy Commissioner &  
Director of Municipal Affairs

cc: Mr. Michael Farrell, Town Administrator  
Senator Bruce E. Tarr  
Representative Leonard Mirra  
Representative James J. Lyons, Jr.



Table of Contents

Overview ..... 1

Governmental Structure and By-laws ..... 4

    1. Adopt a Town Charter ..... 5

    2. Perform a Comprehensive Review of the By-laws ..... 6

Budget and Financial Practices ..... 7

    3. Codify the Budget Process in By-law ..... 8

    4. Discontinue Inappropriate Revolving Fund ..... 9

    5. Define the Purpose of the Spring Annual and Fall Town Meetings ..... 9

    6. Re-Advertise for Auditing Services Periodically ..... 10

Human Resources ..... 11

    7. Assign Personnel Oversight to Town Administrator; Disband the Personnel Board ..... 12

    8. Create Job Descriptions for All Positions ..... 12

    9. Conduct a Comprehensive Review of the Classification and Compensation Plans ..... 12

    10. Conduct Annual Performance Reviews ..... 13

    11. Organize and Restrict Access to Personnel Records ..... 13

    12. Develop a Personnel Action Form ..... 14

    13. Consider Policy on Health Insurance for Part-Time Boards ..... 14

Information Technology ..... 15

    14. Provide MUNIS Training to Users ..... 16

    15. Provide Expense and Revenue Reports Electronically ..... 16

    16. Grant remote access to GEO/TMS application to assessors ..... 16

    17. Revise the Email Policy for Retention Procedures ..... 16

    18. Establish Shared Email Address or a Contact All Electronic Messages ..... 17

    19. Update Website Content ..... 17

Finance Department ..... 18

    20. Require Departments to Submit All Contracts ..... 20

    21. Review and Approval of Vendor Bills ..... 20

    22. Remove Original or Copies of Invoices from Warrant ..... 20

    23. Develop Standardized Payroll Cover Sheet and Approval of Payroll ..... 20

    24. Develop a Monthly Cash Flow Budget ..... 21

    25. Post Bills Before Preparing a Deposit ..... 22

    26. Establish a Town Collector Position ..... 22

    27. Pursue Collection Remedies ..... 22

    28. Continue to Charge Interest on Late Water Bills ..... 22

    29. Modify Water Department Revenue Reporting and Reconciliation Process ..... 22

    30. Review Foreclosed Properties Account ..... 23

Assessors ..... 24

    31. Inspect and Recollect Personal Property Accounts ..... 25

    32. Coordinate Inspectional Department Visits ..... 25

    33. Fulfill Minimum Board Training Requirements ..... 26

Appendix ..... 27

Acknowledgements ..... 34

## Introduction

At the request of the board of selectmen, the Department of Revenue's Division of Local Services (DLS) completed a financial management review of the Town of Georgetown. The recommendations contained within this report are based on site visits by a team from the DLS Technical Assistance Section. The team also consulted with the town's Bureau of Accounts field representative and its Bureau of Local Assessment community advisor.

The scope of this review focused on the town's financial offices and on the practices, procedures and policies that guide municipal decisions. We examined the duties and responsibilities of finance officers and the degree of coordination and communication that exists between and among the various boards, committees and officials involved in financial management. We comment on the effectiveness of financial checks and balances and on compliance with state laws and regulations that govern fiscal matters. The municipality's technology condition was assessed and the impact of organizational structure on financial operations was evaluated.

To complete the report, we interviewed and received information from members of the board of selectmen, the town administrator/acting finance director, town accountant, treasurer/tax collector, assistant assessor/office manager, school director of finance and operations and others. A full list is available in the Acknowledgements section of this report.

Included as part of our review, we gathered and examined information from various documents including the Tax Recapitulation Sheet, Schedule A, Balance Sheet, and Georgetown's annual budget, warrants payable and revenue and expenditure reports, and reconciliation reports. We reviewed the town by-laws, locally accepted statutes, as well as the outside audit report completed by Powers & Sullivan, LLC and the independent credit rating report by Moody's.

## Overview

The Department of Revenue's (DOR) Division of Local Services (DLS) conducted a financial management review for the Town of Georgetown in 1994. At that time, the economy was slowly coming out of recession and Georgetown, like other towns, was struggling to regain its financial footing. The town population was 7,210 and its budget was \$9 million, but revenues were stagnant (see Appendix). In 1994, the town's general stabilization balance was \$25,000 and it had no certified free cash (see Appendix). The town's declining free cash certifications was due to the combined use of free cash to balance the town's budget in prior years and rising tax receivable balances.

Town government in 1994 was managed by three selectmen, an open town meeting and mostly elected officers, including the treasurer and collector. It also was a time when municipal government was not functioning well. Residual issues associated with the earlier installation of financial management software hampered and delayed normal workflows. The resulting backlogs impacted the fiscal condition of the town. The tax collector's and treasurer's offices were behind in posting tax payments and cash receipts. This, in turn, impacted the accountant's ability to keep the general ledger up-to-date that led to an inability to close the town books and submit required financial reports to the state. Because it was late in submitting its Schedule A (a required year-end report of revenues, expenditures and fund balances) to DOR, state aid was temporarily withheld. Because the town failed to complete a timely audit, the U.S. Department of Education withheld grant awards.

Without an accurate picture of the town's financial status and recent financial history, it was difficult for the town's policymakers to make informed financial decisions. Our 1994 report observed that "the town's government is decentralized with at least 12 separately elected boards and officials...there is no one board or officials that can be held truly accountable and responsible for the overall management and financial wellbeing of the community...It is not an environment where coordinated solutions are easily developed."

Recognizing these deficiencies, the selectmen at the time appointed a government study committee to look at possible changes to the town's organizational structure. Along with its recommendations, the committee encouraged the selectmen to request a DOR financial management review, which was released in December 1994. Later government study committees were formed in 1999, 2006 and 2009, but only the 1999 effort produced a written report. According to some, the unsuccessful attempts were due to a lack of clarity in the charge given to each study committee and committee members predisposed to the status quo. Two other initiatives to develop strategic plans also made recommendations on the structure and operation of municipal government.

Since 1994, the town has taken steps to change its government structure and adopt measures to improve the way the municipality operates.

- A finance department and finance director/treasurer position were created
- The treasurer and collector positions were converted from elected to appointed
- The town administrator job description was created
- Responsibilities for procurement, personnel administration and risk management were transferred from finance director to town administrator
- The finance director was no longer required to serve as treasurer
- The board of selectmen was expanded from three to five members
- The elected board of fire engineers was eliminated
- Town meeting adopted M.G.L. c. 71, §37M allowing town-school joint facilities department and other collaborations.

Now, with this 2013 report, DLS completes a second financial management review for the town. Georgetown has developed and increased in population since 1994, with a current population of 8,183 persons, or 13.5 percent higher than in 1994 (see Appendix). Its budget is \$27.1 million and the FY2013 average single family tax bill of \$5,116 ranks 5<sup>th</sup> lowest among 19 Essex County towns with a population under 15,000 people (see Appendix). The most recently posted per capita income (2010 DOR income/2010 US Census) for Georgetown residents is \$38,310, which is 25 percent less than the other 18 sample towns' average of \$51,127. Its equalized valuation per capita, a measure of relative property wealth among communities, of \$145,017 is 26 percent less than the 18-town average of \$196,389. While not among the wealthier Essex County towns, Georgetown is in the middle of the range statewide. The average single family tax bill for all Massachusetts municipalities in FY2013 is \$4,926 (326 of 338 reporting communities), income per capita is \$34,330 and EQV per capita is \$149,014.

Over the last five years, free cash has averaged \$696,800 and the stabilization fund balance has averaged \$1,185,600. Combined, they consistently represent a reasonably healthy 7.5 percent of the town's annual budgets. In 2011, the town's bond rating was upgraded by Moody's from Baa1 to Aa2.

The town's fiscal condition has strengthened over time, but remnants remain of the organizational structure issues that were cited in our 1994 report. Despite the incremental changes that have consolidated functions and worked towards improved accountability, the town continues to operate under a decentralized form of government (see Appendix).

There is a town administrator who is responsible for procurement and personnel administration and oversees the daily administration of departments, but only those under the selectmen's jurisdiction. He is the acting finance director and, as such, coordinates the budget process and manages the accountant and treasurer/tax collector's offices. It is unclear whether he possesses the appointing authority assigned to the finance director position in the town's by-laws. Otherwise, the town administrator has no meaningful appointing authority and no direct management role that spans town government. Instead, independent, part-time boards (e.g., assessors, health, planning, water and light) and elected officials (e.g., highway surveyor and town clerk) appoint and supervise their staff and have no reporting relationship with the selectmen or the town administrator.

**Conclusion.** The Town of Georgetown has a relatively sound financial foundation and municipal government functions reasonably well. However, its present condition is not the by-product of a well-organized town government. Success has been achieved despite the current system and is due instead to the willingness of individuals to make a decentralized government structure work.

It helps to have capable people making decisions and managing town business. The selectmen are engaged, supportive and thoughtful in their approach to issues. The finance and advisory committee is diligent and respected. Department managers and staff we interviewed are knowledgeable and experienced. And, in the town administrator, the town has a person with the temperament and skills to get the most out of an organization ill-suited to a cooperative effort.

Against this backdrop, an argument for change may appear contradictory. However, by strengthening the organizational structure of government, the town can enhance its capacity to meet future demands and to solve complex problems to the benefit of residents. The town has endeavored to address organizational issues in the past, but approaches have seemingly lacked conviction and the results have been piecemeal. A more determined effort is needed.

Therefore, we recommend that the town initiate a process to adopt a charter. Through a charter process, local officials and residents can identify and preserve what works and alter what does not. With the adoption of a charter, the town can build certainty, stability and continuity in the way government operates. We recommend as well that the town expand the management responsibilities of the town administrator so that he oversees all of municipal government. Strengthening the town administrator position is equally essential to an effective, responsive local government.

We also offer recommendations to improve general operations or that are specific to finance related departments.

## Governmental Structure and By-laws

Georgetown does not have a charter. It has an open town meeting-selectmen-town administrator form of government organized under a combination of state statutes, special acts, and local by-laws. In addition to the selectmen, Georgetown elects its assessors, highway surveyor, library trustees, light commissioners, planning board, town clerk, and water commissioners. Of greater significance is that town employees report to any number of “bosses,” which contributes to a decentralized town government.

The five-member board of selectmen is the chief executive office. They appoint a town administrator, who acts on behalf of the board in the management of town affairs. According to his job description, he coordinates departmental operations under the board of selectmen, serves as a liaison with independently elected officials and their departments, holds periodic department meetings and keeps the selectmen informed. He serves as the personnel officer and chief procurement officer for the town.

The town administrator also is the acting finance director. The finance director position was created in a 1994 special act and exists as well in by-law. It has remained vacant since 2002 as town meeting has chosen not to fund the salary due to fiscal constraints. As acting finance director, the town administrator manages the offices of the accountant and treasurer and tax collector, coordinates the budget and capital planning process, and oversees data processing and technology. It is unclear whether he possesses a permanent finance director’s authority to appoint these positions.

The town administrator has an assistant who oversees the office and carries out various duties. She gathers information, assembles the budget booklets and annual town reports, and prepares selectmen correspondence, agendas and minutes. She responds to public inquiries, coordinates the annual licensing, tracks appointments by the selectmen, and helps departments update their webpages.

Georgetown’s by-laws are not all inclusive. Some town boards and committees are mentioned together with basic duties, membership and terms. Others are not. Some officials are included in the by-laws, while others are not. There is by-law language specific to the finance director, the finance and advisory committee and the capital improvement committee, but not for the town administrator, whose position is only referenced twice.

There is a personnel by-law, some guidance on an operating and a capital budget process and there are codified debt service policies. However, the by-laws as a whole are organized in a way that takes getting used to. Also, the by-laws are not current. For example, the finance director by-law is not updated to reflect changes made by a 2001 special act.

**Conclusion.** The Town of Georgetown has had its share of government study committees and strategic plans with mixed results. Changes to government structure have been adopted, but only in an incremental way, and not with certainty as evidenced by subsequent amendments. Among the most significant of changes was the creation of the finance director position by special act, a position that has been effectively vacant for ten years. Also, the changes lack a consistent, well thought out approach. Some changes to municipal government have been incorporated by special act, some by by-law and some by merely creating a job description.

The building blocks for stable government structure are in place. They need only be brought together and take shape in a charter. For Georgetown, a charter process represents definitive action to clarify roles and create continuity of process from year-to-year as those in elected and appointed positions change.

### **1. Adopt a Town Charter**

We recommend that the town begin the process to adopt a town charter. Increasingly, communities are adopting a local charter that creates an organizational foundation, defines relationships among officials, boards and committees, and delineates financial management procedures. A charter typically outlines the authority and responsibilities of the town administrator and town officials, addresses issues of elected versus appointed officers and boards, and establishes lines of accountability. It would address the duties and powers of the finance and advisory committee, the capital improvement committee and, possibly, the finance officers group. It would outline the budget process.

By its nature the charter process will prompt discussion on all aspects of the structure of government. It will reveal what works well, what is worth preserving and where change should occur. Even if much about Georgetown's government that exists today is incorporated into a charter, we recommend the following as an essential change.

***Empower the town administrator with appointing authority.*** We recommend that the town administrator possess the appointing authority granted the finance director in the town's by-law. Included would be the appointment of the accountant, treasurer and collector, subject to the approval of the selectmen. This presupposes elimination of the free-standing finance director position, which has effectively been vacant for 10 years. Recent history in Georgetown has shown that a competent town administrator, with finance experience and capabilities can carry-out budget responsibilities and other valuable financial oversight. He can be most effective with the assistance of a strong town accountant.

Further, we recommend the town administrator be granted appointing authority over all town department heads. With the creation of the town administrator through a job description, the

town expressed a weak vision of and lack of commitment to centralized government. Absent town-wide accountability to a single authority, coordination of departmental activity and implementation of town-wide goals are dependent on the town administrator's ability to persuade, and on the willingness of department managers and staff to cooperate.

Georgetown has been fortunate to have a willing and cooperative administrator and managers in town hall, but this may not always be the case. Granting formal appointing authority to the town administrator is significant.

Under this structure, part-time boards and commissions will continue to provide informed guidance, make customary decisions, and formulate policy. They might even be a screening committee for appointments to the department they oversee. However, the responsibility to manage staff in town government should be more squarely placed in the hands of a full-time professional hired for that purpose.

Further information on what should a charter include is included the Appendix at the end of this report.

## **2. Perform a Comprehensive Review of the By-laws**

Adoption of a charter demands a by-law review as well to ensure consistency between the two documents. A charter, which provides the general parameters of government, is typically complemented by a series of by-laws that fill in the details and are more easily revised as circumstances warrant.

Even in the absence of a new charter, we recommend that the town perform a comprehensive review of its by-laws to bring them up to date. A review also should determine whether provisions are still valid and followed. New by-laws should codify all boards and officials, permanent committees and boards established through the adoption of a state statute. The by-laws should identify and describe the role and responsibilities of appointed and elected officials, departments, and committees. The town administrator's position should be created as a by-law rather than as a job description and budget line-item.

## Budget and Financial Practices

Georgetown has a nine-member finance and advisory board appointed by the moderator. In the town by-laws (c. 63), it states that the board is responsible for reviewing and making recommendations on monetary town meeting articles and other matters they deem in the interest of the town.

The annual budget process begins in the fall when the finance director, in this case the town administrator, develops preliminary revenue projections with input from the accountant and treasurer/tax collector. After meeting with the selectmen and the finance and advisory board, the finance director prepares budget forms that include the prior year's budget to actual and the current year-to-date figures. The budget and capital request forms are sent to departments with instructions and a calendar, which are to be returned by January. The finance director combines the requests into a master Excel spreadsheet and speaks with departments to review their requests. He prepares a balanced proposal that is presented to the selectmen for their review and approval before submitting it to the finance and advisory board no later than the third Monday in March.

The finance and advisory board then holds budget hearings, which the finance director attends, provides new information as it becomes available, and maintains the master budget spreadsheet. While the finance director periodically briefs the selectmen on the budget progress, many of the selectmen attend the finance and advisory board hearings, observing the proceeding and not participating. After the hearings are completed, the finance and advisory committee prepares the budget for presentation to town meeting.

From time to time, the selectmen, the finance and advisory board, and the school committee hold tri-board meetings to discuss various issues, including the budget process, goal setting, and future planning. According to officials, these meetings have generated improved communications and enabled consensus building on long- and short-term priorities. The town also has a finance officers' group chaired by the finance director and comprised of the treasurer, accountant, assistant assessor/office manager, school business manager, police chief, fire chief, light manager and water manager. The group might meet prior to town meeting to review the budget.

The seven-member capital improvement planning committee is made up of a representative of the finance and advisory board and six citizens. Two are appointed by the selectmen, one by the finance and advisory board, one by the moderator, one by the planning board, and one by the school committee. The finance director, school business manager and a member of the finance officers' group serve in ex-officio, non-voting capacity. The committee studies and prioritizes capital projects and improvements that have a useful life of at least five years and a cost over \$10,000. A five-year plan, which forecasts capital expenditures, and an annual capital budget are to be prepared

and forwarded to the finance and advisory board. The capital budget report includes the requests that are recommended to be funded along with items that are deferred due to limited resources.

The town has policies on the use of free cash and stabilization funds. It is the town's goal to allocate 25 percent of free cash to fund capital items and 25 percent to be placed in stabilization. Because free cash can fluctuate, the finance and advisory board has begun budgeting an amount for capital spending within the annual budget. The town has a general stabilization fund and a capital stabilization fund intended to finance improvements and/or repairs to municipal buildings and infrastructure. It is the town's stated goal to maintain a minimum stabilization balance of five percent of the budget.

As for other financial practices, the finance director prepared a five-year revenue and expenditure forecast in 2011. The town inventories and values its fixed assets (Government Accounting Standards Board (GASB) Statements 34), updating the information annually to reflect new purchases, dispositions and depreciation. The town has annual audit engagements, complying with the federal single audit act. The town has an actuarial analysis of the town's liability for other post-employment benefits (OPEB) that was updated in 2012 (GASB 45) and the town adopted M.G.L. c. 32B, §20, creating an OPEB trust fund.

Orchestrated by the town administrator, the budget process works well. Roles are clear and communication exists. Free cash and stabilization balances are healthy. The on-going process of collecting money due the town and covering town obligations through the payroll and vendor warrant functions smoothly. Records are up-to-date and financial controls are in place. Our recommendations in this section are relatively few, but represent areas where the town can tighten its practices and operations.

### **3. Codify the Budget Process in By-law**

We recommend that the roles and responsibilities of the town officials and the sequence of tasks in the budget process be incorporated into the town's finance by-law (c. 63). This assumes the town administrator, as acting finance director, would continue to coordinate the process, initially meet with departments and formulate the budget. In other respects, the current process seems to work well. The tri-board meetings have encouraged communications among the policy board members. In the end, codification as a by-law would ensure that the budget process, including a budget calendar, is clear and consistently carried out in future years.

We recommend that the finance committee meet with the selectmen to present its budget prior to going to town meeting. While some of the selectmen may attend the finance committee's meetings, there is no meeting between these boards prior to town meeting. Holding a joint meeting to discuss

the budget would assist all in understanding the policy implications of the proposed spending plan as well as endeavor to build consensus.

#### **4. Discontinue Inappropriate Revolving Fund**

We recommend the town discontinue revolving funds that do not comply with the legal purpose and authorized use requirements of M.G.L. c. 44, §53E½. A revolving fund is used to segregate receipts from a specific revenue source that are collected in exchange for a program or service. The funds can be expended without appropriation for purposes specified by statute. In Georgetown, there are three funds that do not qualify as revolving funds and should be discontinued. Any outstanding balance can be transferred to a special revenue account or another revolving fund by town meeting or allowed to close to the general fund.

- The conservation restriction fund – The revenues come from donations made for the purpose of inspecting the condition of land that has a conservation restriction placed on it. Donations should be placed in a donation or gift account (M.G.L. c. 44, §53A), which are segregated from the general fund for accounting purposes and can be spent without further appropriation by the conservation commission for the specific purpose of the donation.
- The local access programming fund – This includes the annual license and PEG access funding received from cable operators to support public, educational, and governmental channels. At the present time, these are general revenues and should be deposited into the general fund. Because there may be spending requirements linked to these funds, the budget should include appropriations approved by town meeting.
- The road machinery fund – This fund contains payments for the rental of highway department equipment by other town departments. The funds are then used for the purchase or lease of equipment by the highway department. This purpose does not satisfy the requirements for a revolving fund. As such, town meeting should include an appropriation in the highway department budget for lease payments and other expenditures historically charged to this account and all per diem revenues charged and collected be deposited to the general fund.

#### **5. Define the Purpose of the Spring Annual and Fall Town Meetings**

We recommend that all budget-related town meeting warrant articles be addressed at the spring annual town meeting and that the fall special town meeting be reserved for non-finance-related articles only. Although exceptions will occur, this is intended to institute budgetary control and create the expectation among departments that additional funds will not be available in the fall to augment budgets. This process places major funding decisions before the spring town meeting when the attendance generally is highest and available reserves are known. Conversely, the approach removes spending decisions from the fall special town meeting warrant when attendance is typically low.

## **6. Re-Advertise for Auditing Services Periodically**

We recommend that the town re-advertise for auditing services every five to eight years. Audits conducted since FY1991 have been completed by Powers & Sullivan. As a routine practice, we comment on the number of years that a municipality might contract with or rely on the same auditor. The Government Finance Officers Association (GFOA) recommends that communities enter into multi-year agreements with auditors, or a series of one-year contracts, for a term of five-to-eight years. A multi-year agreement allows for greater continuity and enables a new auditor to spread initial start-up costs over multiple years, potentially reducing costs in the initial years. However, after this term, GFOA recommends a full competitive selection process. If auditors are retained over many years, the principal in charge of the town's account should periodically change. Contracting with a new audit firm can not only bring a fresh perspective, but reflects good practice.

## Human Resources

The town's personnel by-law (c. 105) establishes a process by which personnel policies are adopted and a system of personnel administration is created. It applies to town employees, which includes both the elected town clerk and highway surveyor positions, but excludes other elected officials and school department personnel. However, for union members, collectively bargained contract provisions prevail if they conflict with the town by-law or personnel policies.

The by-law establishes an appointed, five-member personnel board with three year, staggered terms. One member must be a town official or employee, who is not covered by a collective bargaining agreement and resides in Georgetown. The board is responsible for developing the personnel policies and procedures, adopting employee classification and compensation plans, and reclassifying a position, all of which are subject to approval of the selectmen, but not town meeting. Of note in recent years, there have been times when the board only had three members, making it difficult to reach quorum and conduct business if one is not available.

At the same time, the town by-law designates the town administrator as the personnel administrator and directs that he oversee the personnel system. He provides assistance to appointing authorities on recruitment, selection and hiring; conducts periodic review of policies and handbook; and administers the problem resolution and discipline processes. He updates job descriptions subject to the approval of the personnel board, signs-off on conditional offers of employment and maintains a central personnel record keeping system for all but the school and public safety employees. He also negotiates collective bargaining agreements for employees in departments reporting to the selectmen.

Georgetown has a personnel policies handbook that was developed by the board and accepted by the selectmen per the by-law. It contains the town classification and compensation plans. It also describes recruitment and hiring procedures; employee reclassifications; leave and benefits policies; annual performance reviews; and explains problem resolution and disciplinary action procedures. It includes policies on sexual harassment, email/Internet/computer usage, and drugs and alcohol. The handbook is given to new hires as a part of a packet that also includes forms for withholdings, explanations of retirement, insurance, and optional benefits, and other employee information.

The town covers generally 60 percent of active employees' and retirees' health insurance costs. Health insurance is provided through the Massachusetts Interlocal Insurance Association (MIIA). In addition, town meeting has accepted section 18 of M.G.L. c. 32B that requires retired employees and their spouses, who are eligible for Medicare, to join at age 65, thereby lowering municipal health costs by shifting them to the federal government.

## **7. Assign Personnel Oversight to Town Administrator; Disband the Personnel Board**

We recommend that all personnel administration responsibilities be assigned to the town administrator, who already serves as the town's personnel officer. We routinely advise that when a specific person has human resource or personnel responsibilities, the need for a part-time, personnel board diminishes. This shift is made easier when the board has relatively light responsibilities. In the town's 47-page personnel policies handbook, the personnel board's most substantive duty involves the classification plan and the salary schedule. The board may or may not have involvement in pay considerations concerning sick, family or military leave or jury duty. They receive certain notices and certain reports, at the option of others.

Personnel matters have become more complex with union agreements, personal contracts, and compliance requirements with federal and state laws on hiring and equal rights to name a few. Finding knowledgeable volunteers, who are available for research assignments like salary surveys as well as to attend meetings, can be difficult. In Georgetown, the town administrator is a full-time presence and most professionally equipped to fulfill personnel duties.

We also recommend that the approval of any new or amended classification plan and the salary schedule be shifted to town meeting. If the authority remains with the selectmen, then they are now acting more like a personnel board. In most towns, changes to the classification plan and the salary schedule, commonly referred to as the compensation plan, are required by by-law to be approved by town meeting.

## **8. Create Job Descriptions for All Positions**

We recommend that the town administrator initiate a process of establishing, maintaining and amending job descriptions in accordance with the town's personnel policy. We would expect this to be a bottom-up exercise where staff and department heads review and update or create their own job description by listing what they actually do and are responsible for. The town administrator should develop and provide a template or outline to be followed. Staff would present their work product to a department head who would then review descriptions with the town administrator. Department heads would provide their own job descriptions to the town administrator. When complete, all employees will have a clear understanding of their responsibilities and of what expectations are placed on them. For management, overlapping work and gaps in job duties also might be discovered and corrected. More intangible benefits will result if the effort is implemented in an across-the-board, even-handed way. Lastly, accurate job descriptions are essential to up-to-date classification and compensation plans.

## **9. Conduct a Comprehensive Review of the Classification and Compensation Plans**

Even though the personnel policy states that "the personnel board shall establish a uniform classification system," the town administrator completed a review of classified positions not covered

by union agreements in 2010. We recommend that he update prior analyses and expand the review to include all town positions. In addition, the compensation plan is based for the most part on long-standing pay ranges, which have been periodically adjusted for cost of living increases. It warrants updating as well. The proposed new classification and compensation plans should be approved by town meeting before implementation. Moving forward, a review of a job description and its place in the classification and compensation plans should be revisited and updated as vacancies occur and new hiring is anticipated. A full review every five years or so also would make sense.

## **10. Conduct Annual Performance Reviews**

We recommend that the town develop a detailed personnel evaluation program and conduct annual performance reviews for all employees in accordance with the personnel policy. At present, although required by the town's by-laws, these are not done. Increasingly, government is placing greater attention on written job descriptions with goals, performance expectations, and provisions for annual employee evaluations. The town should develop evaluation criteria that will provide uniform standards and guidance as well as benchmarks by which each employee's job performance may be measured.

There are various approaches for employee performance evaluations. Some involve a single annual meeting between a manager and employee when performance, expectations and goals are discussed. Other models involve multiple meetings during the year to more closely measure progress. While few communities offer merit bonuses, many withhold raises for a poor review. They also create an opportunity for the employee to improve his or her performance and receive the raise.

While the implementation of performance evaluations would be subject to labor negotiations for employees in unions, in the meantime an evaluation program could be developed for those employees covered under the town personnel by-law.

## **11. Organize and Restrict Access to Personnel Records**

We recommend that all personnel files be centrally located in the town administrator's office (personnel policy 1.5 and 2.5). The complete files for all employees, including public safety, should be in the town administrator's office, where employee information is kept separately and access is guarded. Under M.G.L. c. 149, §52C, a personnel file would include all employment related documents, including those involving an employee's promotion, transfer, additional compensation, disciplinary action, signoff forms and training records. Not included would be "personal information" protected under M.G.L. c. 214 §1(b), medical records, references or reference checks, records of any investigation undertaken by management or related to a judicial proceeding, or any document that would violate the confidentiality of another employee.

We recommend that the town administrator formulate policies and procedures for the maintenance and protection of required employment information. It is the responsibility of the town to restrict access to employee files. In a written policy, specific officials would be granted authority to access files. Procedures would be developed on how and when an employee may review the content of his/her own file, and what content may or may not be seen by the employee in the presence of the personnel administrator.

### **12. Develop a Personnel Action Form**

We recommend that the town administrator develop a personnel action form to document and authorize changes to an employee's status and records. Changes would include, but are not limited to, hiring/rehiring, promotion/transfer, salary/wage adjustment, and termination (e.g. resigned, fired, laid-off, or retired). The form would originate with the appointing authority; it would then be reviewed and approved by the town administrator. Once approved, it would be forwarded to the accountant for verification that funds are available before being submitted to the treasurer's office to be entered into the MUNIS system. The final document would be placed in the employee's personnel file.

### **13. Consider Policy on Health Insurance for Part-Time Boards**

We recommend that the town act to lessen future insurance costs by discontinuing its policy of funding healthcare benefits for part-time members of elected boards and committees who receive a stipend. While the town funds generally 60 percent of health premiums, each qualifying elected official, who chooses to take insurance coverage through the town, could cost Georgetown up to \$17,300 per year depending on plan choice.

The board of selectmen has the discretion to remove part-time elected officials from the list of employees eligible for health care coverage. They can do so through a formal vote of the board, which by rule of law would extend to all elected officials. The board also can take similar action to preclude elected officials from being eligible for healthcare benefits upon retirement. Any elected officials, currently enrolled, would be allowed to receive health care benefits only to the end of their term.

## Information Technology

The Town of Georgetown contracts with Boston Systems & Solutions, LLC, for computer and network maintenance, security and other technology-related issues as needed. Since being hired, the contractor has been working on upgrading the town's systems. Leased servers have been configured and older computers are being replaced as needed with newer operating systems. A firewall and virus protection measures are installed. The town hall and the public safety buildings have a fiber connection and the public safety building has a virtual private network (VPN) with the highway, water and light departments. There are plans to link the schools and other departments, so that data maybe exchanged and daily operations would continue in the event that the Internet was down and/or the community experienced a serious incident (e.g., system crash, storms, flooding or power failure). Backups of the servers are performed daily and data is stored off-site by the contractor.

Town offices have Microsoft Office applications, access to the Internet and e-mail service. The community has an email/Internet/computer usage policy. Among other specialized computer applications, the assessors use the Vision computer assisted mass appraisal (CAMA) system. The water and the light departments use different versions of the Northern Data utility billing and collection system. The town also has a geographical information system (GIS), which is primarily managed by the planning department and is in the process of being updated.

The finance department and the school business office use the MUNIS system, which is web-based and accessed remotely from the Tyler Technologies' facility in Maine. Georgetown has the general ledger, purchase order, accounts payable, payroll, human resources management, property and excise tax billing and collections, accounts receivables, tax title administration, cash management, and general billing modules. The town is planning on acquiring the requisition/purchase order module in the coming year. This would enable the school and town departments to data enter requisitions that would flow electronically to the respective accounting officer and/or procurement officer for review and then be converted into purchase orders after approval. Officials also are considering acquiring the budgeting module so departments would enter annual requests into MUNIS rather than the current series of Excel spreadsheets.

The town has a website ([www.georgetownma.gov](http://www.georgetownma.gov)) that is hosted by a vendor, Virtual Towns & Schools. On the home page, there are lists of departments and boards, electronic access to the town by-laws, a calendar of events, registration to the town's emergency notification system, and links to external information. Each department or board has a web page that provides contact information, hours of operation, documents, forms and other information, and general statements of purpose.

#### **14. Provide MUNIS Training to Users**

We recommend that the town budget and arrange for MUNIS training for employees. Most town and school department staff using MUNIS have learned it on their own. Receiving formal training on the MUNIS system will help ensure that the staff learn all aspects of the applicable modules that each will be using in the conduct of business.

As a part of the training, the staff should receive instruction on the MUNIS remote entry capability for departmental receipts, payroll and vendor bills. The information would flow electronically from their office desktop computer to the treasurer's and the town accountant's offices. Hardcopies of turnover sheets, payroll summary sheets and original invoices would still be submitted and would be used to verify the data entries by each department. Once established, the electronic transmission of financial data will greatly reduce the amount of manual entries the treasurer's and town accountant's offices are performing, thereby freeing up staff to perform other management and analysis activities.

#### **15. Provide Expense and Revenue Reports Electronically**

We recommend that expense and revenue reports be distributed electronically. Currently, the school department may view and print its revenue and expenditures reports while the town accountant prints and distributes these reports to departments and committees. An alternative would be to convert the reports to a portable document format (PDF) and send them by email. A further possibility would be to grant the town departments electronic access to read and print their revenue and expenditure information remotely. At the end of the month, the town accountant would send an email to departments, informing them the reports are available.

#### **16. Grant remote access to GEO/TMS application to assessors**

We recommend that the assessors be granted read-only access to the GEO/TMS permitting software application. With electronic access, the assessing office can view recent activity posted by the building department and the status of a permit prior to scheduling an inspection.

#### **17. Revise the Email Policy for Retention Procedures**

We recommend that the town revise its email policy to include procedures for retaining emails, ensuring compliance with the State Public Records Law (MGL c. 66). The public records law also dictates the disclosure, maintenance and retention of materials/data created or received by a governmental officer/employee through email. Currently, staff and officials have been verbally instructed to keep emails, which are saved to the network drive and backed up nightly. A section should be added to the town policy that instructs all on the procedures to determine what needs to be retained and how long.

**18. Establish Shared Email Address or a Contact All Electronic Messages**

In Georgetown, each employee is assigned an email account and address. Now, the town is exploring the idea of providing email to every board member, but the estimated cost is prohibitive. As an alternative, a single email address might be assigned to each board or department. Because, all board members and staff would have access to the address, there is a certain loss of privacy. On the other hand, all departmental business is public record. In addition, this will direct all departmental communications to flow through the town's email system, avoiding potential public records issues.

**19. Update Website Content**

We recommend that the town make it a priority to update the website content. When initially constructed, many of the boards and departments posted information and other materials on the webpages. Over time, some of content has become dated yet remains on the website despite new information or other materials being available. Examples would be the town report, audits and minutes of the boards and committees. An up-to-date, organized and accurate website would help generate public awareness and confidence in government. In other communities, user-friendly and informative websites have proven successful in reducing the amount of time that town employees spend fielding questions in person or on the phone.

## Finance Department

Georgetown has a finance department established by special act (c. 338 of the Acts of 1994 as amended by c. 56 of the Acts of 2001). A finance director is appointed by the selectmen and is responsible for supervising and coordinating all accounting, revenue collection, and treasury functions. The finance director appoints his staff subject to the approval of the selectmen. Since 2002, the town administrator has served as the acting finance director.

The town accountant oversees financial activity of the municipality and maintains the town's general ledger. The accountant reviews and processes vendor invoices weekly and payroll biweekly, and in each case prepares the warrants for the selectmen's approval. Vendor bills are submitted with back-up information materials and those that trigger state procurement rules are forwarded to the town administrator for review. The accountant produces trial balances and maintains information on town debt. Cash and receivables are reconciled with the treasurer/tax collector monthly. At the close of each fiscal year, the accountant prepares and submits the balance sheet and year-end report of revenues, expenditures and fund balances (commonly referred to as the Schedule A) to DOR. She also has a role in the preparation of the Tax Recap Sheet and prepares schedules for the town's outside audit firm.

As a one-person office, the accountant generally plans her time off around the warrant approval process and arranges for the school accountant to serve as backup. The school accountant is familiar with inspecting invoices submitted for payment and the MUNIS system. She is able to prepare the warrant for the acting finance director's signature prior to submitting to the selectmen for approval.

The treasury and tax collection office is staffed by the treasurer/tax collector, an assistant treasurer/tax collector and a clerk. The treasurer/tax collector supervises the staff, maintains the cash book, and manages the investment, disbursement and borrowing of cash. The assistant treasurer/tax collector primarily processes payroll and administers employee benefits. She assists with collections and performs all activities in the department head's absence. The clerk receives and posts collections, prepares municipal lien certificates, and responds to taxpayer inquiries by telephone and at the service counter.

The treasurer receives turnovers from most departments, at least weekly, with a report that is tailored to the department. Money is counted, entered into the MUNIS system and deposited in the bank. The water department, light department, and school department (for the student activities and lunch program) deposit their collections in the bank and prepare a monthly turn over report, attaching the deposit slips. In addition, the light department uses a lock box payment system because of the monthly volume of transactions. All deposits, disbursements by warrants, and transfers are recorded in an Excel cash book. The cash book is reconciled against bank statements and then with the accountant shortly after the close of each month.

Town and school employees are paid biweekly. The school department prepares its payroll, which is approved by the school committee prior to being submitted to the treasurer's office for entry into the MUNIS system. All town department time sheets with signed coversheets are submitted to the treasurer for data entry into the MUNIS system on an exception basis. Once entered, the treasurer's office prepares a separate payroll spreadsheet of charges by department and personnel line-items, and runs the withholdings and deduction. The payroll spreadsheet and the original timesheets are given to the accountant.

The office processes property tax bills quarterly (mailed twice per year) and motor vehicle excise annually. The office also prepares about 350 municipal lien certificates each year. The town uses its deputy collector, Kelley & Ryan, to print and mail tax and excise bills. Payments are taken in by mail, in the office, from escrow (real estate taxes via mortgage companies) collection services and on-line through the town's website. Payment detail is entered into the MUNIS system and then funds are deposited. Monthly, the tax and excise receivables are reconciled with the accountant.

Once a property tax bill or motor vehicle excise bill becomes past due, the treasurer/tax collector issues a demand notice. If the demand notice does not result in payment, the treasurer/tax collector issues a letter notifying the taxpayer that she will be initiating tax taking proceedings, which are done within the year. Using the services of an attorney, tax title accounts have been foreclosed and subsequently sold at auction, placing the properties back on the tax roll. For delinquent motor vehicle excise, the deputy collector marks licenses and registrations if accounts remain unpaid. Delinquent collections are turned over weekly with a detailed report and the deputy collector's fees are paid through the vendor warrant.

Georgetown has a water department and a light department each of which is managed by an elected commission. The light department reads the meters, bills the users monthly, and collects the charges (M.G.L. c. 164). The water department reads its meters semiannually, issues alternating estimated/actual bills to customers quarterly, and collects its payments. The water department is in the process of changing over the meters to a radio read system with the goal of eliminating manual readings and moving towards issuing actual bills quarterly.

Both departments use the Northern Data System for billing and collections. However, the light department has used the product longer and has the premium package while the water department acquired the basic package. The latter package does not have the ability to produce management reports in-house, and the staff never received formal training. These issues were brought to the attention of the water commissioners, who have agreed to arrange for staff training and postponed any decision on upgrading the system. To encourage timely payments and clear some growing account balances, the water commissioners voted to stop providing a discount to users who pay their accounts in full within 30 days of billing, but eliminated late interest charges. The department also will begin to lien outstanding balances as of the end of the fiscal year on the subsequent fiscal year's tax bill.

## **20. Require Departments to Submit All Contracts**

We recommend that copies of all contracts, including grants, be submitted to the accountant's office in compliance with M.G.L. c. 41, §57. All departments (including the schools), boards and commissions that enter into contracts or receive grants must submit them to the accountant's office. With valid copies on file, the accountant will be able to verify that the terms of the contract or grant are met when reviewing payment requests. If a bill is submitted for payment and the contract or grant that contains information relating to payment terms is not on file, the accounting office cannot process the payment request until said contract or grant is presented.

## **21. Review and Approval of Vendor Bills**

We recommend that boards, committees, department heads and others authorized to expend town funds approve the vendor payment requests they submit to the accountant (M.G.L. c. 41, §56). Accepted approval is by way of a signature(s). If an elected or appointed board oversees a department, a majority of its members must approve non-payroll expenditures. This responsibility cannot be delegated to staff or to a single member of the board or committee.

There are limits to invoice approval requirements or responsibilities in the instance of capital projects. In the instance of a school construction project, the school department does not approve invoices. That responsibility falls to the school building committee. While a community preservation committee (CPC) approves its bills for administrative expenditures, it has no role in the approval of expenditures from funds the CPC recommends and town meeting approves for projects. That responsibility falls to the department or board with spending authority as indicated in the article approved by town meeting. The CPC would be prudent to track the funds received, recommendations to town meeting on their use, and to monitor available CPC balances. But, it is not the CPC's role to approve expenditures by other departments.

## **22. Remove Original or Copies of Invoices from Warrant**

We recommend that invoices not be attached to the warrant when it is presented to the selectmen for approval. A warrant should be a list of requested payments with sufficient detail drawn from invoices to enable selectmen to understand who is to be paid, the amount and for what service or goods. If a concern is raised about an expenditure, the accountant may prepare an explanation for the selectmen.

## **23. Develop Standardized Payroll Cover Sheet and Approval of Payroll**

We recommend that a standardized payroll cover sheet be developed for all departments. A payroll cover sheet would list each department employee with the total hours worked during the pay period attributable to regular time or to sick, vacation, personal or other compensated time as recorded on individual timesheets. Timesheets should remain with the department head or board that oversees the department. Due to the complexity of work schedules for some departments (e.g., police, fire,

water and light), some flexibility in the format should be allowed, but information should be consistent throughout. The payroll cover sheet would be forwarded to the treasurer. Sample forms can be copied from the DLS website (<http://www.mass.gov/dor/local-officials/municipal-data-and-financial-management/financial-mgt-assistance/calchandforms.html>).

Should a payroll cover sheet be submitted without requisite information or approvals, the treasurer is required to return the payroll submissions for correction. State law (M.G.L. c. 41, §41) requires a department head or the members of a board, committee or commission to verify an employee's time by way of a signature, or signatures, on payroll information submitted to the treasurer. Otherwise, the treasurer is not permitted to accept, process and approve the payroll for the warrant. This responsibility cannot be assigned to the staff. However, a board, committee or commission is permitted to delegate this approval authority, by a vote, to one of its members.

We also recommend that the treasurer provide the MUNIS pay distribution detail report to the accountant with each payroll. The pay distribution detail report provides gross payroll information by individual that will enable the accountant to see if the entries into the MUNIS system were done correctly and completely. This information would be inspected in conjunction with the summary payroll sheets prior to approval and inclusion on the warrant. As an added benefit, the treasurer's office will no longer need to prepare the separate Excel spreadsheet of charges by department and personnel line-items.

#### **24. Develop a Monthly Cash Flow Budget**

We recommend the treasurer/tax collector create and maintain a monthly cash flow budget. The fundamental responsibility of the position is cash management, and one of the more effective tools for achieving this is a cash flow budget. By tracking income and expense trends, the cash flow budget effectively calculates the resultant cash available to cover obligations at any point during the fiscal year.

The cash flow budget can be designed as a simple Excel spreadsheet. Historic warrants and monthly revenue reports provide source data to project spending and collection patterns. By lining these up with current-year appropriations and overlaying debt service obligation amounts, a reasonable forecast of the town's cash flow emerges. The treasurer/tax collector should replace estimates with actual costs and revenues on a monthly basis over the course of the year, and make adjustments to the forecast for unexpected circumstances as they arise. The cash flow budget thereby helps the treasurer/tax collector anticipate periods of low cash balances and manage short-term investment and borrowing. A sample cash flow spreadsheet can be found on the DLS website (<http://www.mass.gov/dor/local-officials/municipal-data-and-financial-management/financial-mgt-assistance/calchandforms.html>)

## **25. Post Bills Before Preparing a Deposit**

We recommend that the staff post payments to MUNIS before preparing a deposit. As payments are received at the collections counter or by mail, the staff 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. At the end of the day, the drawer is closed; checks and cash are counted. An adding machine tape is run on the bills and the two amounts are compared. The bank deposit is prepared about the same time. When the payments are posted from the bills into the MUNIS system, a report is generated that provides the total as well as the amount in cash and checks. Using the MUNIS report will eliminate the need to run the adding machine tape on the bills.

## **26. Establish a Town Collector Position**

We recommend that the town accept M.G.L. c. 41, §38A. Acceptance of this statute will change the office to a town collector and authorize the office to collect all payments due the town, including water charges. It is a sound management practice to have the water department collecting readings, reviewing data for accuracy, mailing bills, and committing the charges over to the collector's office for collecting all payments. Without this segregation of duties, the community loses an important check and balance that could compromise financial controls.

## **27. Pursue Collection Remedies**

We recommend that the treasurer/tax collector use the services of a deputy collector to pursue outstanding personal property tax accounts. The deputy collector may be able to obtain money owed the town or provide evidence (e.g., death, absence, poverty, insolvency, or other inability of the person assessed to pay) that the accounts are uncollectible.

## **28. Continue to Charge Interest on Late Water Bills**

We recommend that the town continue to charge interest on outstanding water bill balances. Interest charges should accrue beginning on the 31<sup>st</sup> day after the bill is issued. Charging late interest and then regularly liening outstanding charges on the property tax bills would demonstrate that the town is serious about these collections.

## **29. Modify Water Department Revenue Reporting and Reconciliation Process**

We recommend that the water department meet with the accountant and treasurer/tax collector to discuss current procedures and identify changes that will enable the department to report revenue accurately and complete reconciliations properly. Currently, the chart of accounts combines the different water-related revenue types that should be separated out. An example would be the late interest charges that are included with water rate revenue. Monthly, the water department provides a turn over report to the treasurer, which is copied to the accountant. Attached is a statement of the changes in the accounts receivable balance for the same month. This report begins with the prior month's outstanding balance from which reported collections are deducted and new committed

charges are added. Unfortunately, the trial balance report from the Northern Data System adds accumulated late finance charges into the grand total outstanding receivable balance. As of 6/30/2012, the Northern Data trial balance report for water indicates an outstanding balance of \$288,257, which matches the figure on the Schedule of Outstanding Receivables report. However, the Northern Data report includes a column for late finance charges totaling over \$24,000, which should not be reported as a part of the outstanding receivables and results in an overstatement on the town's balance sheet.

The water department, accountant and treasurer should meet to discuss the abilities and limitations of the Northern Data System and the proper treatment of various revenue types (e.g., committed fees and accumulated late finance charges). They should develop a crosswalk between the Northern Data and MUNIS systems to ensure collections and committed amounts are reported accurately, changes in receivable balances may be documented, and reconciliations between the accountant's general ledger and water department's figures are accurate.

### **30. Review Foreclosed Properties Account**

We recommend that the parcels that town meeting voted to transfer to the care and custody of the conservation commission be removed from the tax foreclosure account. Two parcels, which had been foreclosed on through Land Count, were transferred to the conservation commission (article 10 of the 11/17/08 STM and article 27 of the 5/3/10 ATM). Having made the decision to keep the parcels for its own use, Georgetown should remove them from the tax foreclosure account. This should be reported to the accountant so she may make the adjustment to her general ledger and add the acquisitions of the land to the general fixed assets.

## Assessors

The assessing office is responsible for classifying all property and determining full and fair cash valuations. It assigns tax payments to owners and generates the commitment authorizing the tax collector to collect property taxes and excise payments. The town's assessing office maintains assessment data on approximately 3,280 real property parcels and personal property accounts and 9,770 motor vehicle excise accounts. In addition, the office processes approximately 300 building permits, 220 forms of list, 180 income and expense reports, 100 exemptions and abatements and 70 deed transfers from property sales annually. Georgetown's real and personal property assessment records are maintained on the Vision computer assisted mass appraisal (CAMA) system, which is used to compile analytical reports and property tax commitments. The town's property record cards are available on-line. The assessors' maps are currently updated annually by Merrimac Valley and the town is contemplating installing and maintaining the maps on the town's geographical information system (GIS), which is being upgraded.

An assistant assessor/office manager and an assistant assessor/clerk staff the office and report to a part-time elected board of assessors. The assistant assessor/office manager has worked for the town for four years. He oversees the daily office operations, supervises the clerk and maintains the town's assessment records and maps. He performs field work, which includes measuring and listing new and improved properties where a building permit has been issued. He signs-off on occupancy permits and inspects sale properties. The assistant assessor/office manager enters property data and sketches into the CAMA system. He also reviews abatement and exemption requests and provides recommendations to the board for their approval.

The assistant assessor/clerk maintains all records, processes deed transfers, and enters property legal information into the CAMA system. She manages the motor vehicle excise accounts, maintains and updates the personal property accounts from form of list submissions. She also reviews and enters building permit information into the CAMA system. She handles abatement and exemption applications submitted and enters amounts granted by the board into the MUNIS system. She provides support to the assistant assessor/office manager, compiles data, prepares reports and responds to taxpayer inquiries by telephone and at the service counter.

Prior to hiring the assistant assessor/office manager in 2008, Georgetown contracted with Vision to perform triennial revaluation and interim year adjustments. Since taking office, he has prepared the analysis and made interim year changes to values. He has conducted the residential revaluations and updates the land schedules in-house, retaining Vision to value and update commercial and industrial properties.

The assessors are required to perform cyclical re-inspections of all property in the community over a period of time not exceeding nine years. The primary benefit of this program is that it will provide the assessors with current, accurate data. In the past, Georgetown has hired a variety of contractors to conduct these inspections and re-collect data, but data collection errors and inconsistencies in property grade and condition were found. The assistant assessor/office manager conducted a full field review and made initial changes prior to the FY2010 revaluation. He has been proactive on cyclical re-inspections and anticipates completing the program within the year, well ahead of the scheduled completion in FY2016.

### **31. Inspect and Recollect Personal Property Accounts**

We recommend that the assessing office inspect and recollect personal property accounts. For the FY2010 revaluation, Georgetown hired two independent contractors to inspect and collect personal property data. Since then, inspections have been done in-house by the assistant assessor/office manager as time allows. He found that some businesses have left the community and others located there, resulting in inaccurate data. Annually, forms of list should be reviewed to identify those businesses that did not make a return, which should trigger an inspection that would update existing account data or provide confirmation that the establishment is defunct and can be removed from the tax roll. Contact with town offices (e.g., town clerk, selectmen's office and board of health) will help to identify new accounts that have not been previously assessed. The inspections may be conducted by the assistant assessor/office manager, the assistant assessor/clerk, and/or by contractor. This process will improve the accuracy of the assessors' personal property database and help prevent the issuance of erroneous assessments that would eventually have to be abated.

### **32. Coordinate Inspectional Department Visits**

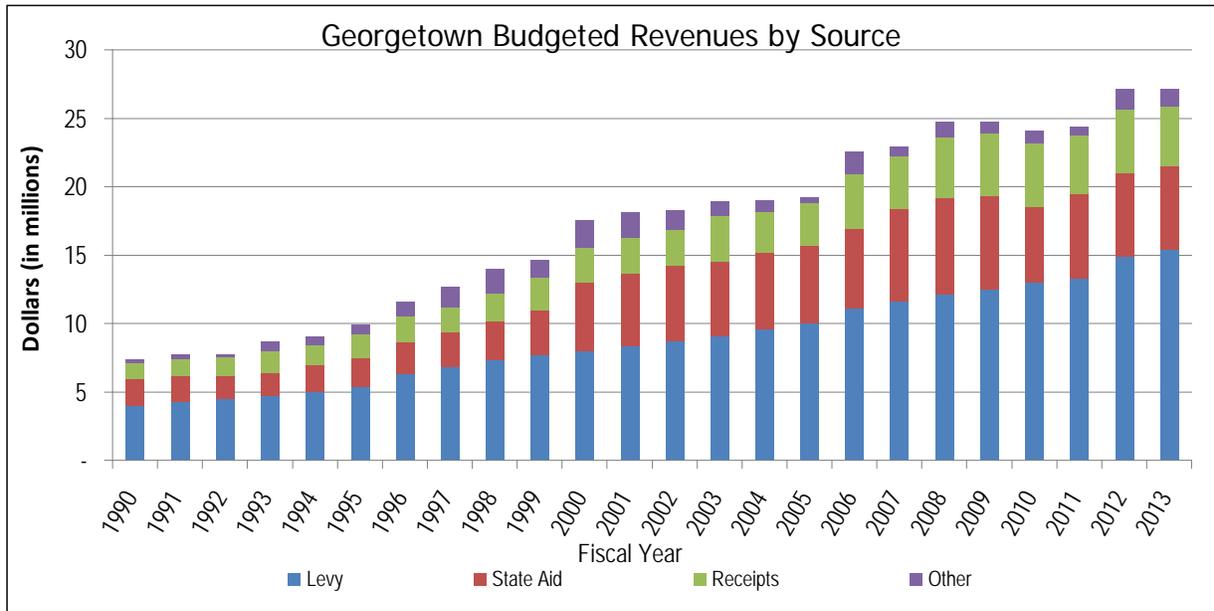
We recommend that the assistant assessor accompany the fire department on its inspections. On-line virtual tours provide partial public viewing of the interior and highlighted qualities of properties for sale. Teaming up with the fire department when it schedules a smoke/CO2 inspection because of a pending sale would ensure complete and timely interior information for the assessing database as well as for analyzing sales.

While the assessing office must inspect a property prior to an occupancy permit being granted, we encourage the assessing staff to communicate with the building inspector on scheduled inspections and to accompany him when timing between the two offices allows for it. This is suggested as a courtesy to residents, combining visits with another department would reduce the number of scheduled town trips to the same properties.

### **33. Fulfill Minimum Board Training Requirements**

We recommend that the newest member of the board of assessors take Course 101 and the classification workshop over the next year. As of this writing, two of the members have completed DOR's Course 101, *Assessment Administration: Law, Procedures and Valuation*, and the classification workshop training while the newest member, who was elected in May 2011, has not taken either. Any person serving as assessor must successfully complete this basic course and pass the exam within two years of being elected or appointed to the post in order to comply with 830 Code of Massachusetts Regulation (CMR) 58.3.1. Course 101 is made up of six sessions, presented one evening a week for six weeks or one full day a week for three weeks, to accommodate full and part-time assessors' availability. DOR schedules this course twice a year at two locations, depending on where the majority of the assessors that must complete this educational requirement reside. Also, DOR conducts the program at the annual Massachusetts Association of Assessing Officers (MAAO) School in Amherst every August. DOR will be holding the next Course 101 in the Boston office during the day in April 2013. Specific details on these training courses may be found on DOR's website. The town's BLA community advisor will also have this information.

### Appendix

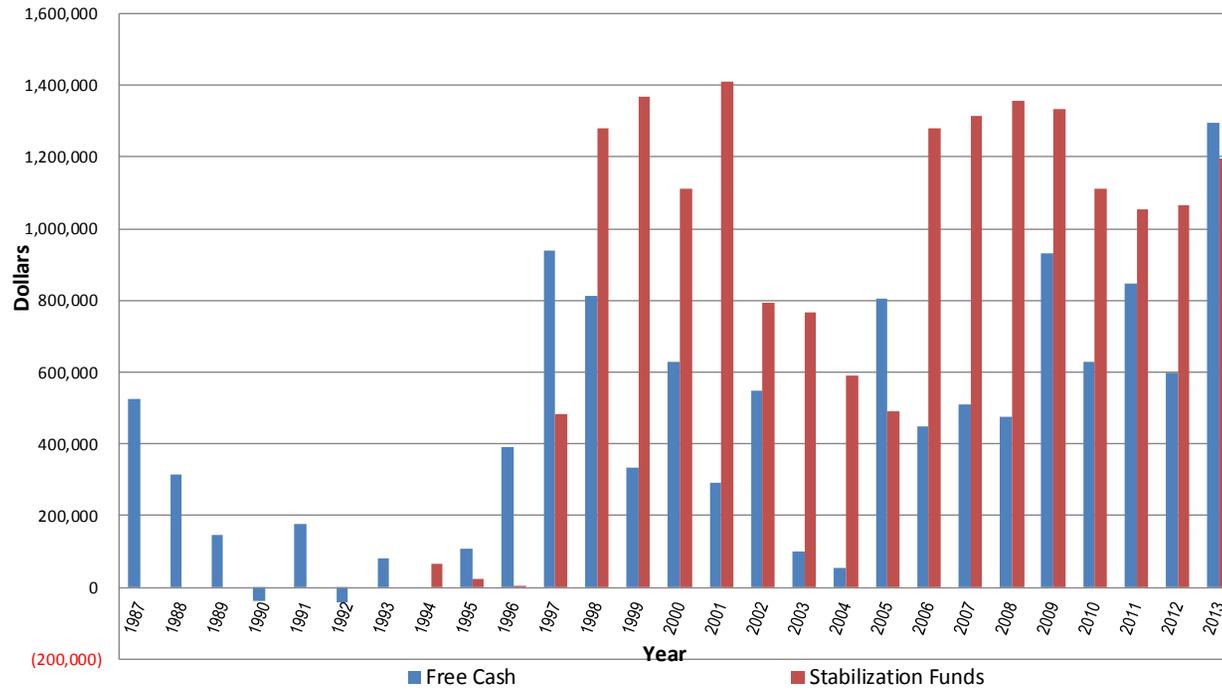


Georgetown Budgeted Revenues by Source

Fiscal Year	Local				Total	Percentage of Total			
	Levy	State Aid	Receipts	Other					
1990	4,009,088	1,965,944	1,123,190	260,592	7,358,814	54.5	26.7	15.3	3.5
1991	4,321,488	1,846,337	1,250,280	331,058	7,749,163	55.8	23.8	16.1	4.3
1992	4,540,676	1,620,472	1,445,595	167,028	7,773,771	58.4	20.9	18.6	2.1
1993	4,755,694	1,702,357	1,541,100	647,217	8,646,368	55.0	19.7	17.8	7.5
1994	5,036,943	1,942,743	1,465,523	610,542	9,055,751	55.6	21.5	16.2	6.7
1995	5,365,147	2,132,368	1,760,081	669,329	9,926,925	54.1	21.5	17.7	6.7
1996	6,318,968	2,303,369	1,953,082	1,054,526	11,629,945	54.3	19.8	16.8	9.1
1997	6,830,613	2,574,822	1,805,773	1,498,218	12,709,426	53.7	20.3	14.2	11.8
1998	7,391,605	2,811,532	2,029,037	1,784,379	14,016,553	52.7	20.1	14.5	12.7
1999	7,719,362	3,271,783	2,378,012	1,302,971	14,672,128	52.6	22.3	16.2	8.9
2000	8,016,388	4,991,151	2,583,686	2,006,410	17,597,635	45.5	28.4	14.7	11.4
2001	8,379,727	5,269,649	2,669,184	1,808,292	18,126,852	46.2	29.1	14.7	10.0
2002	8,769,136	5,514,611	2,549,805	1,453,182	18,286,734	48.0	30.2	13.9	7.9
2003	9,122,728	5,399,787	3,348,771	1,073,080	18,944,366	48.2	28.5	17.7	5.6
2004	9,609,452	5,571,061	3,001,741	792,477	18,974,731	50.6	29.4	15.8	4.2
2005	10,064,127	5,616,247	3,181,522	389,486	19,251,382	52.3	29.2	16.5	2.0
2006	11,130,179	5,835,879	3,960,465	1,614,421	22,540,944	49.4	25.9	17.6	7.1
2007	11,643,851	6,725,658	3,880,247	668,402	22,918,158	50.8	29.3	16.9	2.9
2008	12,168,087	7,042,736	4,447,229	1,095,017	24,753,069	49.2	28.4	18.0	4.4
2009	12,521,427	6,793,837	4,627,062	850,363	24,792,689	50.5	27.4	18.7	3.4
2010	13,011,332	5,545,150	4,623,570	942,173	24,122,225	53.9	23.0	19.2	3.9
2011	13,320,544	6,146,685	4,320,452	592,473	24,380,154	54.7	25.2	17.7	2.4
2012	14,947,935	6,058,490	4,678,743	1,503,411	27,188,579	55.0	22.3	17.2	5.5
2013	15,356,114	6,180,712	4,323,909	1,260,172	27,120,907	56.6	22.8	15.9	4.7

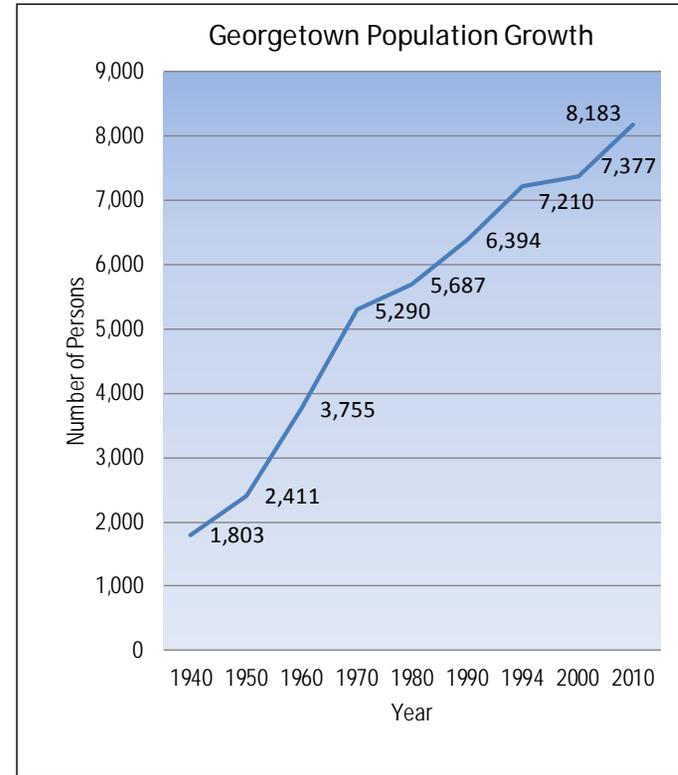
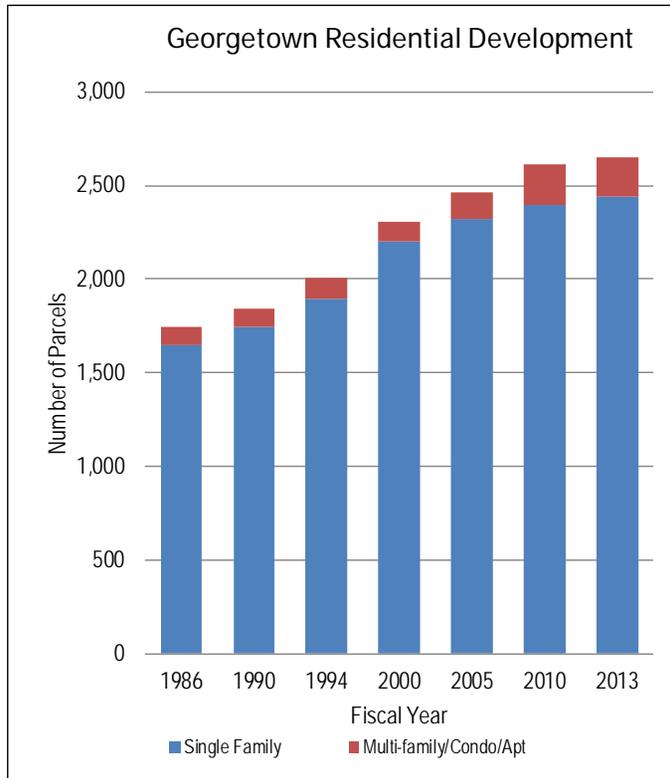
Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports  
 The light department is an enterprise fund, but the budget is not appropriated by town meeting and not included in these figures.

### Georgetown Free Cash Certifications



Year	Free Cash (July 1)	Stabilization Funds (June 30)	Year	Free Cash (July 1)	Stabilization Funds (June 30)	Year	Free Cash (July 1)	Stabilization Funds (June 30)
1987	526,239	n/a	1996	392,421	3,931	2005	804,819	489,299
1988	315,331	n/a	1997	938,596	484,138	2006	448,763	1,280,178
1989	146,081	n/a	1998	811,942	1,281,621	2007	508,435	1,313,895
1990	(37,042)	n/a	1999	334,327	1,368,731	2008	476,707	1,358,846
1991	175,161	n/a	2000	630,061	1,113,268	2009	931,250	1,335,796
1992	(43,305)	n/a	2001	291,784	1,409,092	2010	629,727	1,113,273
1993	79,945	n/a	2002	548,709	793,979	2011	847,261	1,054,119
1994	n/a	66,726	2003	100,387	766,481	2012	599,064	1,065,892
1995	109,186	25,304	2004	53,913	592,331	2013	1,295,784	1,196,747

Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports



Georgetown Residential Development

Fiscal Year	Single Family	Multi Family/ Condo/Apt
1986	1,644	104
1990	1,741	103
1994	1,896	111
2000	2,202	103
2005	2,317	144
2010	2,398	217
2013	2,437	215

Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports

Georgetown Population Growth

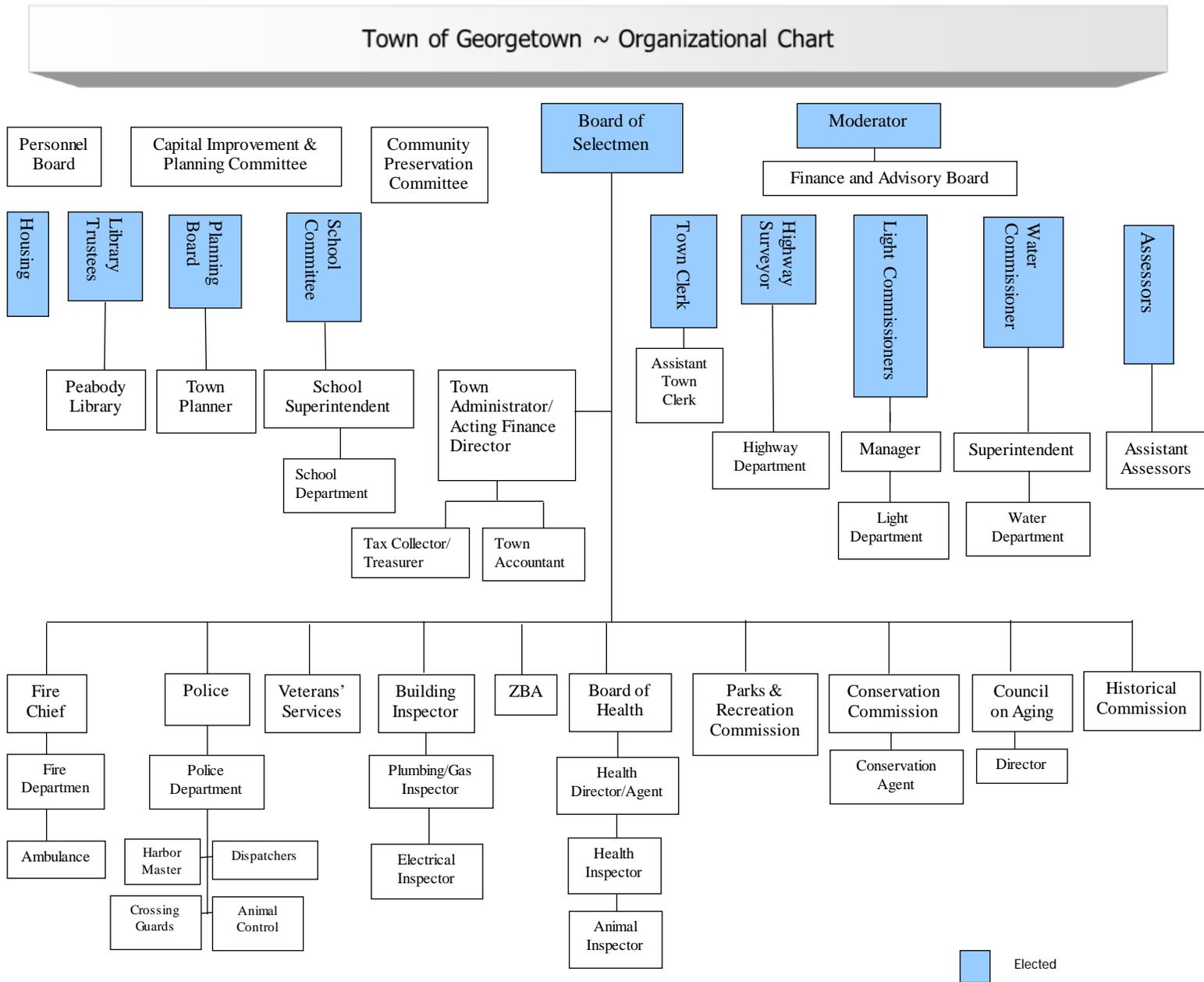
Year	Population	% Change
1940	1,803	
1950	2,411	33.7%
1960	3,755	55.7%
1970	5,290	40.9%
1980	5,687	7.5%
1990	6,394	12.4%
1994	7,210	12.8%
2000	7,377	2.3%
2010	8,183	10.9%

Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports

### Essex County Towns Under 15,000 Population

Municipality	Census 2010	Budget FY2013	Single Family (SF) Average Value 2013	SF Ave. Tax Bill 2013	DOR Income 2010	DOR/Capita Income 2010	Equalized Value (EQV) 2012	2012 EQV/ 2010 Capita
Georgetown	8,183	27,120,906.94	377,592	5,116	313,490,000	38,310	1,186,674,100	145,017
Boxford	7,965	29,470,088.08	557,456	8,295	657,296,000	82,523	1,705,316,200	214,101
Essex	3,504	16,037,838.67	493,317	7,474	162,869,000	46,481	798,684,600	227,935
Groveland	6,459	15,257,200.02	331,796	4,804	215,302,000	33,334	854,058,100	132,228
Hamilton	7,764	26,856,080.92	461,526	7,924	410,535,000	52,877	1,353,498,600	174,330
Ipswich	13,175	47,346,102.30	428,358	5,697	567,932,000	43,107	2,484,583,600	188,583
Lynnfield	11,596	44,500,727.68	510,995	7,573	677,011,000	58,383	2,504,734,600	216,000
Manchester-by-the-Sea	5,136	27,247,511.36	1,001,186	10,522	496,447,000	96,660	2,242,767,900	436,676
Merrimac	6,338	15,219,339.24	317,526	4,906	197,501,000	31,161	696,574,800	109,905
Middleton	8,987	28,283,838.04	476,123	6,471	349,936,000	38,938	1,651,742,000	183,792
Nahant	3,410	12,557,154.75	528,069	5,671	161,608,000	47,392	757,037,700	222,005
Newbury	6,666	18,011,343.45	400,884	4,570	347,518,000	52,133	1,298,756,500	194,833
Rockport	6,952	30,117,142.09	485,621	5,400	258,605,000	37,199	1,937,900,400	278,754
Rowley	5,856	17,054,028.39	361,663	5,244	219,931,000	37,557	912,927,300	155,896
Salisbury	8,283	24,474,911.07	308,471	3,551	201,947,000	24,381	1,495,358,300	180,533
Swampscott	13,787	58,783,541.39	453,328	8,541	836,125,000	60,646	2,370,987,100	171,973
Topsfield	6,085	24,398,947.94	505,994	8,071	347,764,000	57,151	1,207,615,900	198,458
Wenham	4,875	16,017,427.67	506,116	9,353	372,607,000	76,432	707,381,000	145,104
West Newbury	4,235	15,259,965.18	454,322	7,156	220,402,000	52,043	761,418,600	179,792
18-Town	131,073		471,017	6,725	6,701,336,000	51,127	25,741,343,200	196,389
State	6,547,629		357,958	4,926	224,782,705,522	34,330	975,688,844,600	149,014

Source: Massachusetts Department of Revenue, Division of Local Service, Data Bank reports



## What Should a Charter Include

With the adoption of the Home Rule Amendment (Article 89) to the Massachusetts Constitution in 1966, and the companion Home Rule Procedures Act (MGL Ch. 43B), city and town voters could begin to select for themselves the form of government which is best suited to local needs. The current standard allows the exercise of a power or function, conferrable by the local legislative body, so long as it is not inconsistent with the Constitution, or general law.

Two vehicles for establishing a new government structure are available. A community can form a charter commission to adopt a new charter, to entirely revise an existing charter, or to amend selected charter provisions. As an alternative to the charter commission process, communities can under Ch. 43B, adopt, revise or amend a charter by a special act of the State Legislature with approval by the Governor (See Special Acts).

For municipalities, a key distinction between a charter commission and a special act is the time required to complete the process. The work of a charter commission is directed by statute and involves 18-24 months. On the other hand, when a special act is initiated locally (typically pursuant to the formation of a government study committee), it can generally advance more quickly. For more information on these procedures, see City and Town Charters at the DLS Technical Assistance website.

In short, communities have greater ability to modify the organization of local government either on a piecemeal basis or in a wide-ranging, comprehensive plan.

Town meetings and city councils, with voter approval, can enact individual provisions to combine the treasurer and collector offices, convert elected to appointed positions, eliminate boards, establish finance departments or centralize management. They can adopt many of the same changes with the approval of Special Acts. Through by-laws, ordinances, or formal policies, they can establish annual budget procedures, capital improvement programs, and guidelines for the use of reserves and incurrence of debt.

However, a charter has become the preferred means, over by-laws and policies, to achieve long-term continuity and stability as officials, board members and personnel change. As such, one outcome is that charters strengthen public confidence in government.

The choice of a charter as a vehicle for change reflects a decision to study and assess all of municipal government rather than address individual aspects of management through incremental adjustments. A charter establishes the organizational chart of local government and gives a community the ability to decide on how it wishes to be governed in the future. It is a means for creating an organizational foundation, defining relationships among officials, boards and commissions, and more clearly setting-out financial procedures. Charter provisions typically outline the authority and responsibilities of a town officials, establish lines of accountability and address issues of elected versus appointed officers and

boards. The budget process, capital planning steps, the elements of employee performance evaluations can be included as well.

Fundamental to the formulation of a charter is the underlying principle that its purpose is to establish parameters, or broad statements of policy, structure and procedures with the expectation that detail is embedded in ordinances or by-laws. The outcome should be companion documents that complement each other with the effect of providing a foundation for long-term stability as well as flexibility to adapt to changing circumstances. Consequently, a full ordinance or by-law review typically accompanies the adoption of a new charter, or individual charter provisions.

Charters are typically divided into articles, or chapters, with sections and clauses that address the substance of local government. Summarized below are some, but necessarily all, of the subject matters within a charter. Each is discussed in reference to towns, but are equally applicable to corresponding aspects of city government. Titles may vary.

Source: <http://www.mass.gov/dor/docs/dls/mdmstuf/technical-assistance/charterinclude.pdf>

## Acknowledgements

This report was prepared by the  
Department of Revenue, Division of Local Services:

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

Frederick E. Kingsley, Bureau Chief,  
Municipal Data Management and Technical Assistance Bureau

Joe Markarian, Director, Technical Assistance Section

Melinda Ordway, Senior Financial Management Analyst, Technical Assistance Section

Everett Griffiths, Field Representative, Bureau of Accounts

Thomas Dawley, Field Advisor, Bureau of Local Assessment

For this review, DLS staff interviewed and/or received information  
from the following local officials:

Stuart Egenberg, Selectman

Gary Fowler, Selectman

Stephen Smith, Selectman

David Surface, Selectman

Michael Farrell, Town Administrator/acting Finance Director

Janet Pantano, Administrative Assistant

James Lacey, Finance and Advisory Board

Mary McMenemy, Town Accountant

Jackie Cuomo, Treasurer/Tax Collector

Pamela Rogers, Assistant Treasurer/Tax Collector

Joanne Howard, Finance Clerk

Jay Ferreira, Assistant Assessor/Office Manager

Rosemaria Provencher, Assistant Assessor/Clerk

Joan Laporto, School business /Director of Operations

Julie Lavacchia, School Accountant

Glenn Smith, Water Superintendent

Christina Adam, Water Office Manager

Karen Edwards, Water Clerk

Janice McGrane, Town Clerk

Christopher Rich, Personnel Board

Harry LaCortiglia, Community Preservation Committee

Robert Kelley, Boston Systems & Solutions, LLC