

**Charter Review Committee (CRC)**  
**Town of Groton, Groton, MA 01450 978-448-1111**

**Meeting Minutes - October 28, 2015**  
At Town Hall

**Present:** Jane Allen, John Giger (Finance Comm), Michael Manugian (Chair), Michael McCoy, Bud Robertson (Vice-Chair [for CRC], Finance Comm)

**Not Present:** Robert Collins, Stuart Schulman (BOS)

**Recorder:** Stephen Legge

**Visitors:** Judy Anderson, Peter Cunningham (BOS), Anna Eliot (BOS), Barry Pease (Finance Comm), Art Prest (Finance Comm), Connie Sartini

**Call to Order:** Chairman Manugian called the meeting to order at 7:01 PM.

**Approval of Meeting Minutes:**

It was moved and seconded to approve the minutes of Wednesday, October 21, 2015. The minutes were approved, as amended by Mr. Manugian, unanimously.

**Scheduled Public Presentations on Matters Relating General Financial (refer to the attached agenda):**

**Submission by Michael Hartnett, # 37 (Page 1 in the List by Subject); Mr. Hartnett presenting:**

Mr. Hartnett had no specific changes to propose, but instead gave the Committee a very interesting narrative on how efficient Groton's current Charter and working of Town government compared to another town where he worked for many years. He also pointed out Groton's AAA bond rating by Standard & Poor's, which saved the Town over \$200,000 in interest expense for a 2014 bond issue. This is the highest credit rating a town in the Commonwealth can get. He credits this to the form of government in place (Charter, with Town Manager), good management policies, a strong budgeting process, liquidity and debt structure, as compared to other towns.

Mr. Hartnett mentioned that the Mass Department of Revenue (DOR) has reviewed the Town recently and had a very positive response to Groton's performance since enactment of the Charter.

Mr. McCoy: Notes in a letter from DOR that they recommend increasing the Town Manager's responsibility to approve payrolls and vendor warrants in order to minimize possible delays when members of the BOS must sign the warrants.

Misters Manugian and Giger: How often does the Town issue payroll and vendor payments, and what is the process for obtaining signatures? Mr. Hartnett answered, every two weeks for each one, on staggered weeks, so effectively one of the two must be approved every week.

**Action Item 1:** In response to a request by Mr. Manugian, Mr. Harnett will provide to the Committee a copy of the last few management reports associated with recent audits.

### **Scheduled Public Presentations on Matters Relating to Handling Expenditures (refer to the attached agenda):**

**Submission by anonymous, # 73 (Page 18 in the List by Subject); Mr. Manugian reading:**

It is the submitter's understanding that the Town can submit a budget up to the levy limit each year, and the Town Manager generally does this. The result is the town spends more than it needs to from year-to-year and the taxpayers, particularly senior citizens, suffer.

### **Scheduled Public Presentations on Matters Relating to Managing Financial Contracts (refer to the attached agenda):**

**Submission by Michael Manugian, # 43 (Page 15 in the List by Subject); Mr. Manugian presenting:**

Mr. Manugian proposes a team be specifically appointed to negotiate contracts in excess of \$10,000. The team includes the Finance Committee, the BOS and the Town Manager, and the BOS appoints the negotiator.

Mr. Giger: Are the benefits of this arrangement theoretical or does a team approach really have a better chance of solving problems? Mr. Manugian said he was not addressing a particular issue, but felt that the involvement of the finance committee would benefit the town in the negotiations.

### **Scheduled Public Presentations on Matters Relating to Managing Union Contracts (refer to the attached agenda):**

**Submission by Mark Haddad, # 38 (Page 12 in the List by Subject); Mr. Manugian presenting:**

The Town Manager acts as a negotiator for the BOS. He wants to make it clear, the BOS always accepts and ratifies collective bargaining agreements for the Town.

**Submission by the Finance Committee, # 66 (Page 15 in the List by Subject); Mr. Pease presenting:**

With regard to the role of the Finance Committee in collective bargaining agreements, it is proposed the Finance Committee be brought into the initial process of developing strategy and

goals for the negotiation, along with the BOS, Town Manager and Department of Finance. It is also proposed the Finance Committee have the opportunity to review initial results of bargaining to ensure the process is in alignment with the town's long-term budgetary goals.

Ms. Allen: She is concerned that the Finance Committee, not being throughout the negotiation, will not have sufficient impact. Mr. Pease answered it makes sense for the Town Manager to be responsible for the end results, the boundaries for which were specified at the beginning. The Town Manager would be careful about getting a "good" result.

Mr. McCoy: He is concerned about the use of the word "consult" and feels it could be too weak a word to provide proper authority for the Finance Committee.

**Submission by anonymous, # 74 (Page 17 in the List by Subject); Mr. Manugian reading:**

Proposes the BOS and Finance Committee should establish negotiation objectives for the Town Manager prior to the beginning of negotiations, and have the BOS or the Finance Committee in attendance at negotiating sessions. This is to provide proper guidelines to the Town Manager for bargaining agreement negotiations.

**Scheduled Public Presentations on Matters Relating to Selecting Members of the Finance Committee (refer to the attached agenda):**

**Submission by Mary Jennings, # 18 (Page 59 in the List by Subject); Mr. Manugian reading:**

If more fiscal power and decision making is to be given to the Finance Committee, it should be elected, not appointed by the BOS. Dunstable has an elected Finance Committee.

**Submission by Deborah Johnson, # 32 (Page 11 in the List by Subject); Mr. Manugian reading:**

The Town should have an elected, or partially elected Finance Committee – to have the best interests of the taxpayers at its core.

**Submission by Barry Pease, # 35 (Page 45 in the List by Subject); Mr. Pease presenting:**

Mr. Pease proposes to remove from the BOS the sole authority to appoint the Finance Committee.

**Submission by Michael Manugian, # 49 (Page 60 in the List by Subject); Mr. Manugian presenting:**

The members of the Finance Committee shall be appointed by the Town Moderator.

**Submission by the Finance Committee, # 65 and 66 (Page 62 and 15, respectively, in the List by Subject); Mr. Pease presenting:**

The chairman of the BOS, will participate on a three-person board, with the chairman of the Finance Committee and the Town Moderator, to appoint the Finance Committee. Charter language in Article 6 or a new article will be made to reflect this new method of appointment.

Mr. Pease explained the reason for these proposed changes is to spread the appointing power for the Finance Committee outside the BOS.

Mr. Giger clarified the present means of appointment by the BOS – it is an annual process, the terms are three years and the terms are staggered.

Ms. Allen: Who would be the chair of the Finance Committee in this new process? Mr. Pease explained the current committee would elect a chair.

Mr. McCoy: There is a term limit question also – should there be limits?

Mr. Pease: The three member team would recommend candidates. Any proposed candidate would have to be vetted by the Finance Committee which would have the authority to approve or disapprove any candidate.

Mr. Giger: He is trying to understand who can recommend and who can veto.

Mr. Pease: What is being done today? In effect the Finance Committee recommends candidates to the BOS, who then usually approve those choices. The new process is the appointing authority goes to a three person group with final approval or disapproval by the Finance Committee.

Visitor Mr. Prest (Finance Committee): Referring to Ms. Allen's question, no chair of the Finance Committee would bring forward a candidate not already vetted by the Finance Committee. Probably the same is true for the BOS. However he suspects the same may not be true of the Town Moderator.

Mr. McCoy: How is this new approach better than the present method?

Visitor Mr. Cunningham: He is not sure why the BOS appointment method is not good or sufficient. The so-called "troika" method is rarely used in Massachusetts for finance committees. In his experience there have been no problems with past appointments or the circumstance of a political effect, even when there are differences of opinion on how to manage the Town's finances.

Mr. Pease said in Massachusetts (2008 data), 64% of town finance committees are appointed by town moderators, 20% are elected, 9% are appointed by a troika and 8% are appointed by the BOS (note: percentages are probably rounded and add to 101%).

**Submission by Jane Allen, # 131 (Page 46 in the List by Subject); Ms. Allen presenting:**

The Finance Committee should be elected. Voters will make them do a better job.

**Submission by Michael Bouchard, # 155 (Page 21 in the List by Subject); Mr. Manugian reading:**

He respects the advice given by the Finance Committee itself, to be appointed by a troika. Appointment of members allows for an assessment of an individual's qualifications.

**Scheduled Public Presentation on Matters Relating to the Finance Department (refer to the attached agenda):**

**Submission by Connie Sartini, # 124 (Page 18 in the List by Subject); Ms. Sartini presenting:**

There is a need to define the role of the Finance Committee in the Department of Finance.

Mr. Manugian: The Finance Department handles day-to-day operations for the Town. The Finance Committee is responsible for strategy and budgeting. Why get the Finance Committee involved in the daily operations?

Visitor Mr. Cunningham: Things are working well now. There is no problem with the role of the Town Manager or any interface between the Department and the Finance Committee.

**Committee Discussions of Finance and Budget Submissions:**

**Submission by Finance Committee #63: Annual Reviews of the Town's Financial Management Policies, Charter Sect 6-1:**

This submission states that the BOS and Finance Committee review and update the town's overall financial policy annually.

Mr. Giger: He is in favor of the new language submitted.

**Action Item #2:** Mr. Manugian asked (the Clerk) to add the annual financial plan to the list of documents that should be made easy to access by the public.

Mr. Pease: The Town's financial policy is posted on the Town's website now. It is 17 pages long, and all verbiage – no numbers. It can be improved to convey more useful information.

Mr. Manugian: Any objections to this proposal? None were raised. He asked if it would change what we do. Mr. Manugian said as a general comment that all Town policies should be reviewed annually. Mr. Giger agreed it was important to do so.

Ms. Allen moved to add language between Charter sections 6-1 and 6-2, as written, to review and update the Town's financial management policy annually. Mr. Giger seconded. The motion was approved unanimously.

**Action Item #3:** Mr. McCoy offered to propose specific charter language for financial management policy.

**Submission #62: Five-Year Financial Plan for the Town:**

Mr. Giger: The intent is to present this at the annual Spring Town meeting. Ms. Allen: It is being done now. Mr. Robertson said, no, The Finance Committee has no input now.

Misters Giger and Mr. Manugian: The presentation of a five-year plan to the town is sporadic now. This language requires Finance Committee collaboration. Mr. Giger suggests a one-page narrative with a spreadsheet, hitting the highlights.

Mr. Robertson moved to accept changes incorporating the five-year plan language in Sect. 5-3(d) as stated. Ms. Allen seconded.

Mr. Manugian asked, what is the downside of this? Mr. Giger answered there is no downside. The benefit is that the five-year plan will be in synch with thinking on the budget.

The motion was approved unanimously.

**Action Item #4:** Mr. McCoy volunteered to propose specific language for # 62.

**Submissions # 32, 78 and 128: School Budgeting:**

Mr. Manugian: The regional school committee is an independent authority which is not under the authority of any town office or board.

Ms. Allen: There is concern over a trend in recent years of slow growth of the school budget as compared to growth of the town's budget and rates of inflation.

Mr. Cunningham: Some important facts to consider are information on the state's money comes late in our budgeting process, and the assessment voted by the school committee is not subject to our Charter.

Mr. Manugian: It is important people understand that when the school committee certifies their budget, the Town and Finance Committee must work around that number. It was asked, what does "certify" mean? It is a formal vote of the school committee to submit a specific budget request to the towns of Groton and Dunstable. The Finance Committee must then decide how to fund the school budget request in any given year: inside the levy limit, propose a debt exclusion (if applicable) or have an override ballot.

Mr. Giger: Towns can complain. There is a 30-day consideration period, during which the school committee can hear from the towns and consider a change in their position. If no change is made, the voted budget becomes certified.

Mr. Robertson: The Finance Committee does have the authority to say, here is what can be covered with the Town budget, inside the levy limit - the rest has to go to an override. Mr. Manugian: The Finance Committee has to meet the school budget request. The Finance Committee's options are limited to how it will meet the budget requirement.

Ms. Allen: In 30 years, the override is always put on the schools, not the Town administration portion of the budget!

Visitor Mr. Prest: Timing is a serious issue. When does the school committee certify its budget?

Mr. Giger: The schools provide a preliminary estimate to the Town Manager. The school committee should be thinking only of the school's need, not the Town's need. When the schools limit themselves to what they think the Town can give (this has been the case for the last five years for GDRSD) they are not being true to the schools.

Mr. Pease: Proposes when the school committee and the Town together are over the levy limit, have an override vote with proportional amounts in the override for both parties - this, in place of laying the whole override on the schools, or making some other political decision.

Mr. Manugian: This idea could be bad to put in the Charter because one party's need could be greater than the other's in any given year.

Ms. Allen likes Mr. Pease's proposal. Mr. Robertson disagrees. The parties must talk to each other and be reasonable. Putting a formula in the Charter ties everyone's hands.

Mr. Giger likes the idea of putting something in the Charter which has the effect of sharing risk (of not being funded) between schools and Town.

Mr. Manugian: This is a politically charged topic. But the Charter Committee must focus on whether something (and what) should be changed in the Charter. Mr. Manugian asked for a poll of the committee on whether something should be put in the Charter - two people said yes.

Mr. Robertson moved the Committee not incorporate Charter changes regarding school budgeting at the beginning of the Town budgeting process, but the Charter Committee should explain the process to the public. Mr. Giger seconded.

Mr. McCoy: Separate the two parts of the motion; give the public education task to the Finance committee to do. Mr. Manugian said he wanted to explain to the public what our (Charter Review Committee) process is.

Ms. Allen said this is too much to explain at the Town Meeting. Mr. Manugian said that Town Meeting was not an appropriate venue for this type of presentation and the Committee would decide later when and how to present things.

The motion was approved 4-1 with Mr. McCoy voting no.

### **Discussion of Records Custody Policy:**

Mr. Collins developed a draft set of comments on records custody policy (two pages). The Committee could develop a draft policy and offer it to the BOS for consideration.

Mr. Manugian asked should we do this. Mr. Giger felt it as secondary to our main goal of Charter modification. Mr. Manugian commented a policy recommendation was a way to pass on the benefit of our thinking on a subject.

Mr. Manugian said we need to postpone our discussion of the details until Mr. Collins returns. There was a consensus of the Committee to do this.

Mr. Manugian asked the Committee if it will authorize him to speak with the BOS about the concept of the Charter Committee submitting proposed policies to the BOS for their consideration. Mr. Manugian also stated that any proposals of this type would be purely advisory since the Charter Committee has no standing to create or modify town policies. Visitor Ms. Eliot (BOS) said they would be open to considering a policy draft. Mr. Giger said it was reasonable to offer a policy draft and also offer to talk with them about it. Mr. Manugian said if we go ahead with this, the committee would first have the opportunity to review and approve any such policy.



Mr. Manugian proposed that Committee members review the proposed policy and be prepared to discuss it at the next meeting.

**The meeting was adjourned with unanimous consent at 9:58 PM.**

**\*\* The next meeting is scheduled for Wednesday, November 4, at 7:00 PM. \*\***

**Exhibit:** Letter dated October 28, 2015 from Mr. Michael Hartnett



## TOWN OF GROTON

TREASURER'S OFFICE

173 MAIN STREET

GROTON, MASSACHUSETTS 01450

[mhartnett@townofgroton.org](mailto:mhartnett@townofgroton.org)

(978)-448-1103

October 28, 2015

(VIA email- [towncharterreviewcommittee@townofgroton.org](mailto:towncharterreviewcommittee@townofgroton.org) )

Michael Manugian, Chair  
Charter Review Committee  
Town of Groton

Dear Michael,

I would like to thank you for allowing the Town's department heads to come before the Charter Review Committee last evening to share our thoughts, and hopefully provide the Committee with some beneficial perspective and information as you continue the process of reviewing the Charter.

With our large group, and in the interest of somewhat limited time, I wasn't able to adequately convey all my thoughts on the current Charter, as well as some related observations that I feel directly relate to your review process.

***Please accept this memorandum as an information submission to the Charter Review Committee.***

I was very fortunate to have served as Pepperell's elected Treasurer-Collector for approximately 14 years before coming to my present position in Groton in 2013.

During my tenure in Pepperell, the Town operated under a by-law, Town Administrator form of government. Around 2011, the process was finally begun to explore alternative ways to better organize town government. Therefore the lengthy road to establish a Town Charter was underway.

Continued- to Page 2-

As Pepperell began crafting a comprehensive Charter, the elected Charter Committee, on which I served, sought advice and guidance from many sources, including the Department of Revenue and the Office of the Attorney General, two state organizations that are integral to the Charter process.

*In response to our outreach, the Department of Revenue (DOR) was extremely helpful and informative. After listening to our concerns and what we were hoping to accomplish, the DOR recommended we carefully review the Town of Groton's Charter, as they considered it to be a very comprehensive document which addressed all the issues we had and which was functioning very well.*

I also want to remind the Committee that it is a direct result of the organizational structure and other fiscally related sections contained in the Charter that culminated in the Town receiving a AAA bond rating in August 2014. This is the highest credit rating a municipality can attain, and its' significance is quite relevant in my opinion. The Town's \$4 million bond issue in 2014 included almost \$2 million in prior bond issue refinancing, and the Town realized over \$200,000 in interest expense relief as a result of the AAA rating. *I am attaching a copy of the July 2014 Standard & Poor's AAA credit rating letter and summary report to the Town of Groton.* I think you will find it very interesting with respect to their rationale for giving the Town the AAA designation as it describes many of the positive attributes of the Town that relate to its organizational structure, budget process, and financial management.

I inquired this week with the Town's bond advisor, UniBank Fiscal Advisory, as to the number of cities and towns in Massachusetts who currently hold a AAA bond credit rating. Sr. VP Clark Rowell informed as follows;

Population Greater Than 25,000-	14 Communities hold AAA Rating
Population 10,000 – 25,000-	17 Communities hold AAA Rating (incl. Groton)
Population Less Than 10,000-	14 Communities hold AAA Rating

The remaining communities in MA (approx... 300) hold lower ratings or are not rated at all.

Page 3. Continued  
(Comments to Charter Review Committee)

Michael, as you and the Charter Review Committee are already aware, the Town of Groton has undergone two comprehensive Department of Revenue Financial Management Reviews in the past ten years (2004 and 2014). These onsite reviews and resulting report results and recommendations have proven to be very useful and important. While the Town is independently audited each year (as per section 6-7 of the Charter), having the Department of Revenue conduct periodic independent financial management reviews is essential in getting valuable feedback at the highest level in the state with respect how the Town is functioning from a financial perspective.

*I am attaching a copy of the March 2014 Financial Management Review Update as issued to us by the Deputy Commissioner of the MA Department of Revenue. I think this recent report, which revisits the status of the recommendations made ten years earlier as well as discusses the Town's progress and current status on all fiscal matters. The report is very comprehensive and discussed many aspects of the pre and post-Charter status of the Town.*

**Recommendation:**

*I would ask the Charter Review Committee to review the March 2014 DOR Financial Management Review and July 2014 Standard & Poor's AAA rating letter (copies attached).*

Thank you Michael, for your attention to this memorandum.

Respectfully,

Michael Hartnett, Treasurer-Collector

Attachment: 3/14/14 DOR Financial Management Review  
7/11/14 Standard & Poor AAA Award Letter

## Summary:

# Groton Town, Massachusetts; General Obligation

### Credit Profile

US\$3.86 mil GO mun purp loan bnds ser 2014 dtd 08/01/2014 due 11/01/2033

<i>Long Term Rating</i>	AAA/Stable	New
-------------------------	------------	-----

Groton Twn GO rfdg bnds

<i>Long Term Rating</i>	AAA/Stable	Upgraded
-------------------------	------------	----------

#### Groton Twn GO

<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Upgraded
--------------------------	------------------	----------

Many issues are enhanced by bond insurance.

## Rationale

Standard & Poor's Ratings Services raised its rating on the town of Groton, Mass.' general obligation (GO) debt one notch to 'AAA' from 'AA+' based on Standard & Poor's local GO criteria, published Sept. 12, 2013, on RatingsDirect. The outlook is stable.

At the same time, Standard & Poor's assigned its 'AAA' rating and stable outlook to the town's series 2014 bonds.

The town's full-faith-and-credit pledge secures the bonds. Officials intend to use bond proceeds to retire bond anticipation notes issued for the design and construction of a new Groton Electric Light Department building and current refund a portion of the town's series 2003A bonds.

The rating reflects our opinion of the following factors for the town, specifically its:

- Very strong economy, benefiting from its participation in the broad and diverse Boston-Cambridge-Newton metropolitan statistical area (MSA);
- Strong budgetary flexibility with fiscal 2013 available reserves of 12.9% of general fund expenditures;
- Strong budgetary performance with operating surpluses in each of the past three fiscal years;
- Very strong liquidity, providing very strong cash to cover debt service and expenditures;
- Very strong management conditions with "strong" financial management policies under our Financial Management Assessment (FMA) methodology; and
- Very strong debt and contingent liabilities, supported by low overall net debt as a percent of market value.

### Very strong economy

Groton's local economy is, in our view, very strong with projected per capita effective buying income of 196.5% of the national average. Market value is approximately \$139,496 per capita. Moreover, we believe residents benefit from Groton's participation in the broad and diverse Boston-Cambridge-Newton MSA, which we view as a credit strength. Groton is 35 miles northwest of Boston with direct access via U.S. Route 2 to leading employment centers in the commonwealth; we recognize this makes the town an attractive location for leading regional employers. Leading town employers include:

*Summary: Groton Town, Massachusetts; General Obligation*

- Deluxe Forms (600 employees),
- Groton-Dunstable Regional School District (430),
- Hollingsworth & Vose (235),
- Seven Hills (180), and
- Groton School (170).

Middlesex County unemployment continues to decrease; according to the U.S. Bureau of Labor Statistics, county unemployment was 5.6% in 2013.

We understand home values for the Boston metropolitan area are increasing. Overall assessed value (AV) has increased by 0.3% to \$1.5 billion for fiscal 2014. Management expects AV to continue to grow over the next few years. The property tax base is very diverse with the 10 leading taxpayers accounting for about 3% of AV.

**Strong budgetary flexibility**

With available reserves of 12.9% of operating expenditures in fiscal 2013, we consider budgetary flexibility strong. Groton has consistently produced positive operating results that have, in turn, improved operating flexibility over the past several fiscal years. Fiscal 2013 closed with an unassigned general fund balance of \$3.7 million and an assigned fund balance of \$77,309. Officials are projecting available reserves will remain stable in fiscal 2014. In addition, despite the budget gap related to the school district in fiscal 2013, Groton was able to maintain reserves.

**Strong budgetary performance**

In our view, overall budgetary performance is strong with surpluses of 0.5% for both the general fund and total governmental funds in fiscal 2013. The general fund surplus marks Groton's fifth consecutive surplus. Management attributes positive operating results to an improving economy, bolstering local receipts; very strong management conditions; and, what we regard as, conservative budgeting of both revenue and expenditures. Property taxes generate 86% of general fund revenue; in our view, collections have been very healthy at 99% of the levy. Intergovernmental aid accounts for 3.3% of general fund revenue, so the town is not overly susceptible to AV fluctuations. We expect Groton's operating performance to remain stable as long as management remains prudent in managing future costs.

Based on our macroeconomic forecasts (please see the article, titled "U.S. State And Local Government Credit Conditions Forecast," published July 8, 2014, on RatingsDirect), credit conditions in the New England region are improving slightly, which should cater to a stable budgetary environment. For fiscal 2014, Groton officials are projecting balanced operating results. In addition, the fiscal 2015 budget totals \$33.7 million, an increase of about 4.6% from the fiscal 2014 budget.

**Very strong liquidity**

In our opinion, very strong liquidity supports Groton's finances with available cash of 27% of total governmental funds expenditures and debt service of 5x.

**Very strong management conditions**

In our view, Groton's management conditions are very strong with "strong" financial management practices under our FMA methodology, indicating practices are strong, well embedded, and likely sustainable. Assessment strengths include management's:

- Strong revenue and expenditure assumptions included in the budgeting process,

## *Summary: Groton Town, Massachusetts; General Obligation*

- Strong oversight in terms of monitoring progress compared to the budget during the year,
- Long-term capital plan that it reviews and reprioritizes annually, and
- Formal financial forecasting.

### **Very strong debt and contingent liabilities profile**

In our opinion, Groton's debt and contingent liabilities profile is very strong with debt service of 4.7% of total governmental funds expenditures and net direct debt of 45.9% of total governmental funds revenue. After accounting for its proportionate share of overlapping debt associated with the regional school district, overall net debt is 2% of market value, which we consider low.

A long-term credit consideration involves Groton's pensions and other postemployment benefits (OPEBs). The combined annual pension and OPEB cost accounted for 4.7% of total government expenditures in fiscal 2013. For pensions, Groton contributes to the Middlesex Retirement System, which is currently just 44% funded. The town funds 100% of the annual required contribution (ARC). In fiscal 2013, its ARC to the system was \$1.3 million, or about 4% of expenditures. As of June 30, 2013, the OPEB unfunded actuarial accrued liability was \$7.1 million. In fiscal 2013, the OPEB ARC was \$917,899, or roughly 3% of the budget. Groton's actual contributions were \$200,960 in fiscal 2013, or about 23% of the ARC. The town budgeted for roughly \$182,000 of OPEB costs in fiscal 2014.

### **Strong Institutional Framework**

We consider the Institutional Framework score for Massachusetts municipalities strong.

## **Outlook**

The stable outlook reflects Standard & Poor's opinion of Groton's very strong economy and very strong management conditions that have resulted in very strong budgetary performance. The outlook also reflects our opinion of Groton's very strong liquidity and strong budgetary flexibility. If operating performance were to deteriorate, leading to a significant decrease in available fund balance, we could lower the rating. Currently, we believe steady economic development should continue and should aid tax base growth, providing additional future tax revenue, while Groton maintains a stable budgetary environment. For these reasons, we do not expect to change the rating within the two-year outlook period.

## **Related Criteria And Research**

### **Related Criteria**

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions, Nov. 19, 2013

### **Related Research**

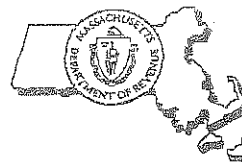
- U.S. State And Local Government Credit Conditions Forecast, July 8, 2014
- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Institutional Framework Overview: Massachusetts Local Governments

Massachusetts Department of Revenue

Amy A. Pitter, Commissioner

Division of Local Services

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



Town of Groton

## Financial Management Review Update

Division of Local Services / Technical Assistance Section

March 2014

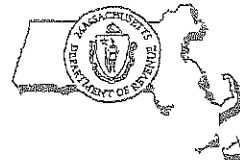


Massachusetts Department of Revenue

Amy A. Pitter, Commissioner

Division of Local Services

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



March 7, 2014

Board of Selectmen  
Town of Groton  
173 Main Street  
Groton, MA 01450

Dear Members of the Board:

Please find attached a report authored by members of the Division of Local Services Technical Assistance Section that updates the 2004 financial management review completed for the Town of Groton. It is our hope that the information presented in this update report will further assist the town as officials seek to address areas of concern and improve department operations.

As a routine practice, a copy of the report has been forwarded to the town's state senator and representative and will be posted to the DLS website.

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 [kingsleyr@dor.state.ma.us](mailto:kingsleyr@dor.state.ma.us).

Sincerely,

Robert G. Nunes  
Deputy Commissioner &  
Director of Municipal Affairs

cc: Senator Eileen M. Donoghue  
Representative Sheila C. Harrington

## Overview

The Division of Local Services (DLS) began its 2004 financial management review for Groton in the aftermath of a town meeting described as contentious and embarrassing. It was reported that there was discord among public officials; the budget process appeared uncoordinated; and decision makers seemed uninformed. In response to residents' reaction, the board of selectmen and the finance committee acted jointly to strengthen the budget process and improve communication throughout municipal government. The selectmen also requested a DLS financial management review.

The responsibility for managing municipal government in 2004 was parsed out to the selectmen, who were assisted by an administrative officer, and to elected boards who directed staff in their respective departments. Development of the annual town budget was in the hands of the finance committee. We noted that the town benefited as well from the volunteer efforts of knowledgeable residents whose input was particularly productive in the areas of technology and government structure.

In 2004, the absence of a central management authority prompted us to characterize the organizational structure in Groton as a disconnected form of government. We acknowledged that the system seemed to function adequately, crediting then current leaders and finance officers, who we found to be capable, competent and cooperative. We cautioned, however, that as personnel changed this may not always be the case.

The selectmen formed a Blue Ribbon Town Governance Committee in response to our report recommendation, which completed a deliberate, thoughtful government review process. The committee sought input from the public as well as from other local and state officials and analyzed the strengths and weaknesses of alternative ways to organize town government. A charter proposal, creating a town manager position, was passed by town meeting in the Fall 2007 and approved by the voters in May 2008. The charter also addressed the budget process, appointing authority and clarified roles and responsibilities in town government.

In five years since the selectmen appointed Groton's first town manager, the open town meeting - board of selectmen - town manager government structure appears to work well. Success can be attributed, in part, to the ability of the selectmen and the town manager to establish an effective working relationship. The town manager has also earned the respect of employees through his management style and interacts well with staff whether or not they report to him. It helps that current finance officers are equally competent and capable as their 2004 counterparts, including a successor accountant and treasurer/collector, and a new IT director. The earlier principal assessor continues to manage the assessing department.

Most of our other 2004 report recommendations that affect the overall financial management of government as well as those that are specific to the town's finance departments have also been implemented with generally positive outcomes.

The selectmen approved union contracts, negotiated by the town manager, that establish an employee evaluation program with the opportunity for pay increases based on merit. The town hired a human resources director, who assists the town manager on personnel matters and has taken possession of and improved personnel records. The town addressed technology issues by funding an IT director position with responsibility for overseeing all technology-related issues and decisions. The town manager has followed a consistent budget process and advanced the adoption of financial policies. Only in the area of securing formal PILOT agreements has progress been slow.

The 2004 recommendations that address finance department issues are all regarded as medium or low priority with the exception of payroll topics. Nonetheless, finance department heads have actively taken steps to implement these recommendations, and in doing so, have helped streamline operations and create efficiencies.

Our recent review and meetings with town personnel brought to light a few issues that we thought worthy of comment in this update report. For example, the town manager does not direct all of municipal government under the charter. Significant appointing authority is reserved to the selectmen; the selectmen must approve any appointment assigned to the town manager; and independently elected boards continue to appoint and direct staff in departments they oversee. The town manager does not have authority to sign payroll and vendor warrants; and, though he develops the annual budget, it is the finance committee's proposal that is presented to town meeting. We added recommendations to this update that address some of these issues.

In addition, we suggest that the finance committee focus during its deliberations on the extent to which the town manager's budget conforms to the town's financial policies. We make recommendations that might help resolve continuing issues related to the payroll process. Lastly, we question whether the personnel board scope of responsibilities is broad enough to justify its continuation.

**Conclusion.** Among the many municipalities where the DLS Technical Assistance Section has provided its services, the Town of Groton stands out. Achievements began when voters recognized the merits of professional management in government and adopted the town's first charter. Local leaders, working with the new town manager, acted decisively to create continuity in government. They in addition addressed critical needs by proposing new IT director and

human resources director positions, both of which were accepted by town meeting. Finance department managers have been receptive to new ideas and have implemented change in ways that have increased efficiencies in their respective department.

We do not often see communities where voters, town meeting members, local leaders, the town manager and department heads are as uniformly receptive to new approaches for improving municipal government as in Groton. The process, however, is ongoing. We, therefore, encourage town officials to continue working toward continuity and stability in municipal government.

### New Recommendations

#### A. Consider Increasing Town Manager Responsibilities

Importance: Medium Priority

We understand the rationale for reserving certain authority to the selectmen and others when the transition to a town manager government structure was considered. Now, with five years of experience with a town manager, the time is appropriate to evaluate whether the position can evolve in ways that further strengthen reporting relationships, accountability and operational efficiency. These recommendations would be implemented through the adoption of new charter provisions.

In particular, town managers throughout Massachusetts routinely possess the authority to approve payroll and vendor warrants. The advantages are self-evident and underlie our recommendation that the same authority be granted to the Groton town manager. Selectmen may still examine warrants, if they wish. Also, monthly expenditure reports can be available to help selectmen track departmental expense trends.

We encourage the selectmen to endorse delegating additional appointing authority to the town manager. By doing so, they reinforce reporting relationships and line authority in town government. We also recommend that the town manager appoint all non-school staff, who presently report to an independently elected board. As a practical matter, it is inevitable that staff already seek out the town manager for guidance on a range of everyday issues. Boards and committees would continue to fulfill their legal responsibilities as policy setters and may serve as a screening committee for staff in the department they oversee. The town benefits when all department heads report to one person, all are accountable in the same way and all are collectively working toward the same town-wide goals.

Responsible Party: Board of Selectmen

B. Review Budget Adherence to Financial Policies

Importance: High Priority

To its credit, town officials have adopted a comprehensive series of financial policies. Adherence to most, if not all, will be reflected in the town's annual operating and capital budgets. We expect the town manager and selectmen to be mindful of the policies during the budget formulation process. However, we also suggest that the finance committee has a critical role and should conduct its budget review with an eye toward whether the town is complying with the policies it has set out. This higher level involvement is in keeping with the watchdog function of the finance committee. But, unlike the routine year-to-year, dollar-to-dollar line-item comparisons, this approach focuses on more global actions that have the potential to significantly advance the long-term fiscal goals of the town.

Responsible Party: Finance Committee

C. Address Payroll Warrant Process

Importance: High Priority

We recommend that responsibilities in the payroll process be refined. The current process takes a full day to complete and misplaces responsibility on the accountant. Although adjustments might be warranted, we suggest a process that generally works as follows:

- 1) All employees, without exception, should complete and sign a timesheet for each pay period. For each day in the pay period, the employee would indicate the number of regular, sick, vacation or other compensated hours he or she worked.
- 2) A departmental payroll cover sheet should list all department employees and total time attributed to regular hours, sick and vacation time, etc. The cover sheet should be signed by the department head as required by state law and forwarded to the town's payroll clerk. The individual time sheets should remain with the department.
- 3) The town payroll clerk should enter the indicated hours, by type, for each employee into Harper's system. She should then reconcile a report from Harper's with information she received from departments on cover sheets and resolve variances, if any. A report, by account, should then be sent to the accountant.

- 4) The accountant would complete her routine verification process relative to any departmental requests for payments. Under state law, she must verify that there are sufficient funds in an account to be charged to cover the requested payment; verify that the purpose of the payment is consistent with the intent of the line-item to be charged; and confirm the absence of fraud. Once complete, the payroll warrant can be produced or released for approval.

Accountability is built into this process. Employees must accurately log their time. When department heads sign the cover sheet, they verify that the reported hours worked or compensated time taken by their employees. The town payroll clerk confirms that she correctly entered employees time into Harper's before forwarding a report to the accountant. The accountant completes her verification process that is imposed by state law. The accountant should not, as she currently does, devote time to reviewing and recalculating the work of others.

In addition, the use of sick, vacation and other compensated time will be recorded in a central location and if accrual rules, under contracts, are incorporated in Harper's, there will be an accurate record of employee balances. Details can then be printed on employee pay stubs or made accessible online.

To ease its way into this process, the finance director might take steps to initiate a pilot program with the police department. The former assistant treasurer, who is familiar with payroll, is taking a position in the department. A working group comprised of the former assistant treasurer, the accountant and town payroll clerk should be able to develop a well-thought out payroll process consistent with our recommendation. If successful in the police department, where maintaining time can be complicated, the process might be replicated in other departments or implemented town-wide.

Lastly, we recommend the accountant and payroll clerk explore feasibility of having all employee payroll information entered into Harper's at the departmental level. The responsible departmental employee would, in this case, send individual timesheets to the payroll clerk. She would then confirm employee timesheet totals against a Harper's report, before sending the payroll to the accountant.

Responsible Party: Accountant, Payroll Clerk

D. Abolish the Personnel Board

Importance: Low Priority

The town manager has specific personnel related responsibilities in the charter and bylaws. Also, in town government, an HR director both provides assistance to the manager and has independent responsibilities. The three-member personnel board plays an advisory role, but ultimately influences decisions only over three non-union town employees. We routinely recommend that a town reconsider the need for a personnel board when personnel responsibilities are assigned to a specific person. In Groton, those responsibilities reside with both the town manager and HR director.

Responsible Party: Board of Selectmen

Scorecard on Status of 2004 Financial Management Recommendations1. Revisit the Question of a Town Charter

Importance: High Priority

Implementation Status: Complete

In 2007, local officials acted on the DLS recommendation that the town re-examine its government structure and the merits of a town charter. The selectmen formed a Blue Ribbon Governance Commission with "goals to increase professionalism, accountability, and modernization in municipal government." The commission completed a thoughtful, deliberate and inclusive process that resulted in voter approval of the town's first charter on May 20, 2008. The charter provides for a town manager position and identifies major appointed and elected officials. It defines roles and responsibilities. The charter also sets out the town's organizational structure and establishes finance and fiscal procedures. Pivotal is the creation of a town manager position. However, town meeting approved amendments that retained remnants of the old structure by maintaining an elected board of assessors and board of health. Nonetheless, adoption of the charter now allows town government to operate with continuity and stability into the future.

## 2. Create a Town Administrator Position

Importance: High Priority  
Implantation Status: Complete

With the adoption of a charter, the town moved from an administrative officer to a town manager. In doing so it took a step toward strengthening the oversight and operation of municipal government. The first town manager, now five years on the job, has forged an effective working relationship with the board of selectmen, exhibited leadership and built credibility with town personnel, whether or not they report to him. He has helped develop sound financial policies and brought consistency to the annual budget process. Among other initiatives, he has had a meaningful role in implementing an employee performance evaluation program with financial incentives; in gaining control of the town's golf course; and in advancing personnel administration. On balance, the decision-making and collaboration that now exists throughout town government offers evidence that voters were correct in their decision to alter the structure of government.

## 3. Implement Employee Performance Reviews

Importance: High Priority  
Implantation Status: Complete

We commend local officials and representatives from the town's seven unions on reaching agreement to implement an employee performance evaluation program. Now two years old, the program directs that each November the selectmen review the town manager's performance; the town manager review 16 department heads; and department heads review the performance of all staff. (The department of public works chose to conduct reviews twice a year.) Reviews are tied to an incentive plan, which rewards exceptional job performance with a two percent wage or salary increase. Employee scores are based, in part, on their success at fulfilling formal job responsibilities and meeting goals agreed to at the start of the year. Independent initiative to go above and beyond has emerged as an important consideration in awarding merit pay. In the program's first year, \$47,000 was earned in incentive pay; \$26,000 was awarded in the second year. Among other benefits, conversations on performance between employer and employee open channels of communication in a positive way and clarify expectations. Employee performance evaluation and merit pay opportunities also send a message to residents that the town is doing what it can to ensure efficient and accountable local government.



#### 4. Assign Personnel Administration Responsibilities

Importance: High Priority

Implementation Status: Complete

At the time of our management review, the town bylaws provided for a personnel administrator, but the position was not filled. Citing the growing importance of a personnel function, we encouraged the town to act. To its credit, the town six years ago hired a human resources director, who recently left the position. A search for a replacement is currently underway.

Although the town manager has specific personnel related responsibilities in the charter and bylaws and the HR director is directed to assist him, in fact, the HR director carries out important duties. The position has primary responsibility for benefits administration, recruitment of new hires and maintenance of the town's job classification and salary plans. He or she is involved with compliance issues and has a support role in the collective bargaining process. The HR department also maintains personnel files and protects employee information. The importance of personnel administration is underscored by an increase in hours from 20-to-30-to-40 per week for HR director position over the last six years.

As adopted by town meeting in October 2013, the current personnel bylaw provides for a three member personnel board that serves in an advisory capacity to the board of selectmen, town manager and the human resources (HR) director. As a practical matter, the board oversees only three non-union employees.

#### 5. Begin the Budget Process with Revenue Projections

Importance: Medium Priority

Implementation Status: Complete

The town manager begins the budget process in October. He is directed by the charter (§ 6-2 and § 6-3) to develop a balanced operating budget, consult with the selectmen, then submit it to the finance committee by December 31 with an accompanying budget message and supporting documents. It is during the course of receiving appropriation requests and meeting with department heads (November and December) that the town manager generates revenue estimates. While the process does not necessarily begin with formal revenue projections, the analysis of expenditures and development of revenues fit together in a common sense way, which in turn advances the overall budget process.

## 6. Formalize the Budget Calendar

Importance: Medium Priority  
Implementation Status: Complete

The Groton town charter correctly sets broad parameters for the budget process. It directs that the town manager complete a balanced operating budget proposal and a capital improvement plan no later than December 31 and sets a date for the finance committee to submit its budget recommendation to the town clerk for publication - at least fourteen days prior to the first session of Spring Town Meeting. The town manager has the flexibility to establish more specific deadlines. Each October, he initiates the budget process by sending all departments heads an appropriation request form, which is pre-filled with an expense history and payroll data. Also included are guidelines on how department should view the coming year. By December 31 he has met with department managers and formulated a balanced budget, which he presents to the selectmen. A public presentation is subsequently made to the selectmen in a joint meeting with the finance committee. Thereafter, the finance committee schedules its meetings with an eye toward town meeting. Because the town manager recognizes the value of a methodical process, there has been consistency during his tenure, which in turn inspires confidence in government among town personnel and residents.

## 7. Review and Adopt Financial Policies

Importance: Medium Priority  
Implementation Status: Complete

Although the charter assigns responsibility for the formulation and promulgation of policies to the selectmen, arriving at financial policies in particular should involve at least the finance committee and town manager. And, in Groton, they do. The board of selectmen chair, finance committee chair, town manager as well as the accountant and town treasurer, have signed-off on a comprehensive set of financial policies for the town.

Policies set out criteria that define what constitutes the sound financial condition for the town. They provide general financial guidelines that advocate structurally balanced annual budgets, set target levels for reserves and goals for enterprise funds. A debt management policy addresses capital funding, the town's bond rating, bond issuance, debt limitations and strategies. Policies address pension and OPEB liabilities. Lastly, an investment policy is set out.

The town's financial policies are thoughtful, well-founded in sound practices and, although subject to annual review, they are formally in place. A commitment to adhere to the policies adopted should help the town and stabilize its fiscal future and improve its credit standing.

#### 8. Create Formula for PILOTS

Importance: Medium Priority  
Implementation Status: Incomplete

The town has received Payments in Lieu of Taxes (PILOTS) from eight tax exempt organizations located in Groton. While PILOTS do not as a rule approach what would be a full tax obligation, they represent the method by which the organizations acknowledge that they benefit from certain town services. Those services are available continuously from year-to-year, at a cost to the town, without regard to the state of the general economy. However, the town has no agreements in place that ensure the predictability of payments. In fact, there have been years when tax exempt organizations have unilaterally decided to not make a payment to the town.

We encourage the town to initiate discussions with tax exempt organizations in Groton for the purpose of negotiating PILOT agreements. Local officials might begin by developing a formula or set of rules that seeks to achieve fairness for both parties and can be applied irrespective of the paying organization's size, purpose or operating budget. Through negotiations variables of concern or interest can be added, deleted or modified. With agreements in place, the town and the organizations will no longer have to revisit the issue each year. There will be predictability to payments and equity across the board.

Responsible Party: Town Manager

#### 9. Plan for Self-Sufficient Groton Country Club

Importance: Medium Priority  
Status of Implementation: Ongoing

When, in 2012, town meeting chose not to re-accept legislation that created the largely independent Groton Recreation and Country Club Authority, its management responsibility and assets were transferred to the town. At the time, the town was not receiving \$70,000 in lease payment from the Authority, while it continued to cover \$143,000+/- in annual debt service payments and further cash subsidies to prop-up the operation. The Groton Pool and Golf Center now functions as a town department and is managed by town employees. The

current operational costs are approximately \$500,000, but tighter management controls are in place. With the retirement of the prior debt, the town has invested to improve the pool mechanical system and surrounding patio, golf tee boxes, carts and cart paths. Local officials see a better facility than in the past and positive public response is evident by the sale of pre-paid memberships, day passes and greens fees. The pool in particular has proven to be popular. The town has made significant progress moving toward financial stability in the operation of the center.

Responsible Party: Town Manager

### Computers and Technology

#### 10. Plan for Full-time Technology Position

Importance: High Priority  
Implementation Status: Complete

The town hired its first information technology (IT) director to a full-time position approximately four years ago. Two years later, a full-time desktop specialist (helpdesk) was added and one year after that a part-time position was created for web development. From all accounts, town employees as well as residents have benefitted significantly from these personnel additions. The IT department designed and manages the town web site. The department has guided upgrades to the town's computer network and desktops, and oversees a capital investment plan. With IT help, all employees work off a network drive where back-ups, firewalls and other protections are managed. The IT staff work with other employees to reduce data entry duplication. On balance, technology has proven to be a worthwhile investment. The IT department has moved the town far ahead of its technology condition of ten years ago and has well-positioned it for the future.

#### 11. Explore Ways to Enhance Training

Importance: Medium Priority  
Implementation Status: Ongoing

The IT department has been more pro-active in addressing training needs than what generally occurs in most cities and towns. IT personnel conduct formal training for new hires in the use of town telephones and other computer systems. The IT department has begun to build a library of books available to staff on relevant topics. The department has also focused on collecting and distributing "tricks & tips" to help employees with shortcuts, new approaches

to tasks and problem solving. Program content is derived in large part from an enthusiastic employee response to surveys. It helps that the department can take advantage of the emergency center at the town police station where 12 smart desks, 14 IT phones and four wall-mounted televisions are installed. This technology lab is a valuable training resource that encourages innovative approaches by the IT department.

Responsible Party: Town Manager, IT Director

## 12. Centralize Technology Decisions

Importance: Medium Priority

Implementation Status: Complete

With the evolution of the IT department, the town has achieved its goal of centralizing technology related decisions and all technology purchases. Now, the town manager and the IT director develop high level strategies and long-term plans to sustain and improve systems and software. At the operational level, the IT director has taken steps to replace and upgrade servers and desktop computers and install standardized network equipment. He was instrumental in the decision to build a fiber optic backbone that connects town buildings. IT now administers the town's GIS system and makes purchases of other items, e.g., supplies, previously budgeted in other town department. The transition appears to be well-received as the IT director works to ensure that departments heads are informed, consulted and continue to have a role in the decision making process.

## Tax Collector / Treasurer

## 13. Review Relationship with Deputy Collector

Importance: Medium Priority

Implementation Status: Complete

The treasurer/collector has altered his relationship with the deputy collector, Kelly & Ryan, in a way that responds to DOR concerns. The deputy collector now deposits payments for delinquent motor vehicle excises and parking tickets he receives into a bank account under the control of the town treasurer/collector. He submits an invoice reflecting his fees, which are paid through the town vendor warrant process. As a result, there is an audit trail throughout the process.

14. Consider Lockbox with Town Collector

Importance: Medium Priority  
Implementation Status: Incomplete

The treasurer/collector has contracted with Century Bank for lockbox services. Of approximately 4,350 real estate bills and 85 personal property bills mailed quarterly, about 25 percent are processed through the lockbox. Because 50 percent of the real estate tax payments are received from a property owner's mortgagee, three quarters of all payments can now be electronically posted to the City Hall Systems receivable software. A portion of payments received by mail for approximately 15,000 motor vehicle excise bills are also directed to the lockbox. The treasurer/collector notes, as is expected, that with inception of the lockbox, incoming mail and pedestrian traffic is down in the office.

The lockbox recommendation was offered as a means to help address an increase in work volume should the treasurer/collector's office begin receiving water, sewer and light department payments. At present, those departments both commit charges and receive payments, which runs counter to sound financial controls. However, in order to separate functions and divert bill payments, the town would need to accept the town collector statute (M.G.L. c. 41, §38A).

Responsible Party: Town Manager, Collector

Assessors15. Discontinue Manual Records

Importance: Low Priority  
Implementation Status: Complete

The assessing office has made a transition from manual records to maintaining information in Excel as recommended. The shift is due in part to a higher staff comfort level with Excel. As a result, the greater concern that information is backed up has been addressed.

16. Limit Deeds Sent to Outside Engineering Firm;  
Consider Records Disposition

Importance: Low Priority  
Implementation Status: Complete

The assessing office no longer sends deeds to its engineering firm to be bound. Instead, the office takes advantage of Vision software feature that allows deeds to attached to, or associated with, electronic property record cards. In addition, the office addressed its records disposition issue by contracting with an outside firm to shred designated documents and materials. What remains is stored in new, organized file space in the town hall attic.

17. Send Address and Map/Lot Changes to Collector

Importance: Low Priority  
Implementation Status: Complete

An update of all taxpayer accounts continues to take place twice a year when the collector receives the commitment files from the assessor. A greater effort is made to identify address changes during the course of the year and that information is reflected by the "care of" recipient on mailings.

18. Expand Building Permit Inspections

Importance: Medium Priority  
Implementation Status: Complete

To ensure updated property information, state regulations require an inspection, including photographs and internal measurements, of all improved properties in the town at least every nine years. These visits usually follow a set inspection schedule. Many assessing offices expand routine inspections for other purposes so that they can be counted toward the cyclical inspection program. Now, in Groton, all inspections whether associated with a building permit, a sale or an abatement application include photographs and building measurements and complement the cyclical program.

The principal assessor has also taken steps to increase access to properties. A town occupancy permit issued by the building department now requires sign-off by the assessors' office. And, staff have arranged to accompany fire department personnel on smoke alarm inspections. Through this inter-departmental cooperation, the assessors' staff is better able to keep property records up-to-date and ensure equitable treatment of all property owners.

19. Increase Staff Training on Patriot Software

Importance: High Priority  
Implementation Status: Incomplete

In 2002, the assessors' office switched from computer assisted mass appraisal software developed by Patriot Properties to software produced by Vision Government Solutions. Both are widely used in Massachusetts. After eight years, the principal assessor has extensive experience with the software; her assistant assessor has one year in the position and does not. She has taken course 101, attended the assessors' school as well as some ad hoc classes, but would gain from more formal, structured training on the use of Vision. When the competence level of staff increases, the office, municipal government and residents all benefit. Therefore, we encourage the town to invest in Vision training for the assistant assessor.

Responsible Party: - Principal Assessor

20. Retain Copies of Receipts

Importance: Medium Priority  
Implementation Status: Complete

The assessors' office no longer accepts cash, which renders this recommendation moot.

Accountant21. Review Office Technology Relative to Harper's Payroll Software, Employee Time Sheets, MIP Payroll Module and Data Transfer with Excel

Importance: High Priority  
Implementation Status: Incomplete

There appears to be little progress in simplifying the payroll process since our initial report. Lack of movement, however, cannot be assigned to the current accountant or payroll clerk, each of whom has only one year in their position. The town continues to contract with Harper's Payroll Service and multiple data entry issues appear to have been addressed. Still, the process can be further streamlined by recognizing individual responsibilities and holding people accountable to fulfill them. In this regard, we offer a new recommendation that seeks to clarify the responsibilities at the department level, of the payroll clerk and the accountant.



Responsible Party: Accountant, Payroll Clerk

22. Develop a Recreation Department Cash Flow Budget

Importance: Low Priority  
Implementation Status: Complete

The recreation department was incurring deficits at the time of this recommendation. To address the issue, we suggested that recreation programs might better operate as a revolving fund and with the development of a cash flow budget. However, recreation related receipts today are general fund revenues and most recreation activities are expended by the town department that manages the Groton Pool and Golf Center. As noted earlier, this department appears to be managed well, so we regard this recommendation as having been addressed.

23. Add Detail to Payroll Warrant

Importance: Low Priority  
Implementation Status: Complete

The payroll warrant now lists individual employees together with their compensation for the pay period in accordance with our recommendation.