

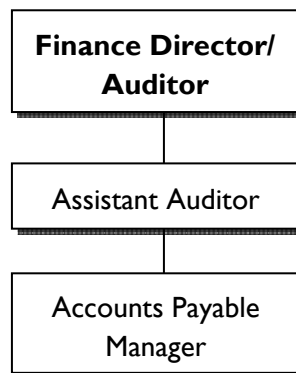
## **Section 4: Finance**

# Auditor

## MISSION STATEMENT

The mission of the City Auditor's Department is to ensure that financial transactions and activities are carried out in accordance with all applicable federal, state, and local laws, ordinances, and regulations. In addition, the City Auditor's Office works to implement professional accounting and financial management standards established by the Government Accounting Standards Board (GASB) and in accordance with Generally Accepted Accounting Principles (GAAP). These standards help to insure that accurate and timely reporting of financial and accounting information is successfully carried out.

The City Auditor's office also provides financial management assistance to city departments and personnel covering a wide range of financial activities including: budget administration, revenue forecasts, accounts payable procedures, procurement and contracts administration, unemployment compensation, Fire and Police injured-on-duty insurance, MUNIS financial software applications, and property, liability, and workers compensation insurance.



## FY 2014 ACCOMPLISHMENTS

- The City of Newburyport received a bond rating upgrade from Standard and Poor's from "AA" to "AA+". This upgrade reflects confidence in the financial management of the City and the City's ability to maintain sound fiscal health and stability during challenging economic times when bond ratings for some Massachusetts communities have dropped due in part to diminishing reserve funds.
- Successful worked with members of the City's financial team and other City officials to coordinate, prepare, and submit in a timely and accurate manner a variety of financial reports and information required by City officials, outside auditors, government entities, and various financial institutions, including: The Tax Rate Recapitulation Report, Enterprise Fund Reports, Schedule "A", budget transfers, Community Preservation Reports, Mid-Year and Year-End Report of Budget Expenditures and Revenues, Free Cash Certification Report, the annual audit of city financial statements, and updating the city's official statement in preparation for issuing bonds.

- Successfully coordinated the MIIA Rewards Program that resulted in a cost savings of over \$35,000 to the City for participation in seminars designed to help lower insurance risks and losses. In addition, the cost of City insurance was maintained at FY 2012 levels due to initiatives that lowered premiums.
- Successfully completed eleven staff development and training programs offered by the Massachusetts Interlocal Insurance Association (MIIA), the Massachusetts Municipal Association (MMA), the Massachusetts Department of Revenue (DOR), and the Eastern Massachusetts Municipal Accountants and Auditors Association (EMMAAA). These opportunities increased knowledge relative to accounting practices and changes in finance laws and government regulations.
- Successfully processed an estimated 28,600 payments to vendors and individuals doing business with City and School departments. This included review, approval, and processing of contracts, invoices, warrants, payrolls, and tax forms.
- The annual audit of the City's financial statements was carried out by the outside CPA firm of Melanson Health & Co. PC. The audit indicated that the city's financial statements and financial position were presented fairly in all material aspects and in compliance with GASB and GAAP. Recommendations for improvements were also received and will be implemented.
- In FY 2014, Free Cash was certified at the highest levels in recent history at \$2,492,109. Including Stabilization Fund balances, reserves totaled 9.5% of the General Fund budget, well within the policy target of 5 to 10%. This funding allowed the City to implement the recommendations of the CIP for FY2014 and to accommodate other one-time capital needs requests that arose during the course of the year, thereby avoiding deferred investment in our infrastructure and equipment.

## **FY 2015 TRENDS**

The long awaited economic recovery has had a positive impact on local revenues and the City budget. Local revenues are expected to grow as the economy continues to recover. Increases in building permits, local meals and hotel taxes, parking fees, and motor vehicle excise taxes are anticipated.

State aid for FY 2015 is still in flux and, as a result, the City must continue to use conservative revenue estimates for local aid.

The amount of paper work that passes through the City Auditor's Office has increased significantly over the last five years as a result of the creation of three new enterprise funds, the Community Preservation Fund, new GASB reporting requirements, the new paid parking program, major water and sewer capital projects, expanded youth service programs, and construction of a new senior/ community center, new elementary school, and other major renovations to schools. This added workload has placed more demand on the City Auditor's staff. Hopefully, the planned automation of financial transactions will help our staff to successfully meet these demands.

# Auditor (cont.)

## FY 2015 GOALS AND OBJECTIVES

**Goal 1:** Monitor financial activities within all City departments in order to insure that City, state, federal, and other applicable finance laws, ordinances, and regulations, are successfully being followed and public funds are spent properly and in accordance with applicable laws

**Objectives:**

- Conduct staff meetings on a weekly basis with the Auditor's Department staff to review and discuss potential problems associated with financial transactions and accounting activities within City departments
- Conduct an internal audit of each city department at least once every two years in order to evaluate internal financial management practices and controls
- Review all city contracts on an ongoing basis in order to insure that proper funding is available and procurement laws have been followed
- Provide financial and accounting information to the outside auditing firm by December 31, 2014, in preparation for the annual audit of the City's FY 2014 financial statements. This audit is required by bond rating agencies, financial institutions, and state and federal agencies that award grants to the City

**Goal 2:** Implement electronic purchase orders and requisitions

**Objectives:**

- Work closely with the Finance Team and IT Director to implement a more efficient and less paper intensive accounts payable process
- Identify roles and responsibilities pertaining to the enforcement of M.G.L. Chapter 30B and other state procurement laws
- Roll out electronic purchase orders and requisitions to departments by January 1, 2015 to be fully implemented for FY2016

**Goal 3:** Successfully complete financial reports in a timely, accurate, and easy to understand manner

**Objectives:**

- Prepare the Mid-Year Budget Report by January 15, 2015 so that the Mayor and City Council can adjust city expenditures and revenues in accordance with actual results as of December 31, 2014
- Work in cooperation with the Mayor, City Council, City Treasurer, City Assessor, and City Clerk to set the property tax rate and to complete the FY 2015 Tax Rate Recapitulation Report by November 10, 2014

- Assist with the preparation of the Mayor's FY 2016 proposed City budget, which must be approved by the City Council no later than June 30, 2015
- Prepare the balance sheet and other supporting documents required to obtain "Free Cash" certification by November 7, 2014 from the Massachusetts Department of Revenue
- Review and prepare budget transfers twice a month, and as required, in preparation for review and approval by the Mayor and City Council

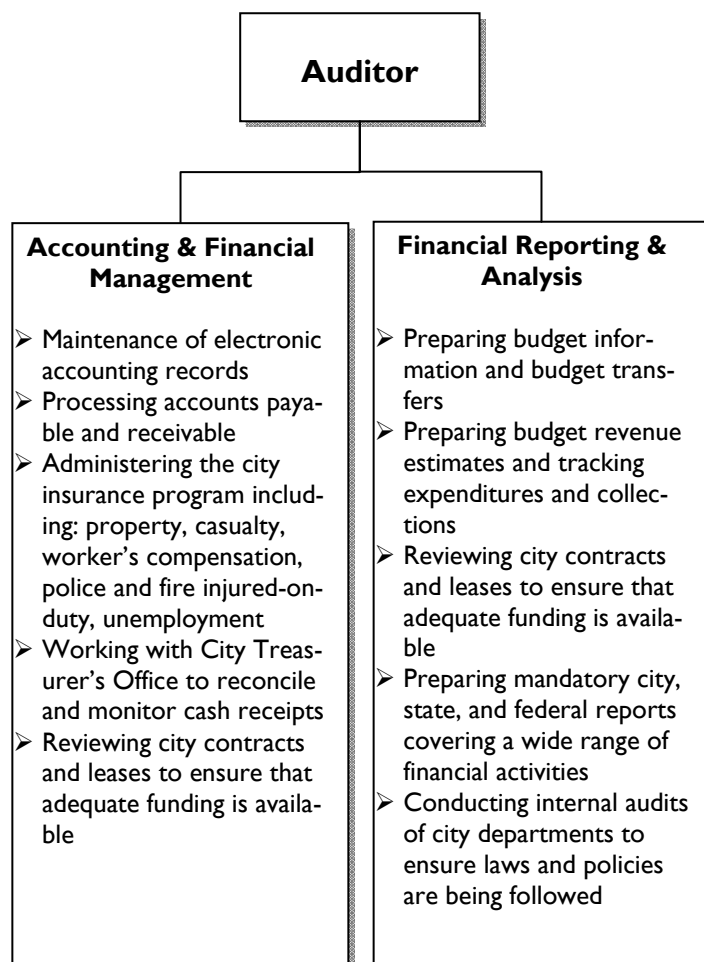
**Goal 4:** Maintain financial policy targets

**Objectives:**

- Maintain a Free Cash balance of at least \$500,000 or 1% of the tax levy, whichever is greater
- Maintain Stabilization Fund balances at a minimum of 5% of the General Fund expenditures
- Maintain reserve balances within 5 to 10% of General Fund expenditures

# Auditor (cont.)

## PROGRAMS & SERVICES



## PERSONNEL SUMMARY

| <b>AUDITOR</b>                      |                           |                           |                           |
|-------------------------------------|---------------------------|---------------------------|---------------------------|
| <b>Position</b>                     | <b>FY 2013<br/>Actual</b> | <b>FY 2014<br/>Actual</b> | <b>FY 2015<br/>Budget</b> |
| Finance Director/Auditor            | 1                         | 1                         | 1                         |
| Assistant Auditor                   | 1                         | 1                         | 1                         |
| Accounts Payable/ Risk Manager      | 1                         | 1                         | 1                         |
| Finance Department Floater (4 days) | 0                         | 0                         | 0.8                       |
| Part-time Data Processing Clerk     | 0.3                       | 0.3                       | 0                         |
| <b>Total Full-Time Equivalents:</b> | <b>3.3</b>                | <b>3.3</b>                | <b>3.8</b>                |

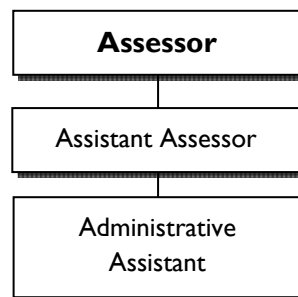
## **AUDITOR'S DEPARTMENT (01-135)**

|   | FY2011<br>ACTUAL | FY2012<br>ACTUAL | FY2013<br>ACTUAL | FY2014<br>APPROVED | FY2015<br>PROPOSED | FY2015<br>APPROVED |
|---|------------------|------------------|------------------|--------------------|--------------------|--------------------|
| <b>001 - PERSONAL SERVICES</b>                  |                  |                  |                  |                    |                    |                    |
| 51101 AUD SAL AUD/FINANCE DIR                   | 90,790           | 92,576           | 93,502           | 96,316             | 90,000.00          | 90,000.00          |
| 51102 AUD SAL ASST AUDITOR                      | 60,894           | 63,939           | 64,418           | 67,520             | 63,000.00          | 63,000.00          |
| 51103 AUD SAL ADMIN ASSISTANT                   | 52,137           | 53,671           | 54,073           | 54,475             | 55,845.46          | 55,845.46          |
| 51104 AUD SAL FINANCE FLOATER                   | 0                | 0                | 0                | 0                  | 36,531.04          | 36,531.04          |
| 51166 AUD PT DATA ENTRY CLERK                   | 14,560           | 14,560           | 14,610           | 16,230             | 0.00               | 0.00               |
| 51167 AUD TEMPORARY HELP                        | 0                | 0                | 0                | 0                  | 9,132.76           | 9,132.76           |
| 51401 AUD LONGEVITY                             | 6,153            | 6,153            | 6,153            | 6,245              | 2,763.94           | 2,763.94           |
| <b>001 - PERSONAL SERVICES Total</b>            | <b>224,534</b>   | <b>230,898</b>   | <b>232,756</b>   | <b>240,786</b>     | <b>257,273.20</b>  | <b>257,273.20</b>  |
| <b>002 - PURCHASE OF SERVICES</b>               |                  |                  |                  |                    |                    |                    |
| 53001 AUD FINANCIAL AUDIT                       | 35,000           | 36,750           | 40,090           | 40,250             | 46,500.00          | 46,500.00          |
| <b>002 - PURCHASE OF SERVICES Total</b>         | <b>35,000</b>    | <b>36,750</b>    | <b>40,090</b>    | <b>40,250</b>      | <b>46,500.00</b>   | <b>46,500.00</b>   |
| <b>004 - SUPPLIES</b>                           |                  |                  |                  |                    |                    |                    |
| 55800 AUD MISC SUPPLIES                         | 1,251            | 1,251            | 1,246            | 1,251              | 1,500.00           | 1,500.00           |
| <b>004 - SUPPLIES Total</b>                     | <b>1,251</b>     | <b>1,251</b>     | <b>1,246</b>     | <b>1,251</b>       | <b>1,500.00</b>    | <b>1,500.00</b>    |
| <b>007 - OTHER CHARGES &amp; EXPENSES</b>       |                  |                  |                  |                    |                    |                    |
| 57300 AUD DUES & MEMBERSHIPS                    | 225              | 225              | 225              | 230                | 230.00             | 230.00             |
| 57401 AUD INSURANCE-MUNICIPAL                   | 126,000          | 0                | 0                | 0                  | 0.00               | 0.00               |
| <b>007 - OTHER CHARGES &amp; EXPENSES Total</b> | <b>126,225</b>   | <b>225</b>       | <b>225</b>       | <b>230</b>         | <b>230.00</b>      | <b>230.00</b>      |
| <b>Grand Total</b>                              | <b>387,010</b>   | <b>269,124</b>   | <b>274,317</b>   | <b>282,517</b>     | <b>305,503.20</b>  | <b>305,503.20</b>  |

# Assessor

## MISSION STATEMENT

The mission of the Assessors Department is to provide fair and equitable property assessments to the taxpayers of the City of Newburyport to ensure that each and every taxpayer is shouldering his or her fair share of the City's total tax burden.



## FY 2014 ACCOMPLISHMENTS

- Successfully completed Triennial Re-certification of Values as mandated by the Department of Revenue
- Improved Customer Service by establishing annual update process for Vision property data to MIMAP application. Remain up to date with latest practices and procedures by attending Assessors Annual Conference
- Streamlined the Re-Cap process through improved Team Approach to management of the Financial Departments

## FY 2015 TRENDS

Trends relative to the real estate market indicate that Newburyport is considered a very desirable community for young singles, families and seniors and continues to attract new residents. Now with the market on the rebound real estate professionals are reporting that properties are selling more rapidly and that inventory is quite low.

Mayor Holaday's team approach to coordinating activities among the City's financial departments coupled with the DOR's Gateway has improved communication between the departments while proving to be more efficient.



## **FY 2015 GOALS AND OBJECTIVES**

**Goal 1:** Complete Interim Adjustment of Values as per MA DOR regulation

**Objectives:**

- Oversee and monitor the update project
- Work under the direction of the DOR to ensure timely completion

**Goal 2:** Continue to improve Customer Service and professional knowledge/skills by taking advantage of professional development opportunities

**Objectives:**

- Assessor to attend 2014 MAAO Summer Conference in June
- Assistant Assessor to attend 2014 MAAO Summer Conference

*Note: The Summer Conference is the most important educational opportunity offered for assessors annually by the Massachusetts Association of Assessing Officers.*

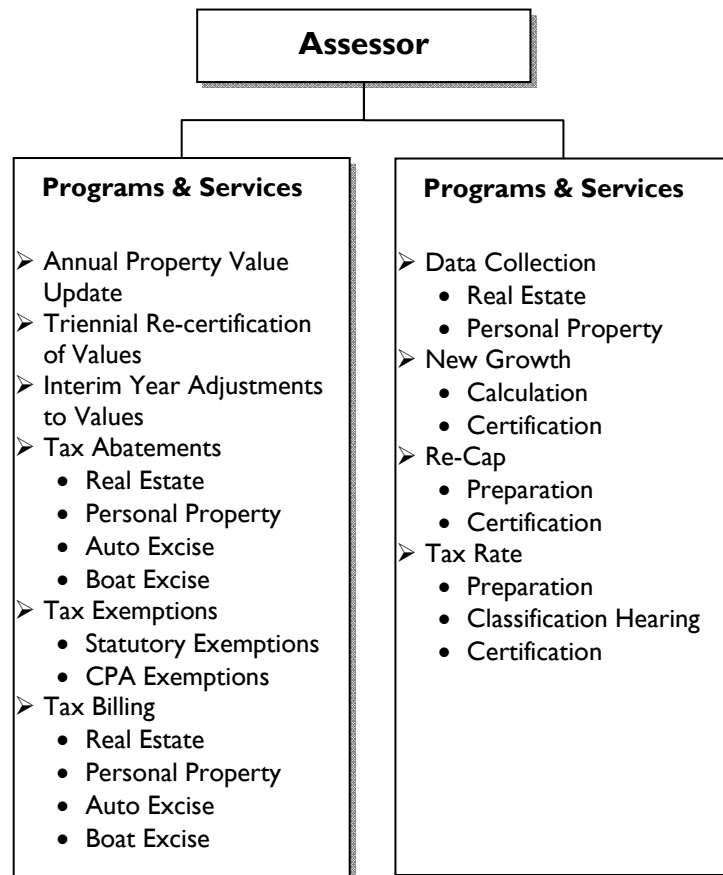
**Goal 3:** Address departmental responsibilities with limited budget constraints while enhancing productivity

**Objectives:**

- Continue active participation as a member of the City's Finance Team
- Continue to maintain the best possible level of public service within allocated budget
- Maintain current staffing level
- Improve necessary record keeping by updating and expanding property record filing system

# Assessor (cont.)

## PROGRAMS & SERVICES



## PERSONNEL SUMMARY

| <b>ASSESSOR</b>                     |                                  |                                  |                                  |
|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b><u>Position</u></b>              | <b><u>FY 2013<br/>Actual</u></b> | <b><u>FY 2014<br/>Actual</u></b> | <b><u>FY 2015<br/>Budget</u></b> |
| Assessor                            |                                  |                                  |                                  |
| Assistant Assessor                  |                                  |                                  |                                  |
| Administrative Assistant            |                                  |                                  |                                  |
| <b>Total Full-Time Equivalents:</b> | <b>3</b>                         | <b>3</b>                         | <b>3</b>                         |

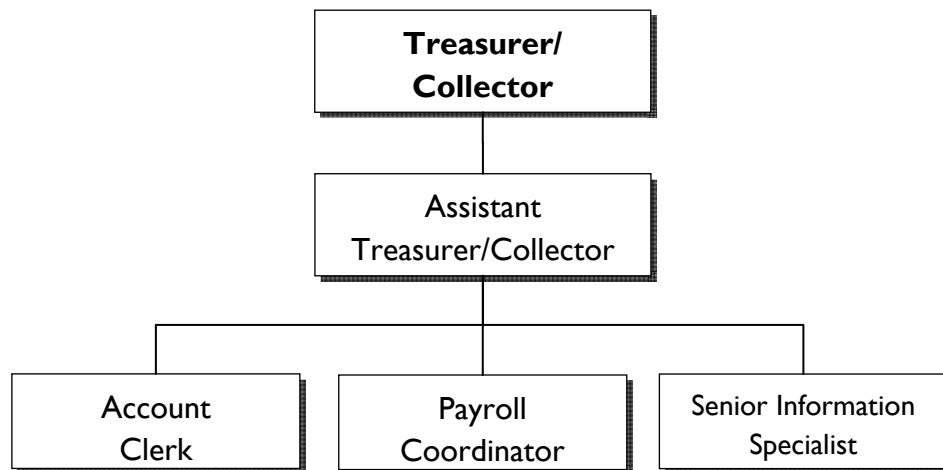
## **ASSESSOR'S DEPARTMENT (01-141)**

|   | <b>FY2011<br/>ACTUAL</b> | <b>FY2012<br/>ACTUAL</b> | <b>FY2013<br/>ACTUAL</b> | <b>FY2014<br/>APPROVED</b> | <b>FY2015<br/>PROPOSED</b> | <b>FY2015<br/>APPROVED</b> |
|---|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
| <b>001 - PERSONAL SERVICES</b>          |                          |                          |                          |                            |                            |                            |
| 51101 ASR SAL ASSESSOR                  | 73,965                   | 73,966                   | 74,705                   | 78,108                     | 79,279.91                  | 79,279.91                  |
| 51102 ASR SAL ASST ASSESSR              | 57,497                   | 57,497                   | 60,382                   | 61,277                     | 62,818.55                  | 62,818.55                  |
| 51103 ASR SAL ADMIN ASSISTANT           | 45,851                   | 45,851                   | 47,594                   | 49,886                     | 51,140.52                  | 51,140.52                  |
| 51401 ASR LONGEVITY                     | 3,209                    | 3,274                    | 3,274                    | 3,456                      | 3,440.03                   | 3,440.03                   |
| 51402 ASR EDUCATION CREDIT              | 400                      | 400                      | 400                      | 400                        | 400.00                     | 400.00                     |
| 51403 ASR TECHNOLOGY STPND              | 1,000                    | 1,000                    | 1,000                    | 1,000                      | 1,500.00                   | 1,500.00                   |
| 51404 ASR TRAVEL STIPEND                | 1,800                    | 1,800                    | 1,800                    | 2,100                      | 2,100.00                   | 2,100.00                   |
| <b>001 - PERSONAL SERVICES Total</b>    | <b>183,722</b>           | <b>183,787</b>           | <b>189,155</b>           | <b>196,228</b>             | <b>200,679.01</b>          | <b>200,679.01</b>          |
| <b>002 - PURCHASE OF SERVICES</b>       |                          |                          |                          |                            |                            |                            |
| 53001 ASR COMPUTER EXP                  | 7,300                    | 7,550                    | 7,550                    | 7,750                      | 7,900.00                   | 7,900.00                   |
| 53002 ASR REVALUATION                   | 0                        | 7,500                    | 45,000                   | 43,000                     | 5,500.00                   | 5,500.00                   |
| 53003 ASR VALUATION/PROCESSING          | 5,775                    | 4,347                    | 6,564                    | 6,600                      | 6,600.00                   | 6,600.00                   |
| 53004 ASR MAP-DEED-PROBATE              | 0                        | 0                        | 75                       | 600                        | 600.00                     | 600.00                     |
| <b>002 - PURCHASE OF SERVICES Total</b> | <b>13,075</b>            | <b>19,397</b>            | <b>59,189</b>            | <b>57,950</b>              | <b>20,600.00</b>           | <b>20,600.00</b>           |
| <b>004 - SUPPLIES</b>                   |                          |                          |                          |                            |                            |                            |
| 54801 ASR MILEAGE EXPENSE               | 346                      | 553                      | 274                      | 1,200                      | 1,200.00                   | 1,200.00                   |
| 55800 ASR MISC SUPPLIES                 | 4,093                    | 3,077                    | 3,158                    | 2,400                      | 3,000.00                   | 3,000.00                   |
| <b>004 - SUPPLIES Total</b>             | <b>4,439</b>             | <b>3,631</b>             | <b>3,433</b>             | <b>3,600</b>               | <b>4,200.00</b>            | <b>4,200.00</b>            |
| <b>Grand Total</b>                      | <b>201,237</b>           | <b>206,815</b>           | <b>251,777</b>           | <b>257,778</b>             | <b>225,479.01</b>          | <b>225,479.01</b>          |

# Treasurer/Collector

## MISSION STATEMENT

The mission of the Newburyport Treasurer/Collectors office, as defined by State statute, is to collect all revenues due to the City, and to hold and invest those revenues until such time as the Treasurer's Office is directed by warrant to pay the City's current obligations. Further, it is our goal to be knowledgeable in our field and continue to provide quality customer service to the taxpayers that we interact with on a daily basis.



## FY 2014 ACCOMPLISHMENTS

- Positioned the City to upgrade the Bond Rating from AA to AA+ according to Standard and Poor's rating system
- Tax Title efforts resulted in collecting over \$400,000 in delinquent taxes, returning 26 properties to the active tax rolls
- Began integration of receipt entry directly into the cash management system, to enhance process of collecting departmental funds and to coincide with the general ledger

## FY 2014 TRENDS

The Treasurer/Collector's office remains dedicated to meeting the needs of the taxpayers by supporting a budget under the restraints of Proposition 2 ½ during uncertain times of suppressed State and Federal aid and the City's rising costs. The Treasurer/Collector's office is committed to collecting above 95% of the Real Estate, Personal Property and Motor Vehicle excise taxes due each year. We continue a regular cycle of tax takings to ensure tax delinquencies are managed in a timely fashion and with fairness to all taxpayers. We are willing to work with taxpayers who may be finding times difficult, while educating residents of

City collection practices and provide information and assistance in conjunction with the Assessor's office, the Council on Aging, and Planning & Development when necessary.

## **FY 2014 GOALS AND OBJECTIVES**

### **Goal 1:** Improve Treasurer's Department Performance and Efficiency

#### **Objectives:**

- Evaluate all office policies and procedures and make necessary changes to improve department efficiency
- Streamline internal office processes, concentrating on electronic bill processing while working in conjunction other departments to coordinate online payment processing within the City
- Concentrate on quality job performance, promote skill sets, and improve staff communication

### **Goal 2:** Maintain City's Upgraded Bond Rating

#### **Objectives:**

- Aggressively safeguard current cash flow processes to maintain the City's best financial position
- Plan for and communicate monthly accounting of cash to Auditor's office providing refined audit trails and clearer reporting with general ledger
- Review bank services quarterly to avoid additional costs and fees, consolidate bank accounts to streamline reconciliation process

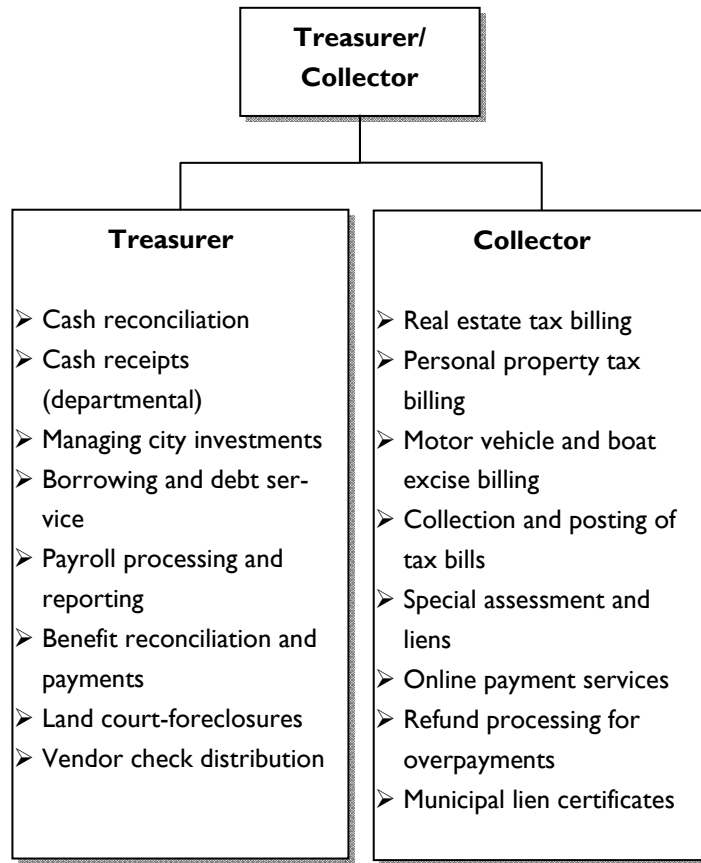
### **Goal 3:** Review Payroll technology processes

#### **Objectives:**

- Maintain overview of Payroll functions
- Move to integrate vacation, sick and personal time accruals on employee pay stubs
- Help provide payroll resources for employees and department heads

# Treasurer/Collector (cont.)

## PROGRAMS & SERVICES



## PERSONNEL SUMMARY

| TREASURER/COLLECTOR                 |               |               |               |
|-------------------------------------|---------------|---------------|---------------|
|                                     | FY 2013       | FY 2014       | FY 2015       |
| <u>Position</u>                     | <u>Actual</u> | <u>Actual</u> | <u>Budget</u> |
| Treasurer/Collector                 | 1             | 1             | 1             |
| Assistant Treasurer/Collector       | 1             | 1             | 1             |
| Senior Information Specialist       | 1             | 1             | 1             |
| Payroll Coordinator                 | 1             | 1             | 1             |
| Computer Operator                   | 1.5           | 1.5           | 1             |
| <b>Total Full-Time Equivalents:</b> | <b>5.5</b>    | <b>5.5</b>    | <b>5</b>      |

## **TREASURER'S DEPARTMENT (01-145)**

|   | FY2011<br>ACTUAL | FY2012<br>ACTUAL | FY2013<br>ACTUAL | FY2014<br>APPROVED | FY2015<br>PROPOSED | FY2015<br>APPROVED |
|---|------------------|------------------|------------------|--------------------|--------------------|--------------------|
| <b>001 - PERSONAL SERVICES</b>                  |                  |                  |                  |                    |                    |                    |
| 51101 TRS SAL TREASURER                         | 57,926           | 71,017           | 71,728           | 74,995             | 76,119.31          | 76,119.31          |
| 51102 TRS SAL ASST TREASURER                    | 41,174           | 48,806           | 49,945           | 51,128             | 53,463.07          | 53,463.07          |
| 51103 TRS STAFF SALARIES                        | 148,404          | 141,731          | 150,135          | 151,786            | 147,671.94         | 147,671.94         |
| 51320 TRS EDUCATION CREDITS                     | 0                | 0                | 0                | 0                  | 700.00             | 700.00             |
| 51401 TRS LONGEVITY                             | 2,811            | 2,811            | 3,262            | 3,262              | 3,261.92           | 3,261.92           |
| <b>001 - PERSONAL SERVICES Total</b>            | <b>250,314</b>   | <b>264,365</b>   | <b>275,069</b>   | <b>281,172</b>     | <b>281,216.24</b>  | <b>281,216.24</b>  |
| <b>002 - PURCHASE OF SERVICES</b>               |                  |                  |                  |                    |                    |                    |
| 52701 TRS COPY MACHINE                          | 1,190            | 1,720            | 3,200            | 3,500              | 2,500.00           | 2,500.00           |
| 53001 TRS BANK CHARGES                          | 3,706            | 3,250            | 3,782            | 3,500              | 4,500.00           | 4,500.00           |
| 53003 TRS PAYROLL                               | 20,605           | 11,047           | 14,007           | 15,000             | 15,000.00          | 15,000.00          |
| 53004 TRS TAX BILLS                             | 15,899           | 18,300           | 19,471           | 19,000             | 20,000.00          | 20,000.00          |
| 53005 TRS TAX TITLE EXP                         | 2,286            | 16,000           | 8,539            | 11,500             | 12,500.00          | 12,500.00          |
| <b>002 - PURCHASE OF SERVICES Total</b>         | <b>43,685</b>    | <b>50,317</b>    | <b>48,998</b>    | <b>52,500</b>      | <b>54,500.00</b>   | <b>54,500.00</b>   |
| <b>004 - SUPPLIES</b>                           |                  |                  |                  |                    |                    |                    |
| 54200 TRS OFFICE SUPPLIES                       | 1,579            | 2,000            | 1,718            | 2,000              | 2,000.00           | 2,000.00           |
| 55800 TRS MISC SUPPLIES                         | 903              | 1,811            | 1,157            | 1,500              | 1,500.00           | 1,500.00           |
| 55801 TRS COMPUTER EXP                          | 748              | 750              | 750              | 850                | 850.00             | 850.00             |
| <b>004 - SUPPLIES Total</b>                     | <b>3,230</b>     | <b>4,561</b>     | <b>3,626</b>     | <b>4,350</b>       | <b>4,350.00</b>    | <b>4,350.00</b>    |
| <b>007 - OTHER CHARGES &amp; EXPENSES</b>       |                  |                  |                  |                    |                    |                    |
| 57402 TRS FICA EXP                              | 140,000          | 101,251          | 139,827          | 154,500            | 156,000.00         | 156,000.00         |
| 57403 TRS INSURANCE BONDS                       | 1,379            | 1,325            | 1,500            | 1,750              | 1,850.00           | 1,850.00           |
| <b>007 - OTHER CHARGES &amp; EXPENSES Total</b> | <b>141,379</b>   | <b>102,576</b>   | <b>141,327</b>   | <b>156,250</b>     | <b>157,850.00</b>  | <b>157,850.00</b>  |
| <b>Grand Total</b>                              | <b>438,609</b>   | <b>421,819</b>   | <b>469,020</b>   | <b>494,272</b>     | <b>497,916.24</b>  | <b>497,916.24</b>  |