

Section 4:

Finance

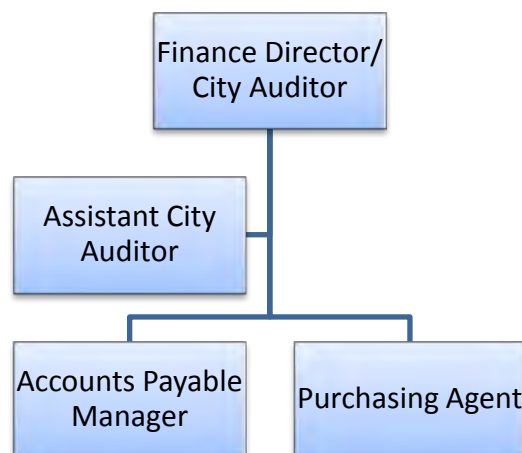
FINANCE DIRECTOR/CITY AUDITOR

MISSION STATEMENT

The mission of the City Auditor's Office 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 the accurate and timely reporting of financial and accounting information.

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, financial forecasts, accounts payable procedures, procurement and contracts administration, unemployment compensation, Fire and Police injured-on-duty insurance, financial software applications, and property, liability, and workers' compensation insurance.

ORGANIZATIONAL OVERVIEW



Position	FY2018 Actual	FY2019 Actual	FY2020 Budgeted
Finance Director/City Auditor	1.0	1.0	1.0
Assistant Auditor	1.0	1.0	1.0
Accounts Payables Manager	1.0	1.0	1.0
Purchasing Agent	0.0	1.0	1.0
Finance Clerk*	1.0	0.0	0.0
Total Full Time-Equivalents	4.0	4.0	4.0

*7 hours per week funded by Housing Rehab. Program

PERFORMANCE MEASUREMENTS

Performance Indicator	Unit of Measure	Actual FY2016	Actual FY2017	Actual FY2018	Estimated FY2019
Reserves within 5-10% of Budget	%	9.6%	8.9%	8.8%	9.3%
Debt Service/Total Budget (GF)	%	6.1%	6.6%	6.4%	5.5%
GFOA Budget Award	Y/N	Yes	Yes	Yes	Yes
Bond Rating	S&P	AAA	AAA	AAA	AAA
OPEB Funding	\$	\$0	\$25,000	\$50,000	\$60,000
MIIA Reward Credits	\$	\$24,911	\$38,727	\$60,837	\$61,000

FY2019 ACCOMPLISHMENTS

- Maintained the City's AAA bond rating, reflecting Standard and Poor's continued confidence in the City's financial management and oversight
- Coordinated the annual audit of the City's financial statements, which was carried out by the outside CPA firm of Melanson Health. Resolved two management letter recommendations from the prior year audit: 1) improving the funding and timing of payroll and vendor warrants and 2) improving the tracking and budgeting of betterment receipts and debt service.
- Implemented Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75, which requires additional reporting for other post-employment benefits.
- Managed the Free Cash and Retained Earnings certification process- Free Cash certification was in line with prior year results at \$2,145,174.
- Awarded the Government Finance Officers Association's Distinguished Budget Presentation Award for the seventh consecutive year.
- Restructured Finance Clerk position into a Purchasing Agent position.
- Finance Director and Purchasing Agent achieved certification as Massachusetts Certified Public Purchasing Officials (MCPPO).
- Maximized the amount of credits received through the Massachusetts Interlocal Insurance Association (MIIA) rewards program, which are awarded based on a municipality's risk management practices.
- Completed implementation of electronic imaging of all city and school invoices.

FY2020 TRENDS

In FY20, the Finance Department, in collaboration with the Mayor, will continue to implement strategies to enhance the long-term fiscal sustainability of our City. Newburyport's AAA credit rating and strong reserve balances are reflective of the City's healthy financial position. There are, however, a number of areas that continue to put financial pressure on the City, such as: the health insurance

plan for employees and retirees, complying with new state and federal regulations, maintaining funding for education, improving the City's roadways and sidewalks, solid waste disposal and trash hauling costs, among others.

The U.S. is approaching the tenth year of the current economic expansion that began in June 2009; the longest business cycle in U.S. history. Given the tenure of the current expansion and signs of slowing economic growth at the end of 2018, the City is well positioned should the economy move in a more negative direction. Going into fiscal 2020, it is ever important that the City continues to be conservative in our revenue estimates and work to enhance existing revenue sources and identify new revenue sources, as well as, identify areas of cost savings and more effective procurement/ service-delivery methods.

FY2020 GOALS & OBJECTIVES

GOAL 1: MAINTAIN HIGHEST LEVEL OF FISCAL BEST PRACTICES AND POLICIES

Objectives:

- Attain GFOA designation for preparation of the annual budget
- Maintain updated financial policies and procedures in accordance with M.G.L. and best practices for public financial management

GOAL 2: CONTINUE TO ENHANCE REVENUE AND MAINTAIN RESERVE BALANCES

Objectives:

- Review all departmental revenues with each department to identify potential new sources of revenue and/or revenue enhancements
- Review all departmental expenditures to identify areas of cost savings
- Work with the Mayor and Director of Planning & Development to promote tax incentive programs that attract new business to the City, thereby enhancing future local revenue
- Maintain a Stabilization Trust Fund balance of 5% of the annual budget; continue to make appropriations to the OPEB Trust Fund

GOAL 3: CONTINUE TO BUILD OUT CENTRALIZED PROCUREMENT FUNCTION

Objectives:

- Increase the number of bid solicitations for frequently procured goods and services in order to achieve better values
- Consolidate and coordinate procurements between city and school departments to maximize economies of scale
- Finalize and publish the City's procurement manual in accordance with M.G.L. and best practices for public procurement

Accounting & Financial Management

- Maintaining electronic accounting records
- Processing accounts payable and receivable
- Administering the City insurance program including: property, casualty, worker's compensation, police and fire injured-on-duty, unemployment
- Working with City Treasurer's Office to reconcile and monitor cash receipts
- Reviewing City contracts and leases to ensure that adequate funding is available
- Managing Free Cash Certification process
- Managing Tax Rate Setting process
- Advising departments, boards and commissions on financial management best practices

Financial Reporting & Analysis

- Preparing budget information and budget transfers
- Preparing budget revenue estimates and tracking expenditures and collections
- Long-Range Financial Forecasting
- Preparing annual capital improvement program
- Preparing mandatory City, state, and federal reports covering a wide range of financial activities, including:
 - Tax Rate Recap
 - Enterprise Fund Reports
 - CPA Year-End Report
 - Schedule A
 - Mid-Year Report
 - Capital Asset Schedules
 - Annual Financial Statements
 - Popular Annual Financial Report
 - Single Audit
 - Year-End Report

AUDITOR'S DEPARTMENT (01-135)

	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 BUDGET	FY2020 PROPOSED	\$ CHANGE	% CHANGE
001 - PERSONNEL SERVICES						
51101 - AUD SAL FINANCE DIR/AUDITOR	97,069	101,531	104,577	115,458	10,881	10.4%
51102 - AUD SAL ASST AUDITOR	65,153	68,149	69,512	71,448	1,936	2.8%
51103 - AUD SAL ADMIN ASSISTANT	60,361	61,332	62,559	63,040	481	0.8%
51104 - AUD SAL PURCHASING AGENT	37,780	38,388	39,156	62,699	23,543	60.1%
51401 - AUD LONGEVITY	3,390	3,527	3,597	3,597	0	0.0%
001 - PERSONNEL SERVICES Total	263,752	272,927	279,401	316,242	36,841	13.2%
002 - PURCHASE OF SERVICES						
53001 - AUD FINANCIAL AUDIT/VALUATION	52,000	46,500	46,500	46,500	0	0.0%
002 - PURCHASE OF SERVICES Total	52,000	46,500	46,500	46,500	0	0.0%
004 - SUPPLIES						
55800 - AUD MISC SUPPLIES	1,483	1,500	1,500	1,500	0	0.0%
004 - SUPPLIES Total	1,483	1,500	1,500	1,500	0	0.0%
007 - OTHER CHARGES & EXPENSES						
57300 - AUD DUES & MEMBERSHIPS	290	455	455	455	0	0.0%
007 - OTHER CHARGES & EXPENSES Total	290	455	455	455	0	0.0%
Grand Total	317,525	321,382	327,856	364,697	36,841	11.2%



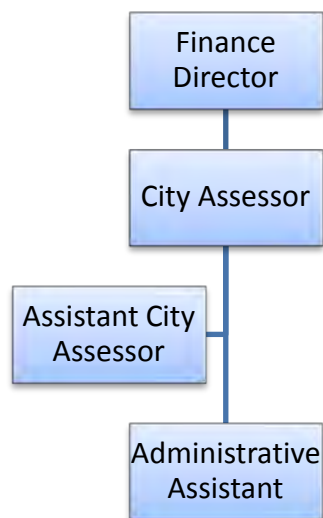
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CITY ASSESSOR

MISSION STATEMENT

The Mission of the Office of the Assessor 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 their fair share of the City's total tax burden.

ORGANIZATIONAL OVERVIEW



Position	FY2018 Actual	FY2019 Actual	FY2020 Budgeted
Assessor	1.0	1.0	1.0
Assistant City Assessor	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0
Total Full Time-Equivalents	3.0	3.0	3.0

PERFORMANCE MEASUREMENTS

Performance Indicator	Unit of Measure	Actual FY2017	Actual FY2018	Actual FY2019	Estimated FY2020
New Growth	Tax Dollars	\$791,106	\$933,594	\$985,930	\$750,000
Tax Levy (numbers reflect the actual levies, not the levy limits)	Billed	49,831,887	51,640,643	57,458,764	59,500,000
Motor Vehicle Excise Tax (Estimated for FY19)	Receipts	2,707,801	2,710,466	2,600,000	2,600,000
Abatement Applications	# Filed	53	55	36	50
Property Inspections (#s represent actual visits including exterior measurements which did not include full interior inspection) *FY18 as of 1/1/18 (1/2 year)	# Visits	913	744	*538	800

FY2019 ACCOMPLISHMENTS

- Successfully completed interim year adjustments on assessments as per DOR regulation.
- Successfully completed cyclical inspections on 400 parcels as per DOR directive.
- Certification of new growth in an amount higher than estimated and in a timely manner.
- Successfully completed a workshop for seniors addressing all exemption programs that are available in helping to reduce their property tax bills.
- Assistant Assessor successfully completed the Massachusetts Association of Assessing Officers (MAAO) courses 1, 2 & 5 and also completed the national Uniform Standards of Professional Appraisal Practice (USPAP) course.
- City Assessor completed MAAO course 6.

FY2020 TRENDS

Market values in Newburyport have remained strong and 2018 continued to be a seller's market. Early indicators of the market conditions of 2018 sale prices show that we could see anywhere from a 3% to 6% increase in assessments for Fiscal Year 2020.

FY2020 GOALS & OBJECTIVES

GOAL 1: SUCCESSFULLY COMPLETE STATE MANDATED INTERIM ADJUSTMENT OF VALUES

Objectives:

- Perform cyclical inspections as per the DOR directive that each parcel is inspected at least once in every ten year cycle; in FY20 this process will be focused on multi-families and commercial properties.
- Successfully complete the project in a timely manner meeting all deadlines helping to ensure certification of the tax rate.
- Update Vision computer assisted mass appraisal (CAMA) database software to the latest version 8.

GOAL 2: CONTINUE TO IMPROVE UPON CUSTOMER SERVICE

Objectives:

- Update website with additional downloadable forms and FAQs, streamlining access to this information.
- Improve outreach to taxpayers regarding available exemptions.
- Run a successful educational campaign urging passage of Clause 41C ½ in the November election.
- Implement Ch. 59 Sec. 5 Clause 41C ½ exemption program.

GOAL 3: PROFESSIONAL DEVELOPMENT

Objectives:

- All office staff to remain up to date with respect to new legislation and best practices by taking advantage of available educational opportunities offered through the Essex County and Massachusetts Assessing Associations along with offerings from the Division of Local Services.
- Assistant Assessor to continue educational courses in pursuit of earning accreditation from the Massachusetts Association of Assessing Officers.
- City Assessor to pursue educational course offerings to maintain accredited designation.

PROGRAMS & SERVICES

Billing & Valuation

- Annual Property Value Update
- Triennial Re-certification of Values
- Interim Year Adjustments to Values
- Tax Abatements
 - Real Estate
 - Personal Property
 - Auto Excise
 - Boat Excise
- Tax Exemptions
 - Statutory Exemptions
 - CPA Exemptions
- Tax Billing
 - Real Estate
 - Personal Property
 - Auto Excise
 - Boat Excise

Data Collection & Reporting

- Data Collection
 - Real Estate
 - Personal Property
- New Growth
 - Calculation
 - Certification
- Re-Cap
 - Preparation
 - Certification
- Tax Rate
 - Preparation
 - Classification Hearing
 - Certification

ASSESSOR'S DEPARTMENT (01-141)

	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 BUDGET	FY2020 PROPOSED	\$ CHANGE	% CHANGE
001 - PERSONNEL SERVICES						
51101 - ASR SAL ASSESSOR	81,312	81,498	81,498	88,902	7,404	9.1%
51102 - ASR SAL ASST ASSESSOR	51,136	61,980	63,220	63,706	486	0.8%
51103 - ASR SAL ADMIN ASSISTANT	47,005	48,984	49,964	50,348	384	0.8%
51401 - ASR LONGEVITY	3,579	0	0	0	0	
51402 - ASR EDUCATION CREDIT	400	200	0	0	0	
51403 - ASR TECHNOLOGY STIPEND	1,500	1,500	1,500	1,500	0	0.0%
51404 - ASR TRAVEL ALLOWANCE	5,000	8,400	8,400	5,100	(3,300)	-39.3%
001 - PERSONNEL SERVICES Total	189,932	202,562	204,581	209,556	4,975	2.4%
002 - PURCHASE OF SERVICES						
53001 - ASR COMPUTER EXP	8,260	8,620	8,890	9,157	267	3.0%
53002 - ASR REVALUATION	74,432	4,000	4,000	4,000	0	0.0%
53003 - ASR VALUATION/PROCESSING	3,168	2,400	12,500	12,500	0	0.0%
53004 - ASR MAP/DEEDS/ATB	0	225	600	600	0	0.0%
002 - PURCHASE OF SERVICES Total	85,860	15,245	25,990	26,257	267	1.0%
004 - SUPPLIES						
55800 - ASR MISC SUPPLIES	3,226	3,000	3,000	3,000	0	0.0%
004 - SUPPLIES Total	3,226	3,000	3,000	3,000	0	0.0%
007 - OTHER CHARGES & EXPENSES						
57300 - ASR DUES & MEMBERSHIPS	0	688	550	505	(45)	-8.2%
007 - OTHER CHARGES & EXPENSES Total	0	688	550	505	(45)	-8.2%
Grand Total	279,018	221,495	234,121	239,318	5,197	2.2%



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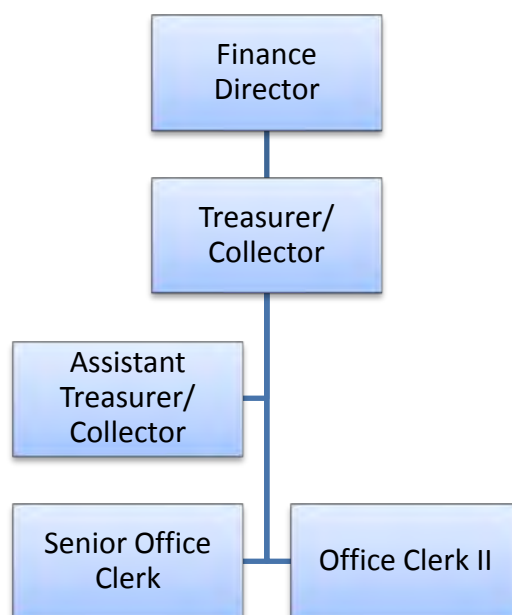
TREASURER/COLLECTOR

MISSION STATEMENT

The mission of the Newburyport Treasurer/Collectors office, as defined by state statute, is to collect all revenues due 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. The Collector's office collects all payments of bills for taxes and utilities, as well as posts, records, and updates all bank accounts daily.

Additionally, the Treasurer's office handles all receipts turned over by city departments, disbursements for accounts payable and payroll funds. Further, it is our goal to be knowledgeable in our field and continue to work with and provide quality customer service to the taxpayers whom we deal with on a daily basis.

ORGANIZATIONAL OVERVIEW



Position	FY2018 Actual	FY2019 Actual	FY2020 Budgeted
Treasurer/Collector	1.0	1.0	1.0
Assistant Treasurer/Collector	1.0	1.0	1.0
Senior Office Clerk	1.0	1.0	1.0
Office Clerk II	1.0	1.0	1.0
Total Full Time-Equivalents	4.0	4.0	4.0

PERFORMANCE MEASUREMENTS

Performance Indicator	Unit of Measure	Actual FY2016	Actual FY2017	Actual FY2018	Estimated FY2019
Collection rate	%	98.5	98.5	99.5	99.5
Demand bills sent RE	#	877	926	800	750
Demand bills sent PP	#	156	155	170	150
Subsequent tax takings	\$	250,000	143,000	97,000	90,000
Tax title collections	\$	409,893	280,000	386,000	300,000
Tax title properties returned to tax rolls	#	30	34	26	25
Properties advertised for tax lien	#	36	10	35	25

FY2019 ACCOMPLISHMENTS

- Increased collection rate for real estate taxes to nearly 100%.
- Maintained collection for motor vehicle and boat excise taxes at above 95%.
- Worked with financial institutions to receive the maximum yield return for City liquid and investment funds.
- Reduced number of demand bills, letters and follow-up notices sent, thereby ensuring more timely collections and reducing delinquencies.
- Reviewed and issued regular credits/refunds to reflect clearer balances on receivables registers.
- Continue to utilize electronic check capture for quicker posting to customer bills and deposit of collections at service counter.
- Enhanced Procurement (purchasing) Card program utilizing new vendor and better functionality to general ledger audit trail.
- Promoted office staff within the AFSCME union, reinforcing job descriptions and organizing departmental duties.
- Retained collection and reconciliation processes during transitional staffing period.
- City Treasurer was elected to second term as President of Eastern Massachusetts Treasurer/Collector Association.

FY2020 TRENDS

The Treasurer/Collector's office remains driven and dedicated to collecting above 95% of the Real Estate, Personal Property, Motor Vehicle and Boat excise taxes due each fiscal year. We will continue a regular cycle of collection measures to ensure delinquencies are managed timely and with fairness to all taxpayers, while accommodating those who may be experiencing financial difficulty or are in need of services.

With the continued growth and rapid turnovers of property in the City, it is our duty to provide education and resources to residents as well as be mindful that not taxpayers are feeling positive effects from current trends. We will strive to ensure that we provide accurate and useful information for services which fall under our control.

We should continue to improve upon the City website to provide as much information as possible to residents in a single location, as this is still the most popular method of outreach. We receive a lot of feedback, both positive and negative, from residents on electronic services and the desire to utilize those options.

FY2020 GOALS & OBJECTIVES

GOAL 1: MAINTAIN TRANSPARENCY

Objectives:

- Enhance the reconciliation processes from the Treasurer's office to Auditor's office utilizing changes in staff and duties.
- Ensure transparency of bill posting and departmental receipt collections for clear general ledger reporting.
- Work with outside auditor's on recordkeeping and annual reporting procedures.

GOAL 2: PROMOTE INTEGRITY

Objectives:

- Maintain the integrity of the Treasurer/Collector functions by promoting positive morale and productivity.
- Continue to strengthen security measures to safeguard city and taxpayer information.
- Focus on customer service and communication.

GOAL 3: MONITOR TRENDS AND SHARE BEST PRACTICES

Objectives:

- Move to identify and monitor current trends and share best practices interdepartmentally, with outside institutions and with other communities to better serve the public.
- Continue to build relationships with peers via membership with Massachusetts Treasurer/Collector Association and the Eastern Mass. local association.
- Encourage and support professional development.

PROGRAMS & SERVICES

Treasury Management	Collections
<ul style="list-style-type: none">• Cash reconciliation• Maintain City bank accounts• Cash receipt processing of all City departmental revenues• Management of Investment and Trust Funds• Trust Fund committee liason• Borrowing and monitoring of debt service for City projects• Land court filings• Tax taking and redemption• Warrant funding• Vendor & Payroll check distribution• ACH/wire payments to vendors	<ul style="list-style-type: none">• Collection and posting of payments for real estate, personal property, motor vehilce and boat excise tax bills• Work closely with Deputy Collector to pursue delinquent motor vehicle and boat excise tax• Special assessment and lien payments• Online payment services• Refund processing for overpayments and abatements• Prepare municipal lien certificates• Tax title and lien processing of delinquent taxpayers• Utility bill collections• Bank deposits

TREASURER'S DEPARTMENT (01-145)

	FY2017 ACTUAL	FY2018 ACTUAL	FY2019 BUDGET	FY2020 PROPOSED	\$ CHANGE	% CHANGE
001 - PERSONNEL SERVICES						
51101 - TRS SAL TREASURER	80,523	81,819	82,134	88,389	6,256	7.6%
51102 - TRS SAL ASST TREASURER	62,177	62,449	64,689	57,753	(6,937)	-10.7%
51103 - TRS STAFF SALARIES	100,905	102,529	111,020	115,234	4,214	3.8%
51165 - TRS TRUST FUND COMM ADMIN	0	0	600	600	0	0.0%
51401 - TRS LONGEVITY	3,438	3,438	3,438	3,438	0	0.0%
001 - PERSONNEL SERVICES Total	247,044	250,235	261,881	265,414	3,533	1.3%
002 - PURCHASE OF SERVICES						
52701 - TRS COPIER SUPPLIES	750	530	500	500	0	0.0%
53001 - TRS BANK CHARGES	5,001	6,274	5,200	5,000	(200)	-3.8%
53004 - TRS TAX BILLS	21,443	18,723	22,000	23,000	1,000	4.5%
53005 - TRS TAX TITLE EXPENSE	12,306	5,500	11,000	10,500	(500)	-4.5%
002 - PURCHASE OF SERVICES Total	39,500	31,026	38,700	39,000	300	0.8%
004 - SUPPLIES						
54200 - TRS OFFICE SUPPLIES	1,325	1,500	1,500	1,500	0	0.0%
55800 - TRS MISC SUPPLIES	1,549	1,500	1,500	1,500	0	0.0%
55801 - TRS COMPUTER EXP	800	738	800	800	0	0.0%
004 - SUPPLIES Total	3,674	3,738	3,800	3,800	0	0.0%
007 - OTHER CHARGES & EXPENSES						
57403 - TRS INSURANCE BONDS	1,650	1,650	1,800	1,800	0	0.0%
007 - OTHER CHARGES & EXPENSES Total	1,650	1,650	1,800	1,800	0	0.0%
Grand Total	291,868	286,649	306,181	310,014	3,833	1.3%