

Town of Braintree Finance Division

My first accounting professor defined three basic financial operations that all business are run on. They are:

- 1) Cash receipts
- 2) Cash disbursements
- 3) Payroll

The Finance Division of the Town of Braintree is responsible for those operations and our three major customers are 1) the public, 2) the employees and 3) the other departments.

Below is a list of the ten programs that make up the Finance Division and after that a brief summary of our major departments.

<u>Dept.#</u>	<u>Finance Programs</u>	<u>\$ Amount</u>
1	Administration	263,234
4	Accounting	289,490
7	Assessing	296,877
8	Information Technology	652,782
9	General Insurances	899,248
10	Treasurer/Collector	597,738
50	Principal on debt	3,831,733
51	Interest on debt	1,290,338
52	Lease payments	56,640
53	Capital BSBA	2,768,868
133	Department total	10,946,948

Major Changes in Finance FY 2021 budget

There were no changes to the number of staff in the Finance division.

Salary increases include the year two cost of living adjustments and contractual change, including any step increases per the various contracts.

Finance

The OPEB valuation is \$0 for FY 2021. We are required to have an Other Post Employment Benefit (OPEB) valuation every two years to incorporate this information in the Town's annual audit report. We will request the \$10,000 again in the FY 2022 budget.

Information Technology

Softright annual support- decrease of 32,634. As we move to the new Munis system we will reduce the need for support of Softright.

Consultant- this is the annual support contract the Town has with BELD for IT support and service. It is a three year contact and contains an annual increase of \$25,000 per year.

Munis support – This is a new line for the annual support for the Towns new operating system.

Office 365 upgrades- this is an annual renewal cost.

General Insurance

Insurance premium -This increase of \$156,407 is made up of two items

- 1) A 7.321 % overall rate increase and
- 2) The return of the newly renovated East Middle School (valued at \$84,000,000) to the insurance. The additional cost for this portion of the coverage was approximately \$95,000. The insurance cost for the past two years has been covered by the construction company under their policy for the entire building.

Insurance deductible - \$50,000 is down from the current year total of 90,000. This year we requested and received a supplemental appropriation for \$60,000 to cover a number of 10,000 deductible claims, which is high in comparison to prior years.

Treasurer

OPEB Liability – this decrease of \$755,000 was the result of the current crisis. We anticipate restoring this line when operations stabilize.

Debt Principal

Bond Principal- this increase of \$143,850 is the projection of the FY 2021 general fund principal debt service.

Debt interest

Bond interest - this increase of \$172,166 is the projection of the FY 2021 general fund interest debt service.

Reserve for Capital Projects

Reserve – this program is accounting for the debt service for the middle school projects.

Contract Administrator/Grant Writer

Under the guidance of the Finance Director and Town Solicitor, the Contract Administrator/Grant Writer manages the procurement process for all Town departments. The Administrator provides technical support to departments for issues relating to compliance with Massachusetts procurement laws and best practices for drafting contracts.

The Administrator ensures the smooth management of both the large and small procurement projects performed by the departments by setting reasonable and attainable procurement schedules, producing the procurement documents in a timely manner, publishing all required legal notices, conducting the bids and evaluations, preparing contract documents for signature, and maintaining complete procurement records.

Additionally the Administrator researches grant programs and writes funding applications. Serving as a liaison between Town departments and funding agencies, the Administrator assists project managers in writing grant applications, editing drafts for accuracy, completeness, clarity, and compliance with grant requirements. Upon award, the Administrator manages the grant procurement process and reviews expenditures and project status to ensure proper expenditures are made.

A list of grants secured by the Town of Braintree can be found at the following link: <https://braintreema.gov/872/Grants>

Assessors

The Board of Assessors and the Assessors Department primary responsibility is to annually determine the valuations for all real and personal property in the Town of Braintree according to Chapter 59 of Massachusetts General Laws under the oversight of the Massachusetts Department of Revenue (DOR). This is accomplished each year after full review of all property sales, analysis of income and expense data from commercial property owners as well as cyclical property inspections. Deeds are reviewed and entered into the database to update ownership as well as qualify sales for the analysis.

After valuations have been certified by the DOR, New Growth is then submitted for approval. New Growth is new construction and other improvements/additions, subdivisions and condo conversions subject to taxation for the first time that are added to the Tax Levy outside of Proposition 2 ½. This New Growth is collected based on property inspections from building permits and subdivision plans.

Under Proposition 2 1/2, the Tax Levy or amount to be raised through local taxation cannot exceed 2½% from the prior Fiscal Year plus New Growth (plus any override or debt exclusion) passed by the Town. This calculation is known as the Levy Limit. Once the values and New Growth have been approved by DOR, it is merged on their Gateway system with other reports completed by the Director of Municipal Finance and Town Accountant to determine a proposed tax rate to be voted on by the Town Council at the Annual Classification hearing. Once the Town Council votes at Classification all reports are then submitted to DOR for final tax rate approval.

Property inspections are completed of all businesses in Town for Personal Property tax purposes. Forms of Lists are sent out and reviewed for these valuations.

The Assessor's office also handles any abatements, exemptions and deferrals related to property tax bills. Exemptions are available to qualifying Senior/ Widow, Veteran, and Blind persons under locally adopted DOR guidelines. Appeals are reviewed and decided by the Board of Assessors. Further appeals are defended at the Appellate Tax Board in Boston.

The Assessor's office is also responsible for submitting all motor vehicle and boat excise tax bills to the Treasurer Collector's office and handling any abatements or exemption applications associated with those bills.

The Assessors also maintain the historical Assessor Maps for all parcels in Town and help coordinate those maps and related data with the Engineering Department to provide the Town's GIS Mapping System.

Certified Abutters Lists are completed by the Assessor's office to assist other departments, residents and property owners with permits, licenses, and hearings.

Accounting

The mission of the Accounting office of the Department of Municipal Finance is to protect the fiduciary interests of the Town by providing independent, timely oversight of the Town's finances and to ensure that financial transactions are executed legally, efficiently, and effectively in accordance with Massachusetts General Laws.

The Accounting Office is headed by Town Accountant. The Accounting Office is responsible for the following general duties:

1. Examination of all books and accounts of those Town agencies charged with the responsibility of the custody or authority to expend Town funds
2. Preparation and processing vendor and payroll warrants to the general ledger
3. Reviews and posts cash receipts in general ledger as received. Monitors expenditures of all town funds; examines all department bills schedules and payrolls for appropriateness of expenditure and for accuracy and availability of funds before payment by Treasurer
4. Maintains a complete set of financial records for all town accounts, appropriations, debts, and contracts; maintains a general ledger and journal for the recording of all transactions. Reconciles Treasurer's cash balance and receivables with General Ledger.

At the close of the fiscal year the Town Accountant is responsible for the submittal of the combined balance sheet to the Department of Revenue (DOR). The balance sheet is the report that shows the town's financial position at the end of the fiscal year. It summarizes account balances of assets, liabilities, and fund equity and is used by DOR in calculating free cash.

Subsequent to free cash certification, the Schedule A is completed. The Schedule A is a statement of revenues, expenditures, fund balances and other financing sources and uses. This report, prepared at the end of the year for the recently past fiscal year, is sent to DOR.

The Town Accountant also provides financial data for the School Department's End of Year Financial Report.

The Town Accountant also provides the financial data needed for the competition of the Annual Town Audit and the preparation of the annual Comprehensive Annual Financial Report (CAFR) and reporting to Federal, State, Local governments, bonding and banking markets.

Treasurer/Collector

The Treasurer's office employs 3 Employees and 2 clerks and is responsible for processing the Town's Payroll for approximately 1,600 employees (2,000 + in summer) on a Bi-Weekly schedule. The office verifies all departmental revenue turnovers submitted, manages the "Direct Pay" health insurance for employees & retirees and collects and issues "One Load Permits" for the Recycling Center.

The 3rd employee is the Treasury Accountant who balances all bank accounts each month based on the turnovers submitted by each department. After balancing all accounts, submits the monthly revenue to the Town Accountant to post to the General Ledger.

We process tax titles for those that have a lien on property for non-payment of taxes, have tax lien sales, handle unclaimed checks, NSF checks, and pay Federal and State taxes on payroll. The office also files 941 & 945 paperwork for the Town and Braintree Retirement.

We also monitor bank stability and rating and move money to maximize safety, liquidity, and yield at all times.

The Collector's Office has an office of 3 clerks and the Assistant Treasurer/Collector. We mail out Real Estate, Personal Property, Excise and Trash bills for the Town and collect those payments. When received, the payments are turned over to the Treasurer on a weekly basis. We help residents with questions on bills and forms that are required to get an excise abated and with Tax Services, Attorneys, and Mortgage companies so they have correct information for payments. We also process MLC's for sales/refinances and parking tickets.

We work closely with the Recycling department regarding Trash Cart delivery/pick up and with the Building department on various permits requested by tax payers.

The Collector starts the process of a Tax Taking on those properties that have not paid their taxes and when filed give to Treasurer for either foreclosure or lien sale.

Questions from Ways & Means

1. Why the 7.84% increase for the Grant Writer?

This increase is based on the cost of living adjustment and a step increase because the employee is not at the top step of the grade.

2. Why did we remove the OPEB Actuarial?

This valuation is conducted every two years. It was budgeted for in the FY20 budget (and is currently underway). Funds will be requested again in FY22.