

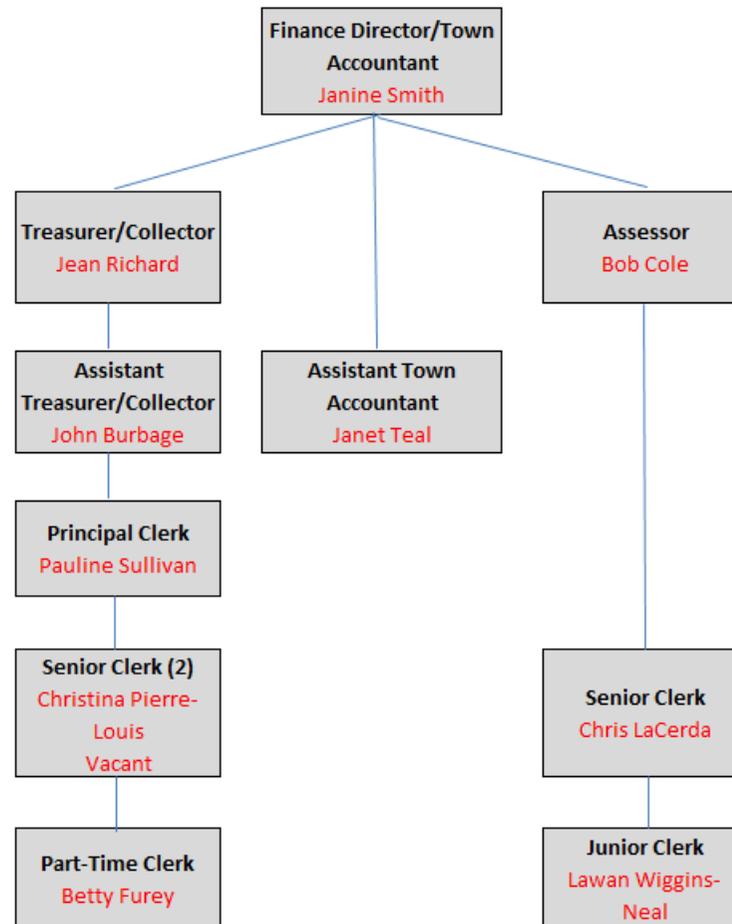
# Citizens' Academy

## Finance Department Overview



**October 30, 2019**

# Introduction to Finance Department



# Where is Accounting and how do you contact us?

The Accounting office is located on the second floor of Town Hall



Telephone  
(781) 961-0903



Departments

Staff Contacts

Name

Janet Teal

Janine Smith



Email

[jsmith@randolph-ma.gov](mailto:jsmith@randolph-ma.gov)  
[jteal@randolph-ma.gov](mailto:jteal@randolph-ma.gov)

# Accounting Office

## What do we do?

- ✓ Assist with the compilation of the Annual Budget
  - forecast next year revenue
  - analyze historic spending
  - consider current and future needs
  
- ✓ Identify trends in revenue and spending to spot areas that may need to be addressed during the fiscal year
  
- ✓ Assist with the formulation and funding of Annual Capital Plan

# Accounting Office

## What do we do?

- ✓ Advise on financial laws and regulations
- ✓ Formulate long term debt strategy
- ✓ Oversee Treasurer/Collector and Assessing offices
- ✓ Coordinate financial information
- ✓ Support department heads and committees on accounting and financial topics
- ✓ Maintain a strong relationship with School Finance office

# Accounting Office

## What do we do?

- ✓ Draft and recommend financial policies
  - Investment Policies
  - OPEB Funding Policy
  - Fraud Risk Policy
- ✓ Perform Risk Assessments
  - School Lunch cash handling
  - Water/Sewer abatement process
- ✓ Coordinate with consultant to provide Town's OPEB Report  
(Other Post Employment Benefits)
- ✓ Review and monitor State and Federal grants for all departments
- ✓ Maintain the Town's financial software
  - Increased functionality
  - User permissions/access

# Accounting Office

## What do we do?

- ✓ Inspect all invoices submitted for payment by departments – including the school department
- ✓ Prepare weekly warrants for final approval by the Town Accountant and Town Manager
- ✓ Maintain vendor file
- ✓ Issue IRS Form 1099 at calendar year end

# Accounting Office

## What do we do?

- ✓ Post activity to the general ledger including:
  - Expenses
  - Cash receipts
  - Commitments and Abatements
  - Journal entry corrections
  
- ✓ Distribute monthly budget reports to Town Departments and the Town Council
  
- ✓ Train new and current employees on general Accounting procedures and use of software
  
- ✓ Handle all inquiries to the office

# Where is Assessing and how do you contact us?

The Assessing office is located on the first floor of Town Hall



Telephone  
(781) 961-0906  
(781) 961-0907



Departments

Staff Contacts

Name

Robert Cole

Christine G. LaCerde

Lawan Wiggins-Neal



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[clacerda@randolph-ma.gov](mailto:clacerda@randolph-ma.gov)

[lwigginsneal@randolph-ma.gov](mailto:lwigginsneal@randolph-ma.gov)

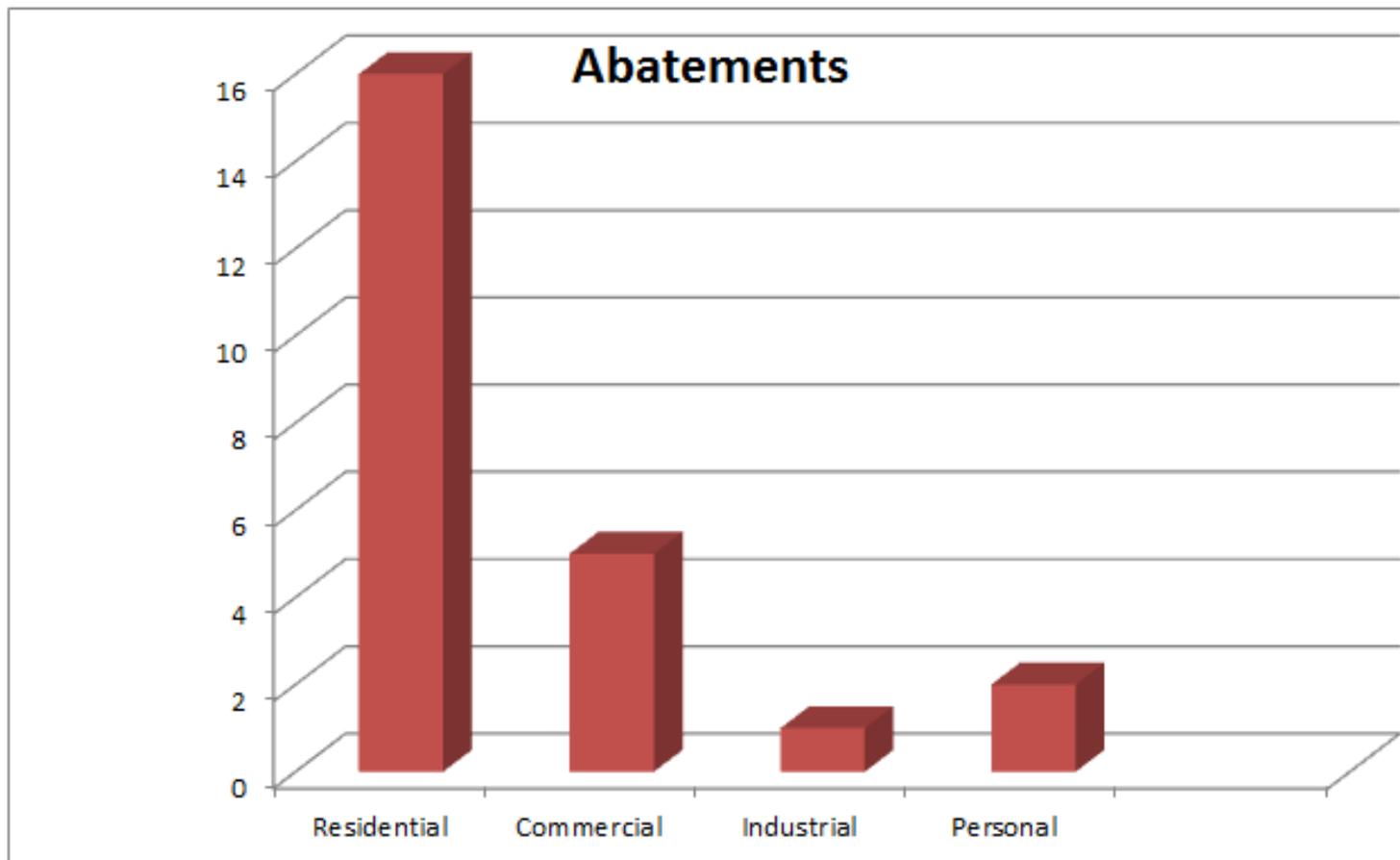
# Assessing Office

## What do we do?

- ✓ Determine a concise value of the Town each year:
  - Real estate property
    - Residential
    - Commercial
    - Industrial
  - Personal property
  - Motor vehicle property
  - Chapter Land
  
- ✓ Oversee abatement applications
  - Apply when taxpayer feels they unfairly taxed
  - Application due between January 1<sup>st</sup> and February 1<sup>st</sup>
  - Assessor will inspect home including interior
  - Burden of proof on homeowner
  - If denied, can appeal to the Appellate Tax Board

# Assessing Office

## What do we do?



Abatements granted during FY19

# Assessing Office

## What do we do?

- ✓ Reviews exemption applications
  - Exempt properties include:
    - Churches
    - Charities
    - Educational
    - Government
  - Exempt persons include:
    - Certain seniors
    - Disabled veterans
    - Blind
- ✓ Applications and information can be received from both the Assessing office and the Assessing webpage
- ✓ Exemption applications can be returned to the Assessing office starting July 1 through March 1 each year
- ✓ Oversee charitable organization programs

# Assessing Office

## What do we do?

- ✓ Commit Motor Vehicle Excise for collection
- ✓ Excise tax is calculated by multiplying the MSRP value of the car times 2.5%.
- ✓ If you buy a car before the model year, you will be taxed on half the value for the remainder of the year. Otherwise, the Excise tax declines every year until year 5 as follows:

Year 1, we use 90% of the MSRP

Year 2, we use 60% of the MSRP

Year 3, we use 40% of the MSRP

Year 4, we use 25% of the MSRP

Year 5, and forward, we use 10% of the MSRP

# For example...

- ✓ You buy a 2020 Jeep this Friday for \$30,000.
- ✓ You will receive an Excise bill for \$62.50 (that's half the value, times the rate, for just two months)
- ✓ You will receive an Excise bill in a few months for all of year 2020 in the amount of \$675 (that's 90% of the value times the rate, for a full year)
- ✓ Every year, the bill declines according to the chart on the previous page, until year five, when it stays the same for as long as you own it.



# Where is Treasurer/Collector office and how do you contact us?

The Treasurer/Collector office is located on the first floor of Town Hall



Telephone  
(781) 961-0934  
(781) 961-0935



Departments

Staff Contacts

Name

Jean Richard

John Burbage



Email

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[jburbage@randolph-ma.gov](mailto:jburbage@randolph-ma.gov)

# Treasurer/Collector Office

## What do we do?

- ✓ Treasurer and Collector departments were combined in July 2000. The tasks of the Treasurer and the Collector are vastly different, but are performed by the same staff of five.
- ✓ The duties and responsibilities of both are highly regulated by Massachusetts General Law. This is so that every Treasurer and Collector in Massachusetts is following the same rules.
- ✓ The primary function of the Treasurer is to safeguard the Town's funds, which includes safe investing as well as proper handling of actual currency and checks. This department receives all funds due to the Town, including tax revenue, fees and fines, local aid, and grant money.

# Treasurer/Collector Office

## What do we do?

- ✓ We must invest in a way that protects the safety of Town funds, keeps reasonable liquidity, and produces the best yield, in that order.
- ✓ The Treasurer maintains the Town's "checkbook," which is monitored daily and reconciled to the bank statements and to the Accountant's records monthly.
- ✓ We are responsible for issuing all checks, including payroll.
- ✓ We print and mail all Tax and Utility bills using the information provided by the Assessor and the Public Works Department. We issue approximately 100,000 bills every year.

# Treasurer/Collector Office

## What do we do?

- ✓ We don't have the authority to change the amount of any bill, but we can set up payment plans for any taxpayer who has fallen behind.
- ✓ More than 97% of the tax dollars billed are collected by the due date. Less than 1% of each tax levy becomes delinquent to the point of tax lien.
- ✓ We record tax liens at the Registry Of Deeds to protect the Town's ability to collect past due taxes.
- ✓ We accept payments online, through the mail, and in person.

# Treasurer/Collector Office

## What do we do?

- ✓ Lockbox Processing
  - Because of the high volume of payments received, the mailing address on our bills directs your payments by check directly to our bank, who processes them the same day. Their automated equipment scans the bill and check and transmits this information to the Collector's office daily. This is of great benefit to the Town, since funds are deposited and earning interest on the same day they are received.
  
- ✓ Use of Credit Cards
  - Many residents ask why they must pay a fee when using their credit card to pay Town bills. Private businesses can decide to build the fee charged by the credit card banks into their pricing, typically 3%. Municipalities can't do this because tax calculations and other user fees are highly regulated and can't be padded to cover credit card fees.

# Treasurer/Collector Office

## What do we do?

- ✓ The Treasurer executes borrowing that has been ordered by the Council. We can't borrow money to cover budgetary expenses, only for specific projects and acquisitions. The DOR determines what we can borrow for and for how long.
- ✓ When it is necessary to borrow, we publish our Official Statement so that investors can see our financial position and credit worthiness. The latest OS is circulating here.
- ✓ Towns do not apply for loans like a regular consumer would. The notes are sold at market and are purchased by investors. The interest rate we will pay is not known until the bids are in. We are obligated to accept the lowest net bid.
- ✓ We are able to "call" the notes after ten years if current interest rates are better. This is in fairness to the buyers of the notes. Municipal Bonds are very popular because the investor does not pay federal income taxes on the proceeds.

# What do we do TOGETHER?

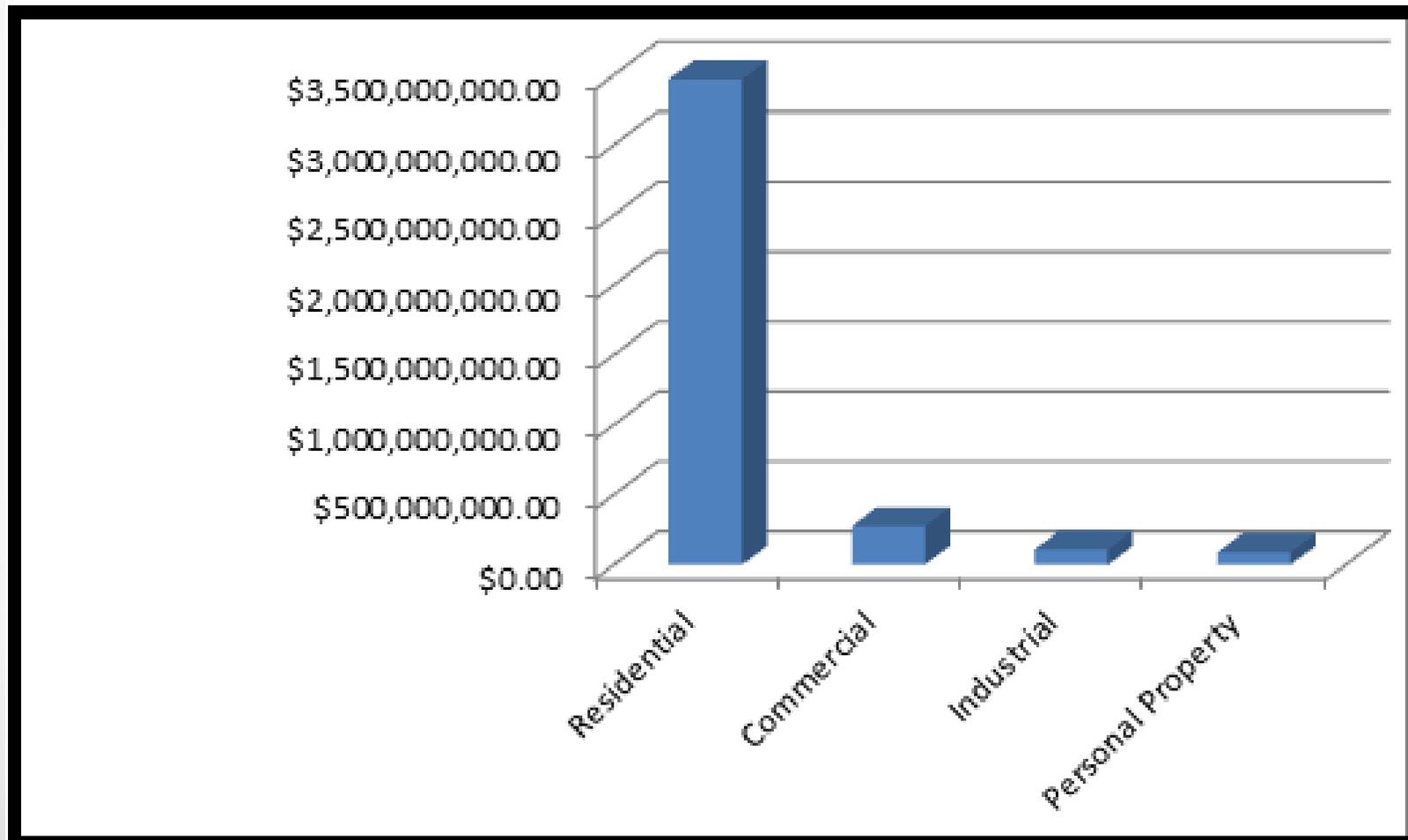
- ✓ Perform monthly reconciliations
  - Compare cash balances
  - Compare tax receivables
- ✓ Work with external auditor to complete the Town's Annual Audit
- ✓ Complete and monitor all required State reporting
- ✓ Complete necessary schedules and forms to have tax rate approved

# Valuation of Property

- ✓ Values must be established for all properties in the Town as of January 1 each calendar year
  
- ✓ Data Collection
  - Inspection of sales
  - Building permits
  - Cyclical inspections
  - Abatement inspections
  - Interviewing buyers/sellers
  - Interviewing real estate agents
  - Speaking with appraisers
  - Knowledge of other Town Departments
  - Knowledge of community
  
- ✓ Data must be submitted to Department of Revenue for certification of values

# Valuation of Property

## Town Valuation



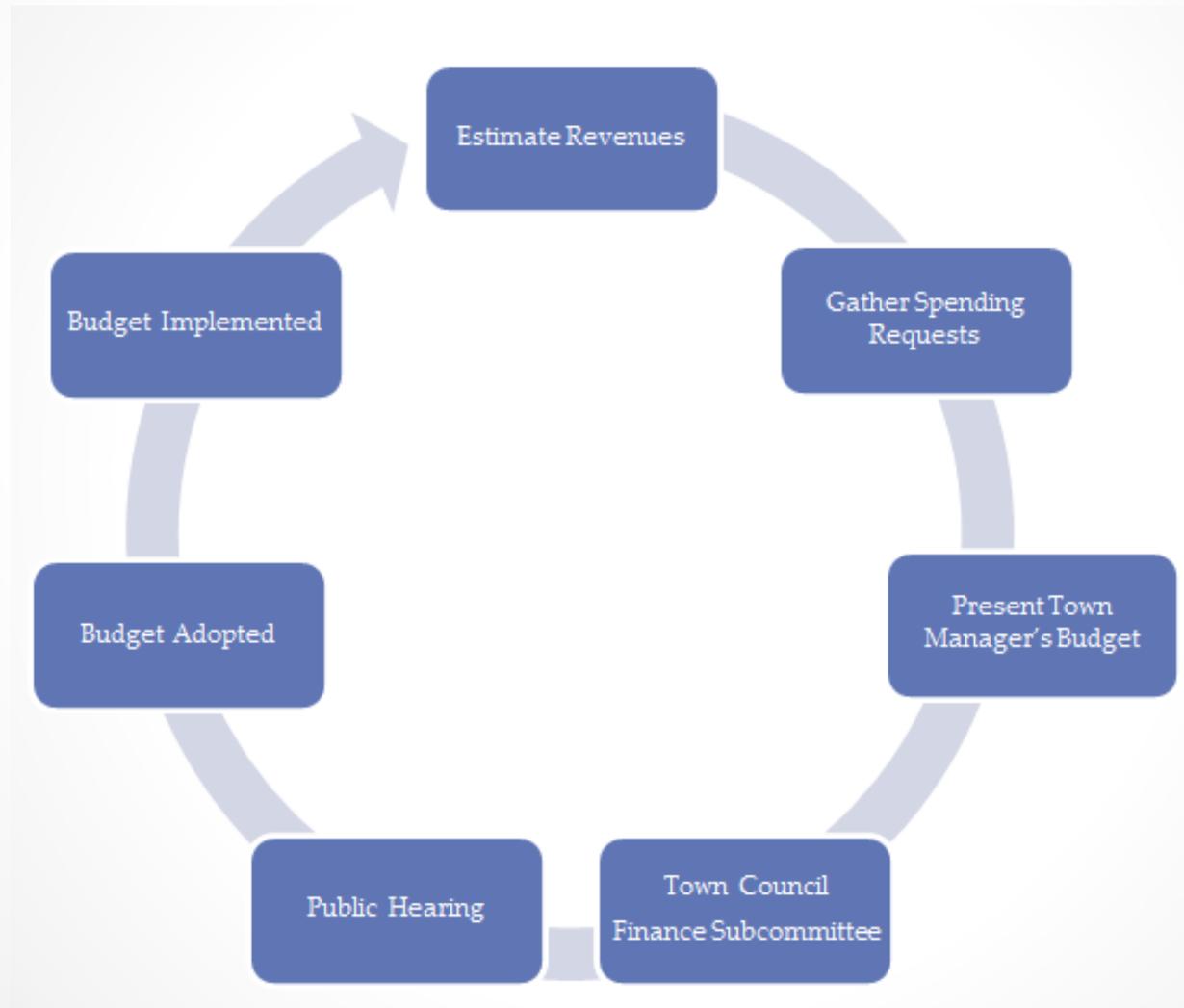
# Analysis of Sales

- ✓ Assessor reviews all arms-length sales (between willing buyer and seller) for the last full year
- ✓ **FY20** sales are based on activity between January 1-December 31, **2018**
- ✓ Sales ratios (assessment/sale price) must be between 90%-110% of market value within each sort
- ✓ Types of sorts
  - Use of property
  - Building style
  - Age of building
  - Price range
  - Sales neighborhood
- ✓ Determine a “comp” by matching as many data points as you can to other similar homes

# New Growth

- ✓ New growth is the amount of increase to a property based on changes in new construction, additions or increase to business personal property each year
- ✓ Data collected by same methods as values
- ✓ Department of Revenue must also certify this calculation

# Annual Budget Process



# Tax Levy

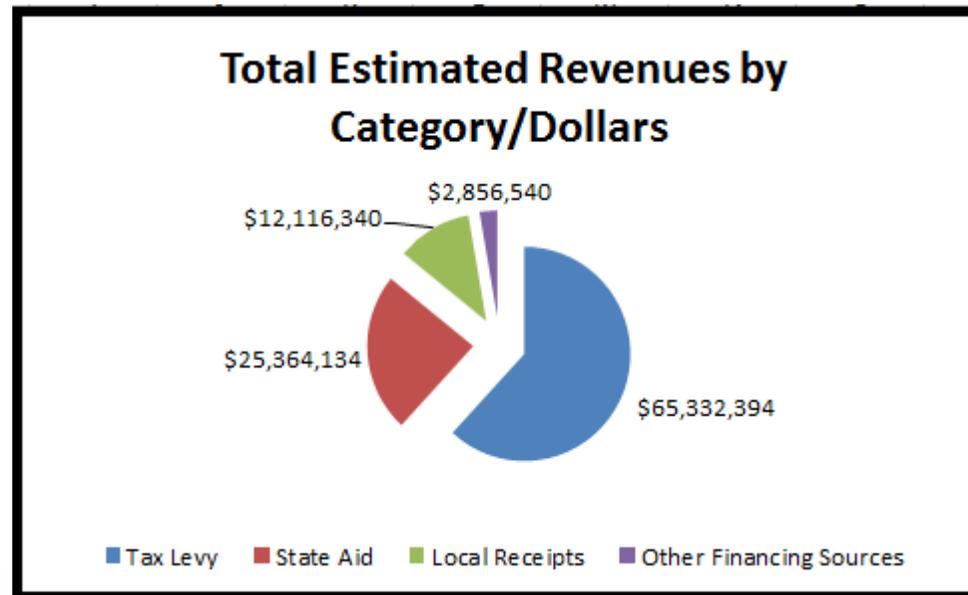
FY19 Levy Limit	\$	62,443,799
2.5% Increase	\$	1,561,095
FY20 New Growth	\$	<u>851,670</u>
Levy Limit	\$	<u>64,856,564</u>
Debt Exclusion	\$	<u>757,500</u>
<b>FY20 Maximum Levy</b>	<b>\$</b>	<b><u><u>65,614,064</u></u></b>

# Other Revenues

- ✓ State Aid
  - Chapter 70/Charter School Tuition Reimbursement
  - General Government Receipts
- ✓ Local Receipts
  - Trash Service
  - Licenses and Permits
  - Motor vehicle excise
  - Program fees
  - Fines
  - Earnings on Investments
- ✓ Other Financing Sources
  - Indirect costs, Ambulance Receipts and other funds

# Estimated Revenues

**\$105,669,408**

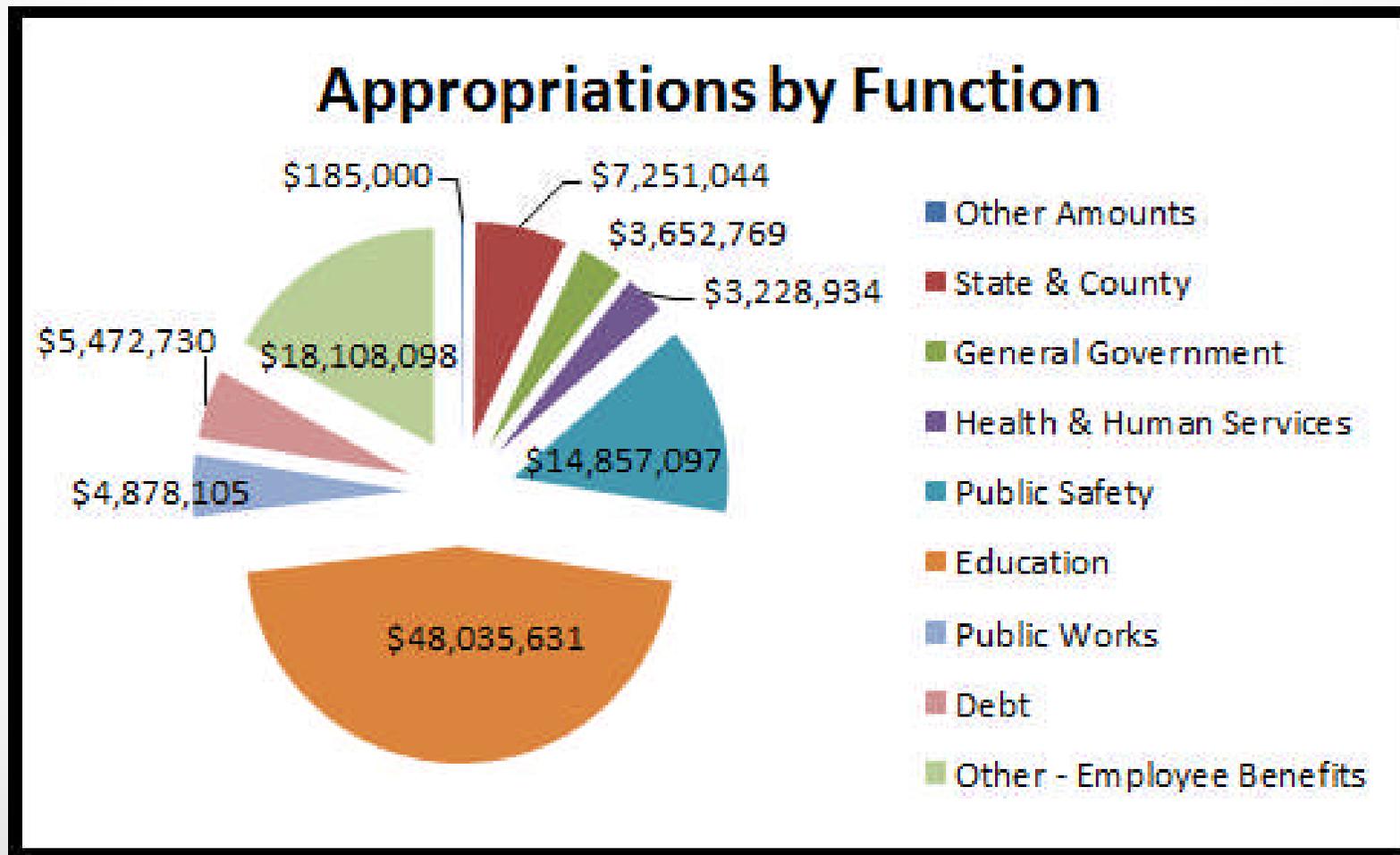


# Budget Worksheets



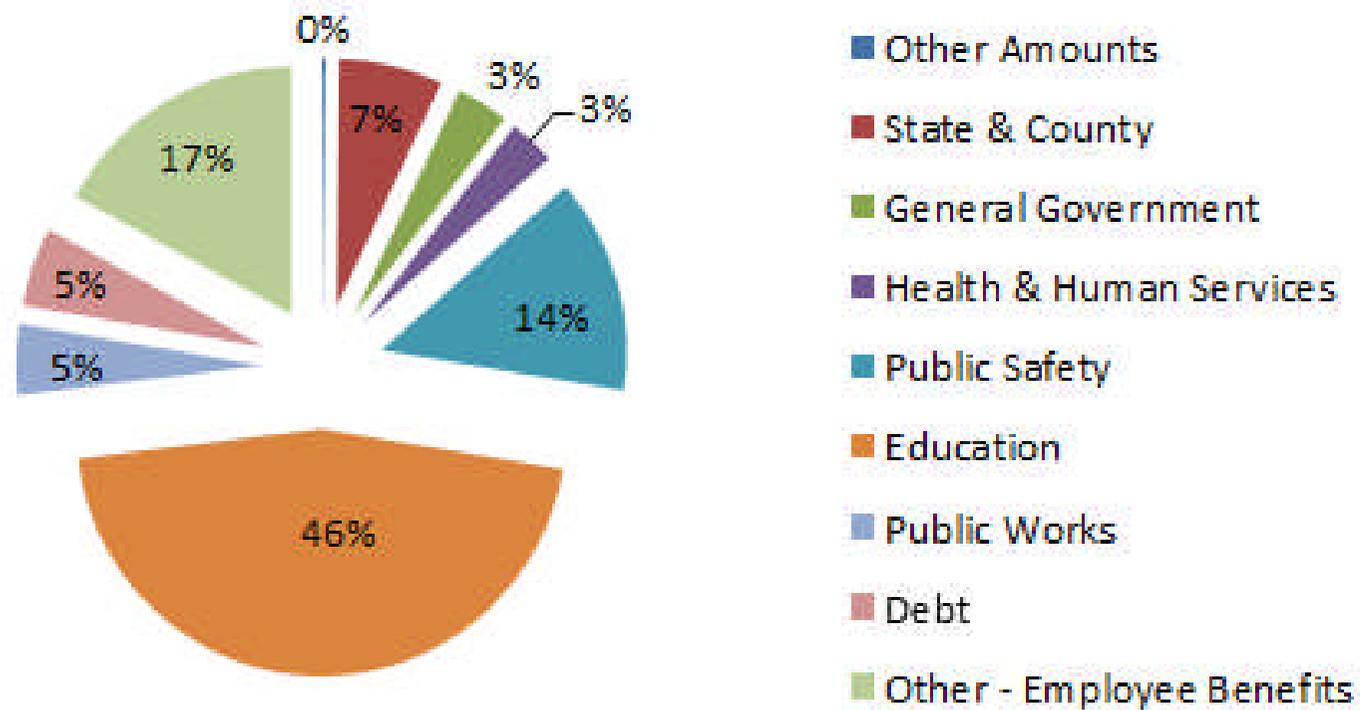
# Appropriations

**\$105,669,408**



# Appropriations

## Appropriations by Function



# Tax Classification Hearing

- ✓ Values and New Growth must be certified
- ✓ Assessor presents Town Council these values to decide on a single or split tax rate
- ✓ Information to be considered in decision
- ✓ Shifting of a tax rate starts with a single rate
- ✓ Town Council votes a factor



# Tax Classification Hearing

- ✓ An example would be if the total amount to collect was \$2,345,678 with a single rate of \$16.43 and the council decided to shift a 1.75 factor the burden of the result would be \$14.91 residential and \$29.10 commercial/industrial. The total amount of taxes to be collected \$2,345,678 does not change, just the percentages of the total changes between the classes of residential versus commercial/industrial.

# Comparison of Rates

There are no Towns currently certified for FY 2020

Community	FY19 Residential	Commercial	Shift	Average Assessed Value	Average Residential Bill
Braintree	\$10.09	\$22.20	1.75	\$472,000	\$ 4, 762
Randolph	\$14.98	\$29.01	1.74	\$333,983	\$ 5003
Stoughton	\$15.34	\$26.73	1.52	\$367,445	\$ 5,636
Holbrook	\$19.46	\$36.19	1.66	\$304,645	\$ 5,928
Quincy	\$12.55	\$25.18	1.75	\$466,600	\$ 5,855
Abington	\$17.39	\$17.39	No Shift	\$363,439	\$ 6,320
Canton	\$12.42	\$25.77	1.66	\$540,941	\$ 6,707

# Split Rate Calculator

CIP Shift	Res		SINGLE		
	Factor	Res SP	RATE	Residential	CIP
1.6000	0.9176	80.6723	16.42	15.26	26.60
1.6100	0.9162	80.5515	16.42	15.23	26.77
1.6200	0.9148	80.4307	16.42	15.21	26.93
1.6300	0.9134	80.3099	16.42	15.19	27.10
1.6400	0.9121	80.1891	16.42	15.16	27.27
1.6500	0.9107	80.0683	16.42	15.14	27.43
1.6600	0.9093	79.9475	16.42	15.12	27.60
1.6700	0.9079	79.8267	16.42	15.10	27.77
1.6800	0.9066	79.7059	16.42	15.07	27.93
1.6900	0.9052	79.5851	16.42	15.05	28.10
1.7000	0.9038	79.4643	16.42	15.03	28.26
1.7100	0.9024	79.3435	16.42	15.00	28.43
1.7200	0.9011	79.2227	16.42	14.98	28.60
1.7300	0.8997	79.1019	16.42	14.96	28.76
1.7400	0.8983	78.9811	16.42	14.94	28.93
1.7500	0.8970	78.8603	16.42	14.91	29.10

\*Used for planning purposes

# Thank You

