



Town of Auburn

# Financial Management Review

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Division of Local Services / Technical Assistance Section

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## Overview

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The board of selectmen in Auburn made a request for this financial management review citing a citizen appeal to “confirm that the town is managed to the best ability of elected and appointed officials and that taxpayer money is being spent wisely.”

Based on our three month assessment, in which we spoke with local officials, reviewed a wide range of municipal documents, and examined financial practices and procedures, it is our conclusion that the Town of Auburn is run well. We think the administration is capable and experienced, with the capacity to adjust to the ever-changing economic conditions. Officials have, during these particularly difficult times, demonstrated their ability to manage in a decisive and clear-cut manner. They took action early to balance the FY2010 budget by limiting operating cost increases and identifying new sources of revenue. In another positive step they continue to commit funds to reserves. They have also begun to make key investments in technology and green energy which will benefit the town down the road. All told, officials have been proactive, and the town is well positioned to recover from the current recession and build on a strong financial foundation.

Our review that follows speaks to these conclusions, and offers a series of recommendations that are intended to further enhance the town’s overall financial management activities. These opportunities, coupled with findings more specific to the offices of accountant, treasurer, collector, assessor and technology, will improve the town’s capacity to operate efficiently and effectively. We identify areas of potential cost savings, mechanisms to streamline internal operations, and ways to facilitate short and long-term planning efforts and strategic decision-making.

To this end, the recommendations contained within this report are based on site visits by a team from DLS’ Technical Assistance Section in consultation with the Bureau of Accounts and Bureau of Local Assessment. During our visits and by telephone, we interviewed and received information from members of the board of selectmen, the finance committee chair, acting town manager, assistant town manager/town accountant, treasurer, collector, chief assessor, MIS director and others – a full list is available in the Acknowledgements. We examined such documents as the Tax Recapitulation Sheet, Schedule A, annual town budgets, trial balance reports, debt schedules, vendor and payroll warrants, and sample department turnover reports. We also reviewed the newly adopted town charter and bylaws, job descriptions, various financial policies, as well as independent bond rating reports by Moody’s Investor Services, and the outside audit reports completed by Thomas J. Scanlon, CPA & Associates for fiscal year ending June 30, 2008.

The Town of Auburn, with an estimated population of 16,222, is located in Worcester County at the intersections of Interstates 90, 290 and 395. The heavily traveled Routes 20 and 12 also bisect the town. Auburn abuts the City of Worcester (population 175,011) to the south, and is approximately 50 miles from the cities of Boston and Hartford, Connecticut. Over the past 30 years the town has experienced a rapid expansion, in large part because of its proximity to these major arteries and employment centers. Appendix A includes representative data to illustrate Auburn’s growth and development since the mid ‘90s.

As a measure of relative community wealth, the estimated per capita income among residents in Auburn was \$26,494 in 2006, while the 2008 Equalized Valuation (EQV) per capital was \$140,358.

Generally speaking, state aid distributions incorporate equity factors such as property wealth and income. As Auburn's wealth is less than the state-wide averages, the town compares favorably in the distribution of state aid. Also, the average single family home in Auburn had an assessed value of \$256,239 in FY2009, and the average tax bill was \$3,016 or 70.9 percent of the state average tax bill of \$4,250. A comparison of Auburn to towns across Worcester County and Massachusetts is included in Appendix B.

In FY2009, Auburn had a split tax rate of \$11.77 for residential, \$23.02 for commercial & industrial, and \$22.92 for personal property. These tax rates reflect the town's 1.54 tax factor, which shifts the levy burden away from residents to businesses, and a small commercial exemption of 10 percent adopted in FY2009, which shifts the tax burden from parcels occupied by small businesses to those occupied by other commercial and industrial taxpayers. For FY2010, pending approval by DOR, selectmen have adopted a tax factor of 1.40, which will shift some of the tax burden back to residential property owners.

In May 2009 residents adopted a new town charter through a special act. Among other changes, the charter transforms Auburn's administrative structure from that of a town administrator to a town manager. The town will continue to be governed by a five-member board of selectmen and representative town meeting. As of this report however, the transition to the new structure was on hold pending a review of the charter's effective date by the state Attorney General's office. We hope this technicality is resolved quickly.

Under the new charter, selectmen are primarily responsible for setting policies and goals, as well as providing general guidance over town governance. Appointed by selectmen, the town manager supervises and directs the administration of all departments, committees, boards, and offices of the town, except where otherwise noted. As a strong town manager, the position has wide-ranging authority. He or she appoints the head of each department, including the police and fire chief, and has authority to reorganize, consolidate or abolish any department, commission, board, or offices under his or her direction and supervision, subject to the confirmation of the board of selectmen.

Selectmen recently created a seven-member screening committee to evaluate, screen, interview and make recommendations for the town's first town manager. Appointed town administrator in 2002, the acting town manager will have an opportunity to apply for the new town manager position.

As is past practice, finance offices of the accountant, treasurer, collector, assessor, and management information system (MIS) will continue to operate under the general direction of the assistant town manager/town accountant. Appointed by the board of selectmen, he serves as the unofficial finance director and is primarily responsible for preparing financial reports and analyses, and coordinating the activities involved in the development of the annual budget and capital improvement plan. The offices of accountant, treasurer, collector, assessors and MIS are described in greater detail within the report.

Current Financial Condition – There is no question that Auburn is feeling the effects of the current recession. As illustrated in Appendix C, unemployment is high, home sales have dropped, foreclosures are up, building activity has stalled, and about 21 percent of commercial and industrial space in Auburn is vacant. At the same time, revenues remain flat or continue to decline across categories including state aid, new growth, motor vehicle excise, and investment income. As a

consequence, Auburn has projected revenues of \$48,963,684 in FY2010, which is less than a 2.0 percent increase over the \$48,132,475 generated in FY2009. Appendix D includes a comparison of revenue trends.

This drop off in revenue growth is also exacerbated by the ever-increasing cost to operate government. In particular, fixed costs such as health insurance are experiencing significant year-over-year increases. Since 2001, the cost to provide employee health insurance in Auburn has increased 138 percent from \$1,970,876 to \$4,691,259.

Clearly unsustainable, this dynamic continues to impact Auburn's relative short-term financial stability. As early as 2008 the finance committee acknowledged that "the present sources of revenue are not keeping pace with what the community needs to operate." At the same time however, officials pledged to balance the budget while "minimizing the negative impact to meet the town's service obligations." As a result, the town acted early to implement a spending freeze, limit departmental budget increases, seek union concessions, and adopt new sources of revenue.

The union concessions officials successfully negotiated with all municipal collective bargaining groups in Auburn included a three part memorandum of agreement which permits the town to increase co-payments, reduce the number of health care providers, and delay scheduled wage increases by six months. In total, the health insurance related contract restructuring will result in a permanent annual savings to the town of approximately \$400,000.

To expand available sources of revenue, the town also adopted the new local option meals tax and increased the room occupancy excise. Effective this past October, M.G.L. c. 64L, §2(a) allows the town to impose an additional .75 percent meals tax, with the money retained locally, while M.G.L. c. 64G, §3A allows municipalities to raise local rooms taxes from 4 to 6 percent. Seasonally adjusted, the local option room occupancy excise of 6 percent is estimated to generate \$78,258 in new revenue, while the local option meals excise of .75 percent is estimated to generate \$134,482.

Officials also proactively increased reserve levels and expanded excess levy capacity in anticipation of a prolonged recession and the need to absorb additional revenue reductions. The town currently has a stabilization fund balance of \$1.2 million, and free cash was recently certified at \$577,119. In FY2010 the town projects an excess levy capacity of \$245,449.

In combination with these steps, officials have outlined a series of investments in technology and green energy. These investments, among others, include the installation of a town-wide fiber optic network, a phased upgrade of computer equipment, and the formation of a Wind Turbine, Alternative Energy and Renewable Energy Committee.

The fiber optic network will provide a seamless and reliable means of transmitting data and other information between all municipal buildings including the schools. The phased computer upgrade, will replace computers and servers that are out-of-date and out-of-warranty, operating systems that have since been upgraded, as well as address security, licensing, support and life cycle concerns. The Wind Turbine, Alternative Energy and Renewable Energy Committee formed this past fall will "research, study, develop and recommend projects to save energy costs in any town department." Their first priority is the implementation of a wind turbine project, which is currently in a site assessment, site testing and planning phase of development.

Conclusion – Based on our observations, officials have demonstrated an ability to manage effectively. As outlined above, officials acted quickly to limit increasing costs, identify savings, adopt new sources of revenue, and build reserves. At the same time, they remain committed to balancing the budget while simultaneously preserving core service levels. Given the current set of circumstances that exist, we feel residents are fortunate to have a seasoned team of professionals with the experience necessary to navigate through these difficult times.

In general, officials in Auburn adapt to constantly changing financial circumstances and continue to avoid operating in crisis mode. They recognize the prospect of future economic swings, and should continue to reconstitute goals in such a way that adapts to good times and bad so they might not be abandoned when circumstances change. We therefore encourage the board of selectmen and others, when formulating overall strategies for improving Auburn’s financial management, to carefully consider our observations, analyses and recommendations contained within this report. These are recommendations only, which can only be implemented provided there is sufficient determination and cooperation at all levels of local government.

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## Overall Financial Management

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A review of Auburn's overall financial management practices centers on the fiscal procedures in place that typically involve finance related departments, but impact town government as a whole. Accordingly, we examined the budget, financial forecasting, capital planning, and the payroll and vendor warrant processes. We looked at financial policies, long-term planning and financial monitoring practices, as well as the effect the town's organizational structure has on government. We further reviewed the town's current operations in the context of best practices observed in other communities and recommended by the Division of Local Services (DLS). We also considered the roles, responsibilities, and working relationships among individuals together with the level of communication and cooperation that exists between decision-makers, managers and staff. Finally, we reviewed local compliance with state laws and regulations relating to finance issues, adherence to acceptable form, and to timetables for the submission of periodic reports to DOR.

Based on our assessment, officials in Auburn have taken the necessary steps to develop financial management practices which we have typically recommended in other communities. Finance department heads and staff are effective in producing vendor and payroll warrants for review and approval by the interim town manager and board of selectmen.

The interim town manager and assistant town manager/accountant play the lead role in the development of annual budget recommendations for the selectmen and finance committee. In tandem with the budget process, departments submit a list of capital items for recommendation at town meeting. Detailed by department, the capital plan projects the town's needs for the next five years.

Officials are also timely in the preparation of required submissions to DOR. The balance sheet (for free cash certification) is completed by the accountant, as is the town's Schedule A. The accountant, assessors and town clerk also collaborate on the preparation of the town's Tax Recap Sheet, which is the basis of DOR approval of the annual tax rate.

Conclusion – In Auburn, town finance offices appear to fulfill legal responsibilities and operate in accordance with recommended municipal financial management practices. The town conforms to recommended budgeting and capital planning procedures, and maintains strong revenue and expenditure forecasting methods. Auburn benefits from an experienced team of professionals including, the town manager, assistant town manager, and finance department heads. Communication between and among officials is good and staff collaborate.

Of the opportunities that do exist, we feel Auburn would benefit from establishing a financial management team. This team would not only function to support the town manager, but provide an opportunity for finance officials to work in partnership to collectively tackle financial management issues as they arrive. We also encourage the town to adopt M.G.L. c.32B, §18 or §18A that shifts eligible retirees to the Federal Medicare health insurance plan. Not only is this likely to provide an immediate cost savings, but reduce the town's long-term health insurance costs. In addition to our other recommendations, we think the town should implement bi-weekly payroll, encourage direct deposit in an effort to further streamline operations, and centralize personnel administration.



## 1. Reinstatement Financial Management Team Meetings

In 2001 regular financial management team meetings were discontinued as a consequence of the recession. From interviews with those present at the time, it appears these meetings were productive and largely credited as the mechanism that kept the town's long-term financial plan on track. However, the subsequent reduction in state aid and available free cash that resulted from the economic downturn forced officials to abandon their existing long-term strategy, and regular financial management meetings ended.

Moving forward, we recommend that financial management team meetings be reinstated. At the direction of the town manager, the assistant town manager/accountant should hold monthly team meetings which would be comprised of the IT director, assessor, treasurer, collector, together with a representative from the school's business office.

Regardless of the economic climate, financial management team meetings add value by facilitating short and long-term planning efforts and strategic decision-making. Team meetings provide support, and are a vehicle to discuss contingency planning efforts and incubate solutions in the event of a prolonged recession. Financial management team meetings also ensure that departments are communicating regularly, that management issues are being discussed, addressed and resolved, and that deliverables such as various analyses, reconciliations, and other year-end reports are being completed.

These meetings could lead to the formation of a finance department which would operate under the direction of a chief financial officer (CFO). The CFO would formally spearhead financial management activities, while the town manager would focus on town-wide management and policy related initiatives.

## 2. Adopt M.G.L. c. 32B, §18 or §18A

In May 2009 town meeting rejected a proposal to adopt M.G.L. c. 32B, §18, shifting retirees to the Federal Medicare health insurance plan. Nevertheless, we encourage officials to try again – identifying both the short-term cost savings and long-term implications. As recently as October 2008, Group Benefits Strategies, an outside health insurance consultant, conducted a survey which suggested a projected annual cost savings of \$116,617 to the town if §18 was adopted. Also, beyond capturing this projected annual savings, Auburn would benefit from a lower Other Post-Employment Benefits (OPEB) liability going forward.

With local acceptance of §18, eligible retirees are required to enroll in Medicare B at age 65 without any loss of benefits. The town would only be required to insure retirees for any gap in Medicare coverage compared to the existing municipal coverage. Because a penalty is imposed on the town for each full year a retiree was eligible, but not enrolled in Medicare B, delays in adopting M.G.L. c. 32B, §18 can be costly. There is a requirement to impact bargain the change with current employees to the extent that it affects their retirement benefits.

As an alternative, in 2008 Chapter 32B was amended to include §18A. §18A allows local governmental employers to require retirees who are eligible for the federal Medicare Part B program to

enroll in that program without the employers having to pay a penalty. While a city or town that previously accepted M.G.L. c. 32B, §18 had to require all eligible retirees to enroll in Medicare, including those that had already retired, §18A allows employers to require only those employees who retire after adoption of the option to enroll. Since prior retirees will not be required to enroll, there will no longer be any penalties for their employers to cover, however their savings will be less.

### 3. Move to Bi-Weekly Payroll and Encourage Direct Deposit

We recommend a conversion to bi-weekly payroll for all town employees. By comparison, the current weekly distribution of pay is more costly, duplicative and time-consuming. Most employers in both the public and private sectors, including the Commonwealth, compensate employees on a bi-weekly basis. Paying employees' bi-weekly in Auburn would have two clear advantages to the town. First, on non-paycheck weeks, staff attention can be focused on other tasks when time that would normally be consumed by compiling hours/rate information is freed up. Second, costs to process the town's payroll would be reduced. Initiating a bi-weekly payroll schedule will require collective bargaining with town's labor unions.

We also recommend that the town require direct deposit of payroll for all employees. For the town, direct deposit further reduces the cost of issuing checks, prevents the need to reissue lost checks and simplifies the reconciliation of payroll bank accounts because there are no outstanding checks. For employees, direct deposit is much safer and money is available when deposited. Collective bargaining will also be required.

### 4. Centralize Personnel Administration

We recommend that personnel administration be consolidated to a single office. The areas of responsibility normally associated with the personnel function including benefits, payroll, employee relations, collective bargaining, worker's compensation, unemployment, equal opportunity employment, recruitment, and training, have been delegated to various departments. However, as personnel matters are becoming increasingly important, require a greater level of expertise, and are more time consuming, the town should plan for a comprehensive and centralized personnel and benefits administration. With an impending retirement, our suggestion is that personnel administration might be a position assigned within the assistant town manager's office.

### 5. Develop Departmental Procedures Manual

The collector in Auburn is beginning to develop a procedures manual as a training and reference tool for staff. We encourage this effort, and recommend that it be expanded to all finance related departments including the offices of the accountant, assessor and treasurer. By documenting the systems and routine procedures that must be followed on a day-to-day basis, the office will have a valuable resource and be better equipped to train new employees. Also, outside auditors regularly recommend

that communities develop procedures manuals as this reduces the risk of service disruptions in the event of staff turnover or absences.

## 6. Authorize Town Manager to Sign Payroll and Vendor Warrants

We recommend that the town manger be granted the authority to sign payroll and vendor warrants. Absent a special act or town charter language, the board of selectmen are solely authorized to approve bills under M.G.L. 41, §52. Routinely, selectmen must come to town hall in order to sign payroll warrants, which can be difficult and potentially delay the delivery of paychecks. Therefore, as a matter of convenience, we recommend that Auburn file special legislation or amend the town charter to authorize the town manager to approve bills. Model language for the special act can be as simple as “the board of selectmen delegates the responsibility for signing the warrants for payment of town obligations to the town manager.”

## 7. Formulate Other Post-Employment Benefits Liability Policy

We recommend the town formulate a policy to address its Other Post-Employment Benefits (OPEB) liability. The OPEB unfunded liability is the cost assigned to benefits (other than pensions) already earned by public employees and to be distributed upon retirement. While there is no requirement to fund the OPEB liability thus far, the Governmental Accounting Standards Board (GASB) Statement 45 requires that, through actuarial analysis, the dollar value of the unfunded OPEB liability be determined every two years, and reflected on the town’s financial statements.

In Auburn an actuarial evaluation was conducted which estimated the town’s liability at \$70 million. Moving forward, officials should now develop a policy on how it will be addressed, which may be as simple as confirming that costs will be covered on a “pay-as-you-go” basis. We suggest however, that the town work toward establishing an OPEB liability reserve (see M.G.L. c. 32B, §20).

For additional information regarding OPEB, and steps to reduce the size of the liability, see resources available on the Division of Local Services website, [www.mass.gov/dls.gov](http://www.mass.gov/dls.gov). In addition, the Government Finance Officers Association has published a request for proposal checklist for OPEB actuarial valuations at [www.gfoa.org](http://www.gfoa.org).

## 8. Update Job Descriptions

We recommend that the town manager work with the assistant town manager to conduct a systematic review of all staff responsibilities to develop corresponding job descriptions for each employee. The process should seek to confirm what employees actually do and that all responsibilities are accounted for and documented. Revised job descriptions should be reviewed by effected personnel and by any appropriate department head. Job descriptions for several staff members including the assistant town manager/town accountant and collector have not been substantively reviewed or updated since the 1990’s.

## 9. Periodically Review Town Fees

We recommend a substantive review of municipal fees. A municipal fee is charged for a specific service and should reasonably reflect the cost to provide the service to which the fee applies (*Emerson vs. City of Boston, et al (391 Mass 415)*). At the direction of the town manager, departments should conduct a review of fees, which would be forwarded for the assistant town manager's review prior to presentation to the board of selectmen. The board of selectmen, acting as the town's chief policymaking body, would approve increases. Reviews should involve an examination of direct and indirect costs associated with providing the service, and might include a survey of similar fees in other communities for benchmarking purposes.

## 10. Analyze Insurance Deductibles

We recommend that officials analyze whether additional cost savings that can be captured from increasing the town's property & casualty insurance deductibles. By assuming more risk through increased deductibles, the town may be able to obtain lower annual premiums and save money. To evaluate whether this is reasonable for Auburn, officials should begin by reviewing the town's claims history over the past 10 years. Once complete, officials can determine which deductibles might be reasonably increased with little additional risk to the town. Similar approaches in private industry have demonstrated savings of between 10 and 40 percent over current annual premiums depending on the amount deductibles are increased. In addition, officials can make a decision on whether to set aside additional reserve funds to cover the increased deductibles in the event that a loss does occur.

## 11. Implement Record Disposal Schedule

It was apparent upon our arrival that storage is an issue at Auburn town hall. Various files and records, although diligently kept, are beginning to pile up and encroach on staff's immediate work space. In an effort to organize departments and to alleviate limited storage concerns, we recommend that officials implement an aggressive record disposal campaign throughout town offices. This process will not only provide a means to dispose of and organize records, but will produce a neat work place environment, which would reflect positively on the town as citizens visit to conduct business.

As a starting point, we suggest establishing an internal working group under the direction of the assistant town administrator and comprised of representatives from each department. The group's primary responsibilities would be to coordinate and facilitate the record disposal process, but also to hold individual departments accountable to ensure that progress is being made.

Once formed, the group should start by reviewing public record law and the municipal disposal schedules and process located on the Secretary of State's website, [www.sec.state.ma.us](http://www.sec.state.ma.us). The site lists municipal disposal schedules for each department including the treasurer, collector, accountant, and assessors.

## 12. Continue Alternative Energy Efforts

This recommendation is simply designed to support Auburn's green energy initiatives. The town is well on its way to implementing energy saving technology in order to reduce costs and lessen the town's impact on the environment. As recently as October 2008, a special town meeting authorized the formation of a Wind Turbine, Alternative Energy and Renewable Energy Committee whose mission is to "research, study, develop and recommend projects to save energy cost in any town department." Its first priority is the implementation of a wind turbine project, which is currently in a site testing and planning phase of development.

The town has also conducted energy audits and installed various energy saving devices across all town facilities and schools. In addition to these efforts, we would encourage the development of a green capital planning process, specifically designed to identify and replace or retrofit town facilities and vehicles. The saving generated could then be invested back into the town. For additional assistance, contact the Executive Office of Energy and Environmental Affairs, Green Communities Division at [www.mass.gov/energy/greencommunities](http://www.mass.gov/energy/greencommunities).

## 13. Encourage Regionalization and Consolidated Services

We encourage Auburn to explore regionalization opportunities with neighboring towns as well as possible internal consolidations. Today, communities across the state are actively pursuing the merger of services to combat continuing operational cost increases. Health services, emergency dispatch, inspectional services, among others have all been a subject of regionalization discussions. While at the same time, communities are moving to internally consolidate finance, technology and public works related activities. With some research, the town can determine where potential merger opportunities exist. At that time, or even earlier, contact with other towns might be initiated to explore prospects for sharing the costs of services.

Materials and information from a September state-wide conference for cities and towns on mergers and consolidations are posted on the DLS website at [www.mass.gov/dls](http://www.mass.gov/dls) under quick links. There is also a link to the Hamilton-Wenham Enhanced Regionalization and Merger Analysis completed by DLS. Although specific to the Hamilton-Wenham situation, the report offers valuable information on the subject of shared services. It is also available under quick links at [www.mass.gov/dls](http://www.mass.gov/dls). Officials should also review M.G.L. c.40, §4A which authorizes cities and towns to enter inter-municipal agreements. The Massachusetts Municipal Association ([www.mma.org](http://www.mma.org)) and the Central Massachusetts Regional Planning Commission ([www.cmrpc.org](http://www.cmrpc.org)) websites may also prove useful.

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## Technology

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The management of technology is a central component of municipal government. As technology advances, so too does the investment in both time and financial resources necessary to manage and maintain computer systems. Technology managers today must ensure that various hardware components are running properly and that critical data is safeguarded. Technology departments must provide routine computer backups and maintain high security standards. They must also monitor system performance and develop contingency plans in the event of a failure. Technology departments also regularly provide helpdesk support, act as a liaison between vendors and town officials, and support the community's website.

In Auburn, the MIS department consists of a full-time director and assistant to the MIS director who also splits her time as assistant town accountant. The MIS director previously managed the department from 1999 through 2004 and returned in August 2009. The department administers and services the town-wide computer network, telecommunications, peripherals (printers, copiers, etc.), as well as email, internet access, town website, and all non-school Microsoft and specialized software applications. The department is also responsible for helpdesk support, training, security, and all routine backups and maintenance.

Since arriving back, the MIS director has made or initiated a number of improvements to the town's IT system. He has developed a near term strategic plan that itemizes equipment costs, and lays the foundation for a disaster recover plan. He will be completing a 2015 long-term capital funding plan in the near future. *The Analysis and Strategic Plan for the MIS Department* addresses existing technology conditions and suggests a timeframe for purchasing components. The plan identifies three resource categories including desktops, servers and networks for upgrade. For desktops, the plan includes a three phase replacement for almost all of the town's 56 desktop/laptop computers beginning this year. The phased upgrade will replace machines which are out of warranty and have older operating systems. It also speaks to security, licensing, support and life cycle concerns. As stipulated in the plan, servers are adequate, but upgrades are warranted in the future. Lastly, an outside contractor is pulling fiber for a town-wide fiber optic network. The network will be town owned and will connect all municipal buildings including the schools. This will provide a seamless and reliable means of transmitting data and other information. Also noted in the report is the strong need for a new town website and plans to outsource the task of developing a new one.

Conclusion – Auburn's MIS department is managed by a skilled, knowledgeable director and supported by a valuable assistant. As a team, they provide a high level of support which is absent in most communities. The recommendations that follow encourage the update of the town's website which is poor in comparison to similarly sized towns. They cite the need for a help desk system to log and track user support requests; a disaster recover plan; and acceptable computer policies. We also comment on the opportunity to adopt voice over internet protocol (VoIP) to replace the existing phone system.

## 14. Update Town of Auburn Website

We encourage officials to continue with the update and redevelopment of the town's website. Communities today are finding it increasingly advantageous to build and promote a full-service, comprehensive, and easy to navigate municipal website. A website has in large part become the preferred means to engage the community, and as such, should contain a wide array of information and services for citizens. Of particular value to include on a website are the town charter and bylaws, detailed statements of department responsibilities, lists of frequently ask questions, a directory of contacts, a calendar of events, meeting minutes, zoning and permitting information, bill payment methods, various forms and publications for each department, as well as links to other useful websites outside the town. As part of the website update process, MIS should confer with individual departments to best determine what information to post and how content should be presented. A website also needs to be continually updated to be of maximum value to residents.

## 15. Adopt a Work Order System

In an effort to streamline MIS user support services we recommend the adoption of a help desk tracking and management system. In a basic system, users submit requests which are organized by priority for response. In general the system should identify when an issue was logged, who it was assigned to, what action has occurred, and when it was closed. For end-users, the advantages of adopting a system include the confidence that their issues are being addressed through a standardized reporting and tracking mechanism. For MIS, the system serves as a valuable tool for prioritizing requests, identifying potential problem areas, and establishing a structured workflow. As a whole, an online help desk system will benefit the town because it simply automates the receiving and processing of requests.

Although a number of free or inexpensive help desk systems are available, we encourage officials to consult with the MIS director to determine which system would be most appropriate for Auburn.

## 16. Review and Revise Acceptable Computer Use Policies

The town manager together with the MIS director should review and revise the town's email and internet acceptable use policies. Once updated, they should be distributed to department heads who would secure signatures from employees acknowledging that they have read the policy. Going forward the town would also require new employees, as part of the orientation process, to verify through signature that they have read the town's acceptable email and internet use policies. Signed acknowledgements should be retained in personnel files. Ultimately, computer related policies are designed to protect both the town and employee in instances of inappropriate conduct. For more guidance on policy content we encourage the town to contact neighboring communities.

## 17. Outline Disaster Recover Strategy

We strongly recommend that officials develop a formal IT disaster recovery plan. Any organization can experience a serious incident that stops normal day-to-day workflow and prevents it from continuing normal operations. Under these circumstances it is important that a town craft a plan that ensures continuity of services. Although the town has taken steps to protect critical data, including performing routine computer data backups, officials should work toward the completion of a comprehensive written disaster recovery plan which addresses the following issues:

- Identify the maximum acceptable down-time for municipal operations and the maximum acceptable data loss (in terms of days), and ensure that systems are in place for data backup and storage to meet these predetermined requirements;
- Build and implement a well-documented plan that sets out step-by-step actions to be taken in the event of a minor or major data loss event;
- Train staff so that their individual and collective response is immediate and confident in the case of an event. Assign responsibilities and identify outside people or consultants to be contacted;
- Analyze the cost of the recovery program and allocate the resources necessary to implement it. Balance the value of data with the cost of recovery; and,
- Lastly, test and update the plan on regular basis.

## 18. Survey Staff Skills

We recommend that the MIS director conduct a survey to measure staff computer proficiency levels and to identify areas where procedures can be streamlined. By reviewing each office's procedures, the MIS director may identify repetitive tasks that could be automated or streamlined. He might also identify shared data that should be transferred electronically or developed into a shared database available to more than one office. The survey results could further help the MIS director to develop appropriate level training and refresher courses that will enable staff to better understand how the computerized systems can be useful to them. Given the limited resources, exploring ways to operate more efficiently can free up valuable staff time.

## 19. Consider VoIP Telecommunication Service

Today, an increasing number of municipalities, and the Commonwealth, are taking advantage of the benefits that Voice over Internet Protocol has to offer. Voice over Internet Protocol, or VoIP telecommunication technology, simply allows phone calls to be sent over the internet rather than traditional phone lines. Industry-wide experience has demonstrated that a potential cost saving can be captured of between 50 and 80 percent over existing phone service.



Unlike a traditional phone system which charge customers based on the number of phone lines, and the volume, type and length of calls the town makes, VoIP charges are on a subscription service model. Moreover, this appears to be an opportune time for Auburn to examine VoIP as the town will soon complete a virtual private network (VPN).

Although off-the-shelf systems are available, we recommend that local officials consult with an expert who can tailor the system to the specific needs of the town. Lastly, officials should recognized that like other internet based products and applications, particular security concerns exist which can easily be avoided provided the town continues to maintain network security.

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## Accountant

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The town accountant has a legal obligation to oversee all financial activity of the municipality. Through the maintenance of independent records and by following well-defined procedures, the office documents the flow of money into and out of municipal accounts, and plays a role in the system of checks and balances established by statute to monitor and protect local assets. To fulfill this responsibility, the office prepares warrants to be signed by the town manager; maintains a general ledger where receipts, expenditures and all other town financial activity are recorded; and, reconciles cash and debt with the treasurer and receivables with the collector monthly. In addition, the town accountant tracks revenue and expenditures, and is typically involved in the annual budget process. Among required submissions to the Department of Revenue, the town accountant is responsible for producing the town's annual Schedule A and year-end balance sheet (for Free Cash certification). Finally, the town accountant works with the board of assessors and town clerk in the preparation of the town's Tax Recapitulation Sheet.

Appointed by the board of selectmen, the town accountant in Auburn also serves as the assistant town manager and is the defacto finance director. His time is generally split 70/30 on accounting verses assistant town manager responsibilities. In his role as assistant town manager he provides general supervision over the accountant, treasurer, collector, assessing and MIS departments. He is supported by a full-time assistant town accountant/assistant to the MIS director and a principal clerk. The assistant town accountant processes payroll, posts receipt batches, and functions as the MIS helpdesk. The principal clerk is responsible for accounts payable as well as the purchase order and procurement processes. The assistant town manager is in regular contact with and provides relevant financial information to the town manager, board of selectmen and finance committee. He plays a key role in coordinating the budget process, and creates a number of financial reports as part of an overall effort to continually monitor the town's financial position.

In 2000 the town adopted MUNIS integrated financial management software. The software provides a full array of accounting and financial applications including accounts payable, general ledger, payroll, procurement, and budgeting modules. The town also adopted the MUNIS inspection module, which tracks the issuance and status of municipal permits. Although the MUNIS software provides for data entry of receivables, payables, and requisition orders at the department level, the accounting office has opted to retain a centralized data entry model.

Conclusion – The accounting office in Auburn is effective. Vendor and payroll warrant processes, the reconciliation of cash and receivables, and compliance with various internal and external reporting requirements are done according to accepted standards. The recommendations that follow serve to further enhance operations. First and foremost, we feel Auburn would benefit by allowing departments to perform payroll and requisition data entry at the department level. We also discourage the office from posting abatements before they are formally authorized by the assessors, and feel that cash handling procedures could be strengthened. Lastly, we comment on the need for a recycle bin revolving fund and the simplification of revolving fund authorizations on town meeting warrant.

## 20. Allow Departments to Perform Payroll and Requisition Data Entry

Under the current process, the assistant town accountant receives a coversheet along with summary information and corresponding individual employee timesheets from each department. Coversheets and timesheets are then verified for accuracy, data is entered into MUNIS on an exception basis, and a payroll warrant prepared.

Moving forward, we recommend shifting the responsibility for entering timesheet information into MUNIS to departments. A hardcopy summary coversheet with department head signature (not a stamp or photocopy) would still be forwarded to the assistant town accountant for verification, but all individual employee timesheets would be retained at the department level. Under this approach, department heads and employees would be responsible for the accuracy of time sheets. The assistant town accountant, once relieved of data entry, would be available to perform other tasks.

In the same way that payroll should be decentralized, we recommend that invoices be data entered at the department level and sent electronically. The requisition module in MUNIS allows individual departments to enter their requests electronically. Once data is entered, requests are forwarded electronically to the accountant's office who verifies that the expense is lawful, justified, and that funding exists before being converted into a purchase order. The proposed method will not only streamline the requisition order process, but further alleviate the accounting office's workload.

## 21. Adopt Formal Cash Handling Procedures

As a tool, a cash handling policy sets rules for the flow of money and identifies guidelines related to financial controls and accountability. The scope of a written policy outlines all procedures to be followed in the collection, deposit and management of cash for all town departments. Auburn could specifically benefit by ensuring that departments issue written pre-numbered receipts for any cash payment.

Although officials can reference any number of policies available, the basic concept is to reinforce existing internal controls by documenting procedures that provide reasonable assurance that cash is being adequately handled, safeguarded and documented.

## 22. Establish a Recycle Bin Revolving Fund

The assessing office is currently responsible for selling recycling bins. While residents new to the program are provided a bin for free, any additional or replacement bin costs \$8. Money generated from these sales is placed in a separate envelope in the assessing office's cash box until turned over weekly to the treasurer for deposit in the town's general revenue account. The assessing office purchases bins in bulk (about 100) as needed throughout the year. Bins are \$7.95 each. The program largely runs on the honor system, as there is no real log identifying who has been issued or purchased a bin.

Moving forward, we recommend that the assistant town manager conduct an analysis to ensure that bin fees reflect the true cost of making bins available. This analysis can be as simple as calculating the annual cost to purchase bins together with an estimate of staff time spent administering the program. Once complete, a recycle bin revolving fund under M.G.L. c. 44, §53E½ should be established. The revolving fund will allow the town to retain and expend revenues from the sale of bins without appropriation to support the service.

### 23. Consolidate Revolving Fund Authorizations

We recommend that the town manager simplify the revolving fund authorizations for town meeting. Below, we have provided a multiple departmental revolving funds article and vote model. This will help to streamline the town meeting time and reduce the volume of minutes.

#### MULTIPLE DEPARTMENTAL REVOLVING FUNDS ARTICLE AND VOTE MODEL

Article 5 - DEPARTMENTAL REVOLVING FUNDS AUTHORIZATION. To see if the town will vote to authorize revolving funds for certain town departments under Massachusetts General Laws Chapter 44 §53E½ for the fiscal year beginning July 1, 2###, or take any other action relative thereto.

Motion – That the town establish the following revolving funds for certain town departments under Massachusetts General Laws Chapter 44, § 53E½ for the fiscal year beginning July 1, 2###:

<u>Revolving Fund</u>	<u>Authorized to Spend Fund</u>	<u>Revenue Source</u>	<u>Use of Fund</u>	<u>FY{current} Spending Limit</u>	<u>Disposition of FY{prior} Fund Balance</u>	<u>Spending Restrictions or Comments</u>
Hazardous Materials	Fire Chief	Fees charged to persons spilling or releasing hazardous materials	Training and special equipment needed to respond to hazardous materials incidents	\$15,000	New fund	
Title V Inspection	Board of Health	Septic system inspection fees	Salaries of inspectors or contractual services related to septic system inspections	\$40,000	Balance available for expenditure	
Teen Center	Teen Center Director	Teen center snack bar receipts, dance admission charges, activity charges and receipts	Expenses, supplies and contractual services to operate Teen Center	\$15,000	Balance available for expenditure	Fund may not be spent for salaries of more than one part-time employee. Full-time director salary funded in annual budget
Senior Citizens Bus	Council on Aging	Bus user fees	Salaries, expenses, contractual services to operate bus service to senior citizen housing developments and debt service on bus purchased for program	\$50,000	\$5,000 of balance available for expenditure, remainder to revert to General Fund	Fund may not be spent for salaries of more than two full-time employees, or any capital item over \$500
TOTAL SPENDING				\$120,000		

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## Treasurer

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The treasurer is the community's cash manager and has custody of all municipal money. Included is the responsibility to post and deposit town receipts into appropriate bank accounts, and to monitor balances to ensure that sufficient funds are available to cover town obligations. The treasurer invests town funds and manages debt to maximize investment income and to meet cash flow needs. The treasurer maintains a cashbook, debt schedule, check registers and various logs to track balances for grants, trusts, revolving funds and special revenue funds. As a financial control, the treasurer is obligated to reconcile cash balances and debt, both internally, and with the accountant on a regular basis. Lastly, the treasurer maintains tax title accounts and prepares documents to petition for foreclosure.

In Auburn, the treasurer is elected. However, because of the adoption of a town charter this past spring, the position will revert to appointed when her term expires in May 2011. She has been with the town since 1990. She receives support from a full-time assistant treasurer and a principal clerk.

The assistant treasurer functions primarily as the town's benefits manager. She educates employees on available benefit options and administers payroll and insurance changes. She also orchestrates the annual open enrollment process for employees. Cross-trained with the treasurer, the assistant can transfer and deposit money, sign checks, and authorize payments. The clerk is budgeted 30 hours for the treasurer's office and 10 hours for general administrative services (processes the mail). She is largely responsible for recording all receipts and payment balances, running payroll and accounts payable checks on a weekly basis, and assisting employees with health insurance questions.

Conclusion – Overall, the treasurer, assistant treasurer and clerk in Auburn are experienced and fulfill the responsibilities of the office. As required, department turnover procedures are in place, routine deposits are made, and checks are processed accordingly. The treasurer also maintains a cash book, debt schedules, and other logs as recommended. Reconciliations with the accountant also appear to be in place. Of the recommendations offered below, we point to the need for additional tax taking funds and suggest alternatives, encourage the use of the mail merge function to automate the process of sending courtesy notices and delinquent letters, and suggest that withholding payments be transferred electronically.

### 24. Mail Merge Courtesy Notices and Delinquent Letters

We recommend that the treasurer and collector offices use Microsoft's mail merge function to send courtesy notices and delinquent letters. Both the treasurer and collector's offices issue a variety of letters to taxpayers reminding them of actions that must be taken. As part of this process, each office manually prepares letters every month. We recommend instead that both offices utilize Microsoft's mail merge function to automate the process which enables a standard text letter in word to be combined with data maintained on an Excel spreadsheet. We encourage each office to confer with the MIS director to explore the mail merge option and possibly arrange for a training tutorial. Mail merge will offset the time it takes for each office to put together letters allowing staff to handle other responsibilities.

## 25. Advocate for Tax Taking Funds and Pursue Alternatives

According to the town's June 30, 2009 balance sheet outstanding receivables totaled \$1,300,691. The table below represents the change in outstanding receivables from FY2008 to FY2009. Also, approximately 40 properties are in tax title which represents \$351,548 in uncollected taxes, interest and fees.

### Outstanding Amounts Due

	June 30, 2008	June 30, 2009	Change
Real Estate Receivables	\$714,567	\$438,703	-\$275,864
Personal Property Receivables	51,538	62,610	11,072
Tax Title	183,770	351,548	167,778
Foreclosures	433,813	439,949	6,136
Deferred and Rollback	7,881	7,881	0
<b>Totals:</b>	<b>\$1,391,569</b>	<b>\$1,300,691</b>	<b>-\$90,878</b>

Moving forward, we encourage the collector to continue to take the necessary steps to move outstanding receivables into tax title and stay current with subsequents. Once in tax title, the treasurer should continue to take appropriate action by initiating foreclosure proceedings, especially on properties of high value. Each year the treasurer should then identify the largest tax title accounts ripe for foreclosure and proceed in Land Court in an aggressive fashion. Officials should also note that the successful collection of outstanding taxes requires an infusion of resources sufficient to cover advertising and filing fees, as well as an ongoing commitment from the treasurer, collector, town manager, and the board of selectmen.

Officials may also want to consider engaging the services of a debt collections agency which has the ability to report delinquents to credit agencies. The reporting, or threatening to report, late payments, missed payments, or other defaults to credit bureaus can be enough to encourage individuals to pay. We recommend that officials seek advice from town counsel prior to submitting the names of individual delinquents to credit reporting agencies.

## 26. Transfer Withholdings Electronically

We recommend that the treasurer transfer withholding payments electronically. Following the weekly payroll cycle, the treasurer writes a manual check for employee health insurance withholding contributions, which is deposited into the town's health claims trust account along with a corresponding town share of the payment. We recommend streamlining this process by transferring the funds electronically between accounts.

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## Collector

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The town collector possesses the authority to receive all payments due the community including property taxes, excises, betterments and certain other charges. The collector has the responsibility to make certain that collections are properly counted, posted to taxpayer accounts, and turned-over to the treasurer. The collector pursues delinquent accounts and then moves them into the treasurer's tax title accounts. To be successful, the collector must maintain an up-to-date receivable control that is reconciled with the accountant monthly. They should run credit reports as appropriate and complete necessary research to confirm refunds due to residents. In accordance with state law, the collector is required to respond to requests for municipal lien certificates. In most communities, the collector also manages the contractual agreement with the deputy collector.

The collector in Auburn is appointed. Beginning as a principal clerk in 1995, she rose through the ranks to become the assistant collector, then collector. She is assisted by two principal clerks. One is full-time, while the other works 25 hour per week (10am to 3pm, Monday through Friday). The full-time clerk is primarily responsible for taking payments – taxes, excise, police, solid waste, sewer, building permits; and, mailing delinquent letters and notices of lien.

All real estate, personal property, motor vehicle, sewer and solid waste payments are made at the Collector's Office. Payments are received via mail, lockbox (Century Bank), over-the-counter, and online (Unibank). Wire transfers from tax service/mortgage escrow companies are processed through Unibank. Kelly & Ryan Associates mails about 7,000 quarterly real estate and personal property tax bills, 20,000 motor vehicle excise bills throughout the year, 8,800 solid waste bills on a semi-annual basis, and 5,500 annual sewer bills. The town does not collect boat or farm excise. Kelly & Ryan also functions as the deputy collector, pursuing delinquent personal property, real estate and motor vehicle payments. Lastly, the collector is responsible for collecting most other charges including police detail, trailer, and building permit fees.

Conclusion – Based on our assessment, the collector's office in Auburn operates effectively. The department is managed by a skilled and knowledgeable collector, and routine day-to-day responsibilities are completed. Also, emphasis continues to be placed on the quality of customer services. The recommendations we offer advocate for the appointment of an assistant collector and identify ways to streamline the distribution of the electronic delinquent list.

### 27. Appoint Assistant Collector

We recommend the appointment of an assistant collector. Given the growing complexities of municipal finance, communities are finding it increasingly important to appoint a skilled assistant collector trained in all aspects of the office. The individual should also be fully trained to assume the responsibilities of, and have authorization to act as, the department head in the event of the collector's absence.

## 28. Generate Electronic Delinquent Taxpayer List

Authorized by M.G.L. c. 40, §57, the town adopted a bylaw that enables it to deny an application for, or revoke or suspend, local licenses or permits issued for any delinquent tax/ratepayer. As part of this process, the Auburn collector annually furnishes each licensing authority in town with a hardcopy list of all delinquent taxpayers. We recommend that rather than deliver a hardcopy list to each department, the collector email a quarterly list of delinquent taxpayers and ratepayers in an Excel spreadsheet. In this way, the collector will make it easier for departments to search the record and have more current data on delinquents.



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## Assessors

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The assessors' office is responsible for valuing all real and personal property in town and generating the commitment that authorizes the town collector to collect property taxes and motor vehicle excise payments. Work is generally performed through a combination of office staff and professional appraisal firms. DLS annually reviews town assessments to ensure that they reflect full and fair cash value, and conducts a certification of values every third year. In addition, the assessors estimate annual "new growth" which is used to calculate the community's levy limit; participate in setting the annual tax rate by submitting the Tax Recapitulation Sheet to DLS for approval; and prepare the annual property tax commitment for the collector. The office also handles all abatement applications, property tax exemptions allowed under state law, and sets the overlay.

The board of assessors in Auburn consists of three appointed members, one of whom serves as the full-time chief assessor. The board's primary responsibilities include reviewing and approving valuations, abatements and exemptions, and signing-off on the overlay and new growth estimates. Remaining day-to-day responsibilities fall to the chief assessor, full-time assistant assessor/data collector, and full-time principal clerk.

The department uses Vision Appraisal Technology software for appraisal purposes and maintaining property data. The town also uses the consultant services of Vision to reconcile interim adjustments and for routine advice, while Real Estate Research Consultants, Inc (RRC) values all taxable personal property. Vision is also temporarily hosting the town's property record and assessment information online. The site will remain up until December to allow for public disclosure of preliminary values.

The volume of work in the assessing office involves approximately 6,000 residential parcels, 400 commercial/industrial parcels, and 630 personal property accounts. The town does not issue boat or farm animal excise tax bills, but committed about 20,000 motor vehicle bills in FY2009. Auburn mails real estate tax bills on a quarterly basis, while motor vehicle excise bills are issued throughout the year. Also, in total the office made 1,370 inspections, of which 395 involved sales, 560 were building permit final inspections and 415 were part of the cyclical property reinspection program.

The department had an overlay reserve account of \$670,540 for exemptions and abatements in FY2009. Of the 98 applications filed, the department issued 80 total abatements. Auburn also has 10 cases pending before the Appellate Tax Board (ATB) with a potential estimated liability of \$4,300. The overlay reserve is two percent of the total tax levy. Last year the board certified a \$150,000 overlay surplus.

Conclusion – Our recommendations below reflect the positive opinion we have of the office. The department fulfills its function, completes requisite tasks, and is in compliance with the Bureau of Local Assessment's (BLA) accepted practices and state regulations. Our primary recommendations are therefore intended to encourage Auburn's assessing office to implement prior BLA's recommendations, adopt a six to nine-year property inspection program, and to maintain an online property record and assessment database.

## 29. Implement BLA Recommendations

We recommend that the board of assessors outline a strategy to implement the Bureau of Local Assessment's (BLA) certification recommendations. BLA completed a certification review to ensure full and fair market value in Auburn. As part of their review and certification process, BLA makes recommendations which, if implemented, will improve the accuracy of valuations and effectiveness of assessing operations. Therefore, the chief assessors should work with their BLA community advisor to develop a plan to address the recommendations prior to their FY2013 certification.

## 30. Adopt Six to Nine-Year Property Reinspection Program

In order to develop uniform fair market property values communities must maintain current and accurate property data. As part of this effort, each community is required by the BLA to complete an interior and exterior inspection and measurement of all property within a nine-year period. Auburn is currently in the midst of completing this reinspection, but on a three-year basis. The purpose of this accelerated inspection schedule is a desire on the part of the chief assessor to update the town's property record database to her standards, which we support. Once this collection effort is complete however, we recommend adopting a six-to-nine year cyclical reinspection program. Based on Auburn's parcel count and the number of routine inspections conducted annually, the chief assessor should be able to schedule inspections each year to meet this adjusted timeframe. A routine three-year cyclical reinspection schedule provides no additional benefits and consumes time and resources which could be better allocated elsewhere within the assessing office.

## 31. Post Abatements When Approved

An abatement is a reduction of a real or personal property tax, or excise, or other charge that is granted only after an application by the person seeking the abatement has been approved by the board of assessors. In Auburn, abatements are being posted prior to the formal approval by the board of assessors. A list of abatements for real estate, personal property, trash and sewer is being forwarded to accountant's office where it is posted to the general ledger before the board's monthly meeting. Then, once the board has met and signatures authorizing the abatements are obtained, a second copy is sent to the accountant's office for record keeping purposes. Moving forward, we recommend that the assessing office simply hold off on transmitting the list of abatements until they have been properly authorized by the board of assessors.

## 32. Transmit Building Permit Descriptions and Values

Auburn's inspectional services department in June of this year adopted the MUNIS automated permit tracking software module which allows the town to schedule and follow the process of

inspections. The new software is designed to share information more readily and increase productivity. According to the assessing office, however, building permit data in the recent past has been unreliable and the information sent from inspectional services does not generally include the estimated value of work. Moving forward, we recommend that the inspectional services department transmit building permit data that includes a detailed description and estimated value of the work completed.

### 33. Maintain Online Assessors Database

The Town of Auburn has a temporary online property record database available through Vision Appraisal at <http://data.visionappraisal.com/AuburnMA>. Under an agreement with Vision, the site will remain up until December to allow for public disclosure of preliminary values. From our discussions with the chief assessor, the database is online only temporarily because the cost to continue the service is prohibitive. Vision recently quoted the town \$4,200 per year to host and maintain data and maps online.

Despite the cost, we recommend that Auburn consider adopting an online property record and mapping database. Whether provided through Vision or the town's own website, enabling individuals to access information online is convenient and helps reduce telephone calls and foot traffic at the assessing office – allowing staff to focus on assessing, appraisal and administrative duties. If a decision is made to move forward with Vision's online property and mapping system, officials should look to link the database to the town's website.

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## Prior Recommendations

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The recommendations that follow originate from the financial management review completed by the Division of Local Services in 1999. They have been updated to reflect the circumstances that exist today.

### 34. Transfer Responsibility of Solid Waste and Police Detail Billing

As described in our earlier report, we recommended that the town transfer the administration of solid waste and police detail billing from the assessing office to the board of health and police department, respectively. The move is encouraged because such responsibilities more appropriately belong to departments which traditionally handle these specific types of activities. By shifting these duties, staff within the assessing office can further focus on tasks more closely associated to establishing property tax values.

While the police department is fully capable of administering the entire police detail billing process, it is our understanding that the board of health does not have the administrative support necessary for maintaining the solid waste customer account database. In this instance, we suggest that the town employ a part-time clerk. Working less than 20 hours per week, the cost of the clerk can be incorporated into the solid waste rates with minimal impact.

### 35. Adopt Semi-Annual Sewer Billing Cycle

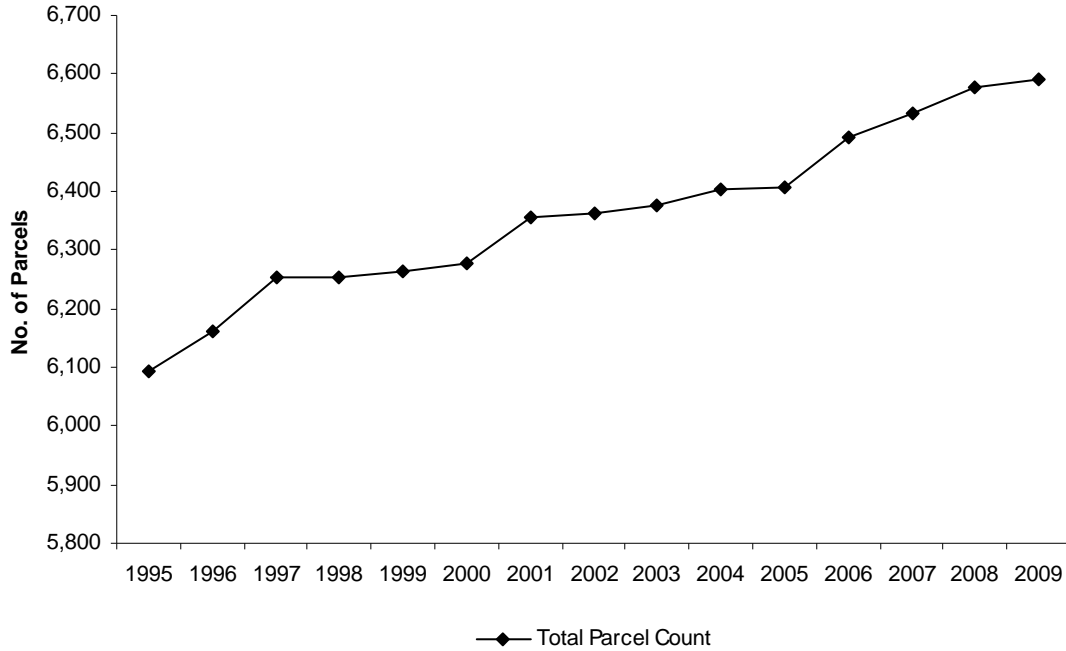
We continue to recommend that the sewer department change from an annual to semi-annual billing cycle. The sewer department currently issues approximately 5,500 customer bills only once per year. As a result, there is a substantial lag between usage and payment for that period. Semi-annual billing will more closely align payments with when the services are rendered and improve the enterprise fund's cash flow.

### 36. Combine Treasurer and Collector Functions

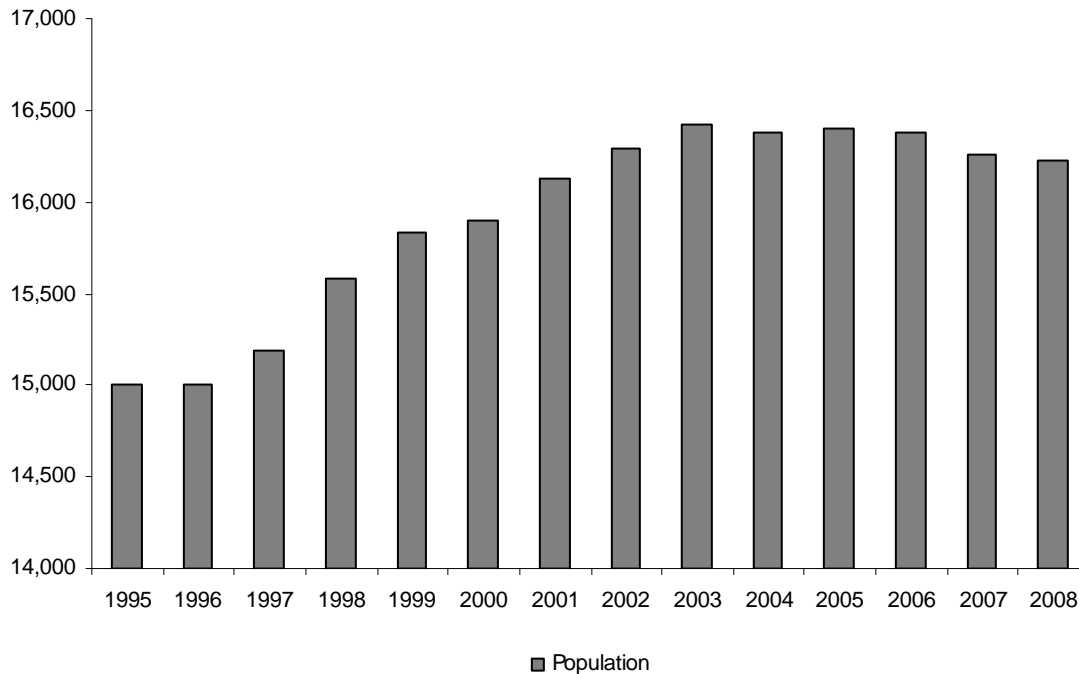
Because of parallels in job responsibilities, many communities find it beneficial to combine the treasurer and town collector into one position in order to generate efficiencies and long-term cost savings. Looking ahead to the future, the town should aim to combine the positions into a single appointed position that would report to the assistant town manager. If an internal candidate is selected, there should be the expectation that the town would invest in additional training.

## Appendix A: Auburn Growth & Development Trends

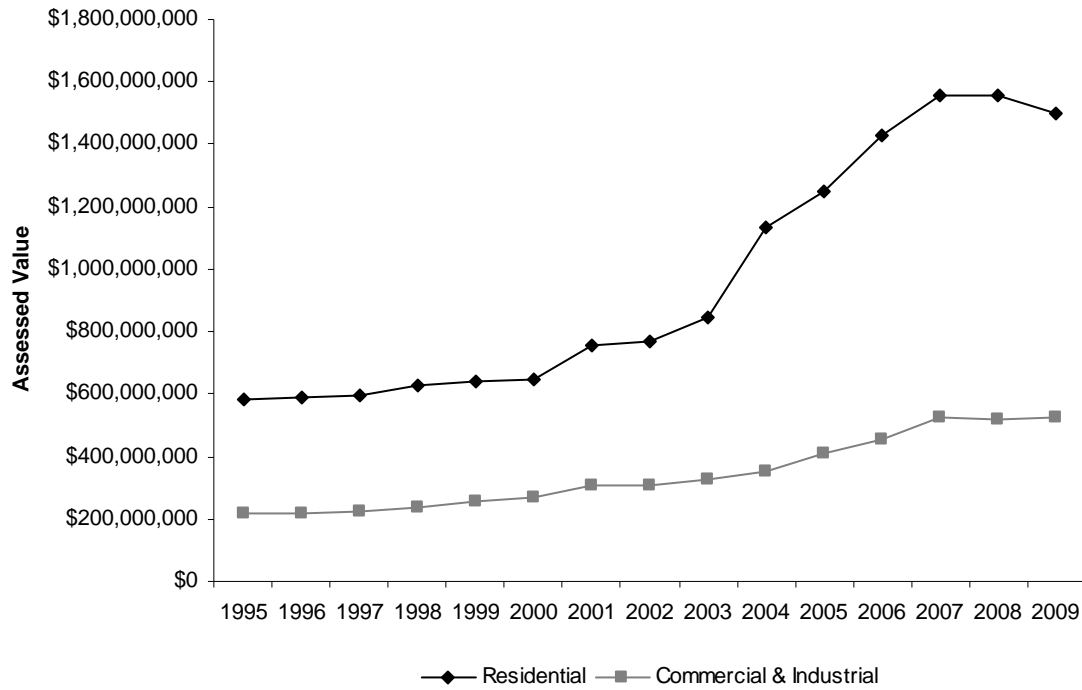
**Total Parcel Count**



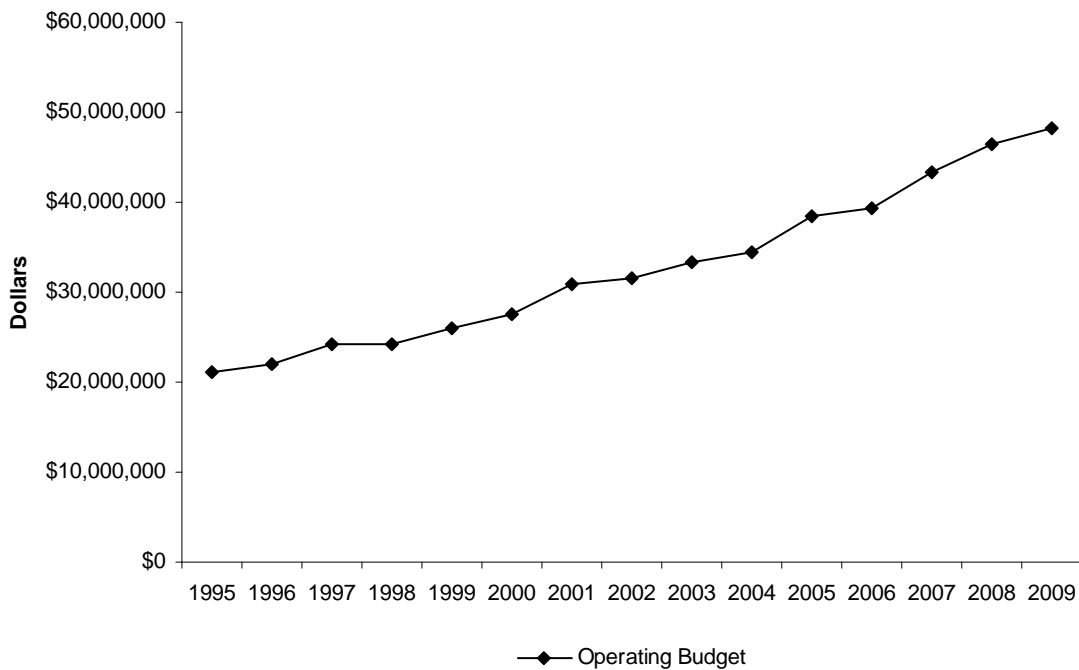
**Population Trend**



**Total Assessed Value by Class**



**Total Operating Budget**

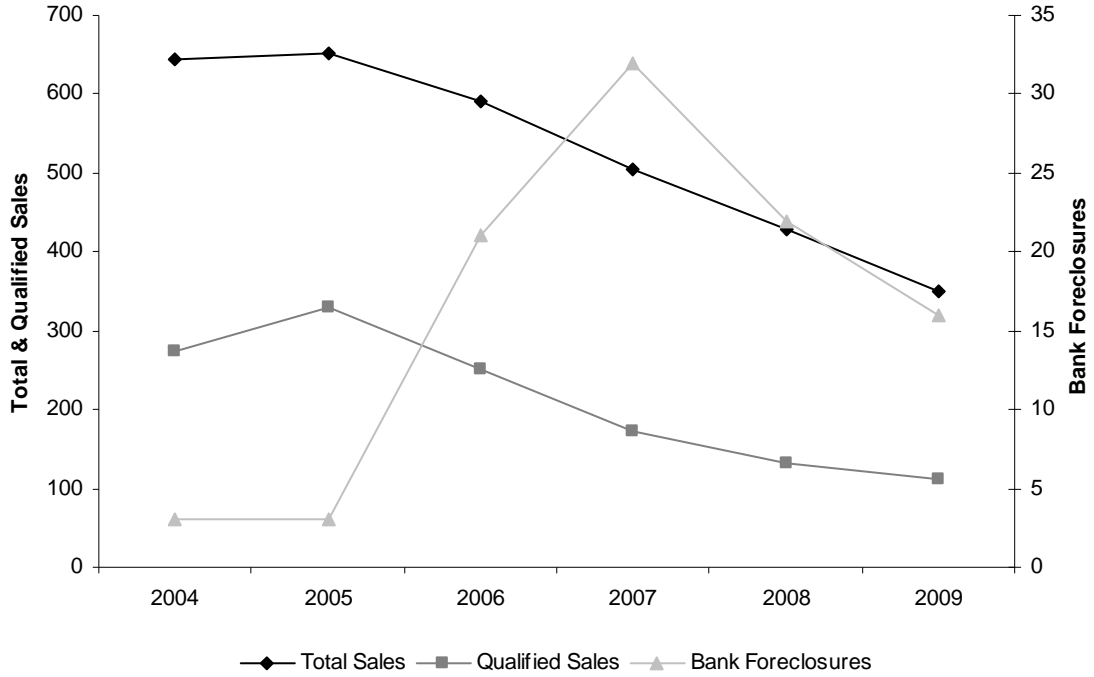


Appendix B: Community Comparison Table

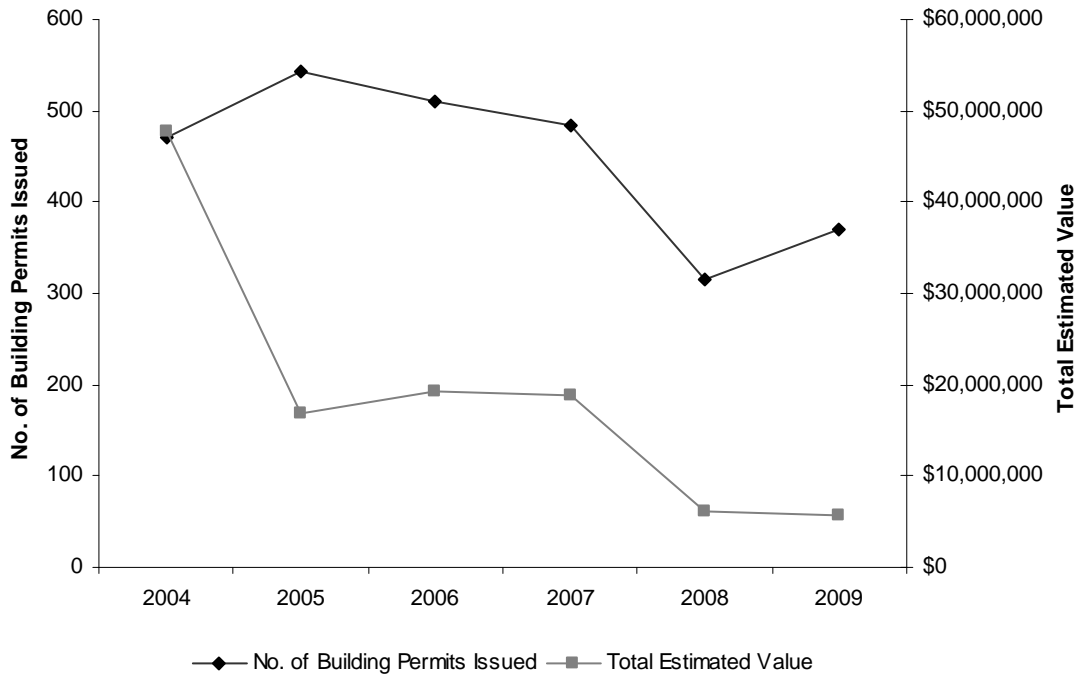
<b>Community Comparison</b>				
	<b>2006 Income Per Capita</b>	<b>2008 EQV Per Capita</b>	<b>FY2009 Average Single Family Home Value</b>	<b>FY2009 Average Single Family Tax Bill</b>
<b>Auburn</b>	\$26,494	\$140,358	\$256,239	\$3,016
<b>Worcester County Towns</b>	31,018	137,803	313,449	3,736
<b>MA Towns</b>	39,596	202,820	426,235	4,555

Appendix C: Economic Activity Data

**Auburn Home Sales and Foreclosures**

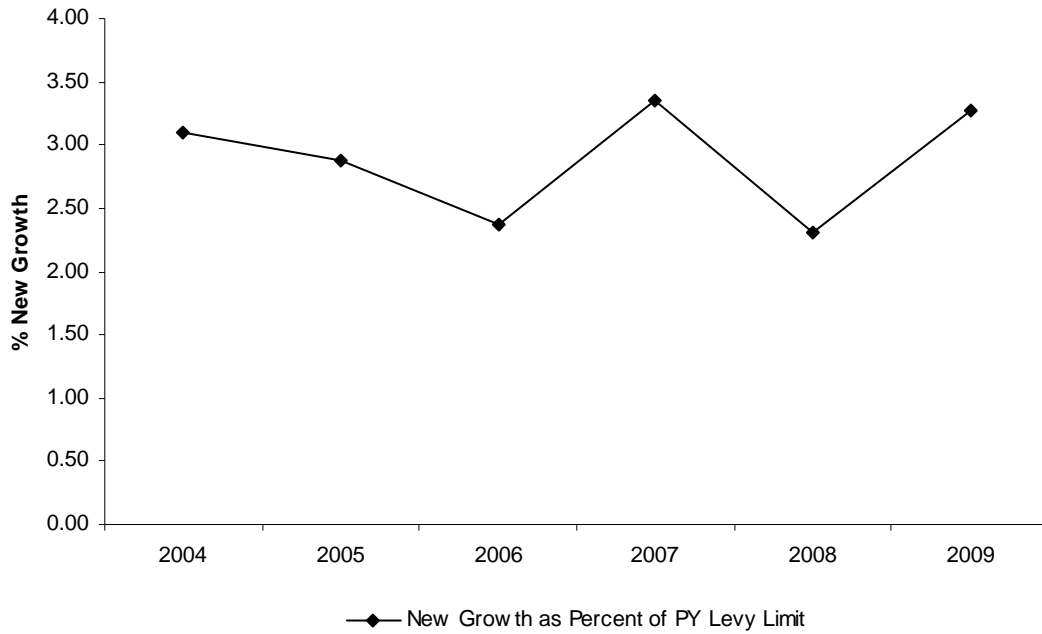


**Auburn Building Permit Activity**

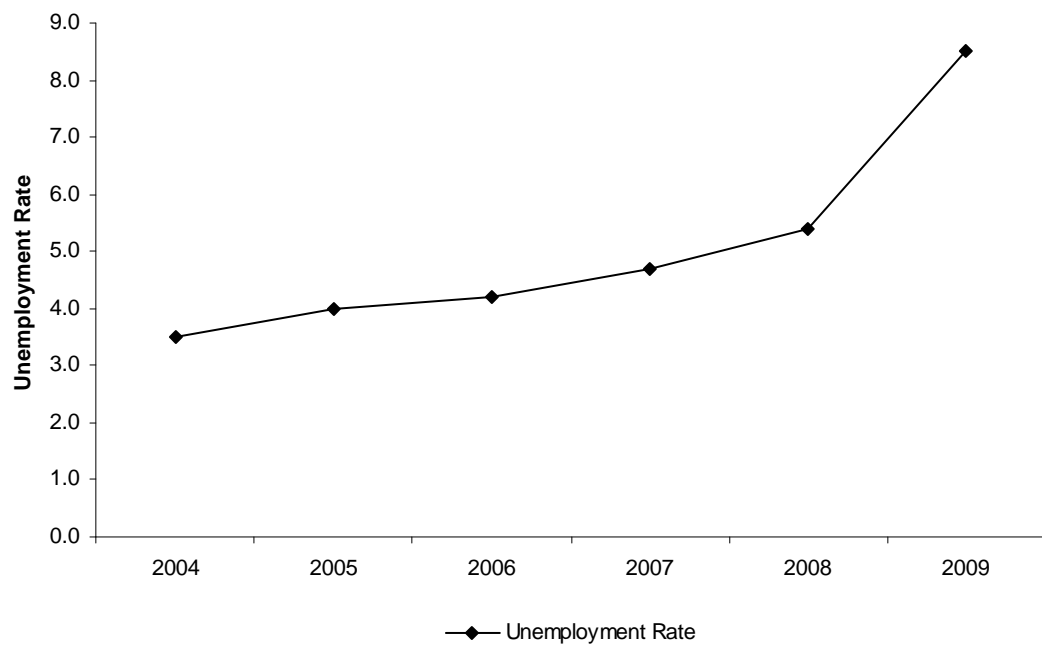




**Total New Growth Applied to Levy Limit as a Percent of Prior Year Levy Limit**

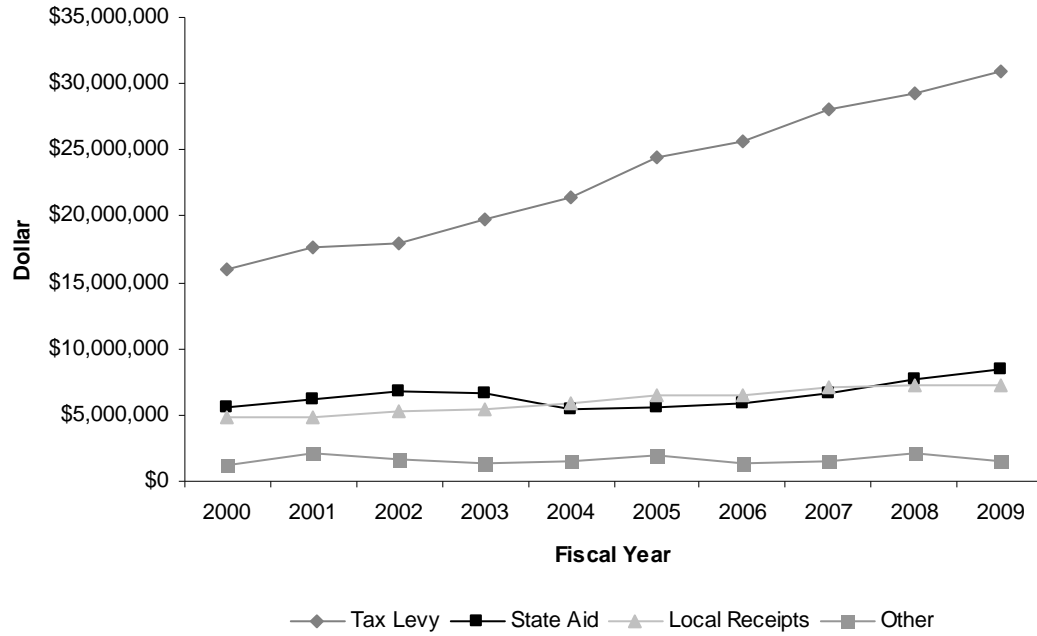


**Auburn Unemployment Rate**



### Appendix D: Revenue Comparison Trend

**Historic Revenue Source Comparison**



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## Acknowledgements

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This report was prepared by the  
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Robert Valentine, Vice Chairman, Board of Selectmen

Doreen Goodrich, Selectmen

Timothy Hicks, Selectmen

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