

TOWN OF AUBURN

FINANCIAL MANAGEMENT REVIEW

SEPTEMBER 2026



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

PREPARED BY:

DLS | Financial Management Resource Bureau
www.mass.gov/dls

Tara Lynch, FMRB Senior Project Manager
Jamie Farnum, FMRB Project Manager



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Geoffrey E. Snyder
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

September 8, 2026

Board of Selectmen
Town of Auburn
104 Central Street
Auburn, MA 01501

Dear Board Members,

I am pleased to present the enclosed report summarizing our financial management review of the Town of Auburn. The Division of Local Services is committed to assisting municipalities in achieving effective fiscal stewardship, and it is my belief the recommendations presented here will help the community become better positioned for the future.

If you have any questions regarding the report, please contact Zack Blake, Financial Management Resource Bureau Chief, at blakez@dor.state.ma.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean R. Cronin".

Sean R. Cronin
Senior Deputy Commissioner

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INTRODUCTION

At the request of the board of selectmen, the Division of Local Services (DLS) Financial Management Resource Bureau (FMRB) completed a financial management review for the Town of Auburn. The review's scope encompassed government structure, fiscal planning, financial policies, information technology, and everyday procedures in the town's finance department.

The select board sought this independent review in the context of a recent changeover in Auburn's central management. Fiscal year 2026 was the first under the leadership of a new town manager and two new assistant town managers. The year also saw vacancies occur in several key positions in the finance and human resources departments. This transitional period thus presents a fitting time to examine the town's structure, budget practices, and financial operations to assess how they might be modified to enhance effectiveness into the future.

As policy officials and operational managers collectively reconsider the established ways of doing things, we present recommendations designed to help them make the most of their resources, guide budgetary planning, and promote prudent financial practices. Foremost among these, we suggest that Auburn reconsider its longstanding budget development procedures; expand and revise financial policies; conduct a study to review its charter and bylaws; address comments made by its independent auditor; take actions to streamline certain procedures; and enhance employee development.

A pleasant and vibrant community, Auburn is located in the heart of Central Massachusetts and shares much of its northern border with the City of Worcester. Auburn's substantial commercial/industrial sector owes much to this proximity to a major urban area, as well as the Mass Pike's junctures with Interstates 290 and 395 at the center of the town's 15 square miles. In FY2026, 25% of the town's total property valuation derived from businesses, yet Auburn retains a generally residential atmosphere. The town's setting affords residents with many convenient amenities and handy geographic access to regional jobs, cultural opportunities, and recreational pursuits. Wealth indicators for the local population of 17,323 are modest when compared to statewide averages, though they are in line with communities in Worcester County.

Per Capita Averages for:	Auburn	Worcester Co.	State
Income	\$40,005	\$43,507	\$53,161
Equalized Property Valuation (EQV)	\$162,767	\$147,984	\$266,814

To provide a degree of tax relief to residential property owners, the town employs a trifurcated tax rate, which applies different and slightly higher rates on commercial/industrial properties and personal properties versus residential parcels. The property tax levy is the primary contributor to the town's annual budgets, representing 53% of the \$96 million in total operating revenues for FY2026. State aid was next at 19%, followed by other available funds (such as reserves) at 12%, and local

receipts at 10%. The town's operating budget also includes three user-supported enterprise funds, for sewer, golf, and cable/PEG Access,¹ which together comprised 6% of the total. In addition to those programs, Auburn's government provides the community with a wide array of other services, including a preK-12 school district, police, fire, highway, library, cemetery, council on aging, recreation, and more.

To make comparisons within this report, we assembled a group of communities that could be considered the Auburn's closest peers based on similar characteristics related to size, economic, and socioeconomic factors, including population, budget composition, per capita income (PCI) and EQV, and the balance of properties classes within the total valuation. The resulting two cities and 10 towns are displayed with Auburn below.

Peer Communities

Municipality	County	2024 Pop.	Pop. Density	Ratio of Resid./CIP Values^	2026 PCI	2026 PC EQV	FY2026 Avg SFTB ⁺	FY2026 Omnibus Budget	S&P Rating
Amesbury	Essex	17,617	1,411	88 / 12	\$46,689	\$227,235	\$9,868	\$98,867,901	AA
Bellingham	Norfolk	17,998	957	72 / 28	\$43,546	\$232,194	\$6,073	\$94,924,630	AA+
East Longmeadow	Hampden	16,515	1,259	84 / 16	\$51,818	\$174,686	\$8,126	\$99,330,809	AA+
Fairhaven	Bristol	16,005	1,288	86 / 14	\$39,809	\$220,405	\$4,374	\$77,972,811	AA+
Grafton	Worcester	20,352	876	91 / 09	\$66,293	\$207,208	\$9,086	\$96,030,471	AA+
Hudson	Middlesex	20,364	1,728	88 / 12	\$49,063	\$215,357	\$8,624	\$118,749,098	AA
Kingston	Plymouth	14,462	747	87 / 13	\$54,605	\$246,562	\$8,714	\$72,388,009	AA+
Norton	Bristol	19,392	688	80 / 20	\$46,631	\$204,929	\$7,367	\$96,349,994	AA+
Pembroke	Plymouth	18,428	840	89 / 11	\$53,918	\$237,537	\$7,521	\$94,570,637	AA
Rockland	Plymouth	17,708	1,705	80 / 20	\$37,804	\$197,006	\$7,603	\$99,840,400	AA
Seekonk	Bristol	15,912	856	81 / 19	\$47,093	\$225,063	\$6,852	\$80,375,827	AA+
Somerset	Bristol	18,375	2,305	86 / 14	\$39,608	\$193,989	\$6,278	\$96,592,064	*M: AA2
Auburn	Worcester	17,323	1,087	76 / 74	\$43,486	\$196,912	\$6,307	\$96,435,204	*M: AA2
AVERAGES:		17,727	1,211	84 / 16	\$47,720	\$213,776	\$7,446	\$94,032,912	

[^]Ratio of Residential and Commercial/Industrial/Personal (CIP) property values

⁺Average Single-Family Tax Bill

^{*}Moody's Rating

The next section of this report provides our observations and recommendations related to the town's overall financial management, covering a range that includes structure, policy, and budgeting matters, while the second section focuses on the operational activities of the town's finance department.

¹ PEG stands for public, educational, and governmental.

OVERALL FINANCIAL MANAGEMENT

Auburn's government operates according to provisions laid out in a town charter, bylaws, special acts, and MA General Laws. Executive power is invested in an elected, five-member board of selectmen. To serve as chief administrative officer, the board appoints a town manager, a position created in the last charter update in 2009. Pursuant to a much earlier special act in 1959, the town's legislative functions are fulfilled by a representative town meeting, which is made up of 24 residents elected from each of Auburn's five precincts for a total of 120. A seven-member finance committee, appointed by the selectmen, acts as an advisor to town meeting on all expenditure-related warrant articles.

Auburn's first permanent town manager was appointed in 2011. Shortly thereafter, she promoted the town's chief finance officer (CFO)/town accountant to simultaneously fulfill the role of assistant town manager. When the first town manager retired in January 2023, the select board elevated the assistant to replace her. Instead of continuing with an assistant town manager/CFO, he created the position of assistant town manager/HR director. To this post, he appointed a person who had worked as HR director for the City of Worcester and then as town administrator in Blackstone. He also hired as new CFO/town accountant a person who had worked in that same role for the Town of Southbridge.

In January 2025, the last town manager retired, and the selectmen appointed his assistant to the position, initially in an interim capacity and then permanently, effective in July 2025. As town manager, she also continues to function as Auburn's HR director, and the HR department is now headed by an HR coordinator. She restructured her office to have two assistant town managers, one of whom also serves as the director of economic development and the other as the fire chief. Starting in the past year, the latter spearheaded a major project to expand the interdepartmental functionality of the town's financial management system, Enterprise ERP, which is the newer name of the Tyler Technologies, Inc. product still commonly known as Munis.

Auburn uses Munis to manage and track activities associated with the general ledger, warrants payable, purchase orders, payroll, treasury receipts, tax titles, and collections. Historically, all Munis processing functions have been fully centralized within the finance department. Under a gradual project roll-out, the town has been shifting the duty for entering the data for purchase orders, vendor invoices, payroll, and departmental receipts out to the other departments in town. Although this project entails extensive employee training and some transitory reworks, Auburn can ultimately expect the outcomes to include reduced paperwork and greater overall efficiency.

As codified in the charter and bylaws, Auburn's town manager is a moderately strong office. The position is empowered to appoint all department heads (except the town accountant and town

counsel²) subject to approval by the select board; to direct all departments reporting under the select board; to reorganize, consolidate or abolish any departments; and to create new departments. Unlike most counterparts in the state, Auburn's town manager is not authorized to approve warrants payable. Most crucially, neither the charter nor bylaws definitively assign the incumbent with the primary responsibility for developing and finalizing the operating and capital budget proposals presented to town meeting. Instead, various provisions divide these duties between the town manager and finance committee.³

Regardless of the lack of relevant codified authority, in Auburn, the annual operating and capital budgets have historically been treated as products of the town manager, with a heavy reliance on the CFO for analysis, coordination, and initial development of them. This framework arose as past policy boards recognized the combined skills, experience, and personal sway that the original budget tandem brought to the task, and it continues to exist under the new management. The town manager and CFO work together throughout the budget process, including meeting with department heads to discuss their needs, keeping the select board apprised of progress and receiving its feedback, and interacting with the finance committee.

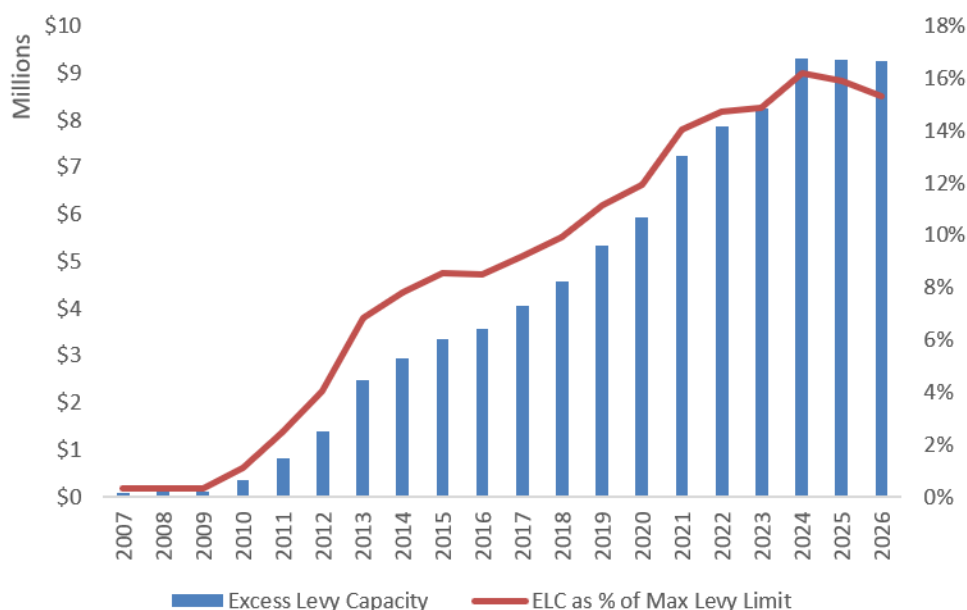
In the first full fiscal year under the current town manager, she made some revisions to enhance the annual budget process, especially in transparency. Policy boards now receive contextual narratives from the manager about fiscal trends, as well as copies of the original budget requests submitted by departments, as opposed to only getting a working budget prefiltered by the town manager and CFO. The budget timeline also starts a little earlier in the fall, to allow more time to review the information. A new component of the process occurred for the first time in July 2026, when the select board, finance committee, and school committee held a joint meeting to discuss goals and objectives for the special town meeting anticipated this fall. To start a coordinated dialog on the FY2028 budget process, there is also a plan to have another tri-board meeting in November.

For at least a few years before Auburn's first town manager came on board in 2011, the town had been assessing annual property tax levies that were nearly as high as the Proposition 2½ levy limit. Back then, the town had negligible excess levy capacity, which is the difference between the tax levied in a given fiscal year and the same year's levy limit. With the goals of curtailing tax levy growth and increasing excess levy capacity, the town devised a uniquely complex formula for setting an annual ceiling above which it would not levy. Through this approach, which will be discussed in greater detail further on, the town began realizing substantial margins of excess levy capacity, as shown on the next page.

² Charter 3.06(m): the town manager recommends the appointment of these two positions.

³ Charter 3.06(n): the town manager prepares and recommends an annual budget to the select board and finance committee. Charter 6.03: the finance committee prepares a capital expenditure program and submits it to annual town meeting. Bylaw Chapter VII: the town manager develops the annual capital budget and five-year plan for the review of the finance committee, which presents them to annual town meeting with its recommendations.

20-Year Trend in Excess Levy Capacity

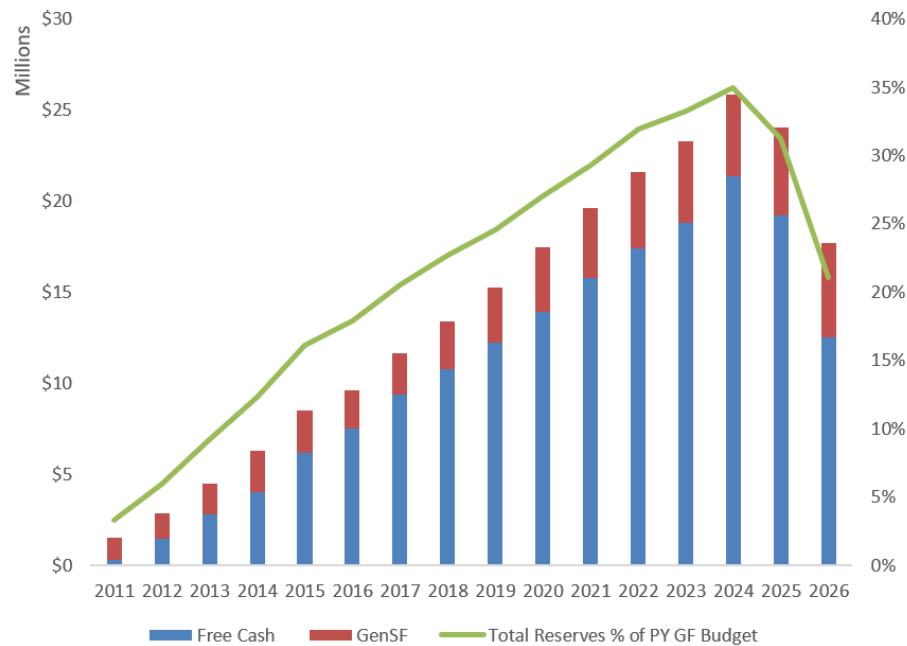


In FY2026, Auburn’s excess levy capacity equaled 15% of the maximum levy limit. Statewide, the average is 4%, and among Auburn’s 12 peer communities, it is 2.7%. As a dollar amount, the town’s \$9.2 million in FY2026 excess levy capacity ranked 20th highest in Massachusetts. Having some excess levy capacity is desirable because it provides room for the town to raise additional levy revenue in a future budget year without having to seek an override referendum.

Upon her appointment, Auburn’s first town manager also sought to address the town’s very low level of general fund reserves. The two types of funds used when analyzing a community’s general fund reserve level as an indicator of the strength of its operating position are stabilization funds and free cash. Technically speaking, Auburn has only ever had a general stabilization fund and no special purpose ones. Free cash is the balance, certified by DLS, that represents the remaining unrestricted funds from the town’s operations of the previous fiscal year.

In 2011, the town’s combined balance of free cash and general stabilization was only \$1.5 million, equal to 3% of the prior year’s general fund budget. Building up these funds up to healthier levels became another long-term budgetary goal at which the town succeeded. By 2024, the town’s combined reserves reached a high of \$25.9 million, or 35% of the prior year budget, and in FY2026, the figures were \$17.6 million and 21%.

General Fund Reserves, FY2011 – FY2026



See page 9 for an explanation for the large decrease in free cash in FY2026.

Although Auburn has not created any special purpose stabilization funds under [M.G.L. c. 40, § 5B](#), it has a capital improvement trust fund, created by special act in 1996, that functions in nearly the same way. Per the act, town meeting may appropriate to this account by majority vote, appropriate from its interest by majority vote, and appropriate from principal by two-thirds vote. A revision to c. 40, § 5B in 2023 changed the quantum needed to appropriate from a special purpose stabilization fund from two-thirds to a majority ([IGR-2024-12](#)). If Auburn desires the greater flexibility afforded by that statute, town meeting could create a capital stabilization fund and transfer the capital trust account's balance to it. Even if the town does not take that action, the capital fund's very strong similarity to a special purpose stabilization fund makes it suitable for Auburn to factor it in when analyzing the town's reserve levels as part of a Financial Reserves policy target. If that fund's FY2025 year-end balance of \$1.5 million was included in the calculation for FY2026, it would increase the combined reserves ratio a further 2% to equal 23% of the prior year general fund budget.

The Government Finance Officers Association (GFOA) advises that every community should strive to maintain a minimum target level of general fund reserves equivalent to two months of revenues, or 17% of the general fund budget.⁴ Since 17% is the minimum end of the target for all communities, without regard to any particular budget size or risk profile, the town's target of 20%, adopted in a 2017 policy, seems prudent, although the town could consider revising it to a target range, such as 20-24%. The GFOA's best practice guidance also emphasizes the importance of tying a policy reserve target to a long-term financial forecast, a tool which Auburn has not yet implemented.

⁴ See [Fund Balance Guidelines for the General Fund](#) and [Should We Rethink Reserves?](#).

Communities should look to their reserves to serve a dual function. They provide a kind of insurance against the negative impacts that major unforeseen circumstances could have on the ability to sustain services and maintain valuable capital assets. But they should also be planned and used as a source of cash funding for the high proportion of items in the capital improvement plan whose costs are too low to justify borrowing. Although Auburn has not been employing multiyear forecasts to help plan out the use of reserves for annual capital budgets, the town was able to use its large free cash balance this past year to significantly reduce the total cost of an imminent borrowing. On May 6, 2025, annual town meeting voted to appropriate \$8M in free cash toward the construction of a new fire station, and this accounts for the large drop in that balance between FY2025 and FY2026 shown in the previous chart. The savings in borrowing interest costs is estimated to be \$3M, and the town approved a debt exclusion for the remaining \$23M.

Along with strong reserves, Auburn has had a manageable debt load and fairly steady amounts of new growth in its tax base as well. All these factors contribute to the town's relatively good financial condition and outlook, as further evidenced by the solid, AA+ bond rating Moody's Corporation reconfirmed in June 2026. By requesting this review, the board of selectmen has demonstrated a proactive openness to outside advice on how the town might further enhance its fiscal practices and financial operations. On the following pages, we offer recommendations to help the town make the most of its resources, guide future planning efforts, and promote prudent financial management.

RECOMMENDATIONS

1. Implement a More Conventional Annual Budget Process

We recommend the town implement a more conventional process for developing its annual budgets. The overriding goal that has shaped the process for the last 15 years in Auburn has been to restrict the annual levy increase to a fixed-percentage boundary. By sticking to a formula designed to carve out and leave unlevied a large portion of the total dollars added to the levy limit each year, the town has kept a hard line on levy growth while also growing excess levy capacity. However, Auburn's unusual budgeting model has led to some problematic consequences, and, more importantly, it has inhibited the town from incorporating more strategic planning and multiyear perspectives into budget development. Auburn would be better served by a budget process rooted in the context of a larger financial plan that is based on sound policy objectives and informed by a long-range financial forecast.

Auburn's Levy Formula

Under Proposition 2½, a community can levy property taxes up to the amount of its levy limit. Absent any overrides, debt exclusions, or capital exclusions, the levy limit increases annually in two ways: (1) an automatic 2.5% increase and (2) a dollar amount based on new growth. Determined to slow the levy's growth relative to the levy limit and thereby increase excess levy capacity, the original town manager and CFO established a locally imposed restriction on the allowable increase in the levy, which was calculated as follows per the town's unwritten policy:

1. Take the prior year's maximum levy limit and net out any excluded debt service to arrive at the town's prior year base levy limit.
2. Calculate the dollar amount that would equate to a 1.5% increase over the prior year's base levy limit.

As the budget team worked with department heads and policymakers to develop the budget, they would reference the calculated 1.5% amount as the total allowable dollar increase for the levy in the next fiscal year. However, the town's annual budgets have always also allowed for the levying of some of the new growth dollars applied to the levy limit. A written New Growth policy adopted in 2012 stated that the town will conservatively estimate the levy limit's new growth amount at no more than 66% of the average actual new growth of the most recent five years and only increase the levy up to the estimated amount.⁵ Looking at the town's levies since FY2012, it is not possible to determine the years in which Auburn succeeded in meeting its calculated 1.5% restriction versus estimated new

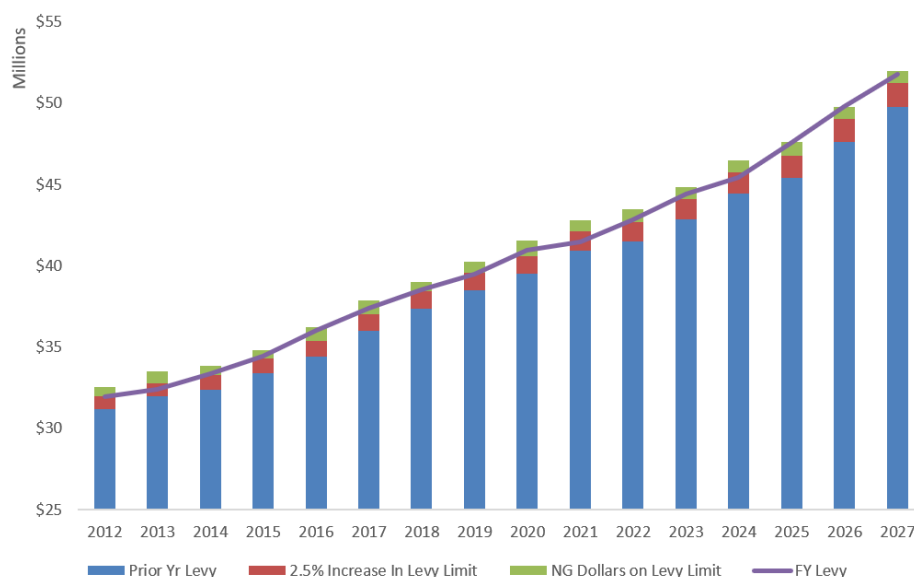
⁵ This is an analogous interpretation of the 2012 policy, which was based on projections used at that time. Specifically, it stated that (1) the five-year average in actual new growth then was \$624,287, (2) new growth would be estimated at \$400,000 (i.e., roughly two-thirds of \$624,287), and (3) the town would not levy beyond the \$400,000 estimate.

growth limitation because those two amounts meld together. As shown in the table below, it is only possible to identify the two years in which the levy increased by less than 1.5% (FY2013 and FY2021).

FY2012 – FY2027 Increases to the Levy Limit and the Levy, Net of Excluded Debt for Both

FY	Prior Yr Levy Limit	2.5% Increase to Levy Limit	NG Dollars added to Levy Limit	% Increase in Levy Limit	Prior Yr Levy	FY Levy	% Increase in FY Levy
2012	\$32,019,016	\$800,475	\$545,558	4.45%	\$31,185,627	\$31,963,471	2.49%
2013	\$33,365,049	\$834,126	\$680,138	4.20%	\$31,963,471	\$32,397,544	1.36%
2014	\$34,879,313	\$871,983	\$587,951	4.54%	\$32,397,544	\$33,389,225	3.06%
2015	\$36,339,247	\$908,481	\$529,845	4.19%	\$33,389,225	\$34,425,567	3.10%
2016	\$37,777,573	\$944,439	\$864,658	3.96%	\$34,425,567	\$36,006,290	4.59%
2017	\$39,586,671	\$989,667	\$867,267	4.79%	\$36,006,290	\$37,378,203	3.81%
2018	\$41,443,605	\$1,036,090	\$610,144	4.69%	\$37,378,203	\$38,512,511	3.03%
2019	\$43,089,839	\$1,077,246	\$656,765	3.97%	\$38,512,511	\$39,487,610	2.53%
2020	\$44,823,850	\$1,120,596	\$931,088	4.02%	\$39,487,610	\$40,928,002	3.65%
2021	\$46,875,534	\$1,171,888	\$689,370	4.58%	\$40,928,002	\$41,490,077	1.37%
2022	\$48,736,792	\$1,218,420	\$769,613	3.97%	\$41,490,077	\$42,847,937	3.27%
2023	\$50,724,825	\$1,268,121	\$698,261	4.08%	\$42,847,937	\$44,440,006	3.72%
2024	\$52,691,207	\$1,317,280	\$721,064	3.88%	\$44,440,006	\$45,422,955	2.21%
2025	\$54,686,551	\$1,367,164	\$822,061	3.79%	\$45,422,955	\$47,587,321	4.76%
2026	\$56,875,776	\$1,421,894	\$733,380	4.00%	\$47,587,321	\$49,770,854	4.59%
2027	\$59,031,050	\$1,475,776	\$700,000	3.79%	\$49,770,854	\$51,777,211	4.03%

Tax Levy Trend Relative to Amounts Added to the Levy Limit, Net of Excluded Debt for Both



With its conservative approach, Auburn's excess levy capacity grew from a figure that equated to roughly 2.5% of the total levy limit in FY2011 (\$833k) to 15% in FY2026 (\$9.2M). When the levying margin had been very small, the town's ability to sustain service levels was at greater risk because the levy was hemmed in by a levy limit that might increase slower than fixed costs – whether from economic forces that accelerate costs or, inversely, from potential slowdowns in new growth. This risk has been effectively mitigated by the exceptionally large levy capacity the town has accumulated over

these many years. Yet, the town has continued to formulate budgets driven by this model even in the face of the multiple years of elevated inflation levels that began in 2021.

% Change in Consumer Price Index, 2011 to 2026



Source: [U.S. Bureau of Labor Statistics](https://www.bls.gov)

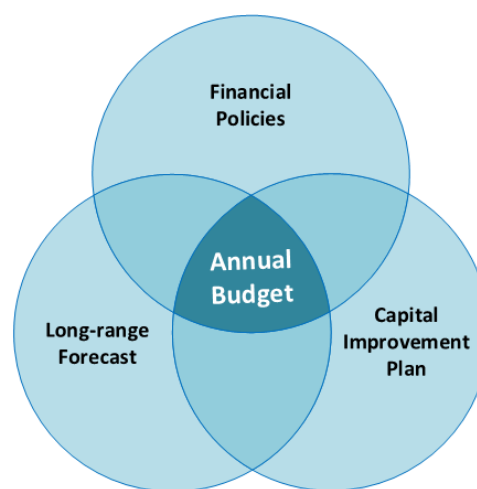
Although the town’s budgeting methodology has remained the same, there has been some recent accommodation for this decade’s higher real-dollar costs in that the 1.5% policy limitation has been informally increased to 2.0% in the last three years. Nevertheless, we encourage Auburn to change to a conventional, revenue-driven process because it would be more practical and effective in many ways. It will also help the town to remedy some issues that we feel are associated with the current practice. The formula that has underpinned Auburn’s overall annual budget planning is too complicated and unclear, and its complexity likely explains why it was never formalized as a written policy. Examples of how the policy was stated in local discussions or presentations over the years include “utilizing only 1 to 1.5% of Prop 2½,” “increasing the levy by 1.5% or less,” “using only 2% of the allowed 2.5%,” and similar phrasings, but these expressions are really misnomers and do not align with the proper use of related terminology. They are also very liable to give an inadvertently muddled impression of the rate at which the levy increases in any given year.

Beyond issues of communication clarity, the town’s levy stricture has created an arbitrary budget process that is not grounded in an annual, realistic analysis of trends in revenues and expenditures. Over time, this situation has given rise to alternative budgeting mechanisms being employed to make up for funding gaps while still adhering to the letter of the levy policy. Some that have not aligned well with budgeting best practices, include an augmentation of the size and uses of the finance committee reserve (see Recommendation 4), inappropriate treatment of certain types of general fund revenues (Recommendation 5), and a proliferation of revolving funds (Recommendation 6).

Best Practice Budgeting Framework

A strong budget process begins with sound policy guidelines and objectives to provide direction for the town's short- and long-term strategic plans (see Recommendation 2). Those plans should be informed by a multiyear forecast that includes prudently conservative revenue projections, realistic expenditure estimates, integration with the capital plan, and quantification of taxpayer impacts (Recommendation 3). Incorporating these practices will help the budget to be revenue driven without being confined by a preset barrier, year after year. Limits on spending can still be controlled while the process becomes pursuant to relevant questions and considerations, such as those related to long-range plans, service affordability, and prioritizing resource allocations.

The forecast begins with an analysis of prior years' trends in revenue and expenditures. The forward years of the forecast are then created by applying well-reasoned assumptions to the revenue sources and spending categories. For the upcoming year, the initial working budget should be based on comparing the slate of expenditures that represents a "level service," or "maintenance" budget (i.e., one that provides for the same level of services in the next fiscal year as the current one) to the anticipated revenues. Prioritized items in the capital plan must then be considered, along with any one-time costs related to the town's strategic goals. As the process continues to move forward, updates to the next-year projections are made as more information is revealed, including state budget proposals.



As much as possible, the town should be working toward a goal to present annual town meeting with a balanced, sustainable budget that fully covers the cost of services for all departments and leaves minimal, if any, need for financial articles at special town meeting in the fall. Shifting toward this type of model may be initially fairly challenging for Auburn, which has for many years had a practice of presenting a large list of essentially line-item revotes to adjust appropriations in the fall that had been adopted just a few months earlier. We refer here to the content in Article 2 that the town includes in each fall special town meeting warrant, whose routine presence and budgetary scope are very nonstandard and seem to be compelled by a lack of realistic full-year projections from year to year.

2. Revise and Expand Financial Policies

We recommend the town completely refresh its fiscal planning policies and also adopt policies for key areas that are not currently addressed. The select board and finance committee adopted a small set of financial policies many years ago, and it appears that there have been no revisions to them since

2017. Policies are guiding documents that can effectively steer officials and employees toward sound financial objectives, while also remaining more flexible and easier to modify than bylaws. In general, DLS recommends that communities reexamine their financial policies at least once every three to five years to consider any updates or additions that may be warranted.

There is a minimum collection of fiscal planning policies that FMRB believes every community should have, namely: Capital Planning, Debt Management, Financial Reserves, Investments, Forecasting, Indirect Cost Allocation, and Other Postemployment Benefits Liability. There are also other policy topics that speak to daily financial operations, which FMRB also considers to be just as core to managing risks and promoting the town's long-term financial health. These include Antifraud, Reconciliations, Revenue Turnover, and Tax Enforcement. Under separate cover, we are providing the town with a policy template in Word that includes samples of these policy topics, which may assist local officials in updating existing policies and developing new ones.

3. Implement Multiyear Forecasting

We recommend Auburn incorporate multiyear forecasting into its annual budget process. The success the town has achieved over the years in building up reserves and excess levy capacity notwithstanding, Auburn's budget decisions have otherwise historically been made with only a next-year perspective. This is because multiyear forecasts have not been used to provide longer-range context for budget decisions. The absence of this best practice compromises the town's capacity to avert potential deficits, sustain long-term fiscal health, and strategize for capital investment and community development. Apart from their value in analyzing the future impacts of policies and initiatives, forecasts can help to educate officials and residents on the town's trending financial conditions and the challenges it faces.

DLS has created forecast workbooks in Excel, which are available for download from our website here [Municipal Finance Tools, Templates & Calculators | Mass.gov](#), along with an instruction guide and variety of related best practice guidance as well.

4. Align the Use of the Finance Committee Reserve with Statutory Provisions

We advise the town to stop funding two finance committee reserves in the annual budget. In addition, we recommend the committee adopt a policy for the reserve that spells out for town departments its allowable use and that bars any transfers from it, however small, without the committee's advanced, written authorization. We have separately transmitted a draft Finance Committee Reserve policy for the town's consideration.

To provide a funding source for "extraordinary or unforeseen expenditures," [M.G.L. c. 40, § 6](#) allows towns to appropriate a sum to a reserve account under the finance committee. Although there is no

statutory authority for a second such account, for decades, Auburn's annual budgets have included two reserve line items under the finance committee, referred to locally as the reserve and the salary reserve. Our review further revealed that, in typical years, there are numerous transfers from these reserves that strain to fit with criteria that could reasonably be considered as unforeseen or extraordinary. For example, the two percent pay increases that employees receive as standard cost-of-living adjustments are typically factored into, and drawn from, the salary reserve, along with one percent increases that employees can receive for satisfactory job performance. Additionally, some departments request and receive repetitive annual transfers for operational costs that are hard to distinguish from ongoing maintenance needs. We also learned that, under longstanding practices, the CFO does not obtain the committee's permission for a transfer if the expenditure is less than \$250. Instead, these are done administratively, in conjunction with the town manager's approval, and only reported to the committee after the fact.

Expenditures are not unforeseen if the town's budget makers could anticipate them through a diligent budget process. The high annual amounts the town has been appropriating to the finance committee's reserve seem to indicate an intention to use it as a planned supplementary budgeting source. In the budgets for FY2025 to FY2027, the average amount adopted for the reserve was \$595,000 (ranging from \$355,000 to \$880,000 each year). This contrasts starkly with Auburn's peers' annual average reserve amount of \$100,000 during those same years. Furthermore, the setting up of the salary reserve, and the way that it has been used historically, also seems to invite some overstepping of the finance committee's role into the area of town management oversight.

Every local finance committee has the unique authority to determine what qualifies as an extraordinary cost, but common criteria include emergencies, such as natural disasters, or other urgent conditions, like the failure of crucial equipment. Circumstances where a delayed action could escalate remedial costs might qualify, as well as a requested transfer amount being too small to justify the expense of calling a special town meeting. Sound judgment should guide these decisions, and an adopted policy could help provide consistency in its application. What's important, ultimately, is that reserve transfers not be used to bypass town meeting or to invalidate its decisions.

5. Ensure the Proper Treatment of General Fund Revenues

Based on our review of town meeting warrants from the last several years, it appears that the town has had a longstanding practice of annually earmarking or otherwise isolating certain general fund revenues in contradiction of [M.G.L. c. 44, § 53](#). This statute dictates that all revenue received by a municipality from any source belongs to the general fund unless another statute or a special act authorizes an alternative treatment. We recommend the town discontinue the budgetary and accounting practices that have been used for the revenues cited below and, in future, direct them to the general fund.

- Medicaid receipts — It is not permissible to carve out a particular type of receipt from the overall pool of general fund revenues to direct or “earmark” the monies to support a specific program or department. For that reason, the town should cease earmarking Medicaid receipts to the school department’s budget, as it did most recently in Article 12 of the May 5, 2026 annual town meeting warrant.
- Dog license receipts reserved account — Within Article 3 of each year’s annual town meeting warrant, Auburn has been listing a dog license receipts reserved account as a funding source for the town’s overall budget. In 2012, the legislature repealed M.G.L. c. 140, § 147A, which had allowed municipalities to direct revenues from dog licenses to a receipts reserved fund to be appropriated for school or library purposes. Since 2012, these receipts must be directed to the general fund, apart from \$0.75, which may be retained by the town clerk for the use of that department ([M.G.L. c. 140, § 147](#)).

6. Reexamine Revolving Fund Authorizations

We recommend that the town manager and CFO review all departmental revolving funds for compliance with statutory provisions. The information in this recommendation is based on reviews of the town’s bylaws, the combined balance sheet (CBS) for FY2025 and some other fiscal years, and the minutes of all annual and special town meetings since FY2017.

[M.G.L. c. 44, § 53E½](#) provides an alternative to the principle under c. 44, § 53 that all revenue belongs to the general fund. Under 53E½, a municipality may establish a departmental revolving fund to accumulate payments received in exchange for providing a particular service. The authorized department may then make expenditures from the fund to support that service without appropriation. Each such revolving fund must have a bylaw that sets forth, at minimum, the (1) fees or other revenues generated by the program or activity; (2) program or activity for which the revolving fund monies may be expended; and (3) department authorized to spend from the fund. Bylaw Chapter IV Section 13 (last updated May 3, 2022) contains a table that lists information for 18 revolving funds.

The 53E½ statute further requires that town meeting vote before the start of each new fiscal year on an expenditure limit for every revolving fund the town intends to sustain. The annual town meeting warrants for the fiscal years between 2018 and 2026, inclusive, each only contained an Article 9 to “establish or renew” revolving funds for the school or town under M.G.L. c. 44, § 53D or c. 71.⁶ The annual Article 9s did not refer to 53E½, and no revolving funds or expenditure limits were listed there

⁶ M.G.L. c. 44, § 53D pertains to a revolving fund dedicated to recreation programs, which requires no annual expenditure authorization. There are several education-related revolving funds that may be authorized under separate sections of M.G.L. c. 71. Some require local acceptance by town meeting vote, but most do not. None require annual authorization votes by town meeting. For more information, refer to this DLS chart: [Revolving Funds for School Department Programs](#).

or in any other articles in those warrants. The CBS reports for those years indicate that the funds listed in the bylaws remained active over that time.

On a positive note, at the May 5, 2026 annual town meeting, Auburn restored the practice of presenting town meeting with an Article 9 to authorize spending limits for the town's 53E½ revolving funds. However, five of the 21 revolving funds listed in Article 9 for FY2027 do not have a corresponding bylaw, while two revolving funds listed in the bylaw are not listed in Article 9.

Listed in Article 9 but not in the bylaws:

- EV Charging Stations — This fund was first created and approved at special town meeting on October 24, 2023 in Article 12.
- Lost/Damaged Textbooks, and Parks Dept. Field Use – Both of these funds have existed for many years, but no establishing town meeting warrant articles were found for them dating back to 2017.
- Conservation Revolving — The bylaw lists only one revolving fund under the conservation commission, but Article 9 lists two of them. No establishing warrant article for a second conservation fund was found since 2017. The fund in the bylaw describes the revenue as “fees charged for conservation related services” and the program supported as “contract services authorized by the conservation commission.” We were told that the second conservation fund listed in Article 9 is for advertising fees.
- Wiring Fund versus Gas and Plumbing Fund — The bylaw lists a single revolving fund for wiring, gas and plumbing with an expenditure limit of \$100,000. Article 9 lists separate revolving funds, for wiring and for gas and plumbing, each with an FY2027 expenditure limit of \$100,000. No establishing town meeting warrant article for separate revolving funds was found.

Listed in the bylaws but not in Article 9:

- Kennel Maintenance — In the FY2025 CBS, this account has a balance of \$7,987. We were told it remains active, but there was no explanation for it not being included in Article 9 for FY2027.
- Building Demolition — The FY2025 CBS has no account for this. All indications are that it is no longer active, and the bylaw should be revised to delete it.

We also identified three funds that appear to have revenue sources that are not compliant with the statute. The revenue for an 53E½ revolving fund must derive from payments made by the users of a discretionary program or service, which take the form of fees, charges, or in limited cases, reimbursements.⁷ A revolving fund is not appropriate to support nondiscretionary activities that are part of ongoing operations to provide regular governmental or regulatory functions. The questionable revolving funds are:

⁷ An example would be reimbursements from health insurance companies for the flu shots the town provides to individuals with insurance coverage.

- Firearms and False Alarms - The bylaw identifies the revenue as being “fees generated from false alarms and firearms.” The charge for a false alarm is properly called a fine, not a fee. That is because a fee must be a voluntary, optional payment ([Emerson College v. City of Boston, 391 Mass. 415 \(1984\)](#)). When the police department issues a firearms identification card, the town retains \$25 of the \$100 fee ([M.G.L. c. 140, § 129B](#)). As explained in this Bulletin [BUL-2004-03B](#), the town’s portion must be treated as general fund revenue.
- Health Nuisance Abatement - The bylaw identifies the revenue as “fees and costs generated from liens placed on real estate.” Similar to the false alarm fine, a lien does not constitute a fee paid by an unobligated user for a discretionary program. These lien actions are part of the board of health’s basic regulatory function and therefore general fund revenue.
- Council on Aging Building Rental - The bylaw for this fund states that its revenues include donations along with rental fees. A donation does not provide the payer with a particular service. Furthermore, [M.G.L. c. 44, § 53A](#) is the statute that governs all monies that a municipality receives as donations, and it requires they be deposited to a gift fund.

Finally, listed in both Article 9 and the bylaws are two revolving funds, Recreation/Culture and Pappas Center, that each have an expenditure limit expressed as being “1% of the prior year's tax levy.” Town meeting voters should be presented with a calculated dollar figure not a conceptual phrase. In addition, the CFO needs to input a sum certain in the Munis general ledger each fiscal year in order to know when the account is at risk of being overexpended. In some past years, the town meeting warrant article presented the percentage as a calculated dollar figure for each of these funds.

With one percent of the FY2026 tax levy equating to over half a million dollars, all told, going into FY2027, the town has 22 active 53E½ revolving funds with a total combined expenditure limit of approximately \$1.5M. Auburn’s total number of revolving funds is unusually high for a community of its size; the average for its peer communities is 13.

In light of the above, we advise the town manager and CFO to reexamine all of Auburn’s departmental revolving funds. For any found to be inappropriate under § 53E½, the CFO must treat the program receipts as general fund revenue unless a different treatment applies under another statute. Together with the town clerk, they also need to do a reconciliation of the revolving fund bylaws, ensure that every establishing town meeting article is submitted to the attorney general’s office, and update the bylaws as appropriate. In future annual town meeting warrants, Article 9 should list all the 53E½ revolving funds with their annual expenditure limits.

More information about departmental revolving funds can be found in [Bulletin 2017-01B](#) and [Informational Guideline Release 2021-23](#).

7. Conduct a Government Study to Review the Charter and Bylaws

We recommend the town conduct a government study to review its town charter and general bylaws. There are numerous contradictions and ambiguities within and between these documents, along with some outdated references to roles and structures. For example, the charter mentions an executive secretary for a town that has not had one since 2001. It also provides for a three-member board of assessors, though a one-member board has existed since 2012 when the town manager reduced the board's size. As mentioned previously, the division of responsibilities associated with capital planning is a bit murky, but the bylaws imply the finance committee has ultimate oversight of them in contradiction with longtime practices.

Aside from the documents' gaps and discrepancies, we make this recommendation because, as a best practice, DLS consistently promotes the concept that communities should reassess their government structure at roughly 10-year intervals. Maintaining this cycle helps ensure that as a town changes and contends with new challenges, it will not default to a rigid status quo when there may be potential to enhance the effectiveness and efficiency of municipal governance through some thoughtfully considered modifications. There has been no review of the charter since it was last revised in 2009, and the last bylaw review was completed in 2015.

We recommend the select board initiate this study by appointing a committee of seven to eleven residents with varying backgrounds. Its membership could include some individuals who have served in town government, though the selectmen themselves should be excluded so that they can retain a responsive, policy-analytical position toward the committee's progress reports and any end-products. With a mandate to conduct a comprehensive review of Auburn's governing framework, roles, and procedures, the committee should examine how these are laid out in the charter and bylaws; compare them with current and alternative practices; and consider and evaluate potential changes.

Effective government study committees have certain features in common, none more important than appointees who can approach their work without preconceived agendas and welcome the possibilities that can arise from open-minded discussions. In conducting their work, we recommend that they:

- Seek assistance from town counsel and potentially other consultants familiar with municipal government structure and processes, including the drafting of charter and bylaw provisions.
- Invite town officials, department heads, and other employees to relevant meetings to gain pertinent information from them.
- Research, discuss, and evaluate the structures, charters, and bylaws of other, similar communities.

- Foster a transparent approach and solicit input from the Auburn community through surveys and promoted public forums to learn about residents' desires and concerns and to gain feedback on evolving proposals.
- Contact counterparts in other towns that have conducted similar studies for their insights.

Among the many topics the committee might consider in its research and discussion are the following:

- Should the town manager's role be strengthened? — As mentioned earlier, the framers of the 2009 special act chose to define a town manager role that we would consider to be moderately strong. Strong town manager duties or powers that have not been codified in Auburn include personnel administrator, leader of collective bargaining negotiations, authority to sign warrants payable, appointing authority for all department heads without exclusion, and clearly defined ownership of the operating and capital budget proposals placed before town meeting, formulated under the select board's policy direction and alongside finance committee recommendations. The study committee should also reconsider the charter's residency requirement, which imposes limits on the town's ability to recruit the strongest candidates for this office.
- Should the town clerk be made an appointed position? — The role has no policy function to justify election, and from an administrative equity perspective, this change would put this last remaining department head on the same footing as all others in the town. It would also open up this critical office to the most qualified job candidates regardless of their residence or willingness to run for office.
- Should the finance committee appointment process be revised? — Would greater independence be achieved if the members were appointed by the moderator, or by an appointing committee that is a combination of officials, such as the moderator and the chairs of the select board and finance committee?
- Does the town want to make a change in the nature or structure of its legislature? — Is 120 the right number of representatives? Should the membership include some ex officio town officers? Is an open town meeting preferred? Or, is Auburn at the right point in time to consider changing to a city/town council form of government?
- Shall the name of the board of selectmen be changed to the gender neutral select board?

After thoroughly examining these kinds of questions, the committee should present a report to the board of selectmen detailing its process, findings, and recommendations. After discussions on the report, if the board votes to pursue any charter updates, it could then charge the committee to draft

the content for a new special act to be sent to the legislature after town meeting's approval. Only after decisions are made regarding the charter do we recommend that the town follow up with bylaw revisions or updates. All new and revised bylaws must be approved by town meeting and then submitted to the Attorney General's office for validation.

8. Enhance Employee Training and Professional Development

We recommend that Auburn pursue a proactive and systematic approach to develop the knowledge and skills of its finance department employees. By investing time, energy, and funds, the department can improve customer service, ensure proper internal controls are consistently applied, create efficiencies through appropriate delegation, and plan for staffing transitions.

We suggest the CFO begin by compiling a top-to-bottom inventory of tasks that must be completed to achieve the department's objectives, along with the skills and knowledge needed to perform them. She should then map out a hierarchical, interdivisional structure for carrying out these tasks. The CFO should meet with employees individually to discuss their present skills and knowledge gaps to get a clearer picture of training needs. In addition to using this skills inventory to schedule formal training sessions for staff, the CFO should actively schedule periods of time for employees within divisions to rotate tasks. Ultimately, the accounting and treasurer-collector offices should also seek to compile procedures manuals similar to the one created by the assessing division.

The town should also promote active participation in the professional organizations related to each of the finance divisions all of which run annual conferences, or "schools," to provide ongoing education. There are courses geared toward attaining certification in statutory positions, as well as lectures on changes in the regulatory or economic landscapes and emerging best practices.

Looking beyond the finance department, the town could also seek out such trainings as those offered to finance committee members by the Massachusetts Municipal Association or to new supervisors by the Massachusetts Interlocal Insurance Association. As Auburn continues to move forward with the project to decentralize Munis data entry tasks, the town should also be sure to take full advantage of all the trainings offered by Tyler Tech under the town's contract.

9. Review and Update all Job Descriptions Town-wide

We recommend the town manager and HR coordinator conduct a town-wide review of employee job descriptions. All employees should have current, accurate job descriptions, but for many positions in Auburn they are quite incomplete or outdated. A comprehensive set of up-to-date job descriptions has inherent value in assuring that all necessary duties are being covered appropriately. It also helps to

identify training needs and promote smooth transitions at times of turnover. Individual job descriptions are also necessary tools for effectively conducting performance evaluations.

10. Digitize the Personnel Action Form

We recommend the town convert the personnel action form (PAF) to a digital format, such as a fillable PDF form. The current PAF is a three-part, carbonless-copy form that gets filled out and transported between the necessary approval offices. A new system would be more efficient, save on paper, and avoid the chore of trying to read faint copies. The town manager, HR, and finance departments could collaborate on the form's design and consult with the information technology (IT) department on the technical aspects. Once created, the form could be routed by email to each required party to approve with a digital signature. For some examples of forms used in other communities, access the links below.

[Forms | Northampton, MA - Official Website](#)

[Human Resources Forms and Documents | Natick, MA - Official Website](#)

[Forms | Wellesley, MA](#)

FINANCE DEPARTMENT OPERATIONS

Auburn's finance department consists of three divisions or offices, all of which are supervised by the CFO. Apart from the assessing department's computer-assisted mass appraisal (CAMA) database, all other finance transactions are recorded using Munis, except for the treasurer/collector's cashbook, which is in Excel. The department also uses Excel for various routine and ad hoc reports. Below is a summary of the personnel in each division.

Accounting: This office has three full-time equivalent employees (FTEs): CFO/town accountant, assistant accountant, and two half-time clerks. At the time of this report, the assistant accountant position had recently become vacant, and the town has posted for a replacement.

Treasury/Collections: This office consists of a treasurer/collector, two assistant treasurer/collectors, and three clerks for a total of six FTEs. When the most recent treasurer/collector resigned in June 2026, Auburn's HR coordinator filled in as interim and then was appointed to the role permanently at the beginning of August. The town plans to contract with an HR consultant until that now-vacated role can be backfilled. The office contracts with a lockbox company to process the full range of its mailed-in receivables (property taxes, motor vehicle excises, and water/sewer charges) and with a deputy collector to pursue enforcement of delinquent motor vehicle excise accounts.

Assessing: A chief assessor manages an assistant assessor and clerk, making three FTEs. The chief has also been appointed as the one-member board of assessors to fulfill the various policy and approval duties assigned to that board by statute. The office contracts with Vision Government Solutions, Inc. for its CAMA database of real and personal property valuations and to assist with interim-year adjustments and revaluations.

Based on our records, since at least FY2012, Auburn has had its independent annual audits performed by Scanlon & Associates, LLC. To open the town to fresh perspectives, it is prudent to periodically conduct new audit procurements. Aware of this best practice, the CFO did just that earlier this year. After weighing up the alternatives, the town has entered into a new three-year contract with Scanlon and requested the firm assign a different in-charge auditor to conduct the audits.

The crucial task of payroll processing has moved around among different town offices in recent times. For many years, it had been done in the accounting office, primarily by the assistant accountant. When that assistant was appointed to be the HR coordinator in December 2024, she brought the responsibility with her to her new office because it would take time for a new assistant accountant to be hired and trained to do it. However, the plan was to eventually bring it back to the accounting office. Although a minority of cities and towns in the state place this function in either the accounting or HR departments, numerous statutes assign to municipal treasurers the sole responsibility for accurately

deducting a range of payroll withholdings (M.G.L. [c. 44, §§ 67 and 67A](#); [c. 180, §§ 17A, 17B, 17D, 17H, 17I and 17J](#)). Furthermore, from an internal controls standpoint, the best configuration of tasks for segregating duties would assign the creation of new employees in the system to the HR department (which is currently the case in Auburn), the processing of payroll data to the treasurer/collector, and the approval of payroll disbursements to the accountant.

In the course of this review, we imparted the above payroll advice to town officers, and we credit them with being responsive to it. The town's revised plan is to move payroll processing into the treasurer/collector's office. Conveniently for this transition, the newly appointed treasurer/collector has the relevant experience to provide payroll training to her new staff. The ongoing Munis decentralization project provides another facilitating factor because it will ultimately reduce or eliminate many data entry tasks that are currently being done by treasurer/collector employees, thereby creating more capacity to take on the payroll activities.

There are many good practices to cite in the finance department. The CFO holds financial team meetings on a regular basis, which can help the finance officers to coordinate objectives, analyze budget trends during the year, and problem-solve in general. Both the treasurer/collector and assessing divisions have created voluminous procedure manuals, which are rare to find in municipalities and would have great utility when bringing on new staff. The managers are also very timely and consistent in submitting their required annual reports to DLS. Nonetheless, we determined that there is significant room for improving some processes, reducing inefficiencies, and enhancing the effectiveness of everyday financial management. The recommendations on the following pages are intended to present a path forward toward a stronger and more effective finance department.

RECOMMENDATIONS

11. Produce Quarterly Budget Reports

We recommend the CFO produce quarterly financial reports and present them to the select board and finance committee in budget review meetings. Implementing this practice will enhance communications regarding any emergent trends and thus provide decisionmakers with opportunities to consider adjustments if revenues are coming up short or departments are spending more than expected. When presenting the data, the CFO should provide explanations of the fiscal picture, including any issues that could cause budget deviations. Recommended features of the quarterly report include:

- Tables with side-by-side comparisons of:
 - Estimated receipts by revenue category, year-to-date (YTD) actuals, prior year's actuals through that quarter, and refreshed projections through year-end.
 - Budgeted line-item amounts, YTD expenditures, the prior-year's expenditure data at the same quarter-end, and projections of positive or negative year-end balances.
- Simple graphics, such as bar charts with paired columns of YTD estimated and actual amounts to show progress through the year and highlight any potential impending issues.

12. Revise Procedures for Approving Payroll and Vendor Warrants

Our review revealed numerous opportunities for Auburn to improve its procedures related to the approval of warrants payable that would either ensure better compliance with statutes, increase efficiency, or strengthen internal controls.

Process Warrants Biweekly

Presently, the school department's payroll and vendor warrants are processed biweekly, but all town-side warrants are done weekly. It is our understanding that the town's unions have agreed to transition to a biweekly payroll schedule by 2030, and we encourage the town to revert to its former biweekly schedule for vendor warrants. By putting all warrants on a biweekly schedule, Auburn can reduce paperwork, simplify reporting and reconciliations, and reduce pressures in the treasurer/collector's and accountant's offices. With this change, the accounting office can consolidate multiple invoices received and posted for the same vendors over the two-week span to thereby generate fewer checks. Reducing the annual accounts payable processing cycles by half will also minimize related paperwork, such as invoice coversheets and the printed warrants themselves.

Print Checks after the Select Board's Approval

It was explained to us in interviews, that under the town's usual routines, payroll and vendor checks are printed as soon as the CFO has approved the warrants. No checks should be printed until after the select board has approved the warrant.

Options for the Select Board's Approval Function

Before the treasurer/collector may disburse funds to the payees listed in vendor and payroll warrants, the warrants must be approved by the town accountant ([M.G.L. c. 41, § 56](#)) and select board ([c. 41, § 52](#)). Either authority may only refuse to approve an item because it is unlawful (i.e., it disagrees with the purpose of the appropriation or contravenes one or more statutory provisions, such as those in the Uniform Procurement Act, for example), it is excessive (i.e., the item exceeds the amount appropriated or terms of a contract), or because there is an indication of fraud.

For the select board's part, warrant approval is effected by a majority affirmative vote of a quorum of board members at a duly posted open meeting. As a matter of course, towns typically include the warrant approvals as listed item in a consent agenda because the limited scope of the disapproval circumstances makes it rare to have discussions on them. The select board members should sign each warrant to document the approval vote.

The town's payroll and vendor warrants are currently done on a weekly schedule while the select board meetings occur semimonthly. On weeks where these schedules do not match up, the town needs to schedule a select board meeting just for the purpose of approving the warrants. There is an alternative available under c. 41, § 52, however. The board may vote to assign the duty to one of its members, and the member so designated subsequently reports on the warrant actions to the full board at the next meeting.

Consider Empowering the Town Manager to Approve Warrants in Place of the Select Board

In 77% of towns with a town manager, that officer is authorized to sign warrants payable. This authority is becoming increasingly prevalent among town administrators as well. The desire to dispense with having to coordinate the availability of select board members for meetings to approve warrants has been one factor motivating this trend. But we suspect a more compelling impetus has been the common recognition that a town's full-time, chief administrative officer would have a better understanding of the items in the warrant to enable a more effective inspection of them. The selectmen may not delegate this authority to the town manager, however, and it may not be achieved through a bylaw either. It requires a special act or revision of the town charter.

13. Continue the Expansion of Munis Functionality

To further maximize the cost-effectiveness of Munis, we recommend the town consider implementing two more of its modules, which are already included in the town's contract but not being used, and also leverage its digitization functions. As detailed below, these suggestions could help to further streamline procedures, reduce the risks of errors, and cut down on paperwork.

Budget Module

To develop the annual operating and capital budgets each year, the town has relied heavily on time-consuming, Excel-based tools. Using the Munis budget module would enable department heads to enter budget requests directly into the system, where the module will display their current and prior year budget data, along with revenue projections that set limitations for their requests. This change would eliminate these steps: the CFO creating department-based budget request packages in Excel, department heads emailing completed packages to the director, and the CFO repetitively copying the received data into a consolidated workbook for further development.

After the departments have submitted their requests, over the course of the annual budget process, the town manager and CFO can use Munis tools to make forecast adjustments and run what-if scenarios on the working budget. Switching to the module would also cut down the risk of inefficiencies caused by broken Excel formulas or data loss from accidental deletions, since Munis creates an effective audit trail. As another key benefit, once town meeting has approved the budget, the CFO would be relieved of having to key in budget data for all accounts in the new fiscal year's chart of accounts but, instead, only need to make any warranted adjustments within Munis. It is fortunate for this conversion that the CFO already has experience with this module from having used it in her prior community.

Cashbook Module

As a future plan after the new treasurer/collector is well familiarized with the office's usual routines, we suggest that she experiment with the Munis cashbook to see the degree to which it might provide an advantage over the current Excel cashbook. Although some communities have found Munis's cashbook to be overly complex for their needs, for others, switching over from Excel has resulted in improvements to efficiency and data integrity controls. The revenue data entered into the Munis Payment Entry module, once accepted by treasurer/collector's staff, automatically carries over to the system's cashbook. This change would therefore in theory streamline recordkeeping by eliminating a dual data entry task while also preventing an additional opportunity for human error. Furthermore, the town accountant could be given view-only access to the Munis cashbook to facilitate general ledger reconciliations.

Invoice Digitalization

As long as the IT department ensures that Munis data is securely backed up daily, the town could explore the possibility of having departments attach scanned invoices to their vendor warrant submissions in place of the current practice of making and retaining photocopies within the departments. The departments would still forward packages to the accounting office that include the original invoices, attached to a printed Munis batch report signed by the department head, so that the CFO can review them and also keep them on file for the potential review of the independent auditor.

The accounting office currently files invoices by their warrant dates, which can be inconvenient when someone wants to track down transactions from a particular vendor. But disassembling warrants to be able to file their invoices alphabetically by vendor is also time-consuming. With digitized invoices, users will be able to query Munis by vendor, date, department, or even amount and view the invoice online. When querying by vendor, the system can reveal all the invoices processed for that vendor within a range of dates too.

14. Respond to Management Letters with Corrective Action Plans

We recommend the town manager hold the CFO accountable for drafting formal corrective action plans for management letters issued by the town's independent auditor. Through management letters, an auditor communicates identified weaknesses that could pose risks to the integrity of financial reports if left unaddressed. By prompting improvements to internal controls, these letters can therefore be a powerful aid to better risk management. A review of Scanlon's management letters for the last three completed audit years, FY2023 to FY2025, revealed that the number of comments in them ranged from two to seven, as shown below.

FY	Topic of Management Letter Comment
2023	1. Aged ambulance receivables 2. Aged police detail balance 3. Static balances in special revenue accounts 4. Town-wide management of receipts – weak controls and lack of formal policy 5. Inadequate reconciliations of employee withholding accounts 6. Need to improve year-end procedures 7. Review veteran, blind and surviving spouse exemption reimbursements
2024	1. Aged ambulance receivables 2. Review police detail agency balance and procedures for administrative fees

2025	1. Aged ambulance receivables 2. Review police detail agency balance and procedures for administrative fees 3. Need policies and procedures, re: the self-insured health insurance fund 4. Delayed recognition of enterprise fund bank interest caused variances with the general ledger 5. Aged motor vehicle excise and personal property tax receivables back to 1990
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It is common for audit firms to include in each management letter a list of the unaddressed or unresolved comments from prior year letters; however, Scanlon apparently does not do this in Auburn. When we inquired about how the town had rectified the seven comments from FY2023, we were told that no formal corrective action plans had been created for that letter or the subsequent ones, only that the CFO has done work to resolve the static balances in the special revenue funds. Thus, there remain roughly 10 separate areas of concern over the three years. We also note that a cursory review of Scanlon's management letters from FY2011 to FY2025 shows that the firm has pointed out issues with the town's ambulance receivables in nearly every year over that span.

We advise the town manager to institute an annual program to address management letter citations that includes the following components:

Discuss pending comments with the auditor – The CFO should request the auditor meet with her to discuss all comments in the management letter draft before it is finalized. By doing so, the CFO and any other relevant managers, might be able to provide additional information to explain, or potentially clear up, an area with a pending comment. This could change the final details of the comments or even satisfy the auditor that a particular comment is not warranted.

Provide a written response – The town manager and CFO should collaborate on a written response to be included under each comment in the finalized letter. An auditee's response would typically state the degree to which the town agrees with the comments, it might explain why the cited condition exists, and it might state a risk management decision by the town, including potentially the decision to accept a risk and take no further action. In any case when the risk is not accepted, the town's response should provide a high-level statement on its plan of action.

Closing conference – The audit firm should present its finalized audit report and management letter, including the town's formal response, to the select board and answer any questions about its work and deliverables.

Corrective action plan (CAP) - The CFO should be assigned responsibility for creating a CAP for each comment, working with any associated department heads as needed. The plan should state the steps to be taken, person(s) responsible, and time frame for completion.

Reporting and monitoring - The CFO should regularly check on the progress of the CAPs and report on them to the town manager at least quarterly and before start of the following year's audit. The CFO should also conduct periodic audits to assess the effectiveness of the implemented controls.

15. Improve Controls over Receipt Management and Adopt a Revenue Turnover Policy

We recommend the town adopt a strong revenue turnover policy and disseminate it to all departments that receive payments. Scanlon's FY2023 management letter cited a lack of formalized, town-wide policies and procedures for handling receipts, along with inadequate internal controls such as receipt logs, prenumbered receipt books, and tools for securing payments overnight. Our conversations revealed other related concerns as well. We were told that turnovers from some departments are delayed by weeks at a time, including those with cash receipts; others have provided inadequate information to identify the receipts; and some turnover packages are routinely left in a basket at the treasurer/collector's office instead of being accepted and verified by treasurer/collector staff.

The town bylaw provides that all department heads shall turn over their receipts daily unless another time frame is agreed to by the CFO and department head. This has not been adhered to, although, generally speaking, most towns impose a weekly turnover schedule unless a department's daily receipts reach a high threshold amount, such as \$300. At minimum, we recommend that one line of the bylaw be updated to say that when department staff turn over payment batches accepted by the treasurer/collector that they should provide duplicate reports of the same to the accounting office — not have the treasurer/collector do this, as the bylaw says now.

A formally adopted policy can provide the first layer of a program to implement or strengthen appropriate internal controls for cash handling procedures. There must then be follow-up training on those controls, as well as the procedures and forms related to them. Once these controls are established, the CFO and treasurer/collector must oversee their ongoing execution. In our separate policy manual template, there is a sample Revenue Turnover policy for the town to consider adopting.

16. Implement an Efficient Annual Schedule for Completing Tax Takings

To efficiently address Auburn's tax receivables, we recommend the treasurer/collector initiate enforcement procedures according to the earliest time frames permissible by statute. We were told that a year would typically lapse before the treasurer/collector's office would attempt to secure liens on delinquent properties. Although the office has had a consistently high collection rate, with the annual outstanding balance being less than two percent of the annual levy for at least the last five years, it is still very important to be swift in enforcing compliance on delinquent accounts.

When the tax taking process is delayed, the town risks losing its liens, which can potentially happen when properties are not placed in tax title within three-and-a-half years after the fiscal year in which the taxes were assessed. Early enforcement action produces better results and serves notice that the town is serious about equitably holding property owners accountable for their obligations. We therefore encourage the treasurer/collector to complete the tax title process within 12 months.

DLS has published detailed guidance about the steps involved in enforcing property tax receivables, which can be found here: [Local Taxation FAQs](#). It includes a table that displays the earliest dates upon which enforcement actions may be taken, inserted below.

Tax Taking Timetable

Last tax installment due	May 1	Earliest May 1
Demand Mailed	May 10	Earliest May 2 (at least 1 day after May 1 due date)
Notice of Intent to Take Posted	May 28	Earliest May 25 (at least 14 days after May 10 demand)
Notice of Intent to Take Published	May 30	Earliest May 25 (at least 14 days after May 10 demand)
Taking Made	June 20	Earliest June 14 (at least 14 days after May 30, later of publication and posting)
Instrument of Taking Recorded	June 20	Latest August 19 (within 60 days after June 20 taking)

In addition to pursuing timely tax takings every year, the treasurer/collector must annually add on to tax title properties the unpaid taxes assessed in subsequent years. Enforcement does not end with tax title though. To pursue money that is due the town, an annual program of reducing the tax title accounts should also be implemented, which we address in the next recommendation.

17. Address the Tax Title Backlog

We recommend the treasurer/collector design and commit to a program to reduce tax titles. As of February 2026, Auburn had 2,000 tax title properties dating back 37 years to 1989, which collectively owe an outstanding principal balance of \$1.36 million. This represents significant unrealized revenue, and addressing this backlog will require additional commitments from the select board and town meeting. Local leaders should review Auburn’s history of appropriations for enforcing property tax receivables and support an infusion of resources commensurate with the importance of this goal.

To make decisions on the best course of action, we suggest convening meetings of the town manager, CFO, treasurer/collector, chief assessor, tax title attorney, and possibly the town counsel as well. In preparation for them, the treasurer/collector should organize the accounts into groups in a spreadsheet. Properties with the largest balances should be prioritized to initiate the foreclosure process in Land Court. The remaining accounts should be organized into processing groups based on multiple parcels under single ownership, land of low value, accounts with bad addresses or deceased

property owners, existing payment agreements (if allowed by town bylaw), and all other accounts. These groups should then receive tailored enforcement attention to pursue each account by the most effective available means.

After the U.S Supreme Court's May 2023 ruling, *Tyler v. Hennepin County*, 591 U.S. 31, which found it unconstitutional for a government to take all of a foreclosed property's equity over and above the debt owed from outstanding taxes, cities and towns had to hold off on pursuing Land Court foreclosure actions until the MA legislature revised related state laws. Effective in November 2024, the provisions of Chapter 140 of the Acts of 2024 comprehensively reformed the General Laws related to property tax enforcement. DLS has published numerous types of issuances to advise municipalities on how to proceed in resuming their efforts to collect outstanding receivables from delinquent property owners, and we have provided a summary list of these in the Appendix, with links.

18. Take Action to Expedite the Resolution of Tailings

We recommend the treasurer/collector take action to address unclaimed property liabilities known as tailings. Based on our conversations, the treasurer/collector's office has not made any efforts to track and resolve the volume of tailings for at least three years. A tailing refers to a returned check or one that otherwise remains uncashed, which when neglected, represents a debit liability on the town's books. They can arise from disbursements made to pay employees or vendors, refund municipal taxes or charges, or pay any other types of municipal obligations.

We also discovered that the town clerk's records do not show that town meeting ever accepted [M.G.L. c. 200A, § 9A](#). Adopting this local option statute would enable the treasurer/collector to shorten the window of time required to resolve tailings. Just as importantly, it would allow the town accountant to escheat to the town any tailings that remain unclaimed after proper procedures are pursued, which thereby converts them to credits on the town's books. In the absence of this acceptance, the provisions of c. 200A otherwise require the town to turn over to the state treasurer's office any tailings that have remained unclaimed for at least three years. We therefore recommend that the select board sponsor a warrant article to accept the statute. Subsequently, the treasurer/collector's office should institute formal procedures for resolving the tailing balances on an annual basis. To help guide those procedures, we are sending the town a related policy in a separate transmission.

19. Reduce the Number of Bank Accounts

We recommend the treasurer/collector reduce the number of bank accounts. The office currently maintains almost 40 of them, many of which are small and dedicated for a single budget line item or grant program. While a few federal and state grant programs may require the town to maintain a separate account, most do not. In addition, many of these smaller sole-purpose accounts are not very

active and should be consolidated. One reason to maintain separate accounts is to correctly apply earned interest; however, many banks offer accounts with subaccounts that will allow for this.

20. Set a Purchase Order Threshold

We recommend the town institute a purchase order (PO) threshold. In Auburn, all departmental purchases regardless of the amount require a PO, and therefore, the accounting office processes a very high volume of them. POs for small dollar purchases may not be worthwhile, and many communities establish a dollar threshold, like \$500, under which they are not necessary. The CFO should conduct an analysis of the POs issued through her office during a single fiscal year to determine what might make a reasonable threshold. Bylaw Chapter 6 Section 11 requires a PO for every purchase, so the town would need to revise it to implement this recommendation.

APPENDIX

Guidance for Enforcing Property Taxes Under Chapter 140 of the Acts of 2024

Bulletin:

- [Recent Legislation Chapter 140 of the Acts of 2024 Tax Title Reform](#), Sept 2024

***City & Town* articles:**

- [Ask DLS: Tax Title Reform – Part 1](#) Oct 10 2024
- [Ask DLS: Tax Title Reform - Part 2](#) November 7 2024
- [Ask DLS: Tax Title Reform - Part 3](#) December 5 2024
- [Ask DLS: Tax Title Change](#) September 4, 2025

Local Finance Opinion

- [How To Handle Foreclosure Decrees Received Prior To November 1, 2024 and Other Issues](#), February 2025

List of Relevant State Tax Forms

- [Tax Title \(Effective November 1, 2024\)](#)

From the Massachusetts Municipal Lawyers Association, a concise summary:

- [Summary of Recent Statutory Changes to Real Property Tax Collection Statutes](#)

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Select Board Vice-Chair	Todd Kirrane
Select Board Member	Daniel Carpenter
Select Board Member	Steven Chambers
Select Board Member	Sara Rufli
Finance Committee Chair	Kevin Kennedy
Town Manager	Dori Vecchio
Assistant Town Manager	Stephen Coleman
Assistant Town Manager / Director of Economic Development	Paul Dell'Aquila
CFO/Town Accountant	Karen Harnois
Accountant Clerk	Pat Messina
Accountant Clerk	Lori-Ann Copeland
Treasurer/Collector	Catherine (Cate) Spanos
Assistant Treas/Coll	Jack Henderson
Assistant Treas/Coll	Marion House
Chief Assessor	Seth Woolard
Assistant Assessor	Lisa Targonski
Assessing Clerk, former	Carla Hammond
Human Resources Coordinator	Jillian Taylor
Information Technology Director	Michael Marino