

# TOWN OF DUDLEY

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FINANCIAL MANAGEMENT REVIEW

DECEMBER 2024



**DLS**  
DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

**PREPARED BY:**

**DLS | Financial Management Resource Bureau**

[www.mass.gov/dls](http://www.mass.gov/dls)

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# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Geoffrey E. Snyder  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

December 26, 2024

Select Board  
71 West Main Street  
Dudley, MA 01571

Dear Board Members:

I am pleased to present the enclosed financial management review for the Town of Dudley. It is my hope that our guidance provides direction and serves as a resource for local officials as we work together to build better government for our citizens.

If you have any questions regarding the report, please contact Zack Blake, Financial Management Resource Bureau Chief, at (617) 626-2358 or [blakez@dor.state.ma.us](mailto: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 select board, the Financial Management Resource Bureau (FMRB) at the Division of Local Services completed this financial management review for the Town of Dudley. This request was initiated because the town has experienced turnover in support staff for better paying jobs elsewhere and fiscal turmoil in recent years.

To begin to address staffing concerns, Dudley received two Community Compact Cabinet grants from the state. Using the services of a consultant, the town first revised its compensation plan to ensure competitive rates. The plan and an updated personnel bylaw were adopted by town meeting in FY2020. In the bylaw, the town administrator is designated as the personnel director responsible for day-to-day personnel matters, while the personnel board will function as a policymaking body that acts on the administrator's recommendations. With the second grant, Dudley hired a separate consultant to conduct a human resource (HR) study. Based on their recommendations, the employee handbook was updated, new and revised personnel policies were adopted, a new assistant town administrator/HR director position was created, and an onboarding process for new employees was drafted. It also was recommended that the inactive personnel committee be formally dissolved because of the increased complexities in union agreements and federal and state hiring compliance requirements. Despite the town's progress in these areas, a citizen petition at 2024 fall town meeting was approved, which reverted the personnel bylaw back to its original form with a personnel board serving as the primary body responsible for all personnel matters. The Massachusetts Attorney General's Office is responsible for reviewing proposed bylaw amendments to make sure they are consistent with state law. If this revised bylaw is approved, then it will become effective.

Covid-19 placed a lot of uncertainty and demands on local governments and services. An immediate response was the Coronavirus Aid, Relief, and Economic Security (CARES) Act that included funding for related public health emergencies that were not otherwise budgeted. Dudley used \$988,105 of CARES funds on essential payroll, purchases, services, and technology improvements. With the subsequent release of the federal American Rescue Plan Act (ARPA) funds, it provided additional funds to continue programs started under the CARES Act funding. It also added new provisions and guidance with a focus on long-term recovery, allowing funds to be used on infrastructure and transportation projects as well as lost public sector revenue.

Dudley received over \$3.5M in Covid-19 relief funding, some of which was used on facility improvements, security and technology upgrades, but most of it went toward recurring payroll and operating expenses. Dudley spent \$386,406 in FY22, \$2,966,624 in FY23, and \$166,000 in FY24. Unfortunately, the projected growth in the town's FY24 recurring revenues was insufficient to offset the absence of ARPA money that was used in prior year budgets. Facing a 10% budget cut and seeing

no other choice, the town pursued a series of tax overrides. Voters rejected a \$4.85M general override in May 2023 and a \$2.7M school override in June 2023. On a third ballot in August 2023, Dudley presented a menu to the voters, who approved \$556,111 for public safety, \$297,528 for the library and \$901,683 for the Dudley Charlton Regional School District but rejected \$534,304 for the highway department and \$133,698 for town departments. Despite the \$1.76M in cumulative overrides, the projected FY25 recurring revenues again were not enough to fund ongoing operating expenses. As a result, town meeting appropriated free cash, general stabilization and capital stabilization totaling \$1.15M to address the funding gap. With the use of one-time revenues and no ability to replenish them at the present time, officials fully acknowledged that FY26 budget will be challenging.

This management review's scope encompasses Dudley's government structure, fiscal planning, financial policies, information technology, and operational practices of the town's financial offices. The observations and recommendations in the report are based on interviews with elected and appointed officials, department heads, and municipal office staff. We reviewed town documents and financial data, including town bylaws, locally accepted statutes, special acts, annual budgets, warrant articles, tax recapitulations, balance sheets, receivable reports, revenues and expenditures, and independent audit reports.

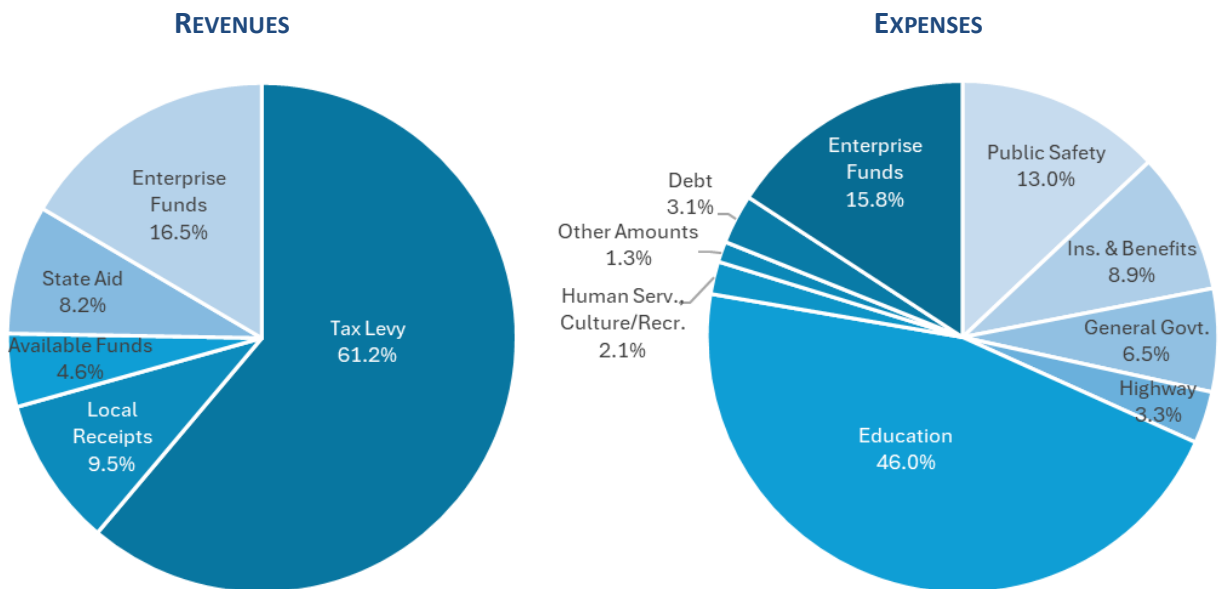
## COMMUNITY PROFILE

Dudley has a population of 11,850 and is in the southwestern corner of Worcester County along the Connecticut state line. The town was incorporated in 1732 and named in honor of the Dudley family, who were the first proprietors of the territory and descendants of Governor Thomas Dudley. It began as an agricultural community with saw and grist mills on the Quinebaug and French Rivers that grew into a significant textile, manufacturing and industrial development, while its agricultural endeavors became increasingly focused on dairy production. Today, Dudley is a suburban community with shopping centers and active agricultural businesses, has recreational hiking and biking areas, and is home to Nichols College, a small business school for undergraduate and graduate students.

### Finances

Dudley's \$29.2M FY2025 operating budget provides a wide range of municipal services. These include a full-time police force, fire department, highway department, library, and council on aging. The emergency dispatch center is regionalized with the Town of Webster. Dudley is a member of the Dudley-Charlton Regional School District (K-12) and the Southern Worcester County Regional Vocational School District, commonly referred to as Bay Path. Most residents have public water service and almost half have sewer service, both of which are self-supporting enterprise funds.

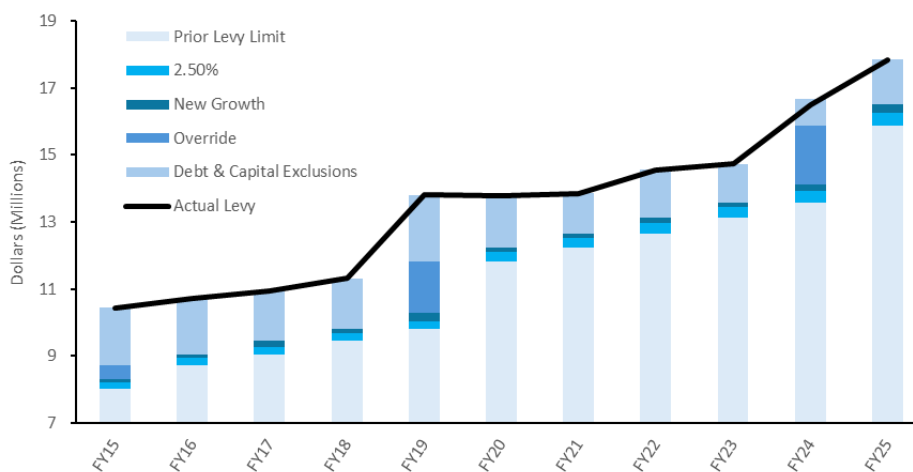
### OPERATING BUDGET





Dudley’s budget is funded through five revenues sources: tax levy, state aid, local receipts, enterprise funds, and available funds. The town’s largest revenue source, the property tax levy, has grown annually because of the automatic increases associated with Proposition 2½ and new growth from development and construction. In addition, Dudley has approved five overrides: \$0.41M in FY2015, \$1.54M in FY2019 and a combined \$1.76M in FY2024, which are permanent increases to the levy. From time to time, residents also have approved debt and capital exclusions for school and town building improvements, equipment, and vehicles, which temporarily increases the tax levy. The difference between a town’s maximum allowable levy limit and the amount that it levies annually is known as excess levy capacity. To fund its annual operations, Dudley generally levies to its maximum allowable levy limit, leaving little or no excess levy capacity (when a penny rate increase would result in exceeding the limit).

### DUDLEY PROPERTY TAX LIMIT AND LEVY

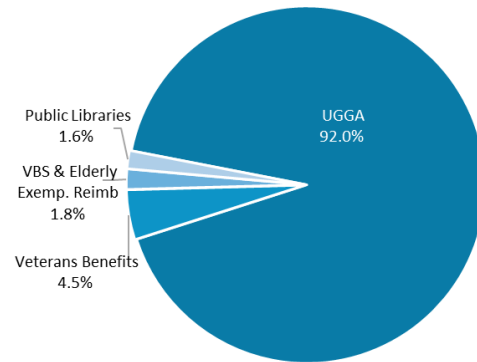


Fiscal Year	Excess Levy Capacity	Excess as % of Max Levy
2015	394	0.00%
2016	233	0.00%
2017	7,412	0.07%
2018	3,945	0.03%
2019	6,443	0.05%
2020	11,097	0.08%
2021	4,012	0.03%
2022	7,231	0.05%
2023	3,875	0.03%
2024	174,714	1.05%
2025	8,904	0.05%

State aid is the combination of program revenues and reimbursements a community receives from the Commonwealth. As a member of two regional school districts, Dudley generally does not receive Chapter 70 school aid directly. As seen on the next page, its annual state aid is primarily derived from unrestricted general government aid (UGGA) and reimbursements for veterans’ benefits and property tax exemptions for qualifying veterans, blind, surviving spouse, and elderly resident taxpayers. It also receives public library funding to help maintain minimum service levels and provide for improved facilities and resources.

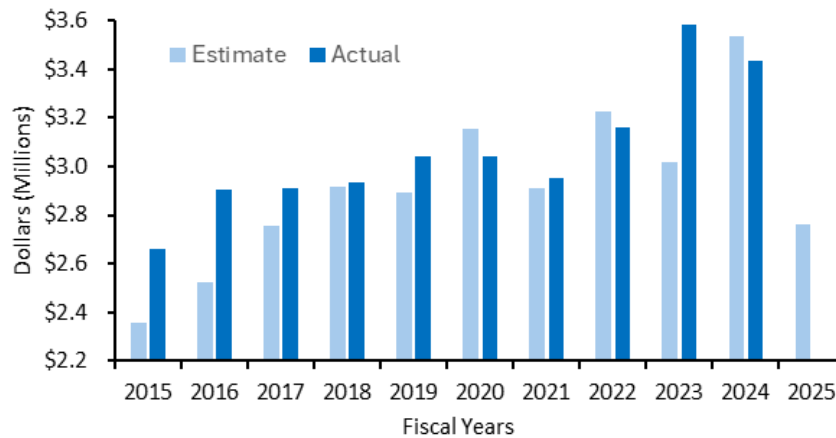
Fiscal Year	Chapter 70	UGGA	Veterans Benefits	VBS & Elderly Exemp. Reimb	Public Libraries	Total
FY15	9,262	1,589,848	77,587	70,277	17,535	1,764,509
FY16	9,295	1,647,083	78,864	66,255	17,392	1,818,889
FY17	18,150	1,717,908	95,608	64,657	17,714	1,914,037
FY18	18,150	1,784,906	76,244	64,451	18,325	1,962,076
FY19	18,275	1,847,378	93,839	60,614	18,897	2,039,003
FY20	14,383	1,897,257	118,648	62,304	19,995	2,112,587
FY21	-	1,897,257	115,123	64,037	24,326	2,100,743
FY22	-	1,963,661	123,797	54,508	26,440	2,168,406
FY23	-	2,069,699	109,028	56,843	30,600	2,266,170
FY24	10,601	2,135,929	102,265	50,425	34,708	2,333,928
FY25	-	2,200,007	107,877	44,084	39,165	2,391,133

### FY2025 STATE AID



Local receipts are locally generated revenues other than real and personal property taxes. These include motor vehicle and other excises, penalties and interest, investment income, fees, and charges. Local receipts are very important because they generally reflect the health of the local economy and can significantly impact free cash. For these reasons, receipts should be conservatively projected when developing the budget and monitored closely throughout the fiscal year. A few times Dudley’s actual local receipts did not meet the estimates and officials plan to work together to avoid this going forward.

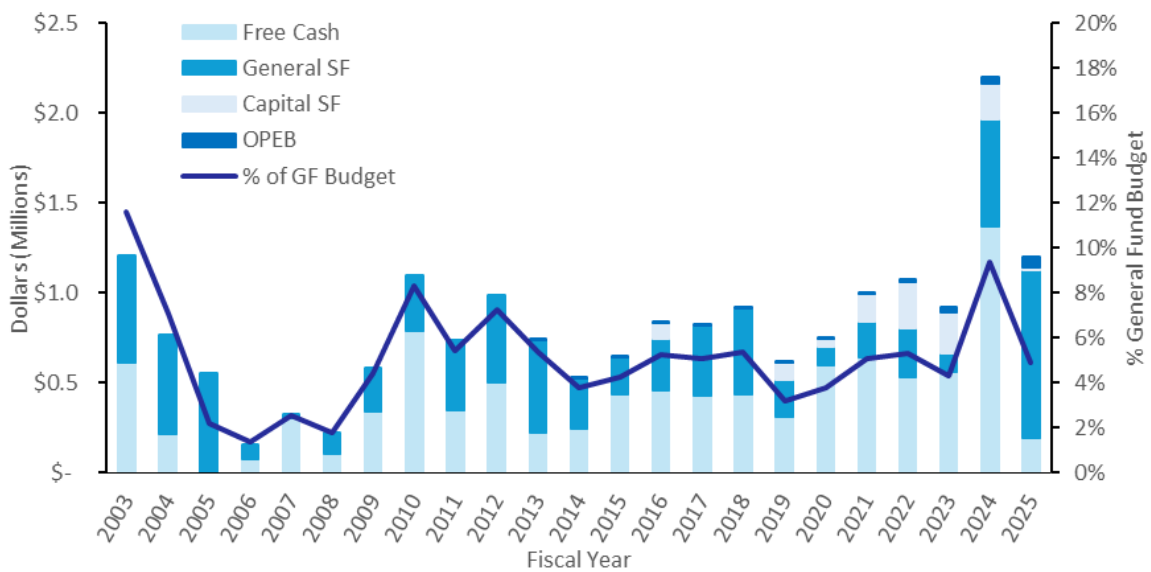
### LOCAL RECEIPTS



Dudley also has water and sewer enterprise funds ([M.G.L. c. 44, § 53F½](#)). An enterprise fund establishes a separate accounting and financial reporting mechanism from the general fund, demonstrates to the public the total cost of providing a service, and enables the service to keep its retained earnings. It is the town’s expectation that both services are self-supporting, so professional engineering services are used to periodically evaluate operations and recommend changes to user charges.

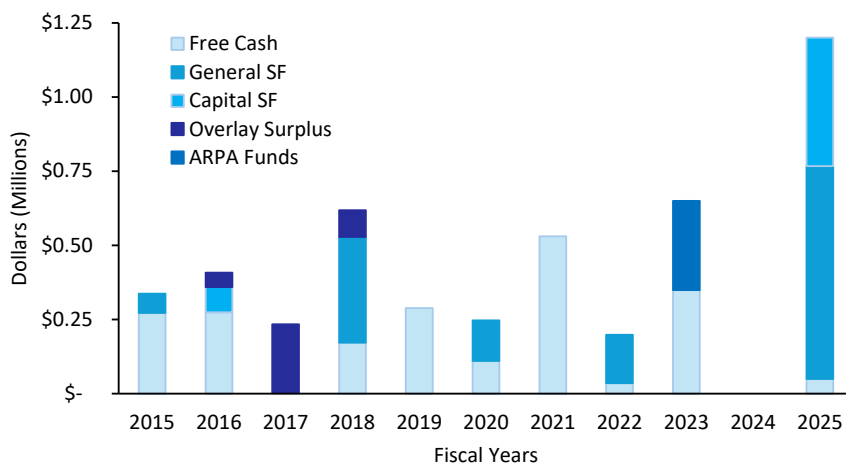
Aside from locally generated revenues and state aid, a community may be able to draw on other funding sources such as available free cash, stabilization funds, and overlay surplus. Communities primarily maintain reserves to have budgetary flexibility for unexpected events, significant disruptions in revenue-expenditure patterns, and to provide a source of available funds for future capital expenditures. Because these are one-time revenues, tend to fluctuate, and availability is not guaranteed, a community should use care when appropriating reserves to fund the operating budget. Following the advice of the town’s finance, appropriation and advisory committee (FAA), the town has periodically appropriated free cash to stabilization funds to build its reserves.

### AVAILABLE RESERVES AND OPEB TRUST



Unfortunately, because Dudley’s combined recurring revenues (tax levy, state, and local receipts) have not always been sufficient to fund operations, the town relied on non-recurring revenue to support recurring expenditures. This, in part, has contributed to the need for tax levy overrides to maintain service levels.

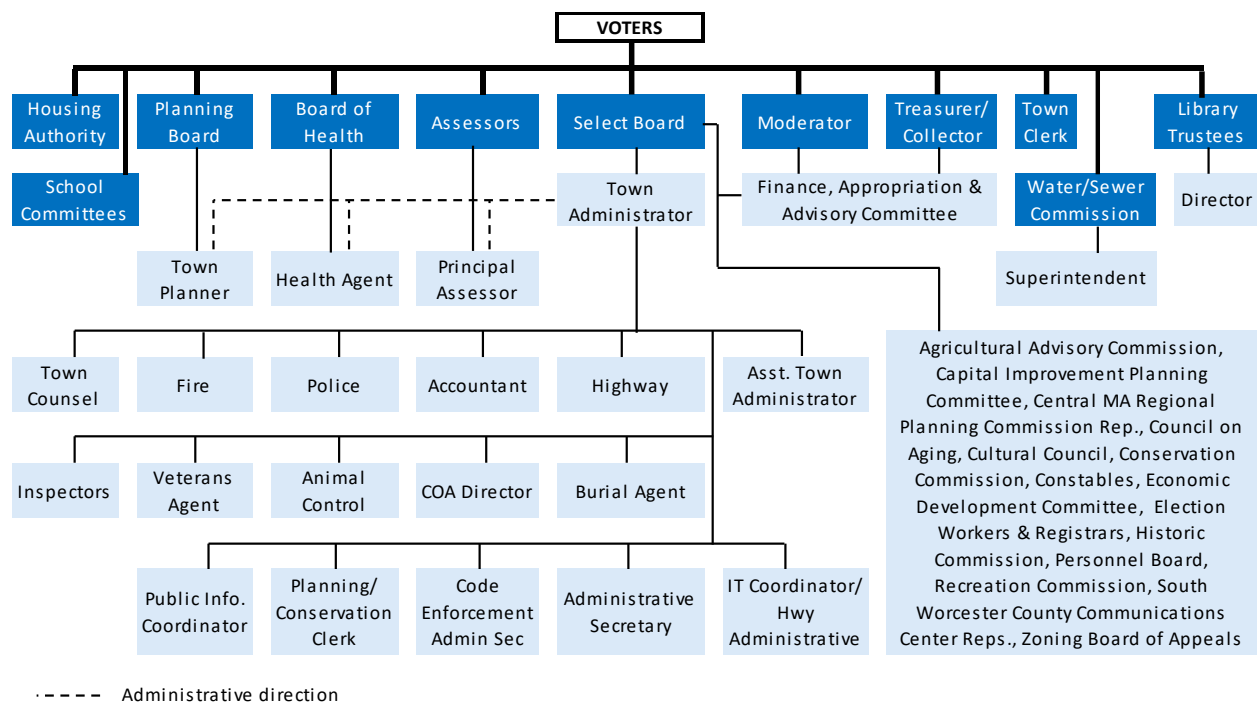
### RESERVES APPROPRIATED FOR RECURRING EXPENDITURES



## Government Structure

Dudley operates under an open town meeting form of government with an elected five-member select board. Board members serve alternating three-year terms, have overall responsibility for the town's general operations, and function as its chief policymaking body. Town meeting functions as the legislative body that enacts bylaws, approves annual budgets and specific expenditures, and authorizes debt. In addition, Dudley has separately elected boards and officials with no reporting relationship to the select board as seen in the organizational chart below.

### DUDLEY ORGANIZATIONAL STRUCTURE



The select board appoints a town administrator, who is the chief administrative and procurement officer. He supervises staff and oversees operations under the select board's authority and coordinates with separately elected offices and boards. The town administrator is responsible for preparing the annual operating and capital budgets, signing payroll and vendor warrants for payment by the treasurer, and managing human resources. His office includes an assistant town administrator and information technology (IT) coordinator. The assistant town administrator serves as the human resources manager and performs administrative, planning and technical work in conjunction with the administrator. The IT coordinator provides in-house support, collaborates with IT vendors, maintains the website, and participates in security of the town's network and servers, while also providing administrative support to the highway department.

The former accountant retired in August after 21 years working for the town. A new accountant was hired in June 2024, who worked with her predecessor for a smooth transfer of knowledge and minimal disruption in the office. While she is a certified public accountant with 20 years of experience working in private and public accounting, she is actively attending municipal accounting professional development and training courses. The accountant maintains the general ledger, processes vendor invoices, and reviews payroll submissions with assistance of a shared administrative assistant who enters the warrants. She prepared and submitted her first balance sheet to DLS in October and plans to submit the Schedule A after the tax rate is set. Additionally, the accountant participates in setting the tax rate, is involved in the annual budget process, and prepares schedules for the independent auditor.

An elected, three-member board of assessors is responsible for developing assessment policy, approving final values, assessments, and tax and excise commitments, and acting on abatement and exemption recommendations from the principal assessor. The principal assessor, who was hired in 2003, is under the administrative direction of the town administrator and has received her professional Massachusetts Accredited Assessor (MAA) designation from the Massachusetts Association of Assessing Officers (MAAO). Among her responsibilities, she oversees assessment administration, manages day-to-day operations, and supervises the clerk. The principal assessor conducts permit, sales and abatement inspections, maintains the town's assessment records, values real and personal property, calculates new growth, participates in the annual tax rate setting, and generates property tax, excise, and betterment commitments. The office contracts with Vision Governmental Solutions to conduct revaluations, interim year adjustments, and cyclical data collection on all parcels, and contracts with Real Estate Research Consultants (RRC) to collect and value new and reinspection of existing utility and personal property accounts.

The treasurer/collector was first elected as treasurer in 2002, and later elected to the combined position ([c. 126 Acts of 2013](#)) in 2014. He has received both professional designation from the Massachusetts Collectors and Treasurers Association (MCTA). He has an assistant collector, who has been with the office four years, and an assistant treasurer, who just completed his first year. The office processes property tax, water and sewer bills quarterly, motor vehicle and boat excises annually, and municipal lien certificates throughout the year. Payments are received by mail, internet, in person, and from escrow services, which are all posted in the Vadar Systems collection applications. The office issues demand notices to delinquent accounts, warrants outstanding motor vehicle excise to a deputy collector, transfers subsequent taxes on existing tax title accounts, and completes new tax takings. As treasurer, he manages cash, processes the weekly payroll using Harpers Payroll Services, and administers employee benefits.

Dudley recently converted from multiple standalone financial applications to Vadar Systems, which is an integrated financial applications that allows for direct entry of receipts by some departments. The assessors use Vision Governmental Solutions' computer assisted mass appraisal (CAMA) system for real estate, RRC's software for personal property, and CAI Technologies Esri GIS software for the assessors' maps. In addition to Harpers Payroll Services, the treasurer uses excel spreadsheets to maintain his cashbook.

Dudley has two financial advisory boards, the finance, appropriation and advisory committee (FAA) and the capital improvement planning committee (CIPC). The FAA is an appointed nine-member committee with each member serving staggered three-year terms. The moderator appoints five members, the select board appoints two members, and the treasurer/collector appoints two members. After the select board approves the budget proposal and town meeting warrant, both are transmitted to the FAA for consideration. The FAA holds joint budget hearings with the select board and prepares its recommendations on the omnibus budget, capital requests, and any matters with financial implications in a report advising town meeting. The FAA votes to transfer monies from its reserve to pay extraordinary or unforeseen expenditures and makes end-of-year budget transfers by July 15 in conjunction with the select board.

The CIPC reviews departmental requests and other proposals to be purchased or undertaken at intervals of not less than five years and have a useful life of at least five years and costs of \$20,000 or more. The committee is composed of a select board member, an FAA member, and four members appointed by the select board. The town administrator, treasurer/collector and accountant are ex-officio, non-voting members. Annually, the committee recommends a capital improvement budget and five-plan plan to the select board and FAA for approval prior to town meeting action.

We offer the following recommendations to officials and residents to consider as they work to best position the town going forward.

## RECOMMENDATIONS

### **1. Discontinue Use of Reserves and One-Time Revenues for the Operating Budget**

We recommend that Dudley avoid using one-time revenues to support ongoing government expenses in the operating budget. By doing so, the community effectively postpones making difficult decisions on service and taxation levels. As a result, it is continually faced with the same dilemmas each year because ongoing costs are built into the budget's base while the offsetting revenue source may not be reliably available. To achieve a structurally sound, sustainable spending plan, the town should adopt and commit to a policy that discourages the use of reserves and other non-recurring revenue for recurring operational purposes.

### **2. Convert the Elected Treasurer/Collector to an Appointed Position**

We recommend Dudley convert the treasurer/collector to appointed. Because this position was established by special act ([c. 126 Acts of 2013](#)), the town would have to seek an amendment to the act to make the change. We understand that town meeting rejected a proposal to convert the elected treasurer/collector to appointed in 2020. However, we want to highlight that the vast majority of communities have moved to appoint these positions to improve accountability and ensure strong professional credentials and relevant experience. Currently, 88% of Massachusetts cities and towns have appointed both the treasurer and collector either as a combined role or separate positions, which is an increase of almost 25% since FY2014. This trend has been driven by the strong belief that the treasurer and collector offices require specific skill sets, like the accountant and assessor positions in municipal government, and, therefore, the most qualified should be hired via a rigorous screening process. Lack of proficiency in these skills poses significant and costly financial and legal risks to the community.

### **3. Establish a Government Study Committee**

The town conducted a government study in 2003 following a citizen-initiative charter proposal. After a comprehensive review that included examining neighboring communities' charters and meeting with officials, department heads, residents, and experts in the various fields of local government, the committee endorsed the charter presented. It would establish a top-down management model with all departments reporting to a professional. The proposed structure was not adopted.

Dudley's decentralized structure does not provide essential coordination and communication to effectively and efficiently carry out the functions of government. We recommend that the select

board appoint a government study committee to re-evaluate the current structure. As a matter of best practice, the committee should be made up of individuals with varied backgrounds, who will approach the study as an open fact-finding mission without any predetermined agenda. They should interview officials and department staff, survey residents, and investigate other peer community organizational structures as to how they were constructed and adopted.

A review of communities comparable to Dudley shows that all have a professional administrator, two-thirds have an appointed treasurer/collector, and the vast majority have consolidated public works departments (see Appendix). Through this process, the committee would evaluate what currently works well and is worth preserving and what changes should be considered. At the completion of its review, the committee would report its findings and recommendations to the select board to consider and potentially have town meeting act on.

#### **4. Resolve State and Local Fiscal Recovery Funds Compliance Report**

In response to Covid-19, Massachusetts allocated Coronavirus Relief Funds (CvRF) statewide from the federal CARES Act. Dudley used \$988,105 for necessary expenditures incurred between March 2020 through December 2021. In the subsequent Coronavirus Local Fiscal Recovery Fund (CLFRF) from the federal ARPA Act, Dudley was allocated over \$3.5M. Using the U. S. Department of the Treasury portal, Dudley entered its Project and Expenditure Reports in March 2022 and March 2023 to report it used funds as revenue loss for payroll, expenses, safety, security and technology, and facility improvements with a detailed narrative. However, the submitted report was not completed accurately because zero dollars were recorded as budgeted, obligated and expended, which resulted in a non-compliance/significant deficiency in internal control over compliance finding by the independent auditor.

We recommend that the town resolve the reporting requirement. While the portal contains a guide, webinar and other tools to file reports, it might be helpful for the accountant to reach out to peers who are familiar with the portal and reporting requirements. Dudley needs to correct previous reports and close out the award by April 2025. As the auditor noted, failure to report the correct expenditure amounts may result in a request by the federal government to return the funds even though they were all expended.

#### **5. Codify Financial Team in a Bylaw**

We recommend the town establish a financial management team through a bylaw that identifies the team members, has the town administrator serve as the chair, and requires at least monthly



meetings. During the budget process, the team would help develop revenue and fixed cost estimates, ensure they are reliable and updated as new information becomes available, and provide input on capital requests and financing strategies. Beyond the budget process, the financial management team would assist the administrator in compiling information on the prior year's performance, year-to-date activities, and other fiscal issues as they come up, and offer early strategies to deal with anticipated problems. They would contribute to maintaining the multi-year revenue and expenditure forecast and preparing financial analyses as needed. A schedule of regular financial team meetings is useful for coordinating financial operations and holding staff accountable for their roles in mission-critical functions like tax rate setting, timely reporting of receipts, and monthly reconciliations of cash and receivables.

The value of these meetings is that the town administrator is better able to disseminate important information, and participants may review recent activity and engage in constructive dialogue around the town's finances. The town administrator is then better equipped to present quarterly updates to the joint meetings of the select board and FAA. The team's participation in general financial and budget activities helps ensure the same information is presented to both policy boards and each may ask questions for all to hear, as well as provide institutional continuity when officeholders leave town service.

## **6. Create Budget Bylaw**

We recommend that the select board, FAA, and town administrator develop a bylaw that codifies the entire budget process into a lasting, effective model that ensures continuity past the tenure of any one official. The bylaw should establish a budget timeline, clearly define the responsibilities of various town officers, and set out the order of tasks to be completed. The timeline should include major milestones such as:

- Complete and present preliminary revenue projections to joint meeting of select board and FAA
- Develop guidelines and establish submission deadline(s)
- Distribute budget guidelines and prescribed forms to be completed by all departments
- Have town administrator meet with each department on budget and capital requests
- Prepare a comprehensive, balanced operating budget along with multi-year capital plan and budget developed by the town administrator with recommendations for the select board's approval
- Present operating and capital budget proposals to FAA

- Hold budget hearings
- Update revenue projections based on new information
- Draft budget recommendations for town meeting
- Conduct joint meeting of select board and FAA to discuss proposed operating and capital budgets with the goal of developing consensus
- Hold town meeting

Through a series of town bylaws, the roles of the town administrator, select board, FAA, and CIPC within the budget process are well defined, but lack any definition of the process itself.

Beginning in December, the town administrator issues a budget planning memo with an electronic spreadsheet and instructions for all departments to complete and return by mid-January. Early in February, the select board and FAA hold joint budget hearings for departments to present their requests and answer any questions. In mid-February, the select board, FAA, and town administrator hold a joint meeting with their Charlton counterparts and the Dudley Charlton Regional School District to review and discuss the school district’s proposed budget. By the end of February, the town administrator compiles the comprehensive annual operating budget and submits it with his recommendations to the select board. Similarly, all departments submit capital acquisitions and projects to the CIPC for recommendations to the select board.

Upon the select board’s adoption of the operating and capital budgets, both are forwarded to the FAA. As a committee, the FAA reviews the operating and capital budgets along with all town meeting warrant articles and develops its recommendations. Prior to town meeting, the select board and FAA hold one last joint meeting going through the entire warrant and each voting their recommendations for the record.

## **7. Adopt Formal Financial Policies**

Dudley does not maintain a complete set of documented policies and procedures to provide important guidance and consistency around local fiscal policy decisions and financial operations. At a minimum, we recommend the town develop and have the select board and FAA adopt core policies on:

- |                      |                            |                                    |
|----------------------|----------------------------|------------------------------------|
| ▪ Antifraud          | ▪ Forecasting              | ▪ Procurement conflict of interest |
| ▪ Capital planning   | ▪ Grants management        | ▪ Reconciliations                  |
| ▪ Debt management    | ▪ Indirect cost allocation | ▪ Revenue turnover                 |
| ▪ Disbursements      | ▪ Investments              | ▪ Tax enforcement                  |
| ▪ Financial reserves | ▪ OPEB                     |                                    |

These policies will strengthen the town's internal controls, provide instructive guidance, and promote uniformity for all town departments. For examples of suggested topics above, DLS has developed policy manuals for other communities, which may be found on our [website](#).

## **8. Maintain Revenue and Expenditure Forecast**

Dudley contracted with a consultant to develop a revenue and expenditure forecast. As an essential long-term planning tool, the town administrator, with the assistance of the financial officers, should update the forecast routinely as new information becomes available. For example, the forecast should be brought up to date after the budget is approved in the spring, the tax recap is approved to reflect the final budget with the total revenues and expenditures in balance, and at the end of the fiscal year, replacing the budgeted amounts with actual figures. We also encourage the town administrator to present the updated forecast at a joint meeting of the select board and FAA at the beginning of the budget process, so preliminary revenues are provided before the spending guidelines are issued and any potential challenges in the immediate or upcoming fiscal year are identified.

## **9. Review Revolving Funds**

We recommend the town review its revolving funds to ensure they comply with the legal purpose and authorized use requirements of [M.G.L. c. 44, § 53E½](#). All revenue is general revenue and should be deposited to the general fund unless another law provides for an alternate treatment ([M.G.L. c. 44, § 53](#)). With a revolving fund, the fees paid to a town department in exchange for providing a particular, nonobligatory service or program are accounted for separately from the general fund and may be spent to support the same service or program without appropriation.

Town officials should review the following to ensure compliance with statutes.

- General Revenues Must Be Deposited into the General Fund – Fines, penalties, surcharge on outside details, fundraisers (sale of goods, tickets, concessions, promotional items), reimbursements, mitigation funds, and advertising are general revenues. These may not be deposited into revolving funds.
- Grants and Gifts are Deposited into Separate Accounts – All contributions, donations, and gifts are deposited into gift funds and spent without appropriation (M.G.L. c. 44, § 53A or c. 71, § 37A). These receipts may not be comingled in revolving accounts.

We further recommend that the town's revolving bylaw be revised to comply with statute, which should list the revolving funds, including the name, authorized department/officer, fees charged,

allowable purposes/expenditures, and any restrictions or other requirements. Noting that the list is available at the accountant's office is not acceptable. DLS [Bulletin 2017-01B](#) provides a template for a revolving fund bylaw.

## **10. Prioritize Harper Payroll Self-Serve Implementation**

We recommend that town officials meet to identify the final list of items required to activate features within the Harpers Payroll system. Once fully implemented, the treasurer/collector's staff will have time freed up to accomplish other important tasks in the office. The process for collecting and entering employee time and attendance information is time consuming. Harpers has an added feature that enables decentralized data entry of employee time and attendance by individual employees and workflows for manager review and approval, which Dudley has been working to implement for months without a conclusive date for final implementation.

## **11. Consider Biweekly Payroll**

Town employees are currently paid weekly. An increasing number of employers in both the public and private sectors, including the Commonwealth, compensate employees on a biweekly basis. Although this will require collective bargaining and a 90-day notice to employees, paying employees every two weeks, or 26 times per year, reduces the processing time, saves money, simplifies reconciliations, and further frees up staff time. Any changes should be included in the personnel bylaw. We suggest contacting a community that has recently made the change to guide the process and develop employee communications.

## **12. Modify the Cashbook**

The treasurer/collector is required to maintain a cashbook, which is the source of original entry for recording all receipts, deposits, transfers, and disbursements necessary for tracking the total cash position of the town. Currently, the treasurer/collector has a manual, bound ledger cashbook and an Excel cashbook. Entries made in the manual ledger are drawn from receipts and disbursements posted in Vadar and require a calculator/adding machine, which is not an efficient method of determining bank balance and the town's total cash position for which we already suggested he discontinue using it. Similarly, financial activity recorded in Vadar is entered into an Excel cashbook with a standalone spreadsheet for each month and bank reconciliations done at the bottom. While the Excel cashbook meets the rudimentary requirements to record activity, it is not well organized or effective in following sequential activity that can be verified against the daily bank account balances. Specifically, we found entries were not chronological, warrants and transfers to cover them not

consecutive, postings appear to be grouped by bank account, and reconciling items lack proper labels for each adjustment. We recommend the treasurer/collector maintain a current and accurate cashbook that is chronological, verifiable, and continuously reconciled. If the treasurer/collector elects to continue using Excel, he must update it each day to reflect the most current activity, including monitoring and verifying the actual bank activity on-line to ensure the accuracy of transactions and balances. Alternatively, he could shift to the Vadar cashbook and conduct bank reconciliations in Excel. Regardless of platform, the cashbook must be effective for determining Dudley's cash status at any given time to provide accountability and proper management.

### **13. Transmit Statement of Receipts Weekly to Accountant**

We recommend that the collector/treasurer complete and transmit its statement of receipts to the accountant weekly. In recent years, it has been one, two or more months after the close of a month before this critical activity is done. The accountant had only received a report of the July receipts from the treasurer/collector as of the beginning of December 2024, and August and September receipts have been turned over by the end of December. Given these delays it would be best that this activity be performed weekly. As a core responsibility of the treasurer/collector, any delays in reporting cash receipts impact the activities of the accountant's office and prevent prompt reconciliation of cash. These delays also impede the transmission of revenue reports to the select board and FAA, hamper timely revenue analysis for preliminary budget projections, and unknowingly create a serious and immediate risk to the community with potentially dire consequences because midyear corrective action was not taken.

### **14. Conduct Cash and Receivables Reconciliations Monthly**

We recommend that the treasurer/collector and accountant reconcile cash and receivables shortly after the closing of each month. These reconciliations have been impacted by the delays noted above. Each month, all reconciliations between the treasurer/collector and the accountant should be formally documented, attested to by both officials, and maintained on file. This is not only an important check and balance, but also a fiduciary obligation to ensure that funds are not missing and that the financial records of the two offices agree.

### **15. Explore Using Bill Scanner Expedite Payment Posting**

We recommend that the treasurer/collector explore using bill-scanning technology to expedite payment posting by taking advantage of Vadar's capabilities. The property tax bills already have

barcodes, so treasurer/collector would only need to speak with the town's Vadar contact about the appropriate handheld scanner. Then, for each manual payment received in an amount matching its bill, an employee can scan the bill's barcode to post it immediately and accurately on Vadar. The instant connection of the barcode to the appropriate Vadar account should significantly speed up processing, avoid keystroke errors, and free up staff time. Currently, when payments are received, staff review and verify that the bill and payment amount agree and manually key payment into Vadar in batches. She then deposits check payments using a remote scanner which expedites the process of securing funds in the bank, so funds are available sooner.

## **16. Review Tax Title and Foreclosure Accounts**

The treasurer/collector has a detailed excel spreadsheet of tax title accounts dating back to 2013 that includes: year of taking; the amount of original tax, subsequent tax, utilities and betterment charges added, interest and costs, payments, and date of redemption or foreclosure. Closely reviewing the spreadsheet, we found errors in formulas, cells missing formulas, and tax amounts listed do not agree with amounts recorded at the registry. There were a few occurrences in which the exact same tax, utility charges, costs and interest dollar amounts were applied to multiple accounts, payments applied to eliminate balances, and no tax title registry recordings were found. We recommend that the treasurer/collector review all tax title accounts in Vadar, verifying all are current and accurate, and, once verified, discontinue use of the spreadsheet that is time consuming to keep and contains inaccurate and questionable information.

Similarly, we were provided with a detailed report for all properties in foreclosure. We found that six properties listed no longer exist in the assessors' database, and one parcel that was taken into tax title in 2006 for \$665, foreclosed on and sold in 2010 for \$32,000, but still has a balance of \$539. We recommend the treasurer/collector work with the principal assessor and accountant to review the accuracy of these accounts and may make adjusting entries as needed.

## APPENDIX

### Comparable Communities

Municipality	RSD	Population	2024 Total Revenues	Single Family Tax Bill	DOR per Capita	EQV Per Capita	Select Board	Administration	Treasurer/Collector	DPW
Dudley	K-12	11,850	28,093,312	4,122	34,084	110,184	5	Administrator	Elected	No
Athol	K-12	11,897	30,117,893	3,634	25,016	89,145	5	Manager	Appointed	Yes
Blackstone	K-12	9,211	34,330,914	6,431	38,481	133,657	5	Administrator	Elected	Yes
Dighton	K-12	8,168	28,771,222	6,227	42,730	160,977	3	Administrator	Elected	No
Lancaster	K-12	8,394	28,865,029	8,534	47,134	140,799	3	Administrator	Appointed	Yes
Montague	K-12	8,463	33,518,930	4,211	27,855	122,193	3	Administrator	Elected	Yes
Rutland	K-12	9,298	31,057,652	6,336	46,736	134,530	5	Administrator	Appointed	Yes
Southwick	K-12	9,190	34,312,028	5,746	47,037	140,983	3	Chief Adm Officer	Appointed	Yes
Spencer	K-12	11,911	32,217,121	4,295	33,700	118,164	5	Administrator	Elected	Yes
Sterling	K-12	8,139	32,268,257	6,993	59,945	176,814	3	Administrator	Appointed	Yes
Templeton	K-12	8,183	23,653,556	4,338	33,081	109,198	5	Administrator	Appointed	Yes
Townsend	K-12	8,948	28,726,175	6,098	41,852	131,460	3	Administrator	Appointed	No
Upton	K-12	8,128	32,823,553	8,466	68,878	176,072	3	Manager	Appointed	Yes
Westminster	K-12	8,330	33,444,295	5,512	48,570	159,666	3	Administrator	Appointed	Yes
Williamstown	K-12	7,663	28,940,236	7,473	47,254	149,317	5	Manager	Appointed	Yes

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Deborah Thibaudeau Accountant (former)

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