

TOWN OF SOUTHBOROUGH

FINANCIAL MANAGEMENT REVIEW

AUGUST 2024



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE



DLS

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MA DEPARTMENT OF REVENUE

Geoffrey E. Snyder
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

August 30, 2024

Select Board
Southborough Town House
17 Common Street
Southborough, MA 01772

Dear Board Members,

I am pleased to present the enclosed report summarizing our financial management review of the Town of Southborough. 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 this report, please contact Zack Blake, Financial Management Resources Bureau Chief, at 617-626-2358 or blakez@dor.state.ma.us.

Sincerely,

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

Sean R. Cronin
Senior Deputy Commissioner

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INTRODUCTION

At the select board's request, a team from the Division of Local Services (DLS) Financial Management Resource Bureau (FMRB) completed a financial management review for the Town of Southborough. The review's scope encompassed government structure, fiscal planning, ongoing financial procedures, and information technology use. In this report, we provide an analysis of the town's financial position, summarize observations drawn from the review, and present a series of recommendations for improving fiscal and operational effectiveness. In addition to this report, FMRB drafted a financial policy manual, which has been provided to the town under separate cover.

At a time when many communities in the state struggle to hire and maintain qualified employees, Southborough has had an enviable degree of long-term stability in many key financial and administrative positions. The town also benefits from the keen interest of numerous, experienced residents who serve on various appointed boards. Furthermore, the town's location within a strong regional economy, along with its comparatively high property values and fairly substantial level of local commerce, have all contributed to a stable tax base.

Sometimes though, such financial cushions and personnel continuities can obscure trends that might threaten continued sustainability. Our review revealed that the town's budgeting paradigm is structurally unbalanced. In addition, its insubstantial level of reserves undermines budgeting flexibility that could otherwise help to stabilize the tax rate through rocky economic times when they inevitably hit or to more astutely support capital planning efforts. We also found that the town trails many of its peers in modernizing its government by moving toward a structure that is more centralized, efficient, and accountable. Along with providing guidance in these areas, this report also makes recommendations on day-to-day financial operations, some of which expand upon procedures in the finance offices that are already undergoing revision through local initiatives.

COMMUNITY PROFILE

The Town of Southborough is a medium-sized, bedroom community that is home to 10,409 residents, as estimated by the US Census Bureau in 2022. The town's population trend has been slowing down after a spike in the 1990s, when it increased by more than a third from 1992 (6,821) to 2002 (9,202), after decades of slow but steady growth to that point. A draw for the community is its very convenient location, with Worcester and Boston lying less than 30 miles away in each direction, a commuter rail station on the line between them, and three highways running through town borders: state route 9 and Interstates 90 and 495. With this favorable geography and appealing, semirural atmosphere, the town has comparatively high wealth indicators. Its per capita income of \$122,416 in 2020 was the 17th highest in the state, while its 2022 per capita equalized property valuation (EQV) \$291,394 ranked within the top 25% of communities statewide.

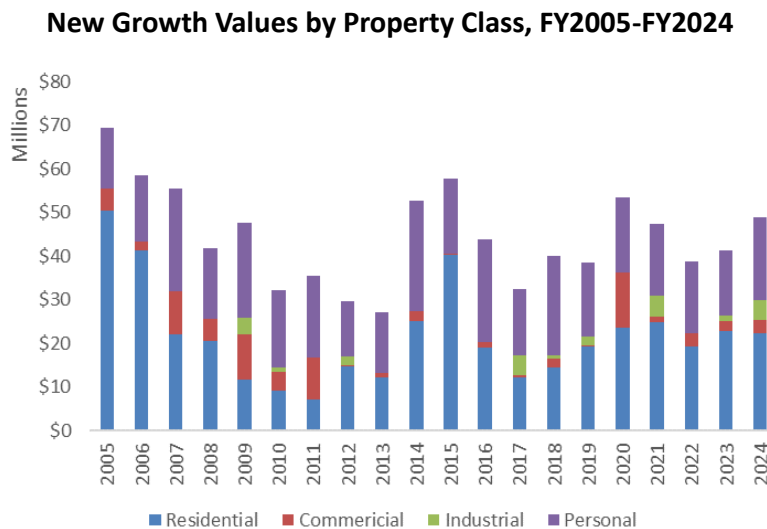
In FY2024, Southborough's omnibus budget totaled \$64 million. Just over three-quarters of this (77%) was sourced from the property tax levy, which largely derived from residential properties (84%). Annually, the town supports a wide array of services, including full-time police and fire departments, ambulance, public works, library, health services, transfer station, council on aging, and recreation programs. It also runs a water utility as a user-supported enterprise fund. The town owns and directly funds the operations of a set of elementary schools that compose the Southborough School District. For high school education, the town pays an annual assessment to the Northborough-Southborough Regional School District and smaller assessments for pupils to attend regional vocational schools.

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

Southborough's Peer Communities

Town	County	2022 Pop.	Pop. Density	2022 DOR PC Income	2024 EQV PC	FY2024 Omnibus Budget	Ratio of Resid./CIP Values	Bond Rating	
Cohasset	Norfolk	8,346	855	\$147,522	\$425,000	\$70,016,338	94% / 6%	S&P	AAA
Groton	Middlesex	11,162	340	\$86,514	\$197,022	\$57,850,591	94% / 6%	S&P	AAA
Ipswich	Essex	13,848	427	\$72,017	\$263,664	\$74,358,235	90% / 10%	S&P	AAA
Littleton	Middlesex	10,139	613	\$64,359	\$241,429	\$78,798,231	79% / 21%	S&P	AAA
Lynnfield	Essex	12,951	1,311	\$93,034	\$319,274	\$71,764,508	88% / 12%	S&P	AA+
Medfield	Norfolk	13,072	897	\$108,657	\$248,179	\$79,288,319	95% / 5%	Moody's	Aa1
Medway	Norfolk	13,393	1,138	\$65,475	\$209,001	\$81,604,984	78% / 22%	S&P	AAA
Northborough	Worcester	15,663	848	\$64,398	\$232,084	\$81,128,075	74% / 26%	Moody's	Aa1
Norwell	Plymouth	11,280	542	\$108,943	\$283,739	\$74,188,442	86% / 14%	S&P	AAA
Southborough	Worcester	10,409	743	\$122,554	\$291,394	\$64,250,343	83% / 17%	S&P	AAA
Wrentham	Norfolk	12,457	562	\$63,456	\$225,935	\$62,298,585	83% / 17%	S&P	AA+

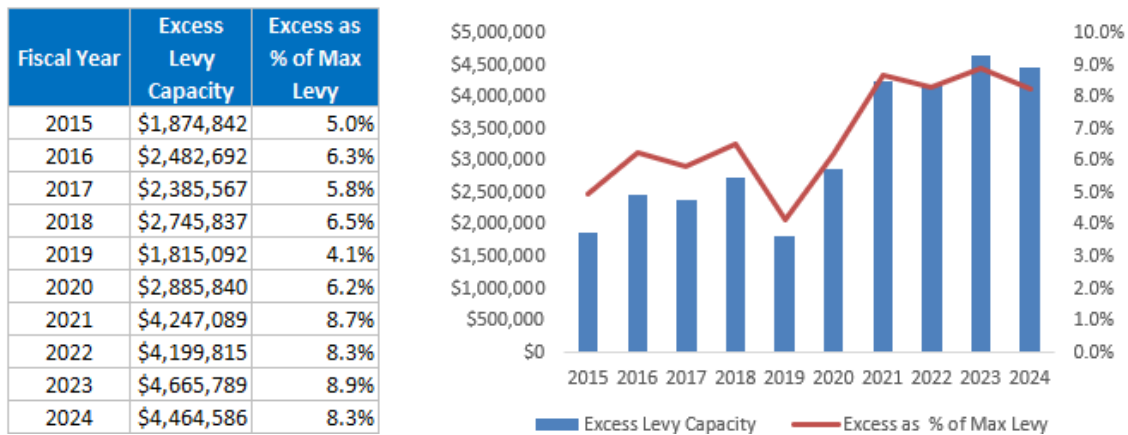
Under the Proposition 2½ statute, the upper boundary of what a community may levy in any given year, called the levy limit, increases automatically each year by 2.5%, plus any new growth that can be credited to new construction, property improvements, and new additions to the tax rolls. Naturally, new growth is sensitive to factors that impact building activity, such as delays in anticipated construction, unexpected residential buildouts, available property for development, and general upswings or downturns in the local economy. The chart below shows Southborough’s trend in new growth values over the past 20 years.



Based on our discussions with local officials, no significant property developments are anticipated in the near future, and there are two persistent inhibiting factors: insubstantial amounts of buildable land and the absence of a sewer system in town. Of further concern is that 80% of the new growth from the combined commercial/industrial/personal property (CIP) classes has come from personal property, which does not retain its value as much as the other two segments do. That situation typically results in a heavier tax burden for residential property owners over time. In addition, much of the recent personal property growth had been related to offices, which have generally been declining as a sector since COVID-19.

The gap between a town’s levy limit and the amount that it actually levies is known as excess levy capacity. As the next table and chart show, Southborough’s usual practice is to leave substantial amounts of the available levy limit untapped. This means that the town has fairly significant room to increase the budget in future years without needing to seek a Prop 2½ override, something it has not done since 2007.

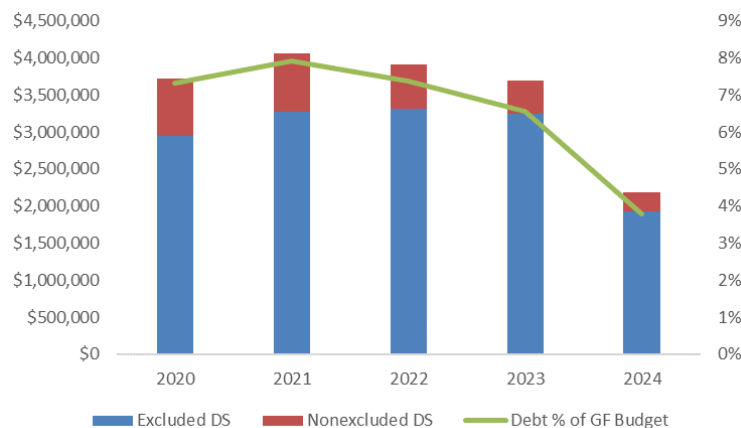
Excess Levy Capacity, FY2015-FY2024



Under Prop 2½, a community can vote for a debt exclusion, which temporarily increases the levy to pay the debt service of a capital project. Although some communities strive to maintain consistent funding capacity in their within-levy annual budgets to borrow for capital projects, by policy in Southborough, a debt exclusion is sought for any project with a projected cost of \$5M or more. Since FY2018, over half of the town’s excluded debt has gone toward a new public safety complex, which cost the town \$23M and has a debt schedule extending through FY2047.

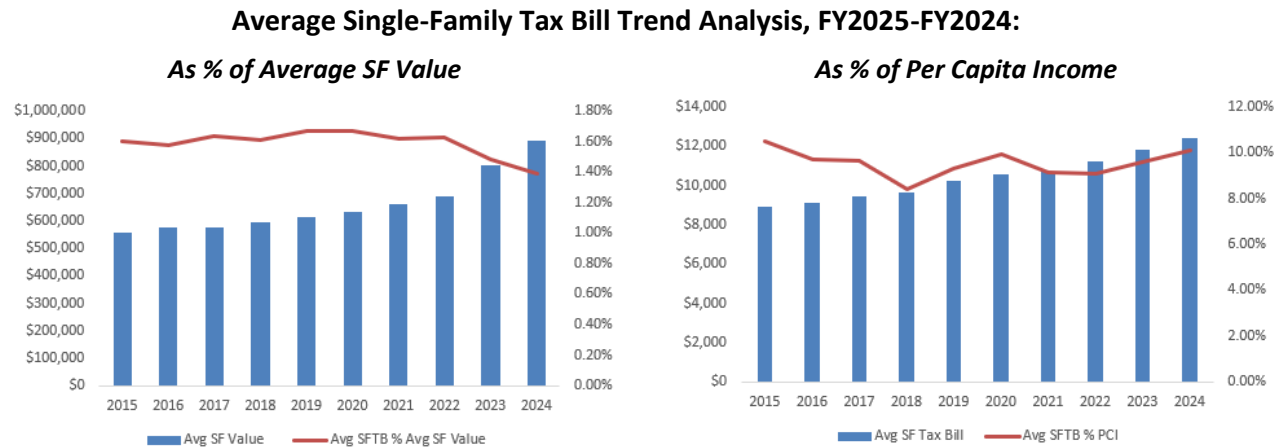
Southborough recently completed a procurement to select an architecture firm to renovate or rebuild the Neary elementary school. The select board expects to include a warrant article for next spring’s annual town meeting to approve a debt exclusion for that project. Cost projections are still being worked out but have ranged from roughly \$50M (renovate) to \$140M (rebuild) depending on final design, net of reimbursements from the Massachusetts School Building Authority.

Annual Debt Service, FY2020-FY2024



A common gauge for assessing the burden of a municipal budget on residential property owners is the average single-family tax bill. Our analysis revealed a distinctive paradox for Southborough: the town’s

average bill of \$12,427 for FY2024 was within the highest 10% of communities statewide, in the 32nd spot, but at the same time, it also fell within the lowest 10% range (31st lowest spot) when measured as a percentage of community per capita income. It is also worth noting that the average single-family tax bill measured as a percentage of assessed value had remained relatively consistent within the 1.5% - 1.7% range until recently falling to 1.4% in FY2024.



FY	Avg SF Value	% SF Value Increase	Avg SF Tax Bill	TB % Increase	Avg SFTB % Avg SF Value	PCI	Avg SFTB % PCI
2015	\$557,337	3.95%	\$8,929	2.93%	1.60%	\$84,930	10.51%
2016	\$575,521	3.26%	\$9,105	1.97%	1.58%	\$93,825	9.70%
2017	\$577,456	0.34%	\$9,459	3.89%	1.64%	\$97,767	9.68%
2018	\$596,760	3.34%	\$9,632	1.83%	1.61%	\$114,114	8.44%
2019	\$613,753	2.85%	\$10,274	6.67%	1.67%	\$110,329	9.31%
2020	\$634,419	3.37%	\$10,569	2.87%	1.67%	\$106,009	9.97%
2021	\$660,656	4.14%	\$10,709	1.32%	1.62%	\$117,088	9.15%
2022	\$690,027	4.45%	\$11,234	4.90%	1.63%	\$123,270	9.11%
2023	\$803,549	16.45%	\$11,860	5.57%	1.48%	\$123,267	9.62%
2024	\$893,361	11.18%	\$12,427	4.78%	1.39%	\$122,554	10.14%

Governing Structure

In the absence of a town charter, Southborough's government structure and certain procedures are organized pursuant to state statutes, general bylaws, and special acts. The town's executive branch consists of an elected, five-member select board, which appoints a town administrator to act on its behalf as Southborough's chief administrative officer. The town's legislative functions are fulfilled by an open town meeting, and there is a seven-member advisory committee, appointed by the moderator, to consider all warrant articles and make recommendations to town meeting voters. There is also a capital planning and improvement committee to provide analysis and recommendations regarding the town's capital budget and multiyear capital plan.

Twice in this century, ad hoc government study committees have reviewed the town's structure and deliberated about whether to propose a charter. When momentum for a charter did not arise from

the first of these committees, an effort by some residents in 2008 to start a Home Rule charter commission ([M.G.L. c. 43B](#)) failed to get adequate signatures. The main outcome from the second committee was a proposal for a town manager special act, which was voted down at annual town meeting in 2012 by 11 votes. There was still common interest in strengthening the town administrator position, however. In the following year, town meeting adopted a detailed bylaw to codify its authority, including the direction and supervision of all department heads under the select board. In addition, a 2013 special act granted the office the authority to sign payroll and vendor warrants. In a separate special act that year, the select board was enlarged from three members to its current five.

The current town administrator has been on the job since 2012. By bylaw, the position is Southborough's chief procurement officer and personnel director, but the incumbent has delegated much of the duties related to those two functions to an assistant town administrator, who has held that position for 23 years. The town also has an information technology (IT) department to manage its technology needs, including network infrastructure, IT policies, and cybersecurity. A municipal technology committee composed of appointed residents with relevant experience meets monthly to advise the IT manager on a range of topics, such as the town's five-year, strategic IT plan.

Another long-serving officeholder is the treasurer/collector, who began working for the town in 2003. Within two years of his hiring, the position's job duties were expanded, and the title was converted to finance director-treasurer/collector. Per the job description, this position is the town's chief financial officer, charged to create multiyear forecasts; coordinate and develop the annual operating and capital budgets; advise policy boards and departments on fiscal planning and financial management; and monitor the budget throughout the year in conjunction with the town accountant. There is no consolidated finance department, however. Although the finance director does not formally supervise the town accountant and principal assessor, he has instituted and regularly leads meetings of the financial team. As for the other team members, the town accountant has worked for Southborough for seven years and the principal assessor for 25.

On the following pages, we offer the town recommendations that we believe can help it to improve budget sustainability, increase the efficiency and effectiveness of everyday financial management, and strengthen internal controls.

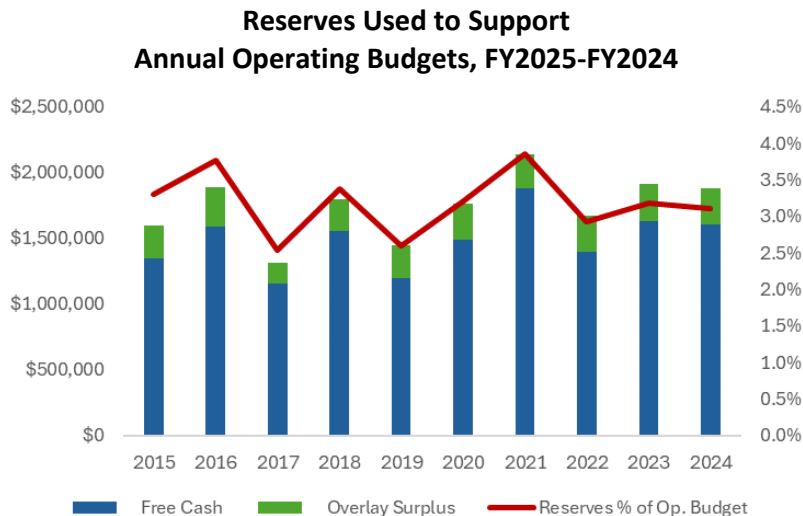
RECOMMENDATIONS

1. Gradually Discontinue Using Reserves to Support Annual Operating Budgets

We recommend that town officials work to gradually eliminate the use of reserves to support annual operating expenditures. For at least the last 10 years, the town has consistently relied on nonrecurring revenue sources to “balance” annual operating budgets. However, a truly balanced budget is not achieved unless recurring expenditures (salaries, benefits, materials, service contracts, and asset maintenance) are paid for using only recurring revenues. Recurring, or current, revenues are those the town expects to bring in every budgeted year, and they encompass taxes, excises, fees, charges, interest income, and state aid but not reserves. In the last 10 fiscal years, on average, the town has used reserves to support 3.19% of its annual operating budgets, totaling \$1.75M in a typical year. Specifically, the reserves being tapped each year are:

- Free cash. This is the town’s remaining, unrestricted funds from its operations of the previous fiscal year. It is the balance, as of June 30, that results from unspent appropriations turned back by departments, combined with local receipts that came in higher than the town’s projections. DLS must certify the free cash amount before the town can appropriate from it.
- Overlay surplus. The overlay is a reserve amount that is raised in the annual levy, based on the assessing department’s analysis, to provide an offset for estimated potential losses in tax receipts caused by exemptions and abatements. When the board of assessors has determined that that liability has been covered, it can declare an overlay surplus that is then available for the town to appropriate for any purpose.

The chart and table below display the town’s use of these reserves over the last decade.



One-Time Revenues	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Overlay Surplus	250,000	296,246	156,000	240,193	250,000	273,111	262,954	272,031	279,202	275,000
Free Cash	1,345,561	1,592,138	1,155,194	1,553,963	1,201,684	1,489,172	1,878,069	1,400,293	1,633,791	1,602,386
Total	1,595,561	1,888,384	1,311,194	1,794,156	1,451,684	1,762,283	2,141,023	1,672,324	1,912,993	1,877,386
General Fund Budget	48,332,951	50,015,097	51,544,377	53,106,240	55,761,633	54,756,284	55,413,400	57,066,830	60,187,290	60,327,003
One-time Revs % of Op. Budget	3.30%	3.78%	2.54%	3.38%	2.60%	3.22%	3.86%	2.93%	3.18%	3.11%

In effect, the budget has been running a structural deficit, which occurs when current revenues are not adequate to cover operating expenses. Relying on these one-time revenues every year carries the risk of compounding budget pressures, with expenditure demands continuing into future years without any recurring funding sources identified for them, and this only postpones difficult decisions on service and taxation levels.

We note here that it was the finance director who advocated for a review of the town's financial policies, including seeking outside guidance, which prompted the request to DLS. He had already been working to reduce the proportion of the certified free cash amount being used for operating budgets and also promoting a reassessment of the town's reserve level targets. There are two policies in the manual we drafted that contain provisions that speak to this recommendation and to the next one. The Annual Budget Process policy explains the principle of a structurally balanced budget and presents a goal to achieve that through a gradual, year-to-year, winding-down process. The Financial Reserves policy proposes fiscally sound uses for free cash and other reserves and also suggests that the town set prudent target levels for various types of reserves.

As shown in the table to the right, until recently, the town regularly used all of its certified free cash on the forthcoming year's operating budget. If Southborough's budget decision makers can collectively reframe their understanding of free cash and overlay surplus as being in the category of one-time revenue, it would bring about a conceptual change in what these

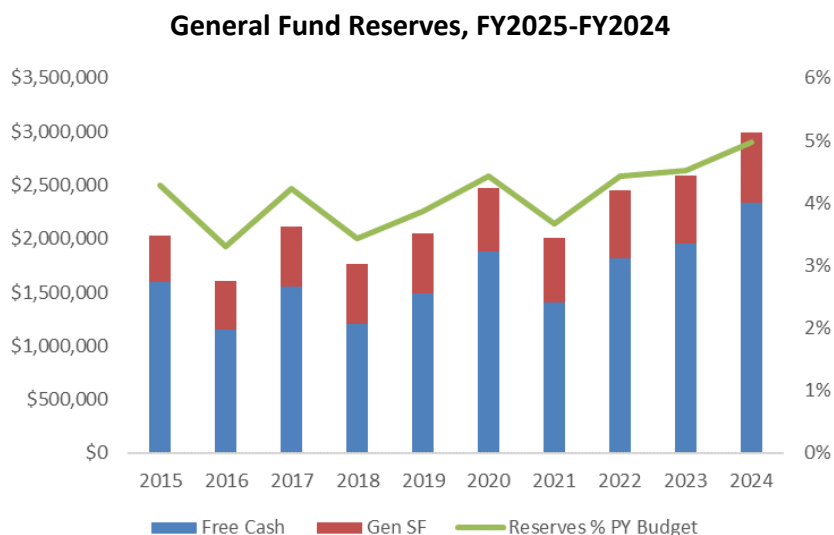
Free Cash Cert. Date	FC Amount Certified	FC Appropriated to Fund Next Year Operating Budget	% FC Used for Next Year Op. Budget	Applied to FY
9/15/2014	\$1,592,138	\$1,592,138	100.00%	2016
9/16/2015	\$1,155,194	\$1,155,194	100.00%	2017
9/13/2016	\$1,553,963	\$1,553,963	100.00%	2018
9/29/2017	\$1,201,684	\$1,201,684	100.00%	2019
9/18/2018	\$1,489,172	\$1,489,172	100.00%	2020
9/18/2019	\$1,878,069	\$1,878,069	100.00%	2021
9/15/2020	\$1,400,293	\$1,400,293	100.00%	2022
10/13/2021	\$1,821,761	\$1,633,791	89.68%	2023
10/12/2022	\$1,951,394	\$1,602,386	82.11%	2024
10/18/2023	\$2,339,466	\$1,873,351	80.08%	2025

reserves should represent for the town as funding sources. Far better uses for them include paying for one-time capital items of lower cost than those that justify bonding (i.e., "cash capital"), building up stabilization fund(s) to target levels, and paying down unfunded liabilities, such as other postemployment benefits.

2. Build Up Reserves to Higher Target Levels

To better manage budgetary risks, enhance capital planning, and enable pragmatic cashflow management, we recommend Southborough set and pursue new targets for general fund reserves higher than historical levels. The two primary general fund reserves in Massachusetts municipal government are free cash and the general stabilization fund. Beyond a general stabilization fund, a community can also create one or more special purpose stabilization funds (SPSFs) to accumulate money for a specified future purpose. At the annual town meeting this year, voters approved the town's first SPSF to help manage fluctuations in the elementary schools' special education costs, but no money has been appropriated to it yet. For the purposes of this discussion, and to compare Southborough to other communities in the state, "total reserves" refers to free cash and combined stabilization fund(s) all together.

As a standard to measure municipal reserve levels, DLS uses the ratio of the reserves to the community's prior year general fund budget.¹ Accordingly, a comparison of Southborough to communities statewide reveals it to be among the extreme outliers in the small size of its total reserves. In FY2024, the town was ranked fifth lowest, with a total reserve amount representing only 4.97% of its prior year general fund budget. The average for the 351 cities and towns in Massachusetts is 19.57%. In the Appendix is a table that shows the 10 communities in the state with the lowest total reserves as of FY2024.



¹ It is also common to calculate reserves as a percentage of prior or current year general fund revenues, though the calculus for all of these options typically results in percentage numbers within a close range of each other. What's important is to establish a specific, meaningful ratio and use the same one when reviewing a community's year-to-year trends or comparing it to others.

FY	PY GF Budget	Free Cash	FC % PY Budget	Gen SF	SF % PY Budget	Total Reserves	Reserves % PY Budget
2015	\$47,490,663	\$1,592,138	3.35%	\$441,579	0.93%	\$2,033,717	4.28%
2016	\$48,332,951	\$1,155,194	2.39%	\$445,944	0.92%	\$1,601,138	3.31%
2017	\$50,015,097	\$1,553,963	3.11%	\$560,735	1.12%	\$2,114,698	4.23%
2018	\$51,544,377	\$1,201,684	2.33%	\$566,159	1.10%	\$1,767,843	3.43%
2019	\$53,106,240	\$1,489,172	2.80%	\$561,988	1.06%	\$2,051,160	3.86%
2020	\$55,761,633	\$1,878,069	3.37%	\$590,099	1.06%	\$2,468,168	4.43%
2021	\$54,756,285	\$1,400,293	2.56%	\$606,627	1.11%	\$2,006,920	3.67%
2022	\$55,413,400	\$1,821,761	3.29%	\$633,603	1.14%	\$2,455,364	4.43%
2023	\$57,066,830	\$1,951,394	3.42%	\$632,666	1.11%	\$2,584,060	4.53%
2024	\$60,187,290	\$2,339,466	3.89%	\$652,196	1.08%	\$2,991,662	4.97%

Southborough's level of reserves is lower than any minimum benchmark recommended by authoritative professional organizations that specialize in public financial management, like the Government Finance Officers Association (GFOA) and the International City/County Management Association, as well as bond rating agencies, such as Moody's and Standard & Poor's. Among these entities, the GFOA currently has the lowest minimum recommended threshold for reserves.²

In Southborough, there is an evident lack of consensus among the select board, advisory committee, and town finance officers regarding an appropriate level of reserves for the town. A succession of advisory committees has sought to hold the line to a very minimal level of reserves, and its webpage has a document from 2010 saying that an adequate maintenance level for the general stabilization fund is \$400,000. A 2020 policy adopted by the select board set a minimum goal for total reserves at 5% of the town's general fund budget, with a desired maintenance range of 5-10%. For FY2024, the minimum end of that target amounted to \$3,016,350, and with its certified free cash (\$2,339,466) and general stabilization fund balance (\$652,196), the town came up short of that policy target by only \$24,688. However, 80% of the certified free cash was then appropriated this March for the FY2025 operating budget.

Besides a very conservative budgeting approach in general, reserves in Southborough have been suppressed because of the notion that they are not really necessary given the amount of available

²A well-known 2002 GFOA best practice document was widely misunderstood as promoting the idea that communities should strive to maintain reserves within the range of 5-15% of the annual budget. In fact, the GFOA meant for *both* of those figures to be appropriate *minimal* targets, depending on a community's budget size, with the emphasis that most communities should set a minimum target at the higher of these. In 2015, the GFOA [updated its guidance](#) to recommend that all municipal governments, regardless of size, should "maintain unrestricted budgetary fund balance in [the] general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures." The term "unrestricted fund balance" used by GFOA encompasses more than what in Massachusetts are referred to as free cash and stabilization because it additionally includes deferred revenue and encumbered funds. The GFOA article entitled [Should We Rethink Reserves?](#) provides further guidance about reserves as a risk management strategy.

excess levy capacity. However, a strategy that presumes the town can leverage the excess capacity by increasing the tax levy whenever deemed necessary entails a high level of risk. Excess capacity is neither a liquid funding source nor is it in any other ways analogous to a true reserve. Also to be considered is the town's flattening trend in new growth, which will cause a narrowing of the levy capacity of its own accord over time.

If reserves remain low and a large expenditure for a major emergency arises, the town will be forced to ask town meeting participants to decide between an unexpected, substantial increase in their tax bills or painful reductions in services. Conversely, if the reserves were built up gradually through moderate, year-to-year appropriations of the levy and one-time revenues, the impact on residents would be significantly lessened. Furthermore, if the town needed to resort to using its reserves in pressing circumstances, the funds would already be at hand — unlike when seeking a tax increase — thereby greatly improving the odds of approving the appropriation. A reasonably substantial level of reserves may even help the town to offset revenue losses from a multiyear economic slowdown, until a turnaround, or it could at least provide more time to make decisions on service innovations or other ways to address the situation should a recession drag on more than a few years.

The primary purpose of reserves is to provide the kind of insurance, as just described, against the negative impacts that major unforeseen circumstances could have on the community's ability to maintain services and assure the continued value of its capital assets. But many communities also know that there are other important, strategic functions provided by healthy reserve levels. Reserves provide a cash funding source for the high proportion of items in the town's capital plan with costs that are low to moderate and therefore do not justify borrowing, with its added expenses, time, and effort. This benefit does not happen without a resolute plan, however. We frequently advise towns to establish a capital stabilization fund to provide a transparent funding tool for cash capital needs.

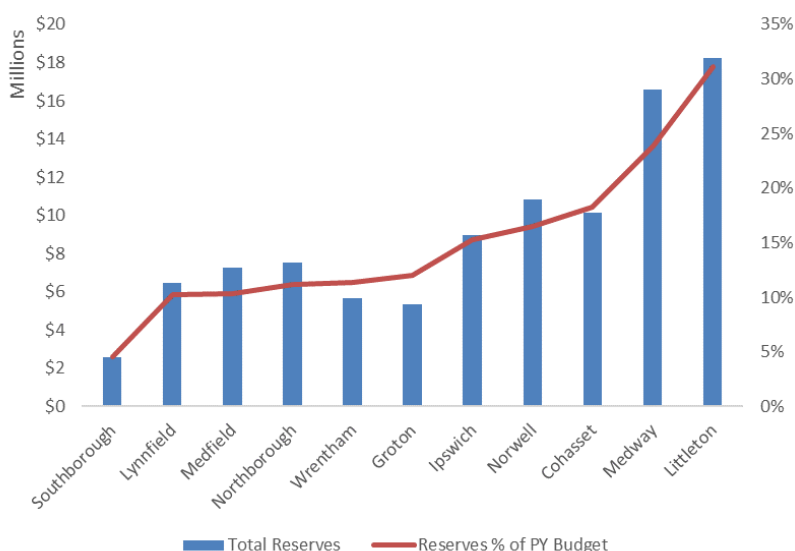
Another practical function of reserves is the enhancement of cash flow by providing an effective and efficient avenue for internal borrowing. This is important given that large amounts of recurring revenues come in only at certain times during the year, such as tax payments, but many fixed costs must be paid either regularly, like payroll and employee benefits, or as a significant lumpsum at a divergent time, such as debt service. The risk of inadequate cashflow increases when reserves are suppressed. In those circumstances, the town might have to repetitively issue revenue anticipation notes, which would entail additional costs and the otherwise avoidable risk of defaulting on the notes.

The policy manual we provided to the town contains suggested annual targets of 2-4% for free cash and 6-9% for general stabilization. These figures were based on similar communities, researched best practices, and accumulated data from many projects and communities over time. In this context, the policy targets have been presented to Southborough as starting points for further local discussion and

analysis, which should relate to specific risks that local leaders identify for Southborough, as well as the town's fiscal planning goals. After completing these discussions, the select board should adopt the policies with the resulting targets and seek consensus with the advisory committee as well, so that unified budgets can be presented to town meeting.

We provide the information below to show how Southborough compares to its peer group.

FY2024 Peer Community General Fund Reserves



Town	Prior Year GF Budget (2023)	Free Cash Amount	FC % of PY Budget	Gen. SF Amount	Gen. SF % PY Budget Fund	SPSF(s) Amount	SPSF(s) % PY Budget Fund	Total SFs Amount	Total SFs % PY Budget Fund	Total FC+SFs Reserves	Total Reserves % PY GF Budget
Southborough	\$60,187,290	\$2,339,466	3.89%	\$652,196	1.08%	\$0	0.00%	\$652,196	1.08%	\$2,991,662	4.97%
Lynnfield	\$67,091,477	\$2,293,295	3.42%	\$2,679,924	3.99%	\$1,250,236	1.86%	\$3,930,160	5.86%	\$6,223,455	9.28%
Groton	\$48,542,464	\$2,423,442	4.99%	\$2,389,008	4.92%	\$702,529	1.45%	\$3,091,537	6.37%	\$5,514,979	11.36%
Northborough	\$71,218,703	\$3,572,920	5.02%	\$5,298,019	7.44%	\$0	0.00%	\$5,298,019	7.44%	\$8,870,939	12.46%
Medfield	\$74,903,036	\$5,142,311	6.87%	\$3,147,770	4.20%	\$1,818,708	2.43%	\$4,966,478	6.63%	\$10,108,789	13.50%
Norwell	\$69,089,936	\$6,031,227	8.73%	\$2,779,236	4.02%	\$2,754,643	3.99%	\$5,533,879	8.01%	\$11,565,106	16.74%
Cohasset	\$57,450,258	\$2,451,125	4.27%	\$5,224,065	9.09%	\$2,570,073	4.47%	\$7,794,138	13.57%	\$10,245,263	17.83%
Ipswich	\$63,779,124	\$4,761,849	7.47%	\$2,168,980	3.40%	\$4,830,625	7.57%	\$6,999,605	10.97%	\$11,761,454	18.44%
Wrentham	\$52,638,202	\$7,390,034	14.04%	\$1,900,232	3.61%	\$502,926	0.96%	\$2,403,158	4.57%	\$9,793,192	18.60%
Littleton	\$70,500,294	\$10,108,103	14.34%	\$3,959,682	5.62%	\$3,058,202	4.34%	\$7,017,884	9.95%	\$17,125,987	24.29%
Medway	\$68,504,036	\$4,670,564	6.82%	\$4,508,209	6.58%	\$9,153,837	13.36%	\$13,662,046	19.94%	\$18,332,610	26.76%
Averages	\$63,991,347	\$4,653,121	7.26%	\$3,155,211	4.90%	\$2,421,980	3.68%	\$5,577,191	8.58%	\$10,230,312	15.84%

3. Appoint a Charter Study Committee

We recommend the select board appoint a charter study committee to consider potential changes in the town's structure and explore the creation of a town charter proposal. The charter-making process provides a community the opportunity to develop and define its unique governing framework and protocols based on a deliberative process that holistically addresses all of town government, in contrast to the piecemeal approach to evolving government through successive, often unconnected bylaws. Over the course of this process, the charter committee, participating stakeholders, and,

ultimately, resident voters can decide how they wish the town to be governed into the future. Furthermore, a charter is the best option when a town wants to solidify cohesion and continuity in its core framework, roles and responsibilities, because revisions are not as simple to do as with bylaws.

It is good practice for every community to conduct a formal reassessment of its governmental framework and practices every eight to ten years. This helps it to be proactive in evaluating how structural or procedural changes might improve service efficiency or effectiveness in light of the changing circumstances and demands that invariably accrue as a town grows in size and complexity. Southborough has lagged in this regard, not just from the standpoint of the lapse in time since its last formal review, but also in relation to the evolutions that have been taking place among towns that are otherwise similar to it in their stages of growth. Looking at statewide data, once a town's population reaches 9,000, the odds that it has a charter are better than 50%. From the perspective of Southborough's budget size, the community appears to be even more out of step. Among the 24 towns with budgets in the range of \$57M to \$72M, charters are present in 17 of them (71%).

The results of our survey of Southborough's peers are displayed in the table below. It shows that 80% of them have charters, and half of them have chosen to establish a town manager. Another common charter consideration is whether certain positions and boards should remain elected. Here we have included the peers' data on boards of assessors and town clerks, but the charter study committee should systematically review all elected roles as part of its due diligence, not including the select board and school committees, which by statute must remain elected in perpetuity.

Peer Communities – Charter Status and Structure Data

Town	Charter	Year of 1st Charter	Latest Charter Year	CAO	Elected vs. Appointed	
					Board of Assessors	Town Clerk
Cohasset	No*	n/a	n/a	Town Mngr.	elected	elected
Groton	Yes	2010	2022	Town Mngr.	elected	appointed
Ipswich	Yes	1966	1975	Town Mngr.	appointed	appointed
Littleton	No	n/a	n/a	Town Admin.	elected	elected
Lynnfield	Yes	1971	same	Town Admin.	elected	appointed
Medfield	Yes	1972	2005	Town Admin.	elected	elected
Medway	Yes	2020	same	Town Mngr.	appointed	elected
Northborough	Yes	1970	1979	Town Admin.	appointed	appointed
Norwell	Yes	1973	2012	Town Admin.	elected	elected
Southborough	No	n/a	n/a	Town Admin.	elected	elected
Wrentham	Yes	2014	2024^	Town Mngr.^	elected	elected^

* Cohasset has a town manager special act but not a broad scope town charter.

^ Wrentham has a new special act charter awaiting passage by the state legislature. It would establish a town manager and also give town meeting the power to convert the town clerk to appointed status.

Advice for a Charter Study Committee

In appointing a charter committee, the select board should ensure there are sufficient members to reflect a wide range of perspectives, and it could include a mix of residents, town employees, and town officials. The select board should develop a detailed charge for the committee and also set a timeline for reporting progress updates and presenting a preliminary report. After discussions on the preliminary report, the select board could then charge the committee with drafting a charter as a special act to be sent to the legislature if it meets with town meeting's approval. As guidance for an effective committee, we suggest that members:

- Approach the committee mandate without any presumed outcomes or other biases.
- Collect and review charters from other towns for ideas of topics and provisions for discussion.
- Contact counterparts in other towns that have gone through a charter process for their insights.
- Solicit input from the public through surveys and publicized forums.
- Invite department heads, other employees, and local officials to relevant meetings to gain pertinent information from them.

Town Administrator vs. Town Manager

The notion of a town manager position always arises when a town considers establishing a charter for the first time. However, the state's General Laws provide no detailed definition for a town manager or town administrator. In actuality, it is town governments themselves that have decided over time that a town manager is the higher, more fully empowered, chief executive (versus administrative) officer. As proof of this, in all 70 towns in Massachusetts with a town manager, the position was established through a charter or special act despite there being no statute or other standard requiring either of these levels of codification.³ For towns with town administrators, generally speaking, there is a mixed bag of personal service contracts, job descriptions, or bylaws providing the primary definition of the position. Having said that, there are examples of town administrators whose role has been codified through a special act or charter with provisions that mirror the authority typically associated with town managers.

The general understanding is that a town administrator acts at the select board's direction, but a town manager has institutional authority to direct municipal operations independent of the board. Ultimately, there is real import in what the town manager option signals – the community's desire for a more modern, centralized government run by a decision maker truly empowered to hold department heads accountable.

³ This includes two towns for which special acts are pending passage by the MA legislature.

As was mentioned previously, a substantial range of authority and duties have already been vested in Southborough's town administrator through a special act and bylaw. A proposed future charter might devolve yet more select board powers and/or include other structural changes that would create a more vertical management framework, and these could induce a title change. But even in the absence of significant changes in the role, a reason that some towns opt for a town manager title is that it tends to attract more seasoned and qualified job applicants whenever vacancies arise.

4. Redefine Capital Project Criteria, and Budget for Maintenance within Departmental Line items

As presented in the draft Capital Planning policy we provided the town, we recommend raising the two criteria thresholds for identifying a capital project. The most recent policy adopted by the capital improvement and planning committee in 2021 set these at three years of useful life and cost of \$10,000, but we suggest changing them to five years and \$20,000.

In municipal finance, capital assets are the community's collection of significant, long lasting, and expensive real and personal property, such as land, buildings, infrastructure, equipment, and rolling stock. Over the past decade, five years has become the standard yardstick to qualify as a long-life asset, with only very small towns or those with less proficient budgeting practices using a shorter useful lifespan. A similar trend exists to increase the capital cost criterion to \$20,000 or higher. The main driver of this is inflation obviously, and its impact is already evident in the town's current capital improvement plan (CIP), which has only a small fraction of items costing under \$20,000.

For any expenditure that does not meet both the cost and useful life criteria, the town should budget it within a departmental line item. Whatever the expenditure amount, if its purpose is to curb asset deterioration or to purchase an asset with a useful lifespan of less than five years, it should be considered capital maintenance within the annual operating budget and not compete for priority with the capital projects proposed each year. In contrast, projects in the CIP should be undertaken either to build, buy, expand, or replace a long-life asset or to enhance an asset's condition beyond its original state of quality, efficiency, or useful life expectation.

The budget for each town department should include a capital maintenance line item to go along with those for personnel and expenses, even if the amount is very small, or zero, for small departments. Although it might seem counterintuitive, placing preventative maintenance expenses as standard, line-item parts of departmental operating budgets, instead of in the capital budget juxtaposed with items meeting the capital criteria, will help to increase the transparency and understanding of departments' ongoing maintenance costs for budget decision makers and residents.

Although this change in budgeting model will preclude the need for department heads to submit capital request forms for their maintenance costs, it will remain important for the finance director and town administrator to have realistic discussions with them about their maintenance needs every budget year. Going forward, department heads would each submit an estimated amount for maintenance based on actual, related expenditures over the past one to two years as part of their annual operating budget requests. Furthermore, they would be expected to manage this line item with the same care as personnel and expenses, including turning back unexpended maintenance funds at year-end, which could then add to the free cash balance.

5. Create a Consolidated Finance Department

We recommend formally combining the town's central financial offices of accounting, assessing and treasury/collections into a consolidated finance department under the supervision of a finance director. As towns reach the size and complexity of Southborough, it becomes more common for them to have consolidated finance departments for a variety of desired benefits. For starters, a combined department improves the coordination of the various tasks that intersect among the financial offices, such as the processing of tax commitments, abatements, and refunds; warrants payable processing and disbursements; analyses of debt, new growth, and other factors used in long-range forecasts; and periodic reconciliations of various kinds.

By having centralized supervision over the core financial offices, a finance director can help ensure that key activities are completed on schedule, that appropriate checks and balances and other internal controls are functioning properly within and among divisional offices, and that common resources are used efficiently. It should also enhance the timeliness, accuracy, and quality of financial reports that the town's fiscal policymakers need for their decision making. Furthermore, this structure alleviates some of the town administrator's workload by reducing his total number of direct reports and more formally delegating aspects of the position's chief financial officer role to the finance director. Finally, many communities find that finance departments are helpful in creating career ladders and enhancing professional development opportunities, benefits which should not be discounted in today's competitive municipal job market.

Implementing this recommendation would complete a metamorphosis that has been happening gradually in Southborough over time. As mentioned previously, the treasurer/collector has had the additional title of finance director for many years, with a job description that incorporates numerous responsibilities typically associated with municipal finance directors. Despite being a finance director only through job description and contract, the incumbent's knowledge and people skills have enabled him to gain cooperative respect in financial matters from the town administrator, other finance office managers, and budget decision makers. This coordinated framework should be solidified to help

assure its continued and enhanced effectiveness, even when the incumbent leaves town service someday.

As the table below shows, seven of Southborough's 10 peer towns have consolidated finance departments, and all but one of them includes the assessing office. Based on available information at the time of this writing, at least 60 percent of finance departments statewide include the assessing function. In those structures, the board of assessors typically retains its advisory and signatory roles but defers its managerial oversight of the department to the finance director.

Peer Communities – Summary of Finance Departments

Town	Consolidated Finance Dept?	Consolidated How?	Fin. Dir. standalone position?	Fin. Dir.'s other role	Fin Dept Incl Assessing?
Cohasset	Yes	bylaw	No	Acct	Yes
Groton	No				
Ipswich	Yes	job description	No	Acct	Yes
Littleton	Yes	bylaw	No	ATA*	Yes
Lynnfield	No				
Medfield	No				
Medway	Yes	charter	No	Acct^	Yes
Northborough	Yes	bylaw	No	Acct^	Yes
Norwell	Yes	bylaw	No	Acct^	Yes
Southborough	No		No	T/C	
Wrentham	Yes	charter	No	T/C	No

* Bylaw says the finance director can also be accountant, treasurer/collector, or assistant town administrator. It is currently the assistant town administrator.

^ Charter or bylaw says the finance director can also be accountant or treasurer/collector. It is the accountant now.

The simplest way for Southborough to implement this reorganization is by adopting a bylaw pursuant to [M.G.L. c 43C, § 11](#). To provide the town with the greatest amount of flexibility as future officeholders enter and leave town service, we recommend the bylaw include phrasing to say that any person appointed as finance director can also serve as either the town accountant, treasurer/collector, or principal assessor.

6. Review Town Committees with the Goal of Reduction

We recommend the town administrator conduct a review of town committees and make recommendations to the select board concerning their future status. A reduction in the total number of committees and seats should be an overall goal of this process. To get the best value from committees, a town should establish as few of them as needed and practical to address critical issues. Based on town website information, Southborough has about 53 committees (with a few

subcommittees included), which is a relatively high number. Also, it appears that a third of them have one or more vacant seats, with an overall seat vacancy of 35 percent.

Roughly half of the town's committees are required by either state statute or town bylaw, with the remainder being standing or ad hoc committees appointed by the select board. Committees can valuably contribute to town decision making by distributing the workload of research and analytical discourse needed to dive deeper into particular issues, which could otherwise overwhelm the schedules of the town administrator or select board members. On the other hand, too many committees can become a drain on the various town personnel who must provide information to them or attend meetings. Select board members themselves may be called upon to serve on multiple committees, which can be fatiguing. A proliferation of committees can thereby counteractively bog down the progress of government, especially when they have weak mandates, coordination protocols, or reporting procedures.

A high number of committees also means extra time and effort for recruitment, which typically falls on the town administrator's office. Given that fact, unless there are large numbers of residents seeking to volunteer, there is often a high likelihood that individuals will be appointed to multiple boards, which defeats the purpose of obtaining a diversity of opinions or relevant knowledge. Furthermore, as the authority and competencies of a town administrator and his staff increase, there may be a decrease in the nonredundant value of certain committees. For example, many communities discontinue having a personnel board when its functions can be done by the town administrator or personnel director.

In any case, it is good practice to conduct assessments of appointed committees on at least a biennial basis. This schedule helps to ward off complacency that could cause local officials to maintain the state quo without questioning whether it still makes sense. We therefore advise the select board to direct the town administrator to review all appointed committees to ensure they advance town interests and contribute positively to decision-making processes. A consistent approach and uniform rules should apply to new and existing committees. All committees that have become dormant, have achieved their purpose, or whose purpose has become irrelevant should be disbanded. Committees whose existence is justified should be revitalized with a renewed mandate. A reporting requirement and deadlines for actions should also be established.

Finally, we recommend the select board present town meeting with a warrant article to adopt a bylaw that establishes a council on aging under [M.G.L. c. 40, § 8B](#). The town has had an active council on aging for a long time, but no bylaw establishing it could be found, although there are some references to the council among a few bylaws. The appendix of the general bylaws records an acceptance of the statute in 1974; however, an adopted bylaw is still required. The bylaw should define the size,

appointment, and terms of the council members, and it should also outline the council's responsibilities.

7. Treasurer/Collector Staff Enter Revenue Turnover Data in VADAR

We recommend that the treasurer/collector staff enter revenue data into VADAR using its Treasurer's Receivables module, which is already included as part of the Financial Suite the town has primarily been using for its general ledger (GL) module. This procedural change will significantly improve processing efficiencies and internal controls.

Currently, staff in the treasurer/collector office use only the Property Tax Suite in VADAR for posting and tracking tax, excise, and water receivable accounts. To comprehensively record all town revenues, both the accounts receivable and the non-receivable payments turned over by departments, the treasurer/collector staff use an Excel cashbook. Based on the cashbook data, the finance director-treasurer/collector or his deputy provides the town accountant with daily reports of all processed revenues in Schedules of Treasurer's Receipts and also provides detailed VADAR reports of posted receivables. Sometime after each month-end, the finance director-treasurer/collector completes a reconciliation of the cashbook with banking records and forwards a copy of the reconciled cashbook to the town accountant. The town accountant then uses this cashbook copy to input revenues into the GL and uses the VADAR reports to update the GL's receivable records.

The financial offices have not been exploiting the value of VADAR as an enterprise software system designed to enable the flow of data within and between modules and suites to thereby eliminate duplicative data entry tasks. As VADAR provides this efficiency, it also incorporates valuable internal controls, such as a continuous audit trail and levels of approval tasks based on appropriately configured user permissions. Apart from all of this untapped value, the current procedures do not support a true check-and-balance between the treasury and accounting books of record.

It is our understanding that the treasurer/collector staff have begun to apply the change we recommend here on a pilot basis. Once this has been fully implemented, the staff will be able to seamlessly turn over tax, excise, and water collections data within the system from the Property Tax Suite to the Treasurer's Receivables. To the extent feasible, as a segregation of duty control, we advise that different treasurer/collector staff from those who entered the receivable or revenue turnover data into VADAR should record the corresponding information in the cashbook.

Under the new process, on a daily basis, the town accountant would review the revenue turnover data posted in the Treasurer's Receivables module against corresponding copies of turnover reports that departments have provided to her (i.e., Schedules of Departmental Receipts). When she is satisfied

that the information matches, she can then accept the posted revenue data into the GL within VADAR, or alternatively, inquire into any discrepancies. Finally, as a future consideration once the new Treasurer's Receivables procedures have been implemented and are working well, the town might evaluate replacing the Excel cashbook with the one provided within VADAR's Financial Suite.

8. Use Treasurer's Schedules as the Data Source for GL Revenues

Until the town completely implements the previous recommendation, we advise the town accountant to change the data source she uses for GL revenue entries. Basing the entries on the treasurer/collector's month-end Excel cashbook delays the currency of GL data and does not allow for a strong, ongoing check-and-balance control of the parallel books of record that each office should maintain. Instead, each day, the town accountant should match up the data presented in these schedules with the corresponding copies of schedules she receives from departments. If they match, the town accountant should use the treasurer's schedule as the source for entering revenue data in the GL. If any discrepancies between the reports are identified, she should follow up with the two parties.

9. Implement Enhancements in Personnel and Payroll Management

Beginning this fiscal year, the town initiated a project to decentralize the data entry of employee time and attendance (T&A) in the Harpers payroll application to the individual employee level, rolling out the change gradually, department by department. To further improve efficiencies and internal controls in personnel and payroll management, we recommend the town also consider implementing the following:

- Uniform departmental payroll forms - Until remote T&A procedures have been fully rolled out town-wide, town employees should all use the same biweekly time sheet template, and department heads should use a uniform summary coversheet. This will help ensure departments consistently provide all necessary data and will decrease the time and effort needed by the payroll coordinator to review the information.
- Employee ID numbers – Every personnel- or payroll-related form should include a blank space for the employee identification (ID) number, and the personnel submitting the form should ensure the ID is filled in.
- Payroll action form (PAF) - The town should adopt a PAF as an internal control to document the approvals that must be obtained before any change is made to an employee's compensation, including pay rates related to hiring, promotion, stipend, bonus, and

termination, as well as leave time accumulation rates. No edits to these rates should be made within the payroll application without the signatures of the town accountant, town administrator, and employee's supervisor. When there is a change for a group of employees, such as from a new bargaining agreement, a summary report of the affected employees should be made and signed by these same parties, rather than creating individual PAFs.

- *Segregation of duties* – To strengthen internal controls, the town should consider segregating the duty of processing biweekly payroll data from the tasks of creating and updating employee compensation rates in the payroll application. User permissions in the system should be set up such that the payroll coordinator can only make edits to the hours worked or leave time used by employees, along with cyclical deduction information. There should be a different user whose only edit permissions are to create new employees in the system and to change compensation rates. A logical person for this responsibility would be the assistant town administrator, whose job description assigns her a variety of personnel management duties, including maintaining personnel files.

10. Conduct Periodic, Comprehensive, Cybersecurity Risk Assessments

To enhance the town's cybersecurity position, we recommend the IT department complete comprehensive risk assessments at least every two to three years. Like all towns, Southborough is vulnerable to cyberattacks, whether they be breaches of confidential data that expose the town to significant penalties and lawsuits, or ransomware and other denial of service attacks that can result in prolonged and costly system downtime. We were told a team from the MA National Guard performed a cyber review for the town in 2021. Such assessments provide a valuable snapshot, but over time, new challenges arise, and new risks are identified. For this reason, ISACA, the leading information technology professional group, recommends organizations conduct biennial risk assessments.⁴

To date, the town has made prudent investments in strengthening its IT resources and safeguards, starting with the decision to support a full-time, in-house IT department consisting of an IT manager and a specialist. The IT manager has placed a high emphasis on cybersecurity and is in the process of updating related town policies. He oversees a significant range of technology controls and practices. The department contracts with an external firm for many security controls associated with its network and with another vendor for an annual penetration test. All of these practices, tools, and more should come under the scope of the periodic risk assessments we recommend.

Each completed assessment should result in a fresh reassessment of how to best manage each identified risk by a decision-making team including the IT manager, IT committee, and any relevant

⁴ For further guidance, see [Performing a Security Risk Assessment \(isaca.org\)](https://www.isaca.org).

stakeholders. For assistance with developing a solid risk assessment framework that can be repeated in-house going forward, the MassCyberCenter publishes a list of [agencies and resources](#) that can help. It is also anticipated that the state's [Community Compact Cabinet](#) program will be offering new grants in IT best practices in September 2024.

11. Give Copies of All Contracts and Grants to the Accountant

After speaking with the town accountant, it appears she does not have custody of all the contracts and grants she is legally obliged to maintain. Therefore, we recommend that the heads of all departments, boards, and commissions ensure that they submit copies of all grants and contracts to the accountant's office in compliance with [M.G.L. c. 41, § 57](#) and bylaw [Article 3 § 3-2](#). When reviewing payment requests, the accountant must be able to verify that the terms of the contract are met. If a department submits a bill and the contract with the payment terms is not on file, she should not process the payment until she gets the contract.

12. Revise Deputy Collector Procedures

To assure statutory compliance and improve internal controls, we recommend the town revise procedures related to payments collected by the contracted deputy collector, Kelley & Ryan Associates, Inc. Under current practice, the firm deposits its receipts into a company bank account. Then once a week, a company employee delivers a check written on that account (minus the firm's fees) to the treasurer/collector's office, along with a summary of payers and fee invoice.

The finance director should require Kelley & Ryan to deposit all collections into a town-controlled bank account opened specifically for deputy collector receipts. This change is necessary because state law does not permit a deputy collector to deposit municipal funds in a private bank account nor to maintain a bank account in a community's name. Accordingly, the notices Kelley & Ryan sends to delinquent taxpayers as Southborough's deputy collector should state that the town, not Kelley & Ryan, is the check payee. We also recommend the town process the deputy collector fees through the standard warrant process. Financial controls are strongest when the deputy collector submits detailed bills to be paid through the vendor warrant with the appropriate checks by the town accountant.

13. Charge Interest on Late Water Bills

We recommend the town adopt a bylaw enabling the treasurer/collector's office to add interest to outstanding water bills, as allowed under [M.G.L. c. 40, § 21E](#). The bylaw could mimic the language in [Article 1 Police User Detail Fees](#); establish a due date for the receivable, such as 30 days after the mailing date; and specify an interest rate, which can be as much as that charged for delinquent

property taxes. Charging late interest, along with placing timely liens for the outstanding charges on property tax bills, would demonstrate that the town is serious about these collections. Since FY2020, the water utility has been set up as an enterprise fund so that the town can minimize any general fund subsidy to support the service in favor of the primary burden being carried by the actual users of the service; i.e., the pursuit of a self-supporting service. Implementing this change will help contribute to that goal.

ACKNOWLEDGMENTS

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Andrew Pfaff, Advisory Committee Chair
Jason Malinowski, Capital Improvement and Planning Committee Chair
Brian Ballantine, Finance Director-Treasurer/Collector
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APPENDIX

Communities with the Lowest Levels of General Fund Reserves in FY2024

Rank	Type	Municipality	County	2021 Pop.	2020 PCI	2022 EQV PC	FY2023 GF Budget	Total FC+SFs Reserve Amount	% of PY General Fund Budget				
									Certified Free Cash	General Stab. Fund	SPSF(s)	Total SFs	Total Reserves
1	Town	Chilmark	DUKES	1,248	\$104,706	\$3,107,473	\$14,302,616	\$0	FC not certified	0.00%	0.00%	0.00%	0.00%
2	Town	Gosnold	DUKES	70	\$1,229	\$3,406,727	\$1,736,061	\$0	FC not certified	0.00%	0.00%	0.00%	0.00%
3	City	Quincy	NORFOLK	101,119	\$39,487	\$202,990	\$380,255,274	\$8,033,776	0.34%	0.96%	0.81%	1.78%	2.11%
4	Town	Petersham	WORCESTER	1,188	\$40,581	\$160,513	\$5,878,116	\$214,489	1.49%	2.16%	0.00%	2.16%	3.65%
5	Town	Southborough	WORCESTER	10,421	\$122,554	\$291,058	\$60,187,290	\$2,991,662	3.89%	1.08%	0.00%	1.08%	4.97%
6	Town	Hardwick	WORCESTER	2,660	\$29,421	\$109,024	\$6,452,945	\$328,693	2.50%	2.52%	0.07%	2.59%	5.09%
7	City	Haverhill	ESSEX	67,361	\$32,578	\$130,265	\$233,386,746	\$14,421,210	2.95%	3.12%	0.11%	3.23%	6.18%
8	Town	Barre	WORCESTER	5,526	\$30,154	\$105,616	\$12,896,758	\$802,419	-0.49%	6.22%	0.48%	6.71%	6.22%
9	Town	Belchertown	HAMPSHIRE	15,279	\$39,345	\$123,658	\$55,718,978	\$3,471,293	3.09%	3.14%	0.00%	3.14%	6.23%
10	Town	Hatfield	HAMPSHIRE	3,314	\$39,779	\$200,373	\$13,592,549	\$897,009	2.67%	3.54%	0.40%	3.93%	6.60%