

# City and Town

Navjeet K. Bal, Commissioner • Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs



A Publication of the Massachusetts Department of Revenue's Division of Local Services

## **Registration for the Third Annual Regionalization Toolkit Conference is now open! ~ [Click here to register](#)**

The Division of Local Services, Franklin Regional Council of Governments, and the Massachusetts Association of Regional Planning Agencies are pleased to bring you the Third Annual Regionalization Toolkit Conference on Thursday, September 1 at the College of the Holy Cross in Worcester.

The conference will feature a series of morning workshops and afternoon roundtable discussions. The workshops will highlight a series of panelists who will share their insight and experiences on regionalizing municipal services and best practices. Topics will include how cities and towns can work together, economic development, innovations in green communities, sharing veterans' agents and the role of municipalities as host agencies in regionalization.

Roundtable discussions are designed to stimulate conversations among local officials on various topics of regionalization. Facilitated by a state official, and including several invited subject matter experts, attendees are encouraged to engage in an open dialog to discuss specific questions or challenges surrounding regionalization. Topics will include regionalizing emergency dispatch services, open source financial management software, inter-municipal agreements and regional health districts.

The conference will open with remarks by Lt. Governor Timothy Murray, DOR Commissioner Navjeet Bal, Deputy Commissioner of Revenue and Director of Municipal Affairs Robert Nunes, Executive Office for Administration and Finance Policy Director Pam Kocher, and Executive Director of the Pioneer Valley Planning Commission Tim Brennan.

For additional information regarding the conference, including the brochure and a list of events, visit the DLS Regionalization Conference webpage, click [here](#) for more details.

[Click here to register](#)

## **Cities and towns reminded of requirement to provide Veterans' Services**

Officials in the Commonwealth's 351 cities and towns have recently received a written reminder from the Lieutenant Governor Timothy P. Murray, Attorney General Martha Coakley, and Veterans' Services Secretary Coleman Nee concerning the legal requirement to provide a local veteran's agent as specified in Chapter 115 of the Massachusetts General Law.

In a [press release](#) sent July 21, the three state officials urged local officials to fully comply not only with the MGL, but Title 108 of the Code of Massachusetts Regulations as well.

Veterans Services has recently implemented an electronic benefit tracking and certification system, Web-VSMIS, to reduce paperwork and to increase efficiency and accuracy for veterans' agents and accounting departments in cities and towns. According to Massachusetts law, cities and towns with a population of 12,000 or more must either appoint a full-time veterans' agent or a full-time director of veterans' services district if the municipality is a constituent member of a veterans' services district. Communities with a population of less than 12,000 which are not constituent members of a veterans' services district must appoint a part-time veterans' agent.

## Bureau of Accounts, End-of-Year Letters

The [end-of-year letters](#) for the Accountant/Auditor, Treasurer, Collector, Clerk and Regional School Business Managers are now available on the Division of Local Services' website. If you have any questions, please contact your Bureau of Accounts field representative.

*Originally published as a separate alert on July 15, 2011.*

## Newly Updated UMAS Manual, July 2011

This Manual comprises the [Uniform Massachusetts Accounting System \(UMAS\)](#). The scope of the Manual is the operation of an accounting system for a local governmental entity in Massachusetts. Its purpose is to provide a reference for the City Auditor, Town Accountant or official with similar responsibilities in accounting for financial transactions and reporting results of municipal financial operations. The Manual is based on Generally Accepted Accounting Principles (GAAP), but is written to meet the particular needs of Massachusetts local accounting officials.

*Originally published as a separate alert on July 15, 2011.*

## FY12 budget delivers some good news for cities and towns

Approval of a municipal health insurance reform law, provision of \$4 million to encourage cities and towns to engage in regionalization efforts, and the enactment of a one-time supplemental distribution of up to \$65 million in additional funding for cities and towns highlight the FY12 budget signed by Gov. Deval Patrick on Monday, July 11.

While all of the preliminary budget proposals for FY12 had level-funded Chapter 70 education assistance, they had also prescribed a \$65 million reduction in local aid. The one-time supplemental distribution of up to \$65 million will come sometime this fall, after the state closes its books and determines the amount unspent for budgeted items in FY11 in what are called reversions.

The \$4 million for DLS to fund regionalization projects, in an account named Municipal Regionalization and Efficiencies Incentive Reserve, will provide funds for one-time grants to support municipal improvements. DLS will use the reserve for a multi-year competitive grant program to provide financial support for one-time or transition costs related to regionalization and other efficiency initiatives, with applicants to include: municipalities; regional schools; school districts considering the formation of a regional district or regionalizing services; regional planning agencies and councils of governments. DLS will provide more information on this program later this summer. The new budget also allows DLS to work with cities and towns to improve their data systems.

The FY12 budget also delivers municipal health care reform. In signing the law Gov. Patrick said in a [press release](#), "This is the biggest step yet in our efforts to deliver millions of dollars in savings to cities and towns, while assuring a meaningful role for labor in determining how to achieve those savings." The Governor also praised the Legislature, labor and municipalities for working together on the measure.

Under the new law, cities and towns will have the choice to implement health care plan design changes under a newly-created process that will include expedited collective bargaining to negotiate a new health insurance benefit plan for employees. If the municipalities and unions fail to reach agreement within 30 days, the case will be submitted to a three-person review panel, with each panel having a representative of organized labor, a municipality, and one selected by the A&F Secretary.

Robert G. Nunes  
Deputy Commissioner & Director of Municipal Affairs

## FY2012 Cherry Sheet Estimates

The Division of Local Services has posted Cherry Sheet estimates based on the FY2012 state budget approved by Governor Deval Patrick. Click [here](#) to view the FY2012 Cherry Sheet estimates.

If you have questions about these estimates, please call Lisa Juskiewicz at (617) 626-2386 or Donnette Benvenuto at (617) 626-2360.

*Originally published as a separate alert on July 11, 2011.*

## **Two years of local option meals tax has delivered \$70.5 million in new revenue to 146 cities and towns**

DOR's blog has posted an item (<http://revenue.blog.state.ma.us/blog/2011/07/meals-tax-delivers-705-million-to-146-cities-and-towns.html>) on the amount of revenue the local option meals tax has generated for the 146 cities and towns that have adopted the local option over the past two fiscal years. The blog post comes with a link to DLS data published in the Municipal Databank.

### **Municipal Calendar**

**July 1: Collector Mail Annual Preliminary Tax Bills** For communities issuing annual preliminary tax bills, the preliminary quarterly or semi-annual bills should be mailed by this date.

**July 15: Accountant Certification Date for Free Cash:** Anytime after Books are Closed  
Two weeks after the close of a fiscal year, all accounts are closed out and the resulting balance sheet and supplemental documentation submitted to DOR. Free cash is certified any time after this date.

**July 15: Accountant Report Community Preservation Fund Balance:** Anytime after Books are Closed  
After the close of a fiscal year, the fund balance is submitted to DOR (Form CP-2) and notice given to the Community Preservation Committee and other financial officers. The fund balance may be appropriated anytime after that report.

**July 15: School Business Officials Certification Date for Excess and Deficiency (E&D) Fund**  
Two weeks after the close of a fiscal year, all accounts are closed and the resulting balance sheet (a pre-closing trial balance or audited financial statements will not be accepted unless requested by the Director of Accounts) and supplemental documentation are submitted to DOR. E&D Fund is certified any time after this date.

**July 15: Assessors Deadline for Appealing Commissioner's Pipeline Valuations to ATB**

**July 20: DOR/BLA Notification of Changes in Proposed EQVs (even numbered years only)**

**July 20: DOR/BLA Notification of Changes in Proposed State-Owned Land (SOL) Valuations (every 4th year after 2005)**

**August 1: Taxpayer Quarterly Tax Bills — Deadline for Paying 1st Quarterly Tax Bill Without Interest** According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for receipt of the 1<sup>st</sup> Quarter preliminary tax payment without interest, unless the preliminary bills were mailed after July 1. If mailed by August 1, the 1st Quarterly payment is due August 1, or 30 days after the bills were mailed, whichever is later, and the 2nd Quarterly payment is due November 1. If mailed after August 1, the preliminary tax is due as a single installment on November 1, or 30 days after the bills were mailed, whichever is later.

**August 1: Taxpayer Annual Boat Excise Return Due**

**August 1: Accountant Notification of Total Receipts of Preceding Year** The total actual local receipts (e.g., motor vehicle excise, fines, fees, water/sewer charges) of the previous fiscal year must be included on Schedule A of the Tax Rate Recapitulation Sheet (Recap) which is submitted by the Assessors to DOR. On the Recap, the Accountant certifies the previous fiscal year's actual revenues, and the Assessors use this information to project the next fiscal year's revenues. Any estimates of local receipts on the Recap that differ significantly from the previous year's actual receipts must be accompanied by documentation justifying the change in order to be approved by the Commissioner of Revenue.

**August 10: Assessors Deadline for Appealing EQVs to ATB (even numbered years only)**

**August 10: Assessors Deadline for Appealing SOL Valuations to ATB (every 4th year after 2005)**

**August 15: Assessors Deadline to Vote to Seek Approval for Authorization to Issue Optional Preliminary Tax Bills** For semi-annual communities issuing optional preliminary property tax bills, the Assessors must vote to seek authorization to issue the bills from DOR by this date. After receiving approval, Assessors must submit a Pro-forma Tax Rate Recap Sheet to DOR for review and issue the tax bills by October 1.

**August 31: DOR/BOA Issue Instructions for Determining Local and District Tax Rates** A copy of the Tax Rate Recap Sheet and its instructions are forwarded to the town.

**August 31: Assessors Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for semi-annual bills)** Until the Tax Rate Recap Sheet is completed and certified by the Commissioner of Revenue, the community may not set a tax rate nor send out its property tax bills (unless it issues preliminary quarterly tax bills or requests from DOR the authority to send out preliminary tax notices if DOR requirements are met). Communities should begin gathering the information in enough time for the tax rate to be set and tax bills mailed by October 1. The Tax Rate Recap Sheet provides Mayors or Selectmen with a ready-made financial management tool because the town's most important financial management information is summarized on this form. The Mayor or Selectmen should review the Recap Sheet in preliminary form in order to understand the following financial information:

**Page 1 (Tax Rate Summary)** — The proposed tax levy should be compared to the levy limit. If a town does not levy to its limit, the remaining levy is referred to as excess levy capacity. Excess levy capacity is lost to the community for the current fiscal year although it will always remain in the levy limit calculation;

**Page 2 (Amount To Be Raised)** — This section includes appropriations and other local expenditures not appropriated. These include overlay deficits, revenue deficits, state and county charges, Cherry Sheet offset items, and the allowance for abatements and exemptions. By comparing this information to the prior year(s), any significant changes can be determined;

**Page 2 (Estimated Receipts & Revenues From Other Sources)** — In particular, Section C shows the amount appropriated from free cash and other available funds. By comparing the amounts appropriated to the balances in these accounts (available from the Accountant/Auditor), the Mayor or Selectmen can get a sense of how their non-property tax revenues are being used;

**Page 3, Schedule A (Local Receipts Not Allocated)** — By comparing these figures to prior year(s), the Mayor or Selectmen can determine any changes in these revenues;

**Page 4, Schedule B (Certification of Appropriations and Source of Funding)** — This section includes financial votes of City/Town Council or Town Meeting not previously reported on last year's recap.

**City & Town** is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

**Daniel Bertrand**, Editor  
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To obtain information or publications, contact the Division of Local Services via:

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