



DLS
DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE



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My First Six Months at DLS

It's hard to believe that it's already been more than six months since I came to the Division of Local Services (DLS). Since that time, I've had the opportunity to travel across the Commonwealth, north, south, east and west and hear directly from local officials of communities big and small about the challenges they're facing. While every community is unique with their own specific hurdles, one issue I've observed that's affecting more and more municipalities is the impact of the "silver tsunami" on municipal finance organizations.

As managers of the public purse, it is paramount that best practices are followed and precious tax dollars are treated with care. Complicating this is the unavoidable fact that more and more current employees are retiring - your seasoned accountants, auditors, collectors/treasurers, assessors, budget officers, etc. - and they are taking their valuable institutional knowledge and expertise with them out the door. It's clear that together we need to find alternative ways to deliver the critical financial management services each community requires and each taxpayer deserves.

If your community hasn't done so already, I'd highly encourage you to begin a conversation about knowledge transfer and potential ways to address the "brain drain" we all face. This dialogue shouldn't be limited to within your borders. It is a once-in-a-generation opportunity to explore the concept of a multi-municipality shared financial services model. While this may be a challenging discussion, it will play a critical role in addressing the operational imbalance created by qualified employees leaving and a new generation arriving to fill key municipal positions.

At DLS, we recently went through this very exercise of knowledge transfer and reorganization. As I detailed in the [July 16th edition of City](#)

[& Town](#), after reviewing our processes and functions, we collectively made changes that I believe will generate internal and external improvements, all while continuing the critical regulatory role that DLS plays. I take great pride in the fact that the policies, procedures and best practices we'll implement going forward will be developed collaboratively by the dedicated staff of DLS.

In the cities and towns where our (and your) ideas are put into place, I know there are many capable local officials working hard in their respective communities every day (and far into the night) under sometimes difficult constraints in order to deliver critical local services and projects. As a result, I'm continually impressed with the creativity and professionalism I see in municipal government.

As always, I'd like to continue to hear from my colleagues in local government as we go forward. We are here to assist municipalities in practicing strong municipal financial management. If we're delivering as promised, let me know. If we are not, I also want to know. If you have an idea we may not have thought of, please pass that along by emailing me at croninse@dor.state.ma.us.

Have a safe and enjoyable Labor Day weekend! Thank you.

Sean R. Cronin
Senior Deputy Commissioner of Local Services
croninse@dor.state.ma.us

Ask DLS

This month's *Ask DLS* features frequently asked questions regarding the Community Preservation Act (CPA) and appropriations from estimated Community Preservation Fund (CP Fund) annual revenues. Please let us know if you have other areas of interest or send a question to cityandtown@dor.state.ma.us. We would like to hear from you.

Our community has adopted the Community Preservation Act (CPA). In the spring, we adopted our FY2016 CPA budget and based our appropriations upon estimated FY2016 CP Fund annual revenues, including estimated state matching funds. To estimate the amount of the state matching funds, we referred to the Division of Local Services' estimate published each spring. See [Bulletin 2015-03B](#). Since then, the Commonwealth adopted the state budget, [Chapter 46 of the Acts of 2015](#), which included section 194 authorizing \$10 million dollars to be transferred from the state budget surplus to the CPA Trust Fund. Although several events must occur for this \$10 million transfer to take effect, it could result in the distribution of state matching funds on

November 15th, 2015 above our estimate.

A.) If the actual state matching funds distributed to our community in November, 2015 exceed our estimates, can we spend the additional state matching funds in FY2016?

Whether a community can appropriate the additional state matching funds distributed in November, 2015 (over the amount estimated) depends upon whether the community's FY2016 tax rate has been set.

The CP Fund is a special revenue fund. The accounting officer must establish and maintain it as a separate account. [MGL Ch. 44B, Sect. 7](#). Communities can appropriate from estimated annual CP Fund revenues until the time the tax rate is set for that fiscal year. Spending from appropriations from estimated annual CP Fund revenues can commence July 1st of the fiscal year (of the estimated revenues). To ensure the CP Fund does not incur a revenue shortfall, communities should generally limit total appropriations and reservations to no more than the prior year's actual surcharge and the estimated state trust fund receipts.

Scenario 1: FY2016 tax rate *has* been set.

Once a community's FY2016 tax rate has been set, the legislative body (town meeting, city council, etc.) *cannot* appropriate from estimated annual CP Fund revenues, even if it is clear that its estimate is lower than the amount that will actually be received. Excess CP Fund revenue over estimates will close at the end of the fiscal year to the overall CP Fund balance and become part of that funding source after the accounting officer reports it.

Once the tax rate is set, the legislative body can only appropriate from CP Fund available funds or by authorizing debt under the CPA. Available funds include: (1) CP Fund balance (as of the previous June 30th and reported by accounting officer), (2) the three CP Fund special purpose reserves: open space including recreation, historic resources and community housing; and (3) any budgeted reserve for the fiscal year.

Scenario 2: FY2016 tax rate *has not* been set.

If the community's FY2016 tax rate has not been set, the legislative body *can* appropriate from estimated annual CP Fund revenues. In this case, the community can upwardly-revise its estimate of the FY2016 CP Fund annual revenues as a result of the increase in the state matching funds over the estimated amount.

B.) If we can spend the additional state matching funds received over the estimated amount, what is the procedure?

Expenditures from the CP Fund require *both* a recommendation by the

Community Preservation Committee (CPC) and an appropriation by the legislative body of the city or town. [MGL Ch. 44B, Sects. 5,6 and 7.](#) There are three circumstances, however, where appropriations may be made by the legislative body without a prior recommendation of the CPC:

1. Appropriations to an administrative budget of the CPC. (Providing administrative and operating expenses to the committee is not included within the "gatekeeper" language of [MGL Ch. 44B, Sec. 7](#) that requires a prior recommendation of the CPC.)
2. Appropriations to pay debt service on debt previously voted by the legislative body after a recommendation of the CPC.
3. Upon revocation of the CPA, unless the community's by-law or ordinance provides that the CPC's recommendation role continues as long as community preservation funds remain that are not required for the satisfaction of outstanding obligations.

C.) If we receive state matching funds above what we estimated, are we required to increase our appropriations to meet the ten percent spending requirement for each of the three community preservation categories: community housing, open space including recreation, and historic preservation?

Yes. Each fiscal year, the legislative body must appropriate or reserve for future appropriation at least ten percent of the annual fund revenues for projects or initiatives in each of the three categories of allowable community preservation purposes: open space including recreation, historic resources, and community housing. [MGL Ch. 44B, Sec. 6.](#) The ten percent minimum commitment should be based upon a good faith estimate of the annual fund revenues. If it is later determined that the annual fund revenues were underestimated by more than a *de minimis* amount, the CPC should recommend appropriation(s) by the legislative body to reach the required ten percent minimum commitment at the earliest opportunity.

For example, Anytown has accepted the Community Preservation Act (CPA) and adopted a one percent surcharge. For FY2016, it estimated FY2016 CP Fund revenues of \$1,000,000, including surcharge revenue of \$825,000, investment and miscellaneous CP Fund income of \$26,500 and state matching funds of \$148,500. In May 2015, upon the recommendation of the CPC, town meeting appropriated the following from estimated FY2016 CP Fund revenue:

1. \$50,000 for the CPC's FY2016 administrative budget (No more than five percent of annual CP Fund revenues can be appropriated for the administrative and operating budget of the CPC. [MGL Ch. 44B, Sec. 6.](#)):

2. \$100,000 (ten percent of the estimated annual CP Fund revenues) for projects in each of the three categories of allowable community preservation purposes: open space including recreation, historic resources, and community housing; and,
3. \$650,000 to the FY2016 budgeted reserve. (Amounts in an annual budgeted reserve may be transferred by the legislative body upon CPC recommendation to fund any CPA spending purpose at any time during the fiscal year - even after the tax rate is set. Any balance remaining at the end of the fiscal year closes to the overall CP Fund balance and becomes part of that funding source after the accounting officer reports it.)

On November 15th, 2015, Anytown received \$250,000 in CPA state matching funds, \$101,500 more than the estimated amount. Anytown's tax rate has *not* been set and a special town meeting is scheduled next week. In anticipation of the possible receipt of additional state matching funds, the CPC requested and the selectboard included an article in the special town meeting warrant to approve additional appropriations from FY 2016 CP Fund revenues. [MGL Ch. 39, Sec. 10](#). In this case, the CPC:

1. Should, to meet the ten percent minimum annual commitment, recommend to the legislative body an additional \$10,150 appropriation or reservation (for future appropriation) for projects or initiatives in *each* of the three categories of allowable community preservation purposes: open space including recreational uses, historic resources, and community housing. (Total appropriation - \$30,450.) [MGL Ch. 44B, Sec. 6](#).
2. Could recommend to the legislative body an appropriation of (not more than) \$5,075 to increase the CPC's administrative/operating budget from \$50,000 to \$55,075. (Because the estimated FY2016 CP Fund revenues have increased from \$1,000,000 to \$1,101,500, the five percent limit on the CPC's administrative and operating expenses has increased from \$50,000 to \$55,075.) [MGL Ch. 44B, Sec. 6](#).
3. Could recommend appropriation(s) to the legislative body in the amount of the unappropriated balance of the \$101,500 additional revenue (after the above appropriations) for other allowable CPA purposes.
4. Could recommend to the legislative body appropriation of the unappropriated balance of the \$101,500 additional revenue (after all of the above appropriations) to add to the FY2016 budgeted reserve to provide flexibility should the town want to be able to undertake another CPA acquisition or project during the year.

The Who, What and Where of BLA Operations

John Gillet - Bureau of Local Assessment Program Coordinator

Over the last few months, the Bureau of Local Assessment (BLA) has seen many talented people retire. We've received phone calls from assessors who, after asking their initial question(s), inquire with the similar refrain of "How will BLA handle the workload going forward?"

We definitely felt the impact when Grace Sandell, Walter Sandoval Dusza, Donna Demirai and Brenda Cameron retired. It was not just because they are a great bunch of people, but also because they are a talented professionals who did a fantastic job.

With all of the changes we've experienced, we are fortunate to have a very capable management team in place. Senior Deputy Commissioner Sean Cronin has been here for over six months and is steering the DLS ship with precision. Joanne Graziano was named BLA Chief in 2013 and encouraged lots of ideas from the Bureau staff from the moment she first took her new position. Many of those ideas came to fruition, not the least of which was a renewed focus on cross-training and procedural updates. Many of the changes we're undertaking revolve around DLS Gateway Modernization. As a result, we are navigating them rather well.

For those of you asking "What exactly is the plan?," here it is.

LA3's for Certification Year communities, as well as their LA4, 13 & 13A, will be reviewed by the Field Advisor assigned to those communities.

Preliminary Certification Approval will be handled by the Field Supervisors, Senior Analyst Jim Paquette and BLA Bureau Chief Joanne Graziano.

The LA10 and Public Disclosure will be reviewed by the Field Advisors.

Final Certification Approval will be done by the Field Supervisors Steve Sullivan and Scott Santagelo and Joanne Graziano.

Interim Year communities' LA3, LA15, LA4, LA13 & LA13A will be reviewed and approved by Jim Paquette, John Gillet, Deb Joyce and Paul Corbett.

Omitted and Revised Assessments are processed by John Gillet.

EQV will be managed by Jim Paquette with assistance from John Gillet,

Deb Joyce and Paul Corbett.

State-Owned Land Valuation will continue to be run by Jack Lyons.

Telephone & Pipeline Valuation programs will be overseen by Steve Sullivan and John Gillet.

It is our hope that knowing the above points of contact as they relate to the various functions of BLA will provide assessors the same level of confidence we have in facing this valuation season and the year ahead. If you have any questions, please email us at bladata@dor.state.ma.us.

Register Now for "What's New in Municipal Law"

The Division of Local Services Legal Staff will offer its annual seminar "What's New in Municipal Law" for local officials on Thursday, October 1st, 2015 at The Log Cabin Banquet & Meeting House in Holyoke and Thursday, October 8th, 2015 at The Lantana in Randolph.

The general session in the morning will review new legislation and recent court decisions pertaining to local government.

The afternoon session will consist of three concurrent workshops on the following topics: (1) assessing condominiums, including undeclared units built on the common area, and timeshares; collecting outstanding taxes and charges, particularly personal property taxes and other receivables for which no lien exists; (2) adopting and amending municipal operating and capital budgets, including appropriations and borrowings contingent on overrides and exclusions; and (3) negotiating and funding employment benefits payable after retirement.

Please click the following for the [agenda](#) and [registration form](#). Registrations must be received by Wednesday, September 23rd, 2015. Preregistration is required. The Massachusetts Association of Assessing Officers (MAAO) will grant four (4) hours of continuing education credits to assessors attending this program.

If you have any questions about these seminars, please contact DLS Training Coordinator Donna Quinn at 617-626-3838 or by email at dlsregistration@dor.state.ma.us.

OSD: COMMBUYS Grant Enhancements

Operational Services Division

While grant postings are nothing new to COMMBUYS, announcing and finding these funding opportunities has never been easier with the introduction of a new COMMBUYS-specific United Nations Standard Products and Services Code (UNSPSC) commodity code (00-00-00) for Grant opportunities!

Going forward, grantor agencies will be using this UNSPSC code to clearly identify Grants in the COMMBUYS Market Center. The dedicated UNSPSC code will enable interested organizations to quickly locate Grant opportunities and receive email notifications when Grants are posted in COMMBUYS. This UNSPSC code (00-00-00) will be specific to Massachusetts and COMMBUYS, so no information about this code will be available on UNSPSC websites.

Local government organizations are encouraged to register in COMMBUYS as both a vendor and a buyer. Add the new UNSPSC commodity code to your Vendor Profile to receive automatic email notifications for all grants posted under the dedicated grant UNSPSC.

Not registered in COMMBUYS? Take a few minutes today to sign up at the [COMMBUYS website](#). Registration is quick and has no associated cost.

To locate Grants in [COMMBUYS](#):

1. Use the Advanced Search feature;
2. Select Bids in the Document Type drop-down; and
3. Search "00-00-00" in the UNSPSC search field.

As this is a new feature, interested organizations also may wish to explore other ways to uncover grant opportunities posted in COMMBUYS prior to this enhancement. Using the Advanced Search feature, select Bids in the Document Type drop-down. Use the provided fields to search for Grants. For example, enter the word "Grant" in the Bid Description field, or narrow searches by selecting specific agencies from the Organization drop-down menu.

All state agencies are subject to 815 CMR 2.00, State Grants, Federal Grant Awards, Federal Subgrants and Subsidies as well as the [Office of the Comptroller's policy on State Grants, Federal Sub-Grants and Subsidies](#). Departments must use COMMBUYS to publicly post the availability of a discretionary Grant or Grant Program and publish the results of grantee selections. Use of COMMBUYS to receive electronic quotes for grant opportunities is optional; however, state agencies are encouraged to require grantees to register and submit quotes (applications) through COMMBUYS, which provides a central repository for receipt of electronic applications. As more grantees use COMMBUYS to identify grant opportunities, they will have a single location to apply for grants from multiple state agencies, resulting in

efficiencies for both the grantees and the state agencies.

COMMBUYS Resources

- Reference the *Locate a Grant in COMMBUYS* and *Locate a Grant Posting and Create a Response* job aids for additional guidance, located at [Mass.Gov/OSD > Learn about COMMBUYS > COMMBUYS Job Aids](#)
- Contact the COMMBUYS Enablement Team for additional information at COMMBUYSEnablement@state.ma.us.
- COMMBUYS Help Desk personnel are available to assist you by phone at 1-888-627-8283 or via email at COMMBUYS@state.ma.us. Help Desk hours are 8 a.m. to 5 p.m., Monday through Friday.

September Municipal Calendar

September 15	Accountant/ Assessors	Jointly Submit Community Preservation Surcharge Report This report (CP-1) is a statement of the prior year's net Community Preservation Surcharge levy, and is used to distribute state matching funds on November 15.
September 15	Local Reporting Officers	Submit Smart Growth School Cost Reimbursement Report to DLS Local Reporting Officers report (a) local smart growth property tax and excise tax revenue for prior fiscal year or (b) municipality's waiver of reimbursement.
September 30	Taxpayer	Deadline for Submitting Forest Land Certification and Management Plan, MGL Ch. 61 According to MGL Ch. 61, Section 2, this is the deadline to

		submit to the Assessors the State Forester's certification and approved management plan in order to have the land valued as classified forest land in the next fiscal year.
September 30	Municipal and District Treasurer/Collector	<p>Submit Compensating Balance Report</p> <p>If compensating balance accounts were maintained during the prior fiscal year, a report and account analysis schedules must be submitted to DOR.</p>
September 30	Accountant/ Superintendent/ School Committee	<p>Jointly Submit End of Year Report to the DESE</p> <p>Schedule 1 - determines compliance with prior year Net School Spending requirement. Schedule 19 - determines compliance with current year Net School Spending requirement.</p>
September 30	Accountant	<p>Submit Snow and Ice Report</p> <p>This report is a statement of snow and ice expenditures and financing sources.</p>
September 30	Treasurer	<p>Year-End Cash for the Previous Fiscal Year (due upon submission of a balance sheet for free cash/excess and deficiency certification)</p> <p>A reconciliation is the process of comparing the Treasurer's accounts to the Accountant's/ Auditor's or Schools Business Manager's ledger balance to determine if they are consistent, and for the officials to make any necessary corrections. When the reconciliation is complete, the Accountant/Auditor/School Business Manager should indicate agreement with the Treasurer's balances.</p>

		<p>Reconciliations are required annually, but communities and school districts should reconcile monthly for their own purposes. The year-end report as of June 30 must be completed and returned to DOR. Municipalities and school districts should also use monthly reports to monitor cash practices of the Treasurer's office. If the Accountant/Auditor/School Business Manager and Treasurer are not consistently reconciling cash accounts, or if the reconciliations indicate variances, the Mayor, Selectmen or School Committee should inquire as to the reasons.</p>
September 30	Treasurer	<p>Submit Statement of Indebtedness</p> <p>MGL Ch. 44, Sec. 28 requires the Director of Accounts to maintain complete and accurate records of indebtedness by cities, towns and districts. This statute also requires Treasurers to furnish any other information requested by the Director in respect to the authorization and issuance of loans. This Statement is the annual report required from Treasurers to accomplish this purpose. Treasurers should reconcile their debt records with the Accountant/Auditor before filing the Statement of Indebtedness to ensure that the Statement and balance sheet are in agreement.</p>
Final Day of Each Month	State Treasurer	<p>Notification of monthly local aid distribution.</p> <p>Click www.mass.gov/treasury/cash-management to view distribution breakdown.</p>

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