

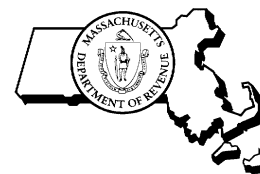


Town of Millville

Assessing Office Review

Division of Local Services / Technical Assistance Section

October 2010



October 18, 2010

Board of Selectmen
Town Hall, PO Box 703
Millville, MA 01529

Dear Board Members:

It is with pleasure that I transmit to you the enclosed report, "Town of Millville, Assessing Office Review" with additional copies for distribution. It is our hope that the information presented in this report will assist the Town of Millville in meeting its financial planning needs.

As a routine practice, we will post the completed report on-line at the Division of Local Services website within a week or two. Also, we will forward a copy of the report to the town's state senator and representative.

If you have any questions or comments regarding our findings and recommendations, please feel free to contact Joe Markarian, Supervisor of the Technical Assistance Section, at (617) 626-2321.

In closing, we would like to thank you and the other officials in Millville for your cooperation. I am pleased that the Division of Local Services has had the opportunity to assist the town as part of the Department of Revenue's ongoing commitment to improve financial management in cities and towns across the Commonwealth.

Sincerely,

A handwritten signature in black ink that reads 'Robert G. Nunes'.

Robert G. Nunes
Deputy Commissioner &
Director of Municipal Affairs

RGN:mjo
Enclosure

cc: Senator Richard Moore
Representative Jennifer Callahan

INTRODUCTION

At the request of the Millville Board of Selectmen, the Department of Revenue's Division of Local Services (DLS) has completed this management review of the town's assessing office.

We have based our findings and recommendations on a site visit, telephone conversations and email correspondence by a Municipal Data Management & Technical Assistance Bureau (MDM/TAB) staff person and in consultation with the Bureau of Accounts (BOA) and the Bureau of Local Assessment (BLA). The staff member interviewed and received information from members of the board of selectmen, current and former members of the board of assessors, the assessing clerk, the executive secretary, treasurer/collector, accountant and other municipal office staff. DLS staff reviewed office procedures and examined assessing documents and records including property record cards, assessors' maps, abatement and exemption logs, deed information and the tax rate recapitulation sheet.

The town's request was prompted by a breakdown of communication between the selectmen and the assessing office and a complete turnover in the board and staff in the office in 2009. The purpose of this review is to provide guidance to town officials on responsibilities and priorities of the assessing office. We have focused on the organizational structure, internal office procedures and records, as well as compliance with statutory and DLS requirements. We also discussed the need for improved communication with the assessing office and among the town offices, departments and boards. Our report provides an overview of department responsibilities and presents our observations, conclusions and recommendations relative to the general efficiency and effectiveness of office operations. We hope you find this report useful as you formulate strategies to further improve the town's financial management practices.

OVERVIEW

BACKGROUND

Millville is a small town located southeast of Worcester with a population of 2,960 persons (2009 US Census). Incorporated in 1916, it was formerly part of Blackstone and is the second youngest community in the Commonwealth. In its early days, it was a mill village with several manufacturing businesses that included U. S. Rubber, the town's largest employer. However, after the market crash of 1929, U. S. Rubber eventually shutdown in Millville, which contributed to the town's fiscal crises. Millville's financial affairs were placed under the control of a municipal finance board (Chapter 341 of the Acts of 1933 as amended) from 1933 until 1944 when the town regained its right to manage its own finances.

With a land area of 4.93 square miles, Millville is the 13th smallest community in the state. Currently, it has a total of 1,330 taxable and tax-exempt properties. The town is predominantly residential (77 percent) with five properties used for chapter land purposes (four in M.G.L. c. 61 forestry and one in M.G.L. c. 61B recreation), and 34 commercial or industrial parcels. It also is home to part of the state's Blackstone River and Canal Heritage State Park. About 15 percent of the properties in town are vacant land, but most are classified as undevelopable due to lot size, condition or location.

The assessing office is operated by an appointed, three-member board of assessors, which meets monthly. The board determines the full and fair cash valuations and classification of all property, assigns tax payments to owners, generates the property tax and excise commitments for the treasurer/collector and acts on all abatement and exemption applications.

In addition to real properties, the assessing office maintains assessment data on approximately 26 personal property accounts and 3,600 motor vehicle excise accounts. The office processes approximately 50 building permits, 35 deed transfers, 40 exemptions and 20 abatements annually. The assessors value and maintain the real and personal property database on the Patriot Properties Assess Pro computer assisted mass appraisal (CAMA) system. The assessors' tax maps are computerized and updated annually by an outside consultant.

Prior to FY2010, Millville had an assistant assessor (25 hours per week). Under the direction of the board, the assistant assessor managed daily office operations and monitored outside contractors. She conducted property inspections, entered data and legal changes into the Patriot system, maintained the town's assessment records, managed the motor vehicle excise accounts and responded to public inquiries. To help her, the budget provided about \$2,700 in funding for clerical assistance. However, due to the town's declining resources, funding was cut at the end of FY2009, eliminating the clerical position and reducing the hours (19 hours per week) and salary of the assistant assessor, which led to her resignation in the first week of June 2009.

Prior to the assistant assessor's departure, there had been an almost two-year dispute between the selectmen and the assessors. As an appointed board under the jurisdiction of the selectmen, the

assessors are subject to town personnel rules and procedures. Specifically, the selectmen had requested that the assistant assessor document her weekly activities when submitting payroll sheets, including out of the office field work, but the assessing office did not comply. Despite the appointment of a selectman to serve as a liaison to the assessors' office, the relationship between the boards was strained and communication was nearly non-existent.

In mid-June 2009, the selectmen voted in the majority to not reappoint an assessor, citing the need to move in a new direction and improve cooperation and communication between the offices. A new assessing board member, who works in a neighboring town's assessing office, was appointed. With a reorganized board of assessors, town officials reported improving relations.

However, this was short-lived. The new board of assessors worked with the treasurer/collector to issue the preliminary tax bills timely, but an error in generating the data resulted in an inadvertent increase in the bills. In an effort to correct the problem, one assessor created a coupon for affected residents. This was not a legal means to amend the bill. At the same time, an inventory of office records was conducted with less than favorable results. Permits dating back to 2007 had not been inspected. As a result, the town had to increase funding for its appraisal consultant's contract so the backlog of work could be done. The assessors also posted the clerk's position and began interviewing candidates. Unfortunately, concerns arose over adherence to personnel policy and procedures. By the end of September, the two original assessors resigned, citing the inability of the boards to work together. Because one assessor remained, the selectmen's liaison was appointed for a year or until an acceptable replacement could be found.

The two assessors were able to work together to get the FY2010 property tax rate set timely. Because one of the assessors had considerable knowledge, she was able to initially train the clerk and move the board in the right direction during this transition. However, the workload that needed to be accomplished was well beyond her available time so she resigned in January 2010. Two new assessors were then appointed by February, bringing the board to a full membership of three.

CURRENT BOARD OF ASSESSORS AND CLERK

The current board members have served for nearly a year in Millville. As of this writing, none of the members has taken DOR's Course 101, *Assessment Administration: Law, Procedures and Valuation*, in its entirety though a majority has completed the classification workshop training on-line. Any person serving as assessor must successfully complete this basic course and pass the exam within two years of being elected or appointed to the post in order to comply with 830 Code of Massachusetts Regulation (CMR) 58.3.1. Course 101 is made up of six sessions, presented one evening a week for six weeks or one day a week for three weeks, to accommodate full and part-time assessors' availability. DOR schedules this course twice a year at two locations (Boston Spring 2010 and Springfield Fall 2010) and puts on the program at the annual Massachusetts Association of Assessing Officers (MAAO) school in Amherst every August.

In FY2010, the town reorganized the office, eliminating the assistant assessor and creating a part-time clerk position (18 hours/week). The assessors' clerk performs many of the prior assistant assessor's duties with the exception of conducting inspections/fieldwork and determining values. For the first three months, the new post was filled by a temporarily worker until the current clerk was hired in October 2009.

While the current clerk had no prior assessing office experience, she worked as an appraiser for three years. During the initial months of her employment, she received direction and support from a former board member, who is an experienced assessor in a neighboring community. The clerk has taken many real estate and residential appraisal licensing courses and successfully completed DLS' Course 101. At our recommendation, she attended the Massachusetts Association of Assessing Officers (MAAO) annual clerk's meeting. The association meetings provide educational programs, legal updates and enable the clerks to meet and speak with peers in other communities, sharing experiences and establishing contacts.

DATA AND ADMINISTRATIVE MATTERS

The assessing clerk uses the Patriot system, learning it on her own as time allows. She prepares reports and prints field cards for the appraisal consultant to conduct inspections and then enters changes and sketches submitted by the vendor into the Patriot system. She compiles commitment data that is forwarded electronically to the town's financial system vendor, Point Software, to be converted and sent back to the treasurer/collector, who uploads it into the billing and collection application. The clerk and treasurer/collector reconcile all taxable property by class (LA-4) from their respective systems before the bills are produced.

Historically, the town has used an appraisal consultant to conduct interim year value adjustments and triennial revaluations. Over the past few years, the town spent about \$800 on each interim year value adjustment and almost \$3,700 on revaluation programs every three years.

With the departure of the assistant assessor, the board needed to determine what field work had been completed and what remained prior to setting the FY2010 property tax rate. The assessors found property record cards that had been removed from the files and placed in stacks. Unsure what the stacks represented, the assessors reviewed and compared property record cards and inspection information logged in the Patriot system against the 2007 and 2008 building permit reports on hand in the office. It was discovered that 148 parcels with building permits from 2007 and 2008 had not been inspected. In the absence of a 2009 report from the building inspector, it was unclear how many more permits would have to be added to this workload. Because the board is part-time and the clerk had no training to perform inspections, the town hired an appraisal consultant to handle the building permit, sales and abatement inspections and to complete the interim year value adjustments, which cost the town a total of over \$8,200 in FY2010.

During the assessors' status review of the property inspections, other issues were discovered. First, they found that there was no procedure in place to make sure all permit information was being supplied to the assessing office. The assessors are reliant on the inspections department to provide

permit data so that visits may be arranged to improved properties with the purpose of measuring and listing them and determining new growth for the property tax levy.

The building inspector is part-time. He has office hours Wednesday evenings and schedules his inspections on Wednesday mornings and Friday afternoons. To make sure the assessing office is getting the information timely, the assessing clerk now contacts the inspections department at the close of each month to get the permit information. Copies of permit applications and occupancy certificates are sent electronically. The clerk prints out the copies, enters the data into the Patriot system and attaches the copy to the property record card, which is set aside for the appraisal consultant. For improvements that do not require an occupancy permit (e.g., addition, windows, fences and shed), it is the responsibility of the homeowner/contractor to arrange a final inspection, which does not always happen. For those that are completed, it was recommended that the building inspector send final inspection report copies to the assessing clerk, which he agreed to do so she will be better informed about the status of the smaller jobs. If any questions come up, she contacts him by email or sees him during his Wednesday night office hours.

In reviewing the property record cards and Patriot system, the assessors noted concerns about record keeping procedures. As each visit to a property takes place, the date, the result of the inspection, the name of the person conducting the inspection and any notes should be written on the field card and then entered into the Patriot system. This is done to track activity and to help the assessors create a work plan that identifies what inspections still need to take place and when. However, upon reviewing the stack of property record cards, the board found a date of last activity had been written in, but the purpose and result of the visit were blank. Comparing the files to the Patriot system did not render any clarification.

It also was determined that there is no formal re-inspection plan in place in Millville. The town last completed a full measure and list in 2001 and reportedly was conducting a cyclical inspection program over nine years as allowed by Bureau of Local Assessment guidelines. In addition to sales, building permits and abatement requests, other inspections had been conducted, but not in accordance with any systematic, written plan. In reviewing an inspection report of logged activity between 2001 and 2009, it showed that about 81 percent of the properties in town had been inspected. That left roughly 19 percent of the town to be re-inspected prior to the FY2011 revaluation.

As a part of the FY2011 revaluation process, the town's Bureau of Local Assessment (BLA) field representative performed a data quality study. A random representative sample (two to five percent) of the properties in each class was reviewed against existing property record field cards. Any discrepancies were noted by the BLA staff. For each parcel selected and reviewed, the original value was compared with the value that would have been in effect had accurate data been available. The dollar difference and percent difference are then identified and analyzed. BLA found more than 10 percent in discrepancies and required that the town conduct a full field review.

A full field review is an exterior visual inspection, which is done by driving by all town properties. This process is essential to make sure grading, depreciation and various adjustments listed on the property record card are consistent and uniform. During this process, the appraisal consultant

may discover data errors, such as incorrect grading or measurements that result in incorrect base values, or may discover inconsistencies, such as different factors or neighborhood codes for a similar cluster of houses. To ensure uniformity in the application of the appraisal methodology, the assessors should make the necessary changes that render the appropriate values. Millville has hired its appraisal consultant to perform inspections, conduct a full field review and update the property values and Patriot system tables, budgeting \$24,000 for the work in FY2011.

Based on the results of the full field review and completion of the FY2011 revaluation, BLA will recommend future actions to be taken in Millville. Best case, the town would develop a formal cyclical re-inspection program to be conducted over a period of time not to exceed nine years. In a worst case scenario, the quality of the data is such a concern that DOR will require that the town conduct a full measure and list program before the next revaluation. The latter scenario is not designed to penalize the community but to make sure the necessary inspections, review and analysis is undertaken, the property data base is complete and accurate, and the town is assessing all property uniformly. Because this type of program is labor intensive, with a goal of gaining interior access to as many properties as possible, and done over a brief period, it can be costly.

Since the town has adopted the quarterly tax payment system (M.G.L. c. 59, §57C), the Millville Assessors should produce a tax commitment each year in sufficient time for the collector to mail preliminary tax bills by July 1. The preliminary tax is based on the prior fiscal year's net tax on the property and may not exceed, with limited exceptions, 50 percent of that amount. Generally, the net tax due is based on the prior fiscal year's property tax, as abated or exempted. Once committed, the collector mails the preliminary tax bills each year by July 1, payable in two equal installments due on August 1 and November 1.

Prior to FY2010, this process occurred without incident. However, when the assessors prepared the preliminary commitment for FY2010, the FY2009 total actual property tax billed amount was used. The assessors did not net out abated and exempted amounts. This resulted in higher than anticipated preliminary installments, which was met with public criticism. To adjust for this error, a former board member created a coupon for those who received a FY2009 abatement or statutory exemption that would be presented at the time of payment, reducing the amount to be paid. Unfortunately, there is no legal provision that allows for the coupon and taxpayers had to pay the full amount on the FY2010 preliminary tax bills. With the departure of the assistant assessor, the former board member cited a lack of trained personnel as the reason for the error but it also was attributable to the lack of procedures to review the commitment before finalizing it and printing the bills.

Annually, the assessors grant abatements and exemptions. As each is granted, the clerk enters the approved amount into the Patriot system. The abatements and exemptions granted are extracted electronically from the Patriot system and forwarded to the tax collector's Point Software System, which are then posted to the individual taxpayers' accounts. To cover the loss of these taxes, the assessors raise an amount that is placed into an overlay account (by fiscal year). As each application is granted, the assessors should deduct the taxable amount from the overlay reserve and periodically reconcile the balance with the town accountant's records. In Millville, the clerk reconciles abatements

and exemptions granted with the treasurer/collector monthly. The assessing clerk does not maintain a spreadsheet of the running overlay balances by fiscal year and does not reconcile them with the accountant.

During the 1990s, the town had a mapping company redo the assessors' maps. Based on the new maps, it was determined some parcels, which were in tax title, no longer existed. It appears that original parcels has been subdivided, creating new parcels, but the underlying parcel was not removed. The assessors stopped assessing the non-existent parcels, but three were already in tax title and the accumulated taxes remain there to this day.

From time to time, assessors may discover a parcel for which – despite a diligent search of deeds, planning documents and assessment records – they cannot determine the owner of record. In this case, M.G.L. c. 59, §11 provides that an assessment on the property may be made to persons unknown with authorization from the Commissioner of Revenue. In Millville, we found 19 parcels assessed to owner unknown in FY2010; seventeen of these have been authorized by the Commissioner of Revenue and are in tax title. One has never been properly authorized and the last we found was actually a town-owned parcel that had been miscoded. This miscoded parcel erroneously has been assessed over \$35,000 in property taxes between FY2000 and FY2010 and is in tax title.

During the 1990s, the assessors collaborated with the treasurer/collector to have property declared land of low value (M.G.L. c. 60, §79). At least one public auction was held to sell parcels that were foreclosed on (through land of low value and the traditional Land Court process). All but one parcel was sold or taken as town property. The one remaining parcel continues to be taxed annually without explanation.

Currently, the treasurer/collector's tax title accounts include a few parcels with low values that date back many years. With the assistance of the assessors, the treasurer could foreclose under the land of low value provision when property is less than the annually established DOR figure (\$19,130 for FY2010) thereby avoiding the time and expense of Land Court.

In 2008, the Bureau of Local Assessment (BLA) changed the statewide property classification codes to better identify types of tax exempt properties and to comply with the Government Accounting Standards Board Statement 34. Codes 902-908 were replaced with more specific codes. In reviewing the Millville database, the assessors have not updated the class codes as of this writing.

At the recommendation of the experienced assessor who briefly served on the board, Millville has begun developing a policies and procedures manual for the office. Typically, a manual should include all activity of the board and staff, identify responsible parties' roles and list requisite tasks to be accomplished. On advice of the prior board member, some policies and procedures have been adopted by the board.

Currently, the assessors' page on the town website contains a statement of the office's responsibilities, email and telephone contact information, hours of operation and FY2010 property tax and motor vehicle excise rates per \$1,000. The town website has a general section for all board minutes. The assessors' most recent meeting posted is dated March 24, 2009. The Millville website is currently under construction by a new contractor. The initial design has been created and is being

reviewed internally before its release to the public. The town also voted funding to place the town's property record cards on the Internet by its CAMA system vendor, Patriot Properties, and provide a link from the town's website to the vendor's.

OTHER FINDINGS

Millville does not have a charter. Its government is organized under a combination of state statutes, special acts and local by-laws. State statutes generally provide allowable methods of governance and often offer guidance on minimum requirements, while special acts and by-laws enable a community to establish specific authority and procedures by which it operates.

The town's by-laws (June 2007) direct that positions are elected or appointed and, for some boards and committees, they identify the number of members, term, and responsibilities. The by-laws identify the selectmen as the chief executive officers, responsible for setting personnel rules and regulations, overseeing litigation and executing deeds. However, the by-laws do not reflect the 1991 expansion of the board from three to five members. The selectmen appoint an executive secretary to oversee daily operations and supervise staff under the selectmen's jurisdiction. In 1990, town meeting adopted M.G.L. c. 41, § 23A, creating the position with nearly two dozen responsibilities. In the latest version of the by-laws, the executive secretary only appears as a listed member of the capital program committee. In contrast, the combination and appointment of the treasurer/collector (by special legislation in 1982) as a town officer (Article III, section 4) and the treasurer/collector's financial records of receipts and disbursements (Article V) are included.

The Millville Board of Assessors is appointed by the selectmen. In 1986, town meeting voted to amend the by-laws to appoint the assessors, which was approved by the voters at the next town election, but it was never codified. The assessors are referred to in the by-laws in a couple instances. They provide a list of property valuations to be published in the town report once every seven years, provide abutters lists to other boards, assign new street numbers and may comment on floodplain district site and development plans submitted. There also is no mention of the town's local adoption of the quarterly tax billing system or the accelerated new growth provision (Chapter 653 of the Acts Of 1989) in the by-laws. Codifying town meeting and voter approved changes in the written town by-laws, provides information and history to residents, explaining why the community operates differently from general state laws.

Each of the administrative and financial offices—the executive secretary, accountant, assessors and treasurer/collector—perform their daily functions, communicating as needed selected information between offices. There is no formal process for communicating information and coordinating activities. Increasingly, communities have established a financial team that ensures ongoing communication among the financial officers in the areas of general operations, general financial and budget activities, and long-term fiscal planning. The team meets regularly during the year and presents periodic updates to policymakers, the selectmen and finance committee, to keep them informed.

RECOMMENDATIONS

RECOMMENDATION 1: FULFILL MINIMUM BOARD TRAINING REQUIREMENTS

We recommend that the assessors plan to take Course 101 over the next year. While the Springfield location for Course 101 currently being offered may not be convenient for the board members, they should watch for other options. DOR is looking to hold the next Course 101 in the Boston or Worcester area. The location will be dependent on where the majority of the assessors that must complete this educational requirement reside. A decision should be made by December and posted on DOR's website. The town's BLA community advisor also will have this information.

RECOMMENDATION 2: PROVIDE TRAINING OPPORTUNITIES FOR CLERK

We recommend that the clerk attend the MAAO Course 200. This program covers the topics of the assessors' administrative responsibilities and Appellate Tax Board procedures. The greater the clerk's familiarity with the many activities of an assessing office, the more smoothly the office will run.

We recommend that the clerk receive formal training on the Patriot Properties CAMA system. Formal training will help her to become familiar with the different screens and options. Patriot Properties training sessions also cover user-friendly short cuts and other capabilities. We suggest that Millville contact the vendor for information regarding training classes offered. Individualized training also is an option.

We recommend that the clerk participate in the Patriot Properties users' group. Whether or not software users have the same problems, peer relationships and the collective analysis that emerge from a user group can be effective in resolving problems. The town should contact Patriot Properties about its user groups and/or list of communities in Massachusetts using their software.

We recommend that the assessors contact MAAO about finding a mentor to help the clerk learn all responsibilities of the office. Generally, this program is free and dependent on the availability and willingness of an experienced person to serve in this capacity. The mentor would not be responsible for doing any of Millville's assessing work, but would provide guidance and suggest sound practices.

RECOMMENDATION 3: CONDUCT INSPECTIONS IN-HOUSE

We recommend that the clerk conduct building permit and sales inspections. Under the current arrangement, the appraisal consultant collects field cards from the community at least once a year and performs the accumulated inspections all at once. The consultant is reliant on the availability and

willingness of owners to grant access to the interior of a property, which is critical to maintaining an accurate and up-to-date database. We cannot underscore enough the importance of interior inspections. Alternatively, with guidance and training on the procedures to measure and list a property from the current appraisal contractor, the assessing clerk could perform these inspections.

With some additional hours, a flexible schedule and cooperation from the fire department and the building inspector, the clerk could accompany them on inspections. Teaming up with the fire department for inspections because of a pending sale would ensure timely, interior inspections for the assessing database as well as for analyzing sales information. Similarly working with the building inspector to be present at the final scheduled inspection for occupancy, or better yet requiring a representative of the assessors' office signature on the permit through the adoption of a by-law, also will help ensure timely review of improvements. Furthermore, combining the various inspections would reduce the number of scheduled town visits to the same properties and would assist the assessors' in establishing a cyclical inspection program.

RECOMMENDATION 4: UTILIZE CAMA SYSTEM FIELDS

We recommend that the assessors record the date a property is visited, measured and/or entered, results of the inspections, any notes and the name of the responsible person on the field card and enter the data into the Patriot system. Properly recording the activity on the field card while on site will help make sure all essential information is entered into the Patriot system fields accurately and completely. It will be helpful to the assessors and clerk for analysis purposes and will help with planning inspections for the cyclical re-inspection program.

RECOMMENDATION 5: RECODE EXEMPT PARCELS

We recommend that the assessors review all tax exempt parcels to make sure each property type classification code is in compliance with BLA guidelines. The assessors should refer to BLA's booklet, *Property Type Classification Codes Property Sales Report: Non-Arms Length Codes and Sales Report Spreadsheet Specifications*, for coding instructions. This will be a required correction for the FY2011 revaluation and may require the assistance of the appraisal consultant.

RECOMMENDATION 6: ESTABLISH A CYCLICAL INSPECTION PROGRAM

We recommend that the assessors establish a formal cyclical inspection program. A cyclical inspection program encompasses a complete interior and exterior inspection of all real property over a multi-year period. The primary benefit of this program is that it will provide the assessors with current, accurate property descriptions. In addition to inspecting sale properties, improved parcels and abatement requests, the assessing office would annually schedule additional properties for inspection with a goal of completing a full re-inspection over a maximum nine years. This program may be

performed in-house (with additional hours budgeted for the assessing clerk) or by an appraisal consultant.

Annually, the assessors should set a goal of work to be performed, review the performance results and communicate the office's progress to the selectmen. This will keep selectmen informed of the work completed as well as notify them of any problems or need for additional resources on a going forward basis.

RECOMMENDATION 7: REVIEW COMMITMENT BEFORE PRINTING TAX BILLS

We recommend that the assessors and clerk review the commitment before printing the preliminary and actual tax bills. Reviewing the commitment before printing the bills enables the board and clerk to identify and correct errors. The Patriot system management reports should list all parcels and identify any changes. For the preliminary taxes, the report should include the prior year's taxable amount and any abatements/exemptions granted to ensure the quarterly amounts are accurately calculated by parcel. For the actual bills issued on or before January 1, the management report should compare the prior year's values against the current ones, breaking out the building and land values and presenting the dollar and percent changes for both. From this report, the assessors and clerk can review the changes, identifying those that are the result of building improvements, cyclical inspections, deterioration, as well as flag those that may require further review or investigation.

It is important that the assessors check the commitment before the tax bills are printed and mailed so taxpayers receive bills for the correct property values and taxable amounts. Reviewing the commitment also helps the town avoid public relations problems and inadvertently over or under assessing someone, which could lead to an abatement or loss of tax revenues, respectively.

RECOMMENDATION 8: CREATE AND MAINTAIN OVERLAY ACCOUNT RECORDS

We recommend the assessing clerk create an Excel spreadsheet to monitor overlay activity and balances. The assessing office should maintain a simple spreadsheet that tracks each year's overlay balance. Included should be the amount raised on the tax recapitulation sheet, all adjustments by date and purpose (i.e., exemption, abatement, ATB judgment, or transfer to surplus), and the current available overlay balance. This will establish a control record, which should be used to reconcile with the town accountant's records annually.

RECOMMENDATION 9: EXPAND THE USE OF THE WEBSITE

We recommend that the assessors expand the information placed on the town website and make sure board minutes also are included. Many assessing offices post forms and directions on-line as well as answers to frequently asked questions. Providing useful information often reduces the number of

telephone calls and office visits that can interrupt the staff. Placing the board's minutes on the website will keep people informed about the activity of the office.

RECOMMENDATION 10: SEEK PERMISSION TO ASSESS TO OWNERS UNKNOWN

We recommend that the assessors seek permission to assess taxes to owners unknown. When assessors are unable to determine the identity of the owner of a parcel, they should write to the Commissioner of Revenue requesting his authority to make the assessment on that property to "owners unknown." With their request, the assessors should provide an account of their attempt to determine who the owner is. Their attempt should include a search of the records at the registry of deeds. After receiving permission to assess to owners unknown, the treasurer/collector should disclaim the previous tax taking on the affected parcels and the assessors should reassess the prior years' taxes that were improperly assessed. With clear authority to assess to owners unknown, the town may come to obtain title to the property through the foreclosure process, which could be auctioned or preserved as town-owned land.

RECOMMENDATION 11: REQUEST ABATEMENT THROUGH 8 OF 58 PROCESS

We recommend that the assessors work with the treasurer/collector to identify properties that will require abatements under the provision of M.G.L. c. 58, §8. In reviewing the town's tax title files, there are four parcels that no longer exist and a parcel improperly assessed as "owner unknown" when in fact it is a town property. These abatement requests should be made to the Commissioner of Revenue. Once granted, these abatements would be charged against available overlay balances.

RECOMMENDATION 12: COMPLETE POLICIES AND PROCEDURES MANUAL

We recommend that the assessing office review the policies and procedures manual assembled to date and expand the content. The office should request complete policy and procedure manual copies from a few communities to review the entire contents and compare it to what has been developed in-house to date. The sample documents obtained will provide a full understanding of the duties and potential issues that may come up and it would benefit the community to establish a full set of operating procedures for future boards.

RECOMMENDATION 13: REVIEW TAX TITLE ACCOUNTS

We recommend that the treasurer/collector's office complete the process of foreclosure by land of low value previously authorized by the Commissioner of Revenue. A property where the treasurer/collector has land of low value affidavits will continue to be assessed until it is foreclosed and sold at public auction. A successful bidder pays for the purchase in full and the new deed is recorded

by the treasurer/collector, clearing the tax title account in the process. For those parcels not sold, a deed to the municipality is prepared and recorded. The town becomes the new owner thereby removing the property from the tax rolls and transferring the tax title amount into tax possessions on the town's records, notifying the assessors and the town accountant in the process.

We recommend that the treasurer/collector's office pursue land of low value foreclosure through DOR. For any properties with a current value of \$19,130 or less, the town should apply for land of low value foreclosure, which is a quicker and less costly alternative to seeking a decree from Land Court. Once the town receives the land of low value affidavits from the Commissioner of Revenue, these parcels would be auctioned or preserved as town-owned land.

RECOMMENDATION 14: REVIEW AND UPDATE BY-LAWS

We recommend that the town complete a comprehensive review and update of its by-laws. Currently, all town meeting or voter approval local option laws are not included. For some departments and boards, there are detailed duties codified while for others little or no information is provided.

In the absence of a charter, the by-laws should identify all offices and boards that are elected or appointed. It should provide details on the committee membership, office term, recall provision, reporting relationship(s) and basic responsibilities. Codified within the by-laws should be the organization and procedures of town meeting, personnel compensation and classification plans, financial procedures (e.g., budgeting, capital planning, turnover of revenues and payment of warrants) and local regulations (e.g., building, zoning, wetlands, health and animal control). The by-laws should be well-organized, informative and readily available for residents and others seeking information and or guidance. Whenever a town adopts or amends its by-laws, the town clerk is required to submit them within 30 days of town meeting adjournment to the Attorney General for review and approval. The Attorney General's Municipal Law Unit has 90 days in which to review and issue a written decision approving or disapproving by-law amendments.

We also recommend that the town create a financial management team. Chaired by the executive secretary, the financial management team should include at least the accountant, treasurer/collector and an assessor (or the assessing clerk) and meet on a regular basis throughout the year.

The team's participation in general financial and budget activities helps ensure that more than one person knows all facets that need to be gathered, analyzed, and monitored continually and provides institutional continuity if someone leaves town service. The financial management team would assist the executive secretary in compiling and presenting comprehensive financial information to the town's policymakers, both selectmen and finance committee, on topics such as the prior year's performance, year-to-date activities, and issues as they come up. The members of this committee collectively should

review financial documents (e.g., revenue and expenditure reports, balance sheet, and tax recapitulation sheet) for completeness and accuracy. This information will provide a comprehensive picture of the town's financial health at any point in time.

During the budget process, the financial team members would collectively develop preliminary revenue estimates that would be updated as new information becomes available. The team also should discuss contingency plans (e.g., revised spending proposals and scheduling override/debt exclusion votes) and ensure necessary actions are completed timely.

ACKNOWLEDGEMENTS

This report was prepared by The Department of Revenue, Division of Local Services.

Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs

The project staff included:

Frederick E. Kingsley, Bureau Chief
Municipal Data Management and Technical Assistance Bureau (MDM/TAB)

Joe Markarian, Supervisor
Melinda J. Ordway, Senior Project Manager/Financial Analyst
Technical Assistance, MDM/TAB

Stephen Sullivan, Field Advisor
Bureau of Local Assessment

Kathy Reed, Field Representative
Bureau of Accounts

In preparing this review, DLS interviewed or had contact with the following persons:

Jackie Lima, Selectman
John Laura, Selectman and Assessor
Thomas Shaheen, Assessor
Gail Marquedant, Assessing Clerk
Helen Coffin, Executive Secretary
Lisa Larue, Treasurer/Collector
Marilyn Matthew, Accountant
Michael Giampietro, Building Inspector