



City of Northampton

Assessing Department Review

Municipal Data Management and Technical Assistance Bureau

August 2001



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INTRODUCTION

At the formal, written request of the Northampton Board of Assessors, the Department of Revenue's Division of Local Services (DLS) has completed a review of the city's Assessing Department. Our report is included hereinafter.

We have based our findings and recommendations on site visits by a technical assistance team consisting of staff from the Division's Municipal Data Management & Technical Assistance Bureau and Bureau of Local Assessment. In addition to our initial meeting with the Mayor, the team interviewed the chairperson and two members of the Board of Assessors, the city Finance Director, the MIS/Systems Administrator and the chairmen of the Planning Board and Zoning Board of Appeals. We also met with real estate professionals with knowledge and experience in the local commercial and residential markets. We reviewed office procedures and examined a full range of Assessing Department records and documents.

In general, we focused on internal procedures, the accomplishment of requisite tasks and compliance with statutory and regulatory requirements. We discussed lines of communication between the assessing department and other city offices, departments and boards, including the City Council. We also analyzed historical trends involving property values and considered the experience of Northampton in the context of other communities. 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 city's financial management practices.

August 2001

Executive Summary - Northampton is a diverse, western Massachusetts city of 28,978 people located on the Connecticut River and in the heart of the so-called Five College Area of the Pioneer Valley. About 20 miles north of Springfield, the city serves as the county seat of Hampshire County and is at the crossroads of interstate highways that link major destination points in New England and New York. Under the city charter, a three-member Board of Assessors, appointed by the City Council, administers the day-to-day operation of the Assessing Department with the assistance of two clerks. The Assessors engage independent contractors to annually inspect certain properties and to complete state mandated property revaluations every three years.

As in most Massachusetts communities, Northampton officials are keenly aware of the impact of tax policies and assessing procedures on the fiscal condition and financial future of the city. Unlike many small cities and larger towns, however, Northampton has managed to sustain and benefit from an economically viable central business district (CBD). The conversion of upper story space in CBD buildings to apartments and residential lofts has contributed toward a small town appeal which is strong among prospective home buyers and tourists. Upscale shops, numerous restaurants and performance centers in the CBD have helped position the city to attract consumer dollars from an indigenous population of college students and from a wider population originating from communities beyond the immediate area.

Aggressive home sale prices and steady new growth have produced significant value appreciation in the city's residential property. Although overall trend lines are consistent with area communities, Northampton values have risen more rapidly and the market has displayed a higher intensity more characteristic of eastern Massachusetts cities and towns. Commercial and industrial (CIP) values have also increased over the long-term despite some erratic movement. The decline, rise and leveling-off of CIP values over the last three revaluations deviates only slightly from the pattern seen in area communities.

On balance, CIP new growth and assessed values are in-line with regional parameters, but local factors represent an uncertain influence on future growth. Northampton has little commercial or industrial land available for new development which places the city at a disadvantage in the competition for new businesses with area communities. At 22.7 percent of assessed value, the commercial and industrial sector is not so large that improvements and enhancements to existing properties will add to new growth in a substantial way. The absence of parking presents a barrier to new development and dictates to some extent the type of tenant who can occupy space in the CBD.

Equally significant, retail store front bays in the CBD are typically small which limits sales volume for shop owners, all but eliminates business expansion and places a ceiling on rents. The small businesses that occupy retail space operate on narrow margins and have a finite capacity to absorb higher costs. In the opinion of local real estate professionals, commercial rents have remained relatively stable over the last ten years for this reason and may have reached a high-water mark. Should landlords choose to increase rents beyond tenants' ability to pay, they run the

risk of higher turnover and longer vacancy periods - conditions which will lower the market value of their property and ultimately impact the valuation of commercial properties by the city for tax purposes. This is because the market value and assessed value of a commercial or industrial property is directly related to the amount of income, after expenses, it produces for the owner over the course of a year. Since vacant properties generate no income, owners have an incentive to keep properties occupied which oftentimes means maintaining rent levels and taking less profit. DOR records for Northampton indicate that assessed values leveled-off between revaluations in FY98 and FY01 supporting the conclusion that rents, as a whole, have not increased.

Operating in this environment, the Northampton Assessors' office has been effective in its primary responsibility to value properties within city limits for tax purposes. Ownership records and property data files are adequately maintained and backed-up. Commitment lists are generated in a timely fashion allowing the distribution of tax bills, requisite reports are produced and over-the-counter service is provided to the public. In addition to meeting regularly with the Mayor and Finance Director, the Assessors' have also improved communication with City Council members by producing explanatory booklets and organizing information meetings.

Our recommendations are intended to present best practices for managing the Assessing office, improving tax policy and enhancing public confidence in the process. Areas we cite for improvement relate first to the frequency of property revaluations and data collection. Because the standardized procedures of the "mass appraisal" methodology used in property revaluations is an inexact science, a premium must be placed on the collection of accurate, up-to-date data. Because Northampton represents an unusually active real estate market, valuations should be as current as possible. Therefore, we recommend that the Assessors:

- 1) Implement a program of annual adjustments to assessed values for all property groups in between triennial revaluations to ensure that values are accurate and that taxes are fairly distributed between property types and neighborhood locations;
- 2) Mail income and expense surveys to CIP owners annually, add an expanded cover letter explaining the purpose, use and confidentiality of the information requested; and, execute a follow-up program to increase the city-wide response rate;
- 3) Implement a cyclical inspection program designed to update all property records at least once every ten years thereby helping to ensure accurate assessed values.

In other recommendations, we address administrative issues. We recommend that the Assessors:

- 4) Back-up property data files on separate disk or tape each day, or each week as is currently done and arrange to store the back-ups in a secure, off-site location;
- 5) Become more familiar with computer spreadsheet and data base applications so that records now manually maintained can be more easily sorted and analyzed;
- 6) Work with the planning director to produce maps for the office that clearly display map and lot designations, property lines and other needed information.

Role of the Assessors in Local Government - A primary role of the Assessors in municipal government is to identify and value all property within city boundaries in order to equitably distribute the tax burden. The Assessors' maintain and update property records and otherwise act to ensure that property assessed values reflect, as near as possible, 100% of their full and fair cash value on January 1 of each year. This is accomplished through various inspection procedures and through the analysis of sale trends as part of city-wide revaluations of property completed, at least, every three years. The revaluation, and adjustments to values, if warranted, are completed under the direction of the Assessors and are subject to quality review and certification by the Massachusetts Department of Revenue (DOR).

The Assessors, under the provisions of Proposition 2½, annually identify additional value and tax revenue associated with new growth that occurred in the city over a prior 12-month period. This requires coordination with the Building Department to receive information on building permit activity, completion of on-site inspections of properties and placing a value estimate on new development. This procedure is instrumental in establishing the city's annual tax levy limit and levy ceiling, which relate to the maximum amount the city can raise in property taxes.

The Assessors work with the city clerk and auditor in the completion and submission to DOR of the "Recap Sheet" which is the basis for setting the annual tax rate. As part of this process, the Assessors estimate the annual overlay reserve which would be available to offset revenue lost to potential abatements, exemptions and Appellate Tax Board cases. The Assessors also prepare information for use by the City Council during the annual classification hearing when the decision is made whether or not to shift a greater portion of the tax burden to commercial and industrial properties.

Once the tax rate is approved by DOR, it is the responsibility of the Assessors to commit the taxes to the collector in preparation for the distribution of property tax bills and later in the fiscal year, to receive and investigate through on-site inspections property tax abatements. The Assessors also process boat and motor vehicle excise bills, charges for betterments and exemption applications.

An on-going task of the office is to maintain and update property records. In addition to the data collected through property inspections for various purposes, information is obtained from deeds, and by mail-in personal property inventories, income and expense surveys and sale questionnaires. Other information is gathered by the Assessors as part of a "measure and list" inspection program of all properties which should be completed, at least, every 10 years.

Finally, the Assessors are required to generate regular reports of office activities for the collector, auditor and for the DOR Bureaus of Local Assessment, Accounts, and Municipal Data.

General - Northampton is a small, western Massachusetts city of 34.63 square miles with a population estimated at 28,978 in 2000. Located in the Pioneer Valley along the Connecticut River, the city offers a blend of village centers, residential neighborhoods and commercial pockets, the largest and most distinctive of which is its central business district (CBD).

Bordering on unique, the CBD is a Main Street downtown characterized by sidewalk shops housed within rows of low-rise brick buildings whose construction date to the turn of the century. Increasingly over time, upper stories have been converted from office and storage uses to residential lofts and apartments, and from vacant to occupied space. With its emergence in the late 1980s, the downtown area has evolved into an active, safe and viable commercial/residential district. It has become an economic engine and a major factor in sustaining the quality of life that now exists in the community. Commercial stability is fueled by a somewhat symbiotic relationship between enterprising small businesses, eager to locate in Northampton due to its wide-ranging appeal as a retail destination point, and a pool of ready consumers consisting of 32,000 area college students, residents from towns within the region, and tourist from New England and beyond, all of whom are drawn to the upscale shops, 42 restaurants and cultural attractions.

The importance of the CBD to Northampton is not only that it helps shape the quality of life in the city, but by its economic strength, it tends to subsidize taxes raised from other property sectors. Despite high rents, storefront space is consistently close to full occupancy and despite relatively high tenant turnover, downtime is described as brief. Rents and occupancy levels are lower and periods of vacancy are longer in secondary downtown locations, but overall, commercial assessed values and aggregate tax revenue are higher in the CBD than in any other part of the city. As a result, there is a common interest to preserve and maximize the CBD as a resource through renovation, re-use and expansion of properties. City policy to slow the entry of large box, national retail outlets in the local market has protected downtown businesses, but there is also general acknowledgement that the lack of parking represents a serious obstacle to its further development. The Downtown Parking Study addresses this issue, but mandated contributions to the parking fund, which financed the study, are considered by some within the business community as a deterrent to development. The added layer of approvals required by the Architectural Review Board is viewed in the same light by developers, but as responsive city policy by others.

Residential neighborhoods spark interest as well, particularly in areas within walking distance of the CBD where single family dwellings of vintage architectural styles enhance appeal. Open space, a strong school system and a small-town atmosphere represent quality of life issues that attract prospective home buyers, as well, to more varied housing and less densely developed areas of the city. In part, bolstered by the long-term surge in regional residential markets, demand has expanded to the city's outlying village centers and into areas proximate to the Connecticut River, the Acadia Wildlife Sanctuary and protected conservation lands.

With high demand and a decreasing supply of buildable sites, residential developers have increasingly targeted more difficult and isolated parcels where ledge and wetlands are especially

prominent. City planners have responded with stricter enforcement of regulations and closer monitoring of work. To cover extraordinary land development costs, contractors are building larger, more expensive homes which tends to run contrary to city's desire for more affordable housing. Although these represent common topics of disagreement between builders and planners, historically, home buyers' desire to locate in Northampton is likely to have a greater influence on the shape of future residential development.

Growth has not been as dramatic relative to the city's industrial market as existing parks are built-out and few, if any, viable sites are otherwise available. However, the city continues to pursue the potential development of two large tracks of land for industrial use. Located on the grounds of the former State hospital and along Route 10, both 120 acre sites face hurdles, including the need for infrastructure upgrades. Despite on-going efforts, progress has been slow, but city officials and local real estate professionals agree that the creation of industrial land is an important factor in the city's economic future.

Historical Perspective - The population of Northampton has remained notably static over the last 20 years. Other than a 4.9 percent rise between 1988 and 1990, the city's population has not increased or decreased by more than 1.6%, or 440 residents, over any two year period since 1980. The 2000 United States census places the population of Northampton at 28,978 which is 311 fewer people than in 1990. At \$58,174 per capita, the city's 2000 Equalized Valuation, which is a measure of wealth used by the state in certain aid distribution formulas, is 5.9 percent higher than in 1998, but below the state-wide average of \$76,379. The city's average single family tax bill of \$2,583 in FY01 ranks 139th highest among 351 Massachusetts communities, and its average assessed value of \$166,173 for a single family home ranks 175th among cities and towns.

Evidence of expansion has been strongest in the residential sector. The city has 312 more single family residential parcels, and 170 more condominium parcels than in 1990. In the last two fiscal years alone, residential new growth increased 57.3 percent and 38.9 percent over prior years generating almost \$40 million in new property value. This new growth in combination with continually escalating residential sale prices has contributed to a 28.9 percent increase in the total assessed value for residential properties since the FY95 revaluation. City-wide residential values were adjusted upward by 8.1 percent with the revaluation in FY98 and by an additional 16.0 percent in FY01. Where 74.2 percent of total assessed value was attributed to residential uses after the FY98 revaluation, at the end of the FY01 reval, the residential uses accounted for 77.3 percent of total property value.

Despite the concentration of uses in and vitality of the CBD, there are 35 fewer commercial parcels city-wide in FY01 than in FY90. There are also two fewer industrial parcels. Combined annual new growth for commercial-industrial-personal property (CIP) has consistently represented 40 percent of the total new growth captured by the city in recent years adding about \$12 million in value annually. Following regional economic trends, Northampton CIP values declined 11.7 percent with revaluation in FY95 reflecting the impact of the recession in the early 1990s. Three

years later, the FY98 revaluation produced assessed values that increased 14.8%, including a 31 percent increase in the CBD. But, unlike residential values, CIP values remained unchanged after the FY01 revaluation. As a rule, the commercial uses heavily influence the direction of CIP values because industrial properties and personal property constitute a small portion of the overall parcel inventory.

To obtain some perspective, we compared historical data for Northampton with Amherst, Belchertown, Chicopee, South Hadley, West Springfield and Westfield. We understand that no two communities are exactly alike, but have found that the collective experience of cities and towns which share even a few characteristics can provide context and be useful as a general measure of performance. (See chart with comparative data at the end of this report). Based on a comparison of data, we have made the following observations, and have concluded that the Northampton experience is not out of the norm. However, this is an overview only. Any findings to be relied on by the city to underpin planning initiatives should be substantiated with a more detailed, on-going analysis.

Residential Market

-Over the last ten years, the changes in total residential assessed value in Northampton parallel the trend among the other communities with the exception that its total value rose more steeply between FY98 and FY01.

-Reflecting more rapidly escalating sale prices in the last five years, the average assessed value of a single family home in Northampton (\$166,173) has increased twice as fast (27.2 percent) as home assessed values in area communities and is highest with the exception of Amherst (\$183,624).

-The aggregate value of residential new growth in Northampton (\$70.8 million) over the last five years is equivalent to the average dollar gain among area communities over the same period. Assessed value lost due to residential abatements in Northampton has historically been at the low end of the range compared to area communities.

CIP Market

-The percentage of assessed value attributable to CIP in Northampton (22.7 percent) is slightly above the average (19.8 percent) among area communities where the percentage ranges from 7.0 to 31.6 percent.

-Northampton has captured \$98.4 million in CIP new growth in the last ten years, or \$3,397 per capita (based on the 2000 population), compared to an average of \$97.4 million, and \$2,970 per capita, among area communities. In four of the last five years, Northampton's new growth in total dollars exceeded the annual average for the area communities.

-Over the last five years, CIP new growth in Northampton, as a percentage of prior year total assessed value (2.2 percent), was below the average of the area communities (2.8 percent). CIP abatements as a percentage of assessed value in Northampton (1.2 percent

over five years) has historically exceeded the average among area communities (0.8 percent).

-In terms of total CIP assessed value over the last ten years, the trend in Northampton shows a slight deviation from the general pattern of area communities. A decline in its CIP value in FY95 was slightly steeper than in other communities, and its rise in FY98 was at a slightly greater rate. When other communities generally showed a modest, but continued rise in values in FY01, Northampton values remained virtually level.

The performance of the residential market and the escalation in values in Northampton are a direct result of the demand created by prospective home buyers determined to locate in the city. (See chart of historical average single family assessed value at the end of this report). If the city continues to attract residential buyers and the economy remains strong, assessed values are likely to mirror sale prices even as new growth shows decline due to the lack of developable new home sites.

CIP values and trends are reasonably consistent from year-to-year and in-line with the experience of area communities, but there are current limitations to upside potential. As noted earlier, available commercial/industrial land, the size of existing retail space in the CBD and the lack of downtown parking all pose constraints to future growth. (See chart of historical CIP total assessed value at the end of this report).

Northampton Assessor's Office - Under the Northampton charter, the City Council appoints three members to the Board of Assessors, who serve staggered, three-year terms. Two full-time members fill the role of Board chair and secretary, and direct the day-to-day activities of the office. A third, part-time member contributes four hours per week. Among the current board members, the chair has 28 years experience in the assessing department, while the remaining full-time and part-time members have served for five and three years, respectively. Staff assistance includes two, full-time clerks with nine and ten years experience in city government. Although the Board of Assessors is appointed by the City Council, it guides and directs the office, and otherwise sets department policy, in coordination with the Mayor and city Finance Director. The Assessors meet twice a month with the Finance Director and other finance officers, and also meet once each month with the Mayor. Under the city government structure, the chair of the Board of Assessors evaluates the performance of the other two, board members and two City Councilors evaluate the performance of the chair.

The volume of activity for Northampton Assessors involves 10,120 total real estate parcels of which 961 are vacant in FY01. In addition, 5,439 parcels are classified as single family residential, while 751 are commercial and 159 are industrial. Of the city's total assessed value in FY01, 77.3 percent was attributable to residential properties and 22.7 percent to commercial and industrial properties combined (including personal property). Arms-length, real estate transactions typically number 250 sales per year, and building permits average 1,000, of which 30-35 might be for new residential construction, and 20-25 might involve commercial/industrial properties. The Assessor's

office commits approximately 22,000 motor vehicle excise bills each year and processes all abatement and exemption applications.

The office has relied on the Univers Appraisal Software developed and updated by Cole-Layer-Trumble Company (CLT) since 1979 to maintain property files and generate a real estate commitment list. Typical of many communities, the commitment generated by the appraisal software must be converted, in this case by the city's Data Processing department to the MUNIS format, allowing its transfer to the collector's office. (MUNIS is the city's financial management software). On an on-going basis, property files are updated with new information collected during inspections associated with sales, building permits, and abatements. All data entry is completed in-house. Although sales are inspected each year, annual adjustments to property values are not made in between state-mandated, triennial revaluations.

The Univers Appraisal Software is housed on a dedicated server which supports a four-computer local area network (LAN) within the Assessors office. In a typical arrangement intended to protect the integrity of property and owner information, access to the appraisal software and files is confined to the Assessing Department and its personnel. A separate computer terminal in the office is linked to the city hall network, allows access to the MUNIS financial management software and provides e-mail capability. All computers support word processing (Word Perfect), spreadsheet (Lotus) and database (Access) applications. A weekly back-up of CLT data is created, but stored only as a separate file on the system. A one-year tape back-up is also created and stored off-site. Among other electronic resources, Assessors' maps are generated by the Planning Department using a Graphical Information System (GIS). To achieve consistency throughout city government, each set of printed maps contains a level of detail reflecting the needs of all departments that use them. As a result, multiple overlays of information, not necessary to the assessing function, tend to visually obscure many of the map and lot designations which are critical to the Assessors' office and public.

The Assessing Department has engaged the services of CLT every three years to complete a city-wide revaluation of property with support documentation that satisfies the requirements for value certification by the Bureau of Local Assessment (BLA). As part of the revaluation process, information is collected through the validation of property sales, receipt of mail-in sale questionnaires, and mail-in income and expense data surveys from commercial and industrial property owners. For FY98, the cost for CLT services was \$63,800. Because the scope of work was rewritten in FY01 to include a measure and list program for all residential properties, the cost increased to \$181,700. In FY04, the measure and list program will be expanded to include commercial and industrial properties. Personal property is revalued under a separate contract with Real Estate Research Corporation (RRC), which received compensation of \$21,350 in FY98 and \$25,000 in FY01. In between revaluation years, RRC receives \$8,000 per year to process new accounts.

Under a separate agreement, the city engages the services of Lawrence Labarbera, an independent contractor, to complete building permit inspections. Building permits are transferred to the Assessors once per week, in hard copy, and organized with field cards for Mr. Labarbera, who completes inspections. The value and projected tax revenue he attaches to new development or to property enhancements form the basis of an annual estimate of new growth which impacts the city's calculation of its levy limit and levy ceiling.

Board members conduct inspections relating to abatement applications during the months of January, February and March each year. Applications are date-stamped upon receipt, reviewed and logged into a word processing document. Upon approval, copies of abatement certificates, generated by the MUNIS software, are forwarded to the collector and auditor. As required, separate hardcopy files are maintained for abatement applications in the Assessing office as a permanent record. Exemptions are handled in similar fashion.

The Assessors have been timely in providing an estimate of the overlay which is a reserve to cover tax revenue not realized due to the issuance of abatements, exemptions and ATB judgements. The Board reports success in settling most ATB cases prior to scheduled hearings and generally represents the city before the ATB. Outside council is engaged to handle more difficult and complicated cases. Over the last four fiscal years, the overlay has been consistently funded at \$415,000 without incurring year-end deficits or large surpluses.

DLS records indicate that annual Recap Sheets, required by DLS to approve the city's tax rate, are completed and Assessors' commitments are produced sufficiently in advance to allow for the timely preparation and distribution of tax bills. Prior to printing, the Assessors compare real estate bills by class to the corresponding commitment, and prior to mailing, match the print file to the commitment list by individual account to identify any discrepancies. They oversee and review the motor vehicle excise commitment. In a standard arrangement, the city uses a Deputy Collector who obtains owner and vehicle information directly from the Registry of Motor Vehicles to produce excise bills. From a printout of 22,000 bills and prior to commitment, the Assessing office marks all accounts to be removed (i.e., exempt vehicles), a task that takes three people most of a week to accomplish. The amended list is committed, then bills are printed and mailed by the Deputy Collector.

In terms of its continuing responsibility to communicate the activity of the office, the Assessors appear diligent in submitting requisite reports to the city collector, auditor and to the DLS Bureau of Local Assessment, Bureau of Accounts and Bureau of Municipal Data Management. Working with the city Finance Director, the Assessors have been successful in arranging a series of seminars and panel discussions to assist City Council members in understanding the assessing function. The office has also developed detailed papers on subjects relating to revaluations, classifications, the role of the assessor, among others, which are distributed to city councilors and made available to taxpayers on the Assessing Department web page.

Our recommendations begin on the next page.

Recommendations - Based on our site visits, review of documents and interviews with persons in and outside of city government, we offer the following recommendations relative to the Northampton Assessing Department.

Recommendation 1: Interim Year Value Adjustments

We recommend the Assessors initiate a program of interim year value adjustments. The specific meaning of MGL Chapter 59, Section 2A is that all properties must be taxed on full and fair cash value as of January 1 of each year. To ensure compliance, BLA reviews and certifies each community's assessed values every three years. In interim years, many communities, predominantly in eastern Massachusetts, stay current in their values through a program of annual adjustments. For reasons related to the intensity of the real estate market, available resources and local government structure, a program of interim year adjustments is less frequently implemented among central and western Massachusetts communities. However, in our view, the Northampton real estate dynamic has characteristics in common with eastern Massachusetts markets which justify an interim year adjustment program.

A program of annual adjustments also enhances the accuracy of the mass appraisal procedure used in the revaluation process. Mass appraisal techniques use a sampling of market data and elements of subjective reasoning as a basis for deriving value for large groups of properties. The experience of hundreds of communities in thousands of revaluations have demonstrated the effectiveness of the methodology over time. However, by its nature, the process lacks the comprehensiveness or precision of an individual property appraisal.

Applied more frequently, using more recently gathered market data, the revaluation process will generate more accurate assessed values and greater public confidence in the results. The review of assessed values through the analysis of sales each year can help ensure that properties are always close to 100% of fair cash value and that value relationships among properties and neighborhoods are maintained. Dramatic changes in assessed values and taxes between revaluations every three years would be replaced with smaller, annual adjustments, when justified, which typically result in fewer abatement applications.

The inspection of sales necessary to an interim adjustment program can be completed in-house or contracted out. The added cost might be similar to the current expense for building permit inspections, plus the value of time spent on sale analysis. For additional insight, the Assessors' should discuss with CLT what the scope of work and cost of an annual program might be compared to the current triennial program. In any event, the revenue gains or savings realized from up-to-date values should off-set any incremental cost increase of the program.

Recommendation 2: Income and Expense Surveys

We recommend that the Assessors expand the cover letter included with income and expense surveys and mail the surveys annually. Income and expense information returned by property owners is essential data used by CLT in the triennial revaluation years to arrive at assessed values for commercial and industrial properties. To help increase the survey response rate from landlords, we suggest the Assessors include a cover letter that clearly explains the use of the data, the importance of reliable information and the procedures imposed to ensure confidentiality of the information submitted. The letter should underscore the risk of inaccurate assessments for all property owners in the absence of good data.

We also encourage the Assessors to continue working with the Northampton Chamber of Commerce on ways to increase survey participation by members of the business community. We suggest that the Assessors mail surveys every year, rather than every three years. If business people see the survey more frequently, and see evidence that confidentiality is honored, they may become more comfortable with the process and more disposed to respond.

Finally, we suggest that the Assessors prioritize income and expense data by property type or location, etc., and develop a program to follow-up initial mailings. For instance, information from investment properties might be more useful than from those that are owner-occupied. A greater effort might be directed at the CBD retail market than at smaller, outlying pockets of commercial uses. The nature of the follow-up might include a second mailing with a return receipt attached, a telephone call as a reminder to respond, and/or an on-site visit to interview landlords or tenants.

Recommendation 3: Cyclical Property Inspection Program

We recommend the Assessors implement a cyclical, measure and list property inspection program. In a February, 2001 letter to the Northampton Assessors recommending they begin cyclical inspections, the DOR Bureau of Local Assessment (BLA) underscored the importance of "the collection and maintenance of current and accurate property inventory data as a critical element in the development of uniform, fair market value." We would add that when data is accurate and up-to-date, Assessors are better able to meet their statutory obligation to value properties at 100% of full and fair cash value, and taxpayers are more confident in the reliability of their assessments. In its guidelines to cities and towns, BLA strongly recommends that a cyclical, "measure and list" inspection program be completed at least every ten years.

Depending on the structure of a community's assessing department, cyclical inspections are completed by full or part-time board members, a full-time professional administrator, or by a data collector whether on-staff or hired as an independent contractor. According to national studies conducted by the International Association of Assessing Officers, the number of property inspections that can be completed in a day typically falls in the range of 16-20 single family homes,

5-10 apartment buildings, 5-10 commercial buildings or 4-6 agricultural parcels. For a data collector, compensation is arranged as a flat fee or on a per parcel inspected basis. In almost all instances, annual inspections of sale and building permit properties are incorporated into a measure and list program. In this context and under its current office structure, we recommend the Assessors' consider how best to implement a cyclical inspection program.

Recommendation 4: Data Back Up Program

We recommend the Assessors back-up data on a weekly or daily basis, and on a disk or tape.

Currently, a back-up tape of assessing data is created as each fiscal year ends and is stored off-site. In the past, property data files have been backed-up on a weekly basis and stored as a separate file on the same computer system as the original data. The risk in this methodology is that if the system fails, then both the original and back-up files could be lost or corrupted. Citing a more common practice, we recommend that property data be copied to a tape back-up or compact disk on a daily, or at least weekly, basis and stored in a secure, off-site location. A system of rotating disks or tapes could be used to ensure that data, right up to the prior day entries, are backed-up. It is our understanding that, since our initial visit, the Assessors' have begun weekly back-ups on a separate disk or tape.

Recommendation 5: Available Computer Technology

We recommend the Assessors explore ways to utilize spreadsheet and data base applications.

Spreadsheet and database applications are available to the Assessing office and offer flexibility in the maintenance, analysis and storage of data. For example, abatement logs are presently created in a word processing application. If switched to a Lotus spreadsheet, the information could be sorted by property type, neighborhood location, etc. to reveal any abatement trends, assessment inconsistencies or potential problems. In general, all data collection that is recorded by hand should be placed on a spreadsheet. Use of a database application would allow the entry, organization and storage of property or owner information not contained on the CLT software. Standard letters could be generated for all those listed in the database or directed correspondence could be targeted to some, based on specific factors.

We suggest the Assessors and staff contact the city MIS department about training opportunities on spreadsheet and database applications. A better understanding of software capabilities could expand its use and help create efficiencies within the Assessing Department.

Recommendation 6: Assessors' Maps

We recommend that Assessors' maps include less detail. The map information of interest and value to the Assessors and to the public who visit the office, consists of boundary lines to legal parcels, ways and water bodies; map and lot designations; and, to a lesser extent, lot line dimensions. The inclusion of additional map data such as zoning and other overlay districts can

be informative, but is rarely critical to office needs. When the added detail obscures essential information, then the utility of the maps is diminished, the efficiency of the office suffers and the public is ill-served.

In the case of the Assessors' maps, a magnifying glass is frequently necessary to read map and lot designations and lot line dimensions because of the shading used to display zoning and overlay districts. While we understand the overall goal to create consistency among all maps in the various city departments, we suggest a map set should first serve the needs of the office where it resides. Therefore, we encourage the Assessors' and Planning Department to work toward the creation of maps that are clear in content and design.

Acknowledgements

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Technical Assistance, MDM/TAB

David Wood, Assessment Program Coordinator
Bureau of Local Assessment

In preparing this review, DLS interviewed the following persons:

The Honorable Mary Claire Higgins, Mayor
John Musante, Finance Director
Joan C. Sarafin, Chair, Board of Assessors
Joseph G. Gross, Board of Assessors
David A. Murphy, Board of Assessors
Wayne Feiden, Director, Planning Department
Daniel Yacuzzo, Chairman, Zoning Board of Appeals
Lorna Cournoyer, MIS Systems Administrator
Donald Miner, Civil Engineer/Consultant
Patrick Goggins, Real Estate Broker
Steve Bunnell, Real Estate Appraiser
Lawrence Labarbera, Consultant to Assessors
Jeanne Flynn, CLT/Revaluation Consultant

AREA COMMUNITY COMPARATIVE DATA

	AMHERST	BELCHERTOWN	CHICOPEE	NORTHAMPTON	SO HADLEY	W SPRINGFIELD	WESTFIELD
Population	34,874	12,968	54,653	28,978	17,196	27,899	40,072
% chg vs 1980	5.0%	55.5%	-0.8%	-1.1%	4.9%	3.2%	9.9%
2000 EQV	1,176,492,400	642,945,600	2,088,647,100	1,685,752,000	845,874,900	1,487,866,700	1,840,663,700
% chg vs 1998	7.5%	5.2%	3.5%	5.9%	7.0%	9.6%	7.1%
EQV per capita	33,736	49,579	38,217	58,174	49,190	53,330	45,934
01 Avg Assd Value	183,624	137,733	99,651	166,173	145,396	121,067	133,262
01 Avg SF Tax Bill	3,484	2,614	1,696	2,589	2,400	2,240	2,171
01 Expenditures	38,424,030	22,141,550	87,752,430	52,836,892	52,836,892	53,606,194	74,027,829
01 Res % of Assd Value	86.0%	93.0%	74.3%	77.3%	88.3%	68.4%	74.3%
01 CIP % of Assd Value	14.0%	7.0%	25.7%	22.7%	11.7%	31.6%	25.7%
01 Single Family Parcels	3,954	3,627	10,808	5,439	4,153	6,258	8,842
01 Total Parcels	6,654	5,469	6,804	10,120	6,759	9,318	12,817