



Deputy  
Commissioner  
Robert G. Nunes

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## Property Certification and Tax Rate Setting Season Underway

Like apple pickers or baseball teams that actually make the playoffs, fall at DLS is when our work ratchets up to the next level.

To date, we've set 18 municipal tax rates, one municipal pro-forma tax rate, and three district tax rates. Further, we've approved 86 balance sheets for a total certified free cash of \$293,955,545. Seventeen communities have already received preliminary certification and one has achieved final certification. We anticipate numbers growing in the coming weeks as we receive submissions from communities looking to expedite the process in a timely manner.

DLS Strategic Plan initiatives to enhance DLS performance and provide better service to our stakeholders continue as we host our annual "What's New in Municipal Law" seminar at locations in Holyoke and Randolph. In addition, we recently wrapped up four regional workshops to help cities and towns prepare for setting FY13 tax rates. The workshops were an opportunity for city and town finance teams to review the process and to ask questions before tax-rate season shifts into high gear. The sessions were attended by close to 200 local officials.

I'm continually proud of and impressed with the DLS staff. They have provided great ideas and insights into ways we can better serve you, our constituents, and have backed it up with their actions. As we move forward, we'll continue our commitment to finding new and innovative ways to improve efficiencies and communication. As always, if you have any suggestions or comments, please feel free to contact us.

**Robert G. Nunes**  
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## **DLS Updates Forecasting Application**

**Rick Kingsley - Municipal Data Management and Technical Assistance Bureau Chief**

The Division is pleased to announce that our Revenue and Expenditure Forecasting application has been updated to include your community's most recent historical data and is ready to use for FY2014 and future years. Forecasting is a powerful management and policy-making tool that allows local officials to readily evaluate different policy options under various fiscal scenarios. The application is available for download on our website at: <http://www.mass.gov/dor/local-officials/municipal-data-and-financial-management/financial-mgt-assistance/calcdandforms.html>.

The three years of historical revenue information that is pre-loaded into the application comes directly from the tax rate recap sheet. The application relies on Schedule A data for historical expenditures so some data entry is required to account for spending up through the current budget year. The forecast is broken down into manageable sections, enabling users to systematically work through a comprehensive list of revenues and expenditures and project them forward through FY2017. For example, the property tax sheets allow the user to project new growth by property class, estimate changes in assessed valuation and explore the impact of overrides, exclusions or shifting the tax burden on the tax rate(s).

Whether you use our application or rely on your own spreadsheet tools for revenue and expenditure forecasting, forecasting is a worthwhile means to assess if current spending trends are sustainable and if your budget is structurally balanced going forward. It can help your community measure the fiscal impacts of multi-year contracts, new debt issues, future employee benefits, new or expanded services or the impact of proposed capital expenditures. Ultimately, forecasting provides important context to frame the policy decisions that all communities face when allocating scarce revenue among competing needs, determining the balance between operating and capital spending or deciding on management strategies for the long-term.

## **DLS Technical Assistance Section Provides Sound Advice for Communities Considering Charter**

## Change or Adoption

**Bob Bliss - Director of Strategic Planning and Worcester and Springfield Office Manager**

The Technical Assistance Section of DLS is a valuable resource for communities considering a charter revision or adoption of a new charter. In the past few years, TA staff have spoken with local officials or met with government study committees in the communities of Westport, Hopkinton, Groton, Littleton, Haverhill, Medway, Hamilton, Kingston, Ayer, Westwood, Orange, Pepperell and Wrentham. Some of the communities have enacted charter changes; others have studied changes but not enacted. Perhaps surprising, less than half of the Commonwealth's cities and towns have adopted charters using either a Special Act or a Charter Commissioner, so it is entirely possible that many more communities will reach out to TA for assistance in the future.

It's not uncommon for a community to decide to form a government study committee after the conclusion of a TA financial management report since those reports frequently analyze shortcomings in a community's governance. There are two paths to adopting or revising a charter. The longer process involves the establishment of a Charter Review Commission that may adopt a new charter, revise an existing charter, or amend selected charter provisions. A Charter Commission's work is directed by statute and will take 18 to 24 months to conclude its work. The quicker route to charter adoption or revision is to receive legislative approval through a Special Act signed by the Governor under Ch. 43B. Either way, the term charter refers to a written instrument that defines the government structure under which a city or town operates, and that may create local offices; distribute powers, duties and responsibilities among local offices; and that may establish and define certain procedures to be followed by a city or town government. (MGL Ch. 4, Sec. 7, Clause 5.)

State law does not mandate or prescribe any procedure for arriving at proposed charter revisions when a special act is to be drafted. However, a local government study committee, typically appointed by the selectmen, or when town meeting directs, by the moderator, is a frequently used method. The appointing authority is not restricted to a set number of committee members, can define the charge of the committee broadly to encompass all aspects of local government or more narrowly define the scope of inquiry, and may direct the completion of work within a set time. Once a charter proposal is drafted as a special act, it must be presented to the city council, mayor or town meeting for approval and authorization for submission to the General Court. In virtually every instance, voter approval is required to accept the charter.

*City and Town* recently interviewed three local officials who had positive experience working with TA on proposed charter changes.

Peter Cunningham, former chairman and currently vice chairman of Groton's Board of Selectman, first encountered TA staff during a

management review and then asked them back in 2006. "While they did not find major problems, they did look at our overall structure and reliance on volunteers and they pointed out that was not a good management structure going forward, that the complexities of local government require more professional management," Cunningham said.

The town adopted TA's advice to set up a Government Study Committee and to propose change using a special act, Cunningham recalled.

"As it turned out it took two years. We formed a Government Study Committee with representation from across the town. We held numerous meetings with stakeholders and at the end of the day came up with a draft charter. We worked with existing charter documents from neighboring communities and picked and chose bits and pieces we felt met the needs of Groton. Fairly early on we decided we wanted to advocate for a strong town manager and for the most part we got that," Cunningham said.

How would he assess DLS' role? "They (TA staff) were helpful in planting the seed that the town needed to evolve. At a population of 10,000 or so in Groton, voters from their own experience understood that preparing and administering a \$32 million budget with governance that dated back to colonial times did not make sense."

The proposed charter passed town meeting overwhelmingly and was approved at town election.

"Putting us on the track to do it was the most significant piece of advice we took from DLS," Cunningham concluded, "and I would recommend using them."

Cunningham, a selectman since 1996, said the aftermath of the charter change has been better, more responsive and accountable government.

Not all charter reviews lead to changes. Pauline Conley was on the Ayer Board of Selectman which requested a financial management review in 2007. Many of the report's recommendations were not adopted, but were considered by the Government Study Committee convened in August 2010, on which Conley served.

The committee reported its recommendations to the Board of Selectmen in February of this year and while several proposals were submitted to the Town Meeting in May, only one passed; a reduction of the Board of Selectmen from five to three members.

"We met with (TA staff) Joe Markarian twice and availed ourselves of his expertise by email throughout the course of the study," she said. Conley said she "absolutely" would recommend TA assistance to other communities contemplating charter review.

Pepperell is currently in the midst of a charter review. Town Administrator John Moak said he contacted TA staff at the suggestion of the Department of Housing and Community Development. That led to Joe Markarian and Rick Kingsley speaking to the town's Charter Commission on best practices in terms of the town government structure.

"Their presentation opened the eyes of the Commission on the need for a more vertical organizational chart. We have many independent boards which lead to difficulty in determining authority. This is the main reason for the creation of a Charter Commission and Rick and Joe's presentation strengthened that commitment," Moak said. "I would highly recommend this service to anyone considering a new charter or change to an existing charter. Some of their suggestions will be hard for towns without charters to adopt, but the need for the commissioners to know best practice is very important."

The work in Pepperell is ongoing. "Our Charter Commission was formed in early May and is in the beginning stages. This service was important to have a positive start to the process. I believe it will eliminate some wasted energy on the part of the commission," Moak concluded.

For further information and assistance go to.....

<http://www.mass.gov/dor/local-officials/municipal-data-and-financial-management/financial-mgt-assistance/restructuring.html>

<http://www.mass.gov/dor/docs/dls/mdmstuf/technical-assistance/faq/charterstudycommittee.pdf>

## **October Municipal Calendar**

### **1 - Collector - Mail Semi-Annual Tax Bills**

For communities using the regular semi-annual payment system, actual tax bills or optional preliminary bills should be mailed by this date.

### **1 - Taxpayer - Semi-Annual Preliminary Tax Bill - Deadline for Paying Without Interest**

According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for receipt of the preliminary tax payment without interest in communities using the annual preliminary tax billing system, unless the bills were mailed after August 1. If mailed after August 1, the payment is due November 1, or 30 days after the bills were mailed, whichever is later.

### **1 - Taxpayer - Deadline for Applying to Have Land Classified as Agricultural/Horticultural Land or Recreational Land, M.G.L. Ch. 61A and Ch. 61B.**

According to M.G.L. Ch. 61A, Sections 6 and 8, and Ch. 61B, Sections 3 and 5, this is the deadline to apply to Assessors to have land valued, taxed and classified as agricultural/horticultural or recreational land in the next fiscal year, unless a revaluation program is being conducted for that fiscal year. Under M.G.L. Ch. 59, Section 38 and DOR guidelines, Assessors must review all property valuations and make adjustments to ensure current fair cash valuations every year. Because a revaluation program is being conducted every

year, taxpayers who do not submit their applications by October 1 have until 30 days after the actual tax bills for the fiscal year are mailed to apply.

**15 - Superintendent - Submit School Foundation Enrollment Report to DESE**

**31 - Accountant - Submit Schedule A for Prior Fiscal Year**

This report is a statement of the revenues received, expenditures made and all other transactions related to the community's finances during the previous fiscal year. The Schedule A classifies revenues and expenditures into detailed categories that will provide information essential for an analysis of revenues and expenditures generated by various departments. This data, like other financial information reported to DOR, is entered into DOR's Municipal Data Bank; as such, the Department may provide time series, comparative and other types of analyses at the request of a city or town. This information is also sent to the US Census Bureau and eliminates a prior federal reporting requirement. Failure to file by October 31 may result in withholding major distributions of state aid until the Schedule A is accepted by BOA.

**31 - Selectmen - Begin Establishing Next Fiscal Year Budget Guidelines and Request Department Budgets**

**31 - Assessors - Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for annual preliminary tax bill communities)**

A community that uses the annual preliminary tax bill system (on a quarterly or semi-annual basis) should begin gathering tax recap information in order to have enough time for the tax rate to be set and tax bills mailed by December 31. See August's Complete Tax Rate Recapitulation Sheet.