

City&Town

Christopher C. Harding, Commissioner • Sean R. Cronin, Senior Deputy Commissioner of Local Services



RMV Launching New ATLAS System Nov. 12: Action Required for Excise and Non-Renewals

Kristen Hagan – Registry of Motor Vehicles Business Development

October 3rd, 2019

Plans are on schedule for the Registry of Motor Vehicle's final transition to the new ATLAS system on November 12, 2019. The new system provides access to RMV data for municipalities and other business partners across the Commonwealth.

In this issue:

- [RMV Launching New ATLAS System Nov. 12: Action Required for Excise and Non-Renewals](#)
- [Introducing the Massachusetts Cybersecurity Center](#)
- [Free Cash - Final Update for July 1, 2018](#)
- [Ask DLS: Other Post-Employment Benefits Trust Fund - Part 3](#)
- [Data Highlight of the Month: Certified Free Cash](#)

To ensure a seamless transition, the RMV is working with municipalities and their processing vendors to test access and compatibility. At this point, your municipality or processing vendor should be fully engaged in testing with the RMV; **testing must be fully completed by October 18th**. Attestation forms will be emailed to municipalities or their processing vendor to verify successful testing. Here's what cities and towns need to do to be successful:

- Complete testing. If you haven't started the testing process, contact the RMV as soon as possible: DOT-DL-ATLAS-Interfaces-R2@dot.state.ma.us.
- If you use a processing vendor, ensure they are testing with the RMV and will complete testing by the October 18th deadline.
- Work with your billing vendors to make sure your billing software can accept/process new files.
- Excise: Process newly formatted Excise Tax file and print an Excise Tax Bill.
- Non-Renew: Submit Inquiries, Marks, and Clears via SFTP and/or Web Services.
- Sign and return the emailed Attestation form by October 21st.

More information is available on our Business Partners Website:

<https://atlas.massrmv.com/Home.aspx>.

Important: If your municipality or processing vendor does not successfully complete testing by October 18th and return the Attestation form by October 21st, you will not be able to:

- Produce Excise Tax Bills
- Process Inquiry, Marks, and Clear transactions

Important Dates & Information

Attention Local Assessors!

The Bureau of Local Assessment (BLA) encourages you to submit your community's FY2020 Interim and New Growth forms as soon as possible. Timely submissions ensure you keep your community on track in the tax rate setting process. Once the proper forms are submitted, BLA will review them promptly. We ask assessors to continue to remain available after submitting their forms to answer any related questions. If you have any questions, please contact your BLA field advisor. For a list of BLA field advisors, please [click here](#).

Free Cybersecurity Event for Municipal Leaders

Nichols College, in collaboration with the MassCyberCenter, is proud to announce the event *Cyber Adversaries: What Municipal Leadership Should Know to Build a Cyber Secure and Resilient Commonwealth*.

This event will give municipalities a better understanding of the risks facing their communities and concrete steps to improve their cyber resilience. It includes speakers from the MassCyberCenter, Cybereason, the Executive Office of Technology Services and Security, U.S. Department of Defense, and Nichols College. Topics will cover domestic and international terrorist cyber threats, as well as the divergent goals of private and nation state threats.

Cyber Adversaries will be held on October 16th from 10am to 3pm in Daniels Auditorium at

Please contact the RMV at atlas.municipalities@dot.state.ma.us with questions.

Introducing the Massachusetts Cybersecurity Center

Alison Kennedy - Massachusetts Cybersecurity Center Outreach Manager

Massachusetts has a strong knowledge-based economy which includes health care companies, technology startups, hospitals, research facilities, and financial institutions. Our communities rely upon good cybersecurity for our prosperity and security. In recognition of the importance of cyber resiliency for the Commonwealth, the Massachusetts Cybersecurity Center was established.

In September 2017, Governor Baker announced the launch of the MassCyberCenter with a vision to enhance opportunities for the Massachusetts cybersecurity ecosystem to compete as the national cybersecurity leader while strengthening the resiliency of the Commonwealth's public and private communities. Housed at the Massachusetts Technology Collaborative, the MassCyberCenter's mission is to enhance conditions for economic growth through outreach to the cybersecurity ecosystem of Massachusetts while fostering cybersecurity resiliency within the Commonwealth.

In September 2018, Governor Baker appointed retired U.S. Navy Captain Stephanie Helm as the first director of the MassCyberCenter. Helm has deep expertise from her nearly 30 year career as a cryptologic/information warfare officer, roles which included positions where she oversaw long-term program development and time-sensitive operations.

In January 2019, the MassCyberCenter brought together the first meeting of the Cyber Resilient Massachusetts Working Group (CRMWG) which brings together public- and private-sector leaders to identify ways the Commonwealth's innovative technology ecosystem can help Massachusetts municipalities and critical institutions protect sensitive data, increase cybersecurity awareness, and respond to emerging threats. This spring, the CRMWG empaneled a sub-working group focused on Municipality cybersecurity and the group is working to provide outreach and information to Commonwealth cities and towns.

The MassCyberCenter is hosting the inaugural Massachusetts Cybersecurity Week from October 15 – October 18. The theme of Massachusetts Cybersecurity Week is *Building a Cyber Secure and Resilient Commonwealth Together*. The goal of the week is to raise cybersecurity awareness and to foster further collaboration among businesses, investors, policy makers, educators, and Massachusetts citizens to ensure Massachusetts and our cybersecurity ecosystem continues to advance and grow. Cities and towns are encouraged to host their own cybersecurity awareness event during this week. For more information, check out the masscybercenter.org web site.

In a future issue, we will provide *City & Town* more information about the

Nichols College in Dudley, MA.

Registration is free, and open only to municipal leaders, not to the public or to the media. However, seating is limited, so be sure to register early at <https://pages.nichols.edu/cyber-adversaries/>, or contact Dr. Allison McDowell-Smith at allison.mcdowell-smith@nichols.edu with any questions.

EEA Funding Opportunity - Municipal Vulnerability Preparedness Program Planning Grants

The Executive Office of Energy and Environmental Affairs (EEA) is pleased to open applications for a new round of MVP Planning Grant proposals. Through MVP Planning Grants, the Commonwealth awards communities funding to complete vulnerability assessments and develop action-oriented resiliency plans.

The program helps communities define extreme weather and natural and climate related hazards; understand how their community may be impacted by climate change; identify existing and future vulnerabilities and strengths; and develop, prioritize, and implement key actions. State-certified MVP providers offer technical assistance to communities in completing the assessment and resiliency plans. Communities who complete the MVP planning process become certified as an MVP community and are eligible for MVP Action Grant funding. For more information, including the link to the RFR

efforts to improve municipal cybersecurity, to include information on the National Governors Association Policy Workshop. Communities interested in learning more about the MassCyberCenter or cybersecurity should contact masscybercenter@masstech.org.

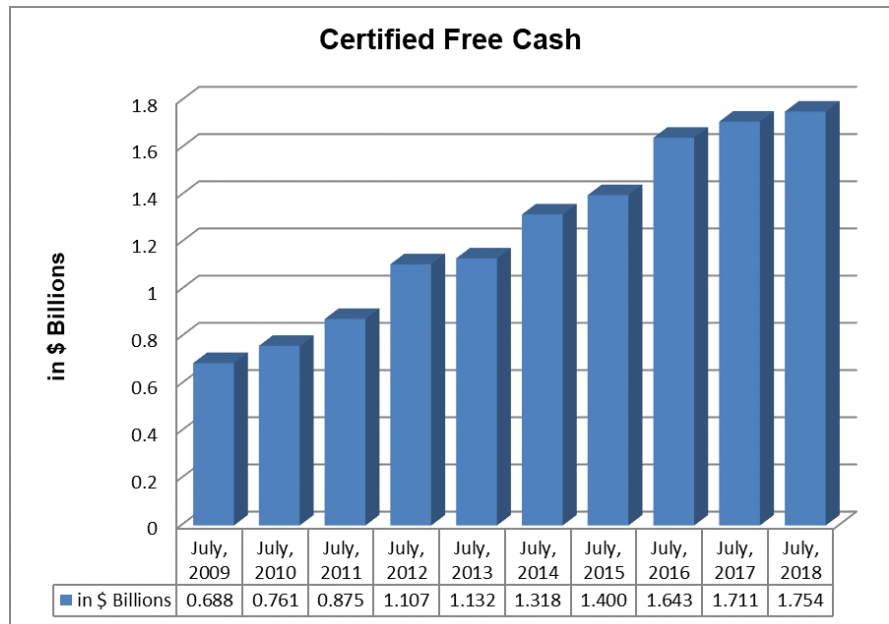
Free Cash - Final Update for July 1, 2018

Deb Wagner - Bureau of Accounts Springfield Office Supervisor

In our February 7, 2019 *City & Town* article entitled, "[Counting Free Cash – \(Updated\)](#)", we noted that statewide certifications of free cash as of July 1, 2017 totaled over \$1.7 billion for 347 communities. This total was almost \$68 million (4.1%) over the \$1.6 billion amount certified for 346 communities in the previous year. Let's now look at certifications as of July 1, 2018.

July 1, 2018 Certifications

As of June 30, 2019, statewide July 1, 2018 free cash certifications for 348 communities total \$1,754,022,910. This total is \$43.2 million (2.5%) over the previous fiscal year. The July 1, 2018 figure continued a trend in total free cash in excess of \$1 billion that began as of July 1, 2012 as shown in the graph below. Certifications have increased annually from July 1, 2009 to July 1, 2018 by about \$1.066 billion.



In this certification period, only North Adams was certified in negative amount (\$437,098). three towns not certified last fiscal period were certified this fiscal period and two towns not certified this fiscal period were certified last fiscal period.

The following tables show more certification results.

on COMMBUYS see the [MVP Planning Grant webpage](#). The Planning Grant response period will be open on a rolling basis until 4pm on January 15, 2020, but early application is encouraged.

EEA Funding Opportunity - Municipal Vulnerability Preparedness Program Action Grants

EEA is also pleased to open applications for a new round of MVP Action Grant proposals. Action Grants provide designated MVP Communities funding to implement priority adaptation actions identified through the MVP planning process or similar climate change vulnerability assessment and action planning that has led to MVP designation.

Projects are required to use best available climate data and projections. Projects that propose nature-based solutions or strategies that rely on green infrastructure or conservation and enhancement of natural systems are preferred. Applicants can request up to \$2M in funding (regional proposals may request up to \$5M), and a 25% match of the total project cost is required. For more information, including the link to the RFR on COMMBUYS see the [MVP Action Grant webpage](#). Action Grant proposals are due by 2:00 p.m. on November 14.

The MVP Program has four regional coordinators ready to assist all communities (no matter the region) in relation to this funding round:

Southeast MVP Regional Coordinator: Courtney Rocha,

Greatest \$ increase	\$28.5 million	Median \$ increase	\$380,129	Greatest % increase	324.6%	Median % increase	23.9%
Greatest \$ decrease	\$24.1 million	Median \$ decrease	\$296,613	Greatest % decrease	234.9%	Median % decrease	21.3%

	< \$ 1 million	\$1 million < \$2 million	\$2 million < \$3 million	\$3 million < \$4 million	\$4 million < \$5 million	\$5 million < \$10 million	\$10 million or greater
7/1/2016	121	69	46	24	17	39	30
7/1/2017	116	76	42	21	19	41	32
7/1/2018	112	80	41	25	14	42	34

To see free cash certifications to date, please see the Data Highlight of the Month in this issue of *City & Town*.

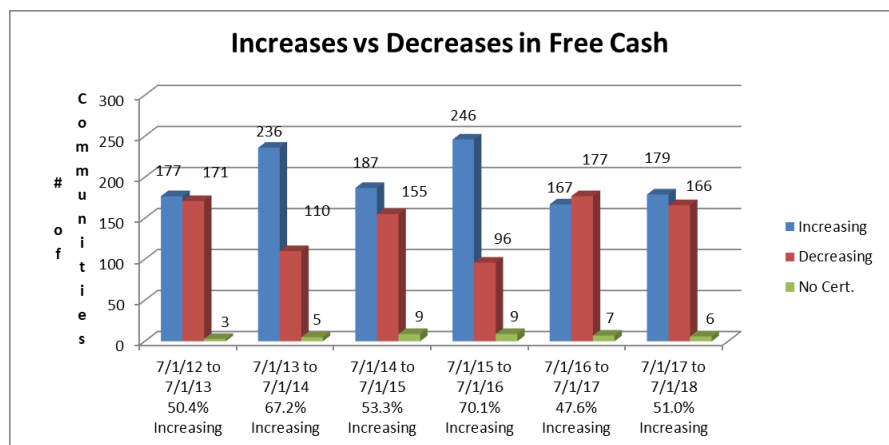
It's How You Look At It

Although a new record dollar amount was established as of July 1, 2018, the 2.5% increase over the previous year's certification represents the second smallest year-to-year percentage increase over the last 10 certification periods as shown by the totals in the graph above. The smallest percentage increase, 2.3%, was between July 2012 and July 2013.

Did outliers have any effect on the statewide total? For example, July 1, 2018 certifications for Boston and Cambridge were \$375 million and \$232 million respectively, or 34.6% of the total. If their certifications are removed from the total of the last two fiscal periods, the statewide total for the remaining communities reveals a slight reduction of about \$6,000,000, or .5%.

At the same time, Chelsea's July 1, 2017 certification of \$33.7 million decreased by \$24.1 million for July 1, 2018 as the city transferred much of its free cash into other reserve funds. If Chelsea's certification is also removed, the statewide total for the remaining communities reveals an increase of over \$18 million (1.6%).

Despite the rise seen in the statewide total, not every community experiences an increase from the previous period as shown in the graph below. Note also that in only one fiscal period shown did the number of communities with a decrease in certified free cash exceed those with a certified increase. In addition, whether future free cash certifications will increase or decrease from the July 2018 figures is currently unclear and will depend in part on whether communities will spend or retain new local revenue sources if available to them such as excises from marijuana sales and short-term rentals.



courtney.rocha@mass.gov,

617-877-3072

Northeast MVP Regional

Coordinator: Michelle

Rowden,

michelle.rowden@mass.gov,

978-242-1358

Greater Boston MVP Regional

Coordinator: Carolyn

Meklenburg,

carolyn.meklenburg@mass.gov

v, 617-626-7825

Central MVP Regional

Coordinator: Hillary King,

hillary.king@mass.gov, 508-

849-4016

Sewer Rate Relief Fund - FY2020

The Division of Local Services has released Bulletin 2019-4: Sewer Rate Relief Fund - FY2020. It can be found by [clicking here](#).

The Sewer Rate Relief Fund operates under the provisions of Chapter 29 Section 2Z of the General Laws. The Fund was created in 1993 to mitigate escalating costs of sewer service in the Commonwealth. Awards were based on "eligible debt service" and were calculated at up to 20% of debt service. For FY2020, \$1.1 million has been appropriated.

Please complete this year's application by using the required form that is being provided. It should then be emailed to Gerry Cole of the Division of Local Services at coleg@dor.state.ma.us.

Applications must be submitted by Friday, October 11, 2019.

Adopting a Free Cash Policy

Adopting a policy regarding the use of certified free cash is a best practice. The Division of Local Services (DLS) encourages the adoption of such a policy and advises that:

- communities understand the role free cash plays in sustaining a strong credit rating
- a free cash goal helps deter free cash from being depleted in any particular year and enables the following year's calculation to begin with a positive balance
- a free cash policy should avoid supplementing current-year departmental operations. By eliminating the expectation of additional resources later in the fiscal year to backfill budgets, department heads will produce more accurate and realistic annual appropriation requests

DLS recommends that free cash:

- be restricted to paying one-time expenditures, funding capital projects, reducing OPEB or pension liabilities, or replenishing other reserves
- be maintained at 5% of the annual budget

Let's summarize what's been learned about the most recent free cash certifications:

- the total continues to exceed \$1 billion, but the most recent total shows a slowdown in the increase over the previous total
- more communities exited the < \$1 million category and more communities entered the >\$10 million category than in the last fiscal period
- 51.0% of communities with certified free cash in the last fiscal period increased their certifications over the previous fiscal period
- adopting a policy on the amount and use of free cash is a best practice.

Frequently Asked Questions

Four questions are often asked of Bureau of Accounts field representatives:

1.) What effect does a vote to reduce the tax rate actually have?

When such a vote has been approved, a specific dollar amount of free cash is applied as a funding source against all appropriations from the tax levy, not to one particular appropriation. Although the tax levy is reduced, a

taxpayer may or may not see a reduction to their tax bill as a result depending upon where the community was relative to its tax levy limit or depending on the assessed value of the taxpayers' property.

If the community was above the levy limit and free cash was voted to reduce the tax rate down to the levy limit, this vote merely balanced the budget to its Prop 2½ levy limit and the vote provided no further property tax relief. However, if the community was already at or below its limit, such a vote does reduce the amount to be raised through taxation, which may result in property tax relief to the taxpayer, if property values remain the same from the prior year, or any increases in appropriations are less than the free cash voted to reduce the tax rate.

2.) What happens to free cash that isn't appropriated by the end of a fiscal period?

The unappropriated amount of free cash at the end of a fiscal period becomes a part of the certification for the next fiscal period. For example, the unappropriated amount from the July 1, 2018 certification becomes part of the July 1, 2019 certification.

3.) For what purpose can free cash be appropriated?

Free cash can be appropriated for any legal purpose. However, free cash is a one-time source of revenue. Because free cash may decrease from year to year, free cash appropriated for ongoing operations is not recommended.

4.) Can free cash be appropriated for use prior to certification by the Bureau of Accounts?

No. Once the period of time for appropriating the free cash certification expires, new documentation must be submitted to the Bureau of Accounts and free cash must be recertified prior to appropriation.

For more information on free cash including the rules for its use, how to improve your free cash position and policies on generating and using free cash, please review our *City & Town* article from [December 15, 2016](#).

Other DLS Links:

[Local Officials Directory](#)

[Municipal Databank](#)

[Information Guideline
Releases \(IGRs\)](#)

[Bulletins](#)

[Publications & Training Center](#)

[Tools and Financial
Calculators](#)

Ask DLS: Other Post-Employment Benefits Trust Fund - Part 3

This month's *Ask DLS* features part three of frequently asked questions concerning the local option Other Post-Employment Benefits (OPEB) Trust Fund under [G.L. c. 32B, § 20](#) and [20A](#), as amended by [Sections 15 and 238 of Chapter 218 of the Acts of 2016](#), the Municipal Modernization Act. For Part 1 of the series, see the [August 1, 2019 edition of City & Town](#). And for Part 2, please see the September 5, 2019 edition. Please let us know if you have other areas of interest or send a question to cityandtown@dor.state.ma.us. We would like to hear from you.

What monies are credited to the OPEB Trust Fund?

(1) Appropriations to the OPEB Fund - The governing body may, by majority vote, appropriate monies to the OPEB Fund. In a regional school district, appropriations to the OPEB Fund may be made only in the annual budget submitted to the member cities and towns for approval. As we stated in Part 2 of this series, the governing body is the legislative body in a city or town, the county commissioners in a county, the regional district school committee in a regional school district, and the district meeting or other appropriating body in any other governmental unit.

(2) Gifts, Grants and Other Contributions - The treasurer of the governmental unit, as custodian of the OPEB Fund, may accept gifts, grants and other contributions to the fund.

(3) Income - Any interest or other income generated by investment of the OPEB Fund becomes part of the OPEB Fund.

(4) Medicare Part D Funds - The governing body may, by majority vote, dedicate to the OPEB Fund reimbursements that the governmental unit receives as a sponsor of a Medicare Part D qualified retiree prescription drug plan. 42 U.S.C. § 1395w-132.

Where can OPEB Trust Fund monies be invested?

Monies in the OPEB Fund that are not needed for expenditures or anticipated expenditures within the investment period must be invested and reinvested by the treasurer as directed by the trustee or board of trustees from time to time. The treasurer may employ an outside custodial service to hold the monies in the OPEB Fund consistent with the procedures and standards described below.

(1) State Retiree Benefits Trust Fund - The trustee or board of trustees may, with the approval of the State Retiree Benefits Trust Fund board of trustees, direct the treasurer to invest the OPEB Fund in the State Retiree Benefits Trust Fund established under [G.L. c. 32A, § 24](#). In that case, fund monies are invested under [G.L. c. 32A, §§ 24](#) and [24A](#).

(2) Other Investments - Where the trustee or board of trustees does not direct the treasurer to invest the OPEB Fund in the State Retiree Benefits Trust Fund, investments must be made as follows:

- Retirement Board as Board of Trustees - Where the retirement board is the board of trustees, investments are made under [G.L. c. 32, § 23](#).
- Treasurer or OPEB Fund Board as Trustees - Where the treasurer is the trustee or an OPEB Fund board of trustees has been established by the governing body, investments are made in the same manner as municipal trust funds under [G.L. c. 44, § 54](#). However, the governing body may, by majority vote, authorize investments under the prudent investor standard for private trusts under [G.L. c. 203C](#).

Is an appropriation needed to spend OPEB monies?

Yes. An appropriation by a two-thirds vote of the governing body is required to spend any monies in the OPEB Fund.

What are the accounting obligations associated with OPEB Trust Funds?

The accounting officer must establish and maintain the OPEB Fund as a separate fund and record all activity in the OPEB Fund. The governmental unit (city, town, or district, etc.) is responsible for completing an actuarial valuation of its liabilities for health care and other post-employment benefits for its retired employees and their dependents and funding schedule that conform to the Governmental Accounting Standards Board (GASB) requirements.

When a governmental unit obtains an actuarial valuation report in accordance with GASB requirements containing statements of the liabilities of the unit for health care and other post-employment benefits for its retired employees and their dependents, it must submit a copy to the Public Employee Retirement Administration Commission (PERAC). The report must be submitted no later than 90 days after the governmental unit receives the report. PERAC may require that the governmental unit provide additional information related to its liabilities, normal cost and benefit payments, as specified by the Executive Office for Administration and Finance, in consultation with PERAC. In that case, the governmental unit must also submit the additional information to PERAC. A copy of such report and additional information, if any, must also be submitted to the Bureau of Accounts at the time of its submission to PERAC. [G.L. c. 32B, § 20A](#). These reporting requirements apply to all governmental units whether or not they have established an OPEB fund under the general laws or a special act.

The annual report a regional school district submits to its member cities and towns under [G.L. c. 71, § 16\(k\)](#) must include a statement of the balance in the OPEB Fund and all additions to and appropriations from the fund during the period covered by the report.

What is the process to participate in the OPEB Fund of another governmental unit?

A governmental unit that accepts [G.L. c. 32B, § 20](#) may participate in the OPEB Fund established by another governmental unit under [G.L. c. 32B, § 20](#). Participation of one governmental unit in the OPEB Fund of another governmental unit must comply with the procedures and criteria established by the trustee or board of trustees of the OPEB Fund it wishes to join.

A governmental unit that accepts [G.L. c. 32B, § 20](#) may participate in the OPEB Fund established by another governmental unit upon approval by majority vote of the governing bodies of:

- a. The governmental unit wishing to participate in the OPEB Fund of the other governmental unit; and
- b. The governmental unit that has established the OPEB Fund in which the other governmental unit wishes to participate.

Each governmental unit participating in the OPEB Fund remains responsible for all costs attributable for the health care and other post-employment obligations for its retired employees and their dependents and for completing an actuarial valuation of its liabilities and funding schedule that conforms to GASB requirements. A participating governmental unit is separately credited for its contributions to and appropriations from the OPEB Fund, and interest

or other income generated by the fund, in the accounting of the relative liabilities of each governmental unit for its retirees and their dependents.

Data Highlight of the Month: Certified Free Cash

Donnette Benvenuto - Data Analytics and Resources Bureau

Certified Free Cash, also known as budgetary fund balance, is a community's remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line items. Local accountants and auditors submit free cash calculations to DLS based on balance sheet amounts as of June 30th. Unpaid property taxes and certain deficits negatively impact free cash, and until certified by the Director of Accounts, free cash is not available for appropriation by the community. The calculation can be found in Gateway. For more information on free cash, see the [DLS Technical Assistance Bureau's best practices](#).

The Municipal Databank features a report on certified free cash [data](#) from 2003 to present. This data is available as a state total (351) and can be filtered by one or more communities. The report includes instructions, net free cash aggregates (state totals only) and a certification count.

We also provide an expandable bar graph for visualization., and all data can be exported to excel, PDF or both.

We hope to better acquaint you with the data the DLS has to offer through the *Data Highlight of the Month*. For more information contact us directly at databank@dor.state.ma.us or (617) 626-2384.

October Municipal Calendar

- | | | |
|---|-----------|--|
| 1 | Collector | Mail Semiannual Tax Bills
Communities using the regular semiannual billing system should mail actual tax bills or optional preliminary tax bills by this date. |
| 1 | Collector | Mail Preliminary Tax Bills for 2nd Quarter
Collector mails these bills if the 2nd quarter bills were not included in the July mailings. |

1 Taxpayer **Deadline to Pay the Semiannual Preliminary Tax Bill Without Interest**
Per [M.G.L. c. 59, § 57C](#), this deadline applies in semiannual 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 either 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**
Under [M.G.L. c. 61A, §§ 6 and 8](#) and [c. 61B, §§ 3 and 5](#), this is the deadline to apply to the Assessors to have land valued, taxed, and classified as agricultural/horticultural or recreational land in the next fiscal year. Taxpayers who miss this deadline have until 30 days after the mailing of the actual tax bills to apply to the Assessors.

1 Taxpayer **Deadline for Submitting Forest Land Certification and Management Plan**
As set by [M.G.L. c. 61, § 2](#), this is the deadline to submit to the Assessors the State Forester's certification and approved management plan to have land classified as forest land for 10 years beginning in the next fiscal year.

15 Assessors and Accountant **Begin Working on the Tax Rate Recapitulation Sheet (the recap)**
Assessors in communities that issue quarterly or annual semiannual preliminary tax bills should begin gathering data for the following tax recap pages in order to have enough time for the tax rate to be set and actual tax bills mailed by December 31.

15 Assessors **Submit New Growth, Amended Tax Base Levy Growth, and Final Valuations Reports to BLA (recommended date)**

31 Accountant **Deadline to Submit the CPA Fund Balance Report (Form CP-2)**
[See July 15.]

31 State Treasurer **Notification of Monthly Local Aid Distributions**, see [IGR 17-17](#) for more cherry sheet payment information, monthly breakdown by program is available [here](#).

To view the municipal calendar in its entirety, please [click here](#).

Editor: Dan Bertrand

Editorial Board: Sean Cronin, Donnette Benvenuto, Linda Bradley, Paul Corbett, Theo Kalivas, Ken Woodland and Tony Rassias

Contact *City & Town* with questions, comments and feedback by emailing us at cityandtown@dor.state.ma.us.

To unsubscribe to *City & Town* and all DLS alerts, email dls_alerts@dor.state.ma.us.