



June 16th, 2022



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## Important Dates & Information

### DLS Posts Three New Webinars

Recorded versions of recently held DLS webinars are now available on our YouTube channel! These include:

[Free Cash Upload & Certification Walkthrough](#): On April 26th, Bureau of Accounts staff highlighted how to complete the forms necessary for free cash certification. These forms, uploaded in Gateway, are used to request certification of and calculate a city or town's free cash certification from BOA each fiscal year. As mentioned during the webinar, you can also refer to our [Introduction to Free Cash video](#) for an overview of how free cash is calculated, and an [additional video](#) providing a brief overview of the upload process. Slides from the presentation are also available to [download](#).

[How to Value a Massachusetts Town](#)

## The New Officials Edition

Sean Cronin – Senior Deputy Commission of Local Services

Every year, new people enter public service for the first time in cities and towns in a variety of roles and positions across the Commonwealth. On behalf of the Division of Local Services (DLS), I want to welcome all of you. To assist with the transition, we're dedicating this edition of *City & Town* to newly elected or appointed local officials. Below you'll find a handy crib sheet of links to introductory municipal finance guidance, trainings, data and other helpful resources. Our hope is that those who are new to the field will refer to this edition as needed and those who might have more experience will share it as they see fit. To begin, let's look at some basics.

- Learn more about DLS by viewing our introductory [video](#).
- Sign up for DLS Alerts. [Click here to sign up](#) or contact us at [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). Whether it's [timely recommendations to keep in mind during the closing of the fiscal year](#) or Cherry Sheet estimates, our *City & Town* e-newsletter and alerts will keep you informed of upcoming training opportunities, municipal finance law updates, local aid announcements, and other important municipal finance-related notifications.
- Confirm that your contact information is accurate in the DLS [Local Officials Directory](#) (LOD). Municipal clerks play a critical role in updating the Local Officials Directory, so make sure to check with your clerk. For additional information

[for Taxation](#): On May 25th, DLS' Chris Wilcock, Chief of the Bureau of Local Assessment (BLA), provided an overview of mass appraisal, the standardized procedures for collecting data and appraising property to ensure that all properties within a municipality are valued uniformly and equitably. Slides from the presentation are also available to [download](#).

[Excess and Deficiency Upload](#): On June 8th, BOA staff provided instruction about how to complete the forms necessary for excess and deficiency certification. These forms, uploaded in Gateway, are used to calculate and approve a regional school district's excess and deficiency amount each fiscal year. Slides from the presentation are also available to [download](#).

### **FY2023 Telephone Company Central Valuations**

Local boards of assessors will find the fiscal year 2023 telephone company central valuations pursuant to M.G.L. Chapter 59, Section 39 on our [website](#) effective Wednesday, June 15, 2022. Also included is a memorandum to assessors about the FY2023 valuation, the new growth figures, a list of company billing addresses, and the *Additional Landline Telephone Personality by FCC Code* for each of the centrally valued telephone companies by community.

### **FY2023 Pipeline Company Central Valuations**

Local boards of assessors will find the fiscal year 2023 pipeline company central valuations pursuant to M.G.L. Chapter 59, Section 38A on our [website](#) effective June 15, 2022. Also included is a memorandum to assessors about the FY2023 valuation as well as the new growth figures and a list of company billing addresses.

### **Proposed 2022 Equalized Valuations**

On June 1, 2022 the Bureau of Local Assessment will post the 2022 Equalized Valuations (EQVs) representing the full and fair cash value of all taxable property for each municipality as of January 1, 2022 to the Division of Local Services Gateway website at <https://dls.gateway.dor.state.ma.us/gateway/Login>. Access can be made directly from the landing page by clicking on LA19 Equalized Valuation Report.

highlighting the importance of the LOD, please read the following [Frequently Asked Questions about the Local Officials Directory](#).

- Bookmark the DLS [Municipal Finance Training and Resource Center](#). From accounting and auditing to local option excise, we offer trainings on a host of topics, including a section specifically dedicated to [municipal finance for new local officials](#).
- Know your assigned DLS Bureau of Accounts (BOA) field representative and your Bureau of Local Assessment (BLA) field advisor. If you're not sure who's assigned to your community, visit our [online staff directory](#).
- Familiarize yourself with DLS resources such as the [municipal glossary](#), the [municipal calendar](#), and the [Legal Index for Municipal Officials](#).
- [Subscribe to our YouTube Channel](#). Not only are our videos helpful for local officials, they can also serve as an informational tool you can provide to interested residents and taxpayers with questions about subjects such as [Proposition 2 ½](#) and [property tax assessments and abatements](#).

In 2018, the Local Government Workforce Skills Gap Task Force's [report](#) was released and recommendation #4 noted that "[E]xisting resources such as the DLS New Officials Finance Forum provide one-day seminars on policies, practices and procedures in local government. More long-term programs that formally support and foster the next generation through mentorship, professional development and career guidance are needed."

In order to fulfill that recommendation, DLS has retooled our approach to training and professional development, shifting away from an annual gathering of new local officials to a robust online Training & Resource Center available 24/7, 365 days a year. This resource is loaded with helpful trainings, tools and templates that

These EQVs will be used as a basis of comparison among the 351 municipalities within the Commonwealth for certain state and local purposes. Specifically, EQV is used in the allocation of aid to public libraries, in the calculation of Chapter 70 funding, and in the reimbursement rate of school construction projects. Certain Cherry Sheet charges also use EQV: County Tax, Boston Metropolitan Transit District, Mosquito Control Projects and Air Pollution Control Districts. In addition, EQV is used in calculating a community's debt limit (M.G.L. c.44, § 10).

**Informal Hearings** will be conducted for the convenience of communities who wish to question their proposed EQV. These hearings will be held on weekdays from Wednesday, June 1st through Friday, June 10th, 2022. DLS will conduct telephone conference calls to address concerns and discuss documentation submitted by the Board of Assessors via email that support different values. If you would like to schedule an appointment, please contact James Paquette at [paquettej@dor.state.ma.us](mailto:paquettej@dor.state.ma.us).

A **Public Hearing** will be conducted via a virtual hearing by the Bureau of Local Assessment on Friday, June 10th, 2022 at 10am. Please register by contacting James Paquette at [paquettej@dor.state.ma.us](mailto:paquettej@dor.state.ma.us) to receive the instructions to the weblink.

### **FY2023 Preliminary Cherry Sheet Estimates**

The Senate Ways & Means Committee (SWM) released their version of the FY2023 budget proposal yesterday. The SWM proposal increases funding for the unrestricted general government aid (UGGA), state-owned land, smart growth school cost reimbursement, library aid program, regional school transportation and local share of racing taxes. As a result, DLS has updated the preliminary cherry sheet estimates to reflect these new funding levels. The preliminary cherry sheets can be found on the DLS website.

Click [here](#) for Preliminary Municipal Cherry Sheet Estimates or [here](#) for Preliminary Regional Cherry Sheet Estimates.

Cherry sheet estimates for charter school tuition and reimbursements are based on estimated tuition rates and projected enrollments under charters previously issued by the Board of Elementary and Secondary Education. Please be advised that

will assist you in your new role.

On behalf of the entire DLS staff, I want to express our sincere appreciation for all that the local officials of Massachusetts do to sustain and support local government. If you have thoughts or suggestions on ways we can improve, please don't hesitate to contact us. Thank you!

## **An Introduction to Building a Resilient Financial Management Operation**

### **Financial Management Resource Bureau**

The DLS [Financial Management Resource Bureau](#) has been providing guidance and assistance to municipalities across the Commonwealth for more than 30 years. Over that time, we've analyzed hundreds of financial operations function and observed what characteristics make some more successful than others. In this article, we identify the key players involved in managing a town's finances and highlight the core financial best practices common among fiscally stable communities.

At the foundation of every well-run local government lies strong communication, collaboration, and consensus among its various boards, committees, and professional staff. This also applies to a community's financial operations; the absence of any of these characteristics can lead to a host of inefficiencies, risks, and other costly financial challenges. Everything from pulling together a multimillion dollar operating budget to the daily bookkeeping is influenced by the organization's culture and the institutional practices it has in place.

Focusing on government administration in a town, the select board serves as the chief policymaking body who coordinates the general operations of town government. While these broad responsibilities cover many different aspects of managing a community, it is important that the select board codify several key practices.

charter school assessments and reimbursements will change as updated tuition rates and enrollments become available. Estimates for the school choice assessments may also change significantly when updated to reflect final tuition rates and enrollments.

It is important for local officials to remember that these estimates are preliminary and are subject to change as the legislative process unfolds.

If you have any questions about the preliminary estimates, please contact the Data Analytics and Resources Bureau at [databank@dor.state.ma.us](mailto:databank@dor.state.ma.us).

### **DCR Long-Term and Short-Term Seasonal Positions Available Statewide**

The Massachusetts Department of Conservation and Recreation (DCR) is hiring hundreds of seasonal employees for the peak recreation season between Memorial Day and Labor Day. A few positions are also open at other times during the year. Long-term seasonal positions are for more than 90 days, and short-term for fewer than 90 days. The Department is recruiting for positions such as rangers, park interpreters (programming), supervisors, pool managers, drivers, coastal shore bird monitors, forestry assistants, buildings and ground maintenance workers, and office assistants, to highlight a few of the many available opportunities. Furthermore, some seasonal employees assist DCR professional staff in environmental planning and management.

We encourage you to share these opportunities with your networks through social media, such as posting the attached recruitment flyer, and other forms of communications and to check out available opportunities [here](#).

### **FY2023 Budget Issues and Other Related Matters**

The Division of Local Services (DLS) Bureau of Accounts (BOA) has issued and posted Bulletin (BUL) 2022-5. This Bulletin addresses several topics that cities, towns, regional school and other districts should consider for FY2023 budgeting and other related matters.

[BUL-2022-5: FY2023 Budget Issues and Other Related Matters](#)

To view the bulletin, [click here](#). To

As the de facto board the directors, the select board needs to identify the community's mission, along with a set of annual goals and objectives. Not unlike other organizations, the town must have a clear understanding of its values and priorities so it can begin to establish strategic objectives around where it wants to go. Next, the board should focus on developing meaningful financial policies that align with the overall goals of the organization—the absence of which is like baking a cake without a recipe. The policies should be crafted with enough clarity to be readily understood by the public and provide for enough flexibility to operate within that policy. Lastly, the select board needs to participate in the annual budget process and take responsibility for monitoring the municipality's ongoing financial performance.

The town administrator or manager serves as the community's chief administrative officer who is generally tasked with coordinating day-to-day operations. This means administering the policies and procedures laid out by the select board and orchestrating the town's financial management activities, among many other tasks. Although there are often significant differences in the authorities delegated to the town administrator or manager, the position should be established in a town charter or by a special act of the legislature. Often the role is found less formally laid out job description, which doesn't serve as a baseline for stability and continuity in the role regardless of changes in personnel.

In managing the community's financial well-being, the town administrator/manager should be tasked with overseeing the activities of the financial management team, including the town accountant, treasurer, collector, and assessor. As the caretaker of the town's financial records, the town accountant reviews all bills and payroll to ensure they are within budget and are lawful expenditures. The accountant also issues monthly reports to each department on budget-to-actual revenues and spending and retain custody of all municipal contracts and prepare financial reports for the community.

The collector, as the name implies, collects taxes and other receipts such as fees, licenses and permits as authorized for the community.

access additional IGRs and Bulletins, please visit this [webpage](#). For additional information and guidance regarding emergency procedures, please visit our webpage [here](#).

### **One-Time Assistance for Districts with Pandemic-Related Enrollment Disruptions Impacting Chapter 70 Aid**

The Division of Local Services (DLS) and the Department of Elementary and Secondary Education (DESE) have jointly issued guidance regarding FY2022 One-Time Assistance for Districts with Pandemic-Related Enrollment Disruptions Impacting Chapter 70 Aid. The information provided includes the spending timeframe and purpose as well as accounting matters.

[Click here to view the DLS/DESE guidance.](#)

### **DLS Issues Two Bulletins and a Local Finance Opinion**

The Division of Local Services (DLS) Bureau of Local Assessment (BLA) has issued two new Informational Guidelines Releases (IGRs) and a Local Finance Opinion.

#### **[IGR-2022-12 – FISCAL YEAR 2023 GUIDELINES FOR ANNUAL ASSESSMENT AND ALLOCATION OF TAX LEVY](#)**

IGR 2022-12 provides combined guidelines for annual determination of property assessments for certification and interim years, classification of property according to usage class, calculation of the minimum residential factor and allocation of the tax levy among the property classes for Fiscal Year 2023. [Click here to view the IGR.](#)

#### **[IGR-2022-13 – FISCAL YEAR 2023 GUIDELINES FOR DETERMINING ANNUAL LEVY LIMIT INCREASE FOR TAX BASE GROWTH](#)**

IGR 2022-13 describes procedures and forms for reporting tax base growth and adjusting levy limits for FY2023. [Click here to view the IGR.](#)

#### **[LFO-2022-2 - EXEMPTION ELIGIBILITY WHEN PROPERTY IS HELD IN TRUST](#)**

The Municipal Finance Law Bureau (MFLB) has issued a new Local Finance Opinion (LFO) 2022-2 concerning exemption eligibility when property is held in trust. [Click here to view the LFO.](#)

This involves preparing and mailing tax bills, the accounting of receivables, and enforcing liens on delinquent property taxes. The treasurer functions as the town's cash manager who is responsible for the deposit, investment, and disbursement of all town funds and issuing debt on behalf of the community. The treasurer pays the town's bills and often administers payroll and employee benefits. Delinquent property is turned over to the treasurer annually when the collector does a tax taking, and the treasurer manages property which is in tax title or foreclosure.

The assessors are responsible for maintaining a database of all properties in the municipality, including their classification and value. The annual Tax Rate Recapitulation Sheet and annual allowable levy growth report are prepared and submitted by the assessors. The assessors ensure fair and equitable taxes and grant tax abatements and exemptions. The assessors are also responsible for administering motor vehicle, boat, and farm excises.

Collectively, the town administrator/manager, accountant, treasurer, collector, assessor, and IT director form the backbone of a community's financial management team. As such, they should hold regularly scheduled monthly meetings to open the lines of communication between and among finance officers. These meetings allow for discussion of overall operations and provide a forum to raise and resolve interdepartmental issues. Building an awareness of how each office is dependent on the performance of others helps to ensure that important checks and balances remain intact.

Financial team meetings also create opportunities to develop new ideas and to analyze the impact of upcoming fiscal events. Working together, financial team members can identify critical junctures and offer early strategies to deal with anticipated areas of concern. In every instance, finance officers can make sure that they agree about goals, deadlines, and everyone's role in the process. The financial management team is not intended to function in a policy-making role. However, it can be advisory to boards and committees in a way that provides information for use in policy development and implementation.



To access IGRs, LFOs and Bulletins, please visit this [webpage](#).

### **Informational Guidelines Releases (IGRs) Concerning Personal Property Audits and Intermunicipal Assessing Agreements**

The Division of Local Services Municipal Finance Law Bureau has issued two new Informational Guidelines Releases (IGRs) concerning personal property audits and intermunicipal assessing agreements.

#### [IGR 2022-10 Personal Property Audits](#)

IGR 2022-10 explains procedures for auditing personal property tax returns (also referred to as "true lists" or "forms of lists") for the purpose of verifying that a complete and accurate accounting of personal property subject to tax has been made. Procedures for making omitted and revised assessments resulting from audits are also explained.

#### [IGR 2022-11 Intermunicipal Assessing Agreements](#)

IGR 2022-11 provides boards of assessors and other city and town officials with information on entering into intermunicipal agreements to share assessing functions through common boards and administrative staff.

To access IGRs, LFOs and Bulletins, please visit this [webpage](#).

### **Cybersecurity Health Check Program**

The Office of Municipal and School Technology provides the following program available to Massachusetts municipalities and schools. View the website [Cybersecurity Health Check](#).

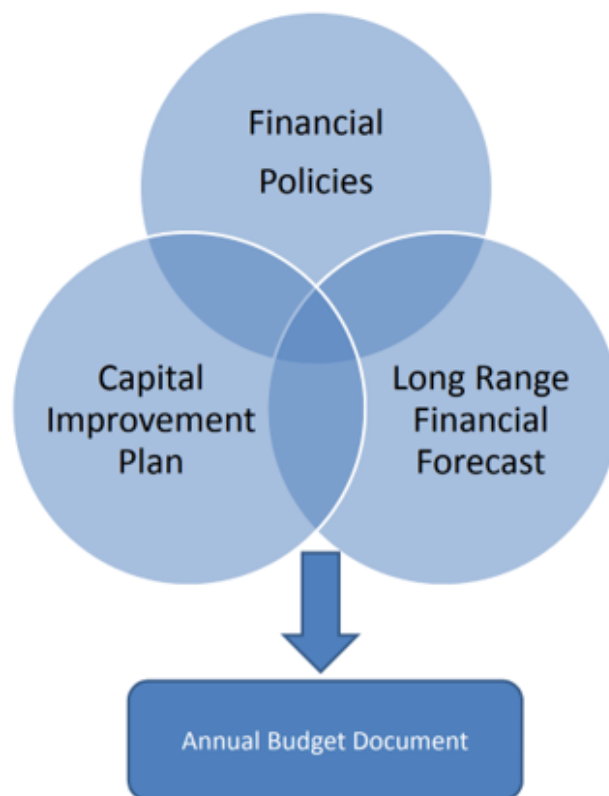
The Cybersecurity Health Check Program provides opportunities for local government to access basic cyber security services at no cost. These services can be a good first step in discovering, assessing and identifying cybersecurity gaps that could impact IT systems that support essential business functions. This is a rolling application.

### **DLS Links:**

[COVID-19 Resources and](#)

Team management and cooperation among municipal officials are essential to creating a well-defined, coordinated budget process in which the financial goals of the municipality are achieved. It is critical for all municipal officials involved in the budget process to work together to disseminate important information in a timely fashion so that thoughtful decisions can be made to prioritize among competing spending needs. Municipal officials must work together to prioritize budget items effectively and objectively.

The budget process is the foundation on which all other elements of municipal finance are built. The municipal budget is how municipal officials and the legislative body decide how and where available municipal funds shall be spent. Included in the budget are estimated revenues and expenditures relevant to the daily workings of municipal government as well as capital expenditures. Major expenses include employees' salaries, debt service, ordinary community maintenance, pensions, and health insurance.



The development of a community's budget is a continuous process. Each cycle of the budget process overlaps with the next cycle, from

[Guidance for Municipal Officials](#)

[Events & Training Calendar](#)

[Municipal Finance Training and Resource Center](#)

[Local Officials Directory](#)

[Municipal Databank](#)

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

[Bulletins](#)

[Tools and Financial Calculators](#)



monitoring the current budget to planning for next year's budget. As a result of changing financial needs in the community, it is critical to adjust the budget annually to ensure that municipal needs are met.

The budget is a major policy making tool for the community. As a policy instrument it should clearly define the service priorities and goals of the municipality. A good budget should indicate how the money spent on appropriations in the current year will enable the municipality to achieve its short and long range financial and policy goals. In addition, the budget is an important expenditure control document to ensure that funds are spent in accordance with town meeting specifications. It is also an important communication and public information document.

Annual operating and capital budgets should be developed within the framework of a sound long-range financial plan that addresses reserve, debt, and capital policies and needs. Current year spending decisions can have future year implications and the affordability of recurring expenses over the long term makes budgeting difficult even during good economic times. In those years, a community may have to constrain spending growth in department budgets, while during economic downturns it may have to find the resources to balance the budget or make service level decisions that may affect the whole community.

## The New Officials YouTube Training Video Playlist

The DLS [Municipal Finance Training & Resource Center](#) is a one-stop shop for local officials looking to learn more about their role and local government financial management. Here you'll find information on best practices, legal guidance, handbooks, and tools and templates that your community can use for forecasting, developing a capital plan, and more. The page also provides links to our [DLS YouTube page](#), where we post recorded slide shows and DLS-hosted webinars on a wide array of municipal finance topics. As a new official, it can be overwhelming to figure out where to start when trying to understand local government. To help, we've developed a

playlist of videos to help you get started! The playlist includes the following:

[Introduction to DLS](#) – Provides an overview of the Division of Local Services' role in oversight of municipal finances

[Overview of Municipal Management](#) – Describes the responsibilities of local officials and how they interact in managing municipal operations

[Proposition 2 ½](#) - Explains the basic provisions of this fundamental feature of the Massachusetts municipal fiscal landscape in nine short videos.

[Overview of the Municipal Budget Process](#) – Recording of a DLS webinar highlighting core concepts in municipal budgeting and key milestones in the budget preparation process.

[Introduction to Free Cash](#)

[Introduction to Municipal Debt](#)

[Introduction to Forecasting](#)

[Introduction to Capital planning](#)

[Click here to view the playlist](#) and be sure to bookmark the Municipal Finance Training and Resource Center and subscribe to our YouTube page to stay updated on new items added. As always, we are open to any feedback about what resources DLS can provide to assist new local officials in their roles. Please feel free to email [gervasiof@dor.state.ma.us](mailto:gervasiof@dor.state.ma.us) with your suggestions.

## **Data Highlight: Trend Data and Analytical Resources for New Officials**

### **Data Analytics and Resource Bureau**

The DLS Data Analytics and Resource Bureau (DARB) is responsible for collecting, managing and disseminating data, oversees website development, develops reports and visualization tools, and issues cherry sheets, the official notifications advising cities and towns of the estimated state aid and charges to be assessed during the fiscal year. As a new official, your first interaction with DARB will likely be through the DLS [Gateway](#)



application. Gateway provides local officials with a method of transacting business with DLS required to set tax rates and submit end-of-year reporting. Whether you have direct access to Gateway, supervise those who do, or just want to understand the pivotal role the application plays in a your community's regulatory certifications and approvals, we highly encourage you to watch our Gateway [video](#).

Based on municipal finance information communities across the Commonwealth submit through Gateway, we're able to provide comprehensive, real-time data sets unavailable anywhere else. For example, the [Municipal Finance Trend dashboard](#) can display five years worth of information. The dashboard presents data relating to a community's operating position, pension liabilities, property taxes, general fund revenues and expenditures, demographics and debt. Communities can also see this information for all other cities and towns and filter as needed.

In addition to trend date, we often get questions from newly elected or appointed officials asking us for the cherry sheet estimates over the last 10 years for their community. This data can be found on our website under our [Trends in Cherry Sheet Aid](#), for both municipalities and regional school districts from FY2010 to present. We also encourage local officials to view the [At-A-Glance report](#). This tool serves as a snapshot of some interest finance and demographic information that we recently republished on our website. Another popular resources is our [Community Comparison Report](#). It allows users to develop a list of like communities then measure and contrast certain metrics against all 351 municipalities or curate a select list based on certain parameters such as similar budget size.

Take some time to familiarize our data resources as there may be something dashboards we've created that can save you time and effort. For example, the average single-family tax bill [dashboard](#) provides information about the average single-family tax bill across the state. Users can select by community, tax bill ranges or view the highest and lowest 10 tax bills across multiple fiscal years. We utilize this same data for our annual average single-

family tax bill *City & Town* [article](#).

Most importantly, if you ever find yourself in need of assistance with our website, in search of municipal finance data or with questions regarding a distribution, please contact us at [databank@dor.state.ma.us](mailto:databank@dor.state.ma.us). If you have questions regarding Gateway, our staff is readily available to help. Email us at [dlsgateway@dor.state.ma.us](mailto:dlsgateway@dor.state.ma.us). We hope you find this overview helpful and wish you all the best in your new role in local government!

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**Editorial Board:** Marcia Bohinc, Linda Bradley, Sean Cronin, Emily Izzo, Lisa Krzywicki and Tony Rassias

Contact *City & Town* with questions, comments and feedback by emailing us at [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). To view previous editions, please [click here](#).

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