

Charter Review Committee (CRC)
Town of Groton, Groton, MA 01450 978-448-1111

Meeting Minutes - December 14, 2016
At Town Hall

All Present (7): Jane Allen, Robert Collins, John Giger (Secretary), Michael Manugian (Chair), Michael McCoy, Bud Robertson (Vice-Chair), Stuart Schulman

Recorder: Stephen Legge

Visitors (10): Judy Anderson, Don Black (BOA), Garrett Boles (BOA), Josh Degen (BOS), Anna Eliot (BOS), Mark Haddad (Town Manager), Russell Harris, John Petropoulos (BOS), Art Prest (Finance Committee), Connie Sartini

Call to Order: Chairman Manugian called the meeting to order at 7:02 PM.

Approval of Meeting Minutes:

The draft meeting minutes of December 7, 2016 were considered. On Page 6, under the discussion of the draft revised Charter, Section 2.1, the minutes were corrected so that “by by-law” became “by law” as had been decided in the meeting. **Mr. Collins moved to accept the minutes of December 7th as amended.** Mr. Schulman seconded. The minutes were approved unanimously.

Administrative Issues:

Mr. Manugian reminded the Public that the Committee would continue to receive new submissions of proposed changes to the Charter through January 30, 2017. At that time, new change would no longer be considered so that remaining time could be used to prepare for the Spring Town Meeting and present the proposed changes to the voters.

Mr. Manugian said the latest revision of the draft Revised Charter (0.8-7) was now available on the Town website.

Mr. Manugian commented that in light of last week’s circumstances with visiting boards and the need to adhere to the Open Meeting Law, the Charter Review Committee will leave it to the visiting boards to do what is proper under the law and post and call their meetings to order when necessary.

Visitor Mr. Boles called to order a meeting of the Board of Assessors (BOA) at 7:08 PM.

Continuation of Discussion of Submission # 192 (Board of Assessors):

Submission #192, by John Petropoulos, pertains to the roles and responsibilities of the Town’s Principal Assessor and the Board of Assessors. It was pointed out that our Assessors’ function is

divided between an elected board and appointed town employees, each responsible to a different and independent authority. There is an issue of interdependence within the function, but no governing structure which ensures good communication and cooperation. It is proposed that our Charter address this issue directly and be revised accordingly.

Mr. Giger had done considerable research of the state laws and submitted a letter on this submission, titled “Proposed Wording for Board of Assessors Entry in Section 3 of the Proposed 2017 Town of Groton Charter”, to the Committee dated December 14, 2016 (17 pages including exhibits). The letter proposes new language in a Section 3.10 (Article 3 is Elected Officers) concerning the Board of Assessors and moves the present language of 3.10 (Other Officers) to Section 3.11.

Mr. Giger commented he could not find anything in state law on the position of “Principal Assessor”. Rather, he did find references to “Assistant Assessor”.

Mr. Manugian said there is some confusion around terms such as “assessors” and “boards of assessors”.

Mr. Giger read Exhibit 3 in his letter which indicated that by statute boards of assessors can now be empowered to appoint and remove assistant assessors.

Mr. Manugian asked what should be put into our Charter.

Mr. Robertson thought Mr. Giger’s proposed language belonged in the Charter. It is sufficiently high level in content. He also said any other details should not be put in the Charter, but more appropriately in by-laws or policy statements.

Ms. Allen said the most difficult issue in the original Charter deliberations was to give the Town Manager the authority needed to run the town, without taking authority away from boards. She suggested that we propose language requiring the Town Manager to support all employees to implement decisions of boards.

Mr. Schulman commented in response to Ms. Allen’s comments there could be conflicts between boards in town, making it difficult to measure what “support” might look like in such a scenario. Mr. Schulman also said he liked Mr. Robertson’s point of view and supported Mr. Giger’s proposed language.

Mr. Collins thought Mr. Giger’s language was perfect for the situation.

Mr. McCoy recommended removing the qualifier “resident” in the second sentence of the proposed language.

Mr. Manugian asked members to respond to Ms. Allen’s proposal to add to the Town Manager’s job description.

Mr. Schulman was concerned about unintended consequences to this idea. He suggested the Committee treat the whole subject of the Assessors and the Principal Assessor as a re-consideration and postpone further discussion and decisions until the next meeting.

Mr. McCoy thought Mr. Giger's proposed language changed the Charter's current provision that the Town Manager appoints the Principal Assessor

Mr. Collins responded, even if we changed the language, so that the BOA could appoint an employee to be an assistant assessor, that employee would still not necessarily be answerable to the Board.

Mr. Manugian asked if any member of the Committee wished to change the Charter to have the BOA appoint the Principal Assessor. Misters McCoy and Giger said yes to this while the remainder were silent.

Mr. McCoy said such a change would bring the Charter more in line with state statutes. Others felt that the statutes allowed a town to give the Board of Assessors the right to appoint the Assistant Assessor, but did not require that the Board make the appointment.

Mr. Giger advanced the idea that for certain situations one person (an employee) might be answerable to two authorities – the Town Manager and the BOA.

Ms. Allen said this issue had been debated in great detail during the consideration of the original Charter. The decision was made to leave authority with the Town Manager in the interest of running the town efficiently and having clear lines of authority.

Mr. Robertson moved to leave the language in the Charter as it is (the Town Manager appoints the Principal Assessor and has full authority over the position). Ms. Allen seconded.

Visitor Mr. Harris said the Committee might try to find other solutions to the problem at hand than to change the Charter.

Mr. Giger: A new state law allows the towns to contract with municipal employees.

Visitor Mr. Haddad elaborated, under the new law towns do not require special legislation anymore to make changes of positions from appointed to elected, or vice-versa, rather only a town meeting vote is required.

Visitor Mr. Petropoulos said Mr. Giger's proposed language solved his problem.

Mr. Robertson concluded the BOA can have input in the appointment process now. Maybe we needed to put words to the process to make it clear.

Mr. Manugian asked Mr. Petropoulos if the Selectmen always ratified the appointments brought to the Board and, therefore, was it not the responsibility of the Selectmen to ensure that the process appropriately involved any Board to which the appointed individual was responsible. The response was, at some point one must trust what people have brought to you.

Mr. Manugian asked if the Selectmen could assure the BOA has had input to the annual Principal Assessor appointments and re-appointments. Mr. Petropoulos was uncomfortable with this question on taking on the responsibility to be sure a board (BOA) is satisfied with a candidate being confirmed. Also, he said it was tough to say no to a candidate for re-appointment.

Mr. Schulman stated he does not agree with Mr. Petropoulos on this point. If a candidate is not good for a job, he personally would not have ratified the appointment (Mr. Schulman retired as a

three-term Selectman within the last year) and has no problem dealing with any public pressure to approve.

Mr. Haddad said he has made many appointments for people on appointed boards or supporting elected boards. He always confers first with the boards on the process of appointment. It would be foolish for him to bring forth a candidate with whom a board is not happy. Mr. Haddad also pointed out that the Principal Assessor is a member of the Finance Team as well as assisting the BOA. As a result, he needs to select a candidate who is qualified for both responsibilities. If the Board brought a concern to him, he would address that. Mr. Haddad admitted he should have involved the BOA more in the evaluation of employees who support them.

Visitor Ms. Eliot said the Board of Selectmen are very involved in the appointment process and early consideration of candidates.

Mr. Schulman added the BOS are generalists and often do not know a lot about the specific qualifications of candidates. But, he said, that is ok.

Mr. Robertson asserted an elected board should have input on the town employee candidates supporting it. That is the one piece missing here - it is not specifically written in the Charter. He feels the BOS should moderate any disagreement between the Town Manager and a board. He fails to see why this should be so complicated.

There was some informal discussion of the differences between ratifying re-appointments versus new appointments.

Mr. McCoy postulated, looking at the question of a re-appointment, there is a big difference between consulting with a board and giving that board the power to ratify. It is the difference between influence and authority.

Although the Town Manager and the Boards appeared to both have a role in the appointment process, there did not appear to be a formal role for a Board in the annual re-appointment process.

Mr. Petropoulos: We have both models in town, where boards appoint and where the Town Manager appoints. He compared the BOA to the Groton Electric Light Department. In both cases, the level of skills and the degree of cooperation essential to function effectively were similar in magnitude. Geld has full authority to appoint and hold accountable its employees, and so should the BOA.

Mr. Harris asked if the contractual relationship between the Town and the Fire Chief were to be extended to the Principal Assistant Assessor, would that allow the Selectmen to resolve differences between the PAA and the BOA.

Mr. Collins stood back (figuratively) and said a good case can be made either way to have the PAA answerable to the BOA or to the Town Manager. He acknowledged that a degree of separation in reporting might be beneficial to the Town, but he also acknowledged the possibility the Town Manager may be less sensitive to the Assessors' needs than would be desirable. He noted in some towns in the Commonwealth the boards of assessors have been replaced by the Department of Revenue for not carrying out their duties appropriately.

Mr. Manugian expressed his concern with allowing the BOA to make its own appointments independent of the Town Manager. He felt that the solution was to have a formal process for appointments where the Board of Assessors has a defined role. He liked the approach Mr. Robertson had earlier espoused.

A vote was taken on Mr. Robertson's motion to make no change to the Charter language and it was approved 6 – 1 with Mr. McCoy voting no.

This vote did not end the discussion. Mr. Manugian suggested Mr. Robertson make a new motion to address the problem originally presented by Mr. Petropoulos.

Mr. Robertson moved a recommendation be made to the Board of Selectmen to develop a written policy to address the appointment, re-appointment and evaluation processes dealing with Town employees and the corresponding boards and the Town Manager. Mr. Schulman seconded.

Mr. Schulman and Ms. Allen discussed the appropriateness of Town boards having input on employee evaluations. Mr. Robertson said he had no problem with boards having input.

Mr. Boles said he was coming to the end of his third term as an Assessor. He claimed not to have had the opportunity to provide input on the evaluation of the PAA for a long time. He felt it was important that the Selectmen draft a policy on this subject to make clearer the interrelationship between the Board and the Town Manager's supervision of the employee supporting the Board.

There was a lengthy discussion of how Mr. Robertson's motion should actually read.

Visitor Mr. Degen entered the meeting at 8:16 PM.

Mr. Petropoulos called a meeting of the Board of Selectmen to order at 8:18 PM as a quorum (3) was now present.

Mr. McCoy commented some of what was being discussed about the motion was already in the Charter.

Mr. Giger asked if feedback from a board is treated informally, or is it a more formal process.

A vote was called on Mr. Robertson's motion that the BOS develop a written policy and it was approved unanimously.

Mr. Manugian commented he would like to see the BOS consider and write a policy as to how a given board will have input to evaluations.

Mr. Boles reviewed Mr. Giger's proposed language, considered earlier. Towns are actually subdivisions of the state of Massachusetts and their laws cannot conflict with state law. Mr. Boles did not see a conflict with Mr. Giger's proposed language.

Mr. Collins offered an edit of Mr. Giger's proposal for a new Section 3.10, which reflected Mr. Boles' comments:

“3.10 Board of Assessors

3.10.1 Composition, Term of Office and Eligibility for Office - There shall be a board of Assessors which shall consist of three members, each elected for a term of three years. A town employee serving as the Principal Assistant Assessor or an Assistant Assessor may not simultaneously hold an elected position as a member of the Board of Assessors.

3.10.2 Powers and Duties - The Board of Assessors shall have those powers and duties given to boards of assessors under the constitution and laws of the Commonwealth and directives of the Commissioner of Revenue and shall also have such additional, powers and duties as may be authorized by this Charter, by-law or other Town Meeting vote, which are not in conflict with laws of the Commonwealth and regulations and directives of the Department of Revenue.”

Mr. Manugian asked if there is a problem with employees supporting boards in the absence of written policies.

Mr. McCoy surmised there may be if there is a difference of opinion between the Town Manager and a board.

Mr. Schulman stated that Town employees must support elected boards. In his opinion this could be the biggest change to the 2010 Charter, thus far.

Ms. Allen proposed it be said somewhere in the Charter that employees working for the Town Manager need to support elected boards.

Mr. McCoy said if the Principal Assessor was given a policy from the BOA, it is still not helpful because the Board cannot enforce that that policy will be followed.

Ms. Allen: The Town Manager’s job is to have his/her employees implement decisions of the Board. Even when boards are in conflict with each other it should not be the Town Manager’s problem. He/she can take a conflict to the Selectmen. Ms. Allen felt it was the Town Manager’s job to do this.

Visitor Mr. Degen said, regarding the role of the Town Manager, there should be explicit rules for resolving conflicts between the Town Manager’s charge to direct day-to-day operations of the Town and supporting various boards.

Mr. Schulman said he is concerned that we will write more things which we hope will solve problems, but which often just create new problems. We must be very careful what we write.

Mr. McCoy asked for a vote on the substance of Mr. Giger’s proposed language, as amended by Mr. Boles’ language. Mr. Collins seconded. The amended language was approved unanimously.

Mr. Petropoulos commented at the end of this discussion that the Committee had done a very good and fair job of dealing with his submission.

Other Administrative Issues:

Mr. Manugian announced there would be no meeting next week on Wednesday December 21st.

Mr. Collins said he may not be able to attend the next meeting scheduled for December 28th.

Mr. Schulman said he is likely to be out of town for most of the meetings in January. He offered his long distance presence using Skype if the Committee felt it desirable to do so.

The meeting was adjourned with unanimous consent at 9:02 PM.

**** The next meeting is scheduled for Wednesday, December 28th, at 7:00 PM. ****

Exhibits:

- A. Document submitted by John Giger, subject: Proposed Wording for Board of Assessors Entry in Section 3 of the Proposed 2017 Town of Groton Charter, dated December 12, 2016.
- B. Email message from Jenifer Evans to Michael Manugian, subject: Board of Assessors and CRC, dated December 13, 2016.

Exhibit A to CRC Minutes for Meeting on 2016-12-14

Proposed Wording for Board of Assessors Entry in Section 3 of the Proposed 2017 Town of Groton Charter

Submitted by: John Giger, 2016-12-14

First: Renumber Section 3.10 to Section 3-11

Second: Add new Section 3.10, as follows:

3.10 Board of Assessors

3.10.1 Composition, Term of Office and Eligibility for Office – There shall be a Board of Assessors which shall consist of three members, each elected for a term of three years. A resident, town employee serving as the Principal Assistant Assessor or an Assistant Assessor may not simultaneously hold an elected position as a member of the Board of Assessors.

Powers and Duties – The Board of Assessors shall have those powers and duties given to boards of assessors under the constitution and laws of the Commonwealth and shall also have such additional powers and duties as may be authorized by this Charter, by-law, or other Town Meeting vote.

Exhibits:

1. Section 24, Chapter 41, Massachusetts General Laws – Assessors, Number, Method of Selection and Tenure
2. Section 25, Chapter 41, Massachusetts General Laws – Appointment by Selectmen and Tenure in Office
3. Section 25A, Chapter 41, Massachusetts General Laws – Assistant Assessors, Appointment by Assessors, Duties, Compensation, and Tenure
4. Section 27, Chapter 41, Massachusetts General Laws, Appointment Upon Failure Of Incumbents to Perform Duties
5. Section 29, Chapter 41, Massachusetts General Laws – Oath of Office, Penalty For Failure To Take Oath
6. Section 30, Chapter 41, Massachusetts General Laws – Penalty for False Valuation
7. Section 6, Role of Assessors, *A Guide to Financial Management for Town Officials, Division*, Division of Local Services, Massachusetts of Revenue. Full cope available at <http://www.mass.gov/dor/docs/dls/publ/misc/town.pdf>.
8. *The Role of the Assessor*, Massachusetts Association of Assessing Officers, Inc. (MAAO)
9. *Your Assessing Department: What is Behind the Curtain?* A PowerPoint presentation prepared by the MAAO organization, available at http://www.maa.org/content/Assessment_Behind%20the%20Curtain.pdf.

Exhibit 1

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| Part I | ADMINISTRATION OF THE GOVERNMENT |
| Title VII | CITIES, TOWNS AND DISTRICTS |
| Chapter 41 | OFFICERS AND EMPLOYEES OF CITIES, TOWNS AND DISTRICTS |
| Section 24 | ASSESSORS; NUMBER; METHOD OF SELECTION; TENURE |

Section 24. There shall be one, three, five, seven or nine assessors in every city and one, three or five assessors in every town. The assessors in every city and town shall be elected or appointed as otherwise provided by law; but as nearly one third of their number as may be shall be elected or appointed annually, each to hold office for three years and thereafter until his successor is duly elected or appointed. As soon as may be after such annual election or appointment, the assessors of every city and town shall organize by choosing one of their number as chairman and another as secretary or clerk of their board. None of the foregoing provisions shall apply to the city of Boston. In no city or town, including Boston, shall an assessor hold the office of collector of taxes or deputy collector of taxes, whether said deputy is appointed under the provisions of section thirty-seven of this chapter or section ninety-two of chapter sixty.

Part I ADMINISTRATION OF THE GOVERNMENT

Exhibit 2

Title VII CITIES, TOWNS AND DISTRICTS

Chapter 41 OFFICERS AND EMPLOYEES OF CITIES, TOWNS AND DISTRICTS

Section 25 APPOINTMENT BY SELECTMEN; TENURE OF OFFICE

Section 25. In towns which accept this section or have accepted corresponding provisions of earlier laws, the selectmen shall appoint suitable citizens of the town assessors for a term of not more than three years, and may remove them at any time for cause after a hearing. Upon the qualification of persons so appointed the term of existing assessors of such town shall terminate.

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| Part I | ADMINISTRATION OF THE GOVERNMENT |
| Title VII | CITIES, TOWNS AND DISTRICTS |
| Chapter 41 | OFFICERS AND EMPLOYEES OF CITIES, TOWNS AND DISTRICTS |
| Section 25A | ASSISTANT ASSESSORS; APPOINTMENT BY ASSESSORS; DUTIES; COMPENSATION; TENURE |

Exhibit 3

Section 25A. The assessors may appoint as assistant assessors such number of suitable citizens as they deem necessary, and may remove them. Such assistant assessors shall perform such duties as the assessors may require for such time as they may determine and shall receive compensation only for duties performed as so required. Every such assistant assessor shall hold office for the period of one year from the date of his appointment, unless sooner removed; provided, that, in the case the assessors fail to appoint a successor to any such assistant assessor during the month preceding the expiration of his term, he shall continue to serve during the following period of one year, unless sooner removed. This section shall apply in all cities and towns, except Boston, notwithstanding any provision of special law.

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| Part I | ADMINISTRATION OF THE GOVERNMENT |
| Title VII | CITIES, TOWNS AND DISTRICTS |
| Chapter 41 | OFFICERS AND EMPLOYEES OF CITIES, TOWNS AND DISTRICTS |
| Section 27 | APPOINTMENT UPON FAILURE OF INCUMBENTS TO PERFORM DUTIES |

Exhibit 4

[Text of section effective until November 7, 2016. Repealed by 2016, 218, Sec. 53.]

Section 27. If assessors, or selectmen acting as such, shall fail to perform their duties, the commissioner of revenue may appoint three or more persons to be assessors for such town, who shall be sworn, shall hold office until the offices of assessors are filled by the town, and shall receive from the town compensation as assessors.

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| Part I | ADMINISTRATION OF THE GOVERNMENT |
| Title VII | CITIES, TOWNS AND DISTRICTS |
| Chapter 41 | OFFICERS AND EMPLOYEES OF CITIES, TOWNS AND DISTRICTS |
| Section 29 | OATH OF OFFICE; PENALTY FOR FAILURE TO TAKE OATH |

Exhibit 5

Section 29. Any person chosen to assess taxes or to determine or to assist in determining the value of property for the purpose of taxation shall, before entering upon the performance of his duties, take the following oath:

I, having been chosen to assess taxes and estimate the value of property for the purpose of taxation for the town (or city) of for the year (or years) ensuing, do swear that I will truly and impartially, according to my best skill and judgment, assess and apportion all such taxes as I may during that time assess; that I will neither overvalue nor undervalue any property subject to taxation, and that I will faithfully perform all the duties of said office.

If he neglects to take such oath before entering upon the performance of his duties, he shall forfeit not more than fifty dollars.

Exhibit 6

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| Part I | ADMINISTRATION OF THE GOVERNMENT |
| Title VII | CITIES, TOWNS AND DISTRICTS |
| Chapter 41 | OFFICERS AND EMPLOYEES OF CITIES, TOWNS AND DISTRICTS |
| Section 30 | PENALTY FOR FALSE VALUATION |

Section 30. Any person chosen to determine the valuation of property for the purpose of taxation who, in order that the taxpayers may escape payment of their just proportion of any state or county tax or in order to evade any law limiting municipal indebtedness or the rate of taxation to a percentage of valuation or for any other fraudulent or corrupt purpose, knowingly fixes the valuation of any property at a smaller or greater amount than its full and fair cash value, or who causes an abatement to be made otherwise than is provided by law, shall be punished by a fine of not more than one thousand dollars, or by imprisonment for not more than six months, or both.



DLS

DIVISION OF LOCAL SERVICES
MA DEPARTMENT OF REVENUE

Mark E. Nunnely
Commissioner of Revenue

Sean R. Cronin
Senior Deputy Commissioner

Exhibit 7

A Guide to Financial Management for Town Officials

Supporting a Commonwealth of Communities

mass.gov/DLS

P.O. Box 9569 Boston, MA 02114-9569

(617) 626-2300

A Guide to Financial Management for Town Officials

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Role of Assessors

6

6.1 WHAT ARE THE BASIC ROLES AND RESPONSIBILITIES OF THE ASSESSORS?

The board of assessors is responsible for the full and fair market valuation of real and personal property for the purposes of levying the property tax as of January 1 every year. Being an assessor requires technical training, taking responsibility for maintaining assessments at full and fair cash value and meeting the Commissioner of Revenue's re-certification requirements of property valuation every three years.

As part of their duties, assessors must maintain a database on each parcel of property in the town. This information is typically recorded on a property record card. Included on the property card is information such as the address of the owner and/or the property, the measurements of the land and a description of any structures, including their quality and condition. Assessors then value property based on a full and fair cash value standard using mass appraisal techniques. Thus, if a three-bedroom cape in a particular community were selling in the \$240,000 range, other properties in the same town with similar characteristics should be valued similarly (as of January 1 of each year).

The assessors are also responsible for submitting annually a Tax Rate Recapitulation Sheet (see Section 2.6 of this Guide for more information on Tax Rate Recapitulation Sheets) to DOR's Bureau of Accounts. This calculation is submitted to the Department of Revenue as evidence that the town has a balanced budget within the limits of Proposition 2½. The Department must approve the annual levy growth, Tax Recap Sheet, and set the tax rate before a community can issue its tax bills.

Property taxes can be billed each year in either two or four payments. Tax bills are due on a twice-a-year schedule unless the town adopts a preliminary billing system. Tax bills for towns billing semi-annually should be issued by October 1 and April 1. In a revaluation year, if a community issuing semi-annual tax bills is late in determining its property valuations, it may ask the Department of Revenue for permission to issue an estimated (preliminary) tax bill based on the previous year's actual taxes. Guidelines for this process are available in an annually updated Information Guideline Release (IGR) available from the DOR.

A town may adopt an annual preliminary billing system, where taxes are due in either two or four payments. Tax bills are mailed by July 1 and December 31. The July 1 billing consists of preliminary taxes due based on the previous year's tax. The December 31 bill is the actual remaining tax due for the fiscal year. The July 1 and December 31 bills are each due in one payment if the town adopts semi-annual bills or two payments (quarters) if it adopts quarterly bills. Guidelines for semi-annual and quarterly preliminary billing systems are available in an annually updated IGR from the DOR.

Assessors also have the authority to grant abatements and exemptions to taxpayers. An abatement request is filed when a taxpayer feels the assessed value of his or her property is too high or disproportionately assessed. The assessors then examine the circumstances to see if the request has merit. If the assessors decide in favor of the taxpayer, an abatement is granted and the taxpayer will receive a reduction in the amount of tax owed. Taxpayers may also appeal assessors' decisions to the Appellate Tax Board (ATB).

- *What are the basic roles and responsibilities of the assessors?*
- *Why is the assessing function so important to the overall financial management of the town?*
- *What are the ingredients for successful assessing?*
- *What is involved in the revaluation of property?*
- *What is new growth and how does it affect the levy limit? When should new growth estimates be available?*
- *When should a board of assessors seek and utilize professional assistance?*
- *What is computer assisted mass appraisal or CAMA?*
- *What is a classified tax rate? What are the residential exemption, open space discount and small commercial exemptions? Who makes classification decisions?*
- *What is overlay surplus and how can these funds be spent?*

Exemption from taxation is a statutory privilege conferred on various categories of persons or property. Some of the most frequent exemptions include religious or charitable organizations, disabled veterans, elderly persons, surviving spouses and the blind. All abatements and exemptions are funded from an account called overlay. This is a special account, the amount of which is established annually by the assessors prior to setting the tax rate. The amount established for overlay should reflect the expected amount needed to cover abatement and exemption costs for the entire year.

Assessors need to establish and maintain public trust and confidence in the valuation process. This critical function is accomplished by a comprehensive program of education and public disclosure. Assessors should be especially sensitive to being accessible to citizens.

6.2 WHY IS THE ASSESSING FUNCTION SO IMPORTANT TO THE OVERALL FINANCIAL MANAGEMENT OF THE TOWN?

The role of the assessors is important because they oversee real and personal property valuations upon which the property tax is based. The property tax is usually the largest revenue source of a town. Any delays or errors in the valuation of property or the issuance of the tax bills can result in borrowing or misallocation of the tax burden. Tax bills cannot be issued until a tax rate has been set by DOR. Delays in sending out tax bills can cause substantial amounts of short-term tax anticipation borrowing and related interest costs. These interest costs are paid with funds the town could otherwise spend on goods and services. In addition, late tax bills result in significant lost investment opportunities because property tax revenues are not earning interest in municipal bank accounts.

6.3 WHAT ARE THE INGREDIENTS FOR SUCCESSFUL ASSESSING?

There are five principal ingredients for successful assessing. The first is to maintain up-to-date property values. This involves ensuring that the property values are reviewed annually and adjusted as needed in accordance with state guidelines and that the process is managed properly and in a timely fashion.

A second ingredient is accurate and timely calculations of tax levy growth. In preparing the annual operating budget, estimates of new growth are needed as soon as possible to help create a realistic revenue forecast for the next fiscal year. The third ingredient is close communication with the board of selectmen and the finance committee. These boards depend on information from the assessors to prepare the budget.

If communication with the other fiscal officers of the town is important, so is communication with the Department of Revenue. Such communication is the fourth major ingredient. It is best for assessors to keep DOR's Bureau of Local Assessment informed and to ask questions whenever in doubt.

The final ingredient for success is the continued professional development of the board members and clerical staff. State law requires training for newly elected or appointed assessors within two years of taking office. Beyond this requirement, however, the board is well served when its members seek additional training throughout their tenure on the board. The Department of Revenue sponsors a number of training opportunities each year for both assessors and clerks in various locations across the state.

6.4 WHAT IS INVOLVED IN THE VALUATION OF PROPERTY?

By law, assessors must assess property at full and fair cash value as of January 1 each year. To ensure full and fair cash value assessments, the Department of Revenue certifies that a community's property valuations are at full value every three years through

a certification process. To comply with this mandatory certification, communities usually revalue their property every three years so that it accurately reflects the market. For residential properties, this process involves comparing new values with recent sales data in the community. Other techniques are used to value business and industrial properties.

Revaluation is a time consuming and complex process. Towns should decide the cost benefit of maintaining year-round staff versus contracting with a firm specializing in revaluation for all or part of this activity. Managing the revaluation and the appraisal vendors remains the responsibilities of the assessors. Contract bidding procedures must be followed (M.G.L. Ch. 30B), and references from other communities should also be sought.

The three-year certification process requires a commitment of funds that should be planned for in advance and managed closely. Revaluation can be controversial because assessed values change and the tax relationships between properties can change as well. Valuation adjustments between these three-year programs are called interim year adjustments. Adjustments must be done annually if warranted, thereby maintaining full and fair values and reducing large swings in value. Good public relation efforts are necessary to inform taxpayers of the assessment process and to increase taxpayer confidence.

6.5 WHAT IS NEW GROWTH AND HOW DOES IT AFFECT THE LEVY LIMIT? WHEN SHOULD NEW GROWTH ESTIMATES BE AVAILABLE?

New growth is generated by an improvement to a property or an increase in a property's value independent of market inflation. New growth is calculated by multiplying the allowable new valuation times the prior year's tax rate. It directly increases the levy limit of a community. This is especially important for towns experiencing significant new construction since this sort of

growth frequently brings with it a need for increased municipal services.

All valuations for the fiscal year must be set for assessors to calculate the final new growth for that year. This usually takes place in the fall before the tax rate is set, especially if valuations are being adjusted. Assessors should be able to provide the selectmen and finance committee with an estimate of new growth during the budget process, however, based on building permits and other information about development. This is an important step in projecting available revenues for the following year's budget.

6.6 WHEN SHOULD A BOARD OF ASSESSORS SEEK AND UTILIZE PROFESSIONAL ASSISTANCE?

A board of assessors should seek professional assistance on issues or tasks for which the board has insufficient experience, expertise or time. Professional assistance is most often sought by local assessors for revaluation services and for the assessment of special-use properties, such as a nuclear power plant or shopping mall.

Larger towns frequently employ an in-house professional assessor to perform many or all of the technical aspects of the job. Smaller towns can share a professional assessor with one or more surrounding towns.

In-house professional assistance can provide help with the daily requirements of the assessors' job, and may preclude the need for outside help for special issues or revaluation. In addition, extra clerical assistance can often pay for itself in the form of timely tax bills, reduced tax anticipation borrowing, and improved services to taxpayers.

6.7 WHAT IS COMPUTER ASSISTED MASS APPRAISAL OR CAMA?

CAMA is a hardware and software system designed to help assessors maintain full and fair cash value property assessments at a reasonable cost. Numerous CAMA sys-

Guidelines for establishing new growth figures are provided by the Department of Revenue in an annually updated Informational Guideline Release.

tems have been developed nationwide and are available to Massachusetts communities through private vendors or the Division of Local Services. DOR has developed its own version of CAMA specifically for Massachusetts communities.

DOR's Bureau of Local Assessment staff is available to discuss CAMA options with local officials, and publishes a guideline for the development or acquisition of a CAMA System.

6.8 WHAT IS A CLASSIFIED TAX RATE? WHAT ARE THE RESIDENTIAL EXEMPTION, OPEN SPACE DISCOUNT AND SMALL COMMERCIAL EXEMPTIONS?

WHO MAKES CLASSIFICATION DECISIONS?

Each year, the assessors must classify all real property within the town into one of four real property classes (residential, open space, commercial and industrial) using guidelines established by the Department of Revenue. The selectmen then adopt a residential factor, which determines the percentage of the tax levy to be borne by each class of real property and by personal property (movable goods and materials not affixed to real estate), according to a statutory allocation formula calculated by the Commissioner of Revenue. (M.G.L. Ch. 58 Sec. 1A.) The formula establishes the limits within which a town may shift the tax burden from residential and open space property to commercial, industrial and personal property.

Ordinarily, under a single tax rate system, if residential property totaled 81 percent of a community's taxable property and 4 percent of the community's taxable property were open space, then 81 percent of the community's tax levy would need to be raised by residential property taxes, 4 percent would be raised by open space taxes and the remaining 15 percent would be raised by taxes levied on commercial, indus-

trial and personal properties. However, the law allows a town to increase the levy share of commercial, industrial and personal property classes by as much as 50 percent in order to reduce the tax burden on residential and open space property, as long as the residential and open space classes raise at least 65 percent of their single tax rate share.

Chapter 200 of the Acts of 1988 provides relief for those communities in which the maximum shift results in a residential share that is larger than the prior year's. Those communities may increase the commercial and industrial properties share of the levy by as much as 75 percent if the residential class would not be reduced to less than 50 percent of its single tax rate share by doing so. However, this residential share cannot be less than the residential share in any year since the community was first certified at full and fair cash value.

The selectmen may also adopt an open space discount and/or grant residential or small commercial exemptions as part of this classification process. The selectmen's classification and exemption decisions must be preceded by a public hearing. (M.G.L. Ch. 40 Sec. 56.)

Selectmen may apply a discount of up to 25 percent to open space. The open space discount reduces taxes on property classified as open space and shifts those taxes onto residential property. The purpose of the discount is to encourage preservation of a community's undeveloped open space land.

The selectmen may also grant a residential exemption of a dollar amount that cannot exceed 20 percent of the average assessed value of all residential class properties. The exemption reduces, by the adopted percentage, the taxable valuation of each residential parcel that is a taxpayer's principal residence. Granting the exemption raises the residential tax rate and shifts the residential tax burden from moderately valued homes to apartments, summer homes and higher valued homes. A residential exemption is

one way resort areas can provide some tax relief for permanent residents.

Another option under classification is the small commercial exemption. This exemption is for commercial parcels occupied by businesses with average annual employment of no more than 10 people during the previous calendar year and values of less than one million dollars. The selectmen may choose an exemption that reduces the taxable valuation of each eligible parcel by a percentage of up to 10 percent. Qualifying small businesses are certified to the assessors annually by the Department of Employment and Training. The exempted taxes are shifted to other commercial and industrial taxpayers through an increase in their tax rates.

Finally, a community may add water and sewer project debt service costs to its levy limit or levy ceiling for the life of the debt, as long as it reduces water and sewer rates by the same amount. The water and sewer debt exclusion is adopted by a majority vote of the community's selectmen and may include all or part of existing and subsequently authorized water and sewer debt or just the residential share of that debt.

6.9 WHAT IS OVERLAY SURPLUS AND HOW CAN THESE FUNDS BE SPENT?

Abatements and exemptions funded from the overlay account (see Section 6.1 of this Guide for more information) for a particular fiscal year often vary from the actual amount in the account. When there is a balance in the overlay account, it may be transferred by the board of assessors to an account called overlay surplus. These funds may be appropriated by town meeting for any purpose for which a town may expend funds. At the close of the fiscal year, any balance in the overlay surplus account becomes part of the free cash calculation on July 1 of the following fiscal year.



Exhibit 8

Massachusetts Association of Assessing Officers, Inc.

The Role of the Assessor

In Massachusetts, Assessors provide vital financial services to cities and towns that enable municipal officials to prepare accurate, reliable spending and revenue plans. As officials create their budgets for public safety, schools, public works, recreation and other essential services, they need to know what taxable real and personal property is available to support the high-level quality of life local residents expect.

Two-thirds of Assessors are elected¹ to their positions. As well, in many assessing offices there are locally appointed professionals. Professional Assessors assist local elected and appointed officials in maintaining positive relations with residents and property owners. Their work is open and transparent to the public, bolstering confidence in the integrity of the local tax system.

Whether elected or appointed, the Assessor's office provides critical services necessary for the municipality to properly serve its taxpayers by:

- Keeping accurate, reliable data on taxable property in each community, which can also assist in planning as well as economic development decisions;
- Raising and collecting local revenues (real estate and personal property taxes, excise taxes on motor vehicles and boats, farm animal taxes, and personal property taxes);
- Establishing values to meet the Massachusetts Department of Revenue requirements for triennial certification or for an interim annual year adjustment;
- Retaining historical tax information, review exemptions and abatements, and inspect parcels to update information. In addition to physical inspections, Assessors will interview real estate agents, appraisers, buyers and sellers of property;
- Enabling city and town officials by projecting revenues to develop budgets that are reliable and sustainable;
- Interacting with state tax officials to ensure compliance with regulations and statutes; and,
- Providing property information that enables officials to plan for spending on vital local services.

In general terms, Assessors value personal and real property each year for the purpose of taxation. Values are determined as of January 1 and bills are sent either on January 1 (quarterly bills) or October 1 (for semi-annual bills).

The role of the Assessor as defined above is critical to all aspects of a community's financial health. It is imperative that the person in this position be it elected or appointed, maintain professional standards sufficient to accomplish these crucial and important tasks. In order to maintain professional standards, Assessors in Massachusetts undergo training and continuing education throughout their careers.

This information was produced by the MAAO. If you should have any questions, please feel free to contact Bob Ellia, Executive Director, MAAO, P.O. Box 70, Shrewsbury, MA 01545 or 774-249-8625 or execdir@maao.org.

¹ Massachusetts DOR-DLS, *City and Town*, July 2014

From: milo@goodmilo.com
To: [Michael Manugian](mailto:Michael.Manugian)
Cc: john.crc@cybergiger.com
Subject: Board of Assessors and CRC
Date: Tuesday, December 13, 2016 22:28:58

***Exhibit B to CRC Minutes for
Meeting on 2016-12-14***

Mr. Manugian,

I did assure that a Board of Assessors meeting was posted for tomorrow night. However, due to a work commitment, I won't be able to attend, and the posting may be for naught.

After listening to last week's meeting, I have a comment. If you think it is worth sharing with the committee, please do. If you think it has been stated before and not relevant, than so be it.

This request to the Charter Review Committee is independent of the drama in the Assessor's office this year. As I stated at the first meeting, I had no desire to air our dirty laundry, but it can be difficult to answer direct questions and understand relationships without touching on sensitive subjects sometimes. As everyone knows, the assessors had disagreements. The board spent 2+ months trying to reach a resolution amongst ourselves. I finally reached out to the town manager. When that failed I reached out to the selectmen. In an effort to help, Mr. Petropoulos asked me what the policies and charter said about who answered to whom (Principal vs Board.) Even though I've been an assessor for 8 years, I had no idea and could only share what the website cited. He then dug a bit deeper and found a nebulous statement that the two "worked together". The CRC proposal he presented is not relevant at all to this year's drama, but is an effort to formalize town policies as to how the two work together. This year's drama brought to light the fact that the current structure is nebulous. Mr. Collins has been able to cite a good deal of state law defining the relationships, but I contend that the average citizen, including the average schmo like me who volunteers to do assessing, is not familiar with that level of state law, nor comfortable with interpreting it. I am thinking a decade into the future, with all new assessors, all new selectmen, no Mr. Collins to cite state law -- what defines the mutual responsibilities between the party?

Regards,

-Jenifer Evans