



CITY & TOWN

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DLS Pilots Y2K Outreach

written by David Davies

During the past two years the Division of Local Services (DLS) has been alerting cities and towns to the potential of computer system failures because of Year 2000 (Y2K) programming errors. While the early focus of those worrying about the millennium bug was on large federal and state agencies, the spotlight has shifted to municipal government. Surveys show that the public places a high priority on uninterrupted vital municipal services. With just 11 months left, it is time to make the final preparations.

DLS has organized an ambitious Y2K outreach program for municipalities. The program will provide on-site staff assistance to small towns in assessing vulnerabilities, and create a central Web-based clearinghouse for compliance data on products and community status.

Y2K Outreach Program

DLS staff has tested the outreach program by providing assistance to small towns that do not have paid technical staff. Outreach staff is conducting inventories in municipal governments, school districts, housing authorities, utility districts, etc. The community must agree that it retains responsibility for the accuracy of data collected and the appropriateness of the proposed solutions. The program includes:

- hardware, software, and embedded device inventories;
- vendor management program development;
- non-compliant system assessments;
- remediation or replacement strategy recommendations; and

- community specific risk management and contingency plans.

For outreach recommendations to be beneficial they should be part of FY2000 budget deliberations and creation of Y2K contingency accounts. DLS began testing the program last month in 17 of the 100 communities with populations under 5,000. At this writing half of the inventories are done and preliminary community results show:

Time is of the essence.

- many have Y2K vulnerabilities because they rely on older non-compliant vendor programs in the interest of economy;
- communities are aware of Y2K issues to varying degrees and are purchasing hardware and software with compliance in mind;
- many assume Y2K compliance relates only to financial systems, consequently, public safety, utilities, etc., receive less scrutiny;
- suppliers and service vendors are seldom queried on their Y2K status; and
- many communities trust verbal compliance assurances on products without specification of what compliance means.

DLS believes that, with full community cooperation, it can inventory all 100 communities. Also, once those goals are met we will offer assistance to larger communities.

Web-based Clearinghouse

Currently DLS is creating an Internet Y2K compliance clearinghouse. Information gathered by DLS will be posted to a database that can be searched by community, department, product, or vendor, and downloaded. For example, someone discovers that an embedded chip in a specific model water pump is not Y2K compliant, and DLS posts that information. A local official elsewhere is worried about water system compliance and searches by *water supply or pump or vendor name*. The searcher could discover the water system's compliant status, where else it is used in Massachusetts, the vendor's proposed solution, their website, e-mail address, and product certifications. Data on alternative compliant pumping systems can also be found. While the clearinghouse website is under construction we will create a static (non-searchable) Internet site to get

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LEGAL

in Our Opinion

Trust Ownership/ Exemption Eligibility

The Appellate Tax Board (ATB) recently upheld the denial of a veterans exemption to an applicant whose property was held in trust. *H. Edward Jans v. Assessors of Eastham*.¹ The ATB rendered a decision, through its informal process, consistent with an advisory opinion from the Division of Local Services' Property Tax Bureau. In our advisory letter to the assessors, we wrote that Jans did not qualify for a veterans exemption because of the ownership through multiple trusts.

H. Edward Jans and Caroline G. Jans who owned a house in Eastham decided to change the property's form of ownership. The husband and wife created three trusts: one in the Jans family name and one in each of their given names. They conveyed their house to themselves as trustees of the Jans Nominee Trust. Under the declaration of trust, the full beneficial interest was held by the trustee of the H. Edward Jans Trust (50 percent interest) and the trustee of the Caroline G. Jans Trust (50 percent interest). When the husband applied for a veterans exemption, the assessors denied the application since the husband did not meet the threshold ownership requirement under M.G.L. Ch.59 Sec.5.

A major element embodied in the concept of a trust is the separation of legal title, which is vested in the trustee, from the beneficial ownership interest. A determination of the legal title and the beneficial interest is essential in ascertaining the taxpayer's eligibility for an exemption since an applicant must have both ownership of a sufficient beneficial property interest and ownership of a record legal interest to obtain an exemption.

The landmark case on this issue is *Kirby v. Board of Assessors of Medford*.² In that decision, the Supreme Judicial Court upheld the denial of an elderly exemption to an individual who possessed no more than a beneficial interest in his property, even though he met all other statutory requirements for the exemption.³ The Supreme Judicial Court ruled that ownership for the purpose of receiving the elderly exemption required "not only ownership of a sufficient beneficial property interest, but also ownership of a record legal interest, as a condition of obtaining the exemption."

In *Jans*, the husband and wife had divided the legal and beneficial interests in their domicile between separate trusts. We previously advised assessors that such an arrangement does not, as a rule, satisfy the *Kirby* test since it is far different from separating those interests within a single trust. Although the husband held legal title as trustee for the Jans trust, he did not have a sufficient beneficial interest in the particular trust in which the domicile is held. In the Department's Informational Guideline Release entitled "Exemption Eligibility of Property Held in Trust" (IGR 91-209), we wrote as follows on the subject of "Multiple Trusts":

To fulfill the ownership requirement for property held in trust, an individual must possess both legal title and sufficient beneficial interest in the particular trust in which the domicile is held. Therefore, if an individual establishes more than one trust, retaining legal title to his domicile under one trust but transmitting the full beneficial interest in that domicile to some other trust, the individual does not qualify for a personal or a residential exemption. ■

written by James Crowley

1. Docket #X282673, 1998.
2. 350 Mass. 386 (1966).
3. M.G.L. Ch.59 Sec.5 Cl.41.

Y2K Outreach
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this information out as soon as possible. As with all Year 2000 programs, time is of the essence.

Plans also include a Year 2000 Compliance Web page for each community with a message from the community's executives. There will be links to the community's Y2K assessment and contingency plans. Cities, towns and businesses are welcome to link to their sites. The clearinghouse can also be a procurement resource as the search for solutions intensifies.

Workshops and Publications

DLS is working with other agencies and associations to organize regional workshops for non-technical local leaders. Workshop topics and related publications will focus on topics, like contingency planning, that relate to the decisions facing local officials and the concerns of their constituents as the year 2000 approaches.

Media attention will increasingly make Y2K preparedness an issue of citizens' concern. Some larger jurisdictions in the country are preparing Y2K contingency plans similar to emergency management planning for a blizzard or hurricane. Because DLS knows that many Massachusetts communities use similar systems and face common problems, we are working to simplify the search for compliance verifications or common solutions. Well-informed municipal officials will more effectively guide their communities through a unique period of time in which even the experts disagree. Verification of local systems is a small but important part of the solution. ■

FOCUS

on Municipal Finance

FY1997 Municipal Spending

This article compares FY1997 municipal general fund expenditures with those of FY1996 and also looks at trends from FY1990 to FY1997. In FY1997 general fund spending increased 3.7 percent over FY1996, or about 1.3 percent when adjusted for inflation. This is a bit higher than the average rate of increase over the last seven years. Actual expenditure growth from FY1990 to FY1997 was 24.7 percent. Adjusted for inflation, it was only 3.5 percent or 0.5 percent per year.

Thirty communities actually had a decrease in general fund expenditures between FY1996 and FY1997. The largest decrease was 17.3 percent in Tolland, followed by 15.2 percent in Provincetown and 14.3 percent in Rowe. All three of these communities are comparatively small, so that small dollar-value changes resulted in large percentage changes. For example, in Tolland a decrease from \$305,889 to

\$174,884 in public works and highway costs accounted for most of the total decrease. Sixty-nine communities kept spending below the state and local government inflation rate of 2.3 percent. There were 38 communities with an increase of over 10 percent. For the most part, these large increases were one time expenditures which could be accounted for by changes in recognizing expenses (moving some charges from one fiscal year to another) or debt restructuring.

Statewide Trends

Statewide, in FY1997, education accounted for 47.5 percent of municipal general fund expenditures. The next largest expenditure, fixed costs, accounted for 11.2 percent of the total. Fixed costs are mainly employee benefits that communities must provide and over which they have little control. These were followed by police, 7.7 percent; debt service, 6.0 percent; fire, 5.9 percent; general government, 5.0 percent; other public works (not charged to a specific function, for example high-

ways); 3.9 percent; highways, 3.5 percent; intergovernmental (state, county, MWRA and other assessments), 3.2 percent; culture and recreation, 2.3 percent; health and welfare, 1.3 percent; other public safety (ambulance, emergency, inspectional services, etc), 1.3 percent; and other expenditures, 1.3 percent.

Between FY1990 and FY1997 total general fund spending had a net increase of \$2 billion. Education accounted for 71.6 percent or about \$1.5 billion of the net increase. Much of this increase in spending on education came from increases in state aid, as well as increases in local spending required by the Ed Reform Act of 1993. The next largest shares of the increase were fixed costs (8.5 percent, \$175 million), police (8.5 percent, \$174 million) and intergovernmental (4.9 percent, \$101 million). The large increase in police expenditures was funded in part by federal and state programs aimed at increasing the size of police depart-

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Table 1

Total General Fund Expenditure by Function							
<i>Massachusetts State Totals (FY96 data are used for Chester and Plympton)</i>							
Expenditures	FY90	FY93	FY95	FY96	FY97	Change FY90-FY97	Change FY96-FY97
General Government	456,861,081	425,250,309	456,238,354	492,939,002	518,518,517	13.5%	5.2%
Police	620,844,165	634,355,748	712,861,026	751,273,186	794,946,973	28.0%	5.8%
Fire	516,595,783	512,845,770	562,154,754	583,565,653	604,976,066	17.1%	3.7%
Other Public Safety	142,709,003	129,797,324	142,091,278	143,392,654	133,015,803	-6.8%	-7.2%
Education	3,440,838,075	3,570,770,134	4,262,415,710	4,573,251,030	4,906,503,268	42.6%	7.3%
Highways	333,862,310	334,173,330	316,406,981	411,169,322	357,499,139	7.1%	-13.1%
Other Public Works	426,988,871	382,508,171	395,180,294	389,903,429	407,514,416	-4.6%	4.5%
Health and Welfare	348,983,201	283,136,216	312,041,861	325,433,032	138,601,943	-60.3%	-57.4%
Culture and Recreation	197,075,557	184,109,775	205,558,424	219,335,054	233,298,401	18.4%	6.4%
Debt Service	522,773,113	533,781,890	550,563,716	586,104,558	619,109,987	18.4%	5.6%
Fixed costs	986,412,830	1,115,928,359	1,117,739,274	1,127,644,630	1,161,331,489	17.7%	3.0%
Intergovernmental	229,356,549	300,215,014	312,124,966	313,267,390	330,508,760	44.1%	5.5%
Other	63,874,234	51,317,410	48,766,238	50,067,908	128,850,698	101.7%	157.4%
TOTAL	8,287,174,772	8,458,189,450	9,394,142,876	9,967,346,848	10,334,675,460	24.7%	3.7%

General Fund Expenditures

Municipality	GENERAL FUND EXPENDITURES					EXPENDITURES PER CAPITA					GENERAL FUND EXPENDITURES					EXPENDITURES PER CAPITA					
	(in \$000s) FY98 Total	(in \$000s) FY99 Total	% Change FY98-FY99	Police	Fire	Public Works	Total	Education	Police	Fire	Public Works	Total	(in \$000s) FY98 Total	(in \$000s) FY99 Total	% Change FY98-FY99	Police	Education	Police	Fire	Public Works	
Abington	19,848	19,906	0.3	1,356	770	94	84	96	1,473	756	98	105	77	1,473	859	-1.4	1,458	1,069	1	28	197
Acton	31,499	33,073	5.0	1,754	1,174	91	89	79	3,739	1,422	319	44	250	20,297	22,060	8.7	1,711	988	118	76	123
Acushnet	10,296	11,433	11.0	1,162	773	80	26	59	1,231	851	15	13	117	10,531	10,854	3.1	1,141	479	108	85	118
Adams	7,219	7,504	3.9	839	244	108	0	199	1,413	785	88	86	78	2,311	2,703	17.0	1,056	568	54	84	173
Agawam	37,245	39,230	5.3	1,468	775	88	22	259	2,126	1,025	136	168	102	10,216	10,533	3.1	909	481	34	8	81
Afford	671	635	-5.4	1,538	796	9	22	351	962	632	18	14	132	24,941	25,427	1.9	2,245	191	163	156	223
Amesbury	29,752	24,480	-17.7	1,551	836	114	73	96	1,994	1,151	107	100	91	4,104	4,318	5.2	1,332	787	30	17	112
Amherst	31,189	32,430	4.0	914	498	63	58	39	1,714	1,029	13	11	147	77,143	80,730	4.6	1,496	775	99	103	51
Andover	60,299	62,867	4.3	2,035	947	124	137	132	1,103	820	17	12	277	442	431	-2.5	1,319	710	2	40	309
Arlington	59,815	61,014	2.0	1,398	567	76	84	145	1,095	605	80	0	184	1,067	1,111	4.1	1,499	668	19	38	320
Ashburnham	5,438	6,043	11.1	1,105	624	47	39	112	1,768	716	132	108	300	32,906	34,171	3.8	1,666	910	121	129	106
Ashby	2,580	2,751	6.6	938	580	53	16	111	1,172	683	120	0	90	1,785	1,874	5.0	995	622	25	13	165
Ashfield	2,240	2,226	-0.6	1,276	693	32	13	152	1,764	715	149	121	297	14,606	16,052	9.9	1,447	628	99	107	113
Ashland	17,501	19,509	11.5	1,508	868	86	79	63	1,311	780	62	0	112	16,357	16,872	3.1	1,128	715	74	22	91
Athol	6,634	7,503	13.1	672	101	87	79	93	1,586	638	136	112	154	2,752	2,855	3.7	1,356	961	24	21	122
Attleboro	59,535	63,992	7.5	1,638	820	94	98	113	1,055	621	93	47	113	20,210	21,758	7.7	1,626	1,167	111	38	130
Auburn	20,251	21,468	6.0	1,431	791	100	25	138	1,530	933	97	7	81	91,221	86,428	-5.3	2,085	1,163	173	143	97
Avon	8,281	8,338	0.7	1,808	834	222	114	189	2,185	1,229	159	31	222	7,796	8,876	13.9	1,579	912	86	41	56
Ayer	13,223	14,184	7.3	1,322	973	122	56	240	1,114	649	75	56	122	18,323	19,700	7.5	1,823	1,066	94	64	148
Barnstable	67,133	70,947	5.7	1,624	899	139	0	85	597	285	81	30	53	2,741	3,026	10.4	897	438	72	38	102
Barre	4,187	5,226	24.8	1,088	416	49	34	173	1,231	826	79	5	89	27,732	28,811	3.9	1,628	905	95	98	155
Becket	2,234	2,374	6.3	1,571	761	35	17	302	1,748	1,035	131	76	144	17,798	18,790	5.6	1,794	773	143	156	65
Bedford	29,143	31,692	8.7	2,317	1,013	120	91	273	1,560	909	97	60	66	1,706	1,766	3.5	831	503	20	9	116
Belchertown	15,412	17,998	16.8	1,531	991	76	15	64	738	339	62	12	163	17,293	17,994	4.1	1,457	839	102	77	159
Bellingham	21,385	23,286	8.9	1,498	776	89	43	180	1,489	899	84	31	116	15,289	15,600	2.0	1,493	714	132	74	86
Belmont	45,018	48,536	7.8	2,019	890	158	110	324	2,243	813	192	196	139	10,008	10,891	8.8	2,243	1,174	685	99	36
Berkeley	6,172	6,842	10.9	1,307	823	35	21	85	1,275	697	85	79	51	5,329	5,718	7.3	874	563	66	13	47
Berlin	3,350	3,512	4.8	1,506	853	116	37	135	1,413	769	104	84	59	4,342	4,615	6.3	1,512	952	96	17	115
Bernardston	1,848	1,921	4.0	919	590	55	16	71	3,676	1,433	279	44	439	116,075	122,768	5.8	1,784	1,120	98	96	73
Beverly	59,999	62,115	3.5	1,609	683	97	100	265	1,684	853	116	22	323	8,451	8,766	3.7	1,526	935	96	10	78
Billerica	66,252	68,556	3.5	1,764	911	106	111	208	2,027	1,324	74	34	155	13,193	13,938	5.6	1,350	836	77	12	64
Blackstone	6,455	6,742	4.4	815	449	85	28	70	4,474	805	161	19	159	9,636	10,309	4.8	2,053	1,122	101	7	91
Blackford	1,200	1,239	3.3	1,090	660	7	16	215	1,961	683	155	136	135	46,167	49,771	7.8	1,268	702	95	109	84
Bolton	5,769	6,294	9.1	1,919	1,252	118	6	158	1,229	748	90	54	101	2,337	2,869	22.8	1,564	964	30	16	369
Boston	1,440,977	1,364,245	-6.0	2,425	852	297	177	95	1,428	695	123	119	55	59,908	62,369	4.1	2,115	1,268	104	94	175
Bourne	24,316	25,586	5.2	1,460	685	108	65	81	1,732	847	104	108	190	828	828	0.0	1,119	626	27	10	252
Boxborough	7,315	7,842	7.2	1,971	1,098	106	96	104	1,599	735	120	118	190	13,931	14,956	7.4	1,893	849	87	92	131
Boxford	12,111	12,563	3.7	1,469	855	77	22	67	2,002	1,217	2	18	449	13,092	13,570	3.7	1,764	901	127	48	122
Boylston	4,751	5,126	7.9	1,352	875	99	11	76	1,565	913	93	75	64	25,977	27,689	6.6	1,863	1,131	114	57	98
Braintree	49,854	51,964	4.2	1,497	789	139	135	93	1,692	836	100	119	119	166,891	180,189	8.0	1,785	892	131	101	124
Brewster	17,387	18,723	7.7	2,022	929	116	70	107	1,474	892	80	72	108	25,387	27,311	7.6	1,454	837	78	59	145
Bridgewater	19,033	19,828	4.2	837	406	86	61	42	1,082	665	75	46	67	11,614	12,888	10.5	1,363	887	65	32	80
Brimfield	4,301	4,399	2.3	1,422	942	14	12	95	1,295	619	78	91	63	139,458	144,492	3.6	1,794	867	119	156	98
Brookton	145,764	156,034	7.0	1,690	862	118	120	92	5,357	1,403	703	81	318	17,864	18,420	3.1	1,640	930	117	55	129
Brookfield	4,063	4,177	2.8	1,433	947	34	9	68	1,446	835	103	20	54	81,467	86,483	6.2	1,640	592	103	109	95
Brookline	110,457	117,217	6.1	2,165	703	158	163	146	859	465	20	21	153	10,411	10,933	5.0	2,041	932	154	89	198
Buckland	2,022	2,132	5.4	1,097	666	50	0	154	1,533	772	120	121	84	31,238	33,346	6.7	1,773	959	90	119	119
Burlington	51,277	51,248	-0.1	2,181	1,019	159	148	167	1,316	689	39	27	248	29,675	31,524	6.2	1,578	748	102	92	114
Cambridge	216,302	226,567	4.7	2,418	757	166	156	165	481	-12.2	4,956	350	130	8,795	9,229	4.9	1,863	915	146	27	175
Canton	31,275	32,708	4.6	1,610	757	104	109	111	1,196	707	79	11	92	49,997	52,974	5.9	1,606	837	131	126	174
Carlisle	10,063	10,808	7.4	2,350	1,444	135	18	151	1,215	831	91	15	32	31,746	32,972	3.9	1,439	914	90	96	61
Carver	17,869	19,077	6.8	1,690	1,080	88	16	57	1,888	980	26	18	327	20,536	24,038	17.1	2,690	1,128	204	166	173
Charenton	1,511	1,793	18.7	1,428	641	47	33	381	1,310	740	94	18	100	8,819	9,606	8.9	1,552	865	142	21	94
Charlton	7,434	7,971	7.2	791	438	81	70	71	1,509	696	67	135	160	16,774	17,295	3.1	1,661	791	126	106	220
Chatham	15,410	23,928	55.3	3,453	713	176	147	218	1,110	11,922	7.3	1,356	750	19,318	20,845	7.9	1,818	1,038	108	22	145
Chelmsford	53,099	54,621	2.9	1,631	915	96	88	121	1,207	634	76	15	145	74,697	78,829	5.5	1,403	580	121	128	105
Chelsea	62,832	66,699	6.2	2,416	1,029	150	160	144	6,033	6,761	13.7	1,571	100	15,802	16,961	7.3	1,489	1,000	83	112	114
Cheshire	2,619	2,619	0.0	2,760	382	13	7	190	1,286	719	92	46	60	38,026	38,794	2.0	1,414	676	92	93	110
Chester*	1,325	1,325	0.0	1,059	556	20	11	286	1,445	880	112	27	134	4,339	4,957	14.2	1,127	665	101	25	84
Chesterfield	1,321	1,370	3.7	1,222	752	8	8	185	1,168	697	127	4	78	6,362	6,892	8.3	1,216	551	66	27	192

Municipality	GENERAL FUND EXPENDITURES (in 000s)				EXPENDITURES PER CAPITA				GENERAL FUND EXPENDITURES (in 000s)				EXPENDITURES PER CAPITA					
	FY96 Total	FY97 Total	% Change FY96-FY97	FY96-FY97	Total	Police	Education	Fire	Public Works	FY96 Total	FY97 Total	% Change FY96-FY97	FY96-FY97	Total	Police	Education	Fire	Public Works
Methuen	53,920	59,069	9.5	1,440	752	100	105	112	112	4,825	8,705	80.4	2,613	693	88	22	150	107
Middleborough	27,422	29,284	6.8	1,525	932	99	65	60	337	13,824	11,724	-15.2	3,185	984	300	46	337	107
Middlefield	585	591	1.0	1,318	690	11	16	340	146	147,444	150,694	2.2	1,762	560	166	141	146	230
Middleton	8,082	9,689	19.9	1,723	860	109	116	105	102	42,309	44,085	4.2	1,443	744	102	78	102	139
Milford	37,449	40,889	9.2	1,623	897	101	78	101	67	10,859	11,384	4.8	1,083	555	157	96	67	126
Milbury	14,521	15,008	3.4	1,217	704	95	17	74	120	35,898	37,933	5.7	1,652	858	108	93	120	133
Millis	11,052	11,490	4.0	1,443	769	93	19	79	99	9,222	9,563	3.7	1,022	614	113	119	79	96
Millville	2,047	2,154	5.2	886	480	77	49	85	110	71,448	73,264	2.5	1,754	661	121	110	134	134
Milton	38,054	39,578	4.0	1,534	730	149	100	111	111	2,558	2,753	7.6	1,688	1,026	2	24	186	144
Monroe	305	337	10.3	2,981	1,157	2	11	1,062	72	6,862	7,404	7.9	1,686	1,150	60	19	72	63
Monson	11,807	12,963	9.8	1,631	917	77	12	124	70	25,634	26,633	3.9	1,545	841	103	90	70	71
Montague	7,869	8,199	4.2	978	449	102	0	138	269	14,534	15,570	7.1	2,054	754	113	15	269	298
Monterey	1,548	1,576	1.8	1,968	897	40	32	474	844	1,669	1,430	-14.3	3,794	1,619	44	89	844	374
Montgomery	731	1,109	51.7	1,412	583	3	9	222	61	6,260	6,262	0.0	1,205	706	101	31	61	195
Mt. Washington	316	271	-14.2	2,051	542	10	15	850	235	766	6,824	-10.7	569	135	20	21	235	115
Nahant	6,154	6,529	6.1	1,726	612	142	73	268	111	1,407	1,385	-1.6	869	524	3	23	111	85
Nantucket	29,453	32,110	9.0	4,419	1,272	275	169	197	268	4,404	4,618	4.9	891	38	22	110	109	137
Natick	55,140	57,040	3.4	1,822	771	111	122	175	239	62,911	65,836	4.6	1,732	744	139	125	117	239
Needham	51,530	52,634	2.1	1,891	797	111	142	141	219	8,395	8,712	3.8	1,228	641	180	62	117	219
New Ashford	276	284	2.9	1,568	1,163	0	25	179	176	1,213	1,332	9.8	2,015	923	24	53	687	176
New Bedford	155,081	158,036	1.9	1,631	818	130	112	125	129	28,982	31,366	8.2	1,751	956	92	87	90	129
New Braintree	776	950	22.4	1,016	623	22	28	151	64	36,736	39,159	6.6	1,493	686	123	92	101	64
New Marlborough	2,120	2,162	2.0	1,713	1,066	15	18	273	92	841	920	9.4	1,339	888	2	12	230	92
New Salem	1,067	1,166	9.3	1,414	766	20	28	117	139	28,685	28,764	0.3	1,668	843	99	143	191	139
Newbury	8,602	8,674	1.3	1,456	661	118	44	102	232	18,828	19,676	4.5	1,463	899	137	58	95	232
Newburyport	24,325	26,341	8.3	1,591	817	116	114	121	152	29,247	30,310	3.6	1,817	961	103	59	152	262
Newton	138,917	149,307	7.5	1,861	949	120	110	189	203	4,270	4,608	7.9	1,553	1,060	48	2	109	203
Norfolk	13,985	13,733	-1.7	1,322	720	95	29	82	147	1,970	2,127	8.0	1,049	606	35	20	170	147
N. Adams	24,681	26,334	6.7	1,662	795	79	72	228	147	9,066	10,264	13.4	2,499	1,441	175	35	220	147
N. Andover	37,321	40,580	8.7	1,671	817	87	96	180	139	6,663	6,870	2.8	921	548	72	16	61	139
N. Attleborough	32,690	35,851	9.7	1,403	751	95	91	42	84	33,781	36,235	7.3	1,354	770	79	58	84	84
N. Brookfield	5,960	6,352	6.6	1,319	890	46	10	63	104	2,831	2,978	5.2	1,739	1,026	27	14	170	104
N. Reading	21,543	22,613	5.0	1,750	864	133	112	140	300	24,283	25,941	6.8	1,464	914	90	71	113	300
Northampton	40,983	44,027	7.4	1,527	688	101	84	82	104	110,563	115,540	4.5	1,554	490	109	108	104	104
Northborough	19,624	21,016	7.1	1,642	933	95	47	154	53	18,907	20,440	8.1	1,199	718	85	0	53	53
Northbridge	15,243	18,482	21.2	1,350	819	79	26	97	85	5,978	6,396	7.0	1,318	745	59	20	82	85
Northfield	3,191	3,253	1.9	1,117	563	38	18	196	100	12,187	13,014	6.8	1,761	966	106	86	132	100
Norton	19,747	21,365	8.2	1,364	799	79	79	62	100	22,275	23,177	4.0	1,328	870	75	52	72	100
Norwell	17,524	19,152	9.3	1,984	1,146	120	74	94	129	7,365	8,116	10.2	1,014	459	119	15	129	129
Norwood	70,776	72,393	2.3	2,505	732	136	117	151	114	7,319	7,692	5.1	636	310	46	12	103	114
Oak Bluffs	10,293	10,718	4.1	3,427	1,311	269	37	217	96	288,044	297,848	3.4	1,986	962	170	115	96	96
Oakham	1,287	1,411	9.6	859	562	43	26	89	266	8,450	8,933	6.0	1,136	700	95	18	118	266
Orange	10,030	10,811	7.8	1,437	893	70	39	167	118	7,576	7,792	2.9	1,136	700	95	18	118	118
Orleans	13,830	13,944	0.8	2,254	759	215	158	166	146	3,363	3,570	6.2	1,526	685	132	21	254	146
Otis	2,174	2,217	2.0	2,070	1,130	36	39	440	185	30,184	31,805	5.4	1,437	690	123	102	113	185
Oxford	16,040	16,886	5.3	1,295	835	84	10	79	266	36,789	38,428	4.5	1,398	780	107	102	80	266
Palmer	18,612	19,814	6.5	1,664	813	77	0	165	99	8,450	8,933	6.0	1,136	700	95	18	118	99
Paxton	6,747	6,904	2.3	1,675	625	84	21	694	279	11,097	11,656	5.0	1,473	949	91	48	113	279
Peabody	78,615	77,650	-1.2	1,606	697	104	93	322	131	33,125	34,518	4.2	2,281	1,416	104	114	112	131
Pelham	1,763	1,940	10.0	1,358	934	50	16	153	79	3,829	3,827	-0.1	1,088	571	48	22	122	79
Pembroke	20,088	20,641	2.8	1,289	802	99	84	55	185	10,328	10,745	4.0	1,464	890	79	11	79	185
Pepperell	9,115	9,071	-0.5	855	493	10	12	56	266	26,100	26,861	2.9	1,964	851	139	138	266	266
Peru	869	811	-6.7	1,077	663	18	14	205	99	17,625	17,992	2.1	1,158	719	93	18	99	99
Petersham	1,428	1,273	-10.9	1,101	740	47	14	126	146	74,040	80,034	8.1	1,541	712	118	120	146	146
Phillipston	995	1,114	12.0	691	319	34	24	90	185	3,890	4,170	7.2	597	238	58	14	69	185
Pittsfield	72,122	70,538	-2.2	1,523	709	104	100	100	279	43,678	46,198	5.8	1,613	790	114	99	185	279
Plainfield	797	850	6.6	1,395	708	11	12	315	131	10,235	10,492	1.6	3,113	1,376	234	20	279	131
Plainville	8,689	9,083	4.5	1,255	703	121	62	67	131	716	592	-17.3	1,995	500	55	64	680	131
Plymouth	77,742	78,622	1.1	1,627	977	125	114	113	88	8,471	8,958	5.7	1,469	829	117	38	131	88
Plymouth*	3,509	3,509	0.0	1,342	792	157	26	130	283	8,378	8,843	5.6	983	594	74	18	88	283
State total	9,967,347	10,334,675	3.7	1,696	805	130	99	126	126	5,512	5,555	0.8	3,213	1,051	427	58	283	126

*FY96 data are used for FY97 for Chester and Plympton

Table 3

FY1997 Municipal Spending

➔ *continued from page three*

ments. Three functions had decreases in spending over the seven-year period: health and welfare (\$210 million), other public works (\$19 million) and other public safety (\$10 million).

Table 1 shows the amount of expenditures for each functional category for FY1990, FY1993, FY1995, FY1996 and FY1997. It also shows the percentage change for each function between FY1996 and FY1997 and between FY1990 and FY1997. Note that smaller dollar-value changes had a larger effect on percentage changes for functions with smaller expenditures. For example, the addition of the Public Health Commission in Boston accounted for most of the 157.4 percent increase in the Other category between FY1996 and FY1997 and the 101.7 percent increase between FY1990 and FY1997. A \$101 million increase in intergovernmental expenditures resulted in a 44.1 percent increase over seven years, while a \$1.5 billion increase in education resulted in a 43.6 percent increase.

Spending in 9 out of the 13 general fund functions did not keep up with inflation between FY1990 and FY1997. The functions which decreased, relative to inflation are health and welfare, other public safety, other public works, highways, general government, fire, fixed costs, culture and recreation, debt service. It is interesting to note that while fixed costs accounted for the second largest share of the actual increase in expenditures, the rate of increase was below inflation. Table 2 shows expenditures adjusted for inflation.

Community Trends

Table 3 shows FY1996 and FY1997 total expenditures for all 351 cities and towns. It also shows per capita expenditures for the total and for education, police, fire and public works. Statewide, per capita general fund expenditures were \$1,696. The 12 communities with the highest per capita expenditures were all on the Cape and the Islands, except Rowe in the western part of the

state. Rowe has a decommissioned nuclear power plant that significantly increases its tax base. With their high proportion of seasonal properties, Cape and Island towns provide services to a far larger population than just their year-round population resulting in higher per capita expenditures. The amounts for the five highest towns are: Aquinnah (formerly Gay Head), \$5,357; Gosnold, \$4,956; Nantucket, \$4,419; Rowe, \$3,794; and Chilmark, \$3,739. The towns with the lowest expenditures were those in regional school districts in the central or western parts of the state. State and other aid that goes directly to the regional school districts was not included in these towns' expenses, lowering their expenditures relative to towns not in regional districts. The five lowest are: Royalston, \$569; Templeton, \$597; Dudley, \$597; Spencer, \$636 and Athol, \$672. ■

written by Stanley Nyberg

Table 2

Total General Fund Expenditure by Function in Constant FY90 Dollars							
<i>Massachusetts State Totals (FY96 data are used for Chester and Plympton)</i>							
Expenditures	FY90	FY93	FY95	FY96	FY97	Change FY90-FY97	Change FY96-FY97
General Government	456,861,081	393,719,554	400,157,299	418,799,564	430,511,000	- 5.8%	2.8%
Police	620,844,165	587,320,590	625,235,780	638,279,547	660,021,590	6.3%	3.4%
Fire	516,595,783	474,820,132	493,054,401	495,795,707	502,294,214	- 2.8%	1.3%
Other Public Safety	142,709,003	120,173,327	124,625,345	121,825,988	110,439,193	- 22.6%	- 9.3%
Education	3,440,838,075	3,306,010,592	3,738,477,365	3,885,420,974	4,073,728,435	18.4%	4.8%
Highways	333,862,310	309,395,600	277,514,071	349,328,278	296,821,245	- 11.1%	- 15.0%
Other Public Works	426,988,871	354,146,590	346,604,528	331,260,836	338,347,490	- 20.8%	2.1%
Health and Welfare	348,983,201	262,142,701	273,685,514	276,486,972	115,077,204	- 67.0%	- 58.4%
Culture and Recreation	197,075,557	170,458,709	180,291,076	186,346,434	193,700,947	- 1.7%	3.9%
Debt Service	522,773,113	494,203,916	482,888,139	497,952,753	514,029,202	- 1.7%	3.2%
Fixed costs	986,412,830	1,033,186,354	980,346,184	958,043,647	964,220,108	- 2.2%	0.6%
Intergovernmental	229,356,549	277,955,169	273,758,404	266,151,077	274,411,910	19.6%	3.1%
Other	63,874,234	47,512,412	42,771,867	42,537,551	106,981,026	67.5%	151.5%
TOTAL	8,287,174,772	7,831,045,647	8,239,409,972	8,468,229,327	8,580,583,562	3.5%	1.3%

Constant FY90 dollars calculated using the State and Local Implicit Price Deflator

DLS UPDATE

Murphy Honored

The Plymouth County Assessors Association (PCAA) presented Property Tax Bureau Counsel Dan Murphy with the Richard Weaver Award at their November 1998 meeting. The plaque reads:

In appreciation of your Legal Advice and Contribution through the years to all Assessors of the Commonwealth and particularly the assessors of Plymouth County.

Dan has been on the legal staff of the Division of Local Services for 18 years. Although knowledgeable in all aspects of municipal law, he specializes in the classification and taxation of forest, agricultural/horticultural and recreational land (Chapters 61, 61A and 61B).

"The Richard Weaver Award is usually given to an assessor from Plymouth County whose contributions to the field of assessing are above and beyond the usual," according to Mary Quill, outgoing president of the PCAA. "Dan is the first person selected from outside the Association. With all of its cranberry bogs and forest land, Plymouth County has many properties under Chapters 61 and 61A. Dan is always available to answer our questions. At certain times of the year Dan probably talks to at least one Plymouth County assessor per day. He is always pleasant, easy to work with, and has presented numerous workshops to us. We wanted to recognize his contributions and to show our appreciation to him."

Courses for Assessors

Electric Generating Appraisal Course Follow-up — The Division of Local Services' Bureau of Local Assessment (BLA) will be offering one or two Electric Generating Appraisal Course follow-up seminars for individuals who

completed Module I, the four-day Appraisal Training Course: Electric Generation, Transmission and Distribution presented in June 1998. The purpose of the seminars is to develop the concepts presented in Module I in greater depth. BLA will solicit questions and issues from prospective students prior to the seminars to allow for the preparation of additional materials as needed. The number of students attending the seminars will be limited. We are tentatively planning to offer these seminars in late winter.

Appraisal Training Course: Electric Generation, Transmission and Distribution — Module I

In addition to real and personal property valuation of electric generation, transmission and distribution facilities, this course will cover binding tax agreements and payment-in-lieu-of tax (PILOT) agreements. Since tax agreements are based upon full and fair cash value, it is important that assessors know the valuation basics of these complex entities. BLA will present this informative course only once this fiscal year. Preference will be given to assessors and assistant assessors in communities hosting existing or potential electric generating plants who were unable to attend last June's courses. The number of students will be limited to 35. This course, which will run from 8:30 a.m. to 5:00 p.m. for four consecutive days, requires a significant commitment from participants. Those attending all four days will receive certificates. Participants in the courses offered last June were enthusiastic in their evaluations.

Appraisal Training Course: Telecommunications — Module II

This new Telecommunications course is being offered for the first time. Module II will cover valuation related matters in the rapidly changing telecommunications

industries. Some of the topics to be included in this one day course will be:

- wired facilities — poles and wires, fiber optics, building and switch gear, easements, ground stations, etc.;
- wireless facilities — cellular telephones, towers and satellites;
- taxability issues — intangibles and satellites;
- application of sales information;
- reproduction and replacement costs;
- application of the unit method; and
- income approach analysis;

BLA plans to hold these courses three times in various locations throughout the Commonwealth. Class size will be limited to approximately 35 students in each location to allow for maximum student participation.

There is no charge for these courses. Because attendance is limited, we ask that students verify that they can attend before signing-up. Dates and locations are in the planning stage. If a county assessors association can suggest a good classroom location with space for at least 35 students, we would appreciate your assistance. Please contact Barbara LaVertue at (617) 626-2340.

FY1999 Cherry Sheet Manual

The Division of Local Services has published the FY1999 Cherry Sheet Manual and distributed copies to mayors and selectmen in November. The manual provides an in-depth description of each of the Cherry Sheet programs including funding formulas and statutory citations. Municipal officials can request additional copies by contacting Elaine Lombardi at (617) 626-2337. Cherry Sheet program descriptions are also available through the DLS home page on the Internet. See page 8 for the address. ■

Municipal Fiscal Calendar

March 1

DOE: *Notify Communities of Estimated Net School Spending Requirement for the Next Year*

Personal Property Owner: *Submit Form of List*

This is a listing of all personal property filed by the owner with the Assessors each year for the purpose of determining taxes in the next fiscal year.

Non-Profit Organization: *Final Filing Date for 3-ABC Forms*

These must be filed on or before March 1 (this deadline may be extended by the Assessors). In no event should the forms be filed later than 30 days after the tax bill is mailed.

March 31

State Treasurer: *Notification of Quarterly Local Aid Payment on or Before March 31*

Department of Education News

The Department of Education (DOE) has posted an interim advisory memorandum on their website to answer the questions they have been receiving on the school building maintenance spending requirements. The Board of Education is expected to promulgate formal regulations by late winter or early spring. The list of foundation reserve (pothole) grants has also been posted on the website. An adjunct to the Chapter 70 school aid program, pothole grants provide one-time discretionary grants to municipalities and school districts which, because of unusual or unique circumstances, are having difficulty meeting their educational needs. A summary of the proposed governance and financing plan for Essex Agricultural School is also available. See www.doe.mass.edu/schoolfinance. ■

Data Bank Highlight

Information on municipal expenditures for each community since FY87 is available on the Municipal Data Bank web page under *Actual General Fund Expenditures*. There are two types of reports: General fund expenditures by function, which groups expenditures into the 13 categories listed in the tables in the current Focus article, and school versus total general fund expenditures. More detailed information or comparison reports can be requested from the Data Bank staff printed out on hard copy or as Microsoft Excel files which can be sent by e-mail over the Internet.

To obtain Municipal Data Bank information contact Medi Ba, Dora Brown, Debbie DePerri or Stan Nyberg at (617) 626-2300. For technical assistance contact Burt Lewis at (617) 626-2358. The World Wide Web address is listed below. ■

City & Town



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