



CHICOPEE CITY COUNCIL
FINANCE COMMITTEE

MEMBERS

John Vieau, Chairman
Shane Brooks, Vice Chairman
Fred Krampits
Frank Laflamme
Gary Labrie
James Tillotson
Jerry Roy

APPROVE 7-30-19

MINUTES
April 30, 2019

The following are the minutes of a public hearing held Tuesday, April 30, 2019 at 6:30 PM in the City Council Chambers, Fourth Floor, City Hall Annex, 274 Front Street, Chicopee, MA 01013.

Members Present Vieau, Brooks, Krampits, Laflamme, Labrie, Tillotson, Roy

Also Present Daniel Garvey (Associate City Solicitor), Councilor Dobosz, Councilor Zygarowski, Laura McCarthy (Assessor), Victor Anop (Assessor), Brian Suchy (Assessor)

The meeting was called to order at 6:30 PM

In compliance with the Open Meeting Law the Chairman asked if anyone in the audience was recording the meeting.

ITEM #1

ORDERED THAT THE SUM OF THREE HUNDRED THOUSAND AND 00/100 DOLLARS (\$300,000.00) BE AND HEREBY IS APPROPRIATED TO THE FOLLOWING NAMED ACCOUNT:

ASSESSORS SPECIAL ACCOUNT FOR UPDATE FOR REVALUATION
(ACCT# 11410004-614001)

SAID AMOUNT IS TO BE TAKEN FROM AVAILABLE FUNDS IN THE OVERLAY SURPLUS ACCOUNT

Assessor McCarthy stated that the balance in the revaluation account for FY 2020 is \$143,225.00. An estimated cost of revaluation for 2021 is \$425,938.50. These are required costs by DOR. Data collection project is going on throughout the state. The Assessors work with

both the DOR field representative and the appraisal firm to meet the requirements of the DOR in order to set a timely tax rate. The Assessor's Office has a revaluation account that is rolled over every year and is used for any DOR regulation, setting the tax rate, and collecting data. The Assessors also has an Overlay account that is funded outside the budget each year and the money in that account is for the personal exemptions (Veterans, elderly, uncollectible bills, abatements, and appellate tax court cases). The Assessors kept a lot of money in Overlay for a period of time because the city and the state has many wireless cell phone cases, church cases, and commercial cases. When those cases are resolved then the \$2 million will be released. Over 15 years ago the Mayor and the City Council would fund the revaluation account. About 12 years ago the Mayor started funding it through money released from the overlay account. Any money that is in the revaluation account that's not spent in the next couple of years stays in the account. A couple of years ago the Assessors reduced costs through a new computer system used for appraisals. The Assessors now send out bids for projects and select the lowest bidder. Assessor McCarthy continued that the Board of Assessors are Assessors not appraisers. She is required to complete 45 hours of continuing education classes over a 3 year period of time to maintain accreditation. Assessor Brian Suchy has completed 3 courses while attending to the duties of the office. Assessor Victor Anop has completed 4 courses while attending to the duties of the office. He is required to complete all of the courses a second time because he did not maintain his certification with continuing education courses. The state requires a Classification Training Course to be able to sign documents for the tax rate setting process.

Councilor Vieau asked that \$2 million was released and \$1.9 remained?

Assessor McCarthy explained that the overlay account is an expenditure account. It is used for abatements, appellate court cases and is not in the city's budget. Approximately \$1 million is used each year for abatements and appellate court cases. Assessor Anop stated that some of the elderly abatement money is returned to the city through the cherry sheet.

Councilor Dobosz stated that he asked that this appropriation be sent to the Finance Committee because his constituents ask him why he approves certain orders and he wants to be able to answer his constituents. He asked if the company hired to do the revaluation will be entering homes. Assessor McCarthy stated that they will look at the exterior of the property. She continued that letters go out to property owners. Data collectors go to the home ring the bell to see if someone is home and explain what is happening. The collectors have identification and letters from the Board of Assessors. They do not go into the houses. Assessor Anop stated that these data collectors are not doing revaluation. They are doing measuring and listing. He continued that the only time that the Assessors can go into the home is if the property owner files for an abatement. That's the only time that the Assessors can enter a house. If at that time the home owner denies entrance then at the appellate tax court appeal the home owner has no standing because he or she did not allow the entrance into the home.

Councilor Vieau asked what equipment is used to measure. Assessor Suchy replied it's a laser measuring tape.

Councilor Dobosz asked if a property owner has an issue with their assessed value do they go to the Board of Assessors or does the outside firm resolve that matter. (filing for an abatement) Assessor McCarthy stated that when the property owner receives his or her tax bill in the fall he or she has 30 days to file an abatement application with the Board of Assessors. At that time the Assessors schedule an appointment with the property owner where they inspect the property.

Councilor Labrie stated that the Board of Assessors can increase the value of a property at the time as when an abatement is filed.

Motion made by Councilor Roy and second by Councilor Vieau to approve.

Committee vote 7 – 0 favorable.

Item #2

Minutes Finance Committee – September 24, 2018

Minutes Joint Finance Committee and Human Resources Committees – September 24, 2018

Motion made by Councilor Laflamme and second by Councilor Vieau to approve the minutes.
Motion passed.

Meeting adjourned at 6:57 PM.

CHICOPEE BOARD OF ASSESSORS REQUEST FOR FUNDS
 CHICOPEE CITY COUNCIL 4-30-19

FUTURE	CONTRACTS SIGNED FOR FY2020				
FY2020	BALANCE FORWARD			242,725.00	
	TYLER DATA COLLECTION 5,000 PARCELS		82,500.00	160,225.00	
	BISHOP & ASSOCIATES INTERIM-COMM APP		17,000.00	143,225.00	
FY2021	BALANCE FORWARD			143,225.00	
FUTURE	ESTIMATES FOR REVALUATION - DOR				
	DATA COLLECTION 6,501 RESIDENTIAL PARCELS @ 16.50		107,266.50		
	DATA COLLECTION 415 APARTMENT BLOCKS (4+ FAMILY) @20.00		8,300.00		
	DATA COLLECTION 1011 COM PARCELS @ 32.00		32,352.00		
	DATA COLLECTION 576 EXEMPT PARCELS @20.00		11,520.00		
	REVALUATION YEAR FY2022-CONSULTANT		170,000.00		AVE OF PRIOR YRS
	REAL ESTATE RESEARCH CONSULTANTS PP REVAL		49,500.00		EST BASE ON PRIOR WORK
EST COST	VISION SOFTWARE UPGRADE TO VISION 8		47,000.00		
TOTAL	ANTICIPATED COSTS			425,938.50	

**REVALUATION-TRIENNIAL CERTIFICATION YEAR
FY2022
PREPARED FOR CITY COUNCIL MEETING APRIL 29, 2019**

DOR DIRECTIVE

Request for an appropriation of \$300,000 for the revaluation account to meet the requirements of the five year cycle

- FY2020** Interim year adjustment of value
Re-list and re-measure 5,000 residential properties
- FY2021** Interim year adjustment of value
Re-list and re-measure over 415 apartment blocks
Re-List and re-measure 6,501 residential properties
Re-List and re-measure 1,011 commercial and industrial properties
Re-List and re-measure 576 Exempt parcels
- FY2022** Re-Certification Year (Every 5 years vs. previously every 3 years)
Deadline for Re-inspection of all parcels (18,523 including condominiums and exempt)

RE- CERTIFICATION - 5 YEAR – ROLES OF PARTIES

The **Assessors** work with both the DOR field representative and the appraisal firm to meet the requirements of the DOR in order to set a timely tax rate. Throughout the years, we have reduced the tasks of the appraisal contractor as much as possible but DOR has also increased their required documentation.

We have taken responsibility for:

- (1) the maintenance of sales reports and determination of invalid sales in conformance with DOR standards
- (2) the mailing and review of 1,015 income and expense statements,
- (3) the selection and production of property record cards for the DOR Field Representative to review
- (4) the field review of the value estimates for 18,523 residential, commercial and exempt parcels
- (5) the public disclosure of new values and
- (6) the discovery and valuation of approximately 900 personal property accounts (most communities contract for these services on an annual basis).

The **DOR Field Representative** visits the City to audit our records, verify our data and review our methods of valuing property. This includes:

- (1) a field review (visiting 1,011 residential and commercial properties, including estimated 1,462 properties sold in 2020, with a property record card to check for the accurateness of the data)
 - (2) the review of land schedule curves by neighborhood & excess land schedules
- /

- (3) the review of our monthly sales reports (average of 125 sales per month),
- (4) the review of our models for valuing residential property
- (5) the review of numerous spreadsheets and statistical reports and
- (6) the review of 858 personal property accounts, including wireless phone company values.

An **Appraisal Firm** is hired in almost every community. Our firm provides at least **3 people** to assist with:

- (1) the statistical analysis,
- (2) the review of 985 income and expense reports,
- (3) the production of reports and spreadsheets,
- (4) the development of valuation methods and models (market, income and cost),
- (5) the programming of valuation method and model into computer software for the calculation of new values for residential, condominium and commercial and industrial property, and
- (6) commercial data collection, as needed.

The Project Supervisor has the expertise, experience and knowledge of DOR's newest review requirements because he obtained certification for other communities in the prior year.

RE- CERTIFICATION PROCESS - 5 YEAR DOR REQUIREMENTS

Analyze **Sales Market** by state class code (10 categories of property); Calculate & review Assessment /Sales Ratio (ASR) and Coefficient of Dispersion (COD) for all classes to determine if median Assessment /Sales Ratio and maximum Coefficient of Dispersion meet DOR regulations; Analyze the accuracy of valuation and data quartiles because DOR will scrutinize high end properties for low Assessment /Sales Ratio's and low end properties for high Assessment /Sales Ratio's; Stratify sales into subgroups by neighborhood, sales price quartile, style, grade, age & compute Assessment /Sales Ratio & Coefficient of Dispersion to analyze.

Collect **Market Data** including:

- (1) local building cost schedules,
- (2) sales data,
- (3) available financing terms,
- (4) income (economic rents), expenses and vacancy rates, and
- (5) capitalization rates.

New **Valuation Methods** are developed based on property type, neighborhoods, style and age using market sales, the income approach and cost approach. New values are statistically analyzed by state class code, neighborhood, style and street for consistency and fairness in value. For commercial and industrial property there must be a land review data quality analysis and the two approaches to value must be independent of each other.

A **Field Review** of residential and commercial properties to verify that the new valuation method results in the uniform and consistent valuation of sold and unsold properties. The Assessors review the city, street by street, neighborhood by neighborhood, with property record cards and a report that we create that is organized by street. The report states the prior and proposed new values and property details to insure that comparable properties are valued fairly.

Chapter Land is valued in accordance with Farmland Valuation Advisory Commission guidelines and local factors. The values are properly accounted for in the Total Value Reports. **Exempt Parcels** are reviewed and accounted for.

Personal Property accounts (858 accounts) are reviewed and valued. The Assessors review the city, street by street, to find new and closed businesses and collect data from new businesses. Forms of List for approximately 700 accounts are reviewed and the data entered into the appraisal computer system. The Forms of List for wireless cell phone companies, cable companies and pager companies are reviewed and analyzed to determine value. New growth for these companies is determined taking into account the prior year's construction work in progress. Utilities are valued at net book value.

The **DOR Field Representative** visits the City to review all documentation, reports and valuation methods for all residential and commercial properties. She also reviews personal property accounts and methods of data collection, maintenance and valuation. She certifies the values to Boston. Boston personnel review the data, ask questions, request additional data or information and grant preliminary certification.

The **Assessors** have **Public Disclosure** of the new real estate values for a period of ten days. The Assessors create and place an excel spreadsheet of new values on the City's website and create and place Value Books in City Hall and the Library. After public disclosure, the Assessors begin the tax rate setting process with DOR and schedule the **Tax Classification** hearing.

THE ASSESSORS BY THE NUMBERS - 4/30/19	FY2019
Residential Parcels	16,918
Condominium Complexes	31
Condominium Units	1,818
Commerical and Industrial Parcels	1,015
Tax exempt parcels	576
Personal Property Accounts	858
Total Valuation	3,965,972,567
New Growth Tax Levy	1,180,831
Personal Exemptions granted prior year	1,036
Tax ADE Applicants	7
Sr Work Off Applicants	27
Abatement Applications	111
Abatements granted	74
Abatement Applications- PP	32
Abatements granted PP (closed)	28
ATB cases pending(excludes telephone)	4
telephone Company cases	2
Motor Vehicle Excise Bills Prior year	57,294
Motor Vehicle Value	6,484,171
Motor vehicle Abatement	2,249
Boat excise Prior Year	389
Boat Value	9,730
Boat Abatement	8
Amount in Overlay	1,928,571
Amount Released from Overlay	2,000,000
Sales in prior year	1,462
Building Permits (average/year)	800
Property record cards	19,381
Maps	789
Income & Expense Forms mailed-prior year	1,262
I & E returned (78% returned)	985
Forms of list Notice mailed	858
Forms of list returned (81% returned)	700
TIF's	9
TIF expired FY19	2
TIE HDIP (in progress) (Silverbrick-Dwight)	2
PILOT's	15
Solar PILOT's	4
Non-Profits 3ABC Forms	50
Chapter Land Forms	25
Chapter Land Businesses	7
Specialty Computer Software	3

ASSESSORS

*** Required by the state to sign documents for the tax rate setting process:**

Department of Revenue Classification Training Course

Massachusetts Association of Assessing Officers (MAAO)

Massachusetts Accredited Assessor (MAA) Requirements:

18 months experience

Course 101 Department of Revenue – Assessment Administration: law-Procedure-Valuation

Course 200 Assessing Principles, Procedures and Administration

Course 1 Comparable sales Approach

Course 2 Cost Approach

Course 3 Income Approach

Course 5 Mass Appraisal of Real Property

Course 6 Valuation Administration

15 hour National Uniform Standards of Professional Appraisal Practice (USPAP) Course

Assessor Laura McCarthy has been a Massachusetts Accredited Assessor since 2002

Required to complete 45 credits over a 3 year period of time to maintain accreditation

The 45 credits must include completion of the 7 hour National USPAP Update Course. Her continuing education courses have included courses sponsored by the MAAO and the IAAO

Assessor Brian Suchy has completed 3 courses while attending to the duties of the office

Assessor Victor Anop has completed 4 courses while attending to the duties of the office. He is required to complete all of the courses a second time because he did not maintain his certification with continuing education courses.

ASSESSORS – ROLES & RESPONSIBILITIES

Real estate: review and collect data pursuant to building permits; measure and list new houses and commercial properties; sales verification visits; analyze sales for validity and title issues; determines annual valuation of taxable property; implement splits and combines; change maps pursuant to new plans; abatements; Appellate Tax Board cases.

Personal property: collect and review the Forms of List from businesses; change property record cards; collect data from new businesses; delete closed businesses; determine values of wireless cell phone companies, gas companies, cable companies; abatements; Appellate Tax Board cases.

Excise Tax: motor vehicle excise tax bills are generated from the Assessors' office at different times during the year; exempt vehicles are addressed; abatements are granted as needed; problems are reviewed and addressed as needed; boat excise tax bills are reviewed and mailed.

Homeowner Assistance Programs: elderly and surviving spouse exemptions; blind exemptions; veteran's exemptions; Senior Work-Off program; Tax-ADE program; review of deeds and trusts to determine eligibility.

Other City Programs: tax exempt/non-profit new parcels and existing parcel filings; Payment In Lieu Of Taxes (PILOT) agreements; initial meetings, drafting and implementation of Tax Increment Finance (TIF) and tax Increment Exemption (TIE) agreements; Chapter 61 agricultural and recreational properties; maps and GIS assistance.

Tax Rate Process: tracks and determines the New Growth pursuant to DOR regulations; adjusts total values of property to be taxed pursuant to sales each year; prepares and submits required DOR documents; prepares for and conducts Classification hearing; works with Auditing to complete DOR Recap sheet and set tax rate.

Works with: Mayor, City Council, Planning, Community Development, Law Department, GIS, Building, Collectors, Auditing, Treasurers, DPW, Water and Sewer, Department of Revenue, Department of Environmental Affairs, Forestry Department