

CITY OF CAMBRIDGE

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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

February 8, 1988

To the Honorable, the City Council:

I would like to submit the following in support of Charter Right Item Number 4.

Background

Since the City was directed to maintain real and personal property assessments at full market value, the City has consistently had difficulty and delays in getting assessed valuations approved by the State Department of Revenue. The City first applied for certification of its property values in early 1982 and was rejected. A second attempt in the spring of 1983 was also rejected. Finally, in late Fall of 1983, too late for a prompt mailing of property tax bills, the state certified the City's property valuation, one and one half years after the first application and almost a decade after being directed to do so by the courts.

During that time period, the responsibilities of the Board of Assessors changed dramatically from what was essentially a part time position maintaining records that needed no significant updating, to a full time position managing a complex computer based assessment system with values changing annually and economic growth adding up to \$250,000,000 in new development annually. Unfortunately, as the responsibilities of the Board changed dramatically, the administrative organization did not, except that the Board became full time. As administrator of the City, I have found it increasingly difficult to manage and establish responsibilities in such an important area, when ultimate responsibility is split three ways between the members. While it is true that the members elect a Chair who acts as the department head for a twelve month period, this is usually done on a rotating basis and I have found that the Chair's position under the existing make-up is purely symbolic.

Adding to the difficulty in managing this development has been the necessary creation of the Revaluation Division of the Department, which at times appears to many individual members of the City Council to act independently from the Board. While this is not the case, the perception is a dangerous one and I would very much like to end that perception.

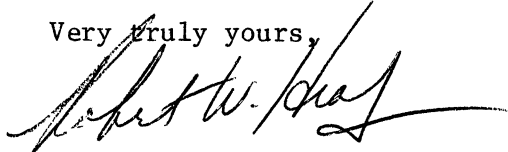
A recent example points out the difficulty in managing such a disjointed operation. On February 1, 1988 (last week) the City Council approved a supplemental transfer of \$85,000 to the Assessing Department to cover some costs that were not placed in the original budget. In reviewing that request, I asked a member of my staff to sit with the Department and go over the matter at hand. What started out as a meeting with one person ended up with four members of the department present, each to explain their individual areas of need. When this confusion occurs in the review of a simple transfer request, one can only imagine the process that we go through as we revalue six billion dollars worth of property values.

The legislation introduced by Mayor Vellucci, approved by the state legislature and now before you for final approval, would allow me to appoint the Chair of the Board who shall be the Director of Assessment. I firmly believe that the approval of this reorganization will instill accountability in one person as the head of that department and hopefully eliminate the frustration experienced by me, the City Council and property owners in recent years.

Fiscal Impact

I wish that I could state that approval of this ordinance would allow the City Council to reduce the operating budget of the Department. While it is my belief that the elimination of one or two positions may be possible within the department, I do not believe that this reorganization will significantly reduce existing departmental costs. However, while it is difficult to quantify, I do believe that the reorganization should result in cost savings or cost avoidances in future years. It is also very important to note that even if there were to be no cost savings as a result of this reorganization the additional cost of this proposal would be only in the vicinity of \$10,000 which is approximately the increase in salary I would expect to pay the Director over the other two members. This is a small price when compared to the frustration and confusion experienced by the City Council, property owners, escrow banks and others involved in real estate over timely and fair property valuations. I strongly endorse and recommend Mayor Vellucci's proposed reorganization of the Assessing Department.

Very truly yours,



Robert W. Healy
City Manager

RWH/mbf

Agenda # 17

0-8

Relative to Charter Right Item Number Four
relative to the Board of Assessors.

In City Council,

February 8, 1988

*Referred to Calendar
Item Number Four*