

## A GUIDE TO MATTAPOISETT TOWN MEETING PROCEDURES

TOWN MEETING PROCEDURES ARE DETERMINED BY LONG ESTABLISHED TRADITION, TOWN BY-LAWS, STATE STATUTE, THE GUIDANCE OF "TOWN MEETING TIME", AND BY THE RULES OF THE MODERATOR. THE MODERATOR'S ROLE IS GOVERNED PARTLY BY THE GENERAL LAWS, AND PARTLY BY CUSTOM AND COMMON SENSE, CULMINATING IN VOTER ACTION ACCEPTABLE TO THE TOWN AND SUBJECT TO REVIEW BY THE COURTS, STATE ATTORNEY GENERAL, AND DISTRICT ATTORNEY, AS APPLICABLE.

### **TOWN BY-LAWS AND PROCEDURES GOVERNING TOWN MEETING**

**QUORUM:** A minimum of FIFTY VOTERS is required for a quorum.

**ADJOURNMENT:** A member may move to adjourn except when a speaker has the floor or a vote in its process.

**ORDER OF ACTION:** Articles of the Warrant shall be acted upon the order published unless otherwise determined by a vote of the meeting attendees.

**PROTOCOL FOR INTRODUCING MOTIONS:** To put a motion before the assembly, stand or raise your hand, wait to be recognized, and then address the Moderator from a microphone, stating your name and address. The same procedure is followed to ask for further information on the subject under discussion.

**CLOSING DEBATE ON A MOTION:** Debate is closed by a meeting attendee being recognized who states, "I move the previous question." This motion is not debatable. A "yes" vote means one also wants to stop the debate; a "no" vote means that one wants the discussion to continue. If the "yes" votes prevail, the meeting must immediately vote on the motion pending.

**TABLING OR INDEFINITELY POSTPONING A MOTION:** A motion can be made "to table" a motion on the floor. This is not debatable and requires a two thirds vote to pass. If approved, the motion can be reconsidered at the same town meeting only if a motion "to take from the table" or to reconsider passes by a two thirds vote. A motion "to indefinitely postpone" is debatable and requires a simple majority to pass. This effectively ends the potential that action can be taken on the main motion for this town meeting.

**RECONSIDERATION:** A motion to reconsider action requires a two thirds majority to pass, except in the discretion of the moderator to correct a legal or technical defect, when the Moderator may declare that a simple majority is required. The Moderator has the discretion on whether a motion to reconsider will be granted or denied. A motion to reconsider which is, in essence, a motion to "take from the table" a motion tabled earlier in the same meeting, will always be granted.

## PERMISSIBLE ACTION FOR MOTIONS

Type	Motion	Can Be Debated	Can be Amended	Can be Reconsidered	Vote Required
Privileged	Adjournment	Yes	Yes	No	Majority
	Question of privilege	No	No	No	None
Subsidiary	Lay on the table	No	No	Yes	Two-thirds
	Previous question*	No	No	No	Two-thirds
	Limit debate	No	No	No	Two-thirds
	Postpone to fixed time	Yes	Yes	Yes	Majority
	Amend	Yes	Yes	Yes	Majority
	Postpone indefinitely	Yes	No	Yes	Majority
	Refer to committee	Yes	No	No	Majority
Incidental	Point of order	No	No	No	None
	Main motion	Yes	Yes	Yes	As required
	Reconsider	Usually	No	No	Two-thirds**

\*A person who moves “the previous question” simply wants to close debate on the motion. Voting “YES” means you also want to stop debating; voting “NO” means you want the discussion to continue. If the “YES” votes prevails by 2/3 vote, the meeting must immediately vote on the pending motion.

\*\*Except to correct a legal or technical defect; a simple majority may be deemed sufficient in the Moderator's discretion.

### INSTANCES WHERE A TWO-THIRDS VOTE IS NECESSARY:

- Amendment to existing zoning laws
- Borrowing of money
- Appropriation for land purchase
- Land purchase for public domain
- Sale or abandonment of unneeded land
- Abandonment of projects for which money has been borrowed
- Appropriations from or into the Stabilization Fund
- Appropriations for celebrations of settlement or incorporation
- Use of a loan for another purpose
- Street acceptance if not shown on a subdivision approved under Subdivision Control Law

### INSTANCES WHERE A FOUR-FIFTHS OR NINE-TENTHS VOTE IS NECESSARY:

- Payment of bills incurred during prior year—four-fifths at an annual town meeting and nine-tenths at a special town meeting.

## GLOSSARY OF TOWN MEETING TERMS

### **Abatement**

A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit. (See Commitment).

### **Appropriation**

An authorization granted by town meeting to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended. (See Encumbrance, Line-Item Transfer, Free Cash)

### **Assessed Valuation**

A value assigned to real estate or other property as the basis for levying taxes. In Massachusetts, assessed valuation is based on the property's full and fair cash value as set by the Assessors.

### **Available Funds**

Balances in the various fund types that represent non-recurring, "one time", revenue sources. As a matter of sound practice, they are usually appropriated to meet non-budgetary or unforeseen expenses, for capital expenditures, stabilization and reserve funds or other onetime costs. Examples of available funds include free cash, stabilization fund, overlay surplus, water surplus and enterprise retained earnings.

### **Betterments (Special Assessments)**

Whenever part of the town benefits from a public improvement, or betterment (e.g., water, sewer, sidewalks, etc.), special property taxes may be assessed to the property owners of that area to reimburse the town for all, or part, of the costs it incurred in completing the project. Each property parcel receiving the benefit is assessed a proportionate share of the cost which may be paid in full, or apportioned over a period of up to 20 years. In this case, one year's apportionment along with one year's committed interest is added to the tax bill until the betterment has been paid.

### **Bond (Borrowing)**

A means to raise money through borrowing. The town issues a bond promising in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year.

**Budget (Operating Budget)**

A plan for allocating resources to support particular services, purposes and functions over a specified period of time.

Mattapoisett utilizes a "Revenue Based Program Budget" system. The budget request is prepared each year by the Town Administrator and Board of Selectmen. The budget relates expenditures to the programs they fund within the limits of revenues available to support the budget request.

The budget is reviewed by the Finance Committee which prepares recommendations on budget amounts and sources of funds for Town Meeting.

**Capital Expenditures / Improvements Budget**

Items generally found in the capital budget such as construction or major repairs to municipal buildings. The fees for architects, engineers, lawyers, and other professional services, plus the cost of financing advance planning, may be included in addition to the cost of materials and installation/construction. Capital expenditures also includes major equipment and vehicle purchases having a value of \$10,000 or more and a useful life of at least five years.

**Capital Improvements Plan**

A blueprint, for planning a community's capital expenditures that comprises an annual capital budget recommendation and a five-year capital program. While all of the community's needs should be identified in the program, there is a set of criteria that prioritizes the expenditures.

**Cash**

Currency, coin, checks and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

**Chapter 90 Highway Funds**

State funds apportioned to the town for highway projects based on a formula under the provisions of MGL Ch. 90 § 34. The Chapter 90 formula comprises three variables: local road mileage (58.33 percent) as certified by the Massachusetts Highway Department (MHD), local employment level (20.83 percent) derived the Department of Employment and Training (DET), and population estimates (20.83 percent) from the US Census Bureau. Local highway projects are approved in advance, then later on the submission of certified expenditure reports to MHD, communities receive cost reimbursements to the limit of the grant. Under the formula, communities with a larger number of road miles receive proportionately more aid than those with fewer road miles.

**Chapter 70 School Aid**

Chapter 70 refers to the school funding formula created under the Education Reform Act of 1993 by which state aid is distributed through the Cherry Sheet to help establish educational equity among municipal and regional school districts.

### **Cherry Sheet**

Named for the cherry colored paper on which they were originally printed, the Cherry Sheet is the official notification to cities, towns and regional school districts of the next fiscal year's state aid and assessments.

### **Cherry Sheet Receipts**

Chapter 58, Section 25A of the Massachusetts General Laws provides that the Commissioner of Revenue estimate the state's funding of local reimbursement and assistance programs as authorized by law and appropriated by the legislature. Local assessors are required to use these figures when determining the local property tax rate.

### **Classification (Tax Assessment)**

Prior to setting a tax rate, selectmen may vote at a required classification hearing to create as many as four different tax rates for residential, open space, commercial, and industrial and personal property.

### **Commitment**

The authorization to collect taxes, fees or other charges due a municipality. For example, the assessors' commitment of real estate taxes authorizes the collector to pursue and receive payment from property owners.

### **DOR- Department of Revenue**

State department responsible for collecting a wide variety of taxes, providing taxpayer support, and administering programs related to municipal finance through the Division of Local Services.

### **DLS- Division of Local Services**

A division within the DOR (Department of Revenue) responsible for helping Massachusetts cities and towns achieve sound and efficient fiscal management through technical assistance, training, and oversight. DLS bureaus are responsible for ensuring the fairness and equity of local property taxation, the accuracy and quality of local accounting and treasury management, interpreting state laws that affect local governance, distributing local aid, maintaining a comprehensive databank on local finances, and auditing local school districts.

### **Debt Exclusion**

Action taken by the town through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy outside the limits of Proposition 2 ½. By approving a debt exclusion, the town calculates its annual levy limit under Proposition 2 ½, then **adds** the excluded debt service cost. The amount is added to the levy limit only for the period of the life of the debt. It may increase the levy above the levy ceiling .

**Debt Service**

The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue. Debt service payments are shown in the annual operating budget request.

**Encumbrance**

At the end of each fiscal year funds may be reserved to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

**Enterprise Funds**

An enterprise fund, authorized by MGL Ch. 44 § 53 F½, is an operating entity of the town government that provides goods or services for which a fee is charged. The annual operating budget includes enterprise funds (Water, Sewer, Transfer Station, Waterfront) showing the total costs of the services which they provide. Town meeting votes whether to approve the budget requests as well as amounts to be raised through revenues and fees and the portion that is subsidized by the tax levy, if any.

With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs--are identified. This allows the town to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or retained earnings generated by the operation of the enterprise rather than closing it out to the general fund at year-end.

**Equalized Valuations (EQV)**

The determination of an estimate of the full and fair cash value of all property in the Commonwealth as of a certain taxable date. EQVs have historically been used as a variable in distributing some state aid accounts and for determining county assessments and other costs. The Commissioner of Revenue, in accordance with Massachusetts General Law Chapter 58 § 10 C, is charged with the responsibility of biannually determining an equalized valuation for each city and town in the Commonwealth.

**Estimated Receipts**

A term that typically refers to anticipated local revenues listed on page three of the Tax Recapitulation Sheet. Projections of local revenues are often based on the previous year's receipts as modified to reflect anticipated conditions in the current year. These revenues represent funding sources necessary to support the town's annual operating budget.

**Fiscal Year**

Since 1974, the Commonwealth and municipalities have operated on a budget cycle that begins July 1 and ends June 30. The designation of the fiscal year is that of the calendar year in which the fiscal year ends. For example, the 2009 fiscal year is July 1, 2008 to June 30, 2009. Since 1976, the federal government fiscal year has begun October 1 and ended September 30.

### **Free Cash**

Free Cash is a revenue source which results from the calculation, as of July 1, of the town's remaining, unrestricted funds from operation of the previous fiscal year based on the balance sheet as of June 30. It typically includes

- receipts in excess of revenue estimates,
- unspent amounts in departments budget line-items for the year just ending,
- plus unexpended free cash from the previous year.

Free cash is offset by property tax receivables and certain deficits, and as a result, can be a negative number.

DOR recommends that communities understand the role free cash plays in sustaining a strong credit rating and encourages the adoption of policies on its use. Under sound financial policies, a community would strive to generate free cash in an amount equal to 3-5 % of its annual budget. Free cash would not be depleted in any year, so that the following year's calculations would begin with a positive balance. Conservative revenue projections and departmental appropriations are controlled to produce excess income and departmental turn backs. As a non-recurring revenue source, a prudent use of free cash would be to fund one-time expenditures, a capital purpose or to replenish other reserves. If projected as a revenue source to support the ensuing year's operations, the amount used would be restricted to a percentage of total free cash. Mattapoisett has followed these recommendations during the past five years, and has achieved or exceeded the 3% to 5% goal each year.

Mattapoisett town government also subscribes to the DOR recommendation that free cash not be used to supplement current year departmental operations. Under any circumstance, the use of free cash requires an appropriation by town meeting, but only after it is certified by the DOR. The same rules apply to DOR certification of retained earnings which is the enterprise fund equivalent of free cash.

Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recap sheet unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts. (See Available Funds)

### **Full & Fair Cash Value (FFCV)**

Fair cash value has been defined by the Massachusetts Supreme Judicial Court as "fair market value, which is the price an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy. It means the highest price that a normal purchaser not under peculiar compulsion will pay at the time, and cannot exceed the sum that the owner after reasonable effort could obtain for his property.

A valuation limited to what the property is worth to the purchaser is not market value. The fair cash value is the value the property would have on January first of any taxable

year in the hands of any owner, including the present owner" (Boston Gas Co. v. Assessors of Boston, 334 Mass. 549, 566 (1956)).

### **Fund**

An accounting entity with a self balancing set of accounts that is segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

### **General Fund**

The fund used to account for most financial resources and activities governed by the normal town meeting appropriation process.

### **Indirect Cost**

Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

### **Interest**

Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

### **Levy**

The amount the town raises through the property tax. The levy can be any amount up to the levy limit, which is re-established every year in accordance with Proposition 2½ provisions.

### **Levy Limit**

The levy limit is one of the restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that the real and personal property taxes imposed by the town may only grow each year by 2½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion.

### **Levy Ceiling**

The levy ceiling is a restriction imposed by MGL Ch. 59 §21C (Proposition 2½). It states that, in any year, the real and personal property taxes imposed may not exceed 2½ percent of the total full and fair cash value of all taxable property. Property taxes levied may exceed this limit only if the community passes a capital exclusion, a debt exclusion, or a special exclusion.

**Local Receipts**

Locally generated revenues, other than real and personal property taxes. Examples include motor vehicle excise, boat excise, investment income, hotel/motel tax, fees, rentals, and charges. Annual estimates of local receipts are shown on the tax rate recapitulation sheet

**Long-Term Debt**

Borrowing, or outstanding balance at any given time, involving loans with a maturity date of 12 months or more.

**Maturity Date**

The date that the principal of a bond becomes due and payable in full.

**New Growth**

The additional tax revenue generated by new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy limit. For example, new growth for FY09 is based on new construction, etc. that occurred between January and December 2007. In the fall of 2008, when new growth is being estimated to set the FY09 levy limit, the FY08 tax rate is used in the calculation.

**Overlay Reserve**

An account established annually to fund anticipated property tax abatements, exemptions and uncollected taxes in that year. The overlay reserve is not established by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet.

**Overlay Surplus**

Any balance in the overlay reserve account of a given year in excess of the amount remaining to be collected or abated can be transferred into this account. Within ten days of a written request by the board of selectmen, the assessors must provide a certification of the excess amount of overlay available to transfer. Overlay surplus may be appropriated for any lawful purpose. At the end of each fiscal year, unused overlay surplus is "closed" to surplus revenue; in other words, it becomes a part of free cash.

**Override**

A vote at an election to permanently increase the levy limit. An override vote may increase the levy limit no higher than the levy ceiling. The override question on the election ballot must state a purpose for the override and the dollar amount.

**Override Capacity**

The difference between the levy ceiling and the levy limit. It is the maximum amount by which the town may override its levy limit.

**Principal**

The face amount of a bond, exclusive of accrued interest.

**Property Class**

The assessors in each Massachusetts municipality must place property in one of the following classes.

- 0 - Multiple-Use
- 1 - Residential
- 2 - Open Space
- 3 - Commercial
- 4 - Industrial
- 5 - Personal Property
- 6 - Forest (Chap 61)
- 7 - Agricult./Horticult. (Chap. 61A)
- 8 - Recreational (Chap 61B)
- 9 - Exempt Property

Within each class, property can be assigned to any of several property types. Each type is assigned a three digit type code consisting of the class number plus two digits that identify the specific type within a class.

Property in classes 1-5 is a major consideration in the approval of tax rates.

**Proposition 2 ½**

State law enacted in 1980 that regulates local property tax administration. Major provisions of this legislation are located in Massachusetts General Law Chapter 59 § 21C, Assessment of Local Taxes and relate to the determination of a levy limit and levy ceiling for each town.

Proposition 2½ limits the amount a city or town can raise taxes:

The property tax levy ceiling (the amount raised) can never exceed 2½% of the full cash value of all taxable property in the city or town; and

The property tax levy cannot increase from year to year by more than 2½%, with certain exceptions for new growth, or through over rides and exclusions as adopted by the voters.

Other parts of the initiative limit state agency assessments on cities and towns; prohibit unfunded state mandates, and repealed binding arbitration for certain public employees. In addition, it reduced the motor vehicle excise tax rate and has allowed renters a deduction on their state income tax.

**Quarterly Tax Bills**

Mattapoisett provides two estimated property tax bills followed by two regular bills by prescribed dates.

**Raise and Appropriate**

A phrase used to identify a funding source for an expenditure or expenditures, which refers to money generated by the tax levy or other local receipt.

**Real and Personal Property**

Land, buildings and the rights and benefits inherent in owning them.

**Retained Earnings**

An account reflecting the accumulated earnings of an enterprise fund that may be used to fund capital improvements, to reimburse the general fund for prior year subsidies, to reduce user charges and to provide for enterprise revenue deficits (operating loss).

**Revenues**

All monies received by a governmental unit from any source.

**Revenue Anticipation Borrowing**

Cities, towns and districts may issue temporary notes in anticipation of taxes (TANS) or other revenue (RANS). The amount of this type of borrowing is limited to the total of the prior year's tax levy, the net amount collected in motor vehicle and trailer excise in the prior year and payments made by the Commonwealth in lieu of taxes in the prior year. According to MGL Ch. 44 § 4, cities, towns and districts may borrow for up to one year in anticipation of such revenue.

**Revolving Funds**

Fund used for revenues from a specific service. Revenues in a revolving fund can be used to support the associated service without appropriation. For departments revolving funds. MGL Ch. 44- Municipal Finance § 53 E ½ stipulates that each fund must be re-authorized each year at annual town meeting or by city council action, and that a limit on the total amount that may be spent from each fund must be established at that time.

The aggregate of all revolving funds may not exceed ten percent of the amount raised by taxation by the city or town in the most recent fiscal year, and no more than one percent of the amount raised by taxation may be administered by a single fund. Wages or salaries for full-time employees may be paid from the revolving fund only if the fund is also charged for all associated fringe benefits.

Mattapoisett authorizes a revolving fund each year for the grinding of stumps.

**Short-Term Debt**

Outstanding balance, at any given time, on amounts borrowed with a maturity date of 12 months or less.

**Stabilization Fund**

A fund designed to accumulate amounts for future spending purposes. It may be appropriated for any lawful purpose (Massachusetts General Law Chapter 40 § 5 B). Communities may establish one or more stabilization funds for different purposes and

may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. The total of all stabilization fund balances shall not exceed ten percent of the community's equalized value, and any interest shall be added to and become a part of the funds. A two-thirds vote of town meeting or city council is required to establish, amend the purpose of, or appropriate money from the stabilization fund.

Mattapoisett currently has a Stabilization Fund and a Capital Stabilization Fund. Appropriations from the Stabilization Fund may be made for any lawful purpose. Appropriations from the Capital Stabilization Fund may be made to support the purpose of the town's capital plan. Appropriations into or from either fund require a two thirds vote by town meeting.

**Tax Anticipation Note (TAN)**

A short-term note issued to provide cash to cover operating expenses in anticipation of tax proceeds

**Tax rate**

The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$9.80 per \$1,000 of assessed valuation of taxable real and personal property.

**Tax recapitulation sheet**

A document submitted by the town to the DOR in order to set a property tax rate. The recap sheet shows all estimated revenues and actual appropriations that affect the property tax rate. The recap sheet should be submitted to the DOR by December 1 (in order to issue the third quarterly property tax bills before January 1).

**Temporary Debt**

Borrowing by a community in the form of notes and for a term of one year or less. (See Short Term Debt)

**Unfunded Mandate**

A requirement imposed by law, regulation or order without underlying financial support, thereby resulting in direct or indirect costs to the town or one of its departments.

**Underride**

A vote by a community to permanently decrease the tax levy limit. As such, it is the exact opposite of an override.

**User Charges/Fees**

A municipal funding source where payment is collected from the user of a service to help defray the cost of providing the service. Note that any increases in the fees must satisfy the three tests set forth in the so called Emerson case. (See Emerson College v. Boston, 391 Mass. 415 (1984); also DOR IGR 88-207)

1. they are charged in exchange for a particular governmental service which benefits the party paying the fee in a manner "not shared by other members of society,"
2. they are paid by choice, in that the party paying the fee has the option of not utilizing the governmental service and thereby avoiding the charge,
3. and the charges are collected not to raise revenues but to compensate the governmental entity providing the services for its expenses.

**Warrant**

An authorization for an action. For example, a town meeting warrant establishes the matters that may be acted on by that town meeting. A treasury warrant authorizes the treasurer to pay specific bills. The assessors' warrant authorizes the tax collector to collect taxes in the amount and from the persons listed, respectively.