

CITY OF LOWELL

COMMONWEALTH OF MASSACHUSETTS

VOTE

IN CITY COUNCIL:

ORDER,

To transfer amounts certified by the Board of Assessors as surplus in the overlay to reduce the FY2018 tax levy.

ORDERED,

By the City Council of the City of Lowell, as follows:

That the amount of **Two Million One Hundred Thousand (\$2,100,000.00) Dollars** be transferred:

FROM: The Allowance for Abatement and Exemptions (“Overlay”), more fully described in Attachment A:

TO: The General Fund, more fully described in Attachment A.

ORDER RECOMMENDED AND INTRODUCED BY:

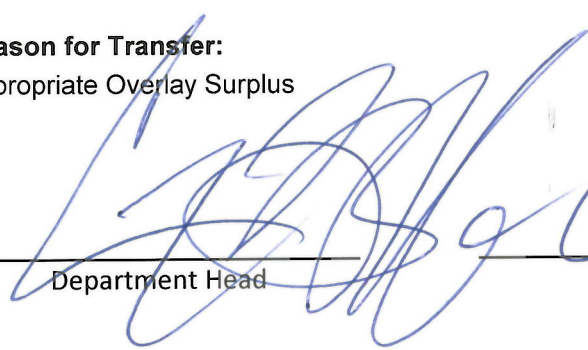


Kevin J. Murphy, City Manager


Transfer Form - "Attachment A"

Department:	General Fund				
TRANSFER TO:					
Account #			Description		Amount
Org.	Object	Project			
0010	359401		Unreserved FB Overlay Surplus	\$	2,100,000.00
TOTAL				\$	2,100,000.00
TRANSFER FROM	Overly				
Account #			Description		Amount
Org.	Object	Project			
0010	123xxx		Allowance for Abatements/ Exm	\$	2,100,000.00
TOTAL				\$	2,100,000.00

Reason for Transfer:
Appropriate Overlay Surplus



 Department Head



 Chief Financial Officer


11/30/17



Conor Baldwin
Chief Financial Officer

MEMORANDUM

TO: Kevin J. Murphy, City Manager

FROM: Conor Baldwin, Chief Financial Officer 

CC: Sue LeMay, Chief Assessor
The Lowell Board of Assessors

DATE: November 29, 2017

SUBJECT: Transfer from overlay surplus

As we approach the submission of the tax rate recapitulation to the Department of Revenue for FY2018, the finance team has worked with the Board of Assessors to ease the tax burden to the residents as much as possible. The City Council will employ one tool to reduce taxes by approving the minimum residential factor (MRF) and employing the maximum shift allowed by law away from the residential class. A public hearing and vote are scheduled for the next meeting of the City Council. The enclosed vote to appropriate \$2.1 million from the 'overlay surplus' will further reduce the tax burden on FY2018 by using funds previously held for potential statutory exemption that are no longer needed.

The Board of Assessors has analyzed the existing balances in the Allowance for Abatements and Exemptions (i.e. the 'overlay') account and has voted to declare the amounts in excess of potential liabilities as surplus in accordance with M.G.L. C. 59 § 25. The amount of excess overlay was certified at \$2.1 million and I would advise that the Administration recommend that the funds be appropriated by the City Council to ease the tax burden for FY2018. Pursuant to the vote of the Board of Assessors, the amount remaining in the overlay is sufficient to cover potential liability associated with appellate tax board cases or local abatements.

Please let me know if you have any questions.

Susan A. LeMay, MAA
Chief Assessor
Joel H. Cohen
Karen A. Golden, MAA
Assessors

December 1, 2017

Mr. Bryan Perry, City Auditor
375 Merrimack Street
Lowell, MA 01852

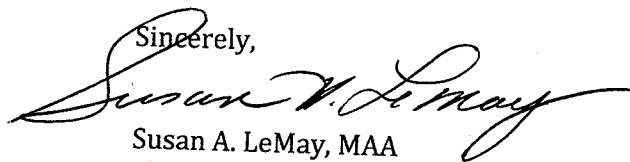
Dear Mr. Perry:

The Lowell Board of Assessors, voted, at their meeting on Thursday, November 30, 2017, to surplus two million, one hundred thousand (\$2,100,000) dollars from the following overlay accounts:

▪ Fiscal Year 2004	\$100,000
▪ Fiscal Year 2013	\$350,000
▪ Fiscal Year 2014	\$375,000
▪ Fiscal Year 2015	\$675,000
▪ Fiscal Year 2016	\$600,000

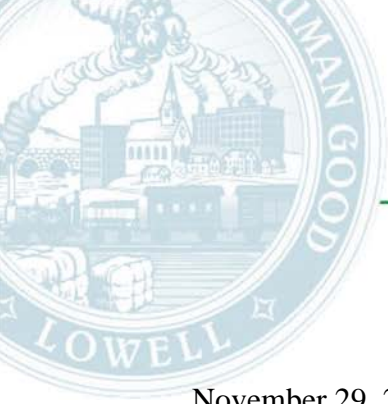
Please move these monies into a surplus account at your earliest convenience. Thank you for your attention in this matter. Let me know if you have any questions.

Sincerely,



Susan A. LeMay, MAA
Chief Assessor/BOA Chair

Cc: J. Cohen, Assessor
M. Bond, Assessor
K. Murphy, City Manager ✓
C. Baldwin, Chief Financial Officer



Kevin J. Murphy
City Manager

November 29, 2017

Mayor Edward Kennedy
And
Members of the Lowell City Council

RE: Appropriation from overlay surplus

Mayor Kennedy and Members of the City Council,

The attached vote will transfer two million one hundred thousand dollars from the overlay surplus to support city operations in FY2018 and reduce the tax burden on the residents. After consulting with the CFO and my finance team, the Administration has determined that a sufficient balance exists in the overlay accounts and I have requested that the Lowell Board of Assessors declare the amounts as surplus. Pursuant to Chapter 59 of the Massachusetts General Laws, once the board declares the amount as surplus it becomes available for use for any legal purpose.

I am recommending that the City Council approve the transfer in order to lessen the tax impact in FY2018. Each resident's individual tax bill is a function of both the tax rate and the value of their home. When values amongst the commercial, industrial, and personal property classes increase at rates disproportionate to those of the residential classes; the Administration has some available statutory remedies to aid in easing the year-over year increase. The first is to utilize the maximum shift away from the residential class, which this City Council has approved each year I have been City Manager. The second is to utilize any new growth or available surpluses to reduce the tax levy. I am pleased to report that for FY2018, the new growth has been certified at approximately \$2.4 million and is a positive sign of economic development. This, in combination with the \$2.1 million to be transferred from the overlay will help in achieving the City Council's goal of holding the line on taxes.

Sincerely,

Kevin J. Murphy
City Manager

Cc: Conor Baldwin, Chief Financial Officer