

Assessment Review Committee Statement

10/3/2012

Last year a significant shift of the tax burden occurred in Framingham, a larger shift than ever seen in Framingham or any comparable community for the past several years, a shift that will persist for years to come. Taxpayers were rightly shocked, and in a singular voice raised the question "What happened?".

The Matrix Consulting Group, represented by consultant Alan Pennington, was hired to review the operations of the Assessing Department and provide an answer to that question. Our committee was formed to work with the consultant, not to provide direction but rather oversight, to make sure his work was independent and that the issues facing the Town were addressed. Over three months we met more or less weekly with the consultant and received updates as to his progress. In that time we have gained some insights into the results of his work that we would like to highlight.

Documentation

A careful reading of the consultant's report answers the question of "what happened in 2012?". The answer is that the market rental rates used in the assessment of commercial properties declined substantially (pp 2). These rates are determined solely by the Assessor (pp 3). The Assessor uses various input resources but unfortunately, in attempting to understand why the rates fell, the consultant "could not validate the process used to develop the specific rental rates utilized due to the lack of documentation of the decision making process" (pp 2).

In other words, the Assessor makes complex and important decisions without backup, without input from or checkpoints with others in the administration, and the facts and judgements that drive those decisions with all of their far reaching consequences, go completely undocumented. To quote the report "This represents not only a risk to the organization but an inappropriate level of responsibility". (pp 3).

Transparency

Property assessment is supposed to be a fact based process. It should be possible for the Assessor to provide explanations for assessment outcomes in terms of relevant and objective facts. For example:

- "These commercial asset classes saw significant declines in market rental rates due to a change in ___ which is warranted by ___"
- "The retail sector along route 9 saw an increase in valuation based upon figures in this Costar report and input from these realtors ___ who provided this information ___"
- "This residential neighborhood saw a mass increase in quality score due to these changes in sale values ___ and these houses in proximity ___ and ___"

Detailed, informative explanations are a prerequisite to obtaining public trust. Statements can be made at an aggregate level without revealing information which is deemed confidential. Again quoting the report: "There is a strong need to expand the transparency operations both as a best practice and to regain any public confidence lost during the events of the last year" (pp 5).

Accountability

The report focuses on the Assessing Department, but the responsibility for what happened in 2012 and for future assessments extends beyond that one department. As illustrated in the report (pp 15), the Assessor reports to the CFO, who in turn reports to the Town Manager, who in turn reports to the Board of Selectmen. Perhaps because of the complexity of the assessment and a lack of technical understanding, or simply due to the previously discussed lack of documentation and transparency, no one in that chain of command was able to provide specifics to the public as to why the shift occurred. Key variables which have the greatest impact on the levy calculation were calculated but not documented or specifically explained to the public. The buck didn't stop anywhere. There was no internal ownership of the 2012 assessment.

The conclusions of this report, its recommendations for the future, and the answer to the question of "What happened in 2012?" can be summarized quite simply as, there was a complete lack of, and a desperate need for: documentation, transparency, and accountability. It is the committee's hope that the Town's implementation plan of the report's recommendations remedies this lack, and that the BOS receive regular updates (perhaps quarterly or semi-annually) as to the progress of that effort.

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