

Shutesbury Selectboard Meeting Minutes
November 29, 2022 Special Virtual Meeting Format

Selectboard members present: Rita Farrell/Chair and Eric Stocker

Staff present: Becky Torres/Town Administrator; Geneva Bickford/Administrative Secretary

Volunteers & Other Staff present: Leslie Bracebridge;

Guests: Tom Siefert, Jill Marland, Leslie Luchonok, Mary Anne Antonellis, Garrett Simonsen, Mary David, Karen Tarlow, Michael Hootstein, Miriam DeFant and Kristin Burgess.

Farrell calls the meeting to order at 5:34 pm.

Agenda Review: As posted. One unanticipated item for tonight is a recommendation regarding the ConCom request to the Shutesbury FinCom for a transfer of \$2,500 from the reserve funds. Finance Committee is meeting tonight.

Public Comment: None Allowed

Review of Minutes: Approval of minutes from the SB November 1, 2022 meeting.

Motion to approve the minutes from the Selectboard November 1, 2022 meeting.

- Stocker moves and Farrell seconds Roll call vote: Stocker: aye, and Farrell: aye; the motion carries.

Discussion Topics:

1. Classification Hearing: Rebecca Torres/Town Administrator: We are using the report that Kevin Rudden, the ex-assessor, used last year with all the updated data. The town was able to proceed by hiring a consultant, Roy Bishop. Roy Bishop is an assessor with 30-40 years of experience and is well versed in assessing in Massachusetts. We contacted him to step in and do our reval as this was a recertification year which happens every five years. The annual tax classification hearing of the Selectboard is to determine what property tax options will be adopted for the Town of Shutesbury for Fiscal Year 2023. There are four separate decisions for the SB to vote on tonight. 1) To have a single or split tax rate; 2) To adopt/not adopt an Open Space Discount; 3) To adopt/not adopt a Residential Exemption. 4) To adopt/not adopt a Small Commercial Exemption. Historically the town has moved not to vote the last three items every year. We have always voted a single tax rate not a split tax rate. Before you decide these four issues here is some background information on how we arrived at the FY 2023 tax rate. There are two parts to the calculation of the tax rate. 1) The tax levy, that is the total amount of money being raised through property tax. The fiscal year 23 tax levy is \$5,422,579; 2) The total valuation of property in town for Fiscal year 2022, the total assessed value of all property in Shutesbury, is \$293,272,582. The valuation is \$50,328,466 higher, an increase of 20.7% over fiscal 22's valuation of \$242,944,116. In calculating new residential values for Fiscal Year 2022 we studied all single family residential sales for the calendar year from January 2021 through December 31, 2021. Overall residential values rose \$50,320,466. This 20.7% increase is due to market sales during the time periods just mentioned. The continuing rise in sales vs. assessed value that we've seen continuing in calendar year 2022 will be reflected in fiscal year 2023 valuations. The changes we had are almost all residential changes and there are some changes in the Chapter 61 which are reflected in the commercial

property and you will also see some changes in personal property that will be noticed in the LA4. Shutesbury's property tax base this fiscal year remains at about 96% of residential property. The remaining 4.6% is termed CIP which stands for Commercial, Industrial and Personal Property. You are allowed to have split tax rate that shifts some of the residential tax burden to the CIP properties. Shutesbury has always maintained a single tax rate. The single tax rate is calculated by dividing the tax levy by the total assessed valuation and then multiplying that number by 1000. That is how we arrived at our tax rate last year of \$21.83. This year we will use our new levy which is \$5,422,579 and we will divide it by the new valuation. In making this calculation we've come up with a rough estimate of \$18.49 per thousand for the new tax rate. This is an estimate not the final. The average single family home value has risen from \$269,151 for FY 22 to \$322,000 for FY 23 an increase of 20.5%. The value of an average single family home value is calculated by dividing the total value of all single family homes by the number of single family homes. Tonight, your first decision is whether to shift the CIP's share of the tax burden up to 150%. Any reduction in the residential tax burden by increasing taxes paid by the CIP classes will result in an enormous impact on the CIP rate with little relief in the residential rate. This would increase the tax rate and property taxes for the dozen or so small businesses in town, owners of approximately 132 second homes in town, primarily in the Lake Wyola area, electric utilities such as National Grid and Eversource and the owners of the 125 or so parcels of Ch. 61 Forestry, Agriculture and Open Space Recreation Land. Because Shutesbury traditionally does not have a split tax rate I am not providing any examples such as shifting the CIP categories by 1, 10 or 25% which would be your prerogative. Your second decision is whether to offer an open space discount of up to 25% of the value as defined by DOR. This option is not available because there is no Open Space classified land in Shutesbury. There is a specific definition for Open Space in terms of assessing. The third decision is whether to allow a residential exemption which would allow up to 20% of the average assessed value of residential properties used as the principal residence of the owner. There are only a handful of communities in Massachusetts that adopted this exemption last year and they are mostly along the Atlantic Coast. Shutesbury has never adopted this exemption. Finally, there is an option to exempt up to 10% of the value of small commercial parcels occupied by the small businesses employing 10 or fewer people and the value of the property is less than 1 million dollars. Only 14 communities in Massachusetts have adopted this exemption and Shutesbury never has. That brings us to the suggested motions to provide to the SB.

- Farrell moves that the SB vote to establish a residential factor of 1 meaning a single tax rate for FY 2023. Stocker seconds Roll call vote: Stocker: aye, and Farrell: aye; the motion carries.
- Farrell moves that the SB vote not to adopt an Open Space Discount for FY 2023. Stocker seconds Roll call vote: Stocker: aye, and Farrell: aye; the motion carries.
- Farrell moves that the SB vote not to adopt a residential exemption for FY 2023. Stocker seconds Roll call vote: Stocker: aye, and Farrell: aye; the motion carries.
- Farrell moves that the SB vote not to adopt the small commercial exemption for FY 2023. Stocker seconds Roll call vote: Stocker: aye, and Farrell: aye; the motion carries.

Jeff Quackenbush will sign off on the LA5 which will trigger the calculation of our final tax rate. The Town was advised by Lauren Aldridge of the DOR and Roy Bishop that we were too far along in the process for the senior citizen property tax exemption to take effect this year. The amount of exemption should not be less than 50% but not more than 200% of the amount of the circuit breaker income tax credit and the SB will determine the percentage. If you are eligible for the senior circuit breaker on your state income tax you will be eligible for this. Leslie Luchonok and Jill Marland have been in contact with the previous assessor and they are frustrated that the new exemption is not available for this year. The SB should be able to determine the percentage in the next few months. Leslie Bracebridge reminds everyone the town is dependent on consultants guiding us through this. The consultants will prepare the financial analysis. It is possible we may not have a consultant until January or February. Jill Marland questions why this can't be done for FY23. Leslie Bracebridge does not believe we had a choice to do this for FY23, the consultant was asked and we were advised the town is too far along in the process. Torres indicates the town would've needed to have the information months ago for FY23. The tax rate needs to be set before 12/17. Our legislation was approved by town meeting and moved forward through the legislature. It took almost 18 months to get through and the Governor signed for Shutesbury's legislation on October 31. We were acting individually and the timing of the bill finally being signed by the Governor was not in our control.

- At 6:04 pm Stocker moves and Farrell seconds a motion to close the annual tax classification hearing. Roll call vote: Stocker: aye, and Farrell: aye; the motion carries.

2. Unanticipated items: ConCom has requested FinCom transfer \$2500 from FinCom reserve to pay for special counsel. This was discussed at the last SB meeting. The SB voted to allow ConCom to secure outside counsel but not to use funds from the legal line item and suggested they look at their own funds. Farrell's recommendation is that the SB support ConCom's request to FinCom. Stocker states he was the one who voted against us using the line item in the budget for that. I did that as I was afraid it would promote some adversarial relationship. I would caution this is going to mean more legal fees. My fear is our total legal fees will go up significantly. Farrell agrees with Stocker. It is a shame we are at this juncture where the SB is having to hire an attorney because the ConCom is hiring an attorney. Miriam Defant, thanks the SB for this discussion and wants to clarify that the ConCom is requesting funds because they have legal questions regarding permitting and regulatory authorities. We do not want to be adversarial. We have been confronted with some legal questions and ordinarily we would reach out to town counsel but we cannot do that under these circumstances. It is not because we are taking or intend to take any legal action. We do not believe that ConCom is forcing the SB to obtain legal counsel.

MOTION that the Selectboard support the Conservation Commission's request to the Finance Committee for a reserve transfer of \$2,500 to pay for Special Counsel.

- Stocker moves and Farrell seconds a motion to close the annual tax classification hearing. Roll call vote: Stocker: aye, and Farrell: aye; the motion carries.

Administrator Updates: NONE

6:15 pm MOTION TO ADJOURN

- Stocker moves and Farrell seconds roll call vote: Stocker: aye, and Farrell: aye; the motion carries.

Respectfully submitted,
Geneva Bickford
Administrative Secretary