

## **Norfolk Select Board's Open Session Meeting Minutes November 21, 2019**

Members Present: Kevin Kalkut; Christopher Wider, Cici Van Tine. Members Not Present: None. Also Present: Blythe Robinson, Town Administrator; Judith Lizardi, Executive Assistant.

The meeting was held in Room 124, Town Hall. Mr. Kalkut called the meeting to order at 4:00 p.m. Mr. Kalkut announced this meeting is being both video and audio taped. All present recited the Pledge of Allegiance.

Ms. Robinson reviewed the agenda.

### Public Comment

None.

### **PUBLIC HEARING**

Please consider and vote the Use Classification of all properties in the Town for purposes in fiscal year 2020.

Ms. Robinson stated that a step in the process of setting the Town's tax rate is to have a public hearing at which the Select Board's role is to determine whether to have a single tax rate for all classifications of property or to split the rate among classifications. She stated that Chief Assessor Don Clarke will provide a presentation on this topic. A draft copy of the tax recapitulation (recap) sheet has been provided to the Select Board members. The purpose of this document is to identify the revenues and expenditures that lead to the tax rate which is proposed to be \$18.64 for FY20. This is an increase of 35 cents from FY19, mostly due to borrowing. Finance Director Todd Lindmark is present at the meeting to answer any questions. Once the Board decides on the tax classifications, the recap sheet is submitted to the State so they can approve the tax rate.

Mr. Clarke introduced Assistant Assessor Kris Minshall. He narrated a slideshow presentation. He stated the focus of today's hearing is to decide whether to continue with a single tax rate or go to a split tax rate, and whether or not to consider offering any exemptions. The Town of Norfolk currently has 93.05 percent residential, 4.86 percent commercial/industrial, and 2.09 percent personal property. Historically, any town over 90 percent residential will elect to stay with a single tax rate. Splitting the tax rate will put a heavier burden on the commercial property in town with minimal relief to residential properties due to these percentages. He noted the majority of the personal property taxes that are paid within the town are paid by the commercial and industrial properties. Therefore, a shift would have an even bigger impact on local businesses, which in turn could influence some commercial/industrial businesses to leave Norfolk. He stated there are over 4,000 properties in town with hundreds of distinct components that make up the assessed value. In order to keep this data as fresh and accurate as possible, the Assessor's Office has reviewed 170 arm's length sales from 2018 and has compiled and

evaluated income and expense information along with the Form of List for commercial properties. He stated Massachusetts statutes requires assessors to assess all property at its full and fair cash value as of January 1<sup>st</sup> each year. Full property revaluation, also known as certification, is completed every five years. The next full property revaluation for Norfolk is FY21. Interim year adjustments are yearly adjustments from the market sales analysis during non-certification years. He stated the tax rate comes from total taxable real estate and personal property, Town Meeting appropriations, State aid, Town revenues, expenditures, new growth, debt exclusion and overrides. He discussed that new growth is assessed by tracking all new construction, additions, and subdivisions throughout the town. This past year there were over 250 permits requiring a visit from the Assessor's Office to evaluate the work that had been done and determine if this was assessable growth by the Department of Revenue's regulations.

Mr. Clarke stated people like to look ahead to the future and base their analysis on the past. However, to estimate what the tax rate or the amount of growth would be based on prior years' growth is really a guess. He noted the process has many variables, and he believes using \$550,000 for FY21 is a good place to start. He stated he bases this estimated amount on the construction, strong values, and low interest rates, but noted the market seems to be slowing and there is not as much construction going forward as in past years. However, this number can be used to estimate spending for next year; the spending would have to be adjusted accordingly after growth was approved by the Department of Revenue. He discussed the FY20 Tax Levy that the Town will have to raise in property taxes. This number comes from total Town budget minus the total estimated receipts. He reviewed FY20 valuations by class and stated that residential has 93 percent of the total value of the Town making it nearly impossible to go to a split rate. The ideal situation would be 15 to 20 percent commercial/industrial before considering a split tax rate. He discussed the impact of splitting the tax rate and noted there is a very small benefit to residential properties because of the lack of commercial/industrial in town.

Mr. Clarke discussed there are three possible exemptions for the Select Board to consider. The first possible exemption is Open-Space. Only 1 out of 351 towns have elected this exemption. This is a shift up to 25 percent that can be adopted by a vote from the Select Board for all property that is classified as Open Space. This exemption would only apply to seven properties in town which did not apply for Chapter 61 programs. They either did not meet the acreage minimum or did not elect to enter as they did not want to abide by the Chapter 61 guidelines. There are currently 36 properties accepted in the Chapter 61 programs which all receive a tax break on any of the land they have put in the program. Therefore, if this exemption was adopted, only a very small number of properties would benefit. The second possible exemption is a Small Commercial Exemption. Only 15 of 351 towns have elected this exemption as it is very difficult to track and follow as the benefit goes to the property owner, not the tenant. The third possible exemption is a Residential Exemption. Only 16 of 351 towns have elected this exemption as it is mainly for towns that have a large number of second homes, rental properties, or vacation homes. The Residential Exemption can only apply to properties that are owner occupied and considered the primary residence. Therefore, that shifts the exempted tax burden to the

residential properties that are not primary owner-occupied residences. He reviewed the historic tax rates for Norfolk and stated the tax rate is the Town's tax levy divided by the Town's total assessed value; fluctuations in the tax rate are due to either the values increasing or decreasing or the Town's budget increasing or decreasing.

Mr. Clarke stated the Board of Assessors recommendation to the Select Board is: 1. Vote to adopt a Single Tax Rate; 2. Vote not to adopt the Open Space Discount; 3. Vote not to adopt the Residential Exemption; and 4. Vote not to adopt the Small Commercial Exemption.

Mr. Clarke stated that contrary to one school of thought, neither the Select Board nor the Assessor's Office can raise or lower the tax rate. Spending is determined by the voting public through Town Meeting. It is the participation of the townspeople at Town Meeting that determines the level of services desired, directly affecting the tax rate. The actual Levy divided by the Total Assessed Value of the Town multiplied by 1,000 is what determines the Tax Rate.

Mr. Wider asked if the assessment of all residential properties is up to date. He noted that 1900 seems to be a common date listed on the assessment record of some homes. Mr. Clarke stated the Town reviews and inspects properties. Regarding the data, he requested that if any errors are found, they be brought to the attention of the Assessor's Office. Ms. Deborah Robbins, Chair, Board of Assessors, stated when the Town first put assessment data into the computer, if the exact date of construction was not known, but the construction was known to be old, they used 1900 as the date.

Mr. Wider asked if there is an exemption for seniors on property taxes. Ms. Minshall stated there is currently a 41C-Elderly exemption based on income and assets and a 17D-Person over 70 exemption based on assets. She noted there are also exemptions for the blind and for disabled veterans. She stated numerous residents apply for these exemptions; she keeps a spreadsheet listing residents who have had such exemptions in the past and mails reminders to them. Exemption information is available on the Assessor's Department webpage. Ms. Robbins noted that the State has income and asset requirements for exemptions. Ms. Minshall reviewed that the income requirements increase slightly every year. Currently, the income requirements are approximately \$24,000 for a single person and \$37,000 for a married couple. This amount is determined by a HUD formula that changes every year. She reviewed the asset requirements and stated they can be adjusted at Town Meeting. She noted that the Town can vote to add cost of living (COLA). She explained the program is an income and asset based exemption and is not available just because a person is a senior.

Mr. Wider stated that in 2020, the Town should see three 40B affordable housing developments ramp up. He asked if those projects were included in the new growth. Mr. Clarke said he used \$550,000 as a safe benchmark. He does not want to overstate the amount of new growth and then have to retract the number. He stated it would depend on how construction proceeds and how many of the 40Bs get finished. If they all get

completed, the Town could get a lot of growth. Ms. Robinson stated this is a conversation that has been started internally; they do not want to overstate the amount of new growth and then pass a budget which will have to be reduced in the fall. Mr. Wider asked if the rental income the Town receives from the Metacomet Emergency Communications Center is shown. Ms. Robinson said \$86,000 is shown for the MECC. Mr. Lindmark stated they had budgeted \$0 for 2019 because the leases for the MECC were not in place; the leases came through mid-year. They are now budgeting \$86,000 for this year for budget revenues.

A motion was made by Mr. Kalkut to adopt a single tax rate for Fiscal Year 2020, and further not to adopt an open space discount, residential exemption or small commercial exemption. It was seconded by Ms. Van Tine, and so voted. All were in favor.

### **ACTION ITEMS**

Please consider approval of the Annual Santa Parade on December 8, 2019.

Ms. Robinson stated this is a request for permission to hold the annual Santa Parade on December 8, 2019. The parade route has not changed from previous years, and Police, Fire, and Public Works departments have brought forth no concerns. She recommended approval. She noted the organizers would like to know the involvement the Select Board members would like to have in the event.

A motion was made by Mr. Kalkut to approve the use of Town streets to hold the annual Santa Parade on Sunday, December 8, 2019. It was seconded by Ms. Van Tine, and so voted. All were in favor.

Please consider approval of the following warrants:

A motion was made by Ms. Van Tine to approve the following warrants:

- 11/05/2019 19V20 \$114,904.17
- 11/05/2019 19VSA20 \$1,370.00

It was seconded by Mr. Kalkut, and so voted. All were in favor.

A motion was made by Mr. Wider to approve the following warrants:

- 11/08/2019 09P20 & 09PS20 \$815,352.35
- 11/12/2019 20V20 \$231,331.29

It was seconded by Mr. Kalkut, and so voted. All were in favor.

Please consider approval of the minutes

A motion was made by Ms. Van Tine to approve the October 15, 2019 and the October 28, 2019 open session meeting minutes. It was seconded by Mr. Kalkut.

Discussion: Mr. Wider requested three wording revisions be made to the October 15, 2019 meeting minutes. Ms. Robinson stated the changes would be made. Mr. Kalkut stated his second is with the adjustments as noted, and so voted. All were in favor.

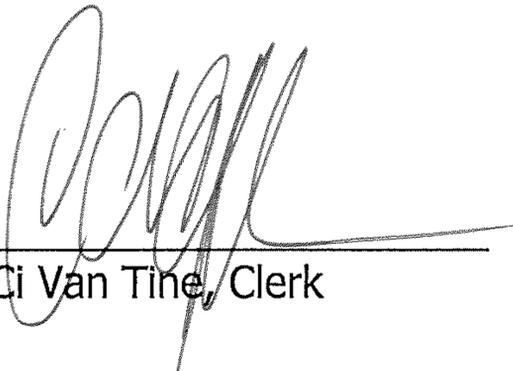
Mr. Kalkut thanked everyone who had a part in the Fall Special Town Meeting. He thanked those from the community who attended and noted there were over 180 participants.

Mr. Wider stated that there are no lights on the Police Station sign on Rt. 1A at Sharon Avenue making it difficult after dusk to know where to go to find the Police Station. Ms. Robinson stated she appreciates the input.

At 4:34 p.m. a motion was made by Mr. Kalkut to adjourn the meeting. It was seconded by Ms. Van Tine, and so voted. All were in favor.

The next meeting of the Select Board will be held in Room G-07, Town Hall, on Tuesday, December 10, 2019 at 7:00 p.m.

This is a true and accurate report of the Select Board's Meeting of November 21, 2019.



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CiCi Van Tine, Clerk