

IN BOARD OF SUDBURY SELECTMEN
FRIDAY, JANUARY 15, 2010

Present: Vice-Chairman John C. Drobinski, Selectman Lawrence W. O'Brien, and Maureen Valente, Town Manager, Trevor Haydon, Chairman-Board of Assessors, Joshua Fox, Esq., Board of Assessors member; Maureen Hafner, Dir. of Assessing, Cynthia Gerry, Asst. Dir. of Assessing, and Andrea Terkelsen, Finance Director

Absent: Chairman William J. Keller, Jr.

The statutory requirements as to notice having been complied with, the meeting was convened at 5:10 p.m. in the Flynn Building Silva Conference Room, 278 Old Sudbury Road.

Tax Classification Hearing – FY10

Vice Chairman John Drobinski called the meeting to order at 5:15 p.m. He recapped that the Board of Selectmen must vote a residential factor as part of the decisions they need to make in connection with getting the Town's tax rate set for FY2010.

Director of Assessing Maureen Hafner presented the Board with a "What If Scenario Worksheet." It depicted the total values of the various classes of property, showed the Board's previous decision not to approve the residential exemption or small commercial exemption, and the total of the estimated levy for FY2010, which would produce a single tax rate of 16.36 if the Board chose a residential factor of 100%. The Worksheet further showed the amount of shift for the Commercial, Industrial, and Personal property (CIP) class of property if the Board chose residential factors less than 100%, beginning at a factor of 99.9236% down to 96.1822% - the most the Board could allowably shift away from the residential sector.

John Drobinski opined that the Board has kept a consistent philosophy in recent years regarding how tax increases should be shared across the various classes of property. This philosophy has resulted in choosing a residential factor/CIP shift that results in the rate of increase in property taxes for the average valued property being similar for both residential and CIP classes. Board of Assessors Chairman Trevor Haydon commented that averages do disguise that there is a wide variety of increases and decreases in values that have been occurring across all classes of property, but for the basis of this discussion, the focus is on the average value in each class.

Steve Michels, representing the Sudbury Chamber of Commerce, asked the Board to consider returning to a single tax rate as the commercial sector of Town needed some tax relief in this economy.

Ms. Hafner distributed a second worksheet that isolated the financial and percentage changes that would result from six different possible CIP shifts, ranging from a factor of 1 (single tax rate) to a CIP factor of 1.5. After reviewing several versions of this worksheet, Vice Chairman Drobinski noted that if the Board chose a single tax rate, taxes would then rise for the average residential property about 5.1% while the commercial would go down 16.1%. Thus he suggested that if the CIP shift was somewhere between 122% and 124%, both classes would see similar rates of increase in tax growth for that sector. After further review and discussion, the Selectmen voted a residential factor for 98.2438%, which would result in a 123% CIP shift, leading to an estimated increase in property taxes for the average-valued property in both classes of 3.3%.

It was on motion unanimously

VOTED: In accordance with G. L. Ch. 40, sec. 56, as amended, the percentage of local tax levy which will be borne by each class of real and personal property, relative to setting the Fiscal Year 2010 tax rate and set the Residential Factor at 98.2438, with a CIP shift of 1.23, pending certification by the State Department of Revenue

There being no further business, the meeting adjourned at 5:35 p.m.

Attest: _____
Maureen G. Valente
Town Manager-Clerk