

IN BOARD OF SELECTMEN
TUESDAY, AUGUST 12, 1980

Present: Chairman John E. Murray, Anne W. Donald, William J. Cossart, Board of Selectmen; Assessor Donald Peirce; Robert Wilson, McGee & Magane.

Notice having been given the emergency meeting was called to order at 8:45 p.m. by Chairman Murray.

Chairman Murray stated that the Board had expected complaints once new valuations were mailed to property owners and understood there is a vehicle for handling complaints through hearings, adjustments, etc., by the firm. However, Chairman Murray expressed the Board's present concerns as follows:

- 1) the Selectmen were not expecting the large amount of decrease in industrial valuations, particularly that all industry and business seems to have gone down while residential has greatly increased and, in fact, bears the brunt of the revaluation. For this "flip-flop", or reversal of position between industry/business and residential valuations to have occurred, must mean that residential had been assessed at a level of 40-50% of value and business and industry at 80%;
- 2) the Board questions the whole philosophy behind the revaluation as it relates to land values;
- 3) that the Selectmen have a definite role in determining classifications and therefore must understand and participate in the whole process, understanding that it is the Board of Assessors' sole responsibility to conduct revaluation in accordance with the new Chapter 797.

Mr. Wilson responded that in each community in which they conducted a revaluation, the business and industries drop because they have traditionally been kept at more current values to relieve residential.

Selectman Cossart asked through the Board of Assessors that McGee and Magane furnish figures showing percentage of residential to total Town assessed value versus that of industry and business, comparing previous assessed valuations to the current revaluations. Mr. Cossart continued to say that in the 1970 era Sudbury was a path-finder culminating in the Sudbury Case, but apparently during that period of time until now we did not keep values updated. Selectman Cossart questioned the residential values established in 1970 versus new home values during the same time and the disparity between commercial property values.

Mr. Wilson responded as follows:

- commercial properties carry their own rate and are established by the income resulting from the property;
- industrial properties carry their own value in their own area and are determined by the income produced;
- when the industrial buildings are built, the rental income determines their value and ultimate rate;

- industrial and commercial values are based on income from rental.

Selectman Murray questioned Mr. Wilson on industrial and commercial as to whether or not they take into consideration idiosyncracies of different towns.

Mr. Wilson responded in the affirmative, answering again that it is based on sales.

In response to specific questions raised by Selectman Cossart, Mr. Wilson replied:

- 1) that the \$26 figure given to property owners to determine their approximate tax rate represents the current new Town property values excluding personal property and that it is only an estimate;
- 2) that the criteria used to establish new values was based on recent sales, square footage, type of construction, location and verification of Assessors' cards. In particular, the residence values were based upon 100% of recent sales in the Town, bringing them to the current values by fixing a certain inflation factor; then the firm eliminated the top 20% and the bottom 20%, and as indicated, the Town was zoned into nine value areas (nine being the highest);
- 3) that for the basis used in determining land values, the firm used 60,000 square feet to determine prime land value, assessing additional land at \$3,000 per acre with a declining scale based on certain variables. Mr. Wilson stressed that most prior residence values were low in comparison to business and industry assessments which were closer to current market value;
- 4) that any so-called soft spots in the revaluation work are probably limited to two areas - generally expected errors, mostly calculations, and probable future reduction in tax income based on G. L. Chapter 61A and 61B dealing with forestry, farm greenhouse and golf courses that allow certain exemptions upon application and eligibility.

Mr. Peirce responded that the Assessors had recommended a \$24.87 figure, but that McGee and Magane recommended the \$26 figure because of expected errors and possible abatements. Mr. Peirce added that, again, the \$26 figure would not include personal property of approximately 11 million dollars, but did include approved additional funding by the 1980 Annual Town Meeting.

Mr. Cossart again requested through the Assessors that McGee and Magane furnish to the Selectmen where we were on the old assessments versus new assessments by showing percentage breakdown comparisons of business, industry, commercial, etc. Selectman Cossart stated that it appears the assessment ratios before the revaluation between 1970 and 1980 eroded drastically and had to be brought up to date.

Mr. Peirce furnished the Board with information and percent absorption of the tax levy by property classification prior to January 1, 1980 as follows:

residential, 8 million or 85%;

industrial and commercial, 1.3 million or 13%;

agriculture, 24 thousand, or 1%;

vacant land, 209 thousand, or 2%.

In summary, after further discussion and questions by the Board, it was understood that the consultant or firm has proceeded to set values on the assumption that each class of property will be taxed at 100% of its full and fair cash value and to shift to the classification option to use the residential factor would be an additional cost in the area of \$2,000 or \$3,000.

There being no further business, the meeting was adjourned at 10:30 p.m.

Attest: _____

Richard E. Thompson
Executive Secretary-Clerk