

IN BOARD OF SELECTMEN
MONDAY, JUNE 15, 1981

Present: Chairman Anne W. Donald, William J. Cossart, and John E. Murray.

The statutory requirements as to notice having been fulfilled, the meeting was called to order at 6:40 p.m. by Chairman Donald in the library of the Lincoln-Sudbury Regional High School.

Fairbank School Lease

Executive Secretary Richard E. Thompson gave the Board a copy of the Fairbank School lease, which had previously received the Board's approval, and which had now been reviewed by the Lincoln-Sudbury Regional School District Committee and a few changes had been made. The Board concurred that they would review the changes and directed the Executive Secretary to place the matter on a future agenda following Annual Town Meeting.

Police Station Addition - Floor Tile

Present: Michael E. Melnick, Permanent Building Committee.

Permanent Building Committee member Michael Melnick asked the Board to consider approving an estimate by Hugo Construction in the amount of \$940, \$400 to remove old tile, and \$540 to put in new tile, on the floor of the Police Station lobby. During discussion there was a consensus that, although the cost appeared to be slightly high, the convenience of having Hugo do the job, past satisfaction with the work he has done, and the cooperation he has extended to us in the past, should be taken into consideration.

On the recommendation of Michael Melnick, on behalf of the Permanent Building Committee, it was on motion by Selectman Cossart unanimously

VOTED: To authorize the Chairman of the Board of Selectmen to sign a change order authorizing Hugo Construction to remove old tile and install new floor tile in the lobby of the Police Station for the estimated price of \$940. The Permanent Building Committee is to provide the Selectmen with said change order.

Mr. Melnick asked the Board to consider an expenditure of \$850 to add a console at the front desk to the intercom system which is in the works; additionally, a \$200 expenditure for the insulation of piping in the attic. The Board took the matters under advisement.

1981 Annual Town Meeting - Financial Discussion

Present: Assessor Donald Peirce; Finance Committee Chairman Michael Cronin; and Town Accountant John H. Wilson.

Finance Committee Chairman Michael Cronin stated that he had spoken to Assessor Donald Peirce, and that Mr. Peirce expressed that the amount of the estimated levy limit, \$12,100,000, was a figure he felt comfortable with.

Town Accountant John Wilson stated that current Finance Committee recommendations are about \$100,000 over the levy limit, which means making some budget adjustments or adding another \$100,000 free cash. If it is necessary to adjust the budget because Town Meeting has over-expended, Mr. Wilson stated that we can try to justify to the State an increase in the estimated receipts from the previous year. Mr. Wilson stated he feels the State will be more lenient with cities and towns this year.

Mr. Wilson further stated that he has to give the Assessors the exact figure of estimated receipts for the previous year, and they then cannot increase those figures without justification. (Government receipts, excise taxes, library fines are areas which can be easily increased.)

Selectman Cossart questioned "the very fundamental issue" of the increase in valuation. Mr. Peirce stated that the Assessors are working with a 10% factor on residential (the State came back with 12%), and that the problem the Assessors have is not knowing what the increase should be for commercial, industrial and personal property - approximately \$68,000,000 worth of value. Mr. Peirce expressed his opinion that we do not have enough in sales at the moment to determine the percentage, but, at the same time, we did not have enough of those properties as we did with the residential properties. Selectman Cossart commented that the two point difference (10% vs. 12%) is substantial. Mr. Peirce said he cannot justify using the 12% is in fact a person's home has only gone up by 10%. Mr. Peirce continued to say that the area where the adjustment will come, whether favorably or unfavorably, is in the commercial, industrial and personal property taxes, but there are a limited number of sales which can be applied for the purposes of creating a percentage. Mr. Peirce commented that any increase is not automatically tacked on with justification.

Mr. Peirce continued to say that there are presently seven cases in the appellate court on commercial ownerships and seven on residential, which fact displays a big difference in the percentage of discontent. (There being many more residential parcels of land than commercial in Town).

Town Counsel Paul L. Kenny stated that in determining values of personal property, utility companies have always based it on the original cost of equipment less the depreciation; now it is the replacement cost less depreciation.

Responding to Mr. Cronin, Mr. Peirce stated that we will hear back from McGee & Magane after the contract, which will soon be submitted to Town Counsel, receives Town Counsel's approval and is forwarded to McGee & Magane. Mr. Peirce stated that the Assessors have voted to retain McGee & Magane, using their statistical analysis to arrive at updated property values to January 1, 1981, and have also retained them to do our tax billing, the funds being available in last year's town meeting appropriation. Responding to Mr. Cronin, Mr. Peirce stated that he plans to make a motion to increase line item 504-21, general expense, by \$16,500, which, if approved, will provide for the same funds requested later on in the Warrant under Article 23.

Mr. Cronin suggested using approximately \$50-75,000 more free cash at Town Meeting, because the Finance Committee's recommendation right now is \$12,193,000 and is still off by about \$100,000.

Mr. Peirce stated that, if we can justify an 8% inflation factor, what he is estimating for commercial, industrial and personal property, we come up with a \$12,144,059 tax levy limit. Responding to Mr. Peirce's comment that we will probably have some money in the overlay account, the Town Accountant said that the overlay money from this year (FY'81) has already been figured in, but the overlay for FY'82 could be one of the fluctuating factors in the levy limit.

Mr. Wilson stated that the overlay right now is not in the calculations at the same amount as it was last year; that hopefully most of the big abatements have been taken care of, and the new amounts of those properties will go in for next year so that the property will not be abated again. Mr. Wilson said that the overlay surplus has been calculated as part of the available funds. Mr. Wilson further explained that the overlay from last year will be used this year for overlay surplus within the available funds which this Town Meeting is voting for FY'82 - that Town Meeting will be voting some \$50-75,000 to offset the Reserve Fund, and approximately \$50,000 that was voted for overlay last year will be turned back to the Reserve Fund this year.

Mr. Wilson said that the highest the levy limit can be is \$12,143,000 and suggested that we add another \$50,000 from free cash up to \$276,000 for the wrap-up motion at the end of the 950 account. It was a consensus of those present to do so.

During discussion it was noted that it is no longer required to use free cash to offset the tax rate - at one time tax cap legislation specified that all free cash had to be used to offset the tax rate, unless otherwise voted by a town meeting.

Chairman Donald thanked those in attendance for joining the Selectmen on this important subject, and expressed a consensus of those present that we should proceed with our Proposition 2½ tax levy projections and the Finance Committee operating budget recommendations.

There being no further business to come before the Board, the meeting was adjourned at 7:20 p.m.

Attest: _____

Richard E. Thompson
Executive Secretary-Clerk