



# TOWN OF ADAMS FINANCE COMMITTEE

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## MEETING MINUTES

**TUESDAY, OCTOBER 20, 2015 – 6:30 PM**  
**VISITORS CENTER, MEETING ROOM, 1<sup>st</sup> FLOOR, ADAMS, MA 01220**

On the above date the **Finance Committee** held a meeting at the **Visitor's Center** at **6:30 p.m.**

**Chairman Timothy Burdick** presided the *Finance Committee Meeting*. Present were **Vice Chairman Leon Parrott** and **Members Joan Smigel, John Cowie, Sandy Kleiner, Charles Foster, Rachel Tomkowicz, David Allen, Brian Johnson, and Jeff Lefebvre**. *Members Amy Giroux, Mark Chittenden, Craig Corrigan, Paul Demastrie, and Matthew Pitoniak were absent. Also in attendance were Town Administrator, Tony Mazzucco, Town Assessor, Donna MacDonald, and Board of Selectmen Chairman Richard Blanchard and Member John Duval.*

*The Finance Committee Meeting was called to order at 6:30 p.m.*

### APPROVAL OF MINUTES

- September 22, 2015

*Motion made by Member Allen to approve the minutes from September 22, 2015*

*Second by Member Cowie*

*Abstention by Member Lefebvre*

*In favor were Vice Chairman Parrott, and Members Smigel, Cowie, Kleiner, Foster, Tomkowicz, Allen and Johnson*

*Motion passed*

### ASSESSING

**Town Administrator Mazzucco** gave an informational presentation on Assessing, and covered what the roles of the Board of Assessors and the Town Assessor are. The current Board of Assessors includes Donna MacDonald, Lorraine Kalisz and George Haddad.

#### *Assessed Properties*

There are different types of properties that are assessed, including *Residential, Open Space, Industrial, Commercial, and Personal Property*. Zoning is different than the market value of land.

In 1990 a large revaluation was undertaken, and residents are able to view their property record card online to see the online history but paper copies prior to that time may give more information. Currently data is coming in on building permits to assist with information gathering for the current revaluation. The "*Marshall & Swift*" catalogues are being used for the cost tables, and they are computerized and updated yearly.



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## ***The Abatement/Appeals/Overlay Process***

Abatements require a representative of the Assessors to visit the home, and it must be proven that there is something wrong with the assessment. Abatements are not accepted if the homeowner feels the taxes are too high without adequate confirmation, and retroactive abatements for incorrect value assessments are not available. It was noted that people are afraid to do maintenance on their houses because their taxes will go up, but upgrading windows and roofs are maintenance. Solar panels and tankless water heaters do not increase the value of the home.

If a property owner disagrees with the value given by the Assessors, it may be appealed to the *Appellate Tax Board*. An overlay is appropriated on a tax-free cap to pay for accounts, for abatements or exemptions. New homes, additions, and new construction are added to the tax base. The new growth factor is important to increasing the levy limit.

## ***Revaluation***

Revaluations are done in triennial, interim, and 10-year time spans. Interim is yearly, triennial is every 3 years. 2006 was the last time there was a big jump in value. At the 10-year revaluation, the Department of Revenue (DOR) requires a visit to every property. Bishop and Associates are doing the revaluation on behalf of the town as a second set of eyes and to help as there is not enough staff to do it in-house. It is expected to be completed in 1 year, for FY2017. The plan is to finish in the late spring and all adjustments are made in the same year. The 10-year revaluation must be done by June 30<sup>th</sup>, or it will go into the FY2018 tax rate.

## ***What makes up the Tax Base?***

The total value of all taxable property in Town makes up the tax base. Personal property includes business equipment and utilities. Cellular phones have a surcharge on individual bills.

## ***Levy Limit***

Once the levy ceiling is hit, at the levy limit, the Town requires a Proposition 2 ½ Override. The total tax base is \$480,000,000. The maximum limit is \$25 and when it is reached the Town would be done levying the taxes. Having new growth or putting the sewer rate outside of the tax rate would help. If the tax base increases, taxes lower. The Commonwealth of Massachusetts sets the levy limit.

The annual budget process starts in the Office of the Assessor. The tax rate is given by the State and the Board of Selectmen set the tax rate. The Assessor then determines the overlay. The process of setting the tax rate was reviewed.

## ***Tax Classification***

The state sets the rate but the Board of Selectmen decides what the shift will be. 1.75% is the maximum shift. There is a high residential rate and a substantial tax difference in the commercial rate. This year there was a projected \$.75 tax rate increase, but it will be less. The rate is set in the fall to close out all of the year end items to be audit-ready.



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## *Property Values and Tax Base*

In 2012 there was lost value in the tax base because property values were low and reflected in sales but values are going up slowly. There is a need for new homes and commercial businesses to increase the tax base, but Adams has very little available land. A substantial number of new homes are needed to build the tax base every year. A house on the market for a couple of years will have no impact on the assessed value unless it is vacant. A house that is listed for sale for less than the assessment must wait for the sale before changing the assessed value. There are challenges with purchasing properties at market value with environmental remediation necessary. The Town hopes to take down one blight building per year, but must build up the funds to do this.

Health insurance rates are late, and there is not enough information yet to set the health insurance rate.

## **ADJOURNMENT**

### *Adjournment by Finance Committee*


*Motion made by Member Johnson to adjourn the Finance Committee meeting*

*Second by Member Allen*

*Unanimous vote*

*Motion passed*

*Finance Committee meeting adjourned at 7:51 p.m.*

  
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Timothy Burdick, Chairman