



Town of Hadley
Select Board
Meeting Minutes
October 16, 2013

Meeting convened at 7:00 pm, Room 203, Hadley Town Hall

Present: Chair Daniel Dudkiewicz, Joyce Chunglo, Guilford Mooring, John Waskiewicz, Brian West

Absent:

Also in Attendance: David Nixon (Town Administrator); Peg Jekanowski, (Admin. Assistant); Richard Trueswell; Jonathan Buhl, Ken Best, (DRA Associates), Tom Kusek, John Edwards, Jo-Ann Konieczny, Caryn Perley, (Library Trustees), Jeff Mish, Ray Szala, Richard Grader, Daniel H. Zdonek Jr (Assessors)

7:05 pm Tax Classification Hearing: Dan Zdonek for the Assessors' Office presented the Fiscal Year 2015 Assessors Recommendations. (Attached to these minutes for review.) The Assessors recommend adopt a sing rate for all classes of property in Hadley, No Open Space Discount, no Residential Exemption, and no Small Commercial Exemption be granted for FY 2014. If we raise the maximum levy, the tax rate will be \$10.64. (It is now \$10.44.)

One change to the report is on page 8 of the attached report, changing the 2014 levy limit from \$9,718,789 to \$9,719,411.

Chair Dudkiewicz clarified that the vote taken tonight is on whether to have a single versus split tax rate, not to set the tax rate.

Motion to keep a single tax rate classification: Chunglo Second: Mooring Vote: 5-0-0.

Motion for no Open Space Discount, no Residential Exemption, and no Small Commercial Exemption be granted for FY2014: West Second: Mooring Vote: 5-0-0

New Business #1 Select Board Meeting Schedule

The Board discussed their upcoming meeting schedule. Mr. Nixon noted that VADAR budget is not available for budgeting until mid-November, but if they wanted to start budget discussion earlier excel could be utilized. Mr. Nixon asked the Select Board for direction on the budget, and how the Select Board wanted to move forward. It was agreed have budget discussions as an agenda item on November 6, 2013. It was unclear as to whether there is a triboard meeting on the 30th of October, and whether an excel spreadsheet could be used. It was agreed the Select Board will meet on November 6th and 20th, as well as December 4, 11 and 18th. January there will be Select Board meetings on January 8th and 22nd; other meetings will be scheduled at the December 18th meeting if warranted.

7:20 pm DRA presentation: Town Building Survey: Representatives from Drummond, Rooney and Associates presented their finding on 7 Town buildings. A summary of recommendations is attached to these minutes for review.

Discussion ensued regarding various ideas for existing buildings, and how to accommodate different departments. Mr. West stated that the Capital Committee has reviewed the report in depth and is formulating a plan. The Board would like to move forward with public forums designed to inform the public of the status of buildings, answer any questions, and get ideas.



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Old Business 1a: Strategic Planning: How to move forward (Passed over until future meeting.)

Old Business 1b: Municipal Performance Management Grant: Mr. Nixon applied for and was awarded a Municipal Performance Management Grant for the Town. This is designed to implement performance management principles to Town Departments, in this case the Fire Department and DPW. This will assist with setting goals and analyzing data to see how the departments are performing. There is a \$500.00 participation fee. ***Motion to participate in Performance Management Grant: West Second: Chunglo Vote: 5-0-0***

New Business #3: Notice of Conversion of 61A Land – Portion of Map 5G Lot 11:

The Board reviewed notification that the above mentioned land (6 acres) is being withdrawn from Chapter 61A: the Board has an option to exercise a right of first refusal and they have 120 days to exercise this right. Conservation Commission has no interest in acquiring the land. ***Motion to waive the right of first refusal and waive the 120 day waiting period: Waskiewicz Second: West Vote: 4-0-1 (Mooring recusing)***

Old Business #2: Special Town Meeting Warrant – Article 2 – Union Contracts:

Mr. Nixon reported that the Police Union Contract has been ratified. The amounts for Police the back pay is \$54,820.62, plus an additional amount to be calculated for Chief Hukowicz per his contract. Of the \$54,000, 23% is overtime. ***Motion to recommend Article 2 on the Special Town Meeting Warrant: Mooring Second: Chunglo Vote: 4-0-1 (Waskiewicz abstaining.)***

The Board revised their warrant assignments: Mr. Mooring will speak to Articles 9 and 10.

Mr. Dudkiewicz will take the Liquor License Article and Line of Sight Bylaw (after the Building Inspector.)

Old Business #4: Reserve Fund Transfer: The Board reviewed a Reserve Fund Transfer request for \$3,100.00 for a seasonal spike in electricity costs. This Reserve Fund Transfer was recommended by the Finance Committee. ***Motion to approve the Reserve Fund Transfer Request in the amount of \$3,100.00 for electricity costs: West Second: Chunglo Vote: 5-0-0***



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Announcements

Hopkins Academy 350th Committee Gala and Mural unveiling is Friday October 18th at Hopkins.

The North Hadley Sugar Shack Fall Festival begins Saturday October 19th at 11:00 AM with a tractor parade at 2:00 pm.

The Hopkins Boys Golf Team won their division, congratulations.

Executive Session:

9:45 pm: Move to Executive Session for the purpose of discussing:

- labor negotiations for police
- litigation

and not to reconvene in open session: *Motion: Mooring Second: Chunglo*

Chair Dudkiewicz stated “As Chair of the Hadley Select Board, I state that the Board has moved and seconded to enter into executive session, and I state that discussing the matter in open session will have an adverse effect on the Town of Hadley.

Roll Call Vote: Waskiewicz – Yes: Mooring – Yes: Dudkiewicz – Yes: Chunglo – Yes: West – yes

A discussion was held regarding litigation. A motion was made and seconded and vote taken.

Roll Call Vote: Waskiewicz – Yes: Mooring – Yes: Dudkiewicz – No: Chunglo - No: West – Yes

A discussion was held regarding Police Department Contract Negotiations. A motion was made and seconded and vote taken.

Roll Call Vote: Waskiewicz – Yes: Mooring – Yes: Dudkiewicz – Yes: Chunglo - Yes: West – No

Adjournment: At 10:01 a motion was made and seconded to adjourn meeting – Roll Call Vote:

Roll Call Vote: Waskiewicz – Yes: Mooring – Yes: Dudkiewicz – Yes: Chunglo – Yes: West – yes

Respectfully submitted,

Margaret J. Jekanowski
Administrative Assistant



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(Attachment 1 of 2 to 10/16/2013 minutes)

TOWN OF HADLEY

FISCAL YEAR 2014

CLASSIFICATION HEARING

OCTOBER 16, 2013

(1)

ASSESSORS RECOMMENDATIONS

I. ALLOCATION OF THE TAX LEVY

The Board of Assessors recommends that a factor of 1.0000 be adopted for FY2014. This will keep a single tax rate for all classes of property in Hadley.

Since 1995, there has been over \$114,000,000 in new commercial and industrial construction in Hadley. This new construction will pay over \$1,212,000 in property taxes in FY2014. A large portion of this amount comes from several companies that have relocated here from other towns. We feel that one of the factors that went into the decision to relocate in Hadley was our low tax rate. Each year, these businesses that relocate to Hadley will pay less in property taxes than if they had remained at their old location. If the tax rate was split, the tax savings would be reduced or eliminated entirely. While this may not prevent a future business from relocating to Hadley, we feel that a split rate will have a negative impact on new commercial construction and will cause a disproportionate increase in new residential construction.

II. SHIFT FROM OPEN SPACE TO RESIDENTIAL CLASS

The Board of Assessors recommends that no Open Space Discount be granted for FY2014

III. RESIDENTIAL EXEMPTION

The Board of Assessors recommends that no Residential Exemption be granted for FY2014.

IV. SMALL COMMERCIAL EXEMPTION

The Board of Assessors recommends that no Small Commercial Exemption be granted for FY2014.

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FISCAL YEAR 2014



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TAX RATE CLASSIFICATION HEARING

According to Massachusetts General Laws, each year the Select Board must vote whether to have a single tax rate or have multiple tax rates for each of the different classes of property. Last year, the Select Board adopted a single tax rate for all classes of property. After a public hearing, the Select Board must determine the following:

- I. The allocation of the tax levy (factoring) against the property classes for FY2014.*

- II. A tax burden shift from the open space class to the residential class.*

- III. The granting of a residential exemption of up to 20% of the average value of all owner occupied properties.*

- IV. The granting of a commercial exemption of up to 10% to certain small commercial properties.*



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I. ALLOCATION OF THE TAX LEVY

The law allows for communities to provide some relief to both the residential and open space classes of property by adding to the other classes an amount up to 50% of what they would pay if a single rate was adopted. If the maximum shift is adopted, each property in both the residential and open space classes would pay approximately 25% less in taxes for FY2014 while the other classes would pay 50% more in taxes than if a single tax rate is adopted.

Using a single tax rate of \$10.64, if the maximum shift of 50% is adopted, the tax rates would be as follows:

<i>PROPERTY CLASS</i>	<i>TAX RATE</i>
<i>RESIDENTIAL</i>	<i>\$ 7.85</i>
<i>OPEN SPACE</i>	<i>\$ 0.00</i>
<i>COMMERCIAL</i>	<i>\$15.96</i>
<i>INDUSTRIAL</i>	<i>\$15.96</i>
<i>PERSONAL PROPERTY</i>	<i>\$15.96</i>

For the average single family home whose assessed value is \$308,000, the taxes would drop 25% from \$3277.12 to \$2417.80 while a commercial property with the same assessed value would see an increase of 50% from \$3277.12 to \$4915.68.

The following chart shows what two properties, both assessed at \$308,000 would pay in taxes using four different tax rates.

RESIDENTIAL & OPEN SPACE CLASSES

<i>CI&P %</i>	<i>100%</i>	<i>110%</i>	<i>125%</i>	<i>150%</i>
<i>R & O TAX RATES</i>	<i>10.64</i>	<i>10.08</i>	<i>9.25</i>	<i>7.85</i>
<i>TAXES</i>	<i>3277.12</i>	<i>3104.64</i>	<i>2849.00</i>	<i>2417.80</i>

COMMERCIAL, INDUSTRIAL, & PERSONAL PROPERTY CLASSES

<i>CI&P %</i>	<i>100%</i>	<i>110%</i>	<i>125%</i>	<i>150%</i>
<i>CI&P TAX RATES</i>	<i>10.64</i>	<i>11.70</i>	<i>13.30</i>	<i>15.96</i>
<i>TAXES</i>	<i>3277.12</i>	<i>3603.60</i>	<i>4096.40</i>	<i>4915.68</i>



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The charts below show how actual taxpayers in Hadley would be effected by a 10% increase in the commercial industrial and personal property tax rates. Each chart is by property use and lists the total assessed value of each individual property. Each taxpayers name has been deleted and a letter has been substituted.

Commercial

Owner	Com. Value	Single Rate	110% Rate	Net Change
A	463,600	\$4932.70	\$5424.12	\$491.42
B	511,700	\$5444.49	\$5986.89	\$542.40
C	803,000	\$8543.92	\$9395.10	\$851.18
D	464,600	\$4943.34	\$5435.82	\$492.48
E	709,700	\$7551.21	\$8303.49	\$752.28

Residential

Owner	Res. Value	Single Rate	110% Rate	Net Change
F	300,900	\$3201.58	\$3033.07	(\$168.50)
G	405,100	\$4310.26	\$4083.41	(\$226.86)
H	278,800	\$2966.43	\$2810.30	(\$156.13)
I	307,100	\$3267.54	\$3095.57	(\$171.98)
J	280,400	\$2983.46	\$2826.43	(\$157.02)

This option is available to help prevent sudden shifts in the tax burden from the commercial, industrial & personal classes to the residential & open space classes. Over the last few years, the percentages of the tax levy paid by the CI&P classes have remained somewhat constant. The chart below shows the percentage of the tax levy paid by the R&O classes vs. the CI&P classes.

TAX YEAR	R&O CLASSES %	CI&P CLASSES %
FY14	65.6224	34.3776
FY13	65.8841	34.1159
FY12	66.0853	33.9147
FY11	66.5426	33.4574
FY10	64.6957	35.3043
FY09	65.2065	34.7935
FY08	65.7925	34.2075
FY07	66.7483	33.2517
FY06	66.1246	33.8754
FY05	64.9653	35.0347
FY04	63.8403	36.1597
FY03	63.8425	36.1575



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II. SHIFT FROM OPEN SPACE TO RESIDENTIAL CLASS

The law allows the town to provide tax relief to the open space class of properties by reducing the tax rate for that class by up to 25%. The amount that the open space class would be reduced by would be shifted to the residential class. If the maximum shift were adopted, the following tax rates would result:

<i>CLASS</i>	<i>TAX RATE</i>
<i>RESIDENTIAL</i>	<i>\$10.64</i>
<i>OPEN SPACE</i>	<i>\$ 0.00</i>
<i>COMMERCIAL</i>	<i>\$10.64</i>
<i>INDUSTRIAL</i>	<i>\$10.64</i>
<i>PERSONAL PROPERTY</i>	<i>\$10.64</i>

During the Fiscal Year 2002 Recertification, the Board of Assessors reclassified all properties that had been previously classified as open space and placed them into the residential, commercial, and industrial classes. There is currently no real property that the Board of Assessors has classified as open space in Hadley.



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III. RESIDENTIAL EXEMPTION

The Residential Exemption is a fixed dollar amount that is excluded from the valuation of each owner occupied residence for tax purposes. This option is adopted mostly in communities that have a large percentage of vacation rental properties or second homes, such as communities on the Cape. Of the total residential class of \$599,402,900 we estimate that 1600 properties would be eligible for the exemption. The largest possible exemption that may be granted is 20% of the average residential assessed value, resulting in a possible reduction of \$54,400 of assessed value per owner occupied property. (20% of \$272,000 - the average assessed value of all residential properties) Since the sum lost by granting this exemption must be made up within the Residential Class, the balance of the levy is raised by increasing the Residential Tax Rate.

The effect of this exemption is to shift some of the burden from lower valued owner occupied homes to higher valued owner occupied homes and non-owner occupied homes. Because of the increase in the tax rate, owner occupied residences valued above \$376,000 would pay more tax than would be the case if no such exemption were granted. In the case of a non owner occupied residence and vacant residential parcels, the tax would be approximately 20% higher.

The chart below shows what the tax rates would be if the Residential Exemption was granted.

<i>CLASS</i>	<i>TAX RATE</i>
<i>RESIDENTIAL</i>	<i>\$12.44</i>
<i>ALL OTHERS</i>	<i>\$10.64</i>

The chart below shows what the average house assessed at \$308,000 would pay in taxes if the full 20% exemption were to be adopted for both an owner occupied and non owner occupied properties.

	<i>No Exemption</i>	<i>20% Exemption</i>	<i>\$ Change</i>
<i>Owner Occupied</i>	<i>\$3,277.12</i>	<i>\$3,154.78</i>	<i>(122.32)</i>
<i>Non Owner Occupied</i>	<i>\$3,277.12</i>	<i>\$3,831.52</i>	<i>554.40</i>



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IV. SMALL COMMERCIAL EXEMPTION

The small commercial exemption is an option that the Select Board has where you can exempt up to 10% of the value of commercial parcels where the following conditions are met:

The business has an annual average employment of no more than ten people as certified by the Department of Employment and Training,

and

The valuation of the property must be less than one million dollars.

If the property has more than one business operating on it, each business must have less than ten employees or the property would not be granted the exemption.

If this exemption is adopted, it would shift the tax dollars that the small business would be exempted from paying onto the remaining larger businesses.

There are 43 commercial properties in Hadley that meet both qualifications. The total exempted value amount is about \$1,931,640 This amount would have to be made up by the rest of the commercial and industrial classes, which would cause the commercial and industrial tax rates to increase to \$10.71. The chart below illustrates what both an eligible and non-eligible property valued at \$650,000 would pay with the exemption and without the exemption.

	<i>Without Exemption</i>	<i>With Exemption</i>
<i>ELIGIBLE</i>	\$6,916.00	\$6,265.35
<i>NON-ELIGIBLE</i>	\$6,916.00	\$6,961.50



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DEFINITION OF TERMS

1. Residential Properties

A. Owner occupied & primary residence of the taxpayer.

B. Non owner occupied, including rental single family, multi-family, and apartment buildings.

C. Vacant residentially zoned land.

FY2014 VALUE IS \$599,402,900

2. Open Space

Land that is not otherwise classified, is in its natural condition, and is not held for the production of income. The Open Space classification is not the same as vacant land.

FY2014 VALUE IS \$ 0

3. Commercial Properties

Includes stores, office buildings, and all land classified under Chapters 61, 61A, & 61B.

FY2014 VALUE IS \$272,033,500

4. Industrial Properties

Includes those properties on which manufacturing takes place, and properties of utility companies.

FY2014 VALUE IS \$24,671,300

5. Personal Property

Includes the equipment of unincorporated businesses, professional offices, and utility companies.

FY2014 VALUE IS \$17,304,572

6. Residential Exemption

A fixed dollar amount excluded from the valuation of each owner occupied property for tax purposes.

7. Minimum Residential Factor (MRF):

The minimum allowable percentage of the tax levy that the Residential and Open Space Classes may bear when shifting the maximum amount allowed to the other Classes.

THE FY2014 MRF IS 73.8065%

8. Levy

The amount that may be raised by each Class or all Classes of property through taxation.

*THE FY2014 LEVY LIMIT IS \$9,718,789 **(Changed at hearing to \$9,719,411.00)***



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(Attachment 2 of 2 to 10/16/2013 minutes)

FACILITY PLAN FOR TOWN BUILDINGS

Town of Hadley, Massachusetts

Cost Summary with Recommended Approaches (underlined).

Town Hall Functions

- Relocate to Russell School \$5,490,168

This is the most expensive of the options explored due to the extensive work required in the school. All Town functions can reside within the building but parking is extremely limited. The current historic Town Hall would need to be sold.

- New Building on new site \$4,973,185 plus site purchase.

As a new building the facility could meet the town's needs in an attractive energy efficient and handicapped accessible single story building. Parking can be designed to meet the building's needs. Program changes can be easily accommodated prior to the time of construction.

- Alterations to Town Hall \$1,443,571

Although some spaces will need to be relocated to the Senior Center (cost not included) this is a cost effective solution to meet the town functions. It includes all the repairs listed below plus the re-working of spaces to better meet the program needs.

- No Change; repair existing Town Hall \$1,219,806

Although the building generally appears to be in good condition there are many items that are necessary to bring it to an acceptable standard for long term continued use as the Town Hall. This approach does not address and program changes

Library Functions

- Add stair/Elevator Addition plus interior modifications. \$2,038,115

This approach will preserve the building as the library bringing it up to code and accessibility standards and provide much needed space on the second floor. It does not include exterior repairs,

- No Change; repair existing Library. \$892,921

This is corrective work for the building but will not address accessibility and exiting for the basement and second floor.



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Senior Center Functions:

- Re-organize Building. (Option #1) \$4,743,995

This approach includes the renovation to repair the existing building plus the re-organization of space to develop a more cohesive Senior Center layout. In selecting this option we suggest that the repair work be prioritized to reduce the overall cost of the work.

- Re-organize Building and Add Park & Rec. Addition for Park & Rec. (Option#2) \$6,739,876

This approach is similar to Option #1 but with the added benefit of introducing Park and Recreation to the building thereby making it a much more active building for all generations.

- No Change; repair existing Senior Center. \$2,717,225

This work will provide the necessary repairs to the building but not address any of the program needs and challenges

Park & Recreation Functions:

- No Change; repair existing North Hadley Village Hall. \$2,128,478

This approach will resolve the deterioration of the building and bring the building up to accessibility codes. It provides no program changes. These repairs only cover the Park and Recreation portion of the building (pro rata).

- Relocate to Senior Center \$2,105,396

Unlike those option listed for the Senior Center this approach would only address the addition required by Park and Recreation and the creation of spaces within the building for its use. This option would also include a new fire station and the sale of the North Hadley Village Hall (see below).

- Sell North Hadley Village Hall

North Hadley Fire House:

- No Change; repair existing North Hadley Village Hall (also see above) \$933,849

This approach will resolve the deterioration of the building and bring the building up to accessibility codes. It provides no program changes. These repairs only cover the Fire Station portion of the building (pro rata).

- New Building on new site. \$2,894,715 plus site purchase.

This option would also require the relocation of Park and Recreation to the Senior Center and the sale of the North Hadley Village Hall (see above).

If Park and Recreation remained in the building the area occupied by the Fire Station would enable the storage at the school to be returned to this building.



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Summary of options for Senior Center and North Hadley Village Hall (Park and Rec/Fire Station)

A. Vacate and sell N. Hadley Village Hall; Park and Rec to Senior Center; New Fire Station. Senior Center Renovations. \$9,634,591 less sale of building plus purchase of land for Fire Station.

Although higher in cost than option C below it reduces the Town's inventory of older buildings and provides upgraded facilities for these three functions.

B. Park and Rec to expand into entire N. Hadley Village Hall; New Fire Station; Senior Center Renovations. \$10,701,037.

C. Park and Rec, and Fire Station to remain at N. Hadley Village Hall. Senior Center Renovations. \$7,806,322

Public Safety: These are phased items that can be spread over a number of years.

- No Change; repair existing Public Safety Building. \$1,190,888
- Phase #1 Add storage area at Police Offices (2nd Floor) \$106,001
- Phase #2 Add new Fire Department Bay with second floor space. \$1,357,321
- Phase #3 Add Dorm Room Addition \$1,152,437

Russell School:

- No Change; repair existing Russell School. \$5,908,166

Extensive repairs are required to bring this building to a reasonable standard.

- Town Hall (see Town Hall above)
- Sell Building



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DPW/Highway Garage;

- No Change; repair Highway Garage and Enclose Pole Barn. Add New Office Building. \$3,124,468
- Option #1: Demolish existing Highway Garage, and Fuel Pumps and construct New Building and Fuel Pumps. Enclose pole Barn. \$11,071,676
The most expensive option but with the cleanest solution to meet the town's needs, yet it still relies on the use of the pole barn.
- Option #2: Demolish Pole Barn and construct New Highway Garage in its location. New Office Building. Modify existing Highway Garage to store vehicles only. \$8,076,779
This appears to be the best approach as provides equivalent space as option #1 but with the pole barn eliminated and an equivalent area provided in the garage spaces.
- Option #3: Construct New Highway Garage on New Site (building similar to Option #2). Construct new office building on New Site. Repair existing Highway Garage. Enclose Pole Barn.