

**Wayland Board of Assessors
Town Building- Assessor's Office
41 Cochituate Rd Wayland MA 01778
Friday, November 17, 2017**

Attendees: Chair- S. Rufo, Vice Chair- J. Brodie, S. Glovsky, Z. Ventress, Director of Assessing E. Brideau, Assistant Assessor D. Clarke, Administrative Assessor J. Marchant and Department Assistant S. Ramgoolam

Meeting called to order

S. Rufo called the meeting to order at 8:37am.

FY18 Classification Hearing -BOA review of Draft Classification Hearing Documentation

Director Brideau handed out copies of the Tax Classification Hearing packet. She reviewed the document with the board highlighting this year's statistics. The board made edits as needed. The board will present the information to the BOS at their meeting Monday night November 20th.

Z. Ventress left the meeting at this time.

Collins Center – Update

S. Rufo said it was Mike Ward and Rick Kingsley from the Collins Center who presented to the BOS. S. Rufo sent them information regarding the Assessors overlay policy. The emails were distributed to the board for review. She highlighted Rick's recommendation to work as a team to communicate with the selectman and town finance officers regarding impending votes about overlay surplus. She spoke to Dave Watkins from FinCom about what they would recommend or suggest to the BOA. There was a meeting scheduled with the Collins Center for this passed Wednesday that was cancelled so the BOA is unsure of any further updates.

Topics not reasonably anticipated by the Chair 48 hours in advance of Meeting, if any

None

Thoughts and Concerns from BOA members

J. Brodie mentioned warrant article 7 which changed the deadline for Circuit Breaker. He wants to make sure the Assessors and the COA work together to inform as many residents as possible who could be affected. He suggested not only sending applications to last year's recipients, but to residents who have received the Circuit Breaker in the last three years and include an informational letter.

Director Brideau said the by-law change has to be approved by the Attorney General first, and she is researching that to confirm it will go through in time to take effect for calendar year 2018.

Public Comment

None

Next Meeting:

November 20th

Meeting Adjourned

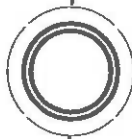
J. Brodie moved to adjourn at 9:33am. S. Glovsky seconded. All in favor

Respectfully submitted, Jessica Marchant

Items in bold include agenda items as posted, motions and votes.



Town of Wayland Fiscal Year 2018 Tax Classification Hearing



BOARD OF SELECTMEN
NOVEMBER 20TH 2017

PREPARED BY:

BOARD OF ASSESSORS
SUSAN RUHD, CHAIR
JAYSON BRIDIE, VICE CHAIR
ZACHARIAH VENTRESS
STEVEN GLOVSKY

ELLEN BRIDEAU, MAA
DIRECTOR OF ASSESSING

Purpose of this Hearing

2

- To adopt the Town's Tax Policy by allocating or classifying the tax levy among the property types

Action Required by Board of Selectmen

3

- The Board of Selectmen will vote tonight on how to adopt the Tax Rate Policy;
 - As a single or uniform tax rate
 - As a multiple or split tax rate
 - To implement a Small Commercial Exemption
 - To implement a Residential Exemption

Property Assessment Review

4

- Fiscal Year 2018 was an Interim Adjustment Year for the Assessing Department with the Department of Revenue certifying assessed values on November 9th, 2017
- The average residential single family assessment rose from \$690,700 to \$715,800, an increase of 3.65% from the Fiscal Year 2017 assessments.
- This increase was based on the prices of homes sold in 2016.

Property Assessment Review (continued)

5

- Commercial, Industrial and Personal Property (CIP) values have not increased at the same rate.
- The average commercial assessment increased from \$ 1,010,700 to \$1,002,100; a decrease of .009%.
- Personal Property total valuation increased by .029%.

Property Assessment Review (continued)

6

- Due to Residential values rising more than Commercial, Industrial and Personal Property, Fiscal Year 2018 values shifted to Residential by .12% from Fiscal Year 2017

	Residential	CIP
Fiscal Year 2017	94.96%	5.04%
Fiscal Year 2018	95.08%	4.92%
Shift	0.12%	-0.12%

Property Assessment Review (continued)

7

Assessment Date:	January 1, 2016	January 1, 2017							
Property Class	FY 17 Valuation	FY 18 Valuation	\$ Change FY17 to FY18	% Change FY17 to FY18	FY18 % Share	FY17 % Share	FY08 % Share		
Class 1 - Residential	3,282,868,662	3,430,086,890	147,218,228	0.0448	95.08%	94.96%	95.34%		
Class 2 - Open Space	0	0			0.00%	0.00%	0.00%		
R/O Subtotal	3,282,868,662	3,430,086,890	147,218,228	0.0448	95.08%	94.96%	95.34%		
Class 3 - Commercial	125,833,138	127,493,310	1,660,172	0.01319	3.53%	3.64%	3.06%		
Class 4 - Industrial	4,275,000	4,383,900	108,900	0.02547	0.12%	0.12%	0.91%		
Class 5 - Personal Property	44,162,100	45,420,000	1,257,900	0.02962	1.26%	1.28%	0.66%		
C/I/P Subtotal	174,270,238	177,347,210	3,076,972	0.01766	4.92%	5.02%	1.66%		
Total Taxable Assessed Value	3,457,138,900	3,607,434,100	150,295,200	0.04347					
Class 9 - Exempt	288,728,600	297,992,500	9,263,900	0.03209					

Classification Percentages

8



- Residential (RES)
- Commercial (CIP)
- Industrial (CIP)
- Personal Property (CIP)

Class	Value	Percentage by Property Type	Total Percentage by Property Class
Residential (RES)	3,439,086,890	95.0838%	95.08% (RES)
Open Space	0	0.00%	
Commercial (CIP)	127,493,310	3.5342%	
Industrial (CIP)	4,683,900	0.1215%	4.92% (CIP)
Personal Property (CIP)	45,470,000	1.2605%	
Total	3,607,434,100	100.00%	100.0000%

New Growth

9

- New Growth is defined by the DOR as a dollar increase in the annual levy limit that reflects additions to the community's tax base since the last fiscal year.
- New Growth was certified on November 9th, 2017 at \$ 38,271,437 in Assessed Value, or \$ 694,244 in Tax Levy Growth

How the Tax Rate is Calculated

10

FY2017 Tax Rate was \$18.14

FY 2018 Property Tax Levy

\$65,042,037

FY 2018 Town Taxable Valuation

\$3,607,434,100

= 0.01803

\$18.03 per thousand dollars of assessed value

FY2018 Tax Rate is \$18.03

Classification Alternatives

11

- The options presented for consideration are:
 - Selection of a Minimum Residential Factor
 - Granting of a Residential and/or Small Commercial Exemption

Selection of Minimum Residential Factor

12

- A residential factor of 1 will result in the taxation of all property at the same rate (single tax rate)
- A residential factor of less than 1 increases the share of the levy raised by commercial, industrial and personal property (CIP) owners and reduces the share paid by residential property owners (split tax rate)
- Since 95.0838% of Wayland tax revenue comes from Residential, a slight reduction for the residential properties would put a large increase on CIP properties
- The minimum residential factor for the Town of Wayland for Fiscal Year 2018 is 97.4148%, as defined by the Department of Revenue

SOURCE: MA DOR - LA7 -- Exhibit A: Minimum Residential Factor

Potential Impact of Shifting the Residential Factor

CIP SHIFT	Residential Factor	Residential Share Percentage	CIP Share Percentage	Residential Tax Rate per Thousand	CIP Tax Rate Per Thousand
1.00	100.0000	95.0838	4.9162	18.03	18.03
1.10	99.4830	94.5922	5.4078	17.94	19.83
1.20	98.9659	94.1006	5.8993	17.84	21.64
1.30	98.4489	93.6090	6.3910	17.75	23.44
1.40	97.9319	93.1174	6.8826	17.66	25.24
1.50	97.4148	92.6258	7.3743	17.56	27.05

Please see Exhibit B What if... Scenario Worksheet for shift options in 1% increments.

SOURCE: Exhibit B = MA DOR – SCENARIO WORKSHEETS

Fiscal Year 2018 Residential Tax Rate Options

CIP Shift	CIP Tax Rate	Res Factor	Residential Tax Rate	Example Single Family Assessment \$400,000	Median Single Family Assessment \$626,700	Average Single Family Assessment \$715,800	Example Single Family Assessment \$1,500,000
1	18.03	100	18.03	\$7,212.00	\$11,299.40	\$12,905.87	\$27,045.00
1.1	19.83	99.48	17.94	\$7,176.00	\$11,243.00	\$12,841.45	\$26,940.00
	1.80	\$Diff	-0.09	-36.00	-56.40	-64.42	-135.00
1.2	21.64	98.97	17.84	\$7,136.00	\$11,188.33	\$12,769.87	\$26,760.00
	3.61	\$Diff	-0.19	-76.00	-119.07	-136.00	-285.00
1.3	23.44	98.44	17.75	\$7,100.00	\$11,123.93	\$12,705.45	\$26,625.00
	5.41	\$Diff	-0.28	-112.00	-175.48	-201.42	-420.00
1.4	25.24	97.93	17.66	\$7,064.00	\$11,067.52	\$12,641.03	\$26,490.00
	7.21	\$Diff	-0.37	-148.00	-291.88	-264.85	-555.00
1.5	27.05	97.42	17.56	\$7,024.00	\$11,004.85	\$12,569.15	\$26,340.00
	9.02	\$Diff	-0.47	-188.00	-294.55	-336.43	-705.00

Fiscal Year 2018 CIP Tax Rate Options

CIP Shift	Residential Tax Rate	CIP Tax Rate	Median Commercial Assessment	Example Commercial Assessment	Average Commercial Assessment	Example Commercial Assessment
1	\$ 18.03	\$18.03	\$516,300	\$600,000	\$1,018,100	\$1,500,000
1.1	\$ 17.94	\$19.83	\$9,308.89	\$10,818.00	\$18,356.34	\$27,045.00
\$ Difference	\$ (0.09)	\$ 1.80	\$ 929.34	\$ 1,080.00	\$ 1,832.58	\$ 2,700.00
1.2	\$ 17.84	\$21.64	\$ 11,172.78	\$ 12,984.00	\$ 22,031.68	\$ 32,460.00
\$ Difference	\$ (0.19)	\$ 3.61	\$ 1,864.84	\$ 2,166.00	\$ 3,675.44	\$ 5,415.00
1.3	\$ 17.75	\$23.41	\$ 12,102.87	\$ 14,064.00	\$ 23,864.26	\$ 35,160.00
\$ Difference	\$ (0.28)	\$ 5.41	\$ 2,798.18	\$ 3,246.00	\$ 5,507.92	\$ 8,115.00
1.4	\$ 17.66	\$25.24	\$ 13,031.41	\$ 15,144.00	\$ 25,096.84	\$ 37,866.00
\$ Difference	\$ (0.37)	\$ 7.21	\$ 3,722.52	\$ 4,326.00	\$ 7,340.50	\$ 10,815.00
1.5	\$ 17.56	\$27.95	\$ 13,965.92	\$ 16,230.00	\$ 27,539.61	\$ 40,575.00
\$ Difference	\$ (0.47)	\$ 9.02	\$ 4,657.03	\$ 5,412.00	\$ 9,183.26	\$ 13,630.00

Selection of Open Space Discount

17

- There are no parcels in Wayland currently classified as open space
- Open Space is defined in Massachusetts General Law as:
MGL Chapter 59 Sec 2A(b) "Class two, open-space" Land which is not otherwise classified and which in not taxable under the provisions of chapters sixty-one, sixty-one A or sixty-one B, or taxable under a permanent conservation restriction, and land not held for the production of income but is maintained in an open or natural condition, which contributes significantly to the benefit and enjoyment of the public"
- In Wayland, thirty nine (39) parcels participate in the Chapter Land Program under MGL Chapters 61, 61A and 61B which results in more savings than if they were designated as Open Space
- Under the Chapter Land program the discount ranges from 75% to 98%
- The open space discount has a maximum discount of 25%

Granting a Residential Exemption

18

- The Residential Exemption is a local option authorized by M.G.L. Ch. 59, s.5C, which allows a community to shift the tax burden away from certain lower valued, residential properties to higher valued homes, most apartment buildings and to second home owners.
- The Board of Selectmen may adopt a maximum residential exemption of 20%
- It would apply to owner occupied residential properties
- “Exemption” is a misnomer because it is actually a tax shift among residential properties (upper portion have higher tax bill, lower portion have lesser tax bill)

Granting a Small Commercial Exemption

20

- The Board of Selectmen may adopt a small commercial exemption
- This exemption is for commercial parcels (property class three) occupied by businesses with an average annual employment of not more than ten people during the previous calendar year and with assessed values of less than one million dollars
- The intent of the exemption is to give a tax reduction to small commercial property owners at the expense of the larger commercial and industrial parcels.
- Selectmen can choose an exemption that reduces the taxable valuation of each eligible parcel by a percentage of up to 10%

Brideau, Ellen

From: Susan Rufo <srufo@comcast.net>
Sent: Monday, November 13, 2017 5:00 PM
To: Frederick E Kingsley; Brideau, Ellen
Cc: Michael Ward
Subject: Re: Wayland Overlay Review Process and Documents

Hi Rick,

Thank you for your email and comments, I will let the Board and assessing staff know of your positive feedback and your suggestion.

I don't anticipate that the BoA will be experiencing the large overlay surplus releases going forward. At the last BoA meeting, the board voted to set the FY18 Overlay at \$350,000 after going through the analysis reflected on the spreadsheets, and tentatively set the FY19 Overlay at \$500,000, as it is a Re-certification year.

Afterwards, in addition to a memo being sent I also personally called the FinCom Chair and our Board of Selectmen liaison, notifying them of the BoA's action. As volunteers, I know board and committee members are often inundated with emails and sometimes it is a daunting task to read through them all in a timely fashion, especially for those working full time. A phone call sometimes offers the ability to answer any questions more expeditiously.

We've also been sending our upcoming Agendas and copies of our approved minutes to both the FinCom and the BoS to keep the information fluid of the BoA's actions and discussion points. I totally agree with you that regular communication is extremely helpful and productive.

Please let me know if you have any other questions or concerns related to the Board of Assessors.

Many thanks ~ Susan

On November 13, 2017 at 11:40 AM Frederick E Kingsley <Frederick.Kingsley@umb.edu> wrote:

Hi Susan and Ellen.

Thanks for sending us the Wayland Board of Assessors' policies on the determination of overlay for budget purposes, the setting of the tax rate and declaration of overlay surplus. After reviewing the documents, the Board and assessing staff are to be commended for their systematic approach to monitoring and tracking overlay needs and balances. Having this information readily available, and sharing it periodically with other town financial officers, is an important component of sound, integrated financial management.

One minor suggestion I have is to emphasize a team approach to town finances around the overlay and overlay surplus. This might be accomplished by amending the overlay policy where it states that the Assessors will review overlay surplus twice a year at times determined by the Board. Here it might be useful to add or re-emphasize the Board's commitment to regular communication with Selectmen and town finance officers around impending votes to declare overlay surplus.

Thanks,
Rick

Frederick Kingsley, Associate
Edward J. Collins, Jr. Center for Public Management
University of Massachusetts Boston
100 Morrissey Blvd
Boston, MA 02125
508-493-1877 (cell)
Frederick.kingsley@umb.edu

From: Michael Ward
Sent: Monday, November 13, 2017 9:28 AM
To: Susan Rufo; Brideau, Ellen
Cc: Frederick E Kingsley
Subject: Re: Wayland Overlay Review Process and Documents

Susan and Ellen,

Thank you for providing these to us. I'm CCing Rick on this email, so he can provide some feedback on them.

Please let us know if you have further comments, ideas, or questions.

Thanks,
Mike

From: Susan Rufo <srufo@comcast.net>
Sent: Monday, November 6, 2017 5:27 PM
To: Michael Ward
Cc: Brideau, Ellen
Subject: Wayland Overlay Review Process and Documents

Hi Michael,

I apologize for the delay in sending you this information, but I wanted to be sure that you had it in preparation for your meeting with Town of Wayland officials next week.

Attached are the documents that the Wayland Board of Assessors currently uses in addressing the Overlay and Overlay Surplus.

The first document is the Overlay- Policy that the Board of Assessor approved and uses for Overlay Planning, Tax Recap, and Surplus. This policy was approved by the board on April 24, 2012.

The second document is labeled Steps to Determine FY' 18 Overlay Forecast. This is a

spreadsheet that was developed by longtime board member and current Vice-Chair Jayson Brodie. In trying to arrive at an Overlay number, there was no written format by the DoR that offered Assessors a template to review the Overlay. Jayson spent a great deal of time creating this document which helps the board categorize the different components reflected in the Overlay.

The third document provides the Board of Assessors a concise review of past years Overlay balances and exposures, this spreadsheet is labeled Review of Overlay Surplus. This working document was also developed by Jayson.

Given the recent IGR No. 17-23, released by the Division of Local Services in August 2017, the above referenced spreadsheets are being amended to reflect the new five year review period as opposed to the prior three year period.

I believe the trigger that initiated Overlay concerns related to the Board of Assessor's handling of the Overlay stemmed from a major release of Overlay Surplus that occurred in May of this year. Two major ATB cases that had been pending for some time were resolved within the same week. The Telecommunications settlement negotiated with the assistance of the DoR addressed outstanding ATB cases throughout the state that spanned many years. That case was resolved with a sum settlement that resulted in no interest being paid for those years of dispute. The second ATB case involved the Town Center, the largest commercial parcel in town, that was withdrawn by the appellants. Combined the exposure reflected a substantial Overlay Surplus that the Board of Assessor's felt obligated to release as set forth in DoR guidelines. Although the timing of the release of the Overlay Surplus was not anticipated, the combination of events that brought these two ATB cases to resolution would be a unique one time occurrence.

I look forward to any feedback that you might have related to the Wayland Board of Assessors' handling of the Overlay. Please let me know if you have any further questions.

Many thanks,
Susan Rufo
Chair of the Board of Assessors
Town of Wayland

POLICY-OVERLAY

The Board of Assessors adopts the following in addressing issues related to the Overlay. The Board of Assessors shall utilize the then current MVA Department of Revenue guide in determining the applicable Overlay amount

Overlay	Purpose	When	Basis of data	Frequency
Overlay-planning	Estimate used in planning following fiscal year's budget	On or about September 15 th	Most recent fiscal year's ending data	Once a year
Overlay-Tax Recap	Current fiscal year's tax rate Recapitulation Sheet	On or about October 15 th	Most recent fiscal year's ending data	Once a year
Overlay-Surplus	Determine amount of any Excess Overlay to be transferred to Overlay Surplus	As determined by BoA	Most current data available	Twice a year

APPROVED: 4/24/12

WORKING PAPER -

STEPS TO DETERMINE OVERLAY SURPLUS

line #		FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total Acct Balance
	Initial Allowance for Overlay	1,039,311	1,106,754	1,676,988	1,206,447	973,215	614,727	949,529	524,282.37	620,322.00	8,711,574.71
	Recap of Overlay Surplus Released by BOA Vote since 12/11	379,775	766,992	1,412,474	896,663	693,000	300,000	400,000	225,680		5,074,584.63
1.	Overlay balance as of October 1, 2017 (note 1)	1,618.01	2,129.08	3,282.94	13,251.84	65,862.84	88,123.00	182,911.42	190,335.58	448,031.49	995,546.20
2.	Property tax receivables as of October 1, 2017 (notes 2 & 3)							6,076.15	6,676.99	146,440.90	159,194.04
3.	Potential Abatements										
4.	ATB (note 4)	-			9,100.00	28,800.00	30,000.00	68,600.00	36,600.00	24,000.00	197,100.00
5.	Uncollectable taxes (note 5)	1,618.01	2,129.08	3,282.94	4,151.84	3,645.14	2,111.18	2,198.97	3,048.73	17,857.09	40,042.98
7.	subtotal/potential abatements	1,618.01	2,129.08	3,282.94	13,251.84	32,445.14	32,111.18	70,798.97	39,648.73	41,857.09	237,142.98
8.	Potential surplus/deficit (notes 6)										
	Surplus voted by Assessors					33,417.70	56,011.82	106,036.30	144,009.86	259,733.50	599,209.18
9.	Potential surplus/deficit after vote										

notes:

1. verify agreement between accounting office records and assessor's records.
2. excluding real property taxes secured by tax title.
3. request data from Collector and verification that records agree with accounting office.
4. assume greatest difference between applicable assessment and taxpayer's estimated value noted on abatement form or for ATB or other documentation
5. review with Collector
6. line 1 minus line 2 minus line 7
7. Circuit Breaker applications are processed through 12/31
8. Historical records show that overlay deficit funds had to be raised on the tax recaps of FY 07 (\$399,674) & FY 08 (\$15,029)

Overlay Forecast (/ /)

WORKING PAPERS

STEPS TO DETERMINE FY18 OVERLAY FORECAST

Line #	\$ in FY 13	\$ in FY 14	\$ in FY 15	\$ in FY 16	\$ in FY 17	average of FY13-FY17 to date	FY18 Overlay forecast (see note 10)	FY19 Overlay Preliminary Forecast
Initial Allowance for Overlay	973,215	614,727	949,526	524,282	524,282	717,207		
1. Abatements								
2. Abatements-granted	33,376	34,742	62,177	52,114	37,016	47,884		
3. Total Abatement-A-TB Initial Liability (note 1)	36,500	245,000	312,600	33,200	24,000	130,260	150,000	
3a. Abatement-A-TB Initial liability (w/o Telecom)	15,000	223,000	273,800	32,400	23,000	113,400		
3b. Abatement-A-TB Initial liability (Telecom only)	21,500	22,000	38,800	800	800	16,820		
4. Abatement-other liability (note 2)								
Real Estate Receivable as of 06/30/2017			6,076	6,677	474,736			
Personal Property Receivable as of 06/30/2017	3,845	2,111	2,199	3,049	18,875			
4. Abatement-other liability (note 2)	3,645	2,111	8,276	9,726	491,611	162,674	50,000	
5. Abatement-other (note 3)								
subtotal-abatements	73,521	281,854	403,052	65,037	552,627	281,218		
7. Exemptions-statutory	55,910	57,789	63,038	53,045	45,672	55,207	55,000	
8. Exemptions-CB	117,266	133,815	121,183	128,191	98,653	119,882	130,000	
8a. number of CB applications (notes 4 & 9)	127	141	123	123	93	121		
8b. Exemptions-Valer Act	n/a	n/a	n/a	2,099	3,000	2,550		
9. Exemptions-Valer Act	173,276	191,584	184,221	183,935	147,618	171,925		
10. Certain taxes (note 5)	0	0	0	0	0	0		
11. Interest on abatements refunded to taxpayers (note 6)								
12. Preliminary FY18 OVERLAY Forecast (note 7)						405,258		
13. Tax Rate Rounding (not to exceed) (note 8)							600,000	
14. Final FY18 OVERLAY Forecast								

notes:

- assume greatest difference between applicable assessment and taxpayer's estimated value noted on abatement form or for ATB or other documentation
- "uncollected taxes" (real and personal property) excluding those secured by tax liens as of June 30th of the Fiscal Year
- any significant factors known to the Assessor (i.e. assessments scheduled for Certification)
- Property Owners can apply for CB match until 12/31
- Certain taxes that are budgeted elsewhere.
- Effective FY18
- Line 6 plus line 9 - voted on 11/7/16
- include sufficient funds to allow rounding of tax rate (per \$1,000) to next whole penny
- This requirement driven by DOR software used in "recap" preparation.
- FY18 CB data as of September 2017
- Forecast for FY18 budgeting purposes only

WORKING PAPERS