

**Norwell Board of Selectmen
Meeting Minutes
December 4, 2013**

Meeting open at 7:00

Motion made by David DeCoste, seconded by Gregg McBride to go into executive session for the purpose of discussing pending litigation with the Assessors, returning to open session immediately following. Having this discussion in open session would be detrimental to the town's bargaining position. Mrs. Allen - yes, Mr. DeCoste - yes, Mr. McBride - Yes, Mrs. Garner - yes.

Open 7:30

Present Ellen Allen, David DeCoste, Gregg McBride, Tammie Garner

Pledge of Allegiance

CITIZENS COMMENTS – None

MOTION: Mr. DeCoste was made to appoint Frank White to the Library/Town Hall Study Committee with a term ending 6/30/14. Seconded by Mrs. Garner and unanimously voted.

MOTION: Mr. DeCoste was made to appoint Mary Cole to the Library/Town Hall Study Committee with a term ending 6/30/14. Seconded by Mrs. Garner and unanimously voted.

OLD BUSINESS

Item 1. Revised Committee Application – Has been before the Board before, Mrs. Allen added a separate email account for the applications and removed names of inactive committees from the list. *Motion Mr. DeCoste, second Mr. McBride to approve the new committee application as appearing in the packets. Unanimous.*

Item 2. Letter of Support for HB2516 re: Deeds Excise Tax – Letter of support for deeds excise tax letter, previously before the Board, House Bill 2516. Mrs. Allen explained that the deeds excise money does not remain with the county and that the state takes nearly 90% of the funds. *Motion Mr. DeCoste, second Mr. McBride to send the letter in support of House Bill 2516. Unanimous.*

Item 3. Simon Hill Letter – Mrs. Garner did an amendment to the previously discussed letter. Not a substantial difference. Adds a paragraph emphasizing public safety. Mr. McBride says time to send the letter, Mr. DeCoste agrees. *Motion Mr. DeCoste, Second Mr. McBride to approve the letter to the Governor on 40B and authorize the Chair to sign on behalf of the Board. Unanimous.*

UPCOMING MEETINGS:

December meeting schedule. Regular meetings December 11th and December 18th. No meeting Christmas week. Board will meet Monday, December 30th not January 1, 2014.

7:45 Public Hearing – Classification Hearing

In accordance with Ch. 40, S. 56 as amended by Ch. 369 of the Acts of 1982 and Ch. 79 of the Acts of 1983, of the Mass. General Laws, The Norwell Board of Selectmen will conduct a Public Hearing on Wednesday, December 4, 2013 at 7:45 PM at the Norwell Town Hall, Osborn Room, 345 Main Street. The purpose of the Hearing will be to discuss the issue of allocating the local property tax levy among the property classes for Fiscal 2014.

All comments written or oral, will be welcomed. Written comments can be addressed to the Board of Selectmen.

Appeared in the Patriot Ledger November 16, 2013.

Public Hearing. *Motion Mr. DeCoste, second Mr. McBride to open the public hearing on tax classification. Unanimous.*

Public Hearing. Susan Kirby from the Board of Assessors presented the information on the tax classification for FY14. (See attached). Explained that a small shift from residential to business will provide little relief to residents but would significantly increase business taxes. Therefore, the Assessors do not recommend a split rate. Recommend a single tax rate. Average increase will be about 3%. Home sales are up and values are up.

Mrs. Garner asked about other nearby towns. Only Hanover has a split tax rate. 1%

Motion by Mr. DeCoste, second by Mr. McBride to adopt a single rate for all tax classifications for fiscal year 2014. Unanimous.

Motion to close public hearing by Mr. DeCoste, second by Mr. McBride. Unanimous.

Senator Hedlund and Representative Nyman are running late.

ANNOUNCEMENTS:

1. Fire department recognition for fire fighters for rescue in Wompatuck state park. Congratulations. Captains Simpson and McMahon and Firefighters Kean, Milne, Doucette, Jacobson, Merritt, Smith, Chaisson and Ford.
2. CPC applications for the upcoming Town Meeting are due January 7, 2014. Applications are available on the Town Web Site.
3. The Police Department has received a \$5,000 grant from the Edwin Phillips Foundation to be used for families who have a child or adult with cognitive difficulties for a Lo-Jack Safety net.

NEW BUSINESS

Representative Nyman and Hedlund joined the meeting. Mrs. Allen outlined the Town's issues with 40B, especially the Simon Hill project. It is too big and too intrusive.

Rep. Nyman talked about visiting the town and seeing Simon Hill and the other 40B developments in town. Talked to House Chair of Housing Committee. More than 40 separate

pieces of legislation dealing with 40B have been proposed. There is some talk about adding mobile homes as counting towards towns' 10%. Most of the other bills are not moving. She would help file bills for the town, or bills that are filed by the Senator.

Mrs. Allen pointed out that urban areas have more access to transportation and jobs and have more access to grant monies to deal with development. Lack of understanding that "snob zoning", i.e., one acre zoning, is due to septic issues, not a "snob" factor. Mr. McBride agreed that 40B does not work in smaller towns. Hopes that there are revisions that incorporate Smart Growth and target already disturbed sites, not green space. Some tweaking would provide assistance to making 40B work and negotiate rather than be a blunt object (Senator Hedlund called it a "sledge hammer").

Senator Hedlund's: Brought a time line on 40B since 1998. 1998 the definition of subsidy changed, leading to a plethora of 40B applications. The tweaks that have occurred have gone in the opposite direction and has taken control away from communities. Inspector General Sullivan looked at profits from 40B. Asked for 10 projects. No projects had ever been reviewed. In 7 of 10 projects the developers had excess profits. Hedlund filed legislation to have IG review these, passed senate. DHCD just increased profit margin.

The 40B bills are not going anywhere. House Chair is a friend of Senator Hedlund's. Senator Hedlund filed two amendments to the housing bond bill that were identical to Senate chair's bill. Chair voted against it. Cannot get any bills to the floor. Two amendments, one not letting developers get around town's local wetlands by laws. Returns some control to local authorities. Got 13 votes. Cost certification amendment has been pushed every year. Supported by IG. Towns would get a small piece of cost recovery.

Braintree was owed \$1 million based on IG investigation. Recovered some money. IG appointed by Governor, Treasurer and Auditor. Only 1 amendment got into bond bill on 40B relative to Norwood to stop a 40B. Did not make it into the final bill. Senator Hedlund opposed it as a special favor to one legislator and one town. 40B cries out for reform. Most affordable housing in recent years has not been created through this law. Created by other laws and programs.

Mrs. Allen asked who appoints HAC? Not sure. Believes that it is the Governor. HAC routinely does not side with the towns. Of the 10 times they sided with towns, 3 were with Norwell. Senator Hedlund says it is the most frustrating issue he has faced. The recent statewide ballot question to appeal 40B showed where people are aligned because not all towns have a problem with 40B. "Politically correct" decision is to stand with "affordable housing." Not about affordable housing.

Prospect Street project will cause traffic nightmares. Have spoken to DOT on helping to improve the intersections. Would help us with the ramifications of the project.

Housing Production Plan has been approved. Need to determine if that is different than certified.

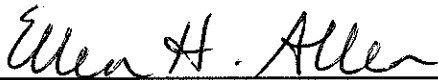
Jim Boudreau pointed out that we have supported affordable housing. Have projects that have been approved that the town likes. Would be helpful if a town sponsored project has a higher count towards affordable units. Otherwise chasing our tail. Also pointed out that Senator Hedlund's letter to Tina Brooks points out one major problem: when HAC loses in court they change the regulations to give them what they lost in court.

Mary Cole, Forest Street - given that we are moving on counting mobile homes, what about 8a housing? Senator Hedlund is skeptical. Representative Nyman said she hopes that mobile home language would go forward.

Representative Nyman asked about ballot initiative to repeal 40B? What about ballot question to amend it? Senator Hedlund responded that it was a David and Goliath fight in 2010. A couple of activists against the world. Optimistic on other parts of the district that have had some transit oriented development with the Greenbush line.

Mrs. Allen thanked them for their support. Senator Hedlund pointed out that the 40 bills were just dumped into committee. Get impacted communities to let their legislators know and get some pressure on to them to see if something can move forward. Senator Hedlund said to get MMA behind it.

Motion Mr. DeCoste, second Mr. McBride to go into executive session to discuss the Town Administrator's goals and objectives and contract, not to return to open session. Having this discussion in open session would be detrimental to the town's bargaining position. Mrs. Allen - yes, Mr. DeCoste - yes, Mr. McBride - Yes, Mrs. Garner - yes.



Board of Selectmen

Attachments:

Brief 40B Reform Effort Timeline

Letter to the Governor

Classification Hearing

CLASSIFICATION HEARING

DECEMBER 4, 2014
FOR FISCAL 2014

- **Chapter 797**, the Classification Law, allows a community to choose among several options for allocating the tax burden at the time of setting the tax rate. Under the Law, the Town may elect, by vote of the Board of Selectmen at the Classification Hearing, to **shift** the taxes in a number of ways.
- **Residential Exemption:** An exemption of up to 20% of the average assessed value of all eligible Residential parcels. If a Residential Exemption were to be adopted, it would decrease the percentage share to be borne by owner-occupied parcels, and increase the share borne by accessory land, summer homes, and other Residential property not occupied by the owner.
- **Small Commercial Exemption:** An exemption of up to 10% of the assessed value of eligible Commercial parcels. To qualify for the Small Commercial Exemption, the parcel must be assessed under \$1,000,000, and be wholly occupied by a small business or businesses having ten or fewer employees. The list of eligible businesses is prepared by the Commissioner of the Department of Employment and Training (DET); any business not appearing on the list is **NOT** eligible.
- If a Small Commercial Exemption were to be adopted, it would decrease the share of the tax to be borne by the eligible parcels, and increase the share borne by the remaining Commercial parcels and all Industrial parcels. The Residential and Personal Property classes are not affected by the Small Commercial Exemption.
- **Tax Rates:** Chapter 797 allows a community to set a single tax rate to be applied to all classes. Alternatively, it may increase the share of the levy raised by Commercial, Industrial and Personal Property up to 150% while decreasing the share raised by Residential property. Please see the attached chart for the average Fiscal Year 2014 values of developed Residential, Commercial and Industrial parcels, and the tax bill for each using a proposed single tax rate of **\$16.37**
- Examples of the impact of various shift percentages on tax rates and bills are included.

CLASSIFICATION CONSIDERATIONS

ECONOMIC & POLITICAL ISSUES

1. Consider the percentage of Commercial & Industrial (C & I) properties compared to Residential.
Will an increased tax burden on C & I significantly lower the Residential tax burden?
2. What is the mix of Commercial & Industrial properties?
How much of the tax burden falls on large business vs. small business?
3. Will a change adversely effect small/large business and drive them out of the Community?
4. Will a change slow economic development?
5. Does business significantly contribute in a "non-tax" way to the community?
6. Are the town's businesses of the type that require an extraordinary amount of municipal services & resources?
7. Is the timing appropriate for a move to a split tax rate?
8. Will a shift to commercial & Industrial maintain or increase the historical ratio of the tax burden?
9. Is a change a matter of principle or economics?

AVERAGE ASSESSMENTS/ TAX BILLS

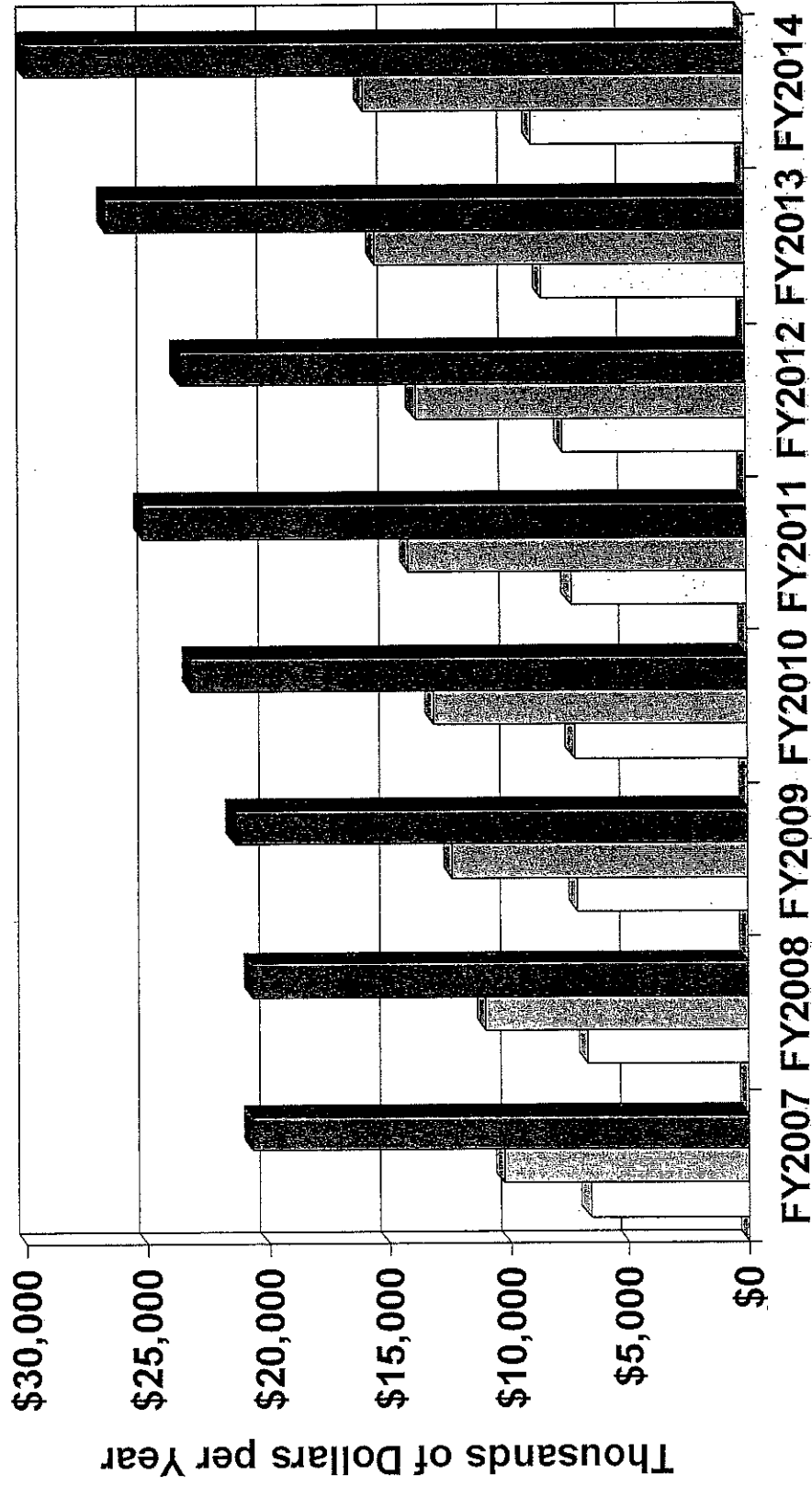
for FISCAL 2014 with shift percentage ESTIMATED TAX RATE

TYPE	SHIFT	TAX RATE	AVERAGE ASSESSED	AVERAGE TAXES
RESIDENTIAL	0%	\$ 16.37	\$ 538,676.93	\$ 8,818.14
COMMERCIAL	0%	\$ 16.37	\$ 1,047,201.14	\$ 17,142.68
INDUSTRIAL	0%	\$ 16.37	\$ 967,590.00	\$ 15,839.45
RESIDENTIAL	5%	\$ 16.22	\$ 538,676.93	\$ 8,737.34
COMMERCIAL	5%	\$ 17.19	\$ 1,047,201.14	\$ 18,001.39
INDUSTRIAL	5%	\$ 17.19	\$ 967,590.00	\$ 16,632.87
RESIDENTIAL	10%	\$ 16.01	\$ 538,676.93	\$ 8,624.22
COMMERCIAL	10%	\$ 18.01	\$ 1,047,201.14	\$ 18,860.09
INDUSTRIAL	10%	\$ 18.01	\$ 967,590.00	\$ 17,426.30
RESIDENTIAL	15%	\$ 15.92	\$ 538,676.93	\$ 8,575.72
COMMERCIAL	15%	\$ 18.83	\$ 1,047,201.14	\$ 19,718.80
INDUSTRIAL	15%	\$ 18.83	\$ 967,590.00	\$ 18,219.72
RESIDENTIAL	20%	\$ 15.77	\$ 538,676.93	\$ 8,494.92
COMMERCIAL	20%	\$ 19.64	\$ 1,047,201.14	\$ 20,567.03
INDUSTRIAL	20%	\$ 19.64	\$ 967,590.00	\$ 19,003.47
RESIDENTIAL	25%	\$ 15.62	\$ 538,676.93	\$ 8,414.13
COMMERCIAL	25%	\$ 20.46	\$ 1,047,201.14	\$ 21,425.74
INDUSTRIAL	25%	\$ 20.46	\$ 967,590.00	\$ 19,796.69

Average Tax Bills

(FY07 – FY 14)

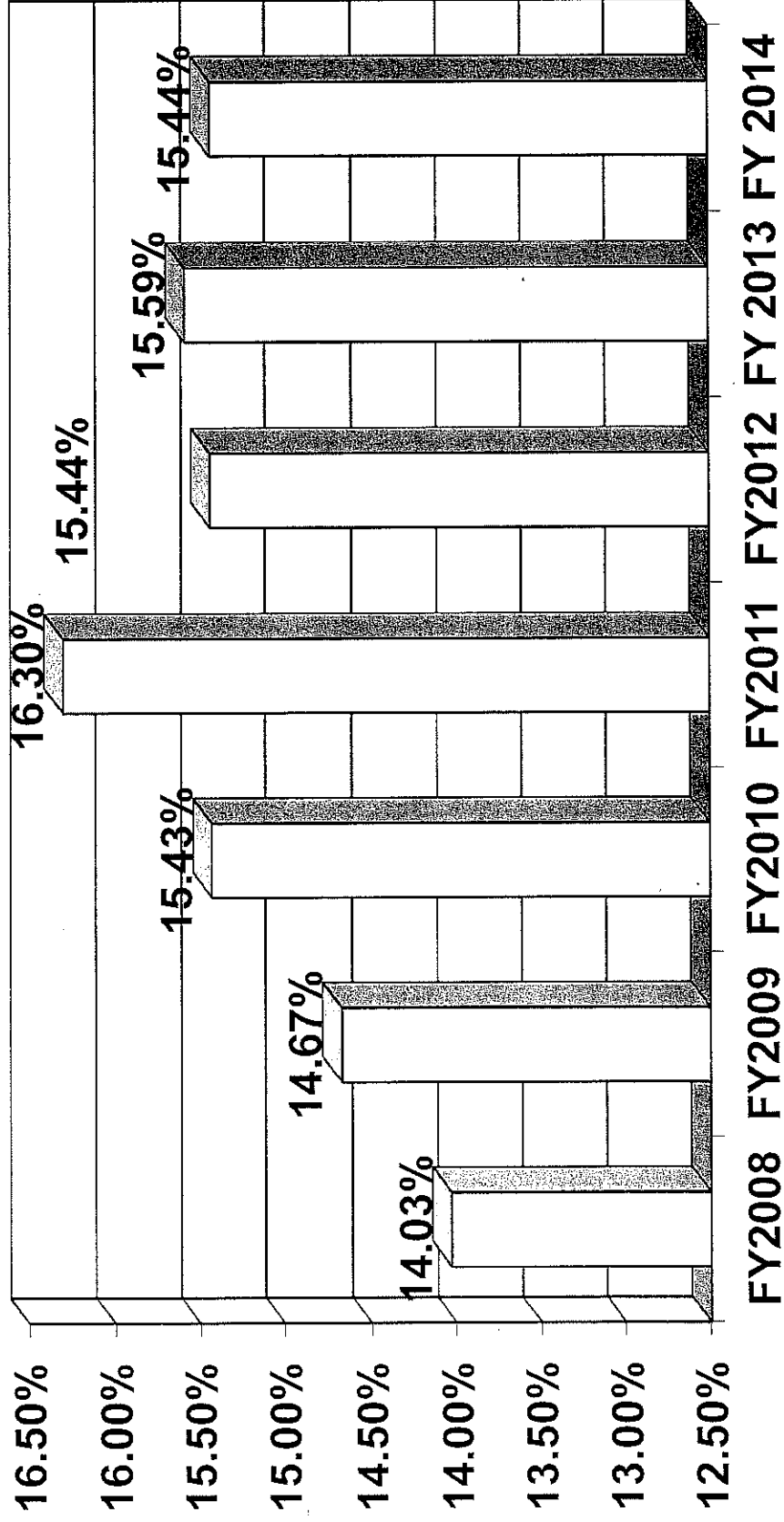
By Classification of Property



□ Residential ■ Comm ■ Industrial

FY 2014 NON RESIDENTIAL

Showing Percentage of the Levy



TAX RATE SUMMARY FOR FY 2014

- 1 A TOTAL AMOUNT TO BE RAISED \$55,275,547.18
- 1 B TOTAL ESTIMATED RECEIPTS \$18,497,837.00
- 1 C (1A MINUS 1B) TAX LEVY \$36,777,710.18

• TAX LEVY DIVIDED BY THE TOTAL VALUATION OF REAL ESTATE

• \$36,777,710.18 / 2,246,653,035

• EQUALS ESTIMATED TAX RATE OF \$16.37

NORWELL SUMMARY STATISTICS

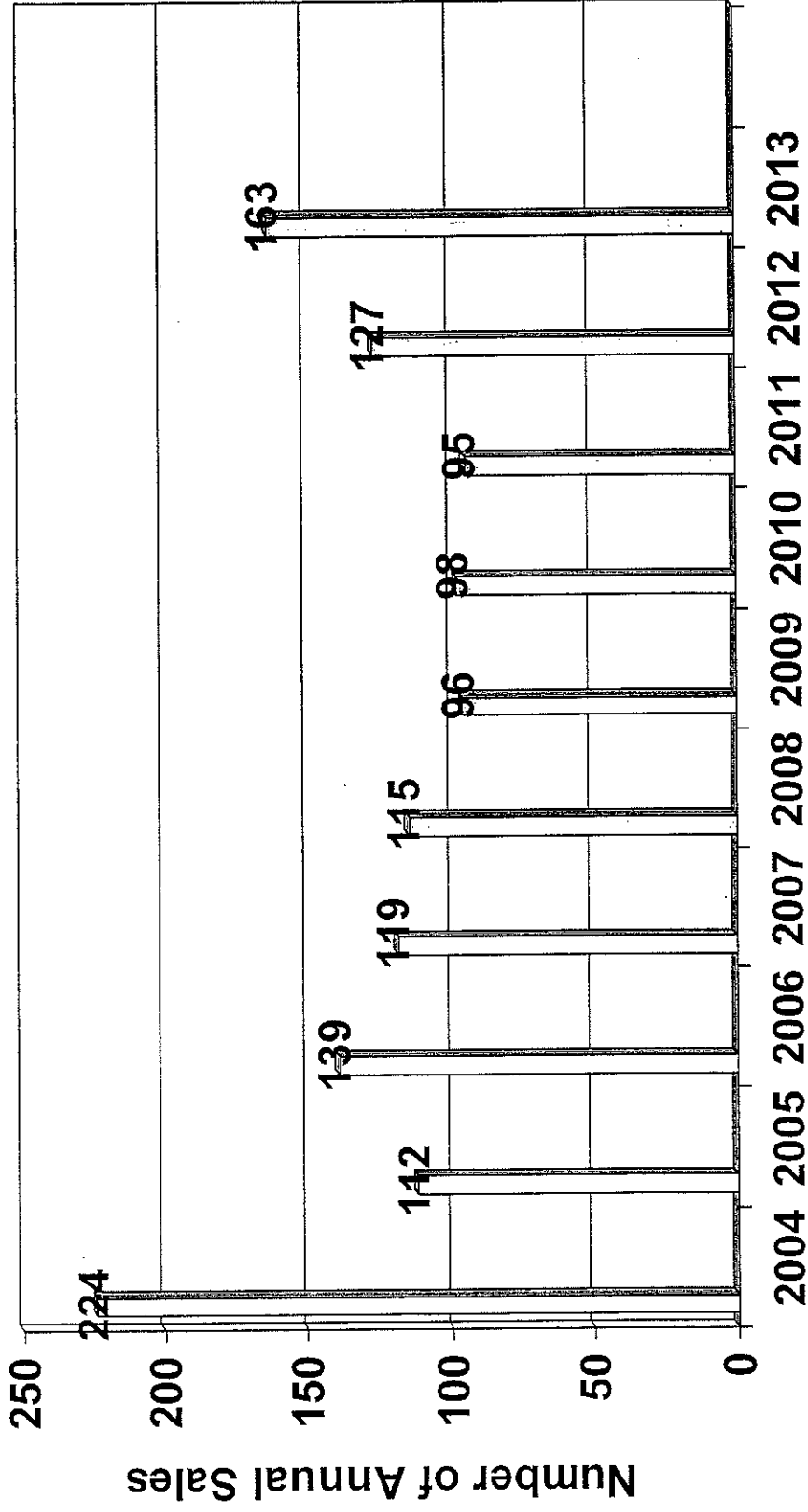
(FY 2013 vs. FY 2014)

	FY 2013	FY 2014	PERCENT CHANGE
AMOUNT TO BE RAISED	48.795MIL	55,276MIL	13%
ESTIMATED RECEIPTS	13,042MIL	18,499MIL	42%
Tax Levy	35,754MIL	36,778MIL	3%
Avg. House Assessment	534,317	538,676.93	1%
Tax Rate	\$16.10	\$16.37 (proposed)	2%
Tax Bill Single Family	\$8,602.50	\$8,818.14	3%

Norwell Number of Sales

(2003 through September/2013)

All Property Types

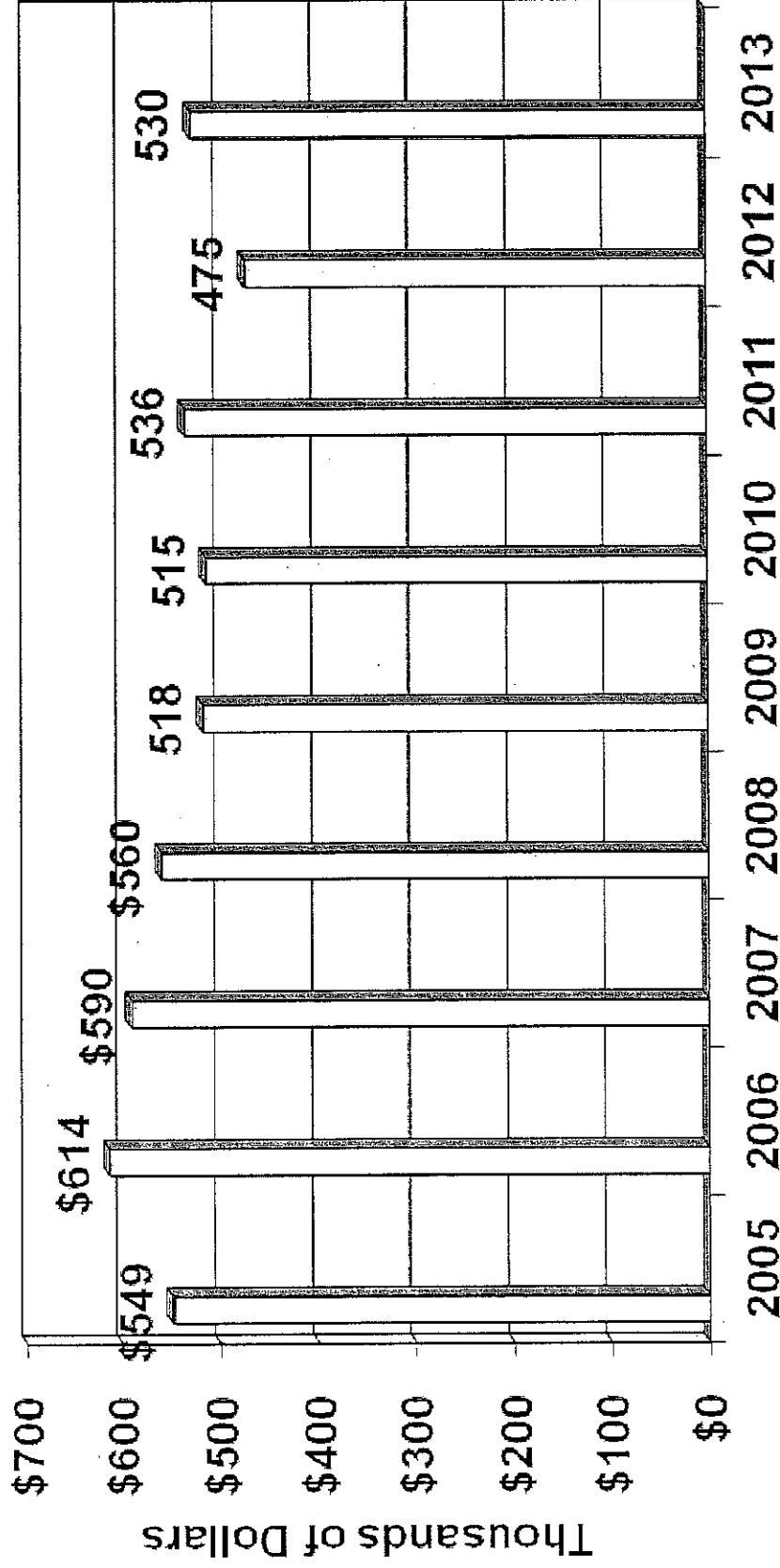


Source: The Warren Group, September 2013

Norwell Median Sales Price

(2005 through SEPT 2013)

SINGLE FAMILY



Source: The Warren Group, September 2013