

Meeting Minutes
JOINT MEETING OF THE SELECT BOARD
AND THE BOARD OF ASSESSORS
THURSDAY, DECEMBER 10, 2020
8:00 AM

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: December 29, 2020
TIME: 9:05 AM

CALL TO ORDER

A meeting of the Select Board was called to order at 8:00 am by Chair Roy Epstein. Vice Chair Tom Caputo and Select Board member Adam Dash were present. Town Administrator Patrice Garvin, and the members of the Board of Assessors were also present.

COMMUNITY ANNOUNCEMENTS

- There will be an insert included in the 3rd quarter tax bill to answer some of the common questions about the determination of the tax process. First in a series to help inform residents about the details of how town government works.

APPROVAL OF MEETING MINUTES

[None]

QUESTIONS/COMMENTS FROM TOWN RESIDENTS

[None]

ACTION BY CONSENT

Vote to Approve the Annual Property Classification/ 1/A Tax Rate for Fiscal Year 2021 – Board of Assessors Report

Roy Epstein called Select Board to order.

Bob Reardon called the Board of Assessors to order. Present: Chuck Lavery, Dan Dargon, Missing: Marty Millane.

Annual Classification Hearing Presentation -- Bob Reardon:

Board of Assessors is asking for the votes on the following two items:

1) Split tax rates, commercial vs residential. Belmont only has 5% commercial property so shift from residential to commercial would be insignificant on the residential side and would put a burden on commercial owners. Split rate would not raise new taxes, so we are not losing any tax dollars.

2) Residential exemption. This is shift within residential class alone. This would raise the residential tax rate, no new tax dollars. Because most homes in Belmont fall within a median range, the impact of exemption would be very high on lower end properties, and

adversely impact higher end properties. Administration of program would be very labor intensive since it would need to be performed on annual basis. This may cost the Town money.

- This year, there has been minimal growth in residential and commercial properties – single families up 3%, condos 5%, multi-families 4%, personal property /business equipment 3%, commercial/industrial are level. All these values are from January so they are pre-COVID. Board of Assessors is proposing that the tax rate go from \$11 to \$11.55. Anticipating new growth at 1.1 M. This is the last effect from the Bradford Complex. Biggest impact on tax rate this year is the second phase of High School – adding 56 cents to the tax bills and that is in addition to the 56 cents added for prior year. The increase in residential values is offsetting the high school impact, therefore total increase is 55 cents.

Discussion on Split Tax Rates:

- Epstein said he agreed that the split rate would be burdensome, the advantage to home owners is negligible and the burden on commercial would be onerous. He said he wouldn't support split rate for Belmont.
- Dash concurred that because Belmont has so few commercial buildings, he also would not support split rate
- Caputo asked how big a difference the rate difference could be in other towns with split rates? Reardon said in order to have meaningful impact, towns would have to be at least 30% commercial base. He said that some jurisdictions with a large commercial base, have seen commercial rates be double the residential rates. He notes that apartment buildings are considered residential. Caputo agrees that split rate does not make sense.

Motion to not adopt split tax rate. Vote passed (3-0).

Discussion on Residential Exemption

- Epstein agrees about administrative burden and also questions the equity of the residential exemption. He didn't think it is a net benefit for even majority. Drawbacks are sufficient to make him not be in favor of the exemption.
- Dash said that in some communities, with many absent landlords, the lower income renters get a break and landlords have to pick up difference, but we don't have a large community of rentals like Boston or other large cities in the Boston area.
- Reardon said Board of Assessors has done analysis, and two thirds of population would not see much difference. It is labor intensive to track people and administrative support would be required. When you focus on Senior tax relief, it's person-based not real-estate based. When tax burden is increased, sometimes landlords sell and towns lose affordable housing stock. Sometimes wealthy people live in lower value homes.
- Dash said he wouldn't like to see seniors priced out of Belmont.

- Caputo agrees that we don't need residential exemption.

Motion to not adopt residential exemption this year. Vote passed (3-0).

Board of Assessors will set tax rate based on recommendations of Select Board, the tax calculations will work out to a tax rate of \$11.55.

Continued related discussion:

- Epstein asked how we arrive at tax rate. Override discussions have raised questions about meaning of taxing to levy limit. What is the connection to taxing to levy limit and setting tax rate? Reardon said that setting of rate is done when Town Meeting establishes budget and then Board of Assessors establishes assessed value for property. Once Assessors get estimated receipts, then they do tax recapitulation sheet and arrive at levy. In recent years, Belmont has taxed to the max amount possible, raising as much from real estate taxation as possible. After Select Board approves, Assessors will vote to approve raising taxes to levy limit. If we have override, then levy limit can be raised. If we raise more than required by expenditures, then would go to surplus.
- Epstein commented that since tax rate is set to expenditures, there could be two different numbers if override is approved in April. Reardon explained that the Department of Revenue determines ceiling. If override was passed, it would be for next fiscal year. It wouldn't have any impact on this year.
- Caputo pointed out that current vote is for tax applicable to FY21. The override budget will impact FY22.
- Epstein commented that this means the first two tax quarter bills are estimated, but third and fourth quarter numbers are based on new rate.
- Dash asked what the dollar number increase will be for average homeowner. Dan Dargon said tax increase would work out 4 to 5% increase or \$706 dollars per residential property.
- Caputo reminded that the first tranche from High School increased taxes last year, and at that time, there were some segments hit by higher assessments than others. Are there any segments disproportionately seeing increases or is it all around 3 to 5%? Reardon said he does not anticipate unequal increases for FY 2021.
- Caputo asked since we are getting last tranche of new growth from Bradford, do we know about new growth for 2022 and 2023? Reardon replied that because of COVID, Assessors are waiting to estimate growth numbers.
- Epstein wanted to know about building permit activity. Reardon said permit activity seems robust, but we don't know the actual work being done due to COVID. Assessors have to base their numbers on work completed.

Select Board and Board of Assessors adjourned.

Next Regular Select Board Meeting: Monday, December 21, 2020, 7:00 PM