

# *Tax Classification Hearing Fiscal Year 2015*

**November 24, 2014**

**Presented to  
Board of Selectmen  
Town of Wellesley**

**Prepared By:  
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# *Notice of Hearing*

The Board of Selectmen of the Town of Wellesley will hold a Public Hearing on Monday, November 24, 2014 at 7:15 P.M. in the Felix Juliani Meeting Room, Town Hall, on the issue of allocating the local property tax levy among the five property classes for the fiscal year ending June 30, 2015.

This Hearing, commonly known as the Tax Classification Hearing, will be held for the purpose of providing an open forum for the discussion of local property tax policy. The central issue to be discussed is whether all five classes of property - residential, open space, commercial, industrial, personal - shall be taxed at the same rate or at different rates.

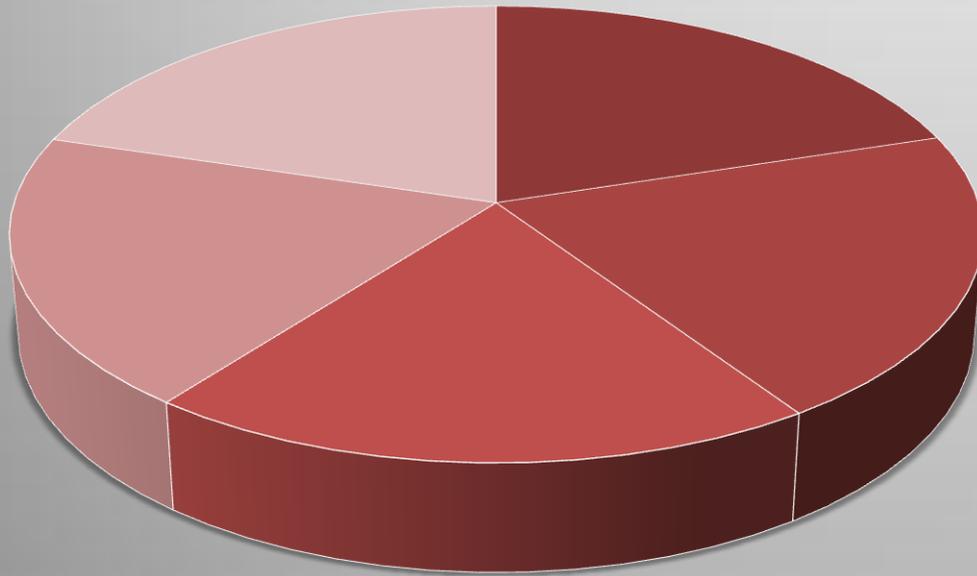
Information and data concerning the fiscal effect will be available for public inspection on Friday, November 21, 2014 in the office of the Board of Assessors at Town Hall, 525 Washington Street, Wellesley, Massachusetts 02482 between the hours of hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. Interested taxpayers are urged to review the material and attend the Hearing. Written and oral statements from interested taxpayers will be accepted and taken into consideration at the Hearing. Written statements will also be accepted prior to the Hearing.

## **BOARD OF SELECTMEN**

**Barbara D. Searle, Chairman**  
**Ellen F. Gibbs, Vice Chairman**  
**Terri Tsagaris, Secretary**  
**Donald S. McCauley**  
**David L. Murphy**



# *Fiscal Year 2015 Assessed Values & Historical Perspective*

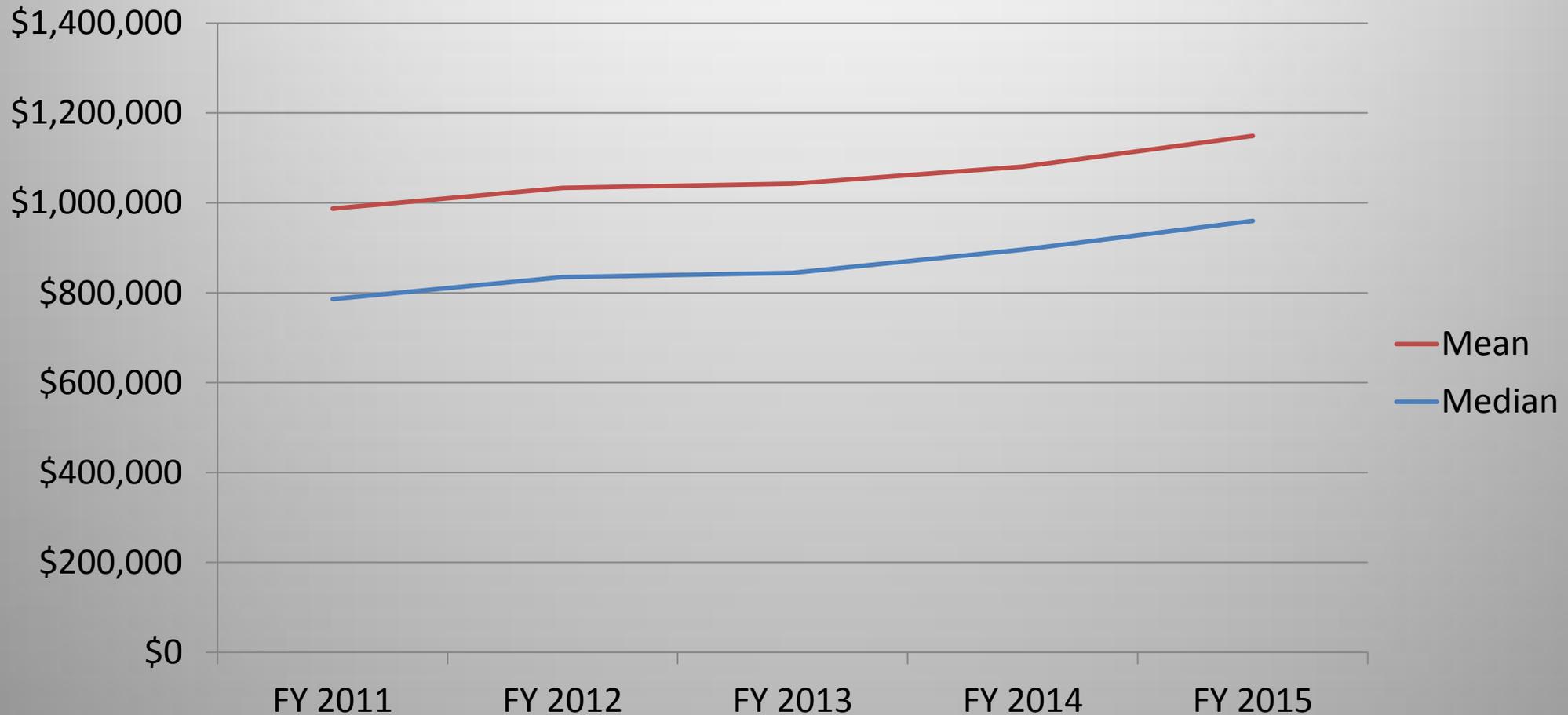


# Assessment Profile

MEDIANS & MEANS	FY2011	2010 to 2011	FY2012	2011 to 2012	FY2013	2012 to 2013	FY2014	2013 to 2014	FY2015	2014 to 2015	2011 to 2015
<b>SINGLE FAMILY (Class 101)</b>											
Total Value	\$7,189,824,000	-2%	\$7,523,162,000	5%	\$7,601,628,000	1%	\$7,872,685,000	4%	\$8,411,498,000	7%	17%
Median Assessment	\$786,000	-3%	\$835,000	6%	\$844,000	1%	\$896,000	6%	\$960,000	7%	22%
Median Tax Bill	\$8,984	6%	\$9,586	7%	\$9,875	3%	\$10,340	5%	\$11,098	7%	24%
Mean Assessment	\$987,071	-2%	\$1,033,134	5%	\$1,042,604	1%	\$1,080,522	4%	\$1,148,824	6%	16%
Mean Tax Bill	\$11,282	7%	\$11,860	5%	\$12,198	3%	\$12,469	2%	\$13,280	7%	18%
<b>COMMERCIAL (Class 300's)</b>											
Total Value	\$867,041,000	-5%	\$880,055,000	2%	\$947,077,000	8%	\$1,026,450,000	8%	\$1,098,966,000	7%	27%
Median Assessment	\$1,811,000	0%	\$1,841,000	2%	\$2,052,000	11%	\$2,278,000	11%	\$2,494,000	9%	38%
Median Tax Bill	\$20,700	9%	\$21,135	2%	\$24,008	14%	\$26,288	9%	\$28,831	10%	39%
Mean Assessment	\$4,188,604	-4%	\$4,356,708	4%	\$4,688,500	8%	\$5,106,716	9%	\$5,467,493	7%	31%
Mean Tax Bill	\$47,876	4%	\$49,797	4%	\$54,855	10%	\$58,932	7%	\$63,204	7%	32%
<b>TAX RATE</b>	<b>\$11.43</b>		<b>\$11.48</b>		<b>\$11.70</b>		<b>\$11.54</b>		<b>\$11.56</b>		

# Median vs. Mean

## Single Family Assessed Value History



<b>MEAN</b>	\$987,071	\$1,033,134	\$1,042,604	\$1,080,522	\$1,148,824
<b>MEDIAN</b>	\$786,000	\$835,000	\$844,000	\$896,000	\$960,000

# Assessment / Tax Rate History

FY	ASSESSED VALUE (in 000's)			Tax Levy (in 000's)	LEVY %		NEW GROWTH TAX DOLLARS (in 000's)	TAX RATE	MEDIAN ASSESSED (in 000's)		MEDIAN TAXES*	
	RES	CIP	TOTAL		RES %	CIP %			Single Family	Comm.	Single Family	Comm.
11	7,753,180	1,008,444	8,761,624	100,176	88.49%	11.51%	1,416	11.43	786	1,811	8,984	20,700
12	8,125,029	1,024,613	9,149,642	105,047	88.80%	11.20%	1,523	11.48	835	1,841	9,586	21,135
13	8,234,182	1,121,425	9,355,607	109,461	88.01%	11.99%	1,882	11.70	844	2,052	9,875	24,008
14	8,550,806	1,204,329	9,755,135	112,581	87.65%	12.35%	1,575	11.54	896	2,278	10,340	26,288
15	9,116,045	1,271,768	10,387,813	120,096	87.76%	12.24%	1,846	11.56	960	2,494	11,098	28,831

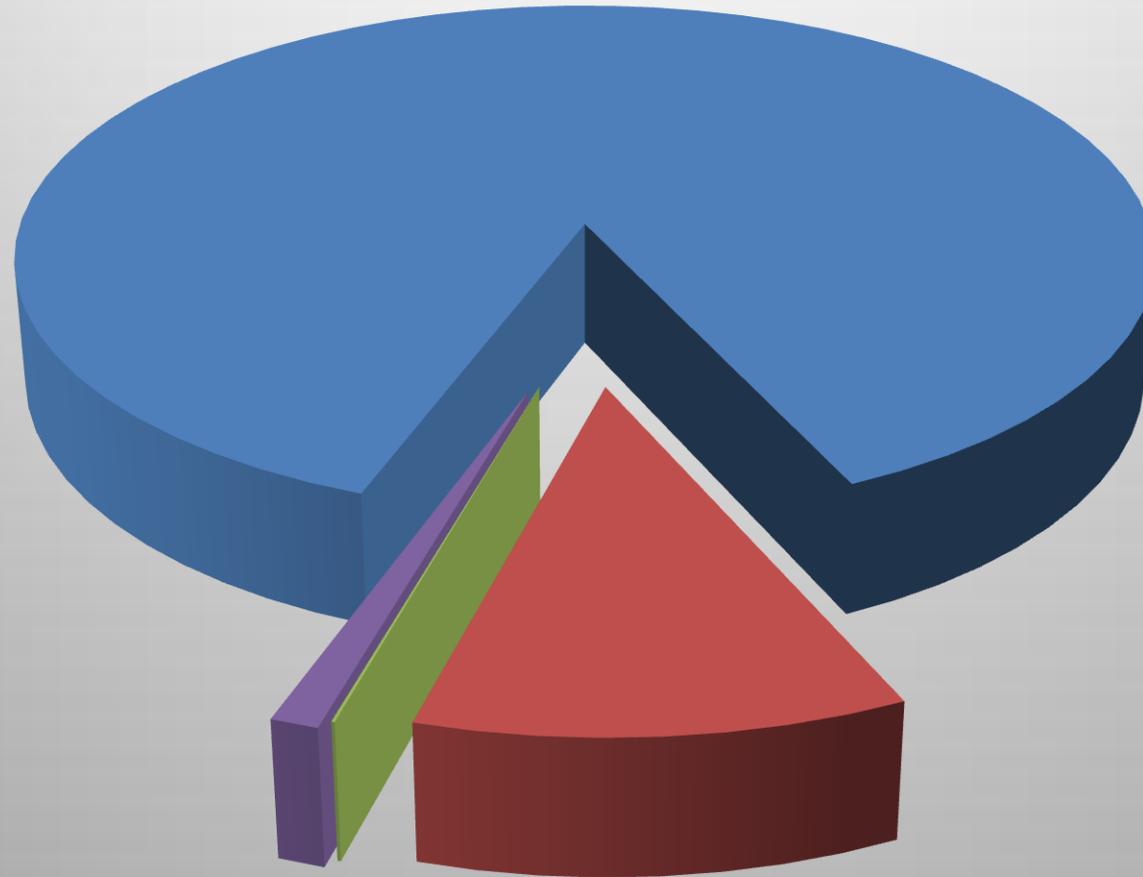
\* Calculated based on a single tax rate

RES - residential property class, including condominiums and apartment buildings

CIP - commercial, industrial and personal property classes

# Total Values by Property Type

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Residential	Commercial	Industrial	Personal Property
\$9,116,045,000	\$1,159,807,000	\$8,155,000	\$103,806,000

# Fiscal Year 2015

## Total Values By Property Type

*in 000's of assessed value*

<b>PROPERTY TYPE</b>	<b>PARCEL COUNT</b>	<b>RESIDENTIAL VALUE</b>	<b>COMMERCIAL VALUE</b>	<b>INDUSTRIAL VALUE</b>	<b>PERSONAL PROPERTY VALUE</b>
Single Family	7,297	\$8,411,498			
Condominiums	442	\$258,015			
Multiple Houses On Lot	26	\$42,745			
Two Family	108	\$88,747			
Three Family	20	\$16,883			
Apartments (4+ units)	33	\$131,519			
Vacant Land	247	\$122,703			
Commercial	201		\$1,098,966		
Chapter Lands	16		\$10,890		
Mixed Use-Res & Comm	17	\$43,935	\$49,951		
Industrial	3			\$8,155	
PP-individuals/partnership	419				\$27,411
PP-corporations	385				\$30,974
PP-utilities	19				\$45,421
<b>Class Totals</b>	<b>9,233</b>	<b>\$9,116,045</b>	<b>\$1,159,807</b>	<b>\$8,155</b>	<b>\$103,806</b>
<b>Total Value All Taxable Properties:</b>			<b>\$10,387,813</b>		

PP - personal property

# Personal Exemptions

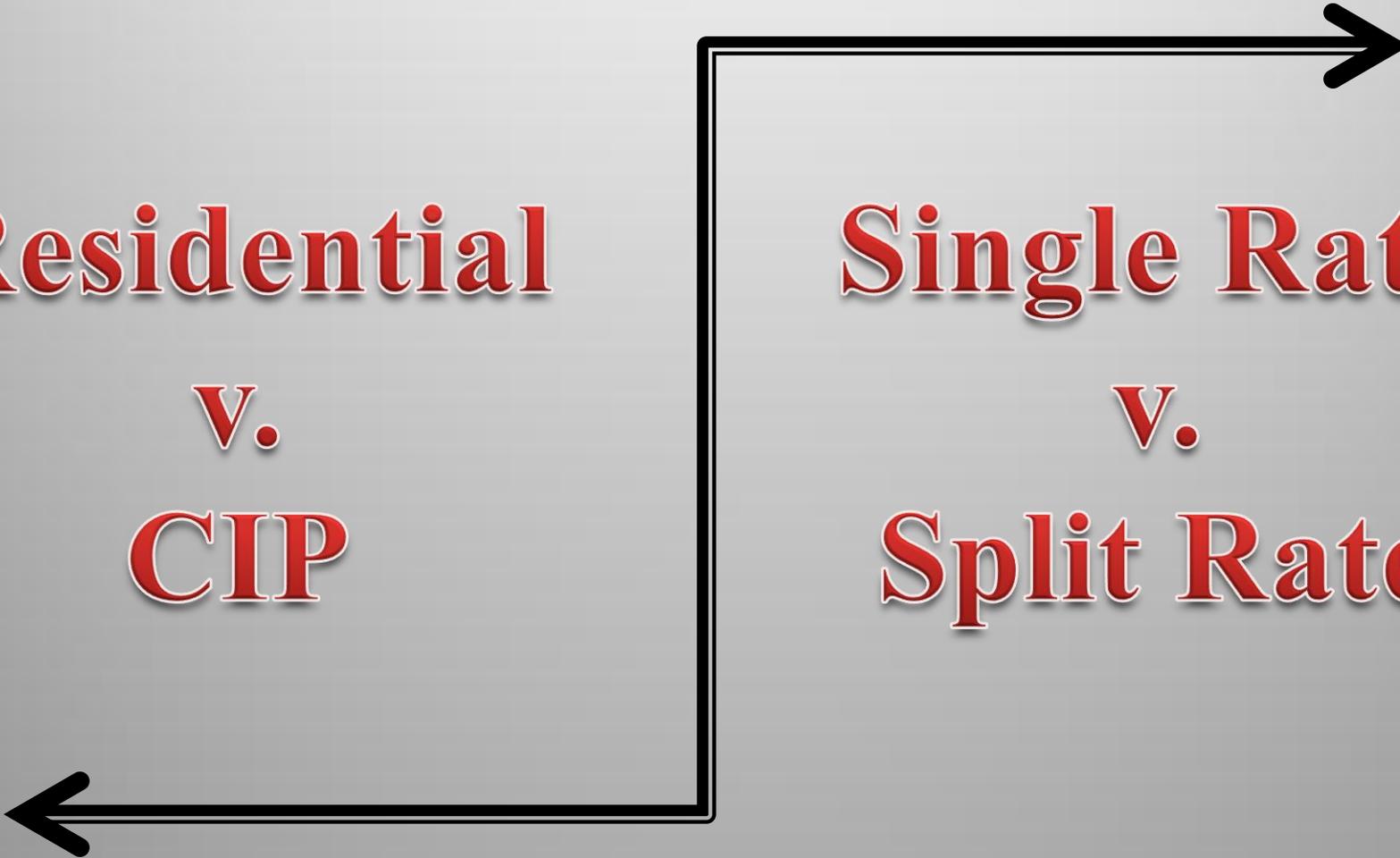
<b>Fiscal Year</b>	<b>Disabled Veteran Exemption</b>	<b>Blind Exemption</b>	<b>Senior Exemption</b>	<b>Senior Tax Deferral</b>	<b>Senior Work-Off</b>	<b>Low Income CPA Exemption</b>
<b>2010</b>	<b>96</b>	<b>19</b>	<b>39</b>	<b>45</b>	<b>26</b>	<b>69</b>
<b>2011</b>	<b>84</b>	<b>19</b>	<b>41</b>	<b>42</b>	<b>20</b>	<b>69</b>
<b>2012</b>	<b>81</b>	<b>19</b>	<b>38</b>	<b>40</b>	<b>16</b>	<b>79</b>
<b>2013</b>	<b>70</b>	<b>20</b>	<b>36</b>	<b>38</b>	<b>16</b>	<b>73</b>
<b>2014</b>	<b>67</b>	<b>20</b>	<b>34</b>	<b>32</b>	<b>12</b>	<b>73</b>



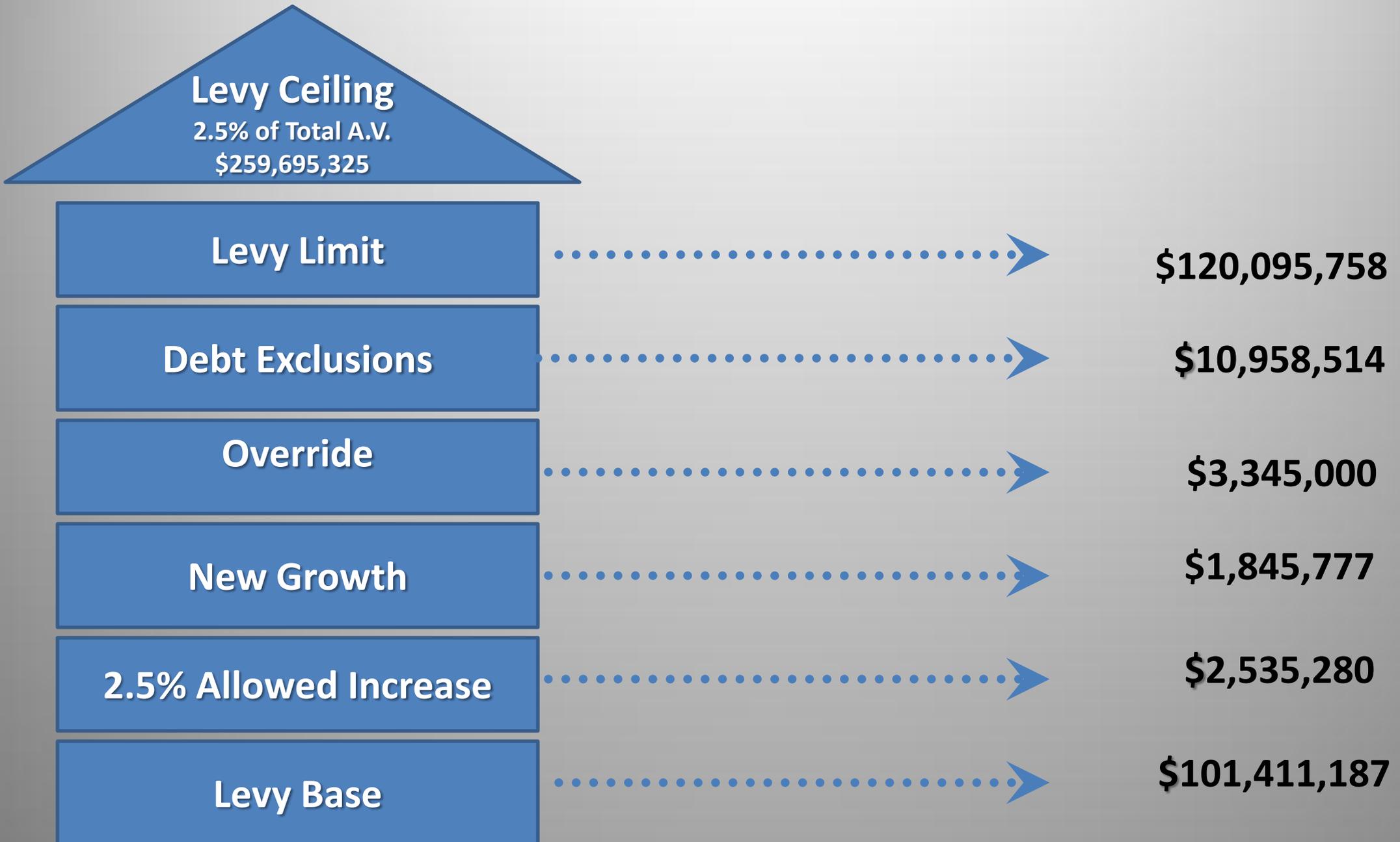
# *Tax Classification Options*

**Residential**  
v.  
**CIP**

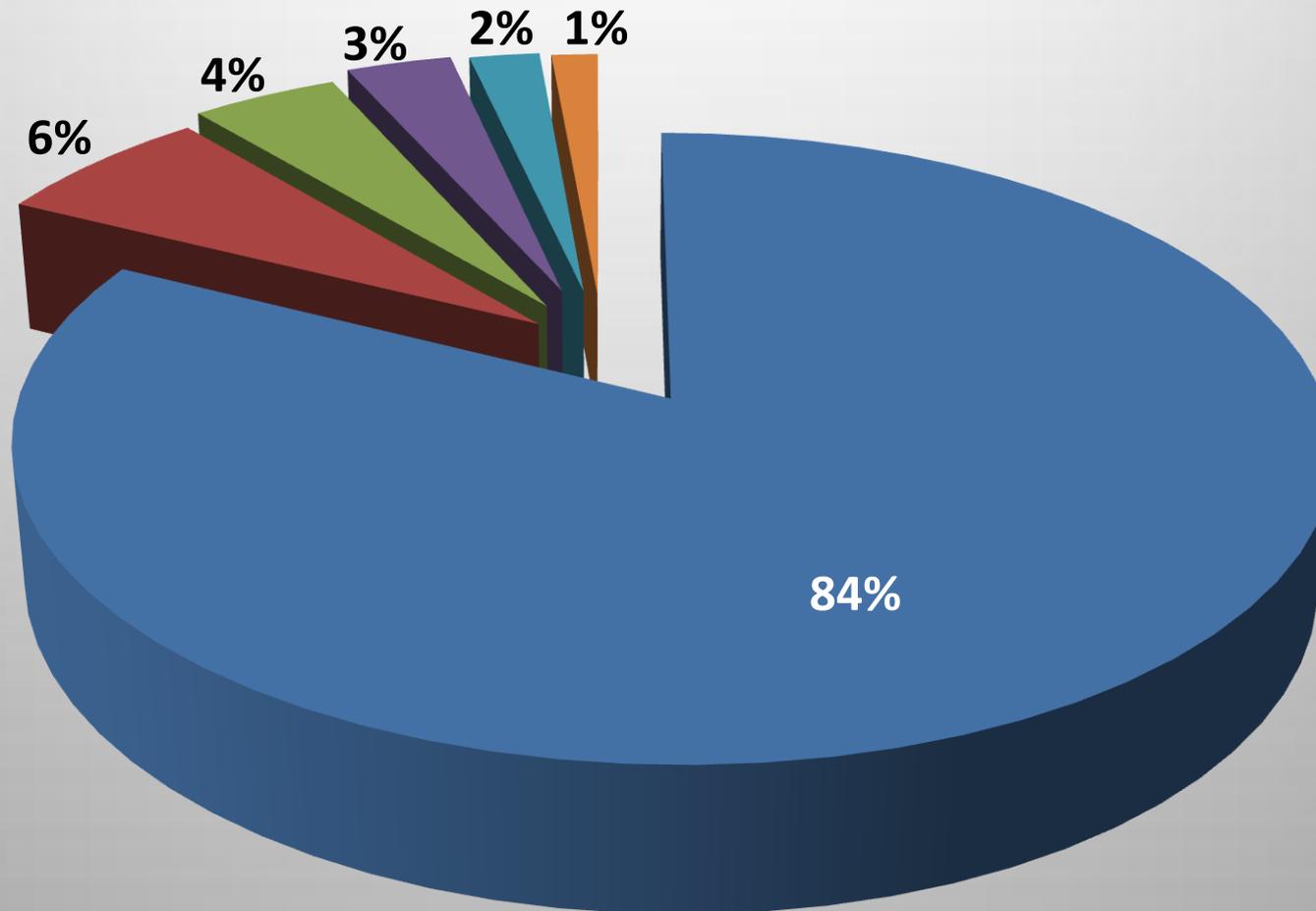
**Single Rate**  
v.  
**Split Rate**



# Levy Limit/Levy Ceiling



# Revenue Sources



Property Taxes	State Aid	Local Revenue	MV Excise Tax	Free Cash	Other Sources
\$120,096,000	\$9,025,642	\$5,896,000	\$4,500,000	\$2,250,000	\$1,659,000

# Fiscal Year 2015 Tax Rate Calculation

## Assuming a Single Tax Rate

<b>Tax Levy Limit Base Prior Year (FY2014)</b>	\$101,411,187	\$9.76
<b>Additions To FY2014 Levy Limit:</b>		
2.5 % Levy Growth	\$2,535,280	\$0.25
New Growth in Tax Dollars	\$1,845,777	\$0.18
Override	\$3,345,000	\$0.32
<b>FY2014 Levy Limit (Before Debt Exclusions)</b>	\$109,137,244	\$10.51
<b>Amounts Outside Levy Limit (Debt Exclusion):</b>		
Capital Expenditure-OPEB	\$1,800,000	\$0.17
Elementary School	\$1,293,247	\$0.12
Middle School	\$2,041,447	\$0.20
High School	\$5,404,295	\$0.52
Morses Pond, Stormwater, DPW bldg	\$419,525	\$0.04
Total Debt Exclusions	\$10,958,514	\$1.05
<b>Tax Levy Limit Plus Debt Exclusion</b>	\$120,095,758	\$11.56
<b>FY2015 Tax Levy</b>	<u>\$120,095,758</u>	=
<b>FY2015 Total Assessed Value</b>	\$10,387,813,000	Tax Rate \$11.56 / \$1,000

# Summary Of Tax Rate Options

*Chart shows impact of split tax rate on two major classes of properties*

Tax Factor		Percentage of Tax Levy		Tax Rate		Median Taxes	
Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential
1.000	1.000	12.24%	87.76%	\$11.56	\$11.56	\$28,831	\$11,098
1.100	0.986	13.46%	86.54%	\$12.72	\$11.40	\$31,714	\$10,946
1.200	0.972	14.69%	85.31%	\$13.87	\$11.24	\$34,597	\$10,787
1.300	0.958	15.91%	84.09%	\$15.03	\$11.07	\$37,480	\$10,632
1.400	0.944	17.14%	82.86%	\$16.18	\$10.91	\$40,363	\$10,476
1.500	0.930	18.36%	81.64%	\$17.34	\$10.75	\$43,246	\$10,321

**MAXIMUM SHIFT OF 50% DECREASE TO THE MEDIAN SINGLE FAMILY TAX BILL:**

**(\$777)**

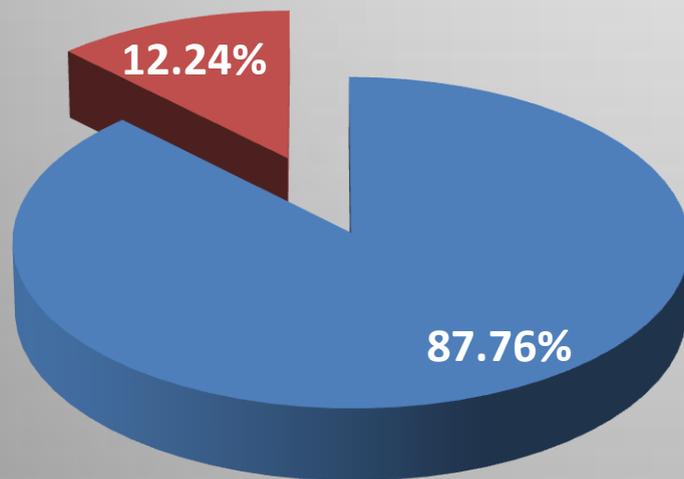
**MAXIMUM SHIFT OF 50% INCREASE TO THE MEDIAN COMMERCIAL TAX BILL:**

**\$14,415**

\*Based on a median single family assessed value of \$960,000 and a median commercial assessed value of \$2,494,000

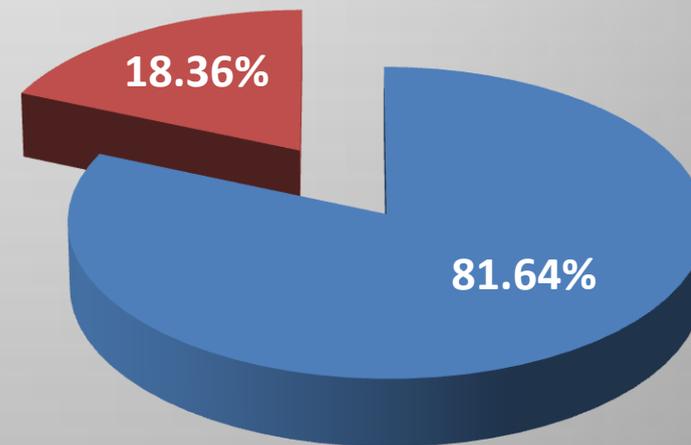
# Fiscal Year 2015 Relative Share of Tax Levy

Share of Tax Levy  
With Single Tax Rate



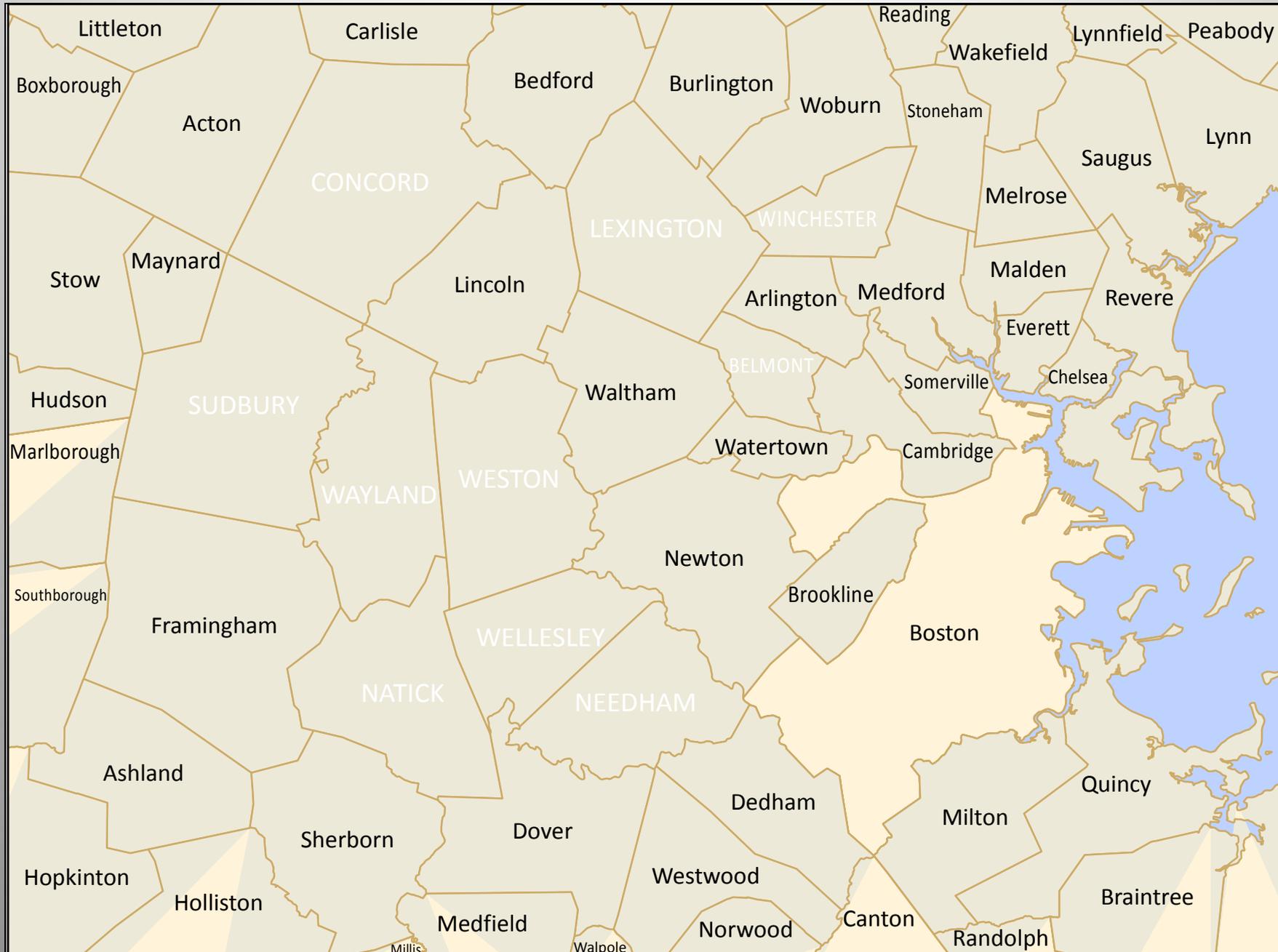
■ Residential ■ CIP

Share of Tax Levy With  
Split Tax Rate at  
Maximum Allowed



■ Residential ■ CIP

# Comparison with Selected Towns



# FY2014 Tax Comparison

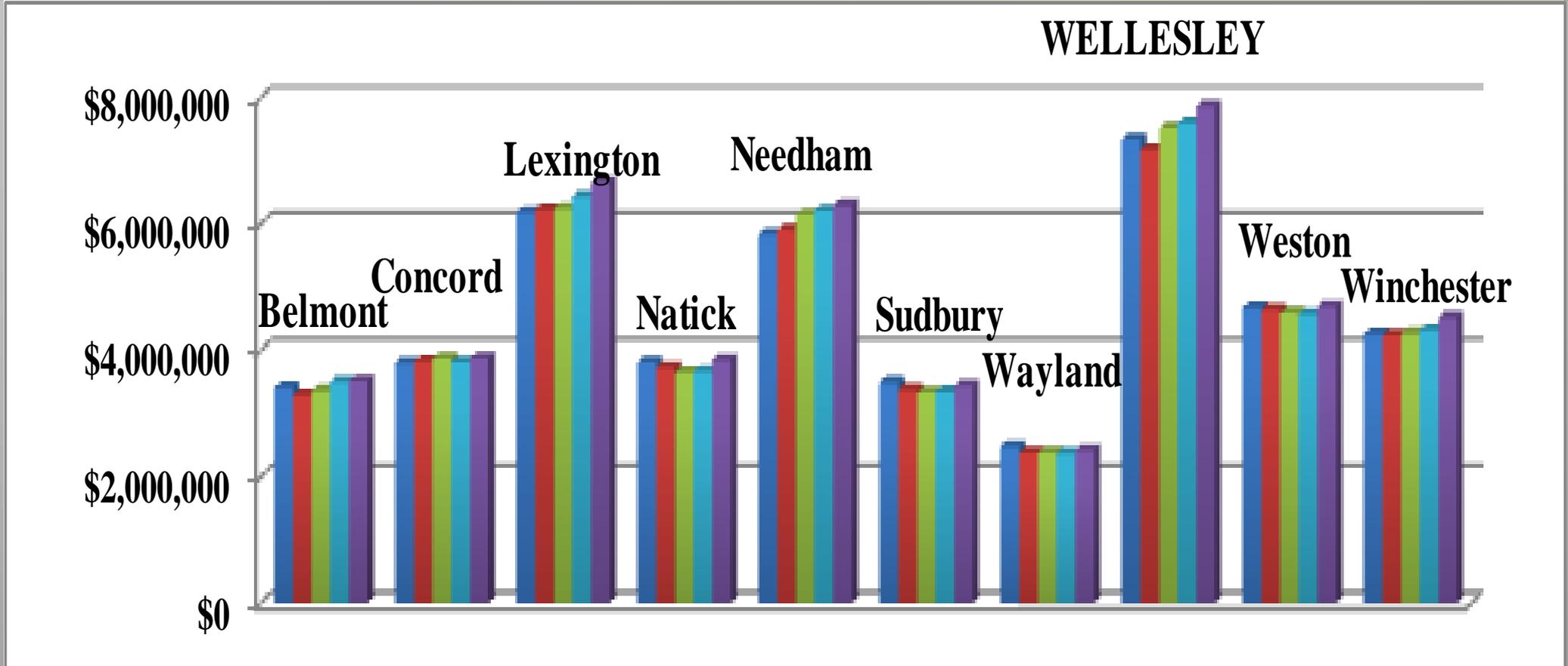
Town	Mean Single Family Value	Res. Tax Rate	Mean Single Family Tax Bill	Mean Comm. Value	Comm. Tax Rate	Mean Comm. Tax Bill	CIP % of Value	Adopted CIP Factor	If Single Rate
Belmont	\$782,665	\$13.50	\$10,566	\$1,253,251	\$13.50	\$16,919	5.62	1.00	\$13.50
Concord	\$847,682	\$14.45	\$12,249	\$1,025,227	\$14.45	\$14,815	9.43	1.00	\$14.45
Lexington	\$740,204	<u>\$15.51</u>	\$11,481	\$1,578,315	<u>\$29.56</u>	\$46,655	13.37	<u>1.70</u>	\$17.39
Natick	\$455,473	\$14.18	\$6,459	\$2,262,699	\$14.18	\$32,085	23.03	1.00	\$14.18
Needham	\$753,021	<u>\$11.64</u>	\$8,765	\$1,840,176	<u>\$22.99</u>	\$42,306	13.20	<u>1.75</u>	\$13.14
Sudbury	\$640,277	<u>\$18.03</u>	\$11,544	\$613,342	<u>\$24.94</u>	\$15,297	6.69	<u>1.35</u>	\$18.47
Wayland	\$598,679	\$18.33	\$10,974	\$903,084	\$18.33	\$16,554	5.52	1.00	\$18.33
<b>WELLESLEY</b>	<b>\$1,080,522</b>	<b>\$11.54</b>	<b>\$12,469</b>	<b>\$5,106,716</b>	<b>\$11.54</b>	<b>\$58,932</b>	<b>12.35</b>	<b>1.00</b>	<b>\$11.54</b>
Weston	\$1,400,790	\$12.73	\$17,832	\$2,420,189	\$12.73	\$30,809	4.84	1.00	\$12.73
*Winchester	\$805,313	\$12.66	\$10,195	\$1,075,447	\$11.91	\$12,809	5.36	1.00	\$11.35

CIP = commercial, industrial, and personal property

\*Winchester has a lower commercial tax rate because they adjust for the higher commercial water fee in their tax rate.

# Total Single Family Values

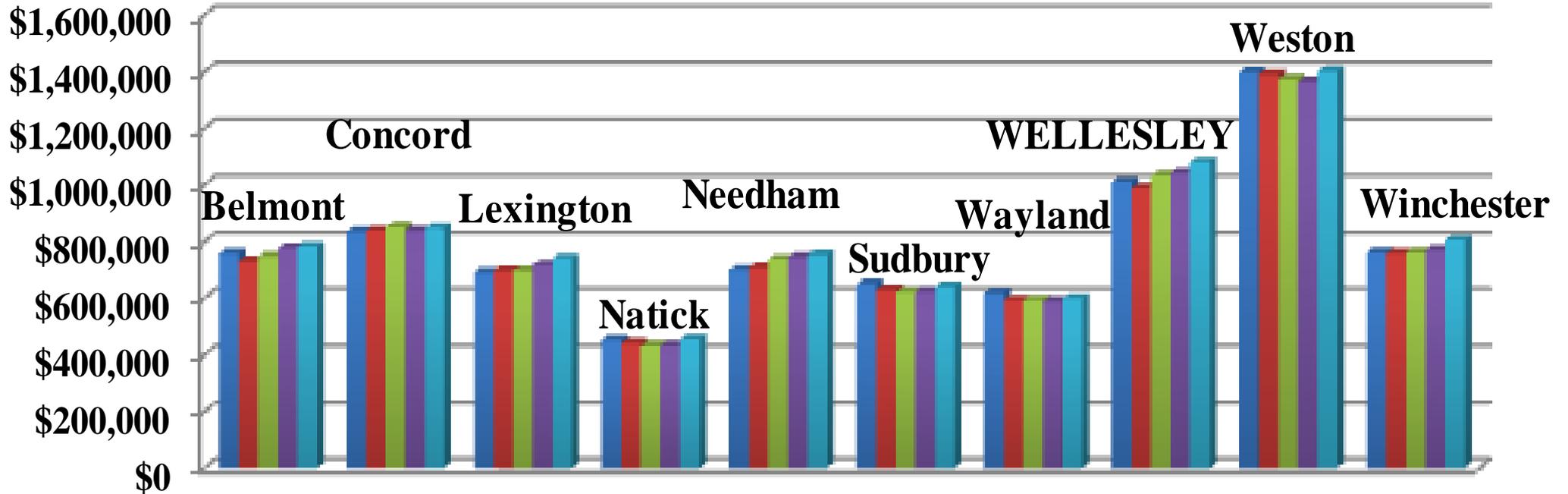
Total Single Family Values in 000's



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<b>FY10</b>	\$3,422,695	\$3,817,461	\$6,184,505	\$3,828,720	\$5,839,958	\$3,505,588	\$2,489,122	<b>\$7,353,206</b>	\$4,680,696	\$4,263,001
<b>FY11</b>	\$3,302,706	\$3,836,829	\$6,234,563	\$3,735,204	\$5,910,589	\$3,386,110	\$2,390,269	<b>\$7,189,824</b>	\$4,648,963	\$4,241,691
<b>FY12</b>	\$3,371,240	\$3,889,030	\$6,251,243	\$3,665,889	\$6,158,330	\$3,346,911	\$2,394,144	<b>\$7,523,162</b>	\$4,597,141	\$4,267,720
<b>FY13</b>	\$3,509,384	\$3,831,655	\$6,441,950	\$3,676,320	\$6,221,014	\$3,357,225	\$2,377,661	<b>\$7,601,628</b>	\$4,571,266	\$4,321,485
<b>FY14</b>	\$3,528,255	\$3,891,706	\$6,658,875	\$3,862,863	\$6,298,268	\$3,455,526	\$2,426,448	<b>\$7,872,685</b>	\$4,695,448	\$4,521,030

# Mean Single Family Values

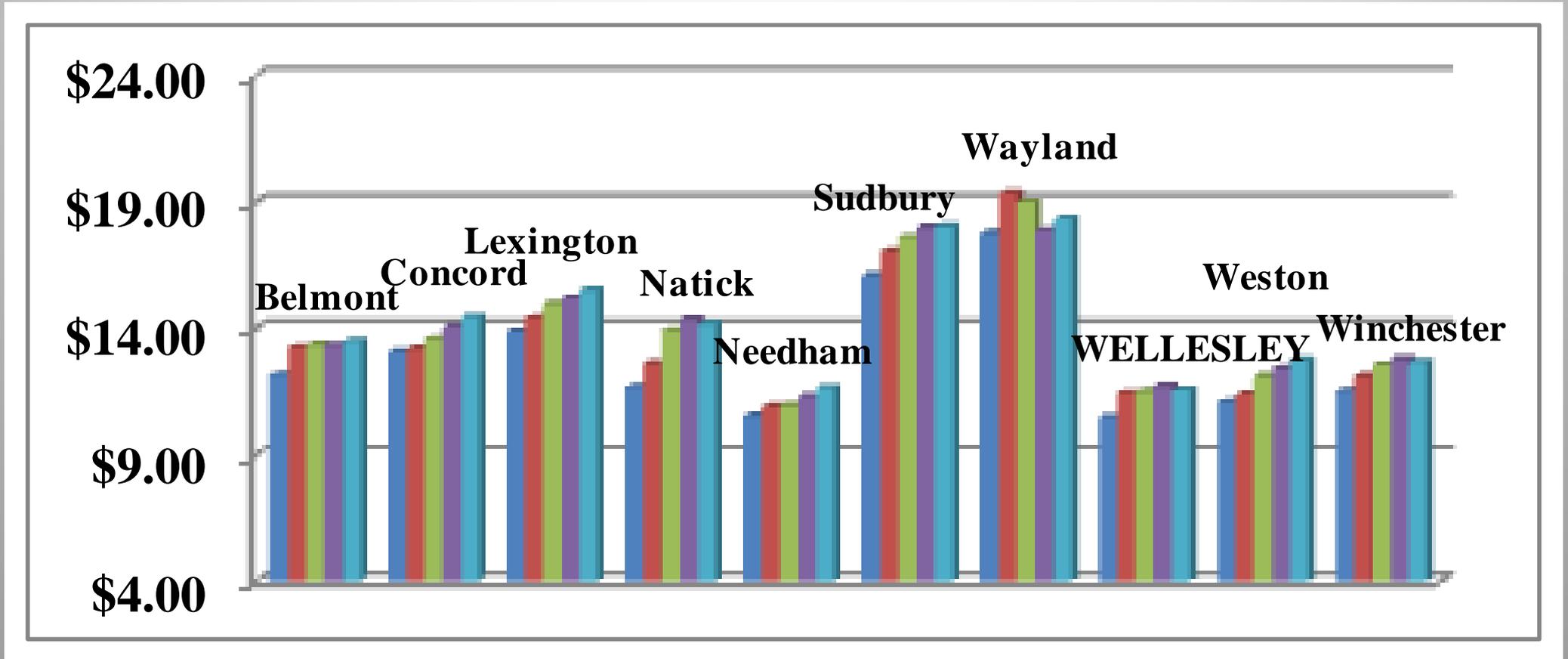
Mean Single Family Values



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<b>FY10</b>	\$757,904	\$835,697	\$691,470	\$452,621	\$700,739	\$650,508	\$617,648	<b>\$1,009,658</b>	\$1,400,149	\$762,067
<b>FY11</b>	\$730,849	\$839,569	\$696,677	\$441,357	\$708,194	\$627,988	\$592,825	<b>\$987,071</b>	\$1,390,240	\$757,580
<b>FY12</b>	\$746,345	\$851,550	\$697,450	\$432,400	\$737,436	\$621,410	\$593,050	<b>\$1,033,134</b>	\$1,374,332	\$761,549
<b>FY13</b>	\$777,100	\$838,804	\$717,526	\$433,477	\$744,764	\$622,862	\$588,530	<b>\$1,042,604</b>	\$1,364,557	\$770,456
<b>FY14</b>	\$782,665	\$847,682	\$740,204	\$455,473	\$753,021	\$640,277	\$598,679	<b>\$1,080,522</b>	\$1,400,790	\$805,313

# Residential Tax Rate History

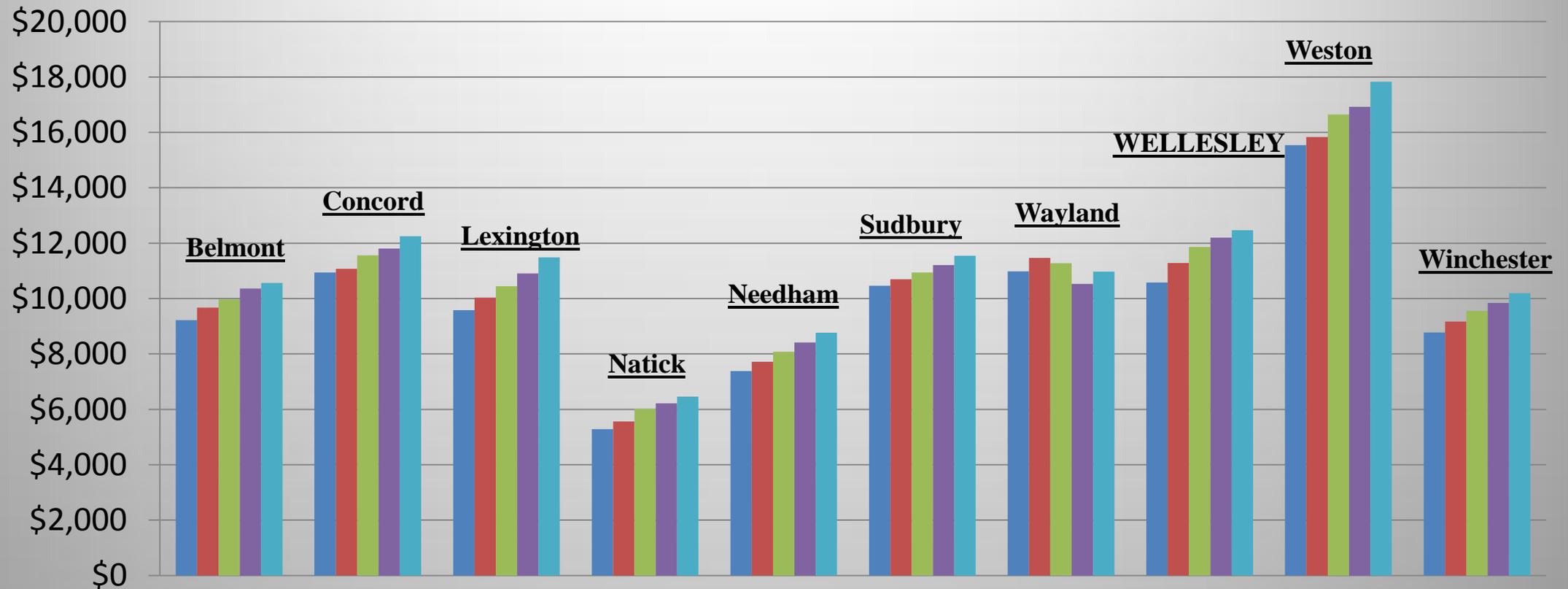
Residential Tax Rate



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<u>FY10</u>	\$12.16	\$13.09	\$13.86	\$11.67	\$10.53	\$16.08	\$17.78	<b>\$10.48</b>	\$11.10	\$11.51
<u>FY11</u>	\$13.24	\$13.19	\$14.40	\$12.60	\$10.90	\$17.03	\$19.35	<b>\$11.43</b>	\$11.39	\$12.10
<u>FY12</u>	\$13.35	\$13.58	\$14.97	\$13.91	\$10.95	\$17.60	\$19.01	<b>\$11.48</b>	\$12.11	\$12.55
<u>FY13</u>	\$13.33	\$14.07	\$15.20	\$14.34	\$11.30	\$17.99	\$17.89	<b>\$11.70</b>	\$12.40	\$12.77
<u>FY14</u>	\$13.50	\$14.45	\$15.51	\$14.18	\$11.64	\$18.03	\$18.33	<b>\$11.54</b>	\$12.73	\$12.66

# Mean Single Family Tax Bill History

Mean Single Family Tax Bill



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<b>FY10</b>	\$9,216	\$10,939	\$9,584	\$5,282	\$7,379	\$10,460	\$10,982	<b>\$10,581</b>	\$15,542	\$8,771
<b>FY11</b>	\$9,676	\$11,074	\$10,032	\$5,561	\$7,719	\$10,695	\$11,471	<b>\$11,282</b>	\$15,835	\$9,167
<b>FY12</b>	\$9,964	\$11,564	\$10,441	\$6,015	\$8,075	\$10,937	\$11,274	<b>\$11,860</b>	\$16,643	\$9,557
<b>FY13</b>	\$10,359	\$11,802	\$10,906	\$6,216	\$8,416	\$11,205	\$10,529	<b>\$12,198</b>	\$16,921	\$9,839
<b>FY 14</b>	\$10,566	\$12,249	\$11,481	\$6,459	\$8,765	\$11,544	\$10,974	<b>\$12,469</b>	\$17,832	\$10,195