

Approved 12/9/19

HAMPDEN MASSACHUSETTS

BOARD OF SELECTMEN

Donald L. Davenport, Chair

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TOWN ADMINISTRATOR

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Board of Selectmen/Board of Health
Town House Auditorium
November 18, 2019 6:00 pm
MINUTES

CALL TO ORDER: The meeting was called to order by Chairman Davenport at 6:00 pm.

PLEDGE OF ALLEGIANCE: The Pledge was recited.

ANNUAL TAX CLASSIFICATION HEARING -- M.G.L. CHAPTER 40 SECTION 56.

The Chairman asked if anyone was recording the meeting. The board was recording the meeting.

Board of Assessors:

Carolyn Reed, and Bob Makuch, from the Board of Assessors came before the board to present information to determine tax classification.

There will be 4 required votes; the single versus a split rate by adopting a factor of one. In our history, we have always adopted a single tax rate. The other votes will be about an Open Space exemption, residential exemption and small commercial exemption.

As explained, the residential exemption is one that only about 6 communities in the state choose this option. This is for a community that have non-owner occupied vacation properties, vacation homes and rentals.

The Small Commercial exemption has not been typically adopted as have a split of about 90% residential and 10% commercial. This would allow us to shift the tax rate by reallocating the tax burden between the commercial and residential properties.

The town's valuation did not increase a lot. There has not been a lot of new growth. The value this year is \$629m versus \$624m last year. \$3M was due to new growth and the rest was due to an increase in the market analysis.

Ms. Reed explained what the tax rate split would mean to the commercial property owners versus residential class. If we adopted a 125% shift, for an average \$270k home, the savings would be about \$234 a year and the commercial would increase by an additional \$3205 or so. The residents would benefit, but it would mean a large increase for commercial property owners.

Historically we have had a single tax rate and no exemptions.

Chairman Davenport asked if anyone had any questions and seeing none, the motions were as follows:

A motion was made by Selectman Flynn to set a single tax rate for all tax classifications, seconded by Selectman Glover. VOTE: All in favor and so voted.

A motion was made by Selectman Flynn to not adopt the Open Space discount, as recommended by the Board of Assessors, seconded by Selectman Glover. VOTE: All in favor and so voted.

A motion was made by Selectmen Flynn to not adopt the residential exemption, as recommended by the Board of Assessors, seconded by Selectman Glover. VOTE: All in favor and so voted.

A motion was made by Selectman Flynn to not adopt the small commercial exemption, as recommended by the Board of Assessors, seconded by Selectman Glover. VOTE: All in favor and so voted.

Thresher Road PILOT Agreement: TA Markel asked if the Thresher Road PILOT agreement could be taken out of order on the agenda while the Board of Assessors were still in the room.

Chairman Davenport started by asking how these agreements are structured. If he Principal Assessor, Carolyn Reed responded that the property owner who enters into an agreement with a solar company, is still responsible for paying property taxes. There may though be an agreement between the property owner and solar company that states that the solar company pays for or reimburses the property owner for those taxes. That agreement exists between property owner and solar company separate from the PILOT Agreement. The tax dollars owed to the town follow the PILOT Agreement, not the tax rate. Chairman Davenport asked how values are determined for solar companies; is it based on kilowatts or cost of equipment. PA Reed responded that there are multiple methods to determine value; the income approach, how much income does the property generate or the cost method, which determines how much all the personal property costs on the parcel and that number can be depreciated over the 20 year lifespan of the lease. These two numbers should be relatively close to each other and PA Reed stated that the value of a PILOT Agreement gives both the town and solar company predictability as to costs and revenue.

Selectman Davenport asked what the town's recourse would be if the solar company failed to pay their taxes. PA Reed suggested that this is an issue which will be managed by Town Counsel.

The question was asked if 227 Mill Road was up and running? The response was that it should be soon.

Altus, on Somers Road pays \$70k or so annually and there are a number of additional locations in town. Stony Hill solar panels are exempt due to MGL, as the net metering credits generated there are transferred to a taxable entity in another part of the state. The other credits generated are sold to the grid, and therefore are taxable.

Selectman Davenport asked if net metering credits affect the PILOT and they do not. He also asked about the town residents benefiting from net metering credits and that would have to be determined at the outset of contract discussions.

No revenue is generated for the town until an entire system is up, connected to the grid and running.

Clean Energy, developer of Thresher Road solar installation is fully permitted, but will have to do some upgrades to do the interconnection to the grid, and they are prepared to do so.

There are 8 solar projects in town; either up and running or in the process. They are: 2 on Mill Road, one on Ames, Altus on Somers, 2 on Stony Hill, one on Potash and one at the Landfill.

PA Reed explained that the Assessors did not have enough information to evaluate the valuation used for both the real and personal property at this site and will need additional cost and revenue information to complete their work. The representative from Clean Energy spoke and offered to speak with the assessors and Town Counsel to assure the necessary information is exchanged to complete the agreement.

Selectman Flynn asked about permits and the response was that they are fully permitted, except for the building permit. This is due to changes that may have to be made for the interconnection to the grid.

The question was asked if the equipment gets changed out, will Clean Energy replace with the same equipment? There is language in the contract that talks about replacement value, and it is up to the solar company to contact the town with such information.

Conservation Commission Appointments: Board members were asked to attend the BOS meeting to discuss their commission members as well as their appointment terms. Ted Zebert was asked by Bonnie Geromini to speak for the commission and Ted introduced two new people they wish to appoint. He introduced John Cushman, town resident who works at FloDesign in Wilbraham. John is a scientist and the board recommends him wholeheartedly. In addition, resident Thom Page is interested in the Commission and is willing to fill the position of Administrative Assistant. The pay rate needs to be established and agreed upon and he was asked if he has any restrictions on income as a retiree. The rate discussed was \$25/hour for a 30/hour work week. With this latest appointment the commission will still be short one commissioner.

A motion was made by Selectman Flynn to appoint John Cushman as Conservation Commissioner for a three-year term, until 2022, seconded by Selectman Glover. VOTE: All in favor and so voted.

TA Markel will work with Thom Page to figure out the details of the job and will coordinate his training with a member of the Wilbraham Commission to help train Thom.

Sidewalks: Community compact grant funds were received from the state, (\$25k) to fund the design for a sidewalk from Centennial Commons to the Senior Center on Allen Street. There was discussion about other funds that had been designated for sidewalks, funded by developers who had built subdivisions. There was money for Kibbe Lane; maybe \$20k, in lieu of putting sidewalks down the street. There was money from the Perennial Lane subdivision that Town Accountant believes has been melded into general funds, as this development was completed in 2004 or 2005. There is a bond in place for Kibbe Lane, but the amount remaining needs to be researched. Town Accountant believes that the remaining funds are to ensure the completeness of the road.

This discussion began because the board would like to use this grant money to replace the deteriorating sidewalks around the Town House. TA Markel has talked with Department of Revenue staff, Sean Cronin about doing so and was told that the funds are to be used for the work as they were intended. TA Markel will be tasked with having the state allow the money to be used where there is an immediate need. He will ask that the funds be used for an actual building project, rather than just design work. TA Markel expects that a resubmission will be required and will check with Planning to see what funds might be available through prior subdivisions. Highway Superintendent, Mark Langone got a quote for the walks around the building that came in between \$25k and \$50k.

Policy and Procedures: Selectman Glover asked about the policies and procedures she had given the board to review and noted that she has researched several towns, that most towns have such a manual and she will continue to work on it if the board members believe it has value. Chairman Davenport noted that we have an Employee Handbook and TA Markel will research what policies currently exist, what other departments may have for their own departments and further work can continue. Selectman Glover noted that good policy leads to good product.

Budget Meeting: TA Markel will inform department heads of our annual budget kick off meeting, to be held on December 9th at 7:00 pm. Advisory will be contacted as well. Selectman Glover would like a budget goal; to ask departments to maintain our tax rate and to look at innovate ways to positively impact services to our residents.

Police and Fire Radio System Contract: Town Counsel is working on the Marcus Communications contract and expects to have it ready for review later this month.

Fire Chief: Hours and salary need to be decided. TA Markel has met with Interim Poulin and explained that all positions in the community need to be posted, as standard practice. Chief Poulin understands this and TA Markel will work on posting this in January. The hiring will take place for July 1, 2020.

Christmas Week: Given that Christmas is on a Wednesday this year, there was the suggestion that the Town House close for the week. TA Markel noted that we are paid to serve the taxpayers and is not in favor of closing the building. It was noted that staff has vacation time and/or personal days that could be used during this week. They would have to check with their department heads to do so.

Annual Permits: There are a large number of permits that need to be voted and signed for distribution. Add permit signing for next week's agenda.

Timesheet: Board members asked what timesheets are being used currently. TA Markel has a template that he will assure everyone uses. A motion was made by Selectman Glover to approve the timesheet as recommended by TA Markel, seconded by Selectman Flynn. VOTE: All in favor and so voted.

With no further business, a motion was made by Selectman Flynn to adjourn at 8:00 pm, seconded by Selectman Glover. VOTE: All in favor and so voted.

Respectfully submitted,

Pamela B. Courtney
Administrator Assistant

/pbc