TISBURY SELECT BOARD MEETING MINUTES
Wednesday, December 7, 2022, at 5:00 PM
Roy Cutrer, John Cahill
VIRTUAL MEETING

CALL TO ORDER
Chair Cutrer called the meeting to order at 5:03PM.

PUBLIC HEARING:
5:00 PM Public Hearing to discuss the classification of the tax rate and the allocation of local property classes for Fiscal Year 2023
Chair Cutrer read the public hearing notice.
AnnMarie Cywinski stated the pandemic caused substantial increase in the property values. The median price for a single-family home for Tisbury is $1,500,000. Approximate increase for properties whose value is under $1,000,000- 29% and for properties above it is 35%. The overall assessed value for fiscal year 2023 is $4,621,978,335 and the tax levy for this year is $31,125,441. The increased of assessed value overall is 35.2% and increase in levy is 16.1% which gives a straight tax rate of $6.71. Ms. Cywinski stated that the Town is still pending classification from the Department of Local Revenue (DOR) bureau of local assessment. The two decisions that need to be made are if the Town will continue to implement the Residential Exemption and in what percentage and should the Select Board choose to shift some of the burden to another property class. Ms. Cywinski explained that the increase in property market values is due to the pandemic and people being able to work remotely.
Jon Snyder shared the screen (Appendix A). He explained the board cannot have the actual vote until the values have been certified. The increase of 30% is outside the norm and it is having the DOR examine very closely the analysis. Mr. Snyder stated that a commercial shift is going to have a minimal effect on the residential properties so there for is not financially feasible to do. The residential exemption shifts the burden from qualifying properties to non-qualifying properties.
Nancy Gillfoy asked what the impact is to the non-resident properties, the decrease seems larger than the increase of the bills.
Mr. Snyder explained that the savings for the residential properties are the same but the increase for the non-qualified properties is different and according to their value. What spreads the burden is the higher tax rate. The non-resident bill will increase about 7.3% and the residential bill will decrease about 20.8%. In Tisbury there are about 2933 total parcels of which 1100 enjoy the residential exemption. If the Board increase the residential exemption to 22% , the non-resident bill will be $7,255 and the resident $4,937. As the residential exemption gets increased the benefit for the resident gets bigger and the burden to the non-residents gets bigger but not with the same rate.
Jay Grande asked when would the impact of the 26 million be reflected in the bills?
Mr. Snyder responded that it will be in the next fiscal year 2024.
Mac Shilcher proposed considering the residential exemption being offered to people who don't qualify themselves but are housing year round residents.
AnnMarie stated that last year the Board of Assessors granted 52 more exemptions and this year the office sent 25-30 more applications. There is a special petition to the legislation that could be done just like to get the residential exemption to the properties which are rented to residents domiciled in the Town of Tisbury. The legislation process takes about 2 years.
Member Cahill made a motion to continue the hearing to December 14, 2022 at 3:30PM. Chair Cutrer seconded. Roll Call Vote. The vote was 2 in favor, 0 opposed, and 0 abstained.

APPOINTMENTS
Martha's Vineyard Commission- Greg Martino

Member Cahill made a motion to appoint Greg Martino as the Select Board representative at the Martha's Vineyard Commission. Chair Cutrer seconded. Roll Call Vote. The vote was 2 in favor, 0 opposed, and 0 abstained.
Select Board supports the Vineyard Winds project.

Traffic Officer- Samantha Gitschier
Member Cahill made a motion to appoint Samantha Gitschier as a traffic officer. Chair Cutrer seconded. Roll Call Vote. The vote was 2 in favor, 0 opposed, and 0 abstained.

ANNOUNCMENTS
Vineyard Haven Business Association Holiday Plans
Mr. Grande announced a Minora Lighting event.
Chief Habekost stated there are two weekends with planned Hayrides which will result in closure of Union Street.

PROSPECTIVE MEETINGS SCHEDULE AND AGENDA ITEMS
December 14, 2022
December 21, 2022

MEETING ADJOURNMENT
Member Cahill made a motion to adjourn. Chair Cutrer seconded. Roll Call Vote. The vote was 2 in favor, 0 opposed, and 0 abstained.
Meeting was adjourned at 5:49PM.

Meeting Minutes Recorded by Executive Assistant Elena De Foe

Meeting Minutes Approved January 25, 2023

Roy Cutrer
Vice Chair

John Cahill
Clerk

Appendix A

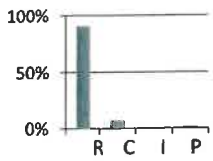
Calculations for Property Tax Rates

FY2023

12/7/2022 14:38

This reflects updated RE values as of **12/05/2022**
Values have **not** been certified.

	Value	% of Total	Levy	Millage
Residential	4,210,004,229	91.09%	28,332,897	
Commercial	320,146,139	6.93%	2,154,551	
Industrial	7,340,100	0.16%	49,398	
Personal Property	84,487,867	1.83%	568,595	
Total	4,621,978,335	100.00%	31,105,441	6.73
Increase over prior year	35.2%		16.1%	



Commercial Shift

If increase non-residential levies by some percentage, what is impact?

Can increase non-residential levies a maximum of 6%.

	Shift of	0%	Levy	Millage
Residential		100%	28,332,897	6.73
Commercial		100%	2,154,551	6.73
Industrial		100%	49,398	6.73
Personal Property		100%	568,595	6.73
Total		100%	31,105,441	

Commercial Shift of 0%	
Avg House Value	1,435,392
Tax before shift	9,660
Tax after shift	9,660
Difference	-
	0.0%

Results in shift of 0% of residential levy to other classes.

Residential Exemption

Step 1

	Value	# Parcels	Avg Value
Total Parcels	4,210,004,229	2,933	1,435,392
Eligible Residents		1,100	
	Estimated Value of Eligible Parcels		1,578,931,010
	x Exemption Percentage		18.0%
	= Total Exempted Value		284,207,582

Exempted Value $ 258,371

Step 2

Residential Millage Rate must increase so total levy remains the same.
Given a commercial shift of 0% (from above)
then residential levy is 28,332,897
Adjusted residential property value is

Total	4,210,004,229		
less exemption	284,207,582		
= Adjusted base	3,925,796,647	New millage	7.22

Average Residential Tax Bill $ 10,364
Tax value of exemption $ 1,865.44

Increase in millage rate 0.49 (over rate after commercial shift.)

For a non-resident property, this increase in millage rate results in a 7.3% increase.

Example

Given a commercial shift of 0%

	Prev. Millage	New Mill.
	6.7300	7.2200

	Prop. Value	Prev. Tax	New Tax	$ Difference	% Difference
Non-Resident	$ 988,400	$ 6,652	$ 7,136	$ 484	7.3%
Resident	730,029		5,271	(1,381)	-20.8%
(same property, but valuation is $258371 lower)		difference	$ 1,865		

Breakeven point, where resident starts paying more than he would have without the exemption: $ 3,807,018

Average property value as of 12/5/2022. . . . . 1,574,725 (excludes land, condos & mixed use.)
Median Property Value per Vision as of 12/5/22 . . . . . 988,400 (excludes land, condos & mixed use.)

Tax Bill on Parcel with Residential Exemption
For a house with a value of $988400

		Commercial Shift			
		0%	2%	4%	6%
Residential Exemption	0%	6,652	6,642	6,622	6,612
	10%	5,906	5,897	5,880	5,872
	12%	5,754	5,738	5,729	5,721
	14%	5,591	5,583	5,575	5,559
	16%	5,433	5,425	5,410	5,402
	18%	**5,271**	5,256	5,249	5,234
	20%	5,106	5,092	5,085	5,071
	21%	5,022	5,008	5,001	4,987
	22%	4,937	4,924	4,917	4,903
	23%	4,851	4,838	4,832	4,818
	25%	4,678	4,665	4,659	4,646
	35%	3,767	3,757	3,752	3,742

Difference in Bill versus Current 0%/18%

		Commercial Shift			
		0%	2%	4%	6%
Residential Exemption	0%	1,381	1,371	1,351	1,342
	10%	635	626	609	601
	12%	483	467	459	450
	14%	320	312	304	289
	16%	162	154	139	131
	18%	-	(15)	(22)	(37)
	20%	(165)	(179)	(186)	(200)
	21%	(249)	(263)	(270)	(283)
	22%	(334)	(347)	(354)	(367)
	23%	(419)	(433)	(439)	(452)
	25%	(593)	(606)	(612)	(625)
	35%	(1,504)	(1,514)	(1,519)	(1,529)

With 0% Commercial Shift

		Annual Property Tax		Residential	Total Res.Tax
		Resident	Non-Res.	Mill Rate	Collected
Residential Exemption	0%	$ 6,652	$ 6,652	$ 6.73	$ 28,332,897
	10%	$ 5,906	$ 6,909	$ 6.99	$ 28,332,897
	12%	$ 5,754	$ 6,968	$ 7.05	$ 28,332,897
	14%	$ 5,591	$ 7,018	$ 7.10	$ 28,332,897
	16%	$ 5,433	$ 7,077	$ 7.16	$ 28,332,897
	18%	**$ 5,271**	$ 7,136	$ 7.22	$ 28,332,897
	20%	$ 5,106	$ 7,196	$ 7.28	$ 28,332,897
	21%	$ 5,022	$ 7,225	$ 7.31	$ 28,332,897
	22%	$ 4,937	$ 7,255	$ 7.34	$ 28,332,897
	23%	$ 4,851	$ 7,285	$ 7.37	$ 28,332,897
	25%	$ 4,678	$ 7,344	$ 7.43	$ 28,332,897
	35%	$ 3,767	$ 7,660	$ 7.75	$ 28,332,897