

**MINUTES
SPECIAL MEETING
OF THE BOARD OF DIRECTORS
October 24, 2006 – 7:00 p.m.
LINCOLN CENTER HEARING ROOM**

PRESENT: Mayor Howroyd, Deputy Mayor O’Neill, Secretary Zingler, Directors Sheridan, Topping, Doucette, Peak, Spadaccini, and Pelletier

ALSO: General Manager Shanley

1. MEETING CALLED TO ORDER.

The meeting was called to order at 7:07 p.m. All in attendance participated in the Pledge of Allegiance to the Flag, led by Mayor Howroyd.

2. DISCUSSION AND ADOPTION OF REVALUATION PHASE-IN.

General Manager Shanley briefly reviewed the graphs provided to the Board as well as the two summary sheets which show a range of phase-in options from no phase-in to five-year phase-in. Mr. Shanley explained that revaluation will realign what residents are paying for taxes, returning all taxpayers to paying 70% of the real market value of their homes. Revaluation was last done in 2000.

Alan Desmarais, Director of Finance, reminded the Board that the efforts of estimating taxes for a year that has not yet happened is somewhat groundbreaking. He explained that one summary provided isolates the real estate and the other summary includes motor vehicle taxes.

John Rainaldi, Director of Assessment and Collection, further explained the summary sheets provided to the Board. He explained that the same assumptions were made for these projections as provided in the original packet the Board received last month. The amount used for the motor vehicle assumption remains constant throughout the projections where a motor vehicle amount is included.

**ADOPTED - MOTION THAT THE BOARD OF DIRECTORS APPROVE AND
AUTHORIZE A THREE-YEAR EQUAL STEP PHASE-IN ASSESSMENT
RESULTING FROM THE 2006 PROPERTY REVALUATION.**

Secretary Zingler stated that after much consideration, he thinks the three-year phase-in is the most fiscally responsible way to ease the tax burden.

Director Sheridan commended Town staff for getting revaluation information out to the public. He noted that residential property owners who had the greatest appreciation in value are the

people with modest homes. These are the taxpayers who will benefit the most from a phase-in. Mr. Sheridan thinks the three-year option is the best for the community and that it is in the best interest of the majority of the taxpayers.

Director Pelletier has heard families say they cannot withstand paying more taxes. She believes the solution is to control spending. A three-year phase-in option will postpone the pain, but does not correct any damage already done. Ms. Pelletier advocates a two-year phase-in option, but is not opposed to the three-year option. The Republican caucus suggested a property tax freeze for senior citizens to allow for budget certainty. Ms. Pelletier would like to see legislators seek reimbursement for tax abatement programs for seniors.

Director Peak stated that he would be willing to go along with a three-year phase-in option. A number of taxpayers are affected and he feels that phase-in is the right approach to take. Mr. Peak pointed out that in the past commercial properties took a big hit on taxes, but phase-in was not discussed. He would like to consider the people who have the least ability to pay the higher tax rates and how the Town can help them. Mr. Peak would like to discuss senior tax freeze options at the next Board meeting.

Director Doucette stated that he considered two things when making his decision; first, easing the burden to those who will have the most increase, and second, being fiscally responsible and protecting the bond ratings. He feels that a three-year phase-in makes the most sense. Prolonging the phase-in further is not fiscally responsible. Mr. Doucette would also like to look at a senior freeze option.

Deputy Mayor O'Neill supports a three-year phase-in option. Her concern is for the young working families. The three-year option allows them time to bridge the gap between income and expenses.

Director Spadaccini noted that the numbers provided assume no budget growth and stated that is an unrealistic assumption given past practices. Revaluation was scheduled to occur in 2004 and was postponed for two years. Values could have been locked in at the 2004 rates but instead revaluation was postponed. Mr. Spadaccini feels this was poor judgment on the part of the Democrats and the current Board is left acclimating taxpayers to increases. Mortgage rates and energy costs are rising and now taxes could double for many residents. Mr. Spadaccini has concerns about the three-year phase-in but will go along with it.

Secretary Zingler made a point of order and Mayor Howroyd asked Mr. Spadaccini to confine his remarks to the principal question before the Board.

Director Spadaccini stated that once phase-in is complete, the Town will have to do revaluation again in just two years. The Board should explore enacting an ordinance that allows freezing of tax bills. Tax relief for seniors is top priority.

Mayor Howroyd explained that the decision to delay revaluation made by the previous Board was based on the best information available at that time. He commended Town staff for the data

provided to the Board regarding the different phase-in options. Mayor Howroyd feels a three-year phase-in option is the most appropriate course of action and noted that there is no perfect solution. He also welcomes a discussion on senior tax freeze options and thinks there are currently tools available for seniors that are underutilized.

Secretary Zingler moved and Director Doucette seconded the motion to adopt.

Nine Voted in Favor

3. ADJOURNMENT.

The meeting was adjourned until the November 14, 2006, Regular Meeting of the Board of Directors at 7:00 p.m. in the Lincoln Center Hearing Room.

Director Spadaccini moved and Director Peak seconded the motion to adjourn.

Nine Voted in Favor

Adjournment: 8:00 p.m.

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APPROVE:

ATTEST:

Secretary, Manchester Board of Directors