JOHN A. PEPPE, CHAIRMAN
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KWAN SOO KIM, BOARD MEMBER
PETER MORAN PRINCIPAL ASSESSOR

TOWN OF RANDOLPH
INC.1793

TOWN OF RANDOLPH

PROPERTY TAX CLASSIFICATION MEETING

FOR FISCAL YEAR 2017

PRESENTED TO THE TOWN COUNCIL

MONDAY, AT 7:15PM

NOVEMBER 28, 2016

RANDOLPH TOWN HALL

CHAPIN HALL

VALUE INFORMATION

ASSESSMENT DATE IS JANUARY 1, 2016 FOR FY2017

ALL VALUES ARE ANALYZED BY REVIEWING THE FOLLOWING THREE APPROACHES TO VALUE:

- Sales approach- Real Estate sales from Calendar Year 2015 and if necessary, a portion of Calendar Year 2014.
- Cost approach- Calculating the current cost to rebuild and deducting depreciation. Land is valued separately and added to the depreciated replacement cost.
- Income approach- Commercial and Industrial Values- Use (38D) written returns of information for real property, from Calendar Year 2015 income and expense statements.

TERMINOLOGY

THE FOLLOWING ARE DEFINITIONS OF THE TERMS FREQUENTLY USED IN THE DISCUSSION OF TAX RATES.

- **LEVY-** The tax levy is the amount of property taxes to be raised. The levy amount is determined by the budget. The total amount of the approved budget less revenues from other sources like motor vehicle excise, municipal fees, and state aid is the amount to be raised by property taxation.
- **LEVY CEILING-** The levy ceiling is 2.5% of the full value of the Town. Based on the total full valuation of $3,202,281,625 Town cannot levy taxes in excess of 80,057,040.63.
- **NEW GROWTH-** Property taxes derived from newly taxable properties like new construction, additions renovations, subdivisions, and personal property.
- **LEVY LIMIT-** Also referred to as the "maximum allowable levy" this is calculated by adding 2.5% percent of the previous year's levy limit plus new growth revenue for the present fiscal year.
- **EXCESS LEVY CAPACITY-** Excess levy capacity is the difference between the levy and the levy limit.

WHAT HAPPENED TO PROPERTY VALUES IN RANDOLPH DURING CALENDAR 2015 THAT AFFECTED FISCAL YEAR 2017??

Almost all of the new construction in Randolph in 2015 was in the residential class. This was true in 2014 and is true so far in 2016. Residential properties also appreciated in value at a faster pace than the commercial/industrial classes. The result of this is that the percentage of value in the residential class has risen, and will most likely continue to rise.

It takes longer for the commercial/industrial/personal property (CIP) properties to rise (or fall) in reaction to the market because there value depends on valuing a net income stream derived from yearly income and expense statements.

The maximum shift allowed by Mass General law is 1.75. Last year a shift of 1.70 was chosen and this reduced the share of taxes paid by the residential class to 77.1884% from 86.5814 if one tax rate had been chosen. In FY2017 if a 1.75 shift is chosen, the lowest share of taxes that the residential could be reduced to is 77.5622%.

If residential construction continues to outpace the commercial/industrial sector as a percentage of total value, the residential class will continue to pay a higher percentage of the total taxes even with a factor of 1.75.

TOTAL FULL FAIR CASH VALUATION- FY2017
CERTIFIED BY THE
DEPARTMENT OF REVENUE

Total Valuation 2017

Residential	$2,791,696,836	87.1784%
Commercial/Industrial/ Personal Property	$410,584,789	12.8216%
Total	$3,202,281,625	100.00%

Total Valuation FY2016

Residential	$ 2,502,098,350	86.5814%
Commercial/Industrial/ Personal Property	$ 387,781,895	13.4186%
Total	$ 2,889,880,245	100.00%

Total Valuation FY2015

Residential	$2,322,440,083	85.8815%
Commercial, Industrial & Personal Property	$381,798,562	14.1185%
Total	$2,704,238,645	100.00%

Total Valuation FY2014

Residential	$2,243,161,207	85.4797%
Commercial, Industrial &Personal Property	$381,043A98	14.5203%
Total	$2,624,204,705	100.00%

Facts

FY 2016		% Value	FY 2017		% Value
• Res	2,502,289300	86.5814	Res	2,791,696,836	87.1784
• O/S	0		O/S	0	
• Com .	224,686,625	7.7749	Com.	237,285,039	7.4099
• Ind.	88,490,600	3.0621	Ind.	94,841,500	2.9617
• P/P	74,604,670	2.5816	P/P	78,458,250	2.4500

- Res 86.5814 %
- CIP 13.4186 %
- Res Factor .883764

Res 87.1784
CIP 12.8216
Res Factor .889694

LEVY LIMITS

Fiscal Year 2017 Levy Limit

FY 2016 Levy Limit	$56,203,658
Plus 2.5%	1,405,091
Add FY2017 New Growth	546,844
FY2017 Levy Limit	$58,155,593
Plus Debt Exclusion	104,632
FY2017 Maximum Allowable Levy	**$58,260,225**

Fiscal Year 2016 Levy Limit

FY 2015 Levy Limit	$ 54,440,479
Plus 2.5%	1,361,012
Plus FY 2016 New Growth	395,705
Fy2016 Levy Limit	$ 56,197,196
Debt Exclusion	185,859
FY2016 Maximum Allowable Levy	**$56,383,055**

Fiscal Year 2015 Levy Limit

FY2014 Levy Limit	$52,649,077	*$52,649,077*
Plus 2.5%	$1,316,227	$1,316,227
Plus FY2015 New Growth	$425,552	$475,175
FY2015 Levy Limit	$54,390,856	$54,440,479
Debt Exclusion	$282,082	$282,082
FY2015 Maximum Allowable Levy	**$54,672,938**	**$54,722,561**

THE AVERAGE SINGLEFAMILY ASSESSMENT USING CLASSIFICATION
Comparing FY2017 to FY2016

Fiscal Year 2017 with NO Shift

Average Valuation	288,400
Tax Rate	18.19 estimated
Taxes	5,246.00
Increase of	$163.64 over fy2016 taxes if NO shift had been adopted

Fiscal Year 2017 with a shift of **1.70**

Average Valuation	288,400
Tax Rate	16.32 estimated Residential, CIP 30.92
Taxes	4,706.69
Increase of $176.59 over FY2016	3.9%

Fiscal Year 2017 with a shift of **1.71**

Average Valuation	288,400
Tax Rate	16.29 estimated Residential, CIP 31.10
Taxes	4,698.04
Increase of 167.94 over FY2016	3.7%

Fiscal Year 2017 with a shift of **1.72**

Average Valuation	288,400
Tax Rate	16.26 estimated
Taxes	4,689.38
Increase of 159.28 -over FY2016	3.5%

Fiscal Year 2017 with a shift of **1.75** **Maximum Shift**

Average Valuation	288,400
Tax Rate	16.18 estimated
Taxes	4,666.31
Increase of 136.21 over FY2016	3%

Fiscal Year 2016 **No** shift

Average Valuation	$260,500
Tax Rate	19.51 estimated
Taxes	$5,082.36

Fiscal Year 2016 (1.70) shift- **Actual**

Average Valuation	$260,500
Tax Rate	17.39
Taxes	**$4,530.10**

COMPARISON OF FY17 PROPOSED TAXES TO FY 16 ACTUAL TAXES FOR COMM/IND/PERSPROP

FY2017 Valuation	CIP factor	Tax Rate proposed	Taxes	FY2016 Valuation	Factor	Tax Rate	Actual FY2016 Taxes	Difference	change
257,600	1.70	30.92	$ 7,964.99	240,900	1.70	33.16	7,988.24	$ (23.25)	-0.3%
257,600	1.71	31.10	$ 8,011.36	240,900	1.70	33.16	7,988.24	$ 23.12	0.3%
257,600	1.72	31.29	$ 8,060.30	240,900	1.70	33.16	7,988.24	$72.06	0.9%
257,600	1.73	31.47	$ 8,106.67	240,900	1.70	33.16	7,988.24	$ 118.43	1.5%
257,600	1.74	31.65	$ 8153.04	240,900	1.70	33.16	7,988.24	$164.80	2.1%
257,600	1.75	31.83	$ 8,199.41	240,900	1.70	33.16	7,988.24	$211.16	2.7%
1,179,200	1.70	30.92	$ 36,460.86	1,120,800	1.70	33.16	37,165.73	$(704.87)	-1.9%
1,179,200	1.71	31.10	$ 36,673.12	1,120,800	1.70	33.16	37,165.73	$(492.61)	-1.3%
1,179,200	1.72	31.29	$ 36,897.17	1,120,800	1.70	33.16	37,165.73	$(268.56)	-0.7%
1,179,200	1.73	31.47	$ 37,109.42	1,120,800	1.70	33.16	37,165.73	$(56.30)	-0.2%
1,179,200	1.74	31.65	$ 37,321.68	1,120,800	1.70	33.16	37,165.73	$155.95	0.4%
1,179,200	1.75	31.83	$ 37,533.94	1,120,800	1.70	33.16	37,165.73	$368.21	1.0%
5,250,000	1.70	30.92	$ 162,330.00	5,066,250	1.70	33.16	167996.85	$(5,666.85)	-3.4%
5,250,000	1.71	31.10	$ 163,275.00	5,066,250	1.70	33.16	167,996.85	$(4,721.85)	-2.8%
5,250,000	1.72	31.29	$ 164,272.50	5,066,250	1.70	33.16	167,996.85	$(3,724.35)	-2.2%
5,250,000	1.73	31.47	$ 165,217.50	5,066,250	1.70	33.16	167996.85	$(2,779.35)	-1.7%
5,250,000	1.74	31.65	$ 166,162.50	5,066,250	1.70	33.16	167996.85	$(1,834.35)	-1.1%
5,250,000	1.75	31.83	$ 167,107.50	5,066,250	1.70	33.16	167996.85	$(889.35)	-0.5%

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History of Classification Shifts

Fiscal Year	Shift
2016	1.70
2015	1.64
2014	1.59
2013	1.59
2012	1.63

Comparisons of Surrounding Cities & Towns

Community	FY'16 Res	CIP	Shift	Average Assessed Value	Average Tax
Braintree	$10,98	$24.53	1.75	$395,162	$4,339
Randolph	$17,39	$33.16	1.70	$260,479	$4,530
Stoughton	$14.97	$26.02	1.50	$307,075	$4,597
Holbrook	$19.64	$37.53	1.69	$253,778	$4,984
Quincy	$14.36	$29.37	1.75	$367,497	$5,277
Abington	$17.93	$17.93	No Shift	$302,281	$5,420
Canton	$12.79	$26.34	1.67	$504,066	$6,447

1.51	92.4992	80.6393	0.0000	11.1889	4.4721	3.6996	100.0000	46,972,012	0	6,517,484	2,605,002	2,155,005	58,249,503	16.83		27.47	27.47
1.52	92.3522	80.5111	0.0000	11.2630	4.5018	3.7241	100.0000	46,897,326	0	6,560,647	2,622,254	2,169,276	58,249,503	16.80		27.65	27.65
1.53	92.2051	80.3829	0.0000	11.3371	4.5314	3.7486	100.0000	46,822,641	0	6,603,809	2,639,505	2,183,548	58,249,503	16.77		27.83	27.83
1.54	92.0580	80.2547	0.0000	11.4112	4.5610	3.7731	100.0000	46,747,955	0	6,646,971	2,656,757	2,197,820	58,249,503	16.75		28.01	28.01
1.55	91.9110	80.1265	0.0000	11.4853	4.5906	3.7976	100.0000	46,673,270	0	6,690,133	2,674,009	2,212,091	58,249,503	16.72		28.19	28.19
1.56	91.7639	79.9983	0.0000	11.5594	4.6202	3.8221	100.0000	46,598,585	0	6,733,295	2,691,260	2,226,363	58,249,503	16.69		28.38	28.38
1.57	91.6168	79.8700	0.0000	11.6335	4.6498	3.8466	100.0000	46,523,899	0	6,776,457	2,708,512	2,240,634	58,249,503	16.67		28.56	28.56
1.58	91.4697	79.7418	0.0000	11.7076	4.6795	3.8711	100.0000	46,449,214	0	6,819,620	2,725,764	2,254,906	58,249,503	16.64		28.74	28.74
1.59	91.3227	79.6136	0.0000	11.7817	4.7091	3.8956	100.0000	46,374,529	0	6,862,782	2,743,015	2,269,177	58,249,503	16.61		28.92	28.92
1.60	91.1756	79.4854	0.0000	11.8558	4.7387	3.9201	100.0000	46,299,843	0	6,905,944	2,760,267	2,283,449	58,249,503	16.58		29.10	29.10
1.61	91.0285	79.3572	0.0000	11.9299	4.7683	3.9446	100.0000	46,225,158	0	6,949,106	2,777,519	2,297,720	58,249,503	16.56		29.29	29.29
1.62	90.8814	79.2290	0.0000	12.0040	4.7979	3.9691	100.0000	46,150,473	0	6,992,268	2,794,770	2,311,992	58,249,503	16.53		29.47	29.47
1.63	90.7344	79.1007	0.0000	12.0781	4.8275	3.9936	100.0000	46,075,787	0	7,035,430	2,812,022	2,326,264	58,249,503	16.50		29.65	29.65
1.64	90.5873	78.9725	0.0000	12.1522	4.8572	4.0181	100.0000	46,001,102	0	7,078,592	2,829,274	2,340,535	58,249,503	16.48		29.83	29.83
1.65	90.4402	78.8443	0.0000	12.2263	4.8868	4.0426	100.0000	45,926,416	0	7,121,755	2,846,525	2,354,807	58,249,503	16.45		30.01	30.01
1.66	90.2931	78.7161	0.0000	12.3004	4.9164	4.0671	100.0000	45,851,731	0	7,164,917	2,863,777	2,369,078	58,249,503	16.42		30.20	30.20
1.67	90.1461	78.5879	0.0000	12.3745	4.9460	4.0916	100.0000	45,777,046	0	7,208,079	2,881,029	2,383,350	58,249,503	16.40		30.38	30.38
1.68	89.9990	78.4597	0.0000	12.4486	4.9756	4.1161	100.0000	45,702,360	0	7,251,241	2,898,280	2,397,621	58,249,503	16.37		30.56	30.56
1.69	89.8519	78.3314	0.0000	12.5227	5.0052	4.1406	100.0000	45,627,675	0	7,294,403	2,915,532	2,411,893	58,249,503	16.34		30.74	30.74
1.70	89.7049	78.2032	0.0000	12.5968	5.0349	4.1651	100.0000	45,552,990	0	7,337,565	2,932,784	2,426,164	58,249,503	16.32		30.92	30.92
1.71	89.5578	78.0750	0.0000	12.6709	5.0645	4.1896	100.0000	45,478,304	0	7,380,727	2,950,035	2,440,436	58,249,503	16.29		31.10	31.10
1.72	89.4107	77.9468	0.0000	12.7450	5.0941	4.2141	100.0000	45,403,619	0	7,423,890	2,967,287	2,454,708	58,249,503	16.26		31.29	31.29
1.73	89.2636	77.8186	0.0000	12.8191	5.1237	4.2386	100.0000	45,328,933	0	7,467,052	2,984,539	2,468,979	58,249,503	16.24		31.47	31.47
1.74	89.1166	77.6904	0.0000	12.8932	5.1533	4.2631	100.0000	45,254,248	0	7,510,214	3,001,790	2,483,251	58,249,503	16.21		31.65	31.65
1.75	88.9695	77.5621	0.0000	12.9673	5.1829	4.2876	100.0000	45,179,563	0	7,553,376	3,019,042	2,497,522	58,249,503	16.18		31.83	31.83

Town of Randolph Fiscal Year 2017

Property Tax Classification Presentation

Certified Total Full Fair Cash Value

FY 2017

Category	Total Value	% of Total
Residential	$2,791,696,836	87.1784
Commercial, Industrial and Personal Property	$ 410,584,789	12.8216
Total	$3,202,281,625	100.00%

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Fiscal Year 2016 Levy Limit

FY 2016 Levy Limit	$56,203,658
Plus 2.5%	$1,405,091
Plus FY 2016 New Growth	$546,844
FY 2016 Levy Limit	$58,155,593
Debt Exclusion	$104,632
FY 2016 Maximum Allowable Levy	$58,260,225

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Maximum Allowable Levy Limit

FISCAL YEAR	MAXIMUM ALLOWABLE LEVY	TAX LEVY	EXCESS LEVY
FY 2016	$56,383,055	56,370,389	12,666
FY 2015	$54,722,561	54,704,242	18,319
FY 2014	$52,995,642	$52,993,576	$2,096
FY 2013	$51,362,450	$51,329,325	$33,125
FY 2012	$49,639,421	$49,610,838	$28,583
FY 2011	$48,131,034	$48,129,099	$1,935

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Facts

FY 2016		% Value	FY 2017		% Value
Res	2,502,289300	86.5814	Res	2,791,696,836	87.1784
O/S	0		O/S	0	
Com.	224,686,625	7.7749	Com.	237,285,039	7.4099
Ind.	88,490,600	3.0621	Ind	94,841,500	2.9617
P/P	74,604,670	2.5816	P/P	78,458,250	2.4500

- Res 86.5814 %
- CIP 13.4186 %
- Res Factor 883764

Res 87.1784
CIP 12.8216
Res Factor 889694

Average Single Family Assessment

Average Valuation FY 2017	$288,400
Tax Rate – Single tax Rate	$18.19
Taxes	$5,246
FY16 taxes-single rate of 19.51,increase of $164	$5,082

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Analysis of Effect on the Average Single Family Valuation

- Considering the factor of 1.70%

Fiscal Year	2017	2016
Average Single Family House Value	288,400	260,500
Tax Rate	$16.32	$17.39
Taxes	$4,707	$4,530
Increase from Prior Year	$177	$
% Increase	3.91%	

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Commercial Assessment by Various Sizes @1.70%

Proposed Tax Rate of $30.92

- Small Commercial with Valuation of $257,600
  - Taxes.....$7,965
  - Decrease from FY 2016..... $23
- Medium Commercial with Valuation of $1,179,200
  - Taxes.....$36,461
  - Decrease from FY 2016..... $705
- Large Commercial with Valuation of $5,250,000
  - Taxes.....$162,330
  - Decrease from FY 2016..... .$5,667

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History of Classification Shifts

FISCAL YEAR	SHIFT
2016	1.70
2015	1.64
2014	1.59
2013	1.59
2012	1.63
2011	1.63

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Comparisons of Surrounding Cities & Towns

Community	FY'16 Res	CIP	Shift	Average Assessed Value	Average Tax
Braintree	$10,98	$24.53	1.75	$395,162	$4,339
Randolph	$17,39	$33.16	1.70	$260,479	$4,530
Stoughton	$14.97	$26.02	1.50	$307,075	$4,597
Holbrook	$19.64	$37.53	1.69	$253,778	$4,984
Quincy	$14.36	$29.37	1.75	$367,497	$5,277
Abington	$17.93	$17.93	No Shift	$302,281	$5,420
Canton	$12.79	$26.34	1.67	$504,066	$6,447

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Calculation of Residential Factor

Adopting a factor of 0.895578, 1.70 CIP factor the Tax Rate would be

RESIDENTIAL $16.32

C.I.P.....$30.92

Average Value 288,400 = $4,707 Taxes

Increase of 3.9%

Choosing a factor from 1.71 to 1.75 would mean less than a 3.9% increase for the residential class down to a 3% increase at a 1.75 CIP factor

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Questions

1. The selected Residential Factor is.....

   In computing your Residential Factor,

2. Was a discount granted to Open Space?
   Yes_____ No_____
3. Was Residential Exemption Adopted?
   Yes_____ No_____
4. Was a Small Commercial Exemption adopted?
   Yes_____ No_____

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