

MEETING MINUTES
West Tisbury Library Board of Trustees
Tuesday, November 9, 2011
at the West Tisbury Free Public Library

In Attendance

Trustees: Hal Garneau, Melissa Hackney, Linda Hearn, Ginny Jones, Gina Solon, Dan Waters

Director: Beth Kramer

Public: Kathy Logue, Town Treasurer; Bruce Stone, Town Accountant

Linda Hearn called the meeting to order at 7:00 p.m. and introduced the two guests, Town Treasurer Kathy Logue and Town Accountant Bruce Stone.

Minutes

Ginny Jones moved to approve the minutes of October 11, 2011. Melissa Hackney seconded the motion, which passed by voice vote with the abstention of Ginny, who was absent at the October meeting.

Old Business

Beth Kramer reminded the Trustees of tomorrow night's forum about joining the CLAMS (Cape Libraries Automated Materials Sharing) network. The forum will be at 5 pm at the Chilmark Library and is open to the public. Beth said she had extended a special invitation to town hall staff and the finance committee, since it is especially important that Fincom understand the importance, implications, and cost of joining CLAMS. Dan Waters asked Hal Garneau to explain how CLAMS circulation, fines, and cataloging policies will supersede policies set by library trustees in the past, thus eliminating a certain degree of local control. Beth reminded the group that this could also be clarified at the forum.

Debt Exclusion

Linda asked Bruce Stone and Kathy Logue to speak about debt exclusion and how it may affect the appropriations request for the library's expansion and renovation project at Town Meeting in April of 2012.

Bruce distributed an overview of Proposition 2½ and a chart showing the West Tisbury Tax Levy for FY2002-FY2012. (Those handouts are appended to these minutes.) He explained how a provision in the law allows town debt to be excluded from Proposition 2½, and how this procedure may be needed to maintain a healthy amount of excess capacity between the possible tax levy and the actual tax levy. Kathy said that the town's financial team had met earlier in the year and felt that it would be prudent for the library project to come before the town as a debt exclusion vote, although the final determination of whether or not this happens must be made by a 2/3 vote by the Selectmen. Debt exclusion votes by the town necessitate a ballot question, and it is likely that the West Tisbury School appropriation will face a similar procedure.

The probable outcome is that the library appropriation must survive two votes in April of 2012: a voice vote on the funding and design at Town Meeting, at which a 2/3 vote is necessary, and a ballot question on debt exclusion, on which a majority vote is needed.

At the end of this presentation, after Bruce and Kathy had answered some question from the trustees, Linda thanked them and said "I'm glad you're working for our town, and I'm glad I don't have your job."

Committee Reports

In a brief discussion of building committee progress, Linda reported that the architects are now working on making the library design more compact, simpler, flexible, and incorporating several features that everybody wanted. On Monday, Patience from the MBLC (Massachusetts Board of Library Commissioners) will take another look at the design and offer her comments. The next building committee meeting will be held Tuesday, November 15, 3:30 pm at the Town Hall.

Policy

At the October trustees meeting, Melissa had offered to formulate a policy for confidentiality regarding anonymous gifts to the library. She reported that she had consulted informally with Ron Rappaport, town counsel, who advised that the town cannot accept anonymous gifts due to conflict of interest laws. The Foundation can, however, keep gifts confidential, since it is an independent 501(c)3 corporation with sufficient checks and balances. Therefore there is no need for a confidentiality policy for trustees.

With no further public comment and no correspondence, the meeting adjourned at 8:12.

Respectfully submitted,
Dan Waters, Clerk

Proposition 2½

Proposition 2½ was enacted in 1980. This law places constraints on the property tax levy raised by cities and towns. The property tax levy is the revenue a community can raise through real and personal property taxes and is the largest source of revenue for many Massachusetts municipalities. Proposition 2½ established two types of constraints or limits: the *levy limit* and the *levy ceiling*.

The levy limit is the maximum amount of property taxes that a community can raise in a given year. Each year the levy limit is calculated based on the previous year's levy limit, not the actual amount levied in the previous year. Therefore, choosing not to levy up to the levy limit in one year does not affect the following year's levy limit. **The levy limit is calculated by adding the automatic 2½ percent increase and new growth to the previous year's levy limit.** The levy limit is below, or at most, equal to the levy ceiling.

One way that the levy limit increases is by the addition of *new growth*. New growth reflects certain increases in the tax base and becomes a permanent part of the levy limit base. Assessors are required to submit information on new growth in the tax base for approval by the Department of Revenue as part of the tax rate setting process. There are three basic categories of new growth including (1) properties that have increased in assessed valuation since the prior year because of development or other changes, (2) exempt real property returned to the tax roll and new personal property, and (3) new subdivision parcels and condominium conversions. New growth does not include market value increases.

The *levy ceiling* places a constraint on the community's levy limit. The community's levy limit cannot exceed the levy ceiling. The levy ceiling equals 2½ percent of the full and fair cash value of all taxable real and personal property in the community as certified by the Commissioner of Revenue. The full and fair cash value of the property in a community usually changes each year. This change occurs as properties are added to or removed from the tax roll and market values change. It results in a change in the levy ceiling.

There are a couple of ways that a community can levy more than its limit. One way is to successfully vote an *override*. An override is a voted increase in the levy limit. **The amount of the override becomes a permanent part of the levy limit base.** An override cannot increase the levy limit beyond the levy ceiling. Override questions are placed on the ballot by a majority vote of the selectmen or city council with the mayor's approval (if required by law). Override referenda must specify the purpose of the override and list a dollar amount on the ballot. A majority vote of approval by the electorate is needed to successfully pass the override. Usually, overrides are used to fund operating and other recurring costs. Similarly, an *underride* is a voted permanent reduction in the levy limit base. A majority vote of approval by the electorate is needed to pass an *underride*.

A second way for a community to levy more than its levy limit is to successfully vote a debt exclusion or capital outlay expenditure exclusion for a capital project or acquisition. A debt exclusion creates a temporary increase in the levy limit to fund the payment of debt service costs for capital projects funded by borrowing. The additional amount for the debt service is added to the levy limit for the life of the debt. A capital outlay expenditure exclusion creates a temporary (one year) increase in the levy limit to fund capital projects. The exclusion is added to the levy limit only for the year during which the project is being funded. State reimbursements are subtracted from the amount of the exclusion. Exclusions do not become part of the base upon which the levy limit is calculated for future years. Exclusions may result in the levy temporarily exceeding the levy ceiling. Exclusion questions are placed on the ballot by a two-thirds vote of the selectmen or city council with the mayor's approval (if required by law). A majority vote of the electorate is required to implement an exclusion.

Proposition 2½ does not restrict the amount that a community's actual levy can be increased or decreased from year to year as long as the levy is within the bounds set by the levy limit. A community may choose not to levy up to its levy limit in a given year. The difference between the actual levy and the levy limit is called *excess levy capacity*. A community may have excess levy capacity in one year and, in the following year, levy up to the full amount of its new levy limit. The community does not lose its capacity to levy up to the levy limit in future years by choosing to levy less than the limit in any one given year.

West Tisbury Tax Levy FY 2002- FY 2012
Including Overrides, Debt Exclusions and Capital Exclusions

	Levy Limit Calculation	Debt Exclusion	Capital Exclusion	Other Adjustment	Total Possible Levy	Actual Tax Levy	Excess Capacity
FY 2002 Levy Limit	6,731,978					7,425,622	
2.5% increase over prior limit	168,299						
FY 2003 New Growth	131,425						
FY 2003 Overrides	410,783						
FY 2003 Levy Limit	7,442,485	635,565	55,000	47,448	8,180,498	8,152,654	27,844
2.5% increase over prior limit	186,062						
FY 2004 New Growth	114,782						
FY 2004 Overrides	652,977						
FY 2004 Levy Limit	8,396,306	577,934	0	47,448	9,021,688	8,909,625	112,063
2.5% increase over prior limit	209,908						
FY 2005 New Growth	256,854						
FY 2005 Overrides	584,849						
FY 2005 Levy Limit	9,447,917	587,396	0	54,948	10,090,261	9,959,454	130,807
2.5% increase over prior limit	236,198						
FY 2006 New Growth	120,951						
FY 2006 Overrides	0						
FY 2006 Levy Limit	9,805,066	935,890	0	70,747	10,811,703	10,656,667	155,036
Amended Growth	2,276						
2.5% increase over prior limit	245,184						
FY 2007 New Growth	136,107						
FY 2007 Overrides	0						
FY 2007 Levy Limit	10,188,633	920,686	0	55,735	11,165,054	10,840,645	324,409
Amended Growth	813						
2.5% increase over prior limit	254,736						
FY 2008 New Growth	137,859						
FY 2008 Overrides	0						
FY 2008 Levy Limit	10,582,041	921,558	0	61,706	11,565,305	11,127,982	437,323
2.5% increase over prior limit	264,551						
FY 2009 New Growth	101,852						
FY 2009 Overrides	0						
FY 2009 Levy Limit	10,948,444	845,343	0	59,372	11,853,159	11,179,641	673,518
2.5% increase over prior limit	273,711						
FY 2010 New Growth	99,012						
FY 2010 Overrides	0						
FY 2010 Levy Limit	11,321,167	867,592	0	55,340	12,244,099	11,339,789	904,310
2.5% increase over prior limit	283,029						
FY 2011 New Growth	76,932						
FY 2011 Overrides	0						
FY 2011 Levy Limit	11,681,128	694,285	0	53,207	12,428,620	11,508,839	919,781
2.5% increase over prior limit	292,028						
FY 2012 Estimated New Growth	100,000						
FY 2012 Overrides	0						
FY 2012 Estimated Levy Limit	12,073,156	662,753	0	50,583	12,786,492	11,846,358	940,134