



City of Everett
Office of the Mayor
Carlo DeMaria, Jr.
484 Broadway
EVERETT, MASSACHUSETTS 02149

PRESS RELEASE

Monday, November 14, 2016

MAYOR DEMARIA PROVIDES RELIEF FOR CITY TAX PAYERS

Mayor saves taxpayers \$8 million

On Monday, November 14th Mayor Carlo DeMaria and his finance team presented his recommendations regarding the tax rate, which included the use of available funding sources, the Minimum Residential Factor (MRF) and the Residential Exemption. Everett, along with many nearby cities and towns, adopts a split tax rate, shifting the larger percentage to the city's industrial and business sector, and thereby reducing the MRF, effectively easing the burden on residential taxpayers. This does not change the total tax levy for the community, however it simply determines the share of the levy to be borne by each class. In addition, state law allows cities and towns to offer a discount to owner occupied residential properties. Based upon his recommendations, the estimated rate for FY 2017 would be \$14.48 (per thousand) for residential and \$35.69 (per thousand) for commercial, both a decrease from last year.

Mayor DeMaria presented the City Council with a request to utilize \$8 million from the following sources: \$5 million from the Wynn Community Mitigation Fund (will be used for capital related debt payments), \$1 million from the Stabilization Fund, and \$2 million in Free Cash to reduce the tax levy. This is the largest amount of tax relief any Mayor has ever been able to offer, which is consistent with his commitment to the taxpayers.

The Mayor recommended shifting the Minimum Residential Factor by 1.75 percent, the maximum allowed by the law and the most beneficial to residential taxpayers. In addition, Mayor DeMaria proposed a 25% residential exemption. The Mayor is an advocate of the exemption noting the need to keep residents invested in their homes, neighborhoods and city. "The homeowner exemption is a great way for the city to keep good people in Everett," states Mayor DeMaria, "with more owner occupied property we'll have less absentee landlords and more hard working people proud to invest back into their community." In FY 16, the residential exemption was 20%, however, recent changes in the law has allowed for that increase to be raised to 25%. As a result of the Mayor's combined recommendations, the excess levy capacity was increased by over \$2 million: the levy capacity is the difference between the levy limit and the actual levy.

The Mayor and his administration were able to achieve these great results through strong leadership, conservative budgetary management, responsible financial forecasting, and ensuring fiscal responsibility.

Based on the estimated rates single-family owner occupied homes will see a reduction, while two and three family homes will see a slight increase. This is due to the fact that Everett property values have appreciated on average between 6% and 12%, which ranks among the top three in the Commonwealth. Recently, Boston Magazine named Everett one of the top ten places to live in Massachusetts.

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