



MINUTES
BOARD OF ASSESSORS
ASSESSORS' OFFICE - CITY HALL
JANUARY 22, 2014

Present: Robert Goddard, Chair of Board of Assessors
Robert Pelchat, Member of Board of Assessors
Kem Rozek, Member of Board of Assessors
Susan C. Warren, Assessors Office Coordinator/Deputy City Clerk

Also Present: James Wheeler, City Manager
Stephan Hamilton, Director of Municipal & Property Division
Josephine Belville, Real Estate Appraiser Supervisor for State of New Hampshire
Dave Woodward, Avitar Assessor, Contract Assessor for City

1) **CALL TO ORDER**

The meeting was called to order at 5:30 PM.

2) **DISCUSSION WITH DEPARTMENT OF REVENUE REPRESENTATIVES REGARDING 2013 SALES STUDY RESULTS, RFP FOR ASSESSING FIRM AND 2015 REVAL UPDATE**

As Director of Municipal & Property Division, Mr. Hamilton reviews and approves all sales studies in the State and he is assigned the duty of keeping track of those studies that seem to demonstrate disproportionality. The study is a tool used to test that values are "fair to all". After the results of the 2013 sales study, the State became concerned as there was a pattern in the Multi-Family segment that was consistently higher than other segments in the study. The Median Ratio for multi-families is 159.85 and the median for single family is 107.36 which shows that in all likelihood multi-families are over assessed when compared to other classes of properties. In 2012 the single family homes had a median ratio of 110.11 and the multi-family had a ratio of 156.44. If this was a single occurrence they would not be as concerned—but when it occurs in multiple years—then the state becomes greatly concerned. Director Hamilton distributed sales study results for both 2012 and 2013 and then explained how the State viewed them. He compared the Confidence interval as being looked at as a political poll margin of error. The resulting ratios should be between 90 and 110% (a 10% margin up or down). The weighted ratio for the multi-family (2-4 units) in the 2013 study is 161.09 and the Low side is 143.17 with the High being 185.94. Taking all ratios and information into consideration, they recommend that the City update this class of properties immediately in order to find an equitable solution to the problem as it exists. Chair Goddard stated that the Board's goal is for all taxpayers' and the City to be treated fairly and that the Board has a plan to do so. They want to have better models and more accurate definition of neighborhoods so decisions can be made on an ongoing basis based on the market changes. The Board realized that multi-family valuations and disparities needed to be addressed. Ms. Belville stated that the data in the Avitar CAMA system is good and doing a statistical update should not be a problem. Mr. Woodward asked if the State was ordering the City to address the issue. Mr. Hamilton explained that he did not have that authority. At this time, it is a recommendation that the Board proceed toward a goal were all taxpayers are being treated properly and equitably. The plan was to move forward and allow the Board to have control of the process. Mr. Hamilton then proceeded to explain that if the Board does not follow through on updating the multi-family for 2014 then the State may need to go before the Board of Tax and Land Appeals to request an order. This step could result in an order to perform the update and the Board of Assessors would lose their control. Chair Goddard stated that the Board has a plan to correct multi-family assessments with a goal set for accurate and fair assessment for all.

Ms. Belville informed the Board that she would work with them to move things forward. The first step was to send out a Request for Bid (RFP) for the 2014 multi-family update. Once a firm was selected the proposed contract would need to be sent to Dave Cornell for review and recommendation prior to the Board signing the contract. Once the contract was signed then the final copy needs to be submitted to the State Department of Revenue. Ms. Belville distributed RSA 21-J:11, Appraisals of Property for Ad Valorem Tax Purposes, which deals with submitting contract or agreement to the State.

City Manager Jim Wheeler asked if the state had samples of RFPs and was told that Ms. Belville would check and submit samples for his use. Ms. Belville then continued to explain that she will review the sales used to establish the base rates and that the firm would need to create a USPAP (Uniform Standards of Professional Appraisal Practice) manual which demonstrates the guidelines, standards and procedures used in the update. There was a full revaluation in 2010 so the multi-family update would be an addendum to that report and in 2015 the process starts over again. Ms. Belville stated that the contract should outline the scope of work to be performed and that the purpose of the contract or agreement was done to protect the community and submitted to the State so all can be assured that the firm/individual is qualified to perform the service requested.

Ms. Rozek asked for clarification regarding a contract and cost associated with it. She questioned why the City needs a contract when we have an assessing firm which she believes has a duty to correct these issues. Mr. Hamilton explained that the result of the study is not an indication of failure on anyone's part but is attributable to the change in the local market and that a contract to do an update was necessary if no provision was made in the present one with Avitar.

Ms. Belville also said that she would continue her discussions with office staff to check on the status of the proposed 2014 multi-family update. She spoke briefly about the 2015 revaluation and distributed RSA 75:8-a, Five-Year Valuation, which explains the necessity of having a valuation every five years. Ms. Belville mentioned a course being offered on January 30 in Colebrook which is entitled "Overview of NH Assessing". The course outlines the duties of the Department of Revenue/Property Appraisal Division and the various Boards as well as the municipalities assessing duties. She said that if the Board was interested she would be happy to arrange to meet with them and give the class. The Board thanked Mr. Hamilton and Ms. Belville for their input and time. Mr. Woodward also departed at that time.

3) DISCUSSION BY CHAIR ROBERT GODDARD REGARDING GOALS OF THE BOARD FOR THE FUTURE

Chair Goddard spoke about the Board's first priority of having a statistical update of the multi-family (2-4 family) units done for tax year 2014. The second priority was to do research with the intent to hire another firm or hire a full time assessor. The Board would prefer hiring a full time assessor because they want someone who will work at constantly keeping the information current and have an understanding of what is going on and how to address issues that arise. The Chair also mentioned that George Sansoucy has offered his services to mentor this person. City Manager stated that his concerns with hiring a full time assessor related to the work load and if there is sufficient work to keep this individual busy. Also the individual would have to be trained at the City's expense. The City Manager is concerned that the individual, once trained, would move on to somewhere or something else as there is no guarantee that they would remain employed by the City. The City would be investing a great deal of time and money with no guarantee that the individual would remain. The Board then continued their discussion about hiring a firm. They said that the contract would have to be tightened up and the firm and its employees would have to be looked into carefully. The "fiber of the contract is only as good as the fiber of the contract—as well as its employees". The City Manager agreed with that statement and said he would start calling some of the firms on the DRA list and seeing if there is interest in bidding on the 2014 update and on the 2015 revaluation.

The Board will continue its discussion of a full-time assessor or a contract Assessor at future meetings. The Board thanked the City Manager for his time and input and he departed.

4) REVIEW & APPROVE MINUTES DATED DECEMBER 18, 2013

Minutes for the meeting of December 18 were e-mailed to the Board for their review prior to this meeting. A motion was made by Board Member Robert Pelchat to accept the minutes as typed. Member Rozek seconded the motion. The motion was made, seconded and all concurred. The minutes will be placed on file.

5) REVIEW AND APPROVE VETERAN TAX CREDIT APPLICATIONS

An application for service connected total & permanent disabled tax credit from Harvey Roberge of 42 Petrograd Street was reviewed along with the accompanying letter from Department of Veterans Affairs which states that he is deemed 100% disabled. The Board approved his application and the credit will be applied starting tax year 2014. Notification of the decision will be sent.

The following taxpayers applied for the veteran tax credit:

Priest, Joseph	277 Denmark Street
Smith, Richard M	700 Fourth Avenue

The above applications were approved and the veteran tax credit of \$150 will commence TY 2014. Notification will be sent to both.

6) REVIEW & APPROVE SPECIAL WARRANT ON PROPERTY SOLD BY THE CITY

A quitclaim deed was issued by the City to John E & Samantha Champion and was recorded on January 6, 2014 for property located at 110 York Street. The property is assessed at \$24,000. There are 84 days left of tax year 2013. The tax for the full year would have been \$792. The tax per day is equal to \$2.17, resulting in a special warrant of \$182. The Board approved and signed the warrant. The original warrant and a copy will be given to the Collection Department for billing and collection purposes.

7) REVIEW, DISCUSS & APPROVE TY 2013 ABATEMENTS

The Board continued to review the abatement applications received to date.

Hartwick, Margaret – 77 Norway Street – Map 127 Lot 194

The Board reviewed the application and accompanying documentation. Ms. Hartwick included information about recent sales of similar properties and stated that “based on current market and recent sales of similar properties 77 Norway appears to be over assessed.” The property is presently assessed for \$71,000. Her opinion of market value of her property is \$55,000. The Board voted to deny her application citing “Taxpayer failed to provide analysis. It would appear based upon the employment of taxpayers’ comparable properties, that the subject is not disproportionate to assessed value. Also noted, none of these sales were arms-length.” She will be notified of the Board’s decision and informed of her right to appeal their decision.

Hague, Michael & Susan – 307 Denmark Street – Map 126 Lot 12

It was noted that Mr. & Mrs. Hague filed the appeal form to the Board of Tax & Land Appeals instead of the Application to Municipality. They state on their form that the copper pipe is missing and that the property is not livable and was vandalized. This property is assessed at \$56,100. The taxpayers’ opinion of market value is \$10,000. This is what they paid for the property in May of 2013. The Board voted to give this application to Dave Woodward of Avitar for his recommendation.

Croteau, Ronald J & Jean H – 193 Mt Forist Street – Map 111 Lot 166

On the abatement application, the taxpayers wrote that “years ago an abutter had a small plowing business but over the years it has grown to be a full-fledged plowing/paving business, causing sand and dust more than 5 days a week/traffic”. Their opinion of value is \$70,000. They presently have an assessed value of \$79,100. The Board noted that a 5% location factor was granted and that the property was reviewed during data review process with no additional depreciation given. The Board voted to deny the application. The taxpayers will be notified of this decision and of their right to appeal.

Stewart, Stephen & Kayla Marie – 20 Ridgeview Avenue – Map 121 Lot 123

The abatement application filed by Stephen & Kayla Marie Stewart was reviewed. The Board noted that the taxpayer did not state his opinion of value and provided no support for their application. The Board voted to deny the application. The Stewarts will be notified of this decision and informed of their right to appeal this decision

Willard Pine, LLC – 241 Willard Street – Map 120 Lot 120

Mr. Donald M Sorrentino filed the abatement application. He provided a comparative market analysis. Based on the analysis provided by Gallus & Green the suggested sales price should be \$89,900. The property is presently assessed for \$354,000. The Board reviewed the information provided and voted to have Mr. Woodward review the property and make a recommendation.

8) OTHER BUSINESS

Proposed Current Use Rate Changes

Below are the proposed assessment range changes for forest land without documented stewardship:

White Pine was \$118 to \$177 change to \$105 to \$158 per acre;

Hardwood was \$43 to \$65 change to \$40 to \$61 per acre;

All other was \$31 to \$47 change to \$30 to \$45 per acre.

Below are the proposed assessment range changes for forest land with documented stewardship:

White Pine was \$87 to \$131 change to \$63 to \$95 per acre;

Hardwood was \$21 to \$32 change to \$24 to \$36 per acre;

All other was \$10 to \$15 change to \$18 to \$27 per acre.

Unproductive and Wetland will increase from \$10 to \$18 per acre.

9) NON-PUBLIC SESSION RSA 91-A:3 II (c)

Chair Robert Goddard called for the meeting to go into non-public session. Member Kem Rozek made a motion to go into non-public session per RSA 91-A:3 II (c) "Matters which, if discussed in public, would likely affect adversely the reputation of any person," and Member Robert Pelchat seconded this motion. All concurred. The Board of Assessors went into non-public session.

10) RESULT OF NON-PUBLIC SESSION

Board Member Robert Pelchat made a motion to go into regular session and to seal the documentation provided as the information is confidential material and not right to know. Member Kem Rozek seconded the motion. The Board of Assessors went into public session.

An elderly exemption for Diane Taupier of 256 Champlain Street was reviewed by the Board and they voted to grant the exemption starting tax year 2014.

11) ADJOURNMENT

There being no further business, a motion to adjourn was made by Member Robert Pelchat and seconded by Member Kem Rozek. Motion was made and seconded to adjourn. The motion passed. The meeting was adjourned at 8:00 pm. The next meeting of the Board of Assessors is scheduled for Wednesday, February 19, 2014.

Respectfully submitted,

Susan C. Warren

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Assessors' Office Coordinator