



MINUTES
BOARD OF ASSESSORS
ASSESSORS' OFFICE - CITY HALL
FEBRUARY 5, 2015

Present: Robert Goddard, Chair of Board of Assessors
Kem Rozek, Member of Board of Assessors
James Wheeler, City Manager
Josephine Belville, DRA North District Supervisor & Assistant Brenda
KRT Personnel: Rob Tozier; Ken Rodgers

1) **CALL TO ORDER**

The meeting was called to order at 3:30 PM.

2) **REVIEW & APPROVE ABATEMENT; SPECIAL WARRANT; TAX DEFERRAL**

Abatement: Hamanne, Gerard E. Trustee, Lot on Pleasant Street (Map 119/Lot34). This lot was purchased by the City of Berlin on 12/24/2014. On a motion by Kem Rozek with a second by Chair Goddard, the motion to approve the abatement was accepted. So moved, the abatement was granted.

Special Warrant: Coutu, Matthew ETAL, Trustee of CBC One Trust (Map 119/Lot 326). This lot was purchased from the City of Berlin on 1/12/2015. On a motion by Kem Rozek with a second by Chair Goddard, the special warrant was accepted. So moved, the special warrant was granted.

Tax Abatement: Drouin, Arnold, 155 Jericho Road, (Map 105/Lot17) Demolition completed 1/26/2015. On a motion by Kem Rozek with a second by Chair Goddard, the tax abatement was accepted and signed. So moved, the abatement was granted.

3) **KRT CONTRACT DISCUSSION**

Chairperson Robert Goddard welcomed all to today's meeting that was called to give everyone an opportunity to ask questions, to become acquainted with one another and to get a better perspective of job expectations.

It was explained that Sue enters the sales that come through the Registry of Deeds, reviews and qualifies the sales then gives them to the Board to review. Anything not qualified should come out. It was determined that Dave Woodward would be on board until July 1 to take care of updates.

The issue of file conversion came up. KRT will do a manual conversion. So far the sketches are not converted but they are working on it so they need to revise their timeline. They are not measuring sales. Currently they are exploring ideas to expedite converting the data list of sales and keying those first. They are going back two years.

It was discussed whether Vision had more information features than the Avitar system. Interior data is ok but Vision has a room count and Avitar does not. All valuation fields are on cards in Avitar.

In reviewing the KRT Contract, it was noted that once they arrive at values, those will be sent to the town. It also states they will provide notices to taxpayers parcel by parcel to review the town neighborhood by neighborhood. A copy of KRT's Insurance Policy was requested for both the DRA and City of Berlin.

Chair Goddard stressed that it is a critical part of this entire work and it was agreed that the final field review is critical. Currently the Board gets a pile of IT issues and errors on a monthly basis. Stuff of value is efficient categorization and understanding the neighborhoods of Berlin because it is unique and that is where the Board comes in because they know the properties to look at. If there are any problems they can address those issues with the company which is good to do before the tax bills go out.

KRT asked the Board to let them do their thing and in four to six weeks they can have a meeting to see if there are any problems and then they can work together to be sure they are all on the same page.

The biggest concern Chair Goddard has is methodology and he wants to keep the lines of communication open.

A list of KRT employees working in Berlin was given to the DRA and City Manager. Rob will be the person in charge of the supervisors and assessor assistants. It was confirmed that KRT's contract does not include utilities. KRT will do data entry changes. They should be ready by mid-summer and will conduct hearings mid to late July and values should be turned out by August.

The DRA uses the USPAP Report to measure listings by KRT for sales. The report is like a car manual that will explain how KRT will arrive at values, sales use analysis and a manual for update. The DRA gets a copy to review randomly selected samples to see if they have issues and if they have questions they will ask KRT before tax bills are sent. The City will get a letter of compliance. Skip also needs to provide a USPAP Report for poles and conduits to tell how much for values. Sometimes those are included in one book.

There are lots of forced sales according to Mr. Goddard.

KRT validated this is an area they will spend lots of time on and they will look at all those. He gave samples of I & E apartments over 4 commercial and mixed-use properties. If the Board wants something revised all they need to do is ask. KRT can send a press release telling them what is going on in Berlin.

The DRA always sends post cards to property owners when they are in town which is their policy and as a courtesy also lets Sue know. They will also set up an assessment review and make an appointment with Sue according to her schedule and will keep in touch with Rob as well to keep everyone informed.

KRT will do the same and they have magnetic business signs to identify their cars.

The Board's job is to simply make the playing field even. Ken agreed to be the "guardian of fairness." KRT will be in town on an as needed basis.

Back in 2002, when state education tax came in, they had donor towns and receiver towns. Updates did not always happen although the RSA says they should update every five years. A&E is not controlled by the DRA but it comes from the Assessor Department. The DRA monitors towns through the year with random checks. Anything on a property by April 1 should be on taxes. Any structure under construction, they need to get out by April 1 to check the status and change depreciation a/o April 1. Current use folders, maps on file, elderly exemptions, credits, etc., need to make sure those receive the right amounts including religious, education and charitable. It is important to look at churches to see if they are still operating as churches. There are many of those in Berlin that need to be looked at more at closely. The Department of Justice website contains a list of charities if the Board wants to look them up.

KRT was shocked that 52% of Berlin properties are tax exempt. Jim explained that the National Forest comprises half of Berlin and the core area is 48% taxable. We definitely need more valuation. We could look into something like Boston did by creating a PILT Program to engage non-profits on why they should pay for a PILT. 30% is utilities which is significant. He has seen is a good percentage of single family homes listed at \$100,000 sold for more than their values. He asked Josephine to look at qualified sales and properties.

The cycle of neighborhoods was explained by Chair Goddard saying that in Berlin properties got rundown and value fell, younger people came in and someone else fixed the properties for a resurgence of a second cycle. One of the biggest issues is you have the same house in the same condition, one sells for \$65,000 and one sells for \$150,000.

KRT put lots of effort in neighborhoods as for example the Town of Harpswell Maine that has 200 miles of coast line with a complex land valuation system and that was good. They are now working on Portsmouth NH and things jump out but they try to fix it. In Milford, there are small lots and they ended up making two different land curves. They have been doing their jobs for a long time but they are up to the challenge. All towns have something unique that needs to be worked out.

Chair Goddard affirmed the system is difficult to put methodology to and it is difficult to say deficiencies are recognized where problems are. When you begin to use the system like with abatement applications, you can see areas that need to be fixed. He knows the system has a flaw but it won't be recognized until KRT begins to work with the system. The Board will look to KRT who has the skills, competency and experience to find them.

KRT agreed that there are about 90-95% that just do not fit anywhere and you need to abate those. No model can ever hit 100% because some things are unique. They plan to give out guidelines once the field review is done. They will not do data collection but will use what the City currently has and whatever Avitar did, they will continue.

KRT will provide the taxpayers with a packet of information where the taxpayer can price out their own house with the ratio studies included so they can figure out how their numbers were reached. At a hearing, if people come in with a problem in an area they not only will adjust one person they will adjust everyone in that area. They are excited to get started.

The Board is excited to have KRT on board with fresh eyes and new methodology with a more accurate and fair system.

It was mentioned that Vision is different from Avitar because they have more capacity to break down what goes into values. Vision can analyze stuff like asbestos siding and Cama allows for adjustments. They can break the population in different angles. Vision also does commercial better than Avitar. Exemptions and credits will go through the Vision System.

KRT will place like properties into buckets. In an update year, conversion will not be 100%. Something will be lost in translation but the next cyclical will get fixed and in the next update they will see tighter numbers.

The June tax billing will be done by Munismart and Avitar. The December tax bill however will be with Munismart and KRT. It was asked how Vision is going to connect the data and will it be by the owner name or map and lot? KRT said the tax billing co-writes the program for Vision then gives it to the City to verify so there will be a bridge to match up. It is important that when second bill goes out, they need to make sure the first payment shows. KRT has never seen a problem with that in the past.

In conclusion, Chair Goddard reiterated that they want to keep the lines of communication open for all during this process.

4) ADJOURNMENT

There being no further business, a motion to adjourn was made by Member Kem Rozek and seconded by Chair Robert Goddard. Motion was made and seconded to adjourn. The motion passed. The meeting was adjourned at 4:57 pm.

Respectfully submitted,
Debra A. Patrick, CMC
City Clerk