



MINUTES
BOARD OF ASSESSORS
ASSESSORS OFFICE - CITY HALL
AUGUST 8, 2012

Present: Robert Goddard, Chairperson 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: Katherine B Miller, Attorney at Law, Donahue, Tucker & Ciandella, PLLC
Loren Martin, President of Assessing Operations, Avitar Associates of NE Inc
Dave Woodward, Assessor, Avitar Associates of NE Inc

Above three individuals were present for discussion with Avitar Associates of NE Inc only

1) **CALL TO ORDER**

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

2) **DISCUSSION WITH AVITAR ASSOCIATES OF NE INC**

City has entered into a contract with Avitar Associates to perform assessing duties. Chair Goddard asked Loren Martin of Avitar what her view was of the working relationship between Avitar and the City. She stated that over the past year and a half, the relationship is not as good as in the past. The relationship needs some work. She later stated that she has no first-hand knowledge of the problems—only what she had heard from Connie (Jackson) when she was doing work for the City or Dave (Woodward) as well as through correspondence to Gary Roberge from office staff.

Chair Goddard said that the Board, as a whole, has some concerns about the performance of the contract. The major concern was there was a gap in the service provided to the City by Avitar—Dave resigned and Connie Jackson came on board. She did a good job but she was spread too thin. The Board does not want to micro-manage. The Board expected to have someone who was up to date when certain events took place, i.e. General activities in the market place. Trends in the market are not static. During the sales study process when the analysis gets skewed to the degree it is one must ask what happened. Avitar should have notified the Board of this trend and made suggestions as to what should be done to correct it.

Loren Martin said the 2011 equalization study done by DRA (Department of Revenue Administration) demonstrated the market has been very dynamic. Values were set as of April 1, 2010 and now ratio for 2011 shows a decline in the market which gives some inclination that there has been a change in the market. She's not sure that there is evidence showing anything consistently bad in the 2010 update. Avitar did, however, contact the City in November or December 2011 regarding changes in the market specifically in the multi families sector which saw a further decline—there were a tremendous amount of foreclosures, short sales, and bank sales in a short period of time.

Discussion followed regarding when those sales (foreclosures, short sales, bank sales) would be considered the market for that classification. Ms. Martin responded that in order for that to occur there would have to be greater than 50% of the sales that are classified as distress sales. Avitar is studying these sales to see the degree of influence they have on the market.

The Board stated that nobody was checking the sales in the office—City needs coverage so the Board can be informed of changes—hiccups--that are occurring in the local market. When the City said we need a plan to correct the disparities, Avitar's response was that we need a new contract.

Ms. Martin responded that to the best of her knowledge, the State has not notified the City that a plan needed to be devised to rectify the problems that exist. Avitar realized that there was an issue and addressed the issue by recommending a new contract in which an update would be done sooner. Taxpayers become concerned when the market is dropping and assessments remain high. When the market is rising most taxpayers do not question their assessment.

Chair Goddard noted that this is an active Board when it came to reviewing abatements—hands on with an active role in the process so that there is a fair and equitable process on the part of both the taxpayer and City. Data needs to be kept up, as fresh as fresh can be. The data needs to be analyzed and brought to a first-hand level as best as one can for a mass system. The Board is concerned that this need has not been met. Avitar has had some internal problems and, though the City can sympathize with that as a client we are thinking “what about our work”—looking for the bottom line result. The Board wants to make a better product and provide a better service to the taxpayer.

Chair Goddard, at Loren Martin’s request, then proceeded to outline some specific areas where the Board has concern. Small Pond Land Holdings, across from Jericho Lake State Park, created a subdivision with approximately 50 lots. Earlier in the year a land use change tax was imposed on two lots in that subdivision due to gravel activity. Another lot was sold out of this area for \$12,000—not an arms-length transaction--and no longer qualified for current use. Avitar was asked to review the sale and recommend a land use change tax for the 5 acre parcel that was sold. In 2010 the assessment was set at \$50,200 and on the market for \$59,900. The lots in the subdivision are now for sale at \$29,900. Based on two sales and two land listings, Dave recommended a value of \$24,900 which would result in a penalty of \$2,490. The Board does not feel they have sufficient backup to support that recommendation.

Ms. Martin answered that data in the City is lacking for land sales. Chair Goddard suggested that they widen the search area or look back for more sales. The Board feels that Avitar is basing the drop on a limited number of sales. The Board is not disputing the number, they are merely asking for more supporting documentation to show how that happened.

Ms. Martin indicated that if the Board wants further documentation, they should request it in order for Avitar to provide additional data. Both the City and Avitar need to work as a team in order to provide the best possible service.

The abatement process was once again mentioned by Chair Goddard. An owner with several buildings filed an abatement and wrote that he isn’t making a lot of money on the apartment buildings—documentation about the rentals was supplied. Board wants a paper trail to show why a decision was made. Avitar needs to be their eyes in the field. In this particular instance, the Board was asked to make adjustments based on issues and systems on the interior of the building—the way the recommendation was written, the Board questioned whether there was an interior inspection.

Chair Goddard stated that, in this business when you advise a client that you reduced an assessed value based upon interior structural facts and you haven’t been inside the building—that’s a faux pas—a major faux pas. This method of review is not acceptable and the Board was very disappointed by Mr. Woodward’s lack of performance.

Loren Martin responded that Dave had inspected the properties but not every apartment was inspected as the landlord had not notified all his tenants and by law he has to do so prior to entry. Originally Mr. Woodward had visited some of the properties but not all, however, he later, at the Board's request, visited all the properties with the owner. Avitar would be happy to do interior inspections on each property if that is what the Board wants and the taxpayer allows. In the past, if someone from Avitar had recently done an interior of the property as part of the data review process, they did not visit the interior again.

If the Board is giving Avitar the abatement for review, they want an interior inspection performed—You (Avitar) are the eyes of the Board. If not done, the taxpayer suffers because of deadlines—and in one instance the Board proceeded with process but for the record requested a statement from Dave that an interior was performed be added to the recommendation—such a statement was made by Mr. Woodward, however, it was absent of the date and time.

Kem Rozek pointed out that one property on Western Avenue had a request from the Board for an interior inspection at least two times and still they did not receive a response stating that an interior inspection was performed. The Board does not want this type of delay when responding to a taxpayer. If request is made by Board for interior/exterior inspection, they want it done and stated on the recommendation that it was done and when and what findings were. Avitar responded that they would do so if the taxpayer permitted entry on the property. If denied entry, Avitar would then advise the Board of that issue.

We now have a new Board, new people and want to establish a good relationship with clear communication. We want to move forward to create a fair deal for everyone.

Loren Martin of Avitar pointed out statistics are still out of whack and she wanted to know what the Board wished to do. At this time it is too late to do a full statistical update. Did the Board want to conduct a statistical update specifically on multi-family dwellings to bring that classification back in line to some degree?

Chair Goddard wants to know what segments are where—this will help Board determine where they want to go with this—Avitar agreed to respond to the Board regarding this issue.

Equalization study for October 2011 to September 2012 is quickly approaching.

Member Pelchat asked if Mr. Gary Roberge was indeed retired. Response was he was attempting to do so—He is still the CEO of the company and he will be involved to a certain extent but will not be as hands on as he was as he is moving to Florida.

The Board thanked Avitar for meeting with them in an attempt to establish a good working relationship. Avitar and the Katherine Miller departed and the Board continued with their meeting.

3) LAND USE CHANGE TAX

Map 407 Lot 13.020 255 Pine Hill Homes LLC 24 Loon Road

This property was recently sold by Small Pond Land Holdings to 255 Pine Hill Homes LLC for \$12,000 and determined not be an arm's length transaction. The 5 acre parcel no longer qualified for current use. At the July 18 Board meeting, the Board voted to table the land use change tax and discuss it with Avitar at this meeting. The Board requested that a more in depth market analysis be performed so they can assess a fair penalty for the acreage being removed from current use. The Board voted to table this matter until further documentation was received from Avitar.

4) REVIEW & APPROVE MINUTES DATED JULY 18, 2012

Minutes for the meeting of July 18, 2012, were e-mailed to the Board for their review prior to this meeting. A motion was made by Robert Pelchat to accept the minutes as typed. Member Kem Rozek seconded the motion. The motion was made and seconded and all concurred. The July 18th minutes will be placed on file.

5) REVIEW & APPROVE VETERAN TAX CREDIT

Map 120 Lot 341 Myers, Derek 300 Church Street

A veteran tax credit application was filed by Mr. Myers of 300 Church Street. The Board reviewed the application and accompanying DD214. They determined the taxpayer was qualified to receive the veteran tax credit. The Board signed the application and response forms. Mr. Myers will be mailed the Board's response. The tax credit will commence for tax year 2012.

Map 136 Lot 4 Harvey, Douglas W 9 Wood Street

Mr. Harvey submitted a veteran tax credit application. The Board reviewed the application and accompanying documentation and approved the tax credit. They signed the form and response form which will be mailed to Mr. Harvey. The tax credit will be granted starting tax year 2012.

6) OTHER BUSINESS

**REVIEW AND APPROVE APPLICATION FOR REIMBURSEMENT TO TOWNS & CITIES
IN WHICH FEDERAL AND STATE FOREST LAND IS SITUATED**

The Jericho Lake Recreation Trail Park contains 5,303 acres and a per acre value of \$369 for a total assessed valuation of \$1,956,800. The White Mountain National Forest contains 16,212 acres and a per acre value of \$351 for a total assessed valuation of \$5,697,400. The Board reviewed the data and signed the form which will be mailed to Department of Revenue Administration, Equalization Bureau so reimbursement can be made to the city.

EDUCATION TAX WARRANT – TAX YEAR 2013

Barbara J Robinson, Director of Municipal Services, Department of Revenue Administration, notified the City of the 2013 Education Tax Warrant. The tax rate for the Education portion of the 2013 tax bill will be \$2.435 per \$1,000. The warrant for tax year 2013 for the City of Berlin will be \$724,733 based on an equalization valuation of \$297,631,487 (without utilities).

REVIEW AND APPROVE MS-1 EXTENSION REQUEST FORM FOR TAX YEAR 2012

The Board reviewed the MS-1 extension application. After checking with Mr. Sansoucy regarding utility values, office staff will fill in the date (September 24) on the application. With this understanding, the Board signed the form.

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

Chair Goddard called for the meeting to go into non-public session. 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 Robert Pelchat seconded this motion. All concurred. The Board of Assessors went into non-public session.

8) **RESULT OF NON-PUBLIC SESSION**

Board Member Robert Pelchat made a motion to go into regular session and to seal information 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 application and accompanying questionnaire for Alfred J Demers of 650 Sullivan Street was submitted. The Board voted to grant the application and the exemption in the amount of \$14,000 will take effect for tax year 2012. The application and response forms were signed and Mr. Demers will be notified of this decision.

9) **ADJOURNMENT**

There being no further business, a motion to adjourn was made by Kem Rozek and seconded by Robert Pelchat. Motion was made and seconded to adjourn. The motion passed. The meeting was adjourned at 6:45 pm. The next meeting of the Board of Assessors is scheduled for September 19, 2012 at 5:30 pm.

Respectfully submitted,

Susan C. Warren

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Assessors Office Coordinator/Deputy City Clerk