



MINUTES
BOARD OF ASSESSORS
ASSESSORS OFFICE - CITY HALL
JANUARY 16, 2013

Present: Robert Goddard, Chair of Board of Assessors
Kem Rozek, Member of Board of Assessors
Susan C. Warren, Assessors Office Coordinator/Deputy City Clerk
Member Excused: Robert Pelchat, Member of Board of Assessors
Also Present: Loren Martin, President, Assessing Operations, Avitar
Dave Woodward, City Assessor, Avitar

1) **CALL TO ORDER**

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

2) **REVIEW & APPROVE MINUTES DATED DECEMBER 12, 2012**

Minutes for the meeting of December 12, 2012, were e-mailed to the Board for their review prior to this meeting. A motion was made by Board Member Kem Rozek to accept the minutes as typed. Chair Goddard seconded the motion. The motion was made, seconded and all concurred. The December 12 minutes will be placed on file.

3) **DISCUSSION WITH AVITAR REGARDING STATISTICAL UPDATE**

Ms. Martin began by saying she initially believed that predominately the issue was with multi-families. It is the largest problem but not the only problem. Changes made to tables and charts will have to be provided so taxpayers can review them and have confidence that what Avitar does is satisfactory. Ms. Martin noted that single family dwellings with mother in law apartments were incorrectly listed as multi-family and those were actually low. At a minimum a field review of all multi-family dwellings will need to be done and a complete measure and list of all sale properties. Avitar will then create a new model. A search of the COD/PRD of residential properties resulted in demonstrating that low end properties are overvalued. This needs to be corrected as well otherwise next year we will be in the same position.

Ms. Martin stated that it is a crazy market and not just a depressed mill market. There have been bursts of activity that have shown some decent values. This is due to the prison and the ATV Park as they are willing to pay more than local people.

Chair Goddard spoke about the December 2012 sales. He agrees with Ms. Martin but is concerned about the burst attributable to prison as it was very quick and defined section of market. He has spoken to several of the buyers and found that they came in to town with a house in mind and set out to find it. The home had to meet certain criteria and after three to four years, when they had been promoted, they would move on and sell the property. Chair Goddard agreed that the problem is with more than just the multi-family sector. Avitar needs to come up with a good plan.

Ms. Martin felt that the single families would be an easy fix but multi-family will be much harder to rectify because of the fluctuation and complexity of the sales. Avitar will send out sale surveys to all recent sales. She further stated that there has been a tremendous amount of foreclosed properties

purchased and then resold that sat vacant and had water damage and burst pipes. These are the properties that typically sell for \$8, 10, or 12 thousand. You can't tell from the outside if that is the case so Avitar needs to get inside to determine what is going on. Mr. Woodward mentioned the single family homes with the quick market that the prison created. If we did nothing with them and made no changes to single families—would they come back? There is no way of telling if these sales just skewed the market for one year or not. This is the type of thing that Avitar needs to discover.

Chair Goddard said that it is not just the closing of the mill that has caused this situation. Berlin was relying on service industries but now several service industries, Isaacson, Car Freshner and Currier, have also folded and with them several employees are now without a job. These have huge impacts. They continue to plague us. How do we put this back together and make sense of this? They discussed the impact of the ATV trail and its expansion, as well as, the depopulation of Coos County and its changing demographics. It has an elderly population who do not need a house as they already have one. Why would a developer come here? The first step in the process is identifying what the basic problems are.

Ms. Martin and Mr. Woodward recommended that a “statistical” update be done for tax year 2013. Ms. Martin said she would need to draft a contract for City and State approval. The Board questioned Ms. Martin regarding the contract. Board member Kem Rozek expressed a need for Avitar to be more aware of the changes as they occur and not wait until the City is in trouble. The accuracy level is way off and the model needs to be adjusted. In order to do the amount of work necessary, Avitar needs to get permission and approval from the state. Without a contract, there is too much work for them to do. There have been so many changes in the market that it is having an impact on the model and it is no longer working. The state says once every five years you need to bring values to full market value and because the City has so many different things going on Ms. Martin feels that we need to look at things more frequently. The City may have to act annually as opposed to every five years or find itself in a situation as now and need to do an update to get us through to the revaluation year. This will mean an additional contract.

This is a proposal to solve the problem because the state could mandate the City do a reval. Ms. Martin stated the market is such that individuals are having a problem obtaining financing for multi-families which affects sale. The recession took a long time to hit up here and it will take a long time to leave. Based on the sales that Avitar had two years ago they developed good values. It is due to the changes in the market due to many factors that have caused the problem. It will take constant monitoring to get a handle as to what is going on in the City.

Chair Goddard said the first step that the Board needs to take is to have no issue with the State and, at this time, that is a high probability. Mr. Woodward said that this issue can be taken off the table with the presentation of a plan in demonstrating that we are being proactive in correcting the problem. Chair Goddard said what the Board need from Avitar is their best efforts on how we're going accomplish this in a manner that is going to reflect an accurate model and in the most efficient way. It sounds simple but it is not.

As far as timeline the process should start soon. Dave Woodward would go out to measure and list sales and Ms. Martin will go over information with Dave to adjust the model based on data collected. The hope is to have notices out to taxpayers no later than the beginning of July. This will give the taxpayer time to discuss the resulting assessment prior to receiving their bill.

Chair Goddard asked if they had sufficient manpower to accomplish the task. Ms. Martin said they could always pull other staff to see that it is done timely. Avitar does not foresee an issue with manpower. Ms. Martin will draw up the contract based on what has been discussed and provide a rough timeline to accomplish what needs to be done.

Chair Goddard requested a flow chart with a timeline and any additional expense that they see could be incurred. Avitar will meet with the Board in the future to keep them up to date as to where they are in the process so there is no surprise and the Board can see how Avitar is developing the model. Ms. Martin spoke briefly about a bond. The State may recommend that the City do so but she does not see that as a necessity. That cost will be additional. The Board thanked Ms. Martin and Mr. Woodward meeting with them. Both then departed.

4) REVIEW 2012 ABATEMENT RECEIVED TO DATE

Tri-County CAP 912 Main Street Map 128 Lot 263

An abatement was filed on the former mill Research Building located at 912 Main Street. Due to the contaminants and the cost to properly remove them, Tri-County CAP is requesting that the 2012 tax be abated. The Board voted to do so and signed the proper forms.

Laughton, Jayco 497 Main Street Map 129 Lot 37

Mr. Laughton filed an abatement with an appraisal dated October 5, 2012. The appraisal gives a market value of \$88,000. The 2012 assessed value is \$113,800. The Board reviewed the appraisal and voted to deny the abatement.

Langevin, Norman ETAL 672 Blais Street Map 132 Lot 51,52,56 & 76

The four lots were purchased in October 2012 for \$29,000. The taxpayers state that the lots located in back of house are not buildable and that the house was built in the early 1920s not 1948 as stated on the property record card and that the above ground pool was removed in June 2012. Mr. & Mrs. Langevin have since merged three of the lots together. After discussion, the Board determined that this abatement application should be given to Dave Woodward of Avitar for review and recommendation.

Desjardins, Phillip ETAL 27 Countryside Avenue Map 137 Lot 97

Abatement filed stating a disproportionality of assessment. Dwelling assessed at \$155,800 and purchased and appraised for \$114,000. The taxpayer lists four properties as comparable properties which sold in 2011/2012. The Board reviewed the appraisal and comparable properties. They voted to give this abatement to Dave Woodward for interior inspection. If not allowed to view interior the Board will deny the abatement

Grand School Property 181 Cole Street Map 119 Lot 120

An abatement was filed by Russell Ramsey on behalf of Grand School Property. Mr. Ramsey wrote that the lot was substandard; no sales data to support assessed values; overall building condition is overstated; value of land is half of stated value. He wrote that the market value for this property is \$58,000 and is assessed for \$112,700. The Board reviewed the application and voted to have Dave review the property.

Ramsey, Russell J Grandview Drive Map 123 Lot 4

In his application, the taxpayer wrote that there is insufficient sales data during previous 36 months to show assessed value; substandard size lot for area; no driveway access to parcel; land stripped of

all topsoil by previous owner inferior curb appeal due to “barren appearance”. His opinion of market value is \$5,000 and is presently assessed for \$26,000. The Board reviewed the application and property record card. They voted to deny the application.

Ramsey, Russell J 136-138 Sweden Street Map 127 Lot 169

In his application, the taxpayer wrote this was a substandard size lot for area; little to no green space due to homes and driveway utilizing the lot; no market value sales data to support value; subject has been for sale 3+ years, no curb appeal out of favor with market buyers; functionally obsolete properties with dense build up. His opinion of value is \$98,700 and is presently assessed for \$117,000. The Board voted to request that Dave inspect this property and make a recommendation.

Loveland Lineage LLC 469 Hillsboro Street Map 130 Lot 224

The taxpayer in his application wrote “condemnable units, rotted foundations, caved-in roofs, leaks, inferior poor constructions and maintained overall. Crack walls old windows, doors”. The property is presently assessed for \$34,500 and his opinion of value is \$36,900. The Board voted to deny this application.

White, John & Linda 262 Hillside Avenue Map 120 Lot 303

The taxpayers wrote that the physical data is incorrect—card states upper floor (3rd floor) is finished—there is no heat or plumbing to this floor (552 sq. ft.); property was appraised at \$79,000 and sold for \$75,000; three properties were given as comparable. The Board reviewed the property record card, appraisal and comparable properties. The 2012 assessed value is \$128,300. The Board voted to have Mr. Woodward inspect and review this application.

Nelson, Christine 368 Norway Street Map 126 Lot 127

Dwelling was purchased in December 2012 for \$105,000 and is assessed at \$129,000. The taxpayer supplied an appraisal with comparable properties. The Board reviewed the application and documentation and voted to have Mr. Woodward do a “desk” review of this application.

Laflamme, Richard ETAL 128 Jasper Street Map 121 Lot 31

The taxpayer filed his abatement application noting the property is assessed over market value. The home had been on the market for years and never sold. They purchased the dwelling along with an adjacent lot in September 2012 for \$180,000. The taxpayer’s opinion of value for the lot is \$7,000 and the dwelling is \$175,000. We have an assessed value of \$209,600 on the dwelling and \$7,000 on lot. The Board voted to deny the application.

Thibert, Ronald 381 Willard Street Map 12 Lot 137

The taxpayer wrote that the property is in need of repairs, bathroom, kitchen, exterior, side porch, front & rear stairs, basement entry doors, roof, siding and trim. His opinion of value is \$22,500 which was the purchase price paid on December 2012. The 2012 assessed value is \$80,500. The Board determined that an interior inspection was needed to determine the extent of the repairs needed.

Northern NE Conference of Seventh-Day Adventist 567 First Avenue Map 118 Lot 15
This property was purchased by the City for \$23,525 and assessed for \$80,500. They provided what they felt was a comparable property and presently on the market for \$19,900 and assessed for \$33,500. Their opinion of value for 567 First Avenue was \$30,000. The home has since been torn down by the Church. The Board voted to deny their request.

Bugeau, Amy J 30 Smyth Street Map 128 Lot 53
The property was purchased for \$87,000 in November 2012 and has an assessed value of \$96,900. The taxpayer submitted an appraisal with comparable properties. The Board reviewed the application and comparable properties and voted to deny this application.

Roy, Robert ETAL 313 Wight Street Map 109 Lot 62
The homeowner writes that the dwelling is 90 to 100 years old and is not insulated. The foundation is poor and made of cemented rocks, cellar floor is not cemented and in some place it is only dirt. Chimney is outdoors, back of garage is attached to house and needs siding. House is on highway with train tracks a few hundred feet from front door, and rear of lot is ledge and mountain. It is assessed for \$73,000. The taxpayer's opinion of value is \$56,000 due to its age and in need of repairs and updates. The Board asked that they application be given to Dave Woodward for review.

5) REVIEW, APPROVE & SIGN SPECIAL WARRANTS ON PROPERTIES THE CITY SOLD

Kelley, Barry 717 Fifth Avenue Map 110 Lot 104
Purchased 12/20/2012 with an assessed value of \$49,500 therefore the pro-rated tax is \$443.
Lacasse, Theodore ETAL 46 Wight Street Map 120 Lot 11
Purchased 1/10/2013 with an assessed value of \$76,000 therefore the pro-rated tax is \$538.
Lamontagne, Gary 729 Second Avenue Map 119 Lot 394
Purchased 12/20/2012 with an assessed value of \$8,700 therefore the pro-rated tax is \$78.
Remillard, Lucie 360 High Street Map 120 Lot 273
Purchased 12/20/2012 with an assessed value of \$9,300 therefore the pro-rated tax is \$83.
Sullivan, Jason ETAL 702 Glen Avenue Map 114 Lot 8
Purchased 1/10/2013 with an assessed value of \$47,800 therefore the pro-rated tax is \$338.
Tremblay, Rene & Brenda 216 Grafton Street Map 130 Lot 146
Purchased 12/20/2012 with an assessed value of \$6,600 therefore the pro-rated tax is \$59.

The Board reviewed these special warrants and voted to accept them. The Board signed each special warrant which will then be given to the Tax Collector for collection.

6) REVIEW, APPROVE & SIGN ABATEMENTS

Property located at 33 Gilbert Street was acquired by the City in July 2012. The Seller agreed to pay the first half tax bill. This abatement was issued to abate the second half tax bill in the amount of \$272.

The following properties were tax deeded after April 1, 2012. They remain on the tax rolls and are abated after the second tax bill of the year. The following abatements were approved by the Board:

| <u>Owner</u> | <u>Map Lot</u> | <u>Location</u> | <u>Amount of Abatement</u> |
|----------------|----------------|--------------------|----------------------------|
| City of Berlin | 130-222 | Hillsboro Street | \$ 129. |
| City of Berlin | 130-257 | 466 Burgess Street | \$ 1,111. |

7) REVIEW, APPROVE & SIGN VETERAN TAX CREDIT APPLICATIONS

McKinnon, David 175 Jolbert Street Map 110 Lot 31

An application for veteran tax credit was filed by David McKinnon on December 13, 2012. The Board reviewed the application and DD214 and noted that he served during the Vietnam War.

Guerin, Leo A Jr 12 Arlington Street Map 137 Lot 85 L12

An application for veteran tax credit was filed by Leo Guerin Jr on December 13, 2012. The Board reviewed the application and DD214 and noted that he also served during the Vietnam War.

The Board approved both applications and signed the appropriate forms and response notification for the veterans.

8) OTHER BUSINESS

The Board discussed the upcoming budget process. In view of the need for a statistical review it will be necessary to increase certain line items. The line item for postage will definitely need to be increased. There may be need to increase the Assessment Contract line item in the event that not all the work for the review is covered by assessing days. Chair Goddard said he would speak with the Mayor and City Manager.

9) 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 Chair Goddard seconded this motion. All concurred. The Board of Assessors went into non-public session.

10) RESULT OF NON-PUBLIC SESSION

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

An elderly tax deferral was granted to Jeanne Garon of 373 Forbush Avenue for the 2012 tax balance. The proper forms were signed and Mrs. Garon will be notified of this decision. She will also need to sign the deferral which will then be recorded at the Registry of Deeds.

A disabled tax deferral was granted to Stacy Lemire of 98 Hillside Avenue for the 2012 tax balance. The proper forms were signed and Ms. Lemire will be notified of this decision. She will also need to sign the deferral which will then be recorded at the Registry of Deeds.

11) ADJOURNMENT

There being no further business, a motion to adjourn was made by Member Rozek and seconded by Chair Goddard. Motion was made and seconded to adjourn. The motion passed. The meeting was adjourned at 8:20 pm. The next meeting of the Board of Assessors is scheduled for Wednesday, February 20, 2013 at 5:30 pm.

Respectfully submitted,

Susan C. Warren

Susan C. Warren

Assessors' Office Coordinator/Deputy City Clerk