



MINUTES
BOARD OF ASSESSORS
ASSESSORS' OFFICE - CITY HALL
MAY 19, 2015

Present: Robert Goddard, Chair of Board of Assessors
Robert Pelchat, Member of Board of Assessors
Kem Rozek, Member of Board of Assessors
Susan Warren, Assessors' Office Coordinator

Also Present: Luther Kinney, Director of AHEAD management firm for
Senior Living at Notre Dame
Ronald Frizell, representing Shaw Communication
Barbara Tetreault, Berlin Daily Sun

1) **CALL TO ORDER**

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

2) **REVIEW & APPROVE MINUTES DATED APRIL 21, 2015**

The minutes for the meeting of April 21, 2015 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. Board Member Robert Pelchat seconded the motion. The motion was made, seconded and all concurred. The minutes of April 21 will be placed on file.

3) **MEETING WITH LUTHER KINNEY REGARDING HOUSING OWNED BY SENIOR LIVING AT NOTRE DAME LIMITED PARTNERSHIP**

They are seeking an agreement with the Board to make a Payment in Lieu of taxes for the property at 411 School Street. This has apartments which are rented to people over 62 years of age. Rental is based on income with one unit available at market value. They are all one bedroom apartments. The Board requested further information regarding ownership and exempt status. Mr. Kinney will be forwarding information to the Board via e-mail in the next few days. The Board thanked Mr. Kinney for meeting with them to clarify what information the Board is requesting so they may make a decision as to the PILT and Mr. Kinney, after thanking the Board, departed.

4) **MEETING WITH MR RONALD FRIZELL, REPRESENTATIVE FOR THE ESTATE OF STEWART SHAW-SHAW COMMUNICATIONS**

Mr. Frizell wanted an explanation of the taxation of the tower owned by Shaw Communications on property owned by Cecile Dumoulin, ETAL, on Cates Hill Road. Mr. Frizell stated that a few years ago a neighboring tower fell and struck the Shaw Communication tower and the Shaw tower was replaced at a cost of less than \$30,000. There are 2 paging companies on the tower and it generates income of \$18,000. Mr. Frizell said the total tax paid by Shaw was approximately \$3,700. The Board informed him that the City taxes for the tower (47,000 X 33.354) of \$1,568. He said Shaw Communications also paid Mrs. Dumoulin an additional \$2,158 for the Shaw Site which the City taxes her. The Board reiterated that the City only taxes

Shaw Communications for the tower. Mrs. Dumoulin is the person taxed for the land and leasehold agreements on which the tower sits. Mrs. Dumoulin would have to file an abatement request if she wanted to protest the value placed on the parcel. The period to file a 2014 abatement application was March 1, 2014. After stating that he was not asking for an abatement but merely wanted an explanation why Shaw was paying over \$3,700 in taxes, Mr. Frizell said he did not want to recommend the removal the tower because it would result in loss of revenue to the City and Mrs. Dumoulin and the loss of the use by the two paging companies. This property is presently on the tax deed list and taxes would have to be paid prior to removal of the tower. Mr. Frizell was confused between the tax and the payment made to Mrs. Dumoulin. Chair Goddard tried to clarify that the \$1,568. is a tax by the City for the tower and the \$2,158. is a bill from Mrs. Dumoulin and classified as an operating expense. Mr. Frizell still stated that the firm was paying \$3,700 in taxes with an income of only \$18,000 and that he did not believe that anyone would be interested in buying the tower. The Board thanked him for his time but said that because his problem was not with the tower value but the fee he pays Mrs. Dumoulin for the lease he should review the lease agreement and discuss that with her.

5) **REVIEW, DISCUSS & APPROVE VETERAN TAX CREDIT APPLICATION**

Labrecque, George 29 Grandview Drive Map 122 Lot 3.0007

The Board reviewed Mr. Labrecque's application and voted to grant the veteran tax credit starting tax year 2015. The application and response forms were signed by the Board.

4) **REVIEW ABATEMENT APPLICATIONS FILED FOR TAX YEAR 2014**

Belanger, Andre J M & Rita S 276 Pleasant Street Map 119 Lot 27

An interior/exterior inspection was conducted by Avitar with the taxpayer so the owner's concerns could be addressed. Based on the visit, Avitar recommended the following changes and adjustments: Condition for age changed from good to average due to overall physical condition of building. Add 10% functional depreciation as the kitchen is disassembled except for small counter and sink and open concept due to removal of bedroom space. Building quality changed from Avg+20 to Avg+10. Delete the open porch in front of building. Avitar recommended decreasing condition of fireplace to zero as it has no value. Land type changed from 1 F Res to Com/Ind and change base rate from RSA (single family residential) to CRO (commercial retail/office). The assessment was \$100,200. The Board agreed with the recommendations with the exception of the reduction of the fireplace condition factor. As a rule, fireplaces which are deemed inoperable receive a 50% condition factor. The Board voted to accept the changes with the exemption of the fireplace. Once changes are made the new 2014 valuation will be \$57,700 which results in a tax abatement of \$1,438. Mr. & Mrs. Belanger will be notified of this change.

Belanger, Andre J M & Rita S 40 Jasper Street Map 120 Lot 243

After inspection by Avitar and discussion with the taxpayer, Avitar recommended the following changes: Change condition from very good to good which takes into consideration the overall physical condition of the building. Add 5% functional depreciation for outdated and small kitchen. Delete open front porch. Change driveway surface from paved to gravel. Adjust the condition factor of the one story garage from 80 to 20. The 2014 valuation was \$131,000 and once the adjustments have been made the new assessment will be \$110,900 which will result in a tax abatement of \$670. A letter will be sent to Andre & Rita Belanger notifying them of these changes.

Chernicki, Matthew T & Janice E 248 Burgess Street Map 117 Lot 8 & Lot 9

Avitar visited the property the following recommendations were made: On Map 117 Lot 8 the condition factor of the shed should be reduced to 5 and the 2-story garage changed to a 1-story garage with a condition factor of 5 due to the overall condition of both the shed and garage. The original valuation was \$11,800 and after the adjustments it will decrease to \$9,200. On Map 117 Lot 9 the recommendations are as follows: The condition for age be reduced to very poor; 15x12 FFF/CRL be changed to FFF/PRS and a temporary depreciation of 25% be applied due to the ongoing renovations. The original valuation was \$59,300 and these changes will reduce the value to \$28,500. These parcels were under the ownership of New Hampshire Housing Finance Authority on April 1, 2014 so the tax paid was refunded to them as they should not have been billed. The new valuations will be used for the first half billing of 2015. The Chernickis will be so advised.

Johnson, Gary & Deborah 163 Western Avenue Map 113 Lot 16

Avitar visited the property and reviewed the information provided on the abatement application. In their opinion the subject properties assessment are fair and equitable and therefore they recommend no adjustments be made at this time. The Board voted to accept the recommendation and denied the application. The taxpayers will be notified of this decision and they will be informed of their right to appeal by September 1, 2015.

Johnson, Gary & Deborah 723 Second Avenue Map 119 Lot 393

At the request of the Board of Assessors, an inspection of the property was conducted. Based on the visit, the following recommendations were made: increase functional depreciation from 2 to 12% as the access is very tight and less desirable as owner of Map 119 Lot 391 has cut off access to Jeskie Lane. This change will result in a decrease in value of \$79,400 to \$67,200 and result in a tax abatement of \$407 for tax year 2014. A vote was taken and the Board agreed to accept the adjustment recommended by Avitar. The owners will be notified of this decision and of their right to appeal if they are still dissatisfied.

Lamontagne, Gary 110 Jolbert Street Map 119 Lot 391

The dwelling was visited and the factual information verified. At the time of the visit, Mr. Lamontagne pointed out the exterior condition of the home; it is in need of paint and the porch on front of house is pulling away and the bay on side is sagging down and causing cracks inside of home. Avitar recommended that functional depreciation should be increased from 2 to 4% as the foundation walls are built on ledge which allows water into basement and a large portion of basement floor is dirt. The also recommend increasing the physical depreciation from 5 to 10% for the deficiencies on exterior of house. The 2014 assessment was \$92,300. Once the adjustments are made the value decreases to \$84,000 and results in a tax abatement of \$277. Mr. Lamontagne will be notified of this decision and informed of his right to appeal the decision.

Warner, Danielle 473 Grafton Street Map 132 Lot 90

The 2014 abatement application was denied by the Board at a prior meeting. Ms. Warner filed an appeal with the Board of Tax & Land Appeals (BTLA). As part of their normal procedure, BTLA contacts both the municipality and taxpayer and asks that they have a meeting to discuss a settlement. Avitar conducted an inspection with the homeowner and discussed her concerns. No settlement was arrived at during this visit as the Board has to approve changes. Avitar made the following recommendations: 10% physical depreciation should be applied for 24x24 attached garage (garage is in poor condition and of very low quality construction). The bathroom count increased from 1.5 to 2. The sketch needed to be corrected and the view land line should be deleted. The 2014 assessment

was \$113,000 and once these changes are made the valuation will be \$99,500 with a tax abatement of \$450. The Board voted to accept these adjustment to value and signed the settlement agreement. The taxpayer will be notified and if she agrees and signs the settlement agreement this BTLA case will be marked “case settled, no further action, no costs to either party.

5) **OTHER BUSINESS**

Jericho Power PILT & Current Use Penalty

The City of Berlin has entered into a PILT agreement with Jericho Power for the wind towers located on Jericho Mountain. The areas used for the wind towers has to come out of current use and there was questions as to whether a land use change tax should be imposed or if it was void due to the PILT. A review of the agreement shows that the section about taxation deals with items covered under RSA72 and a land use change tax is covered under RSA 79A. The Board voted to proceed with determining the acreage affected by the wind towers and the land use change tax.

Update regarding KRT Appraisal demonstration and status of 2015 revaluation

KRT Appraisal demonstrated a 3D Laser Measuring Device which they are using in some communities. This tool measures a building and the information is translated into a 3D image which KRT then labels with identifiers and once finalized by the firm the final sketch is input into the computer.

KRT Appraisal also conducted a training session for the Vision Software. They informed staff that they have completed approximately 95% of the data and sketch input. They were slowed down by lack of information on the commercial/industrial properties. Staff sent them additional codes which they believed would assist KRT. An appraiser from KRT will be in Berlin in the next few weeks to start reviewing valid sales that took place over the last two years

Barbara Tetreault asked questions regarding the update. The update is being conducted as it makes five years since the last one and per RSA 75:8-a “the assessors and/or selectmen shall reappraise all real estate within the municipality so that the assessments are at full and true value at least as often as every fifth year...” The City’s equalized ratio is 142.2% which demonstrates that there is an inequity that exists. Barbara asked about timelines for the update. The preliminary schedule provided by KRT was discussed. The firm will be conducting their sales field review starting this week. They will be reviewing valid sales that took place within the last two years. The final valuations will be presented to the Assessors at the beginning of July with Impact Notices to the public being sent shortly thereafter. Informal Hearings will be held mid to late July and the project will be completed by mid to late August 2015. The goal is to arrive at fair and equitable values for all properties and property types. After further discussion the Board voted to write a memo to Mayor and Council requesting permission to have the City Manager enter into a contract with KRT to perform the Assessing duties for the City for the next five years as well as the data collection.

6) **NON-PUBLIC SESSION RSA 91-A:3 II (e)**

Chairperson 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,...”. Member Robert Pelchat seconded this motion. All concurred. The Board of Assessors went into non-public session.

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

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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 for issue discussed under

RSA 91-A:3 II (c). Member Kem Rozek seconded the motion and stated that the Board was now in public session.

The Board approved elderly exemption applications for Robert Roberts of 592 Western Avenue starting tax year 2015. Mr. Roberts will be advised of this decision.

8) **ADJOURNMENT**

There being no further business, a motion to adjourn was made by Member Kem Rozek and seconded by Member Robert Pelchat. Motion was made and seconded to adjourn. The motion passed. The meeting was adjourned at 5:55 pm.

Respectfully submitted,

Susan C Warren

Assessors Office Coordinator