



**TOWN OF NORTH HAMPTON, NEW HAMPSHIRE**

**SELECT BOARD**

**APPROVED 02/11/2009**

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**MINUTES**

**REGULAR MEETING - WEDNESDAY OCTOBER 8, 2008 –10 AM**

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**1. Call to Order & Call of the Roll**

**Members Present: Chair Emily Creighton; Selectman Craig Salomon; Selectman Mike Coutu**

**Staff Present: Administrative Assistant Janet Facella and Chief Brian Page**

**Select Board came to order at 10 AM**

**2. Assessing with the Director of the Department of Revenue Administration**

Chair Creighton started off the meeting stating that in 2001 the NH Supreme Court mandated that all assessing practices be fair and equitable. The Select Board has received many calls and concerns from residents to the contrary after the recent revaluation. Chair Creighton stated that as a Select Board they need to determine how the values were derived. Chair Creighton stated that the Select Board was unclear as to the approach used to assess properties. Chair Creighton introduced Stephen Hamilton, Director from the NH Department of Revenue Administration Property Appraisal.

Mr. Hamilton explained that the requirement for the revaluation of property began with the constitution of the State of NH stating the requirement is that property must be revalued at least every 5 years which mirrors RSA 758:A. The Town of North Hampton last reassessed the property in 2003 for taxing purposes. Mr. Hamilton discussed what his duties are, the commissioners, as well as the Town's. The Commissioner has the duty under RSA 21-J:3-XXV to petition the Board of Tax and Land Appeals (BTLA) whenever a town fails to comply with the five-year requirement of RSA 758:A. The statute is not a suggestion it is a shall. Mr. Hamilton stated that the reason he asked to meet with the Select Board was that his staff member Norm LaBlond, who has been monitoring the revaluation in North Hampton, asked him what would happen if the Town of North Hampton did not accept the values, and he was concerned. Selectman Coutu gave an example of two hypothetical towns; Town A and Town B. Town A simply didn't do anything to conduct a revaluation assessment. They didn't hire professionals and no one went out and did the assessment. That violation is clear. Town B has engaged with a professional, a revaluation has been conducted and the Town finds itself in the situation upon due inquiry has questions on whether or not it meets statutory duty of being full and fair. If we have reason to believe it is not full and fair, then that generates duty to us. Selectman Coutu asked Mr. Hamilton if that were the fact, then could we still be held in violation of this relevant statute on the basis that we concluded that it is not full and fair? Mr. Hamilton stated that the BTLA has statutory jurisdiction over these types of matters, and he would not be able to answer the question. RSA 21-J:325 states his duty is to petition the BTLA whenever the Town fails to accept new assessed valuations. Mr. Hamilton stated the Towns of Piermont and Orford and Fitzwilliam faced a similar

situation. In those instances the BTLA took up the issue whether new assessed value must be accepted and ruled against the towns requiring acceptance of the new valuation. Mr. Hamilton stated that perhaps the Board should consider those prior decisions as an indication of how the BTLA would rule if North Hampton decided to not accept the new town-wide revaluation. Selectman Salomon stated the Board has a two part concerns about process. The first being the Board wasn't given access to the methodology, and on top of that we had anecdotal facts that similar properties were not being valued similar. Selectman Salomon stated that the Board is in a bind to sign off on values being questioned. Mr. Hamilton stated Norm LaBlond has been the monitor to the town, and has been sending reports monthly to the DRA on his activities on his community action reports. Mr. Hamilton said based on those reports he had no concern about the methodology and process Vision employed in its revaluation Chair Creighton stated that the Board has never seen the monthly reports. Selectman Salomon asked the question if any other sanctions would be imposed on those towns that Mr. Hamilton has previously mentioned? Mr. Hamilton stated the process itself is part of the sanction as this delays the town's ability to bill and collect taxes. Chair Creighton gave an example of calls she has received from residents and Mr. Hamilton stated that it is important to keep in mind that these are 2003 values and market value may be going down now, however from 2003 they were going up into 2006. The process of conducting mass appraisal is about economics and getting the best result you can for the expense you can afford. Mr. Hamilton stated that there might be individual properties to address through abatements, but that doesn't affect the overall accuracy of the valuation. Selectman Coutu stated that based on our homework sufficient concern exist to question whether the process was fair. Selectman Coutu stated that what has been done to date does seem to suggest that the variance in values raises questions. Selectman Coutu asked if, based on the work the town had done, whether it could be concluded that the process has been applied on fair, equitable basis consistently applied. Mr. Hamilton stated that the Board hired a professional assessor to do work for the Town, and that it was not anticipated that the Board would have knowledge or skills to say whether or not this is a completely precise mass appraisal. Mr. Hamilton stated that part of duty of the Board is to rely on experts hired. Chair Creighton stated that she agreed but when the Board finds something that doesn't sound reasonable or is questionable the Board needs to inquire and get specifics. Chair Creighton asked Mr. Hamilton what is the process that the Board should engage in to find out if process is full and true. Mr. Hamilton stated that two things he sees often in mass appraisal results is the rate of increase in values, not in the consistency and that this was a very typical condition. Mr. Hamilton further stated that if you rely on the percentage of increase, then you must rely on accuracy of old number. There is nothing to say that the old number was correct. Mr. Hamilton stated that the markets for different properties rarely change at same rate; some properties may increase, some may decrease which causes a wide variation. Chair Creighton asked Mr. Hamilton what was the last date allowed by state statute to set the tax rate. She pointed out what she thought were the three options of the board moving forward and asked the Director if she was correct and if there were more options. She also asked what happens if the Board doesn't accept Vision's assessment of the Town's property values. Mr. Hamilton stated that the process is that if the Town doesn't accept the new values and attempted to file the MS-1 using the old values, the DRA would prepare report and file a petition to BTLA Mr. Hamilton stated that the BTLA would give notice of a hearing date and the Town would have to show cause why the Town should not accept the new valuation, and why the Town feels the revaluation was flawed. Mr. Hamilton stated that even if the DRA is presented with an evidentiary record in this matter, and in doing so DRA has reason to be concerned as well, the DRA would still petition the BTLA. Mr. Hamilton stated that the commissioner has no discretion even if the work is blatantly wrong. Mr. Hamilton stated that DRA doesn't have discretion on this matter, however if this were the 4<sup>th</sup> year of a 5<sup>th</sup> year cycle it would be different. Mr. Hamilton stated that the Town is on the threshold of violating the constitutional requirement of a revaluation

every 5 years and that the DRA's discretion is very limited. Selectman Coutu asked Mr. Hamilton if the commissioner files an appeal irrespective of the work product solely on the basis of the statutory requirement of 5 yrs, could the Town make argument to DRA of its reasons for concern. Selectman Coutu stated that the Board needs to know what obligation the Town has to make a case for or against to the DRA and make the argument in a reasonable manner. Selectman Coutu asked if the DRA could interact with commissioner before BTLA. Mr. Hamilton stated that at this late stage in process there is no discretion. Selectman Coutu asked Mr. Hamilton if he could take a look at work product that he has done. Mr. Hamilton stated that he would, but he can't advise us on it. Selectman Salomon asked the question if the Board makes the determination that on their own we will revalue all properties would this be a bigger problem? Mr. Hamilton stated that the DRA would have to monitor the revaluation. Selectman Salomon stated that an analysis was done that has values, comparison demonstrate wide variances of values in same neighborhoods, and that the Board has real questions based on our work product. Selectman Coutu stated that the Vision Appraisal contract required that they conduct external and interior review, and a careful inspection as well as measure and list the property. Selectman Coutu asked Mr. Hamilton if this wasn't done would he conclude that is full and fair valuation? Mr. Hamilton stated that that has nothing to do with full and true value. Selectman Salomon stated that if the methodology is lacking how does the Town arrive at the median? Mr. Salomon stated he would personally have a problem with granting abatement if he doesn't understand how the values were arrived at. Mr. Hamilton stated that part of the process of revaluation is that the appraisal company provides the DRA with a report of mass appraisal which outlines how they arrived at values, and what items they looked. Mr. Hamilton stated that the BTLA has broad powers over taxation, and that if something is flawed they may order Town to use values and do revaluation again the next year. Chair Creighton stated that she has concerns with the number of abatements the Town might have as a result of this revaluation. She stated that there is money in the overlay account to cover abatements, but is reminded that the last revaluation created numerous abatements which affected the fund balance. Chair Creighton stated that it is important that the Board get the values right before the Town grants abatements. Chair Creighton stated that if the Board had been involved from the beginning with Vision and with the DRA, the Town wouldn't be in this situation now. Selectman Coutu talked about same neighborhood, box to box, and the assessed values range from \$160/square foot to \$230/square foot, which is a big variance. Selectman Coutu looked at four different subdivisions and found differences of 33%, 64%, 40%, and 13% increases. Mr. Hamilton stated that he was at the meeting to help the Board understand the process of a revaluation, and what would happen if the original question that was asked happens. Chair Creighton asked Mr. Hamilton if he would take a look at information Selectman Coutu compiled, and also to look at questions and answers from Vision. Scott Marsh from MRI stated to the Board that he had reviewed the analysis from Vision, and asked them to correct some things, and they have. Tim Harned spoke to the board about the first notice received of revaluation was a letter from Vision stating new value. The letter had incorrect information about ownership and two different assessments for his wetlands on the left and right of his home. Mr. Harned stated his discontent with the fact that Vision did not give him the information he asked for when meeting with them. Phil Wilson spoke about the analysis he did and the range of values that he came up with. Mr. Hamilton advised the Board that they should have been more proactive with public relations. Mr. Harned described this process as "screwed up." Mr. Hamilton commended the Board for their interest in caring for their community, and told the Board he is able to answer questions as well his staff at anytime. Chair Creighton stated that going forward, public relations improvements are needed to make the complaint process easier and more resident friendly; improved relations/collaborations between the Town, MRI, DRA and the assessing company once a contract is signed and throughout the five year reassessment process; the assessor's database should not update old assessment values before the new values are accepted by the Select

Board; MRI and DRA should enhance their audit controls to include statistical random testing of neighborhoods as well as individual properties; and that the Town should consider the possibility of completing the revaluation in four years to allow the fifth year to address any issues of concern. Mr. Hamilton stated he will review the information provided to him by Selectman Coutu and Vision Appraisal's. Mr. Hamilton stated to the Board to remember that there is no process for DRA to accept delay on the submission of the MS-1. The MS-1 was due to be submitted on Sept 1 and the Town has now been given two extensions. Mr. Hamilton stated that the tax rate is not processed until the BTLA makes decision, if that is the route that the Board will be taking. Selectman Coutu stated that he cares very strongly about getting it right, and he doesn't care about delay of property taxes. Chris Ganotis stated to the Board that he did a similar analysis and came to same conclusions as Selectman Coutu. Chair Creighton asked Mr. Ganotis to leave a copy of his work with them. Chair Creighton thanked Mr. Hamilton for coming to the meeting. She stated that her goal is to ensure "full and true" values as she perceives "fair" as relative and not possible to achieve when assessing property values..-

### **3. Power Issues with Chief Page**

Chief Page addressed the Board with power issues associated with the generator. The Chief explained this has been a problem since 2000 and PSNH has consistently kicked back the responsibility to the town. Chief Page said that he has had two electricians tell him that it is a PSNH issue. Chief Page stated that this problem couldn't go on any longer as it is causing safety issues. Chief Page asked the board's permission to authorize him to meet with an engineer, the code enforcement officer, and John Hubbard at a cost not to exceed more than \$1,000 to get this issue resolved. If PSNH continues to push back the town may have to start the legal process against that.

**Motion by Selectman Salomon to authorize Chief Page to meet with an engineer, code enforcement officer, and John Hubbard with costs not more than \$1,000.00 Seconded by Selectman Coutu. Motion carries 3-0.**

**Motion by Selectman Salomon to enter into non-public session. Seconded by Selectman Coutu. Roll call 3-0 Pursuant to RSA 91-A:3 (a,c,e)**

**At this point in the meeting Janet Facella left the meeting, and the minutes were then recorded by Chair Creighton.**

Emergency Nonpublic meeting was requested by Chief of Police, Brian Page in accordance with RSA 91A-3 (a,c,e), to discuss legal correspondence concerning a union grievance.

Mr. Salomon moved to go into non-public session at 12:27. Mr. Couteau seconded and the vote was unanimous. All board members were present.

12:40 Mr. Salomon moved to end the non-public session; Mr. Couteau seconded and the vote was unanimous.

12:40-12:43 Recess

12:43 Public meeting resumed

Chair Creighton coordinated with the other board members to set dates to hear the Department Head budgets in October. Tentative dates are Wed., Oct. 15 at 2PM to hear the Town Clerk/Tax Collector; Recreation Dept. and the Fire Department. Thurs., Oct. 16 at 6PM to hear the Code Enforcement; Police and Select Board/Admin budgets. These dates will be firmed when Mr. Salomon responds to his availability on these dates.

**4. Adjournment**

12:50 Mr. Coutu motioned to adjourn the public session and Chair Creighton seconded the motion. Vote was unanimous.

Respectfully submitted,

Janet L. Facella