

**SELECTMEN'S MEETING**  
**Minutes of 02/02/04**  
**Tax and Assessing Informational Meeting**

*Selectmen:*

*Frank S. Michel, Acting Chairman*  
*Robert C. Flanders*

*Town Manager:*

*Carol M. Granfield*

*Administrative Assistant:*

*Wynette DeGroot*

**Call to Order:**

Frank S. Michel called the meeting to order at 7:00 P.M.

**Roll Call:**

Acting Chairman Frank S. Michel, Robert Flanders, Carol Granfield, Wynette DeGroot.

**Frank** introduced the meeting as an agenda/workshop. Acting Chair's responsibility is to control the meeting.

Introduction of panel, Carol Granfield, Town Manager, Selectman Bob Flanders, Wynette DeGroot.

Frank further explained ground rules for the meeting noting the goal of tonight is to understand the process and is to make sure everyone pays their fair and equitable share of taxes.

**Carol** introduced the panel: **Wil Corcoran** from Corcoran Consulting Associates, **Bob Boley** from the State Department of Revenue, **Laura Spector**, legal counsel, and **Lena Bolton**, Assessor.

Carol noted that questions are provided in the handout and hopefully will assist. Abatement forms are available. The Town has been putting funds aside to proceed with updating assessments recognizing modifications may be required. The Town would like to move forth as quickly as possible regarding property reviews and be able to respond to the public.

The first member of the panel is Bob Boley, the Director of Community Services for the State of NH DRA who will be giving a presentation regarding major changes with the State.

**Bob** provided background pertaining to what is happening in the State of NH noting the court case (Sorrell Case) that identified some problems with the assessment process here in NH. Essentially we have Constitutional requirements as well as statutory requirements

for cities and municipalities to follow. The blame was shared with both the State and the municipalities.

Constitutional requirement: All values be at 100%. Those values need to be 100% at least every 5<sup>th</sup> year if not more often. All must be proportional with one another.

Budget is set in March and no matter what the values are, that is all of the monies that can be collected.

Results of the Sorrell Decision were to establish a program for all municipalities to bring values to 100% and to keep them there on a regular basis. This started out as a certification, that is now called Assessment Review. The DRA is charged with reviewing every town in the State for the next five years to see they get their values up to 100% and adhere to certain other assessor practices that are required in the statutes. The two most important things that a Town must go through for this process are:

1. Bring values up to 100% of value and the guidelines for this were set 2 1/2 years ago by the Assessment Standards Board the values should fall somewhere between 90 and 110%. (10% leeway on either side.)
2. Values be uniform and properties are relatively proportioned to one another and uses a statistic to measure to the midpoint as a whole. Different properties in different classes need to be consistent with one another.

These are guidelines the DRA will be able to use to monitor and review the municipalities.

In addition to the importance of the assessing function, other areas that will be monitored are:

1. Ensure the municipality is making the records open for the public to see.
2. Make sure the valuation is set as of April 1.
3. Make sure the town has a program in place so that in future years they can maintain proportionality.
4. Tax maps - Make sure the property is reflected properly on the map.
5. Current use assessments to make sure the values are consistent with the guidelines and rules established. Proper applications are on file.
6. Appraisal contracts that the town has on contracts to be sure it meets the requirements of the state. Review of exemptions and credits.
7. Accuracy of Data no interior errors.

The process Review (2003) is not completed as of yet.

Final report is still waiting on a statistical study to see how the levels of assessment meet the criteria. There will be a presentation of a Preliminary Report. The Town will be presented with a final report, which will be a public report.

The assessment is an ongoing process. The requirements are that values be updated on an annual basis to keep them proportional.

Next presenter is Wil Corcoran. Wil has 26 years of experience and experience in all areas of the Lakes Region and the State.

**Wil** - Stated he has been an appraiser for 26 years and the Town Appraiser for the Town of Gilford for the past 14 years and has conducted appraisals for Alton, Moultonborough, Bristol and other area regions. Several communities served. Gilford has changed assessments seven times over the past nine years.

He cites the 1988 Andrews vs. the Town of Gilford case: Median Ratio - If town is assessed at 90% of value, everyone must be assessed at 90% of value. This set the framework for assessors to become appraisers. They must be able to determine value or you must hire someone who can tell you the value. That changed the nature of assessors in the state. Then the Sorrell case came along and codified this statewide as Mr. Boley spoke of earlier.

The Town of Gilford became very sensitive to the issues and wanted to be sure the assessments current (1993). There were several appeals in the Town of Gilford. Specifically an appeal in 2001 challenged the process of updating annually. The case was Penni vs. the Town of Gilford. The plaintiff said you cannot change assessment unless you do a full revaluation. Hearings were held at the Federal Courthouse. After spending over an entire year with the Town of Gilford looking at the way they did things there. The Board refused to find for the Plaintiffs. They said that because of the certain things in place, annual inspections over a five-year period (20% of the properties) and they felt the database was accurate and the town employed accepted ways of analyzing sales data. Valid market transactions were used. Statistical measures which is checking your vital signs.

He provided example of questions in Gilford: How is it that residential on the water went up 15% on the water and Commercial only went up 10%? That is not proportionate. No matter where it is, it needs to be appraised at 100% of market value. Must have the same proportionate value. No class of property sells the same. Mobile homes do not move at the same rate as single-family homes, island property does not move at the same rate as mainland property, single-family homes do not move at the same rate as condominiums. It takes an analyst to determine how much the changes are. The market moves at different rates of increase or decrease from the market value.

Wil found similarities in Meredith. The entire state is having the very same problem as the Lakes Region seeing values change. The reaction to the changes is different in every community.

Citizens Questions/Comments:

**Raymon Gerard of Robin Way:** Mr. Girard inquired about who has control over assessing commercial property.

**Lena Bolton:** It is the assessing department in the Town that has the responsibility of placing assessments on all property.

**Jim Wallace of Tracy Way:** Thanked the panel for the questions and answers. His question; Is it fair to say that the overall values of the Town's property range from 90 to 110% that the Town is in compliance as far as the market value of the property and what is expected of them?

**Boley** answer: The criteria is that the overall levels of the Town be between 90 and 110%. All sales between October 1, 2002 to September 31, 2003 using a "Median Level Assessment".

**Jim Wallace:** If an individual's property falls within 95% of the market value, the taxpayer would have no axe to grind regarding his assessment?

**Boley:** That would be an accurate assessment.

**Geoff Pedersen of Oak Knoll Road:** Mr. Pedersen had written a letter to the Selectmen last week and basically had requested tax cards. He picked cards at random and he was interested to see if the actual information in town matched up with the actual properties. He found a 50% overall error rate with a major error rate of 33%. Mr. Pederson is concerned about the types of errors found; 1.) Sheds, decks, porches or additions that exist and are not reported on the tax information, 2.) Wrong dimensions and 3.) Building permits issued and inspected not showing up on town records. He would like; 1.) Errors and omissions solution could be to send everyone a copy of their assessed information with the tax bills and have the owner verify the information. Owner should be able to verify footprint and information is correct. 2.) Growth Control Management - Impact fees. Tighter restrictions and more tools for the planning board to work with. 3.) School Budget - Have to take a look at it.

**Bob Gage of Windsong Place:** New resident in town and he has a question on what are the guidelines on assessing water view & do commercial properties pay for water view, and how is that premium determined? (Is it a double hit on the tax bill for the view?)

**Lena:** The view factor is applied to the land dependent upon the extent of the view.

**Wil:** What is looked for are "paired sales". View vs. no view, those kinds of assessments on the land itself.

**Alex Levy of Pinnacle Park Road:** Mr. Levy spoke of different types of sales. All types affect the high - low statistical process.

**Frank Michel:** Doesn't the statistical ratio analysis throw out the highs and lows of the spectrum?

**Bob:** Very comprehensible procedure that we follow in the ratio of study. Arms Length Transactions - normal types of transactions, which are determined with the assistance of the PA 34 form that is filled out when a home sells.

**Werner Resbsaumen of Grouse Point:** Abatement form was completed last year and Ms. Bolton agreed that the property was over assessed. Confirmed by a certified assessor (appraiser) of the state.

His new tax bill reflected \$97 thousand dollars more so Mr. Resbsamen wrote a letter to the Chairman, the Selectmen, and to Mrs. Bolton to ask what is the reason.

Mr. Resbsaumen feels the Town needs to communicate with the taxpayer.

**Resident of Black Cat Island:** Stated she would like to see some tax relief because of the need for them to maintain their own roads and bridge.

**Lena:** If you are looking for a specific line item to be minused, no. When the property is sold in those kinds of neighborhoods, the same conditions exist for sold and unsold properties.

**Mike \_\_\_\_\_:** Comments on lake front views and sales and the revitalization of the waterfront.

**Lena:** An appraiser does an appraisal on several of our major commercial properties with some of the comparables used were sales from hotels in other areas to determine the value of the hotels here in Meredith.

**Phil McGowan:** We asked to be provided the information on examples of commercial property and he would like to know if that information that was requested has been provided and available tonight.

**Frank:** What we provided is what we could get together for this meeting. We will do our best to get the information.

**Phil McGowan:** Is the data (question26) requested readily available? If not, why not?

**Lena:** I don't have the individual comparables here this evening because I did not believe we would be talking about individual properties.

**Tony Carita Black Brook Road:** The answer to the question #22 refers to the specific differences on the various lakes. Are the target sales for specific lakes used, example Winnisquam are they looking at Winnisquam sales and on Winnepesaukee are they only looking at those sales?

Has the state ever found that if a town is not in compliance that the assessed values are too high, what do they do as a result of that?

**Bob:** Sales ratio study: The purpose of the study was for equalized values and distribution of various taxes. In times when the market was dropping, necessary adjustments are made to equalize values down.

**Tony:** Does the homeowner get a rebate?

**Bob:** No

**Lena:** Waterfront properties are compared by individual lakes.

**George Serrano Vesey Shore Road:** Assuming that sales activity is not equally distributed, how do you ensure that the comparability is maintained when in fact the sales are not evenly distributed?

**Lena:** By looking at sales and then looking how those sold properties compare to the unsold properties.

**Jeannie Conway Blackbrook Road:** Please explain why land and buildings change in value.

**Lena:** We first look at land values, on the water and off the water, then the different types of homes is looked at. We look at the trends and locations and what is happening in the market.

**Wil:** Land values first, land sales then take the sales of land and buildings which gives an indication of what the buildings are contributing to sales prices.

**Dave Eastward Wagon Wheel Trail:** Was the last full revaluation done in 1987 and were updates completed in 96, 2000, 2002, & 2003? What is an update?

**Lena:** Same type of analysis as in a revaluation, just short of a revaluation. 20% increase in overall value for 2003. The residential overall increased 20%, mobile homes increased 15%, Commercial 19%.

**Frank \_\_\_ Meredith Neck Road:** Wondering if there is some way there could be a limit placed on taxes, especially for the elderly.

**Bob:** All things are possible. In California, there was some legislation that allowed increased values only when you sold your property. Other states have limits on the amounts of assessed values can increase in the year. Unfortunately, the State of NH the requirement is that the property be of market value. The answer is through constitutional change.

**Wil:** There are elderly exemptions available and also elderly deferments. There are alternatives for hardships. The DRA has a wonderful web site with forms and details.

**Ken Canaway Grouse Hollow Road:** Commercial properties - Are there potentially other properties in town that use the same kind of attention and might it not be a good idea to continue that process?

**Lena:** We are always looking at what we need to do regarding commercials.

**Steve Merrill Vesey Shore Road:** The Town has put aside \$200,000 dollars, Why not go ahead and do a town wide reassessment?

**Frank:** During the past two years there are pending appeals at the BLTA. We are also getting certified through the State (2003), therefore we should go through the process to see what the Certification brings forth. Wisdom of the Board is to see what the State says. We will have \$300,000 set aside to spend which will not have an impact to correct any issues.

**Steve:** What will the money be used for if it is not used for revaluation?

**Frank:** Anticipation of a full revaluation if necessary and if that does not happen, the money can always be put back into the general fund to reduce tax burden.

**George Jewell Black Brook Road:** Questioned why we not able to look at other town's comparables?

**Bob:** He explained equalization purposes and dates.

**Lena:** Sales used for comparison in other towns are used. Lena would request entire appraisal including the other town's record card.

**Bob:** Contract appraisers are to use the last two years of sales in analysis.

**Chris Whitcher Waukegan Street:** What percentages of sales are not used?

**Bob:** 289 sales looked at. DRA used 191 (2/3) used.

**Chris:** Has this been challenged (the exclusion of certain sale prices that are included in the ratio study)?

**Bob:** Not aware of any successful challenges. The basis of Arms Length Transactions that are used eliminate those sales not involve *willing buyer and seller*.

**Wil:** Challenges are made at the town level (twice overturned).

**Palmer Smith Bear Island:** Questioned the status of Arms Length Sales

**Lena:** Sales that are eliminated, there must be a very good reason to throw out a sale.

**Phil McGowan Loon Road:** The issue is the assessing process in the Town of Meredith. 6,000 pieces of property to assess. How does one house on one side of the street increase 30% and a same house next door decrease 20%? Flawed data produces flawed results. Phil feels that Vision sheets have mistakes. Why the varied range of percentage of increases?

**Lena:** Sales

**Eric Sojka Observatory Road:** Eric commented on taxes on waterfront property. Why can't we break the land from the building? Could we consider "homesteading"?

**Laura:** State law states you cannot separate.

**Peter Rand South Watch Road:** Expressed that a total reassessment is necessary.

**Frank:** Advised we are waiting on the State's decision.

**Charlie Stone Vesey Shore Road:** Charlie asked questions regarding the taxing of building and land together.

**Laura:** Cannot separate the two. Total value. Overall picture.

**Wil:** Law does not require to separate the land and building on the tax bill even though the tax bill does show the breakdown for informative purposes.

**Phil McGowan:** Please explain the answer to #17. (Justify change without physical inspection.) What is the statistical number of sales?

**Lena:** The logic is even though a physical inspection is not completed, to make the increase because the information on the property itself has not changed.

**Bob:** Assessing must make value decisions based on whatever sales exist. They may have to go outside the neighborhood to make adjustments to determine the values.

**Wil:** Statewide the property values have increased over 18%. Market values have increased on all properties.

**Phyllis Eddy Meredith Neck Road:** Has the whole town gone up on all properties?

**Bob:** Usually you don't raise the values in the entire town by the same amount; it is done by the varied areas.

**Lena:** The breakdown is on average; residential 20%, mobile homes 15%, commercial 19%.

**Phyllis Hamblet Powers Road:** In 91 -92 market values went down. What happens if the market drops?

**Lena:** Since 1996 we have had the ability to make those changes in the market. We are always looking at the changes in the market.

**Chris Mega Eaton Ave:** Abatement request process - How does it actually work?

**Wil:** The property owner must actually be the one to gather information to prove his/her case for abatement.

**Phil McGowan:** Vision software - Phil asked about the upgrade. Did we use the 8-year-old system to do the upgrade of values? When is the new Vision system going to be ready?

**Lena:** The version of Vision is what we have been using for the past several years. When the new hardware is installed, we should be installing the new Vision software.

**Geoff Pedersen:** When the Town finds property that has not been on the tax roles, what is the process when that happens?

**Lena:** Discovery process - If the property has not been assessed or the information is incorrect, it is the discovery process. We pick up that property at the time of discovery.

**Jim Wallace:** How is new construction factored into the tax rate?

**Bob:** The more new construction that takes place the more the taxes are reduced on existing property. (Amount of difference; at a tax rate of approximately \$16.00, the amount could be around 3%.)

**Steve Merrill:** Questioned the revaluation costs of \$130? What is a realistic cost per parcel?

**Wil:** Cheapest price is not necessarily the way to go. There are many factors to look at. \$90. to \$100. is a fair range for a price of revaluation. The \$70 number must be looked at carefully for the scope of services.

**Ken Canaway:** They don't collect assessments; they collect taxes. Hopefully many folks will attend the school board meeting and other meetings that affect tax rates.

Frank Michel closed the meeting. Meeting adjourned 9:50 p.m.

Respectfully submitted:

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Wynette DeGroot, Administrative Assistant

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James F. Hughes

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Carol M. Granfield, Town Manager

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Frank S. Michel, Acting Chairman

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Robert C. Flanders