

SELECTMEN'S WORKSHOP
Minutes of 08-17-09
4:15 p.m.

Selectmen:

Peter F. Brothers, Chairman
Miller C. Lovett, Vice Chairman
Robert C. Flanders
Charles G. Palm
Colette Worsman

Co-Interim Town Managers:

John C. Edgar
Brenda L. Vittner

Recording Clerk:

Karin Landry

Call to Order: Chairman Peter Brothers called the meeting to order at 4:15 p.m. He introduced the Board, Co-Interim Town Managers, and the Recording Clerk.

W 09-35 **Assessing Value Update 2009**

The last update to values was the Town-wide valuation in 2006. A ratio study analysis shows that values and assessment equity began to decline in 2008. Without an update, 2009 values will be at 105.0%. Abatement appeals have increased from 35 in 2007, to 54 in 2008.

Assessor Jim Commerford explained the 2009 Assessment Update process:

- Qualify and Analyze all sales 1.5 years prior to April 1, 2009
- Re-calibrate land, building, and depreciation model
- Test model against sales
- Apply new tables to all properties

The results of the update were broken down by strata and value. Coefficient dispersion is used to measure uniformity of assessments within each strata (waterfront, condominiums, etc.) Without a revaluation, this year's assessment will fall outside the state's guideline of 15%. The majority of residential properties have seen a decrease greater than the overall decrease of 5.9%, while the waterfront properties have seen less of a reduction. The commercial/industrial increase of +5.2% has been skewed by the new construction of Hannaford's and the senior housing complex. Of the roughly 260 commercial/industrial properties, approximately 75% of those saw a reduction in value. An increase in the value of higher end properties (\$1.5 million and above) is due to waterfront properties being under assessed in the past.

Taxpayers will be notified by mail of their new assessment. The letter will include their new value, as well as the final value from 2008. Vision Appraisal's on-line database will be updated. The new values will go into effect for the fall tax bill. Taxpayers should contact the Assessing Office if they have any questions.

A one-month extension is being requested for filing the MS-1 to allow additional time for setting of the tax rate. The extension form is in the Board's sign file.

Mr. Commerford answered questions posed by the Board. He explained how land, building, and depreciation models are re-calibrated. The Assessing Office makes an inspection once a qualified sale is completed. New construction is inspected by Assessing and Code Enforcement once it is complete. The value for specific commercial/industrial properties did not go up, it is the aggregate value of those properties that increased. In 2008, the overall valuation was \$1.9B. The 2009 overall valuation has decreased to \$1.8B.

W09-36 Annex Garage Wall Repair

At the July 16 workshop, options for repairing the failed retaining wall at the Town Hall Annex were reviewed. The quotes for various options were from \$18,000 to \$68,040. The Board asked the Co-Interim Town Managers to explore additional options including:

5. Demolish the garage and re-build the exterior wall, excavate and remove the wall failure, pour a new concrete foundation along the full length of the wall and improve parking.
6. Remove the garage and the addition at the back of the building, and improve parking.

Ms. Vittner reviewed the proposal submitted by Ambrose Brothers, Inc. for option 5 in the total amount of \$71,000. Upon exploring option 6, it became apparent that it involves significantly more construction, and it will be much more difficult to procure a proposal to complete the work.

Dialogue ensued regarding the fiscal impact of the project. There is \$20,000 in the reserve account and \$30,000 in contingency funds (those funds are currently earmarked as on hold) that can be utilized for the project. A general building maintenance line in the 2009 budget can be utilized to cover the remainder of the costs. If necessary, it is possible to make a transfer of funds between departments (for example, funds set aside for paving). The Board will be involved in decisions regarding how the project will be funded.

Selectman Flanders supports a long-term fix for the problem. Many times, a cost savings option will end up being more expensive in the long run. The lack of drainage behind the retaining wall must be addressed.

The Chair agreed that the drainage issue must be addressed. He sees option 5 as being a more likely solution to the problem. The potential impact on the sale of the building, improved parking, and future additional office space should be considered.

Selectman Palm questioned whether the addition to the back of the building is worth saving. There are signs of deterioration on the flat roof, and the addition itself is of questionable quality and is on a partial foundation. Repairs to the addition could call for a significant expenditure of funds in the near future. Keeping the addition does not facilitate re-building the wall under it.

It was agreed that more detailed costs are needed for implementing option 6. Ms. Vittner will investigate the value of the building without the addition with Assessor Commerford.

Dialogue ensued regarding the scope of the work for option 5, and the various complexities involved with implementing option 6.

Selectman Worsman suggested phasing option 6 – stabilizing the building this year, and addressing wall and roof issues next year.

Selectman Lovett would like to know how the removal of the addition will affect valuation, and would like more specific costs for option 6.

Ms. Vittner will more actively pursue option 6. The Chair asked the Board to take a moment to stop by the Annex to see the problem first hand.

W09-37 LGC – Article 28-a – Lawsuit, Legal Fund

The Town received a notice from Local Government Center (LGC) regarding a proposed Article 28-a lawsuit against the State. The lawsuit addresses changes in the State's contribution to the New Hampshire Retirement System for public employees in Group I (teachers) and Group II (police, and firefighters). Before 1984, the State agreed to a contribution of 35% of the local government employer's contributions for teachers, police, and firefighters. Other municipal employees were not covered under the agreement. That contribution has remained the same until this budget year. Starting July 1, 2009, the State's retirement contribution for Group I teachers and Group II police and firefighters dropped from 35% to 30%, and will drop again next July to 25%. In 2008, the Town contributed ½ of 1% of its 2007 retirement contributions in the amount of \$1,346.67 as its contribution to a fund to address legal issues. That contribution will cover the Town's portion of the Article 28-a lawsuit challenging the changes to the Retirement System. At this time, 78% of municipalities have contributed to the legal fund.

Selectman Flanders supports the Town's participation in the lawsuit. The State made commitments to communities when they were establishing the Retirement System that they are not keeping. The impact on communities will increase exponentially as time goes on.

Ms. Vittner is working with Chief Morrow to review the billing practices for police detail in an attempt to offset the requirement that the Town pay 100% of the contributions to the System for police detail.

The Chair and Selectman Palm agree that the change in the Retirement must be challenged from the philosophical standpoint, that unfunded mandates from the state are not acceptable in this case, or in other instances that may have an even greater impact on municipalities.

The unanticipated additional expense related to the Retirement System must be absorbed in the 2009 budget. The exact amount is not known at this time. The change was implemented mid-year, but must be budgeted for a full year in 2010. In addition, more responsibilities have been handed to municipalities for tracking details for Retirement.

Selectman Worsman inquired if municipalities would have more control over how the funds are managed if they are responsible for most of the retirement contributions. Mr. Edgar pointed out that the Town's participation in the Retirement System is mandatory.

Selectman Palm wants to be certain the Town is sending a separate letter at the time payment is made electronically that includes the suggested language from New Hampshire Municipal Association for payment under protest.

Selectman Flanders motioned to adjourn the meeting at 5:20 p.m. Seconded by Selectman Worsman. 5-0. Motion passed.

Respectfully submitted,

John C. Edgar, Co-Interim Town Mgr.

Peter F. Brothers, Chairman

Brenda L. Vittner, Co-Interim Town Mgr.

Miller C. Lovett, Vice Chairman

Karin Landry, Recording Clerk

Robert C. Flanders

Charles G. Palm

Colette Worsman