

**Minutes of the Board of Assessors
Meeting of October 3, 2019**

A meeting of the Board of Assessors was held on Thursday, October 3, 2019 in the Auditorium of City Hall. The meeting was called to order at 8:15 AM by Chair Robert Earley.

Members Present:

Robert Earley

Paul Bergeron

Assessing Staff Present:

Greg Turgiss

Lynn Cameron

Louise Brown

Other City of Nashua Staff Present:

Administrative Services Director Kimberly Kleiner, Corporation Counsel Steve Bolton and Deputy Corporation Counsel Celia Leonard

Mr. Earley

Good Morning, welcome to the October 3, 2019 Board of Assessors meeting. I am Bob Earley and to my far right is Lynn Cameron who is serving as the clerk of the board, to my immediate right is Paul Bergeron, to my left Steve Bolton Corporate Attorney for the City of Nashua, and to his right and my is Kim Kleiner Director of Administrative Services.

This meeting is recorded by a written transcript and audio tape. Please direct all testimony into a microphone and only one person to speak at a time. If you do not already have a copy of today's agenda, please feel free to get a copy located by the entrance to this room.

Today we will be hearing various requests as listed on the agenda. Please note the decisions may be taken under advisement and involved parties will be notified at a later date. Per the City of Nashua bylaws, a minimum of two or more affirmative votes are required to approve any application. In addition, this board will hear any and all scheduled cases as long as quorums of two voting board members are present at this meeting. Any citizen has the right to contest a decision that this board makes. To appeal a municipality's decision on an abatement application a taxpayer may appeal to either the Board of Tax and Land Appeals or to the Superior Court, but not to both. Please contact the Assessing Department for more information.

Please direct all testimony to this board and not to anyone in the audience. If you have questions they are to be directed to the board and we will do our best to get them answered. When directing testimony to this board please announce your name and address clearly for the record. Please silence or turn off your cell phones. If you need to have a conversation please feel free to step out into the hallway. Ms. Cameron, are there any changes to today's agenda?

Ms. Cameron

No.

Mr. Earley

Does anyone have any questions before we begin?

This is the 15th meeting of 2019.

Can I get a motion to waive the reading of the September 19th public and non-public minutes and accept them and put them on file?

Mr. Bergeron

I so move.

Mr. Earley

Any changes or edits to those minutes?

Mr. Bergeron

No.

Mr. Earley

All those in favor of accepting the minutes say aye.

Mr. Bergeron

Aye.

Mr. Earley

Aye.

Opposed? Ayes have it.

New Business, Ms. Kleiner will have an update on the division.

Ms. Kleiner

Good morning. This is pretty brief this morning. I have given you a copy of the newsletter that went out on Monday. This was the second edition of the newsletter. The newsletter will be important as we move forward because we will have a lot of information on the full measure and list included in that newsletter. Residents can sign up on the Assessing page on the City website for delivery by email. Last count we had about 32 people that had signed up.

The upgrade of AssessPro Classic to AP5 is progressing nicely. We are still holding technical review meetings, including our IT department and one-on-one user training.

A committee composed of City staff has been formed to review the 4 proposals for the full measure and list and revaluation. We met yesterday and we will be holding interviews with all 4 later this month.

On Tuesday September 24th we updated the Board of Aldermen on the Assessing Department improvement plan. I thank everyone for attending. The staff has worked extremely hard and I think significant change has been accomplished. We are continuing the assessors, right now, to concentrate on inspections of building permits both commercial and residential, in preparation for the submission of the MS-1 on October 11th.

We would like to update your manuals on some changes that we made this past week. If you would drop off your manuals we will update those and get those back to you at the October 17th meeting.

And that's all I have.

Mr. Earley

Ok.

Anyone have any questions?

The next item; we don't have any communications, there are no staff items, no unfinished business, Ms. Laurie Ortolano you have an appointment.

Mrs. Ortolano

Good morning, thank you for the opportunity to speak with you. Just in this newsletter that was just covered. It's honestly a little disappointing to see that the manuals are being turned back in so updated information can be provided. It would be helpful for the public to know what that information is. I had made that request in writing to the administration and I spoke to you about it. I don't know why they just don't give you the pages and say insert these in the book and replace these. But also that's the information I would like. I don't want to have to go down there and take a scanned copy and match page for page to see what changed. It's not transparent. So, I guess under right to know, I'd like copies of all the changed documents, so that I'm aware of those.

Secondly, we submitted a report, Laura Colquhoun and I, to the state regarding the verification of the sales data used by KRT. And this is an issue that came up, I think you are aware Bob, at the BTLA hearing, on what type of verification was done. Attorney Bolton explained to the BTLA that our staff handled the sales verification. But I've been doing a lot of consolidating of my paper work and organizing some things and I found an interesting set of minutes from January 3, 2019 where Mr. Hansberry is questioning Greg Turgiss on the sales data. And he says, Mr. Hansberry asked if KRT got out and looked at the properties and Mr. Turgiss stated that they may have gone out on some. Mr. Hansberry noted that KRT reviewed sales going back one year for residential properties and two years for industrial properties and asked how detailed was KRT's review of these sales and to what depth was the analysis done. Mr. Turgiss answered he was not directly involved with the analysis and

he suggested that question be directed to KRT. What I find interesting about this is if in fact we were the ones that did all the detailed verification I would have expected Mr. Turgiss as the supervisor learning off this process to have said, heck I've verified 50% of them myself, of those commercial properties, we did the detailed analysis, that was on the city. But he was not aware of that and he was not aware of that because it was not done by the city. And I'm surprised up at the hearing that Attorney Bolton hadn't check with the assessors to say what type of detailed analysis did you do? We were questioning a great deal. The public was raising a lot of questions on the detail and the data. And what I keep finding in the city is no one is willing to verify. So when we came back we took that sales data out of the USPAP and we took 800 and roughly 40 properties and looked at those, there were about 1200. Ms. Colquhoun has just finished the remainder of the batch for the DRA. But what we found in here is verification simply, any detailed verification inspections of properties was not done. I'm going to say out of the 840 we looked at, I don't know, maybe 20, probably not even, there was an attempt to go out to the property or leave a card. The rest of them they worked off MLS data and very inconsistently. And I'm going to tell you a year ago I came to the Board of Aldermen and I said stop using MLS data to change properties and correct them, because you're not doing it equitably. You're making some pay so much more than others. And what I discovered in looking at 840 points is that's very true. The properties that are being hit the hardest with MLS corrections are the 1401, the single family homes. What you find is multi-unit properties 1402, 3, 4 and up, they don't even look at those. Those properties, duplexes, 3 family, 4 unit, flats, those properties are by in large not touched. If they are assessed at 240 and sell at 500, nobody does anything with them, until you do a statistical update. And that is grossly unfair to the residential properties. And so what we found is...here are our observations in a nut shell. The commercial properties were really not MLS reviewed. And even though we have the Co-Star program, it doesn't really look when we have a commercial property sale that we are using that or that there's evidence of that. The EYB and depreciation issue described in the October 11, 2018 workshop, shows that out of 230...so what I did out of those 840 properties is I took 230 of them and I went on the computer and I pulled up all the MLS data on them. And I printed the colored pictures of what they looked like and I wanted to see how much did those pictures match the property card. And there were a lot of errors; missed bathrooms, missed basements but EYB adjustments just were not done. And it really seems like as they were verifying data for 2017 and now I'm rolling into 2016, they almost didn't want to make EYB changes. They didn't mind doing it in 2014 when they could take a home and try to bring it up to 1. But they're really not using it. And so that came out very clearly. Multi-family units 2 to 10 were largely not MLS reviewed. I'm not going to say every one wasn't because all is very definitive, but I going to say maybe I found 2 out of, you know, 50. Assessors are not sending letters and are ignoring this whole property group. They're only adjusted in the statistical review. Condos, detached, detached land, no land are not being reviewed and upgraded when significant improvements are made. So that's another whole segment of properties, condos; they just don't really look at them. They treat them as an insignificant group and they're ignored. Single family properties bore the brunt of the corrections and only a fraction of those were adjusted for depreciation. Adjustments made for kitchen and bath improvements are totally inaccurate and all over the map. The rating system remains a

problem and was back then. Flooring improvements, this is widely seen, they'll write in the comment section that hardwood, you know first floor changed to hardwood, 100% hardwood, 100% laminate, but when you look at the property card it still shows the primary floor as carpet and when they will say we changed it to 50%, the percentage will be 5, 2, 5 is very common. I don't see on the property card where the date is getting changed. They're not putting it in and it's not reflecting in the section of the card where it should be. The bulk of the field reviews are done by Rob Tozier. One would expect that KRT would have been able to recognize the city did not do a complete sales inspection, as they reviewed the data from the field and sales reviews; but they didn't comment on that. They didn't push properties that were grossly off back to the city and say hey, you missed something significant here. They didn't leave, there was another very significant thing, KRT said, you know, we saw something that looked unusual; we got out of the car and put a tag. We did not find a single property that had a notation that KRT left a card at a door. Not one. Some sales didn't appear to be qualified; they snuck in there and shouldn't have been in the data. Overall contract compliance remains an issue. And then we gave a breakdown of what we saw. So our conclusion was how do you trust a model that didn't do a full analysis on the sales and what does that mean? That's the question we raised to the state. I know that they looked closely at this. I got a lot of communications with the DRA last week, diving into this data, but I'd like to show you a few cards up here to show you what I looked at. And this took a lot of time. I think I pulled 40 or 50 properties.

Ms. Cameron

Laurie, can you use the mic that's right on the podium there? There should be a mic... Thank you.

Ms. Ortolano

Ok. You can hear me better? Ok. I pulled 40 or 50 properties and printed the pictures and I stopped there because 1 it takes an enormous amount of time and 2 it's really expensive to do these. So if I look at a property like this, 101 Farley Rd. This was a very mismanaged property. They had a permit pulled for 75,000 in 11 of 15, right after the house sold for 287,000 but they never caught that permit. And then the house sold for 480,000, that's because that permit was a total redo. And when you look at the pictures, it was. So the house sold for 480 and KRT put it at 409. That's a pretty big discrepancy. For 2017 they left the EYB at 1983, which is way too low. KRT adjusted this one to 99 and I would love to see the EYB changes that KRT made if that could be obtained in RTK. I'd like to know what they switched for EYB's. I'm finding cards they changed but not a lot. And they had to do it. And it's interesting, that even doing a change like this, they could not make this house come anywhere near the sales value because the permit was never captured. New kitchen, granite, stainless steel appliances, LED lighting, hardwood flooring, reno'd bathrooms, 2 car garage, new roofing, Harvey windows, bulkhead, all new outside stairs, Trex decks, new landscaping and a redone barn. And the property looked like this with a write up and it gave a very, this comes right off the write up. And when you start looking at the pictures, you're going to see, is this the right way? Yup, you going to see this is a very renovated house. This kitchen is

all brand new, marble or granite striped counter tops, redone bathrooms, hardwood flooring throughout the whole house. I mean this is a very renovated property, not caught.

We go to the next card and I'll show you. This is 101 Celeste St, no 10 excuse me, 10 Celeste St. The EYB was supposed to change in 2006 to 1980 but the assessor marked it in the notes and never changed the EYB. So this property never got adjusted 15 years ago. The house just sold in 19 for 290 it has no new upgrades, it sits at 248. Because we never made the right correction in 2006.

This is 5 Denton St. This is a fully renovated apartment building that they made a change to the EYB to 2010. That was a very aggressive change for a very old building. This building is a 1875. I actually look at 2010 as being very aggressive. And then you look at 17 Berkeley St that burnt to a shell in a fire and KRT puts that EYB at 1994. How do you make those determinations? And what's going on there?

Look at this one. I tried to flag some cause I knew I wouldn't have time to go through them all. 47 Robin Hood Rd. This is a raised ranch and it's marked with a basement and not a lower level. Here's something I was seeing a good bit. There's a lot of basements on raised ranches that are marked basement and not LLV. What I discovered, talking to people around the state, is that the 2005 update of the software, AssessPro, of this city, 15 years ago, LLV was a newly added feature. And they never went back to all the raised ranches, splits or the moderns, and changed basements to LLVs. So what you have is, I see properties, right next to each other, 2 raised ranches that sold, I have them in here actually that I gave to the state. One of them is marked with an LLV and has a per square footage rate of about 68 bucks, one of them is paying for a basement with a per square footage rate of about 52. They're not paying the same rate because a basement is marked lower than an LLV. I don't know if it's because lower level living for a split, they actually have windows that can serve as a fire egress, they're more full windows that are in the lower level so the value of the square footage is higher. It makes sense to me. But we've never fixed out data in 15 years on these and that should be corrected before the new update comes in.

This property 14 Dowd St. This is listed as a 1954 home. It's got vinyl sided, newer windows MLS says major upgrades over 15 years; roof, water heater, furnace, siding, electrical and updated baths. 1954 is ridiculous and in 2014 when it sold for 177, they did not pick up anything in the assessment. It was already above value but they never corrected the card. And that says it was qualified. And there's pictures on this one 14 Dowd St.

7 Shingle Mill Dr. This one is an EYB of 1983. Has a new kitchen, granite, partially finished basement, that's not on the card, hardwood throughout the 1st floor, updated furnace, air conditioner, hot water heater, whole house fan. That sold for 295, it sits at 263.

This one is 25 Mindy Place. I find a lot of the condos are not captured correctly. It's a detached condo, EYB 85 way to low. Fully upgraded, new kitchen, stainless steel, new

bath, 1st floor all hardwood. September reviewed, 9/15, 9/5/18 with no change. So these...this is the data I sent up and in my opinion we are missing way too much.

I just want to go back to the beginning for a quick second. Ok. When I looked at 11 Stark St, EYB 1964. Kitchen is newer than 1964, 2 baths were upgraded and should be marked very good. A very nice ¾ bath in the finished basement is not on the card.

10 Fowl Ave. EYB 1959 completely remodeled ranch; newer kitchen, refinished hardwood, upgraded 1st floor bathroom, ¾ bath in the basement, average, vinyl sided. This was the ranch. This is a brand new looking, totally modernized ranch. And the card is just...what I did was put the cards into PDF and then was able to use a marker to kind of show the DRA where I was concerned. So, you know, and I will tell you what I've done. So this was the 2nd report to the state, there's 2 more coming. I was so happy to see that the DRA wanted 2 years of sales data when they wrote the contract. That the city would provide property transfers for 2 years. But then I got a letter from Celia Leonard that said the city did not provide it that KRT had access to the database. Ok, I don't know if contractually if we don't provide it, they're supposed to use it. That's for lawyers. I don't know what that really means. But we did not provide it, but KRT would have that data, which was awesome. But I looked at the 2016 sales; that really intrigued me and I'm looking at all of them. I'm 600 data points into that. That sales data just wasn't even looked at, and there is some glaring interesting issues in that data and that really concerns me. That just to me is not an equalized assessment.

So the other thing I want to address with you. Ms. Kleiner the policy manual is disappointing in how the communication is handled. I go to a board meeting of Aldermen and it appears that like some of the questions I've raised are being answered to the Aldermen in a way that we didn't put information in the manual because we're working on it. I'm tired of the misinformation and the games. It's not appropriate. We want clear communication, and when you go to the press and you tell the newspapers all of Laurie's concerns are in here. We've covered grade condition, when you are willing to tell the newspaper that and then I go in and I can't find what I'm looking for, it's misrepresentation. It does not represent transparency and we desperately need a chief who's qualified and competent because I'm tired of this political hacking I see going on in here. The other thing is Ms. Kleiner raised in the Aldermen meeting, that since Mr. Bergeron has come on, you folks are doing a review of your bylaws. I'm going to cite you for a right to know violation, because I have not heard any discussion at this table about your bylaws; and to me that's public business. So the whole board is working on rewriting the bylaws; where are you doing this? Did you discuss it in a non-public meeting? Are you exchanging emails? That's something I care about deeply. I'd like to see the old antiquated bylaws you have because I know they exist. But I was totally unaware that this was happening, because despite the fact that I come to every meeting, it's never been publicly discussed and that to me is a gross violation of right to know.

Thank you.

Mr. Earley

Thank you.

Do we have any comments by members of the board?

Paul?

Mr. Bergeron

No.

Mr. Earley

Nor do I.

Steve, are we going to have a non-public session?

Attorney Bolton

I think what you want to do is recess to consult with legal counsel, a so called non-meeting situation.

Mr. Earley

Can I get a motion to recess at this time?

Mr. Bergeron

I would so move.

Mr. Earley

I would second that.

All in favor?

Mr. Bergeron

Aye.

Mr. Earley

Aye.

Motion carries. We are now in recess. (8:38 AM)

Mr. Earley

(8:59 AM) We are back from recess. Can I get a motion to adjourn?

Mr. Bergeron

I would so move.

Mr. Early

I second that.

All in favor?

Mr. Bergeron

Aye.

Mr. Early

Aye.

Motion is carried. Meeting is closed. (9:00 AM)

DRAFT