

**Minutes of the Board of Assessors
Meeting of February 6, 2020**

A meeting of the Board of Assessors was held on Thursday, February 6, 2020 in the Auditorium of City Hall. The meeting was called to order at 8:15 AM by acting Chair Robert Earley.

Members Present:

Robert Earley

Paul Bergeron

Assessing Staff Present:

Greg Turgiss

Douglas Dame

Gary Turgiss

Michael Mandile

Amanda Mazerolle

Lynn Cameron

Other City of Nashua Staff Present:

Administrative Services Director Kimberly Kleiner, Deputy Corporation Counsel Celia Leonard

Mr. Earley

Good Morning, Welcome to the February 6, 2020 Board of Assessor meeting. I am acting Chairman Robert Earley and to my right is Paul Bergeron, one of the members of the board, to my left, immediate left, is Celia Leonard Deputy Corporate Council for the City of Nashua and to her left 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 at 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 the 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

There are none.

Mr. Earley

Does anyone have any questions before we begin?

First thing is to approve the minutes from the January 2nd meeting.

Mr. Bergeron

I would move to approve the minutes of the non-public and public Board of Assessor meetings from January 2, 2020.

Mr. Earley

I'll second that. All in favor

Mr. Bergeron

Aye.

Mr. Earley

Aye. Motion carries.

Second item is to approve the Board of Assessor decision report from the January 2, 2020 meeting as presented.

Mr. Bergeron

I would move to approve the Board of Assessor decision report from the January 2, 2020 meeting as presented.

Mr. Earley

I'll second that. All those in favor

Mr. Bergeron

Aye.

Mr. Earley

Aye. Motion carries.

New business, Ms. Kimberly Kleiner Administrative Services Director regarding a division update.

Ms. Kleiner

Good morning. It's a thick packet this morning, there's a full set of the memo and the manual changes available for the public on the table to the right. First we would like to thank and congratulate Lynn Cameron for accepting the role of Assessing Department Coordinator. Lynn will be transitioning to this position. Lynn's former position, the Assessing Administration Specialist, has been posted internally and we have received a couple of internal applications for this position. Lynn is very knowledgeable, hardworking and has been a solid contributor to the department. The administrative function is Assessing has consistently operated efficiently and effectively under the direct supervision of Louise Brown, the Assessing Administrative Supervisor. We thank Louise, Lynn and Amanda for all their hard work, support, and devotion to the department.

January has been very busy. On January 14th, Patrick Donovan, who is the Director of Appraisal for Vision Government Solutions, and I met with Director Gerry, Assistant Director Greene, and our monitor Adam Denoncour at the New Hampshire Department of Revenue. The meeting was very productive. We reached an agreement on the template for a contract for the Full Measure and List. The contract, certificate of insurance and bond has been submitted to the DRA. Last I spoke with Assistant Director Greene, they expected to hear something yesterday, which I did not, or today.

As you know, we received an extension by the New Hampshire Department of Revenue for the 2019 Sales Ratio Study. That extension was to January 15th and we submitted the study on January 15th to the Department.

After reviewing David Cornell's report recommendations, this was the audit that David did back in October, September-October timeframe; reviewing the IAAO best practice guidelines and Vision's RFP we are in high gear preparing for the 2020-2022 Full Measure and List. Part of this process was to implement the recommendations made by Mr. Cornell immediately.

The most complete data that you can get when reviewing sales is obtained by an interior and exterior inspection and in speaking with the homeowner. With the 2019 Ratio Study submitted, we are now happy to report that we've had a record number of responses from taxpayers assisting us with verifying these sales. Our efforts included the mailing of sales letter, phone interviews with the buyer or seller, physical inspections and research done by staff on the details surrounding the sale in order to determine if it was qualified or unqualified.

An update of our internal sales qualification procedure has been completed and we have provided an updated procedure for your manuals attached to this memo. This revision includes additions to the codes used to track visit history, which is found in the section of the manual entitled "Completing the Property Record Card".

I'm giving you some statistics here directly related to the 2019 Ratio Study. Total sales reviewed was 1,611. It's noted that the total sales were 2,963 but excluded by the DRA from the study is 1,352. We mailed over 1,181 sales questionnaire's, completed over 100 interior inspections, over 600 exterior inspections, spoke with 199 owners that called in with information, we had 151 provide information at the door, and then we had calls that were initiated by our assessors and then when all else failed we verified a little over 400 by MLS.

Also attached to this memo today is the median ratio for tax year 2019, received from the New Hampshire Department of Revenue. This ratio should be used to modify the market value of properties under review for abatement. As of January 30th, the assessing department has received about 20 abatement applications. We have processed 1, 3 are fire pro-rations and 16 are pending. Just for the public at home, because they may be interested, that ratio from the New Hampshire Department of Revenue was 88.8%.

The assessing department is currently working on an update of procedures resulting from the CAMA system upgrade to AP5. We will be bringing revisions to the manual at your normal Board of Assessor meetings and we will make sure that we have a few sets for any members of the public that may be interested.

Recently the board has received a few inquiries from members of the community. The properties were reviewed and attached is a brief synopsis of the property data changes that were made.

We have begun working with David Cornell of Cornell Consulting this month on the new Assessing management dashboard system. This project will generate comprehensive management reports using data from CivicGov, the new building permit software and AP5. We expect the project to be complete in March. Mr. Cornell has been averaging about a day a week in the Assessing Department working on this project that leads to

the kind of long lead time. As we wrap up testing on AP5 and AssessPro Classic, he'll be working with our IT department to make sure that the downloads from CivicGov and AP5 are automatic. He's working very heavily with Nick Miseirvitch, from our IT Department, who has been instrumental in the AP5 upgrade. That's all I have.

Mr. Earley

Thank you Kim.

Next item there would communications. There are none.

Staff Items, Amanda Mazerolle has some credits.

Ms. Mazerolle

Morning.

Mr. Earley

Good morning Amanda.

Ms. Mazerolle

I have for you, the first one is, and I counted 88 Veteran's Credits that we would like to approve.

Mr. Earley

There are 85 all together?

Ms. Mazerolle

88.

Mr. Earley

Can I get a motion to approve the 88 approvals for the Veteran's Credit?

Mr. Bergeron

I so move.

Mr. Earley

I'll second that. All those in favor say aye.

Mr. Bergeron

Aye

Mr. Earley

Aye. Motion carries.

Ms. Mazerolle

I also have 13 Veteran's Credits with recommendations of denial for various reasons that you can see listed.

Mr. Earley

Are these still open that the residents can come forward with updated information?

Ms. Mazerolle

For some of them, yes.

Mr. Earley

Can these, the ones that are being denied, can they come back later with corrections?

Ms. Mazerolle

Absolutely.

Mr. Earley

Okay. Can I get a motion to approve the denials of the 13 Veteran's Credit applications?

Mr. Bergeron

I would so move.

Mr. Earley

I'll second that. All those in favor say aye.

Mr. Bergeron

Aye.

Mr. Earley

Aye. Thank you.

Next item is Lynn Cameron, has some exemptions.

Ms. Cameron

Good morning, I have 8 solar applications coming before you to be approved. I have the applications here if you need to review them or if you have any questions.

Mr. Earley

Okay. I don't think we need to look at the applications.

Mr. Bergeron

No, I'm fine.

Mr. Earley

Can I get a motion to approve of the solar exemption applications as presented?

Mr. Bergeron

I would so move.

Mr. Earley

I'll second that. All those in favor say Aye.

Mr. Bergeron

Aye.

Mr. Earley

Aye, motion carries.

Michael, supplemental bills.

Mr. Mandile

Yes, good morning. I have a list of 10 supplemental bills for manufactured homes that were put in place after April 1st and before January 1st.

Mr. Earley

Do we approve these individually, you think?

Mr. Bergeron

I think we can do it as a group as they were submitted unless we had issues with any one of them specifically, which I don't. I had gone through them.

Mr. Earley

As a group, okay. Can I get a motion to approve of the 10 supplemental bills as presented by Michael for manufactured housing set up after April 1, 2019.

Mr. Bergeron

I would so move.

Mr. Earley

I'll second that. All those in favor say aye.

Mr. Bergeron

Aye.

Mr. Earley

Aye, motion carries.

Mr. Mandile

Thank you.

Mr. Earley

Thank you, Michael.

Gary, one supplemental bill.

Mr. Turgiss

Good morning. I have one supplemental bill for property at 8 Rock Island Road that had a tree fall through the roof and the construction has been completed prior to the April 1st date. It was picked up after the files had been frozen so we would like to issue a supplemental bill on that property.

Mr. Earley

Any questions?

Mr. Bergeron

Just one, so this is for the most immediate tax year, 2019?

Mr. Turgiss

Correct, 2019.

Mr. Bergeron

Okay. The renovation was all done as of April 1st?

Mr. Turgiss

Yes, it was all done as of April 1st. We couldn't put the data into it, the system because the files were frozen for the 2019 tax bill. Now we are able to enter that data.

Mr. Bergeron

Okay, thank you.

Mr. Earley

Can I get a motion to approve the supplemental tax bill for 8 Rock Island Road?

Mr. Bergeron

I would so move.

Mr. Earley

I'll second that. All those in favor say aye.

Mr. Bergeron

Aye.

Mr. Earley

Aye, motion carries.

Thanks Gary.

Okay that's all staff items.

Unfinished business, there is none.

We have one appointment, Ms. Laurie Ortolano.

Ms. Ortolano

Good morning, Laurie Ortolano 41 Berkeley Street. First off I'd like to thank you for having those changes to the policy manual, those pages as part of the packet cause it certainly makes it easier for me to follow what's going on with the board manual, the assessors manual, so I appreciate that.

I wanted to talk to a little bit today about policy. I think there's an opportunity to do more in policy development to get a higher level of oversight from this Board on approvals on what is actually happening in the assessing office. We all know the police finished their investigation on that reduction for 24 million and they found no wrongdoing. That's all fine but the whole investigation came about because there was no open access to information and because a group of properties, a table was changed, the schools and college's table, building code 72, was changed in the software, in the table change rippled through and affected 13 properties at that point in time. There were some that were actually missed. Some of the code 72 properties were not caught but the ones that were caught, 13 of them, were changed. What happened, as I digested it over time, is that the assessors did a mini-reevaluation on a group of properties. We couldn't figure out, the public, who had made that table change and right to know and requests for emails we found out it was Jon Duhamel at the request of Greg, who changed the table, who did it for him. Because he thought there was a need. But the concern was, there was a real lack of documentation in those 13 files as to why it was done, or how it was justified to move this base rate from \$174 per square foot down to 110, there simply was no paper trail.

My feeling, and I'll do some more research on it, is when the assessors are going to conduct a mini-reevaluation on a group of properties, that should come before you. So that you and the public understand what is happening on that group. Their within their rights to make that type of correction, it's very rarely done outside of an update period. I don't have, I asked a couple staff people how often a table change is made, I asked a gentleman in another town how often you make a table change outside of a update period. Very rarely, so our changes that we make outside of update years are to capture permits and to adjust properties according to improvements based on permit work and to assess changes due to sales, MLS changes. I think in this instance, had there been a policy where those changes were brought forth to the Board, there would have been a public discussion and the justification for the base rate would have been out in the open, and who did it. I don't really understand why it was such a big secret.

I also think there's an opportunity to handle a policy change on MLS correcting homes. We always do an MLS correction when a home has sold, why do we wait for it to sell? You know there's this issue of sales chasing that has been addressed where some properties seem to get adjusted off the pictures and they move very close to the sale price. If you did your MLS adjustment when the house lists, rather than sells, the issue of the sale price would never be an issue and I don't understand why we don't have the assessors contact the real estate agent. When a house is listed, make connections to the real estate agent. We're calling them out now on buyers and sellers to address the sales of properties. Have the assessor meet with the real estate agent and go through the house. At that point it's being sold by the owner, the new people buying it will know what the assessed value is based on this inspection. I think you have a higher probability of getting in and having it corrected right then and there and you know it's not going to be driven off a sale because they won't have the data.

I actually think you're going to see substantially different values when you don't have a sale point. Because as you know, I produced some information and the assessing

office does not have time look at it or consider it or review it, but my observation is sold homes are being treated much more harshly when it comes to corrections than permitted work done on homes. I think a policy where you go out when the house lists, get the data on the listing, get out there and correct the card before the sale occurs. You will be truly using those pictures for what they are to correct those properties.

I also think we need to look at a policy that limits how long we allow deferred maintenance or problems with you know, discounts for painting or a brick problem to stay on a property card. I think it does affect value. I don't agree with KRT and their position they took last year with the 50 abatements that any deferred maintenance is deferred maintenance and we don't count it because our assessors did. I think if you bring an appraiser to a house and they see some of these things they're going to count it. It will affect the sale value, it's real. However, when you allow a property to get a 5 or 10% discount, because it's not painted, and the next year they paint. These discounts stay on those property cards for 10 years, or more. Laura and I have found them going back a long time or obsolescence that doesn't go away.

I think its ok for our assessors to give the discount, but note on those cards, somehow flag them that after a year their going to be reevaluated. There was a property last year that came up here for an abatement that was discounted for painting issues, I can tell you that property has been completely redone and that 10% discount is going to stay on that property for a long, long time. It's not going to come off because we don't take it off and we have no way of going back and getting it. I think there is some good opportunity to work policy that come from the, that comes and starts at the Board. I would encourage you to look at that because I think it will make equity better and allow more transparency here in the city.

Can you tell me if you finished your By-Laws, are your new By-laws completed?

Mr. Earley

There not.

Ms. Ortolano

Okay, that's ok, just curious, just following up. I wanted to show you a couple of things, just two things. This is a property that had sent an email in to the, to AssessHelp stating that the city was being sold, the property was being sold, on the backside. This is a property that the father had passed away on, and an assessment was done in 2018 but they understand if somebody is passed away the property needs to be reassessed. This family contacted the assessing office because the father passed away, that's good. The assessing office reviewed the property by doing just an Aerial V NC, I think that's and aerial view no correction in the activity information section. And so the property record card shows, so what I've noticed lately is that we're doing some of these aerial views, we are using GIS to confirm what the property looks like. We are not necessarily going into it and we didn't. We didn't go and take a look at the property, which I think would have been a good idea because the last time somebody was in it was 1991 and somebody was, here was an owner inviting you to come look at it again, and we didn't

go. We just did the aerial view and when you look at the footprint on this property, here's a footprint. When we used the aerial view, when we used the GIS, which I believe is the GIS view, when you bring up the initial picture this is what you get. You get a heavy foliated photograph that doesn't really allow you to see the footprint of the house. Unless you scroll through the layers, you cannot see what's around this house but when I scrolled through the layers and I got into no foliage on this property, there's a deck off the back, that's not picked up. When you go to the MLS, because they sold the home because the father passed away, there's a deck off the back and a landing.

This would be something the DRA would flag. This is a process where using and I don't, I have found others like this, I pulled this one as an example where we are using aerial, but when you bring up the aerial you can't see because you can't see because of tree foliage is too heavy. I think you have to go through layers in order to get to a view that you can see to really look at the property or you're missing stuff and that might be a training issue. I think we should note that as a potential training issue and use it but I also think that maybe the person using it isn't working the layers correctly. I also think on properties like this, if you get a chance to go in you should go in.

I came across some properties in my neighborhood that had an adjustment due to a jurisdiction code change. Totally by luck, I stumbled in to this property group. Again, this is an example of a property group that I think would be a group of properties that should come to the Board as a matter of policy and procedure. This is a group of Concord Street properties and there were four properties, 67, 68, 72 and 74, that for some reason had a jurisdiction code, which is a land use factor that was not correct. When I first discovered it, and I discovered it on property 74, I didn't know what a jurisdiction code was. I started researching more, I found the J code. It's listed as a J code in the land section. I got a past property record card and was able to realize that the land valuation on these properties somehow got skewed in the KRT update. Somehow the distribution between the land and the building got skewed. The total assessment seemed ok but the breakdown between the building and land was not. What concerned me about 74 is that property was abated last year by you, you approved an abatement. The owner of that property used CPTM, filed an abatement for 2018 based on the fact that they thought the assessment was too high and CPTM was coming in around 400. Our assessor did the abatement, came up with a market value of around 440 and when you applied the ratio the new assessment was 416 and change. Fine, they won the abatement. Now, this property is a highly redone property and I'll show you some photographs of it. This is a two-unit, it's a duplex, a two unit and it's fully redone. I walk my dog by this property, like every day for years, and I watched this undergo a transformation starting like three years ago. Matter of fact I stopped and talked to the contractors to potentially use them if I needed work because I liked what I saw going on. You can see the kitchen is a full granite kitchen, the floors and ceiling, this tin ceiling is actually new. It's not an old ceiling restored, it's actually a new ceiling. You can see the bathroom is a very nice high-end bathroom for this unit. Also, the appraisal that was submitted last year by CPTM could justify the reduction had a 2017 appraisal in it and when you look at the pictures of this appraisal it is remodeled. It shows you expanded bathroom number 2 is remodeled, they put in landscape with irrigation, it was professionally landscaped, professionally painted, it has a new

bathroom, the bedroom up above the family room is refinished. It shows the bedrooms, the one-unit kitchen is a total remodel and well done and the second kitchen is, let me see if I can find it for you. Well, it's the one I showed you in the picture, the granite one, one is a wood cabinet and one is a white cabinet, it's also redone. This is a completely redone unit, house. Old home, 1890-1900, old home, but fully remodeled, four bathrooms in this property, air conditioned, new forced hot water heating system. This is a house that is done at a much higher level than my house on Berkeley Street. The thing that concerns me and this is where I look at permit work being captured. There was a permit pulled to do this work, it was listed primarily as electrical, and it was a \$50,000 permit but when you look at it, it was removed bath tubs, toilet, entryway floor and the zoning was interior renovations. It also had electrical in there so they had done an electrical upgrade on the home but they had done renovations as well. And evident in this report of the appraisal renovations were done by 2017. This permit was pulled in 2012 and I think it was closed in 2017 so this one that was, had a long run, open. But, when the assessor closes this permit, he never goes to the property, he assesses from the desk, he says no changes. The assessment was 336,400 when it started and the assessment at the end was 336,400 as well. There's no change to this property, no value increase for all of that work done. That concerns me because I see a lack of equity there.

The permit never gets captured. Okay, so now the house files for an abatement, it wins the abatement with CPTM. We give it a new value but then an assessor discovers that this land distribution isn't right and the land is off by a hundred-grand. We approve basically July 1st the new value for the property. October, beginning of October the assessor makes the change on the jurisdiction code and drops that property 100,000. Now this property has a value, instead of 416 and change it's down to 320,100. At the click of a button it lost a hundred-grand. Because it happened to four properties, all four properties were adjusted about 100,000. What's amazing to me is if you look at these duplexes, these duplexes are pretty old. The only one that's really updated is 74 and it's a 3,100 square foot four bathroom, four bedroom, asphalt roof, the others have slate. These are asphalt so it's lower maintenance, forced hot water, the only one air conditioned and it sits at an assessment of 320 and the other assessments, the next lowest one is 352, 391 and 493. It is unbelievable to me that that house could lose 100,000 in three months on a push of a button and it upsets me because it is so grossly off. And when I went to the assessor to ask questions I got my typical answers that I got 16 months ago. I don't know, I'll have to look into it, I have to research, I'll get back to you and nobody ever gets back to you. This is where my trust is gone; I don't have trust or faith in an office that operates this way. It's just not equitable and you should be able to justify, and I don't think properties should be smashed down a hundred grand. When you're changing assessments 20 or 25%, I think those should come before you and a justification should be put on the table because I see this as a huge inequity. The house next to 74 is 72. If you look at that house on Concord Street, it's pretty run down its got a grade of a B+ and 74 is a B- good. I don't even understand how he could grade that other house that way when you look at it. I actually think 72 was the trigger that caught this. 72 called the owner, called the assessing office and said my assessment is too high and the assessor went out and did a full list and measure on the property, and that might be, I don't know because nobody will answer these types of questions. This is

where the public is left in the dark. I think the assessor caught the error on that home and then made an adjustment and took it down a hundred grand. I don't agree with that because I think sales data should be used to set the assessment level. The individual was not required to abate. The rest of us are. If they call you out, and it's October and they have a concern with their value I don't know why they're not told, you need to file an abatement and we need to do a sales review. It didn't happen. I just want to make you aware of this because it's an issue that really leaves me befuddled on why this happens and why you can't get answers, it's disappointing. Thank you.

Mr. Earley

Thank you. Any comments by members of the Board?

Mr. Bergeron

No, I don't have any.

Mr. Earley

Nor do I. We are going to the non-public session.

Ms. Kleiner

Excuse me.

Mr. Earley

Sorry.

Ms. Kleiner

I would just like to make one correction because I feel that it's important for the public, to set the record straight here. This issue with the change made back in the fall of 2019 with property code 72. It was not a mini-revaluation. It was done as part of after our review of KRT revaluation. If you check it is in was in the USPAP manual filed by KRT. That base rate is in there so it wasn't a mini-revaluation. It was done as part of the review after the revaluation done by KRT. This is very important to make sure that this information that we're giving the public is correct. When the question came forth, KRT was contacted, KRT did review the change, KRT did validate to me personally that they agreed with the change so it was all done as part of that revaluation.

I do want to let the public also know that the foliage issue that was brought up with our GIS system, just as a side note, it's important to know that we are getting a free flight this spring because the pictures taken in last spring's flight didn't meet the criteria that the vendor puts forth in their own product. We will be getting a new flight and those pictures will be updated. Certainly, MLS is an accepted method of obtaining data.

The other thing I want to bring up, just for your information, is the property that was brought up on 74 Concord Street has been corrected and the homeowner has been notified. Thank you.

Mr. Bergeron

Thank you

Mr. Earley

Thanks Kim.

Can I get a motion to go into non-public meeting? I move to go into non-public for two reasons, first to discuss matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of this board, unless such person requests an open meeting. This exemption shall extend to include any application for assistance or tax abatement or waiver of a fee, fine or other levy, if based on inability to pay or poverty of the applicant, pursuant RSA 91-A:3, II(c). Second, under 91-A:3, II(l), for the consideration of legal advice provided by legal counsel, either in writing or orally, to one or more members of the public body, even where legal counsel is not present.

Mr. Bergeron

I would second that motion.

Mr. Earley

Can I get a roll call?

Mr. Bergeron.

Mr Bergeron

Aye

Mr Earley

Mr Earley, yes. Motion carries, we are now in non-public session. (8:55AM)

Mr. Earley

Can I get a motion to seal the non-public minutes?

Mr. Bergeron

I would move to seal the minutes of the non-public session because divulgence of the information would likely either affect adversely the reputation of any person other than a member of this public body and/or two render the proposed action ineffective.

Mr. Earley

I'll second that motion. All those in favor.

Mr. Bergeron

Roll call, aye.

Mr. Earley

Mr. Bergeron says aye, Mr. Earley, aye. Motion carries.

Can I get a motion regarding the agreement on the four properties 100-300 Innovation Way, 1 Tara Boulevard, 10 Tara Boulevard and 98 Spit Brook Road?

Mr. Bergeron

I would move to accept the settlement that has been arrived at between the Flatley Company and the City of Nashua presented to the Board today.

Mr. Earley

I'll second that. All those in favor say aye.

Mr. Bergeron

Aye.

Mr. Earley

Aye, motion carries.

I think that's it. Are there any other issues?

Can I get a motion to adjourn?

Mr. Bergeron

I would so move.

Mr. Earley

I'll second that. All those in favor say aye.

Mr. Bergeron

Aye.

Mr. Earley

Aye, we are adjourned at 9:14.