

Alderman McCarthy

I think the genesis of the meeting is that after the last time the update was done there was some data that sort of suggested to us that what we had believed to be the case was not necessarily true.

Chairman Blaisdell

What did you believe to be the case?

Alderman McCarthy

I think it came something as a surprise to us that we might not be complete with the update that was done this year. I think there was an assumption on the Board that we had gotten to if not 100% valuation at least to a uniform equalization. There were some comments that David and I read in your minutes that suggested that wasn't the case. We wanted to understand if we are not at least at constant equalization across the city where are we, and what is the plan and the impact of the next update?

Chairman Blaisdell

I think equalization is a term that doesn't get into that conversation right now. As far as assessing terminology if we need to do some basic terminology review so that we make sure that we all understand what our equalization rate is, how that comes to be, we can go through all of that too.

When we met and I believe that the comment that you are referring to our meeting that we had in September I think it was – I believe that was the meeting of September – we had a decision at the board – we knew that we had to in 2004 re-look at property values in the City of Nashua. We needed to do that for several reasons; one we had to do it because of State Statutes on reviewing property and making sure that we are within where we need to be, we needed to do it because of sales that were going on in the city, and with the real estate market had changed drastically over the last few years, and we needed to make sure that the properties were brought into where they needed to be, which they were not.

We at that meeting discussed the impact of 100% on the citizens of Nashua, and how we wanted to fade this in – whether we felt that we should go with 100% all at once or if we should phase it in over a couple of years.

Alderman McCarthy

Let me just ask – here I think is part of the issue – if we weren't at 100% - theoretically if we are at 75% and we go to 100% everything else being equal if everybody is at that 75% of real market value the tax bills should not change. I guess that ..

Chairman Blaisdell

Let me clarify. When we look at a property we can say okay your overall increase will be \$6,000 if we brought you up to 100% of what your value should be. We opted to go to 85% of what your value should be so that we have that 15% margin that we work with.

Alderman McCarthy

I guess that is where the question comes up is if every property is at 85% then there should be no impact

on the tax bills if they were changed to 100% because the tax rate ... **tape inaudible...** so if there is going to be tax shock when we adjust them it has to be because some properties are at a different percentage of ...

Chairman Blaisdell

Some properties may be.

Alderman McCarthy

Okay. I think that is what the confusion is. We thought we had at least brought it up to where we thought they were all at a constant percentage of market value.

Chairman Blaisdell

Let me explain to you why some properties may. Angelo please interrupt me if I am explaining the technicalities of this wrong.

We several years ago, probably 12-14 years ago now maybe had a reval. When you have a reval. When you have a reval you go through every piece of property in a city and you look at every single piece of property and you make sure that the property card matches what that piece of property is and that everything is correct. When we have done updates as we did this year we don't have the luxury of that because we do not have the staff to go into every single property and review that piece of property to make sure that what is on that property card matches exactly to that piece of property.

With that outline in place yes there may be discrepancies. There is no way there are not going to be discrepancies in a piece of property.

Angelo Marino

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That is part of it. The biggest part of it is in the last four years there has been an Imbalance in the market segments in the city. To that end I will give you some information from our last year's sale/ratio study. What the State utilized for our equalized assessment – for those who don't know, what happens every year is some time in November the State asks us to provide them with information concerning what the assessments are on all of the properties that sold in the city for the six months prior to and the six months after April 1st. That is the time period that they use. We provide them with the assessment for the current year and the previous year because they want to see if anything has changed.

We also provide them with information whether we feel it is a valid sale or not a valid sale. Sales that aren't valid would be sales between family members that don't sell at market rates. What they are really trying to do is compare the assessment to what properties are selling for – market values, so that they can determine what the ratio of assessment is – assessment compared to market value. They do that to all of the properties. In 2003, there were 1,640 valid sales. Most of those were residential properties. Some were commercial, some were two families, some were three families, some were four families, some were vacant land, but they take all of that information, and they provide us with statistics of the sales ratios for all of those properties.

If you look at all the properties in the city that they utilized in their analysis our median ratio and that means the midpoint – half the ratios are above it and half are below it, which tells you where the ratios group around, the median ratio was 61.6%. That is for everything – take all the commercial properties, all of the residential properties, all the vacant properties, the median ration is 61%. What they also do is they segregate these properties by the different types of properties, and they produce ratios for those types of properties to see if there is an imbalance between the different classes of properties. For single-family residential properties the ratio was 63.7%.

Alderman Deane

As of what date Angelo?

Angelo Marino

In 2003.

Alderman McCarthy

That was for which properties?

Angelo Marino

That is for all of the properties that sold and that is for properties that sold between October 1, 2002 and September 30, 2003.

Alderman McCarthy

That ratio was 63%?

Angelo Marino

It was 61.6% - that is the overall, if you look at all of them without doing any stratification.

Alderman Deane

Before you go on Angelo, was there another median ratio percentage after '03 and prior to the update?

Alderman McCarthy

Is there a 2004 equivalent to those numbers?

Angelo Marino

There is a 2004.

Alderman Deane

Do you have that with you?

Angelo Marino

Yeah I am leading up to that.

Alderman McCarthy

Can I just go back – the median was 61.6% for the entire group.

Angelo Marino

For the entire population group. For single families it was 63.7%, for multi 2-4 units it was 51.4%, for apartment buildings it was 45.8%, for commercial land and buildings it was 73.2% so you can see right there that there is a difference in that major class of properties between the residential property and the commercial property. When you bring things up to a more proportional level, obviously there is some shift. That is what has happened. You can't just take the 61.6% divide everything by that and get to the new assessment. That is not how it is done. It is more exacting than that.

I will give you an example of what – this is preliminary – we have submitted it to the State. I do have our preliminary results – they are going to go through and do a review and ask us some questions, but the preliminary right now for our 1,732 valid sales for 2004 this would be October 1, 2003 through September 30, 2004 – all of those sales – the full report has an 80.0% median. These are 2004 – these are on the updated assessments. The single-family is 80.6%. Multi- families are 76.7%. Commercials are 84.5%. Again, preliminary information. What it means is we are much closer. Where there was a 16% difference between commercial and residential properties now it is only about a 5% difference. The proportionality is getting better. It is still not close enough.

Alderman McCarthy

The one that I heard was a little off was multi-families are still basically undervalued?

Angelo Marino

They are still a little bit undervalued. They are at 76.7%. There are differences, but the differences are not as large. We have cut that difference between those two classes in 1/3. There is a reason why when we do an update and we bring everything to a more common level and more uniform level there is a very valid reason why some segments of the city go up higher and some don't go up as high. That is primarily the reason why there was a big difference between the residential tax bills from last year and the residential tax bills from this year.

Alderman Deane

Thank you.

Alderman McCarthy

Do we now just go by the median sales ratio or is there still something called equalization?

Chairman Blaisdell

Why don't we take a minute -- Angelo can you explain to everybody what equalization rate is and how it comes to be?

Angelo Marino

An equalized ratio is a ratio that the State produces in order to take our assessments and bring them up to a market value level so that they can compare for state aide to education our market value with Manchester's market value with Hudson's market value to see how rich or poor we are. They use this study to do that. They don't use the median now they are using a weighted mean. I might add that they are also allowing us to do – I am hoping they are allowing us to do the same thing they did last year where our equalized ratio for last year was not 61.6%.

Alderman McCarthy

Let me just ask a question on that, which is if I add up all of the assessed values of the properties and all of the real market values and divide does that get me the equalization rate?

Angelo Marino

No it doesn't. There are a lot of different ways.

Alderman McCarthy

I am asking you because there is a specific question that came up with the Board, which is the fact that when you see the data on the median sales ratios they don't look like what the equalization rate does. I suspect that is because the over-valued commercial properties have much more total value to them and that brings the equalization rate up above what ...

Angelo Marino

That is exactly the point I am getting to. Our ratio wasn't 61.6% our equalized ratio wasn't 61.6% it was 68.9%. What they allowed us to do last year was to use the weight mean and to weight the individual portions of the city by the dollar amount of assessment in the city. What they allowed us to do was to take the ratio for commercial property and calculate an equalized value for that and then take the ratio for residential property and calculate an equalized assessment for that and then add up all of those equalized assessments that are now pro-rated and divide by the assessment, and that is how we got to be a little higher. We were 68.6%. That alone allowed us to finally have a low equalized assessment than the City of Manchester, which means that for this past year they paid more county tax than we did. We went to them and said we think that there is a problem with your methodology. They accepted our logic, and we saved ...

Maureen Lemieux

I think it was about a million dollars.

Angelo Marino

It was about a million in county tax because they allowed us to do that.

Maureen Lemieux

It all added up between education and county.

Angelo Marino

You can't just take that equalized assessment and do things with it.

Chairman Blaisdell

I think that one thing along that line the Assessing Department went to battle where a lot of cities wouldn't for this equalization overview that Angelo just talked to you about, which saved the city considerable amount of money. I don't think that the department has really touted their horn regarding that.

Alderman McCarthy

I am actually really glad to see that because you know I have been ...

Angelo Marino

Yes. Every year we ask where is Manchester. I have done the preliminary arithmetic on this, and I think that because our pieces are now closer together there is not going to be that big delta in the overall rate and the final rate. I think we will be somewhere between 81% and 82%. I had hoped that it would be a little higher, but I don't think that it will be that high. That is where we stand with ratios.

Where was I going with this?

Chairman Blaisdell

We were talking about equalization. What we mean when we talk about equalization rate.

Angelo Marino

What they do with this equalization – equalized tax rate is a lot of things. One of the things it does is again it is utilized to calculate state aide because of our equalized assessment. It is utilized in court when we go to court – you are supposed to be taxed at the same rate proportionately when you compare your assessment to your market value as everybody else in the community. I will read RSA 75(a) – it has actually gotten a little looser than that – “Annually in accordance with State Assessing Guidelines, the Assessors and Selectmen shall adjust assessments to reflect changes so that all assessments are reasonable proportional within that municipality.” The reasonably proportional is giving us a little bit of room so that we don’t have to worry about being at exactly the same rate for those different classes of property.

Alderman Deane

Were we in compliance prior to the update?

Angelo Marino

Prior to the update no we weren’t. That is why we did the update.

Alderman Deane

How long weren't we in compliance? What do you think – a couple of years?

Angelo Marino

I don't know how – we definitely weren't in 2003. I would venture to say we might not have been in 2002. I am not sure about 2001. One of the things that the State – the Claremont Decision and all of the new regulations have done is they have created this thing called the Assessing Standard Board, which is now putting out guidelines for all of the communities to use in their annual, their assessment review, which occurs every 5 years.

One of the things that they have done is said first of all in your review year, your ratio for assessment purposes on all properties should be between 90% and 110%. Our review year by the way is 2005, which we are in now so for April 1st assessments 2005 we will have a team of review individuals from DRA who will be looking over our shoulder to see how the Assessing Office performs in 5 different areas one of which is this assessment level area. We need to do something in order to be in compliance with that.

They are also looking at assessments of very expensive properties are reasonably proportional to other types of properties within the municipality. They define that by being the municipality's median ratios with a confidence level for the following three strata should be within 5% of the overall median ratio. Remember when – just to bring you back our overall preliminary for 2004 is 80% -- they will test on improved residential up to and including 4 family units. That is one of the classes. This is what the Assessing Standards Board has done is put together these three classes – improved non-residential property – anything with a building on it essentially that is not a residential property so commercial and industrial and unimproved property. So again our full strata, which is the municipality's median ratio is 80%. Our single families and our multi families they are 80% and 76%. I am relatively confident that will be close to 80% so we are in compliance there. Commercial land and buildings 84% - we are within that 5% of our median right now so we are still reasonably proportioned. Land we need to work on. We

are not close there. It is ...

Alderman Deane

Is that commercial property – are you speaking of commercial land or ...

Angelo Marino

All land. It is not segregated between commercial and residential land it is all land. That is one of the classes.

Alderman Deane

What percentages were we at prior to the update for '04 for the single-family, two-family, four-family?

Angelo Marino

I don't have that here, but I have to say that we were lower than – in some cases we might have been around what our 2003 was 61%, 563%, and 51%. We might have been a little bit lower since there was a time period that ...

Alderman Deane

That is the median ratio – is that what you are talking about?

Angelo Marino

Yes. Since the time period that if you are talking about before the update, the time period before that includes everything from April 1, 2003 to everything up to April 1st of 2004. There were a lot of sales in there that weren't in – that crossover between those two sale periods.

Alderman Deane

On the 8th of December I had posed that question to Mrs. Lemieux and I received an answer back that stated the single-family 2004 median ratios were 58.97%, the two-families were at 49.59% and the three-families were at 44.88%.

Angelo Marino

If that is what I gave her I have no reason to doubt that.

Alderman Deane

I don't know – is this your information?

Maureen Lemieux

I certainly took it from a chart that Angelo did. It may have been ...

Angelo Marino

As I said I don't have it in front of me, but if that is the information that she provided you from me then I don't have any reason to doubt that.

Alderman McCarthy

That is pre-update.

Angelo Marino

That is pre-update. That is based on the 2003 assessments.

Alderman McCarthy

Where we thought our equalization was at 70% based on the adjustment, but some of our sales ratios were down as low as 45% and 50% so we had 35% spreads or 25% spreads to cover their debt...

Angelo Marino

The reason for that is first of all you have 6 months after the 2003 time period, you've got that appreciation, you are comparing to a complete year ago now instead of that 6 months around..

Alderman McCarthy

It sounds like this year our single families are basically dead on for equalization rate and commercials are 4% high and multi-families are 3-4% low.

Angelo Marino

That is what the preliminary – that is what the 2004 what it looks like. I haven't done anything following the October 1st time period because I don't even have those sales yet.

Alderman McCarthy

Are we going – I take it do another adjustment this year?

Angelo Marino

I believe it is necessary. One of the things I can tell you is that it looks like there is, and I don't know you all did get a copy of these – it looks like there is some – there is beginning to be some tapering like we thought back in June and July. It looks like there is beginning to be some stabilizing of some of the residential markets. Specifically if you look at you can look at the single families..

Alderman Deane

It seems to have leveled off a little right?

Angelo Marino

Yes, and if you look at three-families that seems to be dropping a little. I don't have enough sales to do any kind of chart like this because one of the reasons is that I commercial class is mom and pop stores and 40,000 sq. ft. buildings and it is 20,000 sq. ft. offices. There is not enough to make it meaningful to put a graph together like this. The only thing I can tell you is that again I think if you look at the whole class we are pretty close. We are close to being reasonably proportionate in some instances.

Alderman McCarthy

If we were to make the adjustments based on what we understand from those numbers, there would be a slight increase to multi-families to bring them up to the same proportion as the single-families, but we also have a general increase in taxes for residential because we have to bring the commercial values down by more than 4%?

Angelo Marino

Correct – using those numbers. That assumes no tapering of the assessment levels or the evaluation levels, and it is pretty easy to see – you look at what has been happening over the last couple of years in sales prices. The average annual sales price is still on an incline, but it is beginning to start to dip.

Alderman McCarthy

What is the total valuation of our residential and commercial properties?

Chairman Blaisdell

The entire city?

Alderman McCarthy

Well by class.

Angelo Marino

By class it is a problem. I think \$4.5 to \$5 billion in residential and \$2.5 a little bit more or less than that in commercial.

Alderman McCarthy

If we were to adjust those basically the change in the commercial – the devaluating commercial properties when we adjust them would result in a higher percent increase in resident taxes because you are cutting 4% off. Work with about half the size.

Angelo Marino

Yes.

Alderman Deane

I have a question. The first question I have pertains to what was the original plan the board had brought forth to the Mayor in the conference room? The minutes just stated that Mrs. Lemieux had discussed the human impact of the update on the lower assessments – properties, multi- families and the elderly – by reading this and I don't want to misconstrue what was discussed in there because I wasn't there, but was it the board's intentions at that point to come in at a higher percentage than what was finally settled for?

Chairman Blaisdell

No it wasn't. The board discussed at length where we should be – whether we should go 80%, 85%, 100% -- we were divided between 80% and 85% as to where we should be. We were within the 80-85% range in discussions. It never went above 85%. When we met as a group; our board with Maureen and the Mayor we brought to the Mayor what our thought process was and our thought process was again 80-85%. The discussions which you are alluding to there on the human factor we had lengthy discussions on the impact it would bring to Nashua. I think everybody on this board too is impacted by what occurred. When we say impact we talked about the impact on the elderly and what it does, and we are

well aware of that. With that being said though we have to look at this as a citywide issue. We can't separate out an age group or any other group when we have to go about doing this. The decision we reached to go to 85% was so that we could minimize if at all possible the impact that this would have on the citizens and that we could phase it in with the bulk of it which occurred last year.

We saw as a board what I think everybody in this room saw happening in the City of Nashua that sales prices of single-family and multi-family homes were rising dramatically, and our assessments were not keeping up with that. With all of the information that Angelo just covered, it is our responsibility to make sure that does occur. If we wouldn't have taken the action that we took last year and action that we may have to take this year in 2005 being our review year with the State, we would have had considerable issues that we would have had to address because we would have been so far behind.

With all of that said I also wanted to know how many because I am sure that this is an issue on all of your minds too because you do represent various wards within the city and the number of taxpayers that have come in because of what had occurred – last year we had a total of 87 abatement requests. Out of that 87, 56 of them were in house corrections meaning we had something ...

Angelo Marino

That is actually the current data. That is not last years. That is current data based on these new assessments.

Chairman Blaisdell

Thank you – based on what just occurred. Of that 87 it included 56 in house corrections. An in house correction is there is something wrong in the data card. I am sure you are all aware of the data card that reviews everything on that piece of property.

Angelo Marino

They also include individuals that didn't apply for the veteran's credit, but have until March 1st. That is primarily the bulk of it. There were 37 of those were veteran's credits because they can get the veteran's credit up until March 1st even though they didn't apply for it last year.

Alderman McCarthy

Can we go back for a second? I am confused about the debate of what ratio to go to because that shouldn't matter in terms of the impact so much as adjusting the sales ratio so that they are the same within each of the classes.

Chairman Blaisdell

You mean why we went to 85%?

Alderman McCarthy

If you are going to fix it so the sales ratios are all 85%, which gets you at 85% why does it make a difference if it is 85% or under for the tax bill?

Alderman Deane

It makes a big difference.

Alderman McCarthy

No it doesn't.

Alderman Deane

Yes it does. It absolutely does.

Alderman McCarthy

No it doesn't the tax rate goes down.

Alderman Deane

The tax rate may go down, but the houses that were under-ssessed, dramatically under-assessed even if the tax rate goes down \$3-5 a thousand and their assessed value goes up \$150,000-\$175,000 their tax bill is going up that amount.

Alderman McCarthy

It should not matter. It is raising the sales ratio to any constant value – if you go to 85% instead of 80% and your commercial properties were at 90% you are going to lower them. If you go to 90% you won't lower the commercial ones just leave them the same because they can adjust them. The ratio...

Angelo Marino

The thing is that we did not make as large an adjustment to the commercial class.

Alderman McCarthy

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Can you explain to me why if we – assuming we were to fix everything so that the sales ratios are the same class wide how do the tax bills come out differently if we equalize at 85% or 95%?

Angelo Marino

They don't, but what we did – the assumption is you are going to make the ratio come out at the same, but if you are not at the same starting point...

Alderman McCarthy

We did not attempt to get all of the sales ratios uniform in that year basically?

Angelo Marino

Reasonably proportioned. We did. Exactly the same no – reasonable proportioned.

Alderman McCarthy

But that is where the difference is.

Angelo Marino

That is where the difference is, but also your starting point was different and you didn't use just one number you used a – we used different information, not different information, but different factors to update the assessments for different classes.

Alderman McCarthy

I understand all of that. What I am saying is that the result we have is that we have property – you have sales indexes that are spread over a rate from 77% or 87% to 84%, which gives you equalization at around 80% whereas if we had gone to 85% you then would in order to make 85 or the top properties were at 85 you have to bring the bottom ones up higher.

Angelo Marino

The other things would have come out higher yes.

Alderman McCarthy

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The point is the savings to the residential property owners is not because the ratio is 80% it is because we have a 10% spread in the sales ratios, which is centered around 80%.

Angelo Marino

Exactly.

Chairman Blaisdell

That is what we have to do is the sales ratio.

Alderman Deane

Can I interject here for one second on how I see things? If you have, and you can correct me if I am wrong please somebody, if you have a piece of property that hasn't been the assessment hasn't been updated – say it is \$150,000 below what it should be assessed at and as Brian has stated even though you are going up when you take these properties and raise them up and say Brian's property is over-assessed and his tax bill may go down because you only have to raise so much and then the way you shifted amounts to different properties – my question is when you inputted some of this data and started spitting out some tax bills did you or did you not see some significant increases to the tax bills that the citizens

will be paying on some of these properties?

Chairman Blaisdell

Sure.

Alderman Deane

You did.

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Chairman Blaisdell

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Of course you would.

Alderman Deane

This is where I am going – even though the tax rate is coming down that burden because as they say well you were never paying enough to begin with kicks in and that is where people are seeing ..

Alderman McCarthy

If they were actually proportional with real value constantly across the community the taxes – the reason why the adjustment did not result in quite so high a tax burden on the multi-families for example is because the commercial properties are still slightly over valued and pay more of the tax burden than the residential do proportionately. The next update presumably will move things back as well and that may result in a little more increase in the residential properties, but not nearly so substantial..

Alderman Deane

Brian there are multi-family homes in the city that were under-assessed quite a bit. Am I correct to assume that?

Chairman Blaisdell

You are correct to assume that..

Unidentified Speaker

I am sure there was some disproportionality among them but...

Chairman Blaisdell

You are correct to assume that there were properties out there that were under-assessed.

Alderman Deane

If your new assessment and your tax bill now goes up over \$1,000 is that an average increase on the multi-families?

Chairman Blaisdell

I don't think you can really say there is an average increase.

Alderman Deane

Would that be considered a large increase? Was the assessment really low at that point?

Chairman Blaisdell

Multi-families I think it is safe to say were under-assessed yes, very under-assessed.

Alderman Deane

Prior to the assessment. The average increase?

Chairman Blaisdell

I don't know off the top of my head what an average increase for a multi-family was. What we have attempted to do is to bring properties in line with where they should be – multi-families, residentials, and now as Alderman McCarthy and Angelo have discussed we will also have to look at commercials. That is what this process is all about is to make sure that all properties are valued as they should be valued.

Alderman Deane

I agree with you 100%. You know my issues with the fact that this wasn't done.

Chairman Blaisdell

What do you mean this wasn't done?

Alderman Deane

This updating – the increased value of properties in the city just didn't happen in one year. This is 4 years. I think we took 4 years of increased value in one shot. I just think although ...

Chairman Blaisdell

Let me speak to that for a minute if I can.

Alderman Deane

Although people have the increased value to their homes as equity it is still some sticker shock for a lot of people that live in the city.

Chairman Blaisdell

Let me address that – I agree with you Alderman Deane. I am not going to disagree with you. I had sticker shock at my house also. I don't remember off the top if this was late in '02 or the beginning of '03 we had formed a committee to look at coming to the Board of Aldermen for requests for money for a citywide reval. We did that. It was a capital improvement plan. It came out of committee with a very favorable rating as far as agreements that it is something that should be done. It was going to be paid for by bonding I understand and there were no sponsors to move forward with that. That reval request went nowhere. We did not go forward with the reval at that time.

Alderman Deane

I just wanted to make one point on that. Mrs. Lemieux had stated on this very subject in a budget meeting, “and I had met with the Mayor today to talk to him about this the reval – I had spoken with the Mayor last week about whether or not he wanted to introduce a bond resolution for the reval. He did not want to do that.” The Mayor has just as much authority to introduce legislation as any of us. “I really felt that even if I had a couple of Aldermen to introduce it, it would really be an uphill climb to move forward. That coupled with the fact that this all had to be amended up in Concord makes me more comfortable with the idea that perhaps we could do the update as opposed to a full reval. The Mayor is certainly fully aware that we are sitting here this evening talking about this.” This is what Alderman Bolton had brought these questions up.

Alderman McCarthy

I think we should also point out that for a period of time there was an appropriation in the budget last year to do the reval without bonding. If I could just – I think to look at where the Board is at we have a situation where residential property owners were actually getting something of a windfall for a number of years because their properties were appreciating but their assessments were not keeping up with that, but the main issue is stability of the tax bills and sticker shock. I think and anybody on the board can correct me if I am wrong, we would like to make sure we get to a place where the assessments are up to date and are kept up to date on a yearly basis so that we don't see this again so the tax bills follow what they really ought to be based on property values.

Chairman Blaisdell

I think that we are in a position or the assessing department is probably in a position to make sure that happens.

Angelo Marino

With one correction if I could because Alderman McCarthy said about keeping them up to where they should be every year – I am not convinced that every year is possible. I think that a two-year is probably better.

Alderman McCarthy

Two years probably works, and I do not think this problem was created in two years.

Angelo Marino

I think two years is better because it allows you to gather that information and to allow for some stability rather than peaks and valleys.

Alderman McCarthy

I think we also at some point ...

Chairman Blaisdell

I just want to finish my statement here – in regards to Alderman McCarthy with what you were saying about a 4-year lapse – we have discussed this with many of you and amongst ourselves. We also in 2002/2003 looked at the data that was coming up and as a board we opted not to go forward with any updates because we did not feel that the data – I shouldn't say we did not feel – evidence showed us that the information that was being produced was not clean – there were a lot of inaccuracies in it. We could have gone forward with an update. It would have been a higher percentage of inaccurate information that would have come out as a result of that. Therefore, it would have caused a bigger issue for the assessing department to go back and correct inaccuracies than to let it go so that we could make sure that the information when it did come out was correct. That was a decision we as a board voted on.

Alderman McCarthy

What data was inaccurate? Was that the actual inventory?

Chairman Blaisdell

No it was the quality of the data that was being produced. It wasn't clean. The model is only as good as the cells that we have going into it. We did not have a good model with good sales information that was – again it was not coming out accurately.

Alderman McCarthy

I am just asking do we understand where that problem was and know how to correct it?

Chairman Blaisdell

Yes we understand. We understand where that problem is. That problem has been corrected. The problem is not a problem any longer. I think Angelo and his staff have done an exceptional job in making sure that the information they have, the data, the programs that they have to work with today meet the needs of what they have to do.

Alderman McCarthy

I gather this is the problem with our old admins base?

Angelo Marino

That is part of it and part of it was attempting to dovetail that with some nonlinear regression that would have allowed us to do some things easier, but it proved that the condition of the data at that point was not clean enough to allow the non linear aggression to run the model so that we are taking steps to clean that and make sure that we can use that as a check now and implement some more modeling and using some other techniques other than just doing the multiplication and division that we have.

Chairman Blaisdell

I think that you can see where we were coming from in that we have a very small staff. In order for them to handle the deluge of complaints that they probably would have had from inaccurate information it wasn't feasible to move forward and have a poor end result and trying to clean up the mess.

Alderman Lozeau

First of all I would like to comment on the small number of complaints that have come into the office. I am quite surprised. I would assume that is because people feel that they were taxed fairly. My other question is I am hearing that even if the budget, the city budget doesn't go up the taxpayers, which is highly unlikely, that the taxpayers can expect a 3-4% increase in their tax bill anyway.

Chairman Blaisdell

No.

Alderman McCarthy

Not necessarily. Everything else being equal if we were to adjust the commercials down and the residential up you would get about 2% upgrade to the taxes, but that is probably offset by the fact that we have new tax bills that come on line that ...

Chairman Blaisdell

I think we have to make sure that we don't confuse – in assessing we don't operate looking at the city budget in any way, shape or form. We are only going to look at fair value assessment for properties. The budget is the city budget. The budget drives the tax rate. The two run completely different from one another.

Alderman Lozeau

We can assume from what I have heard tonight that the taxes, if the budget stayed constant, are going to go up.

Angelo Marino

There is every possibility of that. I think it is a true and fair statement that there is still some shift because of the difference in classes. Exactly what it will be we won't know for some time now, but there is still some shift to bring the different classes in line yes. A lot of things will happen between now and when we are ready to implement new assessments the first of which is just the passage of time. The second of which is maybe interest rates will go up again and the real estate market will slow down. Maybe there will be some real nice development in commercial property that will bring a lot of money into the city like a racetrack. There are a lot of things that happen, but all things being equal – nothing else changed, yes there would be an increase because of that shift to bring the assessments back in line. If we had to look at a snapshot in time.

Alderman Lozeau

What drover the commercial to be so far out of whack and how can we expect it not to continue to do so even after the adjustment?

Angelo Marino

One of the reasons really is the again the passage of time 2000-2004. The commercials have been increasing at a much slower pace in market value – maybe 5-10%, but in that same period of time you had residential properties that we're seeing in some of those years 20% increase, 25% increase in value. I understand it is unrealized gain because you haven't sold your property so you are really – all you have is this paper trail that says this is what my market value is compared to what other properties have sold for. That is really the reason.

We have a much lower curve if you will in the increase in commercial values over the past 4 years than you have had in residential values. A lot of that is driven by interest rates.

Maureen Lemieux

Before we move on to a different question if I could just address Alderman Lozeau's comment – I don't think it is appropriate to think that if the budget did not increase at all that we would see a 3-4% increase. I want to make sure that we are all clear on that before we walk out of the room. If the commercial properties end up being 4% and again we still have 6 months' data that we need to figure this out, if the commercial properties end up being 4% higher – their ratio, that the residential then what we have said is there would probably be a 2% increase on overall residential properties because as we alluded to before half the commercial properties are only half of what the residential properties are in the city so 4% shift there translates something more in the order of a 2% shift in residential. What certainly should be noted here though is that first of all I think it was Alderman McCarthy that just mentioned we always have new construction in the city so if the project itself did not change we assume anywhere

from \$40 –75 million worth of new construction. New assessments offer tax base. That could get as high as \$75 million in new construction. That assumes probably the first million and a half of increase that we have in the budget. The other thing that will come into play here when Angelo read his ratios is that as you heard multi-families are still lower than single families so we are certainly here to try to have a very open dialogue and not sugar coat any of this.

We would assume that if there were any shift at all to residential properties that the multi-families would again bear a larger burden of that shift than the single families would. The single family homeowners, if there was no change in the budget, which of course we know that is not going to happen, but if there was nothing you could very possibly end up seeing single family homeowners having virtually no impact and the multi-family homeowners having more of a 3 or 4%. It is not going to be the same in the different classes of residential properties. I don't want us to go out of here thinking that all residential properties will see the same impact because that will not happen.

Alderman Dion

My question probably Angelo can answer this – back in 1991 somewhere in that vicinity the property values went down drastically if you remember correctly – let's say for instance history repeats itself and that something similar to this happens again – let's say next year or the year after – let's say now for instance \$200,000 house roughly pays \$4,000 in taxes. Assuming that house goes down to 25% or 30% like it did in 1991 – let's say it goes down in valuation from \$200,000 to \$150,000 or \$140,000 how is that going to affect their tax bill? Is the tax bill going to go down?

Angelo Marino

There are two pieces here.

Alderman Dion

I know there are two pieces.

Angelo Marino

First of all I will answer what I think was maybe a question in there, and if it wasn't I apologize, but if the market turns down we in the assessing department when we implement new assessments will do exactly the same thing that we did the first time that we did an update since my tenure, which was in 1997. We decreased about 30% of the assessments in the city because they were too high. We don't just increase we try to interpret the market and estimate assessments based on valid logical conclusions and make sure that they have some relationship to market value, and that relationship is consistent across the board. If there is a downturn we will recognize that. We will do that.

The second part of this is there are two pieces; one is assessment and one is budget. Obviously if we decrease the assessment the assessed value of everything in the city and the budget doesn't increase proportionately then obviously the tax rate will go up. It is not possible to say right now whether your bill will go up or down. The ultimate affect is you may be paying more taxes and you may not.

There are two pieces – one is assessments and one is budget, which is used to calculate the tax rate.

Alderman Dion

Well it looks to me like this is a one-way street. That if your property valuation goes down and your budget keeps going up if you want to sell your house you will get less money, but meanwhile you are still going to be paying the same amount of taxes or more. Am I correct?

Chairman Blaisdell

You could be.

Angelo Marino

You could be correct, but again this is a policy decision that I am not qualified to make or deal with because I don't...

Alderman Dion

Because the budget is involved.

Angelo Marino

The budget is involved. Obviously you individuals are the ones that need to ...

Alderman Dion

The big spenders.

Angelo Marino

Well no. You have to weigh in your mind that obviously which you do all the time which services are necessary for the citizens of the city and what we want to pay for those services. We are the ones that tell you the bad news as to what the assessment is, but again it has to be based on something logical, something sensible, something that is fair to everybody. Yes it is highly possible if your assessment went down and everybody's assessment went down your tax rate might go up, and if the budget didn't change there is a possibility that again because of shift, you might be paying more taxes. Obviously if the budget increases then everybody will be paying more of a percentage of the burden based on just an increase in the burden percentage rate.

Chairman Blaisdell

Thank you. Are there any other questions?

Alderman Shaw

To clarify on that note, if everybody's property went down 25% in value and the budget was unchanged then everybody's tax bill would stay exactly the same one year to the next. It is a matter of whether if your property goes down 25% and everybody else's is going down 40% you will pay more because you didn't go down as much and you have a higher relative.

Alderman McCarthy

In '91 that is exactly the case we had. Commercial properties dropped dramatically and shifted \$6 million worth of tax burden onto the residential properties.

Alderman Dion

But the guy who sells his house during that period when it was down 25% the guy will take a licking.

Chairman Blaisdell

Are there any other questions regarding where we are on all of this?

Alderman Deane

I wanted to get back to what you were discussing about – prior to the questions from some of my colleagues. There was a portion of the budget meeting that again Mrs. Lemieux was speaking and it had to do with the data...

Chairman Blaisdell

A budget meeting?

Alderman Deane

We are talking about the assessing issues – we cover everything. She gave an explanation of “What we

tried to do last year was update without changing any of the software or any of the data conversions. What we looked at for sales analysis, the properties that sold, and the properties that were right around them that really seemed to be very true to form when we were going to put the update through. We had it in a whole separate database so we could work with it. However, when we pulled specific streets, and we did this to 50 or 100 streets, there were streets that we knew the houses on those streets...” that I don’t understand either using a data comparison knowing a house on a street, but ...”And we would look at them and there were just houses that you knew intuitively should have been assessed higher than say their neighbor’s house. When you knew what was in those homes...” which should have no bearing on any of this “And some that were not – if there had been either renovations or additions done to a house or there had been a sale it was skewing things ... **tape flipped** ...

Angelo Marino

That is exactly what it is.

Chairman Blaisdell

It is in reference to the non-linear aggression and that was where Alderman Deane for the information coming out the information that we saw coming out was not accurate. We could have gone forward with that information. We could have. Angelo came to the board and showed us. We as a board voted not to because it wasn’t accurate. Some of it was, but not all of it was. The inaccuracies would have compounded the problem. Therefore, we as a board took a vote and I believe off the top of my head it was probably unanimous vote that we would not proceed with information that we didn’t feel was accurate.

Alderman Deane

How much, and I had asked you this question and you never responded – the difference between the real data and the mathematical formulas that we used for this recent update?

Chairman Blaisdell

I don't understand the question.

Alderman Deane

Well you used a mathematical formula in some for an updating and then you actually had people come in and get building permits or whatever and you would go out and the property needed to be looked at or measured.

Chairman Blaisdell

Whenever somebody does a building permit we will go out and will look at the property and we will do an assessment of that.

Alderman Deane

But the rest of it was done just going off the existing cards?

Chairman Blaisdell

You have that information – that information that the assessors go out in the field on new information and they are collecting that data. The cards that we have in place today has the data already on it. We will take the data that we currently have and work from that.

Alderman Deane

My question and I had brought this up when I had spoken with Mrs. Lemieux at the Budget Committee when we put the money in for the reval, and at that point in time she was fairly ecstatic that we had done that. My question to Angelo and the rest of you is is the data that we are currently using – what percentage of that do you feel is antiquated?

Chairman Blaisdell

What do you mean when you say data?

Alderman Deane

What you are using for the assessments on your property cards.

Angelo Marino

I don't have a good handle for percentage. I think we need to begin a systematic program for re-inspection. As such just to give you some forewarning in this year's budget we have put two positions for data collection in our budget so that we can begin this. This is one of the things again the ASP guidelines what they want to see "A municipality should have a revised inventory program in place that

addresses compliance with RSA 75(A), which provides that annually in accordance with state assessing guidelines and they will adjust assessments. What they like to see is they like to see you re-inspect every property in the city over a five-year period so that the data constantly becomes purged.

We can do a lot with what we do now, which is 22,00 – 2,500 building permits that we have. With the 2,000 sales that we have we go out and inspect those properties, but there are still other properties that haven't sold that it would be nice to inspect those to make sure that data inventory is accurate.

Alderman Deane

You currently have 5 assessors working for you now?

Chairman Blaisdell

They are assessors, but they are not data collectors. There is a difference.

Angelo Marino

No, no no, actually they are appraisers. I have 5 appraisers yes.

Alderman Deane

Three commercial and two residential?

Angelo Marino

No. Three residential and two commercial.

Alderman Deane

Your plan is to put on what two more residential?

Angelo Marino

Yes.

Chairman Blaisdell

These are data collectors.

Angelo Marino

Well data collectors – they won't be appraisers they will be data collectors yes – it is a matter of class.

Alderman McCarthy

In order to keep up to date we basically have to have two people who inspect about 10 properties a day continuously ...

Angelo Marino

Actually all of that and more. If you do the mathematics one person would take like 8.7 years to do all of the properties if you factor in vacation time, down time, rain time, sick time, snow days where you can't get in, call backs – all of those things. Yeah two people would be going all the time just doing re-inspections. They would be doing other things – the other things that are necessary.

Alderman Deane

The five others that you currently have would they be able to contribute to the task of...

Angelo Marino

They would be doing that with the other things that they do, which is the building permits and the sales qualifications and the taxpayer inquiries yes that would all be part of that.

Chairman Blaisdell

But they are not dedicated.

Alderman Deane

Right. I know Maureen had mentioned that to me that they were contemplating doing that. Those two would be dedicated strictly to that task and that task alone.

Angelo Marino

Dedicated to data inventory.

Alderman Deane

Then I know for some reason you are not into percentages, but these other five people – I am just trying to look at keeping the data fairly ...

Angelo Marino

As accurate as possible.

Alderman Deane

Yeah.

Angelo Marino

It needs to be. Yes, I agree. The better we make it the better the results.

Chairman Blaisdell

I think with hiring ...

Alderman Deane

We don't want to go through this again.

Chairman Blaisdell

Are there any other questions?

-

Alderman Johnson

What happens if they don't want to let anybody in?

Chairman Blaisdell

That is an issue that we briefly discussed this evening, and I think there is some ...

Angelo Marino

There are three constitutional challenges on that issue alone. There is a law in the State, which allows individuals to get an administrative warrant to inspect property, and it is primarily used for health departments. It allows you to get a warrant to say that we would like to inspect the property. There is also a State law that says that if you appeal your property and you do allow access to it then you can be dismissed summarily for not allowing access to your property. With all of that said, our staff is trained to explain to people that we need to do appraisal of the property to abide by the assessment. If you were to sell it would you ask the broker to stand at the corner and say tell me what I can sell it for? Obviously not so in order to get all of the information it is necessary to inspect.

We will inspect where individuals allow us. If they do not then we use our best judgment based on what we have observed either from the street or from measuring the outside of the property in order to arrive at an assessment that we think is accurate. If the taxpayer doesn't agree with the assessment then we will obviously ask if we can inspect the property and if they say no then we would not grant them.

Alderman Johnson

I think part of my reasoning is and my concern is because I remember the re-evaluation in the early '90s

– we hired a company, they did a horrible job, and I remember them coming to my house because I was told if they don't come through my house then I won't have the right assessment so I let them in my house and then I had to get my blue card and fight everything that they went through my house because everything was wrong. They didn't know the difference between electric heat and gas heat. They didn't know the difference between a heated basement and a not heated basement. It was a real nightmare. This is what I am hoping people won't have to go through again you know what is gas and what is electric heat.

Angelo Marino

That is what we are attempting to do.....

Alderman Johnson

I remember back then what happened was a real fiasco, and I hear what the state law is and I always thought New Hampshire was live free or die, but I am beginning to believe all of my constituents that we are just dieing in this city. We are just being raped with taxes and assessment. I am listening to this whole thing, and Alderman Dion made an excellent point – how much money do we really have to raise to pay for our outrageous spending in this city? How much are we going to continue with the assessed value going up although we dropped our tax rate – you can go through any mathematical calculations you want, but I see it and I had this elderly gentleman call me up today in tears, in tears saying you know you give the elderly exemption, but you raised my assessment, and I can't afford my property anymore it has gone up so much. I am listening to him on the phone and am saying there is really nothing I can do, but I said send me a letter with you hardship, why because my heart brakes for these people in the city. I don't care what you say. I did this when I debated to become Alderman – our tax rate, the assessment went up, and it is all in real dollars – the people of this city are paying more and more and more and more.

Chairman Blaisdell

I am sorry ...

Alderman Johnson

That is what the bottom line is. That is what it is all about.

Chairman Blaisdell

Unfortunately we only deal with assessments and not the city budget.

Alderman Johnson

I understand that, but I am looking at the assessments what is going on now. We just got hit. You are talking we will probably get hit with maybe another 2% on the assessment – the residential to go up – if we are lucky – if we are lucky maybe 2% we will get hit with....

Chairman Blaisdell

Again...

Alderman Johnson

You just did this. I can't understand why we can't wait another two years out again. I know it might put us further behind, but the people have to have some sort of cash relief in this city. Two percent on the assessment and maybe four percent on the tax rate that is six percent, and the elderly in this city are going to be jumping out of their windows – they can't afford their houses anymore. I just had two people call me up today who said to me their homes are on the market. We are pushing them out of this city. That is what the bottom line is.

Chairman Blaisdell

Did Angelo answer your question?

Alderman Johnson

Yeah he did, but I want my comments on the record here because I think that the people of this city – too bad this is not televised tonight live or for it to be seen again because the people of this city need to hear everything that is going on in this room. This is an outrage. This is like a closed-door meeting.

Chairman Blaisdell

No maam it is not.

Alderman Johnson

It is. Shame on this Board of Assessors. This should have been open to the public tonight on TV.

Chairman Blaisdell

Our meetings...

Alderman Johnson

You don't like it fine Dr. Moriarty.

Kevin Moriarty

I am out of here.

Chairman Blaisdell

Our meetings...

Kevin Moriarty

Later ladies... you lost

Alderman Johnson

I did...

Kevin Moriarty

I am not going to sit here and listen to you.

Alderman Johnson

That is right you don't have to.

Kevin Moriarty

Okay.

Alderman Johnson

You don't have to.

Chairman Blaisdell

Our meetings are not televised...

Alderman Johnson

I will tell my constituents to call you up.

Chairman Blaisdell

Excuse me.

Kevin Moriarty

Please.

Chairman Blaisdell

Our meetings are not televised for a very good reason. We deal with many taxpayers and we deal with a lot of personal financial information. It is not the public's right to hear someone's personal financial information.

Alderman Johnson

Tonight could have been.

Chairman Blaisdell

This is a continuation of a meeting that we had – a regularly scheduled Board of Assessors meeting. We do not tape our meetings.

Alderman Johnson

That is a shame. This is a shame. You invited the Board of Aldermen here.

Chairman Blaisdell

Are there any other questions regarding...

Alderman Deane

Thank you. What I want to try to understand is we are at 80% now is that correct?

Angelo Marino

Roughly. Our overall is roughly yes.

Alderman Deane

What I want to understand and really get my hands around and I think some others do too is I understand that you have nothing to do with the budget strictly assessing, but the increase of assessed values and the budget the monies that are spent here drive the tax rate. My question is what do you see as Step II of this three-part plan to get up to where we should be?

Chairman Blaisdell

I think that Steps II and III is something that we are in the process of working on now. When all of our meeting minutes are delivered to you so you can read them you can call back with any questions with regard ... **tape inaudible** ... We are as Angelo said the next step we will be looking at commercial properties. We will be looking at what our sales are in the city, where are we, what do we need to do if anything – it will be a accumulation of many piece of information that we are going to take a look at and review. You are more than welcome to sit in on those meetings and if you have any questions – it will be taking more of the information as we did last year and looking at it and determining where we are going to go ...**tape inaudible .. speaker away from microphone...** If we are in line with what we see...

Angelo Marino

For my part Alderman Deane...

Alderman Deane

Can you – I need – I really have to ...

Angelo Marino

I understand what you are looking for. From my part what I think should be done, and I make recommendations to the board and I explain why things need to be done and we have bylaw again – they are the people who say yes do it or no don't do it. I think we need to continue with the data entry program and get the data as accurate as possible. We are very close to getting our new software in place, which will make things easier for us to work. We have already gone through one pass of the data conversion. We need to sit with both our consultant and IT and work on some of the conversion problems, and go through and allow us to use that software and make things easier for the staff – a little bit more productivity and more efficiency. Clean the data, use the new software, bring the different segments of the market back into more conformity with being reasonably proportionate, which means bringing those ratio percentages closer together hopefully so that there is no – there is no difference between the different classes of properties, that we are reasonably certain that we are assessing them all at the same percentage when we compare it to the market value. That is what I think where we are headed. Then to continue with that process so that every second year we can bring those assessments back into line so that we don't have a long period of time where we have gain in one property class and not as much gain in another property class so that we encounter more burden shift like we have this year.

Alderman Deane

Let me ask you this – I realize the amount of work that was done for this recent update. Where do you stand with the Step II? I realize you go from April 1st...

Angelo Marino

I don't have any idea yet what will happen to the numbers because I am a slave to the time period I have to deal with. I gave you some – if I had the November and December sales I would have given them to you in these graphs.

Alderman Deane

Like they said the filing periods and the people that ...

Angelo Marino

Yes. I have up to October because there is a five week lag in getting deeds from the Registry and then there is a processing time where we have to make sure that everything is being done properly so we are a couple of months away when a sale occurs from getting that information in and being allowed to utilize it. That is even before we have done any qualifying to see was it a good sale, when we inspect it did our inventory that we have on it match what actually sold, or was there the basement finished without us knowing it or was there a new heating system, a new plumbing system, a new electrical system that was done between the time we last inspected it until now so that there is a difference between what actually sold and what we had as the inventory. It is not possible to tell you today what will happen. I can tell you that we are in the process; we haven't begun the analysis yet. We are still working on building permits rather than qualifying sales that have occurred. As soon as we can we will begin the process again and get started.

I want to – part of the reason why it is so late in the year is that as you can see we get this information from the State. They utilize this information for our education funding. The old argument is Manchester higher than us or lower than us when it comes to education funding based on the equalized

assessment – we want our equalized assessment to be as accurate as possible and we want our ratio to be as high as possible because the higher the ratio then obviously the closer you are to your actual market value in your assessment so there is not a lot of difference when they come to calculate your equalized assessment for education monies.

In the past, what I have done is I have waited as long as possible to update the assessments because once we say this is what the assessments are we have to use that information when we submit all of this information to the State. This is 2003 ratios so we have to submit all of that to the State. We wait as long as possible. I am of the mind now that perhaps not waiting is better to get the information into your hands and the taxpayers hands so they have more time to plan if there is a burden shift or if there is a problem with an increase in their tax bill even though there might not have been an increase in their assessment.

I think that what we are going to try and do this year is to sometime in late July, early August or as early as possible with everything that needs to be done is to have the numbers if the board decides that is what they want to do is to have the numbers in the hands of the taxpayers so they can plan a little bit more and have a couple of months to plan rather than what happened this year with not enough time to plan for the increase in the tax bills.

Alderman Deane

That is where I have concerns with our budget process number one. I would hope and I know Alderman McCarthy and some others have mentioned to me that nobody wants to deal with the assessment, nobody wants to deal with the updating – they don't want to be the bearer of bad news – well you know I said it before if it was done in the increments – with the increase in the value of properties did not come in one shot and it would have been an easier pill for people to swallow. We have to try to deal with that market from hopefully what I want to request from you is a quarterly update on what the market is doing so we can – and just a small paper of your opinion, the department's opinion or the board's opinion so that we can kind of stay abreast of the situation so that we can see where the market is going and what may happen with either an increase or a decrease because when we are looking at the budget – it has to come to a point in time where we will have to really sit back and start doing something about that. I don't think this assessing practice has really been looked at through the budget process at all. I think it is utterly important that is done.

Chairman Blaisdell

I think that we can definitely forward the minutes and we can try to give you updates of where we are. I think that again I hear you, I hear what you said. I think we have all heard what you said about the timing and everything. I think we haven't in place a feature now that will play out to be timing wise work better for the taxpayers and for everyone. We will keep you abreast of what we are seeing in the market.

Alderman Deane

I talked to Dory. I believe she spoke with you briefly. I don't want to get into the policy issues that we can set with the assessing department and put some legislation in or whatever he may...

Angelo Marino

Something like this would that be helpful to you?

Alderman Deane

I would kind of like something in writing with your opinion of what was going on.

Chairman Blaisdell

I think Angelo or anyone can give you their opinion. I think the news media; the business section also plays it out very well with what is going on in the market so that we all can be very aware of what is happening in the city. I think I would be hesitant for Angelo to actually to state his opinion because it is an opinion. Sometimes I think an opinion can be taken as going into a different direction. I kind of want to bring all of this to an end here that we can make sure that all questions have been answered, but I think that yes we can chart, we can show you what we are seeing, and give you the information as we get the information coming into the office.

Angelo Marino

Alderman Deane what kind of facts would you like to see? Those are hard-core facts.

Alderman Deane

I want to know where the market is and where we are so that we are not at 40%.

Alderman McCarthy

I think what we are looking for is by class whether there are significant trends. For example if we see that multi-family prices are coming up quicker than anybody else we would want to understand that because that will make a significant difference at some point with assessments.

Chairman Blaisdell

What if we gave you a 6-month update? I don't think a quarterly update sometimes can be accurate – accurate is not the word – is enough time to give you a true picture – what if we gave you a six-month update at half way mark in the year?

Alderman Deane

That is fine.

Chairman Blaisdell

Okay.

Angelo Marino

I will give you what I can give you again with the understanding that there are certain periods of the year when the information just isn't valid. We have all of the sales that occurred from October 1st through now that we haven't even inspected yet because we are concentrating on other things.

Alderman McCarthy

Are there natural times of the year that make sense to provide that data? If you are doing it in blocks it makes sense after you finish a block to give us an update.

Chairman Blaisdell

I don't want to try to solve when and how we can do that right now because it could be a very lengthy discussion. What I would like us to do is at our next meeting look at the timeframes that make sense reporting wise and when you have had time to deal with that information as we said from October until now would not and then we can supply back to you Brian what we in working with Angelo have determined are the most accurate reporting periods that we can filter information back to you, and this is the information that we feel would be most informative to you as a board so that you can look at trending and list what that is. You can take that and review it. If you disagree or want more then you can come back to us and say yeah you are in line with what we want or we would like to look at additional stuff, and then have that information finalized and a timing period set in place.

Dominic D'Antoni

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Can I make just one correction – you said 6 months – it should be known that if you do want a 6-month report it will be 8 or 9 months because you have so much of a delay – 5-8 weeks on sales data. If you ask for 6 it will take 8 months to get that.

Angelo Marino

We can provide you with some trends so that you know what is happening in the different market segments. If that is what you would like ...

Chairman Blaisdell

Is that what you are asking for and would that be favorable to you?

Alderman McCarthy

Sure.

Chairman Blaisdell

We can take that under discussion and then filter the information back saying these timeframes...

Alderman McCarthy

Sure.

Chairman Blaisdell

Okay.

Alderman Deane

I just wanted to get something – I hope it would be consistent with out budget process as well.

Alderman McCarthy

The other thing I would like to see is that we have a long-term plan that will keep the assessments up to date. We have this process where every few years we struggle with whether or not to do an update and frankly that allows the process to become politicized to a point where – the bad news is going to come sooner or later it ought to be known when it is not as bad as it will be.

Chairman Blaisdell

We can do that too. We can put an entire overview plan together – as a result of this conversation and the conversations that we have been having on a board level this is what we as a board propose. We could send that to you for your review and comments. Would that be fair?

Alderman McCarthy

Yeah.

Alderman Vitale

I want to state that probably the number one thing I have had people say especially the condo owners that call they want to know why you can update more often ... **tape inaudible .. speaker away from microphone..**

Chairman Blaisdell

What we will do is we will take that under our to do list for the next couple of board meetings and then we will get information back to you. If there is anything that is missing we can address that and I think Alderman Deane that will answer your questions so that you can be informed, as you need to be.

Alderman Deane

Hopefully yes. Thank you.

Chairman Blaisdell

Thank you.

Unidentified Speaker

Can the public ask a few questions?

Chairman Blaisdell

Yes sir, and I hate to rush you, but I do have an engagement I need to go to.

Unidentified Speaker

It will be very fast. Listening to Mario it sounds like the land value in the city is under-assessed and we will have to bring these values up. This is question number one and is as a taxpayer it sounds like we are going to try to keep everything at about 85% in the city is that right?

Chairman Blaisdell

No not necessarily. I think that in looking at residential and commercial there may still be some adjustments. Land values I think our land values are pretty good – there may be some tweaking, but ...

Angelo Marino

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Where it falls apart is – they are actually up pretty close to market value on the land values. Where it falls apart is the larger parcels. We have taken some steps to correct that this year, but there are more steps to correct. One of the things that we are seeing is that when land gets sold in the city – what we are seeing is because of build out an average house lot is \$75,000 - \$100,000. We try to use that in reflecting that in our assessments, but if you look at all of the sales that includes everything – that includes even the sales of 50,000 sq. ft., 6,000 sq. ft., 3.5 acres, and it is just more difficult to get an accurate assessment for all the land parcels that are vacant rather than ones that have buildings.

Unidentified Speaker

In closing, I think the as a resident I think the sticker shock last year's shock wasn't the last jolt – we will see another one this year like you said in the minutes of your meeting a while back. We will get it this year, next year, and

Chairman Blaisdell

We hope not sir, but there could be – we hope that there will not be a huge impact, but there possibly could be.

Unidentified Speaker

Thank you.

Chairman Blaisdell

Thank you all.

MOTION BY DOMINIC D’ANTONIO TO ADJOURN

MOTION CARRIED

The meeting of the Board of Assessors was adjourned at p.m.

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