

Minutes of the Board of Assessors Meeting of September 9, 2004

A meeting of the Board of Assessors was held on Thursday, September 9, 2004 in the Assessing Department at City Hall. Meeting was called to order by Marylou Blaisdell at 4:30 PM.

Members Present

Dominic D'Antoni

Kevin Moriarty

Marylou Blaisdell

Assessing Staff Present

Angelo Marino

Jeanne Dunfey

Cheryl Walley

Others Present

Maureen Lemieux, Director of Administrative Services and David Deane, Alderman-at-Large

Minutes of the Meeting:

None presented.

Abatement Requests Presented:

None presented.

Discussion of 2004 Update:

Chairwoman Marylou Blaisdell began the discussion by explaining we are having this meeting to discuss the 2004 update of assessments, the way in which this information will be relayed to the public, and when the letter notifying taxpayers of their new assessment will go out. She mentioned that the Board of Assessors has a meeting planned Thursday, September 16, 2004 to discuss the update with the general public. She then opened the meeting to any questions.

Alderman Deane asked how the neighborhood index is determined. Chief Assessor Angelo Marino answered by saying it is really simple math. First of all we determine the target level you want to be at, either 100% or other than 100%, and divide that percentage by the median sales price for that particular neighborhood and that develops you the index; you then multiply the index by the assessments to bring them up to the target level, so it is a method of using sales in any given area to determine what properties are selling for then you get the new assessment from there. Alderman Deane asked what percentage would be used to anticipate the new assessment. He said he recalls being told by Administrative Services Director Maureen Lemieux that they would take similar properties and look at passed sale prices of these properties and find an average and reduce that average by 30% and that would be the assessment, so the assessed value would be 70% of the sale price. Administrative Services Director Maureen Lemieux advised Alderman Deane that is not the way she remembers explaining it. Chief Assessor Angelo Marino

explained we utilize a very large geographic area so chances are we will have at least 3 or 4 examples. We divide the assessment by the sale price to get what the ratio is and then we determine the median ratio, so half the properties are above and half are below to arrive at an index. Alderman Deane replied the fluctuation in the sale price of homes in a six month span of time is not that great. Chief Assessor Marino said it has slowed down considerably than what we have seen in the past years, but it is roughly about 15-18% a year. We use as close to a year's worth of sales as possible so it does fluctuate. He said the housing market is doing well so the sale prices are increasing. Chairwoman Blaisdell added that the housing market is good but another contributing factor is the low interest rate. She continued that commercial sales are stagnant right now and you will see a lot of vacant office space in Nashua. The housing market however is slowing but still rising. There is a shift of the tax burden from commercial to residential, but this is very apparent in the sales. We have the responsibility of now determining what we should do in regards to the update. Alderman Deane said the asking price of homes for sale is out of control and there are a large amount of elderly in the City who have modest homes and these people will be devastated by what is about to happen. He said he feels that the increase in properties is artificial and it will be dropping. Dominic D'Antoni asked Chief Assessor Marino what would happen with the assessments if the market did drop. Chief Assessor Marino replied we could do an update every year. In the past we have reduced assessments when the market has dropped. Dominic D'Antoni noted that this is a two-way street then. Chief Assessor Marino said we are only trying to determine what is going on in the marketplace so we can utilize that information and determine what is fair to the taxpayer. Dominic D'Antoni asked if these elderly people are aware of the elderly exemptions. Alderman Deane replied no they are not. Chief Assessor Marino said we do outreach at the senior center to make them aware, we put it in the paper, and we do what we can to try and notify people who qualify for exemptions to let them know this is available. He added while we are talking about exemptions he would like to say that he has talked with the Mayor's Office and Administrative Services Director Maureen Lemieux has begun making phone calls to Alderman to ask them to sponsor legislation to increase these exemption amounts and these would go up roughly about 25% in each category if legislation passes. Chairwoman Blaisdell asked Alderman Deane if he sees a problem with this legislation. He replied absolutely he does, because he takes issue with the fact that the assessments should have been done on a regular basis and they were not and now we are making up for lost time. Chairwoman Blaisdell replied we have done a lot of updates in the past several years. Alderman Deane asked if it was done last year or the year before that. Chairwoman Blaisdell replied that we have worked really hard correcting any problem areas as far as stratification to get them taken care of. She continued by saying we have not had a citywide update for four years, but we have been zeroing in on areas that were out of kilter and bring them where they should be. She said the Assessing Department has worked really hard on this. No one could have predicted the housing market was going to do what it has done, but it has and by doing nothing we are just putting off until tomorrow what we have to get done. Kevin Moriarty replied he thought the Board of Aldermen shot down our request for money to do a revaluation. Alderman Deane asked

Administrative Services Director to comment on that. She said last year, in 2003, when we went through the process and interviewed the respondents, selected a vendor and tried to move forward we could not get a sponsor to bond that legislation, which was how it was paid for in 1992, so it was not actually voted against, but there was no sponsor to bring it before them. Then in February you as a Board decided this year we will go forward with an update because we didn't think a reval was going to happen this year. At budget when we had several conversations about this, Alderman Deane did make a motion, which passed at the Budget Committee, to add \$1,575,000 which was the first year's payment for a reval as a tax project, not bonded. Since it passed, we know at least 4 people on the Committee supported it. At that time we also secured approval to purchase the Patriot software, so when the project got to the full Board we asked that the \$1.5 M be taken out of the budget so we could implement the software, go through the update process and see where we would be in January and then make a determination to see if the City needs to spend the money for the reval. I believe it is the consensus that a reval will be necessary unless we can have an aggressive reinspection program over 5 or 8 years or maybe even 10 years to reinspect the entire City, then it may help us to avoid a reval. Chairwoman Blaisdell said a reval would mean we would have people to go door-to-door at look at each individual property, but it didn't pass so now this is our only option. She advised we are open to suggestions if anyone has any. Kevin Moriarty clarified that the assessment on the tax bill has not increased in four years. Chief Assessor Angelo Marino confirmed. Dominic D'Antoni said if anyone feels they are improperly assessed we need to advise them they should come before the Board of Assessors and if they are still not satisfied they can still go to the Board of Tax and Land Appeals or to the Superior Court. The tax system in New Hampshire is what it is. If a pauper owns \$100,000,000 worth of property, he has to pay the taxes on that. Dominic D'Antoni continued that when it comes to ad valorem tax it is based on the property value and not on the ability to pay, whether it's right or wrong is not the point, it is the law and until that is changed there is nothing we can do about it. Alderman Deane commented that raising the taxes all at once instead of a little every year makes it harder for people to pay. He continued by saying that having the Mayor at the eleventh hour raise the amount of the elderly exemptions is just another political move. Chairwoman Marylou Blaisdell said it is not just the elderly that will have difficulty paying, there are a lot of hardworking blue-collar workers that will have problems with this also. She also advised Alderman Deane that this is not the end of it, this is just step one and there is more to come. We will have to take a hit this year, next year and the following year to bring us to where we should be. Alderman Deane repeated that this should have been done in a gradual fashion. Chief Assessor Angelo Marino said we attempted to update the assessments two years ago and realized that the way we were attempting to do it was producing inconsistencies in the assessments and this would not produce good results. We then decided that not doing an update in 2002 but to pursue a revaluation that would give us a new inventory, which is very important. Chairwoman Marylou Blaisdell said we are doing an update but we are still working on old data without a reval. Dominic D'Antoni noted you have too many people making changes to properties without filing a permit. Chairwoman Blaisdell asked if the Board of Aldermen get

copies of the Board of Assessors minutes. She was advised they are on the Internet at www.gonashua.com. Alderman Deane noted that the taxpayer's salary is not increasing as much as the taxes are increasing so they have problems paying. He said he would like to see the abatement process laid out in simple terms as well, so people will not get discouraged because of the complexity of it. Administrative Services Director Maureen Lemieux noted that the abatement cannot actually be filed until after the December bills are mailed. Supervisor Jeanne Dunfey advised that we do work very hard in the Assessing Office to make sure people understand the process and explain things in simple terms. Chairwoman Marylou Blaisdell said if they go into Assessing, the staff would help them operate the computers to find out the information. Dominic D'Antoni said through the years the Board of Assessors has had a lot of people come before them and we have not had any people saying they were not treated well by the Assessing Department or they weren't given the information clearly by the Assessing Department. There will always be those who do not read the paper or talk to their neighbor, which makes it difficult to reach those people at all. Chairwoman Marylou Blaisdell stated if there is no more discussion on this she would like to move on to other matters. Alderman Deane thanked the Board and left the meeting.

Administrative Services Director Maureen Lemieux clarified for the Board of Assessors that any increase in taxes would be due in December, 2004, which is the final bill for the tax year 2004. Discussion pursued regarding the wording of the 2004 notices of the updated assessment. The wording was simplified to make it easier to understand and still relay pertinent information.

Chief Assessor Angelo Marino advised Mayor Streeter is looking for sponsors to increase the elderly exemptions. The \$80,000 is going to \$100,000, the \$100,000 is going to \$125,000 and the \$125,000 is going to \$155,000 if the Aldermen approve legislation. Dominic D'Antoni asked how Nashua compares to other communities with their elderly exemption amounts. Chief Assessor Angelo Marino stated we are somewhat in the middle. There are communities like Bow with a \$300,000 exemption. He continued by saying the impact of this increase on the average taxpayer's bill will be .07 per thousand dollars of assessment. Administrative Services Director Maureen Lemieux said she has put a call into many of the aldermen and Alderman Deane is the only one of those with whom she has spoken who opposed this legislation. Chief Assessor Angelo Marino then explained that the standard veterans credit went from \$100 and is currently \$200. It will increase in \$100 increments until 2007 until it is at \$500. The disabled veteran's credit has gone from \$1400 to \$2000, which is the maximum allowable by State of NH so there will be no increase in that. Chief Assessor Angelo Marino proceeded to discuss the format for the public meeting scheduled for Thursday, September 16, 2004 at the Nashua High School North Auditorium at 7:00 PM. He explained that Chairwoman Marylou Blaisdell will conduct the meeting and we should limit each person to 5 minutes to ensure everyone has a chance to speak. He then discussed the agenda and the people who will be speaking at the meeting. Dominic D'Antoni asked if the real estate professionals could have visuals to show people what

has been happening by chart form. Chief Assessor Angelo Marino said he would ask the Mayor's Office to provide that. He then went over the City Charter, which defines the Board of Assessors responsibilities. He also reviewed RSA 75:1 "How Appraised" which says property should be assessed at its market value. Then looked at 75:8 "annually in accordance with state assessing guidelines the assessors should adjust assessments to reflect changes so that all assessments are reasonably proportional within that municipality" and went onto 75:8(a) "at least as often as every 5th year...reviews the municipalities assessment in pursuant with 21J3 the assessors and/or selectman shall value all real estate within the municipality so that the assessments are valued in accordance with 75:1" so that means once every five years we need to bring it up-to-date. The year given to Nashua by the State of NH is 2005, so there is no problem here. He said in RSA 74:1 town selectman not the town are charged with the duty to appraise all taxable property" so that means you guys have the responsibility of making the decision when we are to do this. He explained in any city where they have assessors and not selectman and the assessors are appointed their charter will say who has the responsibility. Our charter very specifically says that the assessors have the responsibility. He explained the above to the Board so they would be aware of this if any such question arises in the future.

Chief Assessor advised the Board that we are scheduled to mail out the notices on Friday. Dominic D'Antoni asked if we will be giving the Alderman a "heads up" that this letter is going out. Chief Assessor Angelo Marino advised that this meeting was held for that purpose.

MOTION BY Marylou Blaisdell to adjourn at 6:00 PM.

SECONDED BY Dominic D'Antoni.

MOTION CARRIED unanimously.

Transcribed by Cheryl Walley
Department Coordinator