

**Minutes of the Board of Assessors  
Meeting of January 13, 2005**

A meeting of the Board of Assessors was held on Thursday, January 13, 2005 in Room 208 at City Hall. Chairwoman Marylou Blaisdell called meeting to order at 4:30 PM.

**Members Present**

Marylou Blaisdell                      Dominic D'Antoni                      Kevin Moriarty

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**Assessing Staff Present**

Angelo Marino                      Robert Lakeman                      Greg Turgiss                      Elaine Wier                      Cheryl  
Walley

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**Minutes of the Meeting:**

**MOTION BY** Dominic D'Antoni to accept the minutes of the meeting held December 9, 2004.

**SECONDED BY** Kevin Moriarty.

**MOTION CARRIED** unanimously.

**Abatement Requests Presented:**

See attached printout for approvals/denials.

**Appointments:**

**5:00 PM - Ronald Lavoie, Re: 2004 Abatement filed on Accts #26460 & #50608**

Mr. Lavoie was welcomed by the Board members and advised by Chairwoman Marylou Blaisdell that he will be given an opportunity to speak about the issues contained in his abatement. She explained that each of the Board members has reviewed the information and Chief Assessor Angelo Marino has pulled up an aerial view of the property and has it reflected on an overhead projector to allow the Board members to see the property. Chief Assessor Angelo Marino explained to the Board that the Assessing Department is looking at those pieces of land, which are separate lots of record, but being assessed as if they were one lot. He said that each lot must be assessed at its highest and best use, which is what we have done with this property. The empty lot of land, being an existing lot of record before the changes in the zoning, has been assessed at its highest and best use as a buildable lot. Chairwoman Blaisdell confirmed with Mr. Lavoie that he does not have an issue with the overall assessment of the property; the issue is only with the assessment on the land-only portion. Mr. Lavoie agreed. He said that the minimum square footage required for a building lot in his zone is 6,000 square feet and therefore this is not a buildable lot, as it is only 5,000 square feet. Chief Assessor Angelo Marino explained to Mr. Lavoie that if the lot is an existing lot of record before the zoning changes went into effect, it is grandfathered and with a variance, this lot could likely be buildable. Mr. Lavoie was asked if he received his initial letter advising him that he can file a "voluntary merger of

parcels” form with the Planning Department and the property would have remained as one account and been billed as such for 2004. Mr. Lavoie confirmed that he did receive the letter but was advised by staff in the Assessing Department that if these lots were not merged the assessment would not be any different. Chief Assessor Angelo Marino advised that his staff has been trained to advise taxpayers that there will be two tax bills, one for each lot, and if the taxpayer would like to know the difference in assessment if the lots were merged we would provide them with that information after an assessor looks at the information. Chief Assessor Angelo Marino then asked Mr. Lavoie if he had received his second letter reminding him that if these lots are not merged there will be two separate tax bills that will be mailed for the 2004 tax year. Mr. Lavoie confirmed that he had received this second letter. He reiterated that he does not feel this lot is buildable and therefore the assessment should be lower. Chairwoman Marylou Blaisdell then explained to Mr. Lavoie that the Board of Assessors would need to see proof that this lot is not a buildable lot, before they would lower this assessment. She instructed him to speak to the Building Department and take the necessary steps to determine that this lot cannot be built upon and return to the Board of Assessors with this proof by January 27, 2004 so the assessment can be lowered. If proof is not provided the assessment would remain for 2004 as billed, and the abatement denied. Mr. Lavoie agreed and left the meeting at 5:30 PM.

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**5:30 - Attorney Morgan Hollis, Re: Charitable Exemption for Conway Ice Arena**

**Present for this appointment were:**

**Conway Ice Arena:** Gary Warriner and Charles Hall

**Nashua Telegraph:** Reporter Stephanie Hooper

**City of Nashua:** Ward 5 Alderman David Lozeau

**City of Nashua:** Treasurer David Fredette

**Resident:** Mr. Robert Burgess, 32 Bates Drive

Chairwoman Marylou Blaisdell advised the Board has reviewed the material presented and she went over some key points. As a Board we understand that this organization is a 501-c-3 and we also understand that the monies to build the Arena were generously donated. We know that the land is leased from the City of Nashua for 30 (thirty) years. She continued by saying that just because an organization has a 501-c-3 status with the IRS does not mean it meets the criteria to receive a charitable property tax exemption. It is this Board’s responsibility to determine what is the true charitable nature. We need to be sure we are all clear with why this is being questioned by the Board of Assessors. We know that there is an Ice Commission set up which is made up with four members from Nashua Ice Skating Center, four officials from the City and one member chosen by both. This Ice Commission oversees the business of the Arena. The Board of Assessor’s needs to determine what the charitable nature is of the Arena and if it meets the

criteria to receive a charitable exemption. Attorney Hollis advised that the Arena has provided public skating when the ice could be rented out at a much higher rate. When the schedule is put together these things are prioritized. If this is to be run as a business the schedule will be prioritized as a business and it will be necessary to charge higher rates. He then referred to two court decisions regarding charitable exemptions in the State of New Hampshire, one of which was granted on an elderly housing development being rented out to low-income elderly at a very low subsidized rate as well as to elderly who are able to afford to pay more, at a higher subsidized rate, to help with the costs of the housing. The court decided that because they need the building to carry out their charitable mission and provide low-income elderly with housing, that the building should be exempt from property taxes. Attorney Hollis noted similarities in that the Conway Arena would not be able to provide lifelong benefits in both educational and athletic pursuits unless we had a facility. Chairwoman Marylou Blaisdell noted that to qualify for a charitable property tax exemption it should be an organization for all citizens in Nashua. Looking at the Arena's schedule it appears to her that the majority of the users of the Arena are men who are on hockey teams and an adult who may want to use the Arena to skate for a couple of hours. Attorney Hollis stated the schedule is determined by supply and demand. Hockey teams are who are requesting ice time and they happen to be mostly men. Chairwoman Marylou Blaisdell said that in looking at the schedule, understanding supply and demand, the other programs are very lean in comparison to hockey teams. Attorney Hollis explained that the rates would be higher if they were to change the scheduling for this reason. He said if the Arena has to, they would adjust the schedule and do what they can. Dominic D'Antoni asked Attorney Hollis to clarify what we are discussing currently. Tax year 2003 or 2004, and is the Arena looking for a full exemption or a partial exemption. Attorney Hollis replied that the Board of Assessor's denial of the 2003 application for charitable exemption is currently under appeal with the Superior Court. He said this discussion is regarding the 2004 application for charitable exemption for the Conway Ice Arena and they are seeking an exemption on the portion of the Arena, which is not leased out. It is agreed that the portions, which are leased out, should be taxed. Dominic D'Antoni continued commenting that seven miles to the South in Tyngsboro, Massachusetts is Skate III Ice Arena and they are charging \$205/hr for games and \$165/hr for practice time. Conway is charging Nashua High School \$190/hr for games and \$155/hr for practice time, for a savings of only \$15 per hour on games and \$10 per hour on practices. He said that since fees are governed through competition, how could the Arena charge more. Attorney Hollis stated that the rates are governed by budget. If we need to charge more for ice to pay the property tax bill, that is what will be done. Dominic D'Antoni pointed out that to compare the Arena to senior housing is not a good comparison since the senior housing is based on the ability to pay. In all the information the Board has received there has been nothing mentioned about providing for people that do not have the ability to pay. Attorney Hollis stated that they have provided free public skating, but this doesn't show up publicly and they are going to remedy that. He advised that if someone comes in and says, "I can't afford to free skate", they would be taken care of. It is just not in the brochure, but that is part of our mission. Dominic D'Antoni

asked Attorney Hollis if he would provide this in writing to the Board. Attorney Hollis agreed. He also pointed out that he and the others involved with the Nashua Ice Commission donate their time. Dominic D'Antoni explained that since we are dealing with the taxpayers' money, it is very important that when we say this organization deserves a charitable property tax exemption, we follow that with why we have approved this exemption and what the Arena is giving back to the City of Nashua. Chairwoman Marylou Blaisdell stated it is important for the Arena to confirm that the taxpayers are receiving the benefit. She advised Attorney Hollis that the Board would reconsider the Conway's application for charitable exemption and send a letter out in the near future advising of the Board's decision.

**MOTION BY** Marylou Blaisdell to recess the meeting at 6:02 PM.

**SECONDED BY** DominicD'Antoni.

**MOTION CARRIED** unanimously

**MOTION BY** Marylou Blaisdell to call the meeting to order at 6:10 PM

**SECONDED BY** DominicD'Antoni.

**MOTION CARRIED** unanimously

Chairwoman Marylou Blaisdell advised that the meeting was recessed before those present were allowed comments/questions. She then opened up the meeting for those who had comments. Alderman David Lozeau began by introducing himself as the Alderman for Ward 5, the ward in which that the Conway Ice Arena is located. He advised that he has had several of his constituents call him regarding this issue and he would like to voice their concerns. He said that a concern is that the Conway is for people that skate. He said that there is no question that it benefits the City, but he is cannot say it benefits a large portion of the taxpayers. A major concern of his constituents is that this Arena is being provided City services, such as trash collection, police and fire services, and it does impact the roads so the consensus from all those with whom he has spoken has been that the Arena should not be fully tax exempt and should pay the city and state portion of the taxes and perhaps waive the school portion. He said that his constituents have spoken to him and he is here to represent them. Dominic D'Antoni asked Alderman Lozeau if he is aware that the Board of Aldermen has it in their power to partially exempt the Arena. Alderman Lozeau replied that this issue has never been brought before the Aldermen because no one knows if they are going to be taxed. He ended by stating he is aware that some senior housing pays a payment in lieu of taxes (PILOT) which does not include the school portion.

Mr. Robert Burgess of 32 Bates Drive stated the Arena's revenues for 2004 need to be looked at before an exemption is approved. He continued saying he doesn't understand why the high school students cannot bring their equipment home instead of the City paying for a locker room to keep their equipment. He stated he appreciates the Arena but pointed out the taxes are already

being paid on the high school and until the (IRS Form) 990 for the Ice Arena is filed for 2004 he cannot agree with a full property tax exemption.

Chairwoman Marylou Blaisdell stated that the next appointment is 6:30 for the Board of Aldermen.

**MOTION BY** Marylou Blaisdell to recess the meeting at 6:20 PM.

**SECONDED BY** Kevin Moriarty.

**MOTION CARRIED** unanimously

**MOTION BY** Marylou Blaisdell to call the meeting to order at 6:30 PM

**SECONDED BY** DominicD'Antoni.

**MOTION CARRIED** unanimously

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**6:30 – Board of Aldermen, Re: Assessing-Related Issues**

**Present for this appointment were:**

**Administration Staff:** Bernard Streeter, Mayor, Maureen Lemieux, Administrative Services Director

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**Aldermen-at-Large:** David W. Deane, Paula Johnson, Brian McCarthy, David Rootovich

**Aldermen:** Kathryn Vitale, Ward 1, Kevin Gage, Ward 3, David Lozeau, Ward 5, Robert Dion, Ward 6, Lori Cardin, Ward 7, Robert Shaw, Ward 9

**Also present:** Robert Burgess of 32 Bates Drive and one other member of the public.

Chairwoman Marylou Blaisdell began by stating that she believes the reason for this meeting is to allow the Aldermen to ask some further questions on last year's assessment update and the process with which this was done. Alderman Brian McCarthy stated that the Board of Alderman had assumed that the assessments had been updated to 100% valuation or at least to a uniform equalization. We have since read in minutes of the Board of Assessors something that suggested this was not the case. The Aldermen would just like to understand where the assessments are if we are not at constant equalization across the City, and what is the plan and the impact of the next update. Chairwoman Marylou Blaisdell then suggested that the definition of the assessing terminology that is being used be reviewed so all the Aldermen understand exactly what is being discussed. Chairwoman Marylou Blaisdell said that the comment they are referring to she believes was made in the meeting in September, when the Board of Assessors said the property values will have to be looked at again for 2004. This needed to be done for several reasons. One

reason is to make sure we are within the guidelines of the State Statutes and another is to bring assessments where they need to be in light of the drastically changing real estate market in the past few years. At that meeting we discussed the impact that bringing assessments to 100% of market value would have on taxpayers. We talked about whether we should go to 100% all in one year's update or phase it in over a couple of years. Alderman McCarthy said he believes this is part of what needs to be clarified. If the assessments were not at 100% but at 75%, if we do bring them to 100% with everything else being equal, the tax bills should not change.

Chairwoman Blaisdell clarified that the Board of Assessors looked at the increase the average taxpayer would have if the assessments were brought to 100% and after doing so, the Board of Assessors opted to leave a 15% margin and bring the assessments to 85% of what the market value should be. Alderman McCarthy replied that this is where the confusion is because it was their understanding that the assessments were all at a constant percentage of market value.

Chairwoman Blaisdell explained some properties may be at a different percentage of market value because of two reasons. One reason is the fact that the data the Assessing Department is using has not been updated since 1992. She said we do not have enough staff in the Assessing Department to go out to every single property to make sure our property record card has accurate data on it. Chief Assessor Angelo Marino explained that the biggest reason for this difference in percentage of market value is the imbalance of the real estate market segments in the City. He explained that the State Department of Revenue Administration each year asks the City to provide them with information concerning what the assessments are (current year and previous year) on all properties that sold in the City for six months prior and six months after April 1st, which is the time period they use. We also provide them with whether we feel the sale is valid or not. An example of a sale that is not valid would be one between family members that would not be at market rates. The State is comparing assessments to market value of all the properties in the City, e.g., commercials, 2-families, 3-families, 4-families, vacant land, etc. They then provide us with statistics of the sales ratios for all of those properties. The median ratio is the midpoint, which means half are above this and half are below this. For all the segments (e.g., commercial, residential, vacant) they arrive at a median ratio. They also look at each individual segment and provide us with that segment's ratio. These individual ratios can have a large gap. When the City does an update the assessments are brought to a more uniform level and there are some segments that go up higher and others don't go up as high. Alderman McCarthy then asked do we go by the median sales ratio or is there still something called equalization. Chief Assessor Marino explained that an equalized ratio is what the State produces in order to take our assessments and bring them to a market value so they can compare, for state aide to education, our market value with other communities in the State, such as Manchester or Hudson, which determines how rich or poor we are. This is the study they use to determine the equalization or equalized ratio. They don't use the median; they use the weighted mean for this ratio. Last year the City of Nashua pointed out that we thought there was a problem with their methodology and they agreed with us. We were allowed to take the ratio for commercial property and calculate an equalized assessment for commercial properties, take the ratio for residential property and

calculate an equalized assessment for residential properties, etc. and divide the sum of these equalized assessments by the assessment. This got the City of Nashua a slightly higher equalized ratio. We were 68.6% and after doing these calculations and using that figure, we were at 68.9% for 2003. This allowed the City of Nashua to save just about one million dollars, and the City of Manchester paid more county tax than Nashua did for the past year. This equalized rate is used for a few things. One of which is to calculate state aid because of our equalized assessment. It is also used in court to determine if an assessment is equitable. Each taxpayer is supposed to be taxed at the same rate proportionately to everyone else in the community, when you compare your assessment to your market value. According to RSA 75(a) we need to annually adjust assessments to reflect changes so all assessments are reasonably proportional within that municipality. The "reasonably proportional" gives a little room so we don't need to be exactly the same rate for different classes of property. He explained that we were not in compliance and that is why we needed to do an update of assessments in 2004. He explained that the Claremont Decision and new regulations have created the Assessing Standards Board (ASB), which put out guidelines for all communities to use in their assessment review, which occurs every five years. The ASB has said that in your review year your ratio for assessment purposes on all properties should be between 90 and 110%. Nashua's review year is 2005. Chief Assessor Marino said we are going to have to do something to be in compliance in 2005. When asked if we will need to do another adjustment on the assessments this year, Chief Assessor Marino said he believes it is necessary. He said it looks like some of the residential markets are beginning to stabilize. Alderman Deane then asked if the Board of Assessors recommended the updated assessments come at a higher percentage than what was finally settled for, which was 85%. Chairwoman Blaisdell said no, the Board was divided as to where the assessments should be. The conversation was always between 80 or 85%. It was never discussed to bring the assessments at a level higher than 85%. The intent was to minimize the impact of the burden this was going to have on taxpayers and we thought we could phase this increase in, with the bulk of it occurring with this update. She then advised that the Assessing Department has received only 31 abatements filed by taxpayers who believe the assessment is incorrect.

Chief Assessor Marino when speaking about the accuracy of the data on the property record cards said he believes we need to begin a systematic program for reinspection. As stated by Chairwoman Marylou Blaisdell earlier in this meeting, the data has not been updated citywide since 1992. He advised that two positions for data collectors have been added to the budget so this can begin. The ASB guidelines states "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 each property re-inspected every five years so the data constantly becomes purged.

Alderman McCarthy asked that the Board of Aldermen be provided with some trends so they can be aware of what is happening in the different segments of the real estate market. They would

also like to see a long-term plan that will keep the assessments up to date. Chairwoman Blaisdell agreed and said an entire overview plan will be put together, as a result of this conversation and other conversations the Board of Assessors has had. She advised the Board would send it to the Board of Aldermen for their review and comments.

**MOTION BY** Dominic D'Antoni to adjourn at 8:03 PM.

**SECONDED BY** Marylou Blaisdell.

**MOTION CARRIED** unanimously.