

AD HOC TAXATION/ASSESSMENT ADVISORY COMMITTEE MEETING

OCTOBER 3, 2011, 4 PM, Library Meeting Room

1. Call to order

Meeting called to order at 4:16 P.M. by Bob Manchester.

Present were Committee Members Robert Manchester (chairman), Robert Dillon, Joel Hellmann, Donald Nessing, and Joop Nagtegaal (secretary). Also present were Michael Minardi, tax assessor and Scott Nagy, consultant for the town.

2. Approval of Minutes

Bob Manchester summarized the minutes of the meeting of July 5, and upon a motion duly made and seconded, the minutes were approved.

3. Revaluation Report

The draft revaluation report distributed the day before by Bob Manchester was discussed. In addition to correction of a number of minor typographical errors, it was agreed to delete the remark that there were only 15 sales over \$1 million leading up to the revaluation. On Joop's request, Bob Manchester will add a note that the committee was informed very late that the revaluation would use zoning to determine the primary property size, although Appraisal Resource had initially indicated that the prevalent property size in the neighborhood would be used. It was agreed that Bob Manchester would submit the modified report without further committee review to the Town Council. The draft report is attached.

In the context of the report, a number of issues were discussed. The qualified sales during the period from July 1, 2010 to June 30, 2011 should be compared with the assessed values. The usual qualification criteria should be used, thus excluding foreclosures, etc. The proper statistical measures used by the International Association of Assessing Officers should be calculated, thus providing a "report card" for the accuracy of the assessment. Since Michael Minardi has the sales data readily available, so it should be fairly straightforward to do this.

There is a new ABR (with two members held over from the previous ABR, one new person and alternate). There was some training for the ABR, but this was limited to the 12/31/2008 revaluation. The ABR has so far only heard cases related to the 2008 revaluation, and two more hearings are scheduled on October 14 and 28. They should be further training for the ABR before hearings start for appeals of the 12/31/2010 revaluation, and the Ad Hoc Committee should be represented during the training.

The Town Council would like to get advice from the Ad Hoc Committee on taxation policy issues, such as discounts for elderly and veterans, advice on tax-exempt properties, etc. Bob Manchester mentioned that the committee's work on the assessments is not finished; for instance there is as yet no standards document. Bob Dillon then made a motion that Bob Manchester make a statement to the Town Council that the Ad Hoc Committee intends to continue to focus on assessment related issues before tackling any taxation related issues. Joop Nagtegaal seconded the motion, and it passed unanimously.

There was mention of two recent sales in the Nayatt Point area, where one home sold for much more than the assessed value (38 Nayatt Road, assessment \$1,210,900, sold for \$1,900,000), and another home sold for much less than the assessed value (4 Nayatt Point Court, assessed for \$2,409,200, sold for \$1,100,000). This led to the observation that the CAMA methods do not always work well for higher end properties. Michael Minardi said that this was the reason why in his initial RFP asked for individual appraisals of properties over \$1,000,000.

4. Agenda for next meeting

Topics will be:

Discussion of the "report card" based on the sales comparison for the period of July 1, 2010 to June 30, 2011.

Start of a discussion about a Standards document.

5. Date of next meeting

Date and time TBD.

6. Adjourn

The meeting was adjourned at 5:13PM.

Respectfully submitted,

Joop Nagtegaal, Secretary

To: Barrington Town Council

CC: Peter DeAngelis
Michael Minardi

Subject: Ad Hoc Committee Report on December 2010 Property Revaluation

Date: October 3, 2011

The Ad Hoc Committee (the “Committee”) was organized in January 2011 shortly after its members were appointed by the Barrington Town Council (the “Council”). The purpose of the Committee was to assist with the 2010 property revaluation and to provide advice on certain other matters relating to taxation at the direction by the Council.

Between January 18, 2011 and May 17, 2011 the Committee met with the Town Manager, the Tax Assessor, representatives of Appraisal Resources, the firm engaged by the Town of Barrington (the “Town”) to perform a statistical revaluation of real property within the Town (“AR”) and representatives of AppraiseRI, the firm engaged as a consultant to provide independent advice to the Mr. DeAngelis and Mr. Minardi, in public meetings on 20 separate occasions. Detailed minutes of Committee meetings were taken and are available on the Town web site. During most meetings, the Committee provided an opportunity for the public to ask questions and to provide comments related to the revaluation.

Initially, the Committee focused on the revaluation process including such matters requesting that AR explain the standards to be used to perform the revaluation and how such standards would be documented, the criteria for establishing neighborhoods, how land improvement values would be arrived at, how the 412 real estate sale transaction between January 1, 2009 and December 31, 2010 would be used to establish the basis upon which land values would be based and the principles to be used to exclude any sale that did not represent a willing buyer willing seller transaction.

Early meetings typically focused on reviewing the weekly report prepared by AR and then moved to matters that pertained to the particular phase of the revaluation process then currently underway. For example in January, the Committee discussed the role of the consultant the Town intended to engage to assist with the revaluation. At the request of Mr. DeAngelis, two members of the Committee participated in interviews with candidates for the position. Prior to interviewing consulting candidates the Committee scheduled a briefing by William McGovern, SRA, to provide general recommendations with regard to qualifications of applicants.

The Committee provided comments on the 2008 neighborhood map during several meetings. In addition and at the request of the Committee’s chairman, several local real estate agents reviewed the 2008 neighborhood map and commented on the map by producing an overlay which set forth a general estimate of homogenous neighborhoods. The overlay was delivered to AppraiseRI for discussion with the Tax Assessor and AR. Unfortunately, a revised neighborhood map was not available to the Committee until very near the end of the revaluation

process. The Committee did not have sufficient time to review the map and comment on the final product. As completely as it would have liked.

One of the Committee's principle concerns related to the lack of qualified sales in some neighborhoods and also sales of higher valued properties. As can be seen in table below, of the 322 qualifying sale transactions occurring in the 2 year period leading up to the December 31, 2010 revaluation only 15 equaled or exceeded \$1 million:

Sale Price	Number of properties
Less than \$250,000	56
\$250,000 to \$499,999	184
\$500,000 to \$999,999	67
\$1,000,000 to \$1,499,999	8
\$1,500,000 to \$2,499,999	5
Above \$2,499,999	2

During the course of several meetings, members of the Committee expressed concern about the relatively small sample size of qualified sales in certain neighborhoods and, as a consequence, the potential for unreliable outcomes in the revaluation. The Committee continually requested information about which sale transactions would be included as qualified sales and thus be used by AR in developing final assessments. Partial lists of disqualified sale transactions and an explanation as to the reasons for exclusion were produced in piecemeal form while the list of qualified sale list was not available until the end of the process in early May. Nonetheless the Committee offered as much input as time and available information allowed.

During the short period of time between mailing assessments to property owners and completion of informal hearings by AR, the Committee endeavored to analyze the outcome of the revaluation and inform the Tax Assessor and AR of what was observed. The Committee presented information that several suggested that certain neighborhoods were over assessed while other areas were under assessed. In particular, the Committee identified neighborhood 10, the Barrington Beach area and certain portions of Hampden Meadows as sections of town in need of further review. The final assessment reflected some but certainly not all of the Committee's input.

Several areas of interest to the Committee remain to be addressed. Among these are the development of a standards document to guide in establishing a set of uniform criteria for establishing many of the items that comprise property records plus a procedure to document all changes made to a property records including the rationale for all changes. Another is to test the

buyers and willing sellers occurring during the 12 month period centered on the assessment date. Using International Association of Assessing Officer's Standard of Performance a report card of sorts can be produced that would give an indication as to how satisfactory the outcome of the revaluation was. Several assessing authorities use such studies to provide an object measure as to the quality of the outcome of revaluations.

We hope that this report, taking together with the minutes of meetings, provides useful insight into the work of the Committee during the first half of 2011.

Respectfully Submitted,

Bob Manchester
Chairman
Ad Hoc Committee on Taxation

