

AD HOC TAXATION/ASSESSMENT ADVISORY COMMITTEE MEETING

JULY 11, 2011, 7 PM, Library Board Room

1. Call to order

Meeting called to order at 7:10 P.M. by Bob Manchester.

Present were Committee Members Robert Manchester (chairman), Robert Dillon, Joel Hellmann, Donald Nessing, and Joop Nagtegaal (secretary).

2. Approval of Minutes

Upon a motion duly made and seconded, the minutes of the meetings of July 5 were approved.

3. Revaluation Report

The committee used the discussion points presented by Bob Manchester at the previous meeting as the starting point. The points are attached at the end of these minutes.

- Committee unable to review the preliminary assessments prior to the publication.

This issue was discussed at length. Only two people (Joel and Joop) saw any results prior to the mailing; the whole committee could not review the data because it would necessarily make the data public. The results shown to Joel and Bob consisted only of the sales analysis, showing the preliminary assessment versus the sale price of the properties that were sold during 2009-2010. The assessment data did not include a separation of land value vs. improvement value, nor did it include any information about how the assessments were obtained (e.g. land value tables, home values/sf for various types, etc).

Don stated that he still wasn't sure about the wisdom of showing such preliminary data to the committee. Joel said that because of the unique nature of Barrington review by locals (i.e. the committee) would be good. Bob Manchester said that he thought committee review would be good, even if that meant that some data had to be released prematurely. It was noted that for this revaluation, the deadline was very tight and that hampered the effect of the committee in various ways. Joop

also wondered whether future committees would get into the details of the revaluation as deeply as happened this time.

Bob Manchester stated that it would be useful to prepare a report of the accuracy of the revaluation by comparing the sales data from half a year before to half a year after the revaluation date with the assessments. This is done by the State of Maryland for their counties and provides a helpful check on the quality of the revaluation. Even if the State of Rhode Island doesn't require this, it would be good to do this.

A discussion followed about the revaluation date vs. the period of sales. Bob Manchester would like to base the revaluation on the sales date from a year before to a year after the revaluation date. Joop pointed out that for the current revaluation, we could achieve this goal by declaring the effective date to be 12/31/2009; however, that would otherwise not change anything. Hence, the point was not pursued further.

Bob Dillon stated that we should recommend that for every future revaluation a committee like this should supervise the process. There was general agreement on that.

- Uniformity in neighborhoods improved.

There was agreement and no further discussion of this point.

- Evidence that lower valued properties within neighborhoods were generally assessed higher compared to sales prices than higher valued properties, which were generally assessed lower than the sales price.

This tendency was observed by Joel and Joop during an earlier meeting. There was some discussion about possible reasons for this. It was agreed that the PRD (Price Related Differential) used by the revaluation companies to check on this kind of effect is not a very sensitive measure. Bob Manchester pointed out that a Maryland style report would help to show this tendency.

- Too few sales for reliable results in some neighborhoods, need larger sample size.

Joel said that we should give some direction: should we go back in time (perhaps with some adjustment for market changes), forward in time (as possible), or out of town. Joop said that in principle all three were possible, perhaps with some time/location adjustment. It was agreed that some expert advice on this would be needed before the committee could make a recommendation.

- Remaining points

There was no further discussion about the remaining points, except that point 10 should be removed.

Bob Manchester will take his points and the comments made today and compose a draft report.

4. Assessing Board of Review Recommendations

There was some discussion about what could be considered acceptable comparables, since that was not clear. Don Nessing handed out a sheet with a number of conditions as are used in the mortgage loan industry (attached). The committee agreed that these were useful points, with the note that the point “Subject location is equal or better than the comparables” should be modified since we are trying to get an accurate value, not a lower bound.

There was some further discussion about the training for the ABR. Apparently, Doug Gablinske will carry out the training under contract with the town. The committee felt that it should get a preview of the training and should have an opportunity to give comments.

There was discussion about Doug’s point that if an appraiser presented a formal appraisal of a property, the appraiser should stick to arguments related to that appraisal and not advocate for his client outside that. Joel mentioned that as an example he had seen a case where the appraiser realized during the hearing that the Board had granted a lower assessment to a similar, neighboring property than the appraiser had in his appraisal and that the appraiser then changed his approach and started advocating the lower value for

his client based on the argument that his client was disproportionately assessed. Joel stated that the disproportionality argument than should be made by the property owner, not the appraiser. There was general agreement with that argument.

Discussion of the materials sent out by Mike Minardi with possible motions to be made by the ABR during a hearing was postponed till the next committee meeting.

5. Assessment and Revaluation Standards

There is work to be done there, but the item wasn't discussed further.

6. Tax Exempt Properties

Peter DeAngelis had requested that this point be put on the agenda, but since he wasn't in attendance the item was tabled till the next meeting.

7. Agenda for next meeting

The items to be put on the agenda for the next meeting are:

- Review of Revaluation Report (to be prepared by Bob Manchester
- Training for Assessing Board of Review
- Tax Exempt Properties
- Special Abatements

8. Date of next meeting

July 25, morning (exact time TBD)

9. Adjourn

The meeting was adjourned at 9:29PM.

Respectfully submitted,

Joop Nagtegaal, Secretary

I. Points to discuss in Ad Hoc Committee Report

- 1. Committee unable to review preliminary assessments prior to publication.**
- 2. Uniformity in neighborhoods improved.**
- 3. Evidence that lower valued properties within neighbors generally assessed compared with sales prices than higher valued properties.**
- 4. Too few sales for reliable results in some neighborhoods.**
- 5. Need larger sample size.**
- 6. Committee never received current list of sales included, excluded and under study.**
- 7. ±15% IA00 standard is too high to provide uniform assessment.**
- 8. Several problem areas identified by Committee not fixed., ie neighborhood 10, beach area (see 11 Starboard Lane sale) and areas in Hampden Meadows.**
- 9. Zoning used as a basis for assessment after AR told Committee they would not be.**
- 10. How were changes made for example, 6 Apple Tree Lane**
- 11. Standards defining items such as:**
 - a) Documentation when changing assessment/field card***
 - b) Should grade be changed without an interior inspection***
 - c) Easements***
 - d) Wetlands***
 - e) Other factors such as traffic noise, road traffic, proximity to commercial property***

- Style of home: At least 2 comps have the same style of home as the subject.
- Sales price of comparables bracket final value
- Proximity to the Subject is completed by the appraiser and:
 - If located in an "Urban" area, all Comparables are within 12 blocks/1 mile from the subject*
 - If located in a "Suburban" area, all Comparables are 12 blocks/1 mile from the subject *
 - If located in a "Rural" area, all Comparables are within 10 miles from the subject*
 - *if not, appraiser has provided supporting comments justifying greater distances
- Subject location is equal or better than the comparables
- Fee Simple: All comparables are also fee simple
- Above Grade Room Count/Gross Living Area: All comparables are similar to the subject property
- Net Adjustments are equal to or less than 15% of the comparables sales price or explained adequately by appraiser (Note: Calculate the net adjustment by adding and subtracting all of the adjustments in a comparable and divide by the sales price of the comparable)
- Gross Adjustments are equal to or less than 25% of comparables sales price or explained adequately by appraiser (Note: Calculate gross adjustments by adding all of the adjustments in a comparable, even if a negative, and divide by the sales price of that comparable)
- Line adjustments are equal to or less than 10% of the comparable sales price or explained adequately by appraiser (Note: Calculate the line adjustment by dividing the line adjustment by the sales price of that comparable)