

AD HOC TAXATION/ASSESSMENT ADVISORY COMMITTEE MEETING

APRIL 18, 2011, 9:00 A.M., COUNCIL CHAMBERS

1. Call to order

Meeting called to order at 9:03 A.M. by Bob Manchester.

Present were Committee Members Robert Manchester (chairman), Joel Hellmann, Donald Nessing, Robert Dillon, and Joop Nagtegaal (secretary). Also present were Michael Minardi, Tax Assessor; Scott Nagy of AppraiseRI; and Bob Battey of Appraisal Resource, who joined the meeting at 10:30 AM.

2. Approval of Minutes

Upon a motion duly made and seconded, the minutes of the meeting of April 11 were approved unanimously. Upon a motion duly made and seconded, the minutes of the meeting of April 14 were approved unanimously.

3. Public Comments

Gary Morse of 2 Westwood Lane asked whether the public will get to see the neighborhood map before the assessments arrive. Michael Minardi replied that the map is still preliminary and will likely change. He mentioned that Scott Nagy and he did some spot-checks in the Hampden Meadows and noticed some problems that need to be corrected. Don Nessing asked whether we can show the map during the informational meeting on the 27th. Bob Manchester said this wasn't decided yet, the agenda for that meeting and the presentation(s) are still a work in progress. Gary Morse said that in his opinion, there should at least be the possibility of 5 days of comments between the posting of the map and the mailing of the preliminary assessments.

Joel said that map we would present might still have issues that will be corrected later. Gary said his impression of the preliminary map was that there were still lots of problem. Bob Manchester said that the sales data drives the map; if it becomes clear that the assessments don't agree with the sales data in a particular area, the map will be updated. Joop said that even if we would allow 5 days of comments, changes could not be made because the assessments might no longer agree with the sales data. Joop and Joel pointed

out that the map does not solely determine property values. Property sizes and home data have an even bigger influence. Gary said that in his opinion, there is an algorithmic problem with the map. Don reiterated that the map is preliminary, and that it will change as driven by the data.

4. Review and Discuss Weekly Appraisal Resource report

The report, which is attached to these minutes, discusses several aspects of the ongoing work. Bob Manchester asked Michael whether he had looked at the preliminary tables. Michael said he had looked at the various tables (land, building, neighborhood) and that they looked OK to him; which doesn't mean that there couldn't be further changes. Further discussion of the report was postponed till later, since Bob Battey of Appraisal Resource was expected to arrive later.

5. Preliminary Neighborhoods

Michael said that data for only 8 out of 37 plats had been entered so far, so these are the only ones he had been able to review. These plats are located in the Northwest part of Barrington, and generally he felt that the assessments in that area were OK and that no changes were needed in that part of the neighborhood map. However, he also indicated that spot checks in other areas suggested that changes in the neighborhood map will be made. Gary Morse asked about Plat 35; although that plat has not been reviewed, the preliminary data seems to capture the sales in that area quite well.

Bob Dillon asked about the jump in land values between neighborhoods, in terms of a percentage. Michael said it varied: between 80 and 90 it was only 3%, but there was also one jump of about 25%. He also noted that these are preliminary, since field reviews have not been completed and even less data has been entered. There was a question about what would be done with discrepancies between sales fairly soon after 12/31/2010 and assessed values. Michael said he would review such properties and see whether there were any inaccuracies that could explain this. He said that such discrepancies would not usually change the neighborhood parameters.

Joel wondered about land sales, where the assessed value only reflects that the land value whereas after the sale a house has been built. Michael said that the actual assessment will

reflect both land and improvements. Gary asked about the effect of the shape of property on the land value; in particular, will a parallelogram shaped lot be valued lower than a rectangular lot. Scott said that if all else is equal, a parallelogram lot would be worth less than a rectangular lot, but one rarely finds a case where all else is equal. Michael said that really odd shaped lots with significant unusable areas would get a reduction in assessment, but that this does not apply to parallelogram shaped lots.

6. Build value tables

Bob Manchester asked how the building value tables used by Appraisal Resource compared with the building value tables used by Vision Appraisal. Michael answered that the building value tables used by Appraisal Resource are higher than those used by Vision, and consequently the land tables are lower. A long discussion followed about this topic. Michael noted that, based on empty lot sales, it seems that land values have decreased since the previous revaluation. Bob Manchester said that building cost have however not gone up significantly. Joop said that the perceived value of improvements do often not agree with the (depreciated) construction cost of a home: buyers are willing to pay a premium for homes that are in excellent shape because they don't have to do any work, whereas they are willing to pay less than the construction value for a properties that need major work.

7. Current list of Sold Properties Tagged and Excluded Properties

No new list was made available. Bob Manchester said he had a chance to talk with the current owner of 136 Adams Point Road and to learn firsthand about the specifics of the sale. Up to June 9, 2008, the property had been for sale for \$3,850,000 as an unfinished shell with interior partitions.

The current owner looked at the house in June 2008, liked it, but didn't want to have to worry about the finishing so he contracted with the developer for the purchase with finish work, and he made a significant deposit. The owner said that by the time of closing, he realized that the market had changed and that he had probably overpaid, even relative to the market conditions in July 2008, and he pondered walking away from the sale and losing his significant deposit. He didn't do this because he felt that he should honor the

contract he had signed and he certainly didn't want any negative publicity. So, the sale closed on January 22, 2009.

Bob said the history makes clear that this was really a mid 2008 sale, and to use this as a 2009 sale seems inappropriate. Joel suggested that the sale could be included, but at a reduced value to reflect market conditions. Michael said that he had looked at million dollar properties in the state that had sold in 2007/8 AND in 2009/10. He mentioned 3 properties: one in Newport that sold in 2007 for \$2.2M and in 2009 for \$2.1M; one in Jamestown that sold in 2008 for \$5.2M and in 2010 for \$5.7M; and one in Charlestown that sold in 2007 for \$3.35M and again in 2009 for \$2.2M. He said that the latter was a secondary home that was part of a larger portfolio and the owner wanted to get rid of it in 2009, so that sale should really be disregarded. The one in Newport seems to indicate that the market for high end properties was more or less flat. Hence, the argument that high level prices were falling didn't seem to apply.

A further discussion followed, without any particular conclusion. Scott Nagy said that during 2009-2010, the market had been fairly stable.

At this time Bob Battey joined the meeting, and the discussion returned to agenda item 4.

4. Review and Discuss Weekly Appraisal Resource report (continued)

Bob Battey reviewed the remainder of the report. On a question from Joop he answered that the State codes mean the following:

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|----|-------------------------|
| 01 | Single family |
| 02 | Multi Family (2-5) |
| 13 | Vacant residential land |
| 23 | Residential condominium |

8. AppraiseRI Report

Scott Nagy mentioned that the date for sending out the preliminary assessments was incorrect in last week's Barrington Times. It has already been corrected on the website of the Barrington Times and the Barrington Patch has the correct date as well. IlookAbout

will start making images of streets by the end of this week, and will continue early next week. Michael found a picture of an IlookAbout van on YouTube which will be used for publicity.

9. Comments on Policies and Procedures for Informal Hearings

The Policy and Procedures write-up that Richard Nagle created was approved, with the request to add the web-address where the list of qualified sales can be found. The sales will be broken up by State Code, so that people won't confuse different kind of properties (e.g. single family with commercial).

10. Documents describing the revaluation

Bob Manchester asked whether land tables, building tables, depreciation tables, etc. will be made available. Bob Battey said that was not the intent, since it would not really help people to fully understand their assessment. However, in the presentation that will be given on April 27 examples will be shown, and this presentation will also be accessible on the web. Joop showed the Vision Appraisal guidelines document, and Bob Manchester asked whether Appraisal Resource could create something similar. Bob Battey replied that that was possible, and asked Joop to email him the document.

Bob Manchester asked whether the full database will be online. Bob Battey said yes. Bob Manchester asked that a list of new vs. old assessments could be made available online, in spreadsheet form. Bob Battey will look into this, but said he did not want the users to be able to change values – it should be available for searching only. Both Bob Manchester and Bob Dillon assured Bob Battey that this was not hard to do.

11. Review of 2008 appeal results

Joel said that he could not comment on the validity of the results of the 2008 appeals to the Assessing Board of Review, but he had noticed that the decision making process used by the Board seemed somewhat arbitrary at times. He recommended that the Board get better training. A brief discussion followed about what actions should be undertaken regarding the Board, but it was decided that this was not on the agenda and should not be discussed further. However, there was general agreement that this is an important topic and needs to be addressed before the Board starts hearing appeals.

Joop and Joel then discussed what they had observed when reviewing the preliminary sales analysis report made available to them by Appraisal resource. Joop said that he had looked at the data by neighborhood code starting with the highest land value (Code 10) to the lowest land value (Code 90). He noted the following.

- There were only a handful of qualified sales in the Code 10 area, and the sold properties were of very different types. Relying just on these sales may not uniquely determine the CAMA parameters for this neighborhood, and he suggested that additional data be taken into consideration. He also noted that the sale of 285 Rumstick Road was not (yet) included, which was to be expected since the sales analysis was carried out before the last meeting.
- A similar statement could be made for the properties in the Code 15 area, although they showed less diversity. He noted that the high value properties in this area seemed to be under-assessed and the low value properties over-assessed.
- There was only one sale listed in the Code 20 area, so he assumed this area would be examined more closely.
- There were 7 sales in the Code 30 area, with 6 of the sales in one geographic area and 1 sale in a different, non adjacent area. He expressed his concern about assigning a different Neighborhood Code to an area different from its surroundings based on a single sale, and suggested that this be reconsidered.
- There were many sales in the Code 40 area, and Joop said he didn't look at these sales as a group.
- Neighborhood code 50 includes three geographically distinct areas. The total number of sales was 10. The assessments agree quite well with the sale prices.
- Neighborhood 60 consisted of two geographic areas with 2 sales in one area and 10 sales in another area. There was reasonable agreement with the sale prices, although the sum of the assessments in the 10 sales area was about 10% lower than the sum of the sale prices. This might be considered more carefully.

- Neighborhoods, 70, 80, and 90 had all numerous properties, and Joop didn't examine these sales.

Joop said that he had also reviewed properties that were assessed at 120% or more of the sale price and properties that were sold for more than 120% of the preliminary assessments. He said that he didn't see any systematic patterns; typically, there were individual issues with the properties where there was a discrepancy. Almost all of these properties were in areas that hadn't had a field review.

Joel mentioned that he had looked at some sales in the neighborhood where he lives. He discussed some specific properties. He also said there was one sale that was marked as a land sale in the analysis report and showed the assessed land value, but that in the meantime a house had been built. Bob Battey and Michael assured Joel that this will be taken into account in the actual assessment of the property. Joel also said the he was worried that in his neighborhood the higher priced properties got a relatively low assessment and the lower priced properties a relatively high assessment. Michael said he hadn't noticed that during his review, but he and Appraisal Resource would look into it. Joop requested that the statistical measures calculated for the full list of sales also be calculated per neighborhood to make sure that there are no discrepancies between neighborhoods.

12. Agenda for the April 27 meeting

There was general agreement that this was mainly a presentation by Appraisal Resource, but there was a discussion whether a member of the ad hoc committee should act as moderator. After discussion it was agreed that Bob Battey would prepare a draft agenda for the meeting to be discussed during next week's meeting. During that meeting Peter DeAngelis should be present and his input regarding the moderator should be helpful.

13. Agenda for next meeting

Bob Manchester said he would place items on the agenda that were not completed today. He asked all members to let him know about additional topics.

14. Date of next meeting

The next meeting will be held Monday, April 25, 2011 at 9AM.

15. Adjourn

Upon a motion duly made and seconded, it was voted unanimously that the meeting be adjourned at 12:17PM.

Respectfully submitted,

Joop Nagtegaal, Secretary

TOWN OF BARRINGTON STATISTICAL REVALUATION PROGRESS REPORT 4/15/2011

All preliminary tables are in the CAMA system and all property record cards have been printed from AssessPro for field review.

The two field reviewers plus one additional support reviewer have as of 4/15/2011 completed the review on 4000 of the 6800 residential parcels. Again this would include state codes 01 02, 13 and 23. Data entry of the maintenance portion of those parcels reviewed is currently at 2500 parcels. We expect to bring in an additional data entry person beginning on the 20th.

Commercial tables and preliminary pricing has been completed. The review and adjustments are expected to be completed on 4/22/2011.

Bob Battey attended the ad-hoc committee meeting on Monday April 18th. He presented the Appraisal Resource report and contributed as much as possible to the discussion of items on the agenda.

Appraisal Resource will be prepared to mail proposed assessments on the 29th of April and conduct a revaluation workshop on the 27th of April.

Respectfully Submitted,

Appraisal Resource Group LLC