

AD HOC TAXATION/ASSESSMENT ADVISORY COMMITTEE MEETING

April 4, 2011, 9:00 A.M., SCHOOL COMMITTEE ROOM

1. Call to order

Meeting called to order at 9:06 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; Douglas Gablinske of AppraiseRI; and June Speakman, Town Council President, for Jeff Brenner, Ad Hoc Committee Liaison on the Town Council.

2. Approval of Minutes

Upon a motion duly made and seconded, the minutes of the meetings of March 28, as amended, were approved unanimously, with Bob Dillon abstaining.

3. Review and Discuss Weekly Appraisal Resource report

The report, which is attached to these minutes, discusses several aspects of the ongoing work. Note that the field reviews are starting today, two days earlier than the schedule presented last week. Michael Minardi reported that AR has added one extra field review person for a total of four reviewers, in order to make sure the work is completed on time.

4. Review and Discuss Communication Schedule developed by AppraiseRI.

Doug Gablinske discussed his Barrington Revaluation Public Relations Plan and went over the various items to be done. Regarding the last item, that the Vision Appraisal information should be removed, Bob Manchester suggested that the information be retained, but put on a separate web page that clearly states that this contains data for the 12/31/2008 revaluation, with a clearly labeled link to this page on the Tax Assessor's web page.

Doug and Michael will work with Richard Nagle to update Appraisal Resource's multi-media presentation so it refers to the Barrington revaluation and not to revaluations in other towns.

Although the initial Barrington Times article that is supposed to appear this week will cover a lot of the work that is being carried out, there will likely be some activities missing as well as new activities. Hence, Doug expects to publish a subsequent article with follow up on the first one. Joel suggested that we ask Josh Bickford to add a sidebar with the revaluation schedule to the next article.

Bob Dillon asked whether we should publish some information in the Providence Journal. Doug suggested we do this later, when we have more information to publish. Bob Manchester, Don Nessing, Bob Dillon and Joop Nagtegaal will attend the town meeting tonight, when Bob Manchester will give the Town Council an update; Joel cannot make it (at least not at the start) because of another commitment. Doug will check with Peter DeAngelis whether his presence is desired. Doug will also make sure that Bill Rupp of the Barrington Patch is kept informed.

5. Review and Discuss Current List of Sold Properties Listed for Exclusion

Michael said that, as far as he knew, no changes to the list were made other than the five sales which were added to the list by Scott Nagy last week. He pointed out, though, that the reactions to the certified letter that went out last week are just starting to come in and that the list may change as more sold properties are inspected.

6. Review and Discuss Comparison Between Sold Properties to Assessed Values

Bob Manchester handed out a list of properties sold between July 1, 2008 and June 30, 2009, and the assessed values of same properties in the 12/31/2008 revaluation (attached). He said that he had tried to remove any sales from the list that should be disqualified, although he might have inadvertently kept on some sales that should be removed. Properties that were sold for 10% or more above the assessed value are shown in green and properties that were sold for less than the assessed value are shown in red. He said he chose these cutoff points because RI law states that properties should be assessed at its full value or a uniform percentage thereof, not to exceed 100%. He said the main purpose of showing this list is to make clear that, although from a statistical viewpoint the 12/31/2008 revaluation was sufficiently accurate, there were still many properties for which the assessed value differed significantly from the sales price.

Michael pointed out that the 12/31/2008 revaluation attempted to assess the properties at 100% of the fair market value, and that hence asymmetric cutoff values should not be used. He also suggested that he would recommend using plus or minus 10% boundaries, since a plus or minus 5% boundary is too tight. This would reduce the number of over-assessed values in the list from 69 to 27. He noted further that more sales should probably be removed from this list. He said that for instance both the first and the last sale on the list were private sales, where the properties were not listed in the MLS.

Joel made three comments:

- The market was dropping during 2008-2009, and hence the properties sold in 2008 were generally found towards the top of the list and the properties sold in 2009 towards the bottom of the list;
- The home at 20 Williams Street was a wreck when it was sold in 2009, and after it was fixed up it sold in 2010 for more than the assessed value;
- There were definitely neighborhood problems in the 12/31/2008 revaluation.

Bob Manchester re-emphasize that he produced the list to show that even a statistically satisfactory revaluation can still have many assessed values that are significantly different from sale prices. Joel said that errors can indeed not be avoided entirely because appraising is a subjective process. Doug said it is an imperfect process, but that errors can be minimized if good procedures are followed, although a degree of subjectivity is inherent to the process; after all, a buyer's subjective opinion influence the sales price.

Doug asked Bob Manchester to provide the list sorted by sales price, with the color coding unchanged.

A brief discussion followed with respect to the change in sales prices during the last two years. Joop mentioned that the average ratio of sale price to assessed value had been decreasing over the last two years. Michael said that in spite of that, the median sales price has been increasing over the same period. Joop pointed out that the median sales price can be increasing because properties are selling for higher values, or because there is a change in the type of properties being sold, from predominantly low value properties in the beginning of the period to predominantly higher value properties towards the end

of the period. Michael agreed that the latter was probably the case, but that realty organizations typically use the change in median value as a measure whether prices are going up or down.

Michael re-emphasized that when creating a list of sale price to assessed value, that all sales on the list should be properly qualified.

7. Draft Policy and Procedures Document for the Informal Hearings

The general opinion was that this was a good start, and that a document such as this would be very helpful during the informal hearings. Bob Manchester suggested that we discuss the document further during next week's meeting when Appraisal Resource is in attendance. Joop said he would also like to hear Allan Booth's opinion, since the document is based on material provided by him.

Bob Manchester said that he thought the dates in the first bullet about Comparable Sales were perhaps too restrictive. Doug said in appeals in court, judges will usually not allow sales outside the evaluation window as comparables. Sales that are close to the window can typically only be used to support comparable sales data inside the window. Upon a question asked by Joop, Doug replied that this was also true for sales for which the price was agreed in the evaluation period, but the closing was outside the evaluation period.

Michael commented that during a revaluation, it is simply not practical to include sales after the revaluation date. The appraisal company needs to establish values usually in a short timeframe after the revaluation date, and simply does not have the time to investigate sales that were closed after the revaluation date, since it would require expanding the list of sold properties after the process has started. The committee agreed to wait with further discussion of the policy and procedures until next week.

Some further discussion followed about the distribution of the document, on the website and in local publications. Joop suggested that the document be sent out together with the notification letter on April 29. There was general agreement that this would be a good idea, and Doug will look into this further.

8. Agenda for next meeting

The committee asked that a more detailed update be given by Appraisal Resource on the details of the CAMA work, such as preliminary land value and depreciation tables, changes to the neighborhood map, updates on the list of disqualified sales, etc. This update can be given orally; the committee doesn't require written documents for this. The committee confirmed that Doug and Allan should be there, as well as Appraisal Resource.

Bob Manchester said he wants to add a "public comment" session next week, where people can express their concerns and ask questions, so that it becomes part of the public record.

Lisa Browning of 359 Rumstick Road suggested that with the experience gained, the committee might be able to make some recommendations to the State regarding procedures to be followed. The committee agreed that this would be worth considering.

June Speakman said that at the Town Council meeting during the evening, Bill DeWitt has added a point "Tax Exempt Properties" on the agenda. She asked that at least some committee members will stay at the meeting till that item comes up.

Gerald Carrick of 15 Arvin Avenue asked whether the committee had received his letter regarding the pending sale of 6 Winsor Drive. Bob Manchester answered that the letter had been received and had been shared with the committee, the assessor, Appraisal Resource and the Consultants.

Doug Gablinske announced that he would not be able to attend the meeting on April 18.

9. Date for next meeting

The next meeting will be held Monday, April 11, 2011 at 9AM.

10. Adjourn

Upon a motion duly made and seconded, it was voted unanimously that the meeting be adjourned at 10:45AM.

Respectfully submitted,

Joop Nagtegaal, Secretary

TOWN OF BARRINGTON
STATISTICAL REVALUATION
PROGRESS REPORT 4/1/2011

Rich Nagle and John Hocking attended the March 28th meeting of the ad- hoc committee. They contributed as much as they were able to the topics on the agenda.

All inspections from 1st mailing from taxpayers who responded have been completed. 144 certified letters have been sent to taxpayers as a last step in that process. Those inspections will start on Monday the 4th of April.

The preliminary cost analysis has been completed and new land and cost tables have been entered into the cama system.. This will allow for the generation of preliminary values so that the field review can begin on April 4th.

AR started on the analysis of the cost, land and income tables for the commercial property. Commercial pricing will begin the week of April 4th .

We provided the monitors with sample property record cards from the vision and AssessPro cama systems so that the can check the accuracy of the conversion.

Respectfully Submitted,

Appraisal Resource Revaluation Group LLC

Residential Property Sales

July 1, 2008 to June 30, 2009

Property Address	Closing Date	Selling Price	VAT Assessed Value	% Difference
33 Jennys Lane	3/10/2009	1,220,500	768,300	-58.9%
30 Howard Street	3/31/2009	320,500	245,000	-30.8%
4 Broadview Dr	5/29/2009	560,000	442,400	-26.6%
60 Sowams Rd	7/25/1998	369,000	297,400	-24.1%
23 Townsend St	11/3/2008	350,000	284,000	-23.2%
9 Hunt Dr	8/29/2008	390,000	317,800	-22.7%
278 Narragansett Ave	8/14/2008	289,000	235,500	-22.7%
9 Pine Avenue	7/14/2008	465,000	380,400	-22.2%
47 Lamson Road	10/1/2008	550,000	458,400	-20.0%
136 Adams Point Road	1/22/2009	4,794,500	4,006,100	-19.7%
70 Foote Street	10/15/2008	370,000	309,200	-19.7%
5 Veritas Way	8/15/2008	1,070,000	899,500	-19.0%
4 Owings Stone Ave	6/16/2009	605,000	509,500	-18.7%
3 Massachusetts Ave	8/12/2008	615,000	526,100	-16.9%
7 Olive Lane	8/8/2008	1,050,000	900,900	-16.6%
84 Governor Bradford Drive	11/13/2008	750,000	646,000	-16.1%
20 Agawam Road	12/8/2008	500,000	431,900	-15.8%
81 E Spring St	4/30/2009	297,000	258,300	-15.0%
100 Nayatt Rd	8/1/2008	1,525,000	1,333,200	-14.4%
206 Nayatt Rd	7/7/2008	1,742,000	1,523,900	-14.3%
3 Woodmont Court	8/1/2008	550,000	483,100	-13.8%
16 Broadview Dr	6/12/2009	765,000	673,000	-13.7%
10 Stratford Rd	9/5/2008	545,000	480,400	-13.4%
24 Humphreys Road	11/12/2008	379,500	334,700	-13.4%
29 King Philip Avenue	4/9/2009	775,000	686,000	-13.0%
7 Devonshire Dr	6/6/2009	565,000	502,000	-12.5%
68 Adams Point Rd	6/12/2009	1,130,000	1,006,900	-12.2%
22 Walnut Rd	8/29/2008	333,000	296,900	-12.2%
15 Cold Spring Rd	5/15/2009	510,000	456,300	-11.8%
22 East Side Drive	7/11/2008	375,000	336,400	-11.5%
80 Highland Ave	6/16/2009	400,000	360,100	-11.1%
361 New Meadow Road	7/1/2008	345,000	310,600	-11.1%
21 Chachapacasset Rd	4/24/2009	305,000	275,200	-10.8%
16 Fairway Dr	8/15/2008	480,000	434,100	-10.6%
4 Wildflower Rd	9/16/2008	460,000	418,200	-10.0%
25 Pleasant Street	3/30/2009	306,000	278,400	-9.9%
361 Sowams Rd	9/19/2008	650,000	591,700	-9.9%
27 Howard Street	10/28/2008	299,000	273,600	-9.3%
11 Seaview Drive	7/28/2008	777,500	715,300	-8.7%
77 Prospect St	5/1/2009	316,000	290,900	-8.6%
12 Samoset Avenue	3/31/2009	410,000	378,500	-8.3%
11 Christine Drive	4/9/2009	373,000	345,000	-8.1%
42 Anthony Rd	6/19/2009	310,000	287,900	-7.7%
19 Sherwood Lane	2/17/2009	549,900	511,600	-7.5%
3 Grove Street	10/28/2008	350,000	325,900	-7.4%
24 Hawthorne Ave	6/16/2009	651,000	606,600	-7.3%
12 Paquin Rd	6/12/2009	275,000	257,200	-6.9%
9 Stanley Avenue	10/17/2008	299,900	280,900	-6.8%
10 Greenville Drive	7/15/2008	299,000	280,100	-6.7%
35 Chapin Road	7/3/2008	598,000	567,600	-5.4%
6 St Andrews Way	10/10/2008	545,000	519,200	-5.0%

66 Rumstick Road	3/16/2009	532,500	509,200	-4.6%
206 Rumstick Rd	8/12/2008	1,750,000	1,675,700	-4.4%
26 Chapel Road	7/1/2008	440,000	421,500	-4.4%
10 Wright Place	11/5/2008	370,000	355,100	-4.2%
33 Lamson Road	12/1/2008	565,000	543,400	-4.0%
21 Stacy Street	1/26/2009	290,000	279,300	-3.8%
28 Barrington Avenue	7/18/2008	717,000	697,700	-2.8%
7 Glenfield Rd	8/1/2008	445,000	433,500	-2.7%
1 South Lake Drive	1/7/2009	475,000	463,700	-2.4%
32 New Meadow Rd	5/1/2009	1,200,000	1,185,100	-1.3%
7 St Andrews Way	10/2/2008	650,000	643,400	-1.0%
11 Seven Oaks Drive	12/23/2008	385,000	383,200	-0.5%
11 Burr Ave	4/30/2009	270,000	268,800	-0.4%
67 Bay Rd	6/12/2009	720,000	717,500	-0.3%
72 Chachapacasset Rd	5/15/2009	275,000	275,600	0.2%
8 Field Ln	6/16/2009	370,000	371,100	0.3%
2 Roffee St	5/29/2009	250,000	253,200	1.3%
10 Payne Rd	9/19/2008	1,287,500	1,306,200	1.4%
72 Fales Avenue	12/15/2008	315,000	319,800	1.5%
14 Rosedale Ave	6/16/2009	265,000	269,300	1.6%
5 Pine Ave	4/30/2009	310,000	315,300	1.7%
12 College Lane	5/29/2009	380,000	387,500	1.9%
3 Simmons Rd	5/21/2009	342,000	349,100	2.0%
10 Atlantic Crossing	11/18/2008	1,037,500	1,061,300	2.2%
25 Edwin St	6/2/2009	430,000	440,800	2.5%
1 Tallwood Drive	10/28/2008	620,000	637,900	2.8%
4 Clover Lane	1/8/2009	265,000	273,000	2.9%
6 Whipple Avenue	2/27/2009	205,000	212,900	3.7%
1 Whipple Avenue	5/1/2009	220,000	229,300	4.1%
101 County Rd	6/1/2009	547,000	570,800	4.2%
26 Old River Rd	6/5/2009	320,000	334,100	4.2%
26 Old River Rd	6/5/2009	320,000	334,100	4.2%
3 Haines Park Drive	12/12/2008	436,500	455,900	4.3%
2 Beech Tree Court	7/15/2008	535,000	560,200	4.5%
319 New Meadow Rd	9/25/2008	275,000	289,200	4.9%
173 Rumstick Rd	6/5/2009	455,500	479,900	5.1%
173 Rumstick rd	6/5/2009	455,000	479,900	5.2%
228 Rumstick Rd	9/19/2008	1,540,000	1,637,300	5.9%
1 Hunt Dr	9/29/2008	262,500	280,000	6.3%
1 Myles St	5/29/2009	290,000	311,100	6.8%
43 Chapin Rd	6/18/2009	465,000	500,300	7.1%
91 Church Street	3/25/2009	223,000	240,200	7.2%
4 Abby Road	1/20/2009	342,000	368,500	7.2%
8 Circle Drive	11/19/2008	250,000	269,400	7.2%
213 Whipple Avenue	5/1/2009	277,500	300,700	7.7%
20 Western Ave	6/26/2009	187,500	203,800	8.0%
16 Charles Street	10/29/2008	325,000	353,300	8.0%
130 Rogers Avenue	2/27/2009	210,000	228,300	8.0%
2 Glenfield Rd	6/5/2009	492,500	536,000	8.1%
2 Glenfield Rd	6/5/2009	492,500	536,000	8.1%
216 Promenade St	5/21/2009	257,725	281,600	8.5%
6 White Birch Lane	7/17/2008	1,100,000	1,203,100	8.6%
32 Linden Road	11/7/2008	400,000	438,500	8.8%
107 Massasoit Avenue	2/27/2009	305,000	334,600	8.8%
1 Beach Road	2/20/2009	316,000	347,400	9.0%
12 Foster St	8/14/2008	327,000	362,700	9.8%
12 Wdgewood Lane	8/1/2008	365,000	407,500	10.4%
16 Stanley Avenue	11/14/2008	295,000	330,100	10.6%
26 Walter St	10/10/2008	245,000	274,400	10.7%
14 Claremont Avenue	2/24/2009	292,500	328,100	10.9%
188 New Meadow Rd	6/18/2009	243,000	274,300	11.4%
14 Richmond Ave	6/30/2009	235,000	267,500	12.1%

Freemont Avenue	10/15/2008	465,000	531,500	12.5%
50 Roffee St	6/25/2009	270,000	310,800	13.1%
307 New Meadow Rd	6/30/2009	355,000	410,800	13.6%
8 Indigo Rd	6/12/2009	305,000	356,700	14.5%
20 Roberta Drive	2/6/2009	294,000	345,000	14.8%
19 Middle St	5/18/2009	257,500	307,000	16.1%
12 Third Street	3/27/2009	269,000	322,700	16.6%
30 Wright Avenue	1/13/2009	165,000	199,800	17.4%
496 Maple Ave	6/9/2009	339,000	411,100	17.5%
16 Evergreen St	6/12/2009	212,500	257,800	17.6%
15 Fredrick Place	10/31/2008	313,000	387,800	19.3%
18 Houghton Street	1/30/2009	270,000	337,900	20.1%
1 Mathewson R.	5/18/2009	572,000	752,000	23.9%
7 Vineland Drive	10/29/2008	170,000	228,200	25.5%
1 Meadowbrook Drive	12/23/2008	235,000	317,100	25.9%
8 Echo Dr	6/12/2009	375,000	554,700	32.4%
167 Mathewson Rd	6/2/2009	810,000	1,201,100	32.6%
137 Bay Spring Ave	5/29/2009	135,000	201,600	33.0%
3 Knapton Street	2/23/2009	192,000	300,200	36.0%
20 Williams St	6/11/2009	144,000	232,400	38.0%
99 New Meadow Rd	4/10/2009	500,000	1,107,200	54.8%
Totals		67,871,525	66,809,700	
			Std Dev	15.2%

Summary Information Using FMV - 10%

	Number	%
Assessed Below FMV	34	0
Assessed Within 10% of FMV	31	0
Assessed Above FMV	69	1
	<u>134</u>	<u>1</u>

Background:

Sales data for residential properties sold from July 1, 2008 through June 30, 2009 obtained from MLS records and from the Warren Group databases. The twelve month period was selected to span the approximate midpoint of the December 31, 2008 assessment date. Data was screened by real estate professionals with knowledge of the market to eliminate distressed sales, such as sales of bank owned properties and short sales, and any transfers deemed not to be arms length. The result is a sample database of 134 properties or approximately 2.4% of the residential properties in Barrington.

The Supreme Court of Rhode Island has consistently held that "fair-market value means 'that price the property would probably bring in a transaction in a fair market between a willing seller and a willing buyer.'" The 134 sale transactions represent such fair market values. The sale price of each property was compared with the assessed value as set forth in the Vision Appraisal Technologies web site after the April 2009 changes were posted. The percentage difference between the sale price (the fair market value) and the assessment were then calculated. The table above contains the data described and has been sorted by the percentage difference.

Under Rhode Island law, "All property subject to taxation shall be assessed at its full and fair cash value, or at a uniform percentage of its value, not to exceed one hundred percent (100%)." By Rhode Island law, any property assessed above its recent selling price could be deemed to have an assessment that is above its fair-market value and therefore in violation Rhode Island law. Fully 51.5% of the sold properties have assessments above the selling price. Assuming that any property assessed from 90% to 100% of its selling price is deemed to be assessed at its fair-market value then 34 properties (25.4%) are assessed below that range and only 31 of the 134 properties are within 10% of fair-market value.

***** Policies & Procedures for Informal Hearings *****

All hearings are private in nature and not part of a public meeting

- Commercial: All appeals of commercial or industrial properties **MUST** include an income and expense statement for the three years preceding the revaluation date of 12/31/2010. This information is required even if your appeal is based on another method of appraisal.
- Comparable Sales: Sales that closed between January 1, 2009 and December 31, 2010 were reviewed as part of this revaluation assignment. Sales outside of that time range will not be considered by the hearing officer or the Project Manager.
- Comparable Sales: Appraisal Resource will have a list of qualified sales that were judged to be "**Arms-Length-Transactions**" or those sales that were not distressed in nature, or eliminated for other reasons (family sales, estate sales, short sales, etc.)
- Corrections: Any corrections will be made by the Project Manager, not the hearing officer. Results of these corrections will be mailed to you with a revised assessment.
- Decisions: The revaluation company reserves the right to withhold a decision until a property is inspected, requested documents are provided, or they have sufficient time to review your claims. However, final values **MUST** be turned over to the Town by May 23, 2011.
- Estimate of Value: You may present an estimate of property value in the form of a written appraisal report performed by a **Rhode Island licensed or certified appraiser** indicating what his/her estimate is as of December 31, 2010.
- Evidence: Any documentation/photographs you bring with you to your hearing must be left with the hearing officer for further review (the hearing officer does not make decisions, the Project Manager does). If you choose not to leave the evidence it **will not** be considered by the Project Manager.
- Hearing Dates: You, or your representative, **MUST** attend the hearing on the hearing date. Your hearing may be rescheduled if extenuating circumstances exist (the mere fact that you may reside or otherwise will be out of Town or State on the date of your hearing in and of itself does not constitute extenuating circumstances).
- Hearing Time: Each appeal is scheduled for a specific amount of time (generally 15 minutes) and on a specific day. You are required to be on time, present your case and asked to stay focused on the area you believe caused the alleged inaccurate assessment.
- Refusals: Anyone may appeal their property assessment to Appraisal Resource. However, if you refuse to allow representatives from Appraisal Resource to verify claims you make at your hearing **no changes** will be made to your property record card.
- Research: The hearing officers are there to; listen to your arguments, take notes, and pass these notes onto the Project Manager. The hearing officers cannot do your research for you.
- Walk-Ins: It is *possible* that you may be able to get a hearing without calling ahead of time for an appointment. However, it is expected that the schedule will be very tight and you may have to wait a considerable amount of time for a free hearing officer.