

AD HOC TAXATION/ASSESSMENT ADVISORY COMMITTEE MEETING

MARCH 26, 2012, 8:30AM, Library Meeting Room

1. Call to order

Meeting called to order at 8:36 A.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, June Speakman, Town Council President, and Peter DeAngelis, Town Manager.

2. Approve Minutes of July 11 and October 3, 2011 Meetings.

The minutes of the meetings of July 11, 2011 were reviewed and approved upon a motion duly made and seconded. Subsequently, the minutes of October 3, 2011 were reviewed and approved with one amendment upon a motion duly made and seconded.

3. Public Comments

There were no public comments.

4. Standards for Barrington Property Assessment

Bob Manchester described the meeting that was held on March 12 between representatives of the Town and Barrington for Equitable Taxation (BET). In that meeting, the Town was represented by June Speakman, Jeff Brenner, Peter DeAngelis and Michael Ursillo, and BET was represented by Bob Manchester, Gary Morse, Joop Nagtegaal and Bill Landry. During that meeting, a consensus was reached that it would be useful to develop Barrington specific assessments standards, as well as guidelines for training and discharge of duties by the Board of Assessment Review (BAR). These standards and guidelines would go into effect for the next revaluation on 12/31/2014.

Bob described several examples where in the assessment process better standards might be helpful, and also observed that several states have enacted much more detailed standards than Rhode Island.

During the meeting on March 12, it was also agreed that the ad hoc committee would initiate the work on assessment standards and BAR guidelines, and would make a proposal to the Town Council how to proceed. If the ad hoc committee would propose that one or more paid professional consultants should be hired to assist with the development of these standards and guidelines, and the Town Council agreed, the Town and BET would share in the cost of such consultants.

Don Nessing noted that for the 12/31/2010 revaluation the Town engaged AppraiseRI as advisor, and wondered whether as part of that contract AppraiseRI would be obliged to support the work on standards and guidelines. Peter DeAngelis explained that AppraiseRI was engaged only for the 12/31/2010 revaluation and has no further obligation to the Town. Michael Minardi noted the Doug Gablinske of AppraiseRI thought that the BAR could indeed use some help.

June Speakman asked whether the ad hoc committee was willing to take on this task. Bob Manchester noted that the ad hoc committee was appointed for a period long enough that it would cover the 12/31/2014 revaluation. The committee members all agreed that this was an appropriate task for the committee.

Don Nessing asked what kind of standards would have to be developed: would the standards be limited to the selection of the mass appraisal firm, or would it go beyond that, and if so whether the standards would conflict with the procedures typically used by mass appraisal firms.

Bob Manchester replied that the intent is to develop standards for the assessment process itself. He noted that the standards should not be conflicting with state law, accepted mass appraisal procedures, and IAAO standards, and hence input from a mass appraisal firm would be required.

Joel Hellman stated that, though the standards wouldn't resolve all issues, they would be helpful. He could see a series of procedures described in the standards: initially follow plan A, if that doesn't work then follow plan B, etc.

Joop Nagtegaal noted that he is by now very familiar with the Computer Assisted Mass Appraisal (CAMA) process, and that he could identify a lot of steps in the CAMA process that require subjective assessments.

Bob Manchester suggested that it might be useful to invite Rich Nagle of Appraisal Resource to one of the following meetings to give his view on the development of standards.

Joel Hellman asked about the cost of the appeal process (other than the abatements themselves). Peter DeAngelis replied that for the current revaluation the only cost of the BAR hearings is the presence of Michael Minardi and Joanne Mangione; the town solicitor hasn't been attending. Of course, if a taxpayer goes to court the cost for the town will be significant. Joop noted that in his opinion the reduction of the cost of appeals was not the main target; the most important aspect is that taxpayers feel they have been treated fairly.

Joel Hellman said that we should get information from more than one source. Peter DeAngelis said he is concerned about large swings in property value from revaluation to revaluation, and wondered whether we should get a presentation by Dr. Harvey Waxman about his proposal to replace the property tax with an owners tax. Joop pointed out that his approach requires changing Rhode Island law, and that the approach can lead to very unequal tax distributions over time depending on when a home is sold. He mentioned the issues this has raised in California where this kind of approach has been adopted. [For more information about this approach see www.righttax.org.]

Bob Manchester said that since Barrington is essentially a fully built-up community, relative property values shouldn't change much over time. Joel said that major relative changes in value between neighborhoods can occur over time because of market changes. Joop said that very big and unjustifiable price swings often occur if assessments in a "neighborhood" are based on few sales; the new standards should try to address that.

The committee then discussed who should be invited to the committee with the development of [Barrington specific] standards. The following professionals were suggested:

- Rich Nagle of Appraisal Resource
- Allan Booth, Newport Tax Assessor
- A qualified real estate appraiser from Massachusetts
- Dr Waxman (perhaps)

The committee agreed to meet with Rich Nagle first, and to try to do this on April 2.

5. Role, Responsibilities and Annual Legal Training for Assessment Board of Review Members regarding the hearing of assessment appeals

Bob Manchester said that it would be good to first hear a presentation by Michael Ursillo about the legal aspects. There were no further comments.

6. Sales data 2010-2011

Bob Manchester said he had received the 2010-2011 sales data from Michael Minardi. Michael pointed out that the data are the “raw” data, including sales that normally would be disqualified such as bank sales, foreclosures, etc. There was some discussion about how to “scrub” such sales in the data. Bob Manchester said that he would remove all the sales involving a financial institution and move forward from there.

7. Date of next meeting

The next meeting will be on April 2, place and time TBD. Bob Manchester will contact Rich Nagle and coordinate time and location with Peter DeAngelis.

8. Adjourn

The meeting was adjourned at 9:53AM.

Respectfully submitted,

Joop Nagtegaal, Secretary