

City of Berlin, NH

Board Of Assessors

Minutes of Meeting

October 17, 2018

Location: Assessor's Office, City Hall



Present: Robert Goddard, Chair of Board of Assessors
Mark Eastman, Member of Board of Assessors
Kem Rozek, Member of Board of Assessors
Bryan Chevarie, Assessing Coordinator
Jim Wheeler, City Manager
Rob Tozier, KRT Appraisal (via phone)

1) **1) CALL TO ORDER**

The meeting was called to order at 5:00 PM.

2) **ROLL CALL & PLEDGE OF ALLEGIANCE**

Chair Robert Goddard – In attendance
Member Mark Eastman – In attendance
Member Kem Rozek – In attendance
Those in attendance recited the Pledge of Allegiance at this time.

3) **REVIEW & APPROVE MINUTES DATED SEPTEMBER 25, 2018**

The minutes of the meeting of September 25, 2018 were sent to the Board for their review prior to this meeting. Kem Rozek confirmed with the group that the hearing phase that is typical with a statistical update will not be a part of the value update that was discussed at the prior meeting. Robert Goddard confirmed same, citing time constraints as the reason and reiterated that the Department of Revenue has given the City the authorization to proceed. Mark Eastman made a motion to accept the minutes as typed. Kem Rozek seconded the motion. All in favor, the motion carried.

4) **STATISTICAL UPDATE**

Members of the Board of Assessors discussed a variety of apprehensions that they have related to the statistical update that is being conducted by the City's contracted assessing company, KRT Appraisal. These trepidations were primarily related to the time period analyzed for the update and general questions relating to the methodology of the process.

At 6:33 PM Rob Tozier of KRT Appraisal joined the conversation remotely via telephone. In regards to the timeframe analyzed, he explained that it is very typical for a statistical update to extend beyond one year in order to gather a sufficient amount of data for each sales strata. Members of the Board were concerned that extending the analysis back to April 1, 2017 would dilute or profoundly alter the sales statistics. Rob Tozier explained that he doesn't believe the numbers would be significantly different if the sales were only used from September 1, 2017 through August 31, 2018.

The group discussed why some properties will see an increase in assessed value while their neighbors may see a decrease. The Board was concerned that this may seem unfair to some

taxpayers. Rob Tozier explained that the idea of increasing every residential parcel's assessment by the same percentage would not address the coefficient of dispersion (COD), which is currently not within the Department of Revenue's acceptable guidelines.

The Berlin real estate market was analyzed in a variety of ways for this update. The reason a certain property's value may decline while a neighbor's value increases has to do with building size, age, style, and other factors. Specifically, the market seems to be putting more of an emphasis on building sizes and ages when compared to other characteristics. Property sales were broken up into quartiles as part of this analysis. Neighborhoods are not all homogenous in terms of building characteristics and at its core, assessed values are driven by the market. There was discussion regarding land sales and proposed land values. Rob Tozier explained that four qualified land-only sales were used in this analysis. Though not ideal, he explained, four sales are sufficient and their sales-to-price ratios were all consistent and thus had a tight COD. Robert Goddard asked if apartment buildings with four-plus units were involved with the update since these are typically treated differently than single, two, and three-unit buildings. Rob Tozier explained that these large apartment parcels are tied in with the same depreciation schedules and land curves as the other residential properties and therefore were included in the analysis.

Rob Tozier explained that assessing a community like Berlin has challenges that don't exist in many other places. Our low values, dictated by the market, leave a very small margin of error when compared to somewhere like Portsmouth. If an assessment is off by 10% of the sales price on a \$500,000 property that leaves \$50,000 on either side of the price, whereas in Berlin, 10% of a property selling for \$60,000 would only be \$6,000 – the cost of a smaller upgrade such as new windows. Berlin is also host to a disproportionately high amount of older properties when compared to many other parts of New England. This commands that there is a lot of room for disparity in terms of upkeep. For this reason, Berlin should expect to receive more abatement applications than many other communities.

When asked if this model that has produced new residential values is an accurate measure of the real estate market in Berlin, Rob Tozier said that the statistics speak for themselves. He is confident that these new values are a better representation of the real estate market in Berlin versus the values that were in the database just a couple weeks prior. The Board asked Rob Tozier to run a sales analysis between September 1, 2017 and August 31, 2018 to see if there are any significant differences between the two studies.

Rob Tozier will run a series of reports and will send his analysis to the Board for their review in the upcoming one to two days. Members of the Board of Assessors will reconvene shortly thereafter to discuss the issue further. The call ended at 7:35 PM.

5) PSNH/EVERSOURCE TAX YEAR 2017 APPEAL

Jim Wheeler explained to the group that PSNH/Eversource has filed an appeal with the Board of Tax and Land Appeals for the 2017 tax year. Our contracted utility appraiser, Skip Sansoucy and City Attorney Chris Boldt and DTC Lawyers will be representing the City in the matter.

At this time, Kem Rozek made a motion to table the remaining agenda items as the discussion of the statistical update took much longer than anticipated. The remaining agenda items will be revisited at the next meeting, which the Board expects to occur soon. The motion to table the remaining items was seconded by Mark Eastman. All in favor, the motion carried.

The meeting ended at 8:20 PM

Respectfully submitted,
Bryan Chevarie, Assessing Coordinator

* Note: These minutes are unofficial until they have been accepted by the Board of Assessors by motion.