

**TOWN OF WATERVILLE VALLEY
BOARD OF SELECTMEN
SPECIAL MEETING MINUTES**

DATE: September 11, 2017

MEMBERS PRESENT: Chairman Mike Aronson and Bill Larsen.

MEMBERS ABSENT: Margaret Turner.

OTHERS PRESENT: Vicky Ayers of NH-DRA), Phil Bodwell of NH-DRA, John Hatfield of CNP, Mark Decoteau, Judy Rolfe and Sharon Charron.

1. The meeting was called to order at 10:00 a.m.

2. Town Assessing Review.

The purpose of the meeting today is to discuss the sales data which is being used in the town wide property reassessment. As a whole, the board expressed concern for the small amount of sales, and asked if some sales could be reviewed as to being qualified sales used in the calculations for the new assessed values.

Mike Aronson states there are some land only and land/home sales within the last year which were sold far below market value and believe that these sales should be disqualified from sales data calculations. The land sales in question were sold by WV Realty to generate quick sales. The land/home sales in question were all older homes, which were in need of major repairs, and consequently all of these homes are now being renovated by the new owners. The majority of the home sales were also part of settling estates for their owners who had inherited or acquired these homes via family transactions. Additionally, newly assessed single family homes are assessed at less than the cost of building and/or improvements. Overall, there are not a lot of SF sales in town, which makes the assessment process more difficult. Mike was disappointed that local realtors were not contacted for additional information on the sales which occurred, as they could provide information on the sales not necessarily known to assessors otherwise.

John Hatfield explained that because there is a small sample of sales, the current asking prices for homes on the market are also considered, as well as previous years' sales. There are about a dozen homes on the market now, and these asking prices will be compared to the new values. He will also look at the land only sales, and disqualify any if it was purchased by an abutting property owner, from a family settlement or to generate a quick sale.

A comparison sheet from old values to new values was distributed and based upon the preliminary numbers the loss of value combined is just over 2%. Discussion followed concerning the assessment process and the state requirements for assessing. Ratios were also discussed and how the low number of single family home sales, as compared to condo sales, affects the ratio as a whole.

John was asked how building values are determined. He replied that a number of factors are used and those included: 1) sales data, 2) house size or square footage, 3) quality and age of home and/or improvements, 4) home replacement value compared to sales, 5) number of bedrooms/total rooms. Additional items which are also considered and are more subjective information including 1) style of home, 2) land views, 3) location/neighborhood, and 4) depreciation. This subjective data is harder to measure, and this is where variations will occur, for example, between 2 homes of the exact same building and lot size.

Concern was expressed for those taxpayers whose assessment increased, and will also have a tax rate increase, to offset the town-wide total assessment loss of close \$9M. Some condos have increased in value, and this is actually where most of the increases occurred. The majority of SF homes have decreased in value. Mark added that what most taxpayers will be asking is the question that if their home was placed on the market for sale, is this newly assessed value in line with the fair market value. Fair market value is defined as what is the agreed upon price between a willing seller and a willing buyer in a reasonable amount of time. The replacement cost of a home/property does not factor into the fair market value definition.

The next step is to request an extension of the MS-1. Mark explained that the request date should be for 9/29/17, which would enable the town to obtain the tax rate from the state during October. The DRA representatives were asked if there were any other options, other than the extension, such as to leave the values in place for 2017 and then make changes for the 2018 year. Due to the state law requiring a full town wide reassessment every 5 years, this was viewed as a radical decision by DRA, and it was uncertain whether this would be allowed. Discussion followed with concern expressed by the BOS about the low number of sales of single family homes and how this affects the ratio study. The up and down swings each year within the ratio study for single family homes are representative of the real estate market, for better or worse. Due to the low volume each year it was proposed if we could extend the time range for sales and this was viewed as then using outdated sales for current assessments. Less than 20 sales have proven to be inaccurate as data samples historically, as is demonstrated in the current situation. Assessing standards must be used as they currently exist, as all towns in the state must adhere to the same standards. DRA agents were asked if any other NH communities have encountered the same situation. It was answered that yes, it does occur and the towns of Jackson and Bartlett were given as examples.

Two separate drafts of a letter to homeowners regarding their assessment changes were also reviewed and commented upon by the BOS. There was a long letter as well as a short letter and the short letter was selected to send out.

Bill Larsen motions to approve the extension request for the MS-1 report to DRA through Sept 29, 2017.

Mike Aronson: 2nds.

Motion was carried by a unanimous voice vote.

The BOS asked the DRA representatives if there were any other options if they new assessed values were not accepted by the board. Phil Bodwell of DRA said he'd have to check with his superiors if this was the town's position.

Questions were also asked about other assessing yearly numbers, such as the sales ratio study, and the equalization factor, the ranges allowed by DRA and the changes from year to year.

3. Privilege of Floor

None.

Bill Larsen motions to adjourn the meeting at 11:12am.

Mike Aronson: 2nds.

Motion was carried by a unanimous voice vote.

Respectfully Submitted,

Sharon Charron

Town Clerk/Town Office Assistant