

# **Board of Civil Authority & Tax Abatement**

Minutes

August 9, 2017

The East Montpelier Board of Civil Authority & Tax Abatement met on Wednesday, August 9, 2017, as warned:

## **WARNING**

**Board of Civil Authority & Tax Abatement**

Hearing

Wednesday, August 9, 2017

At the Town Municipal Building

7:00 pm

Present: David Grundy, Rebecca Reed, Michael Duane, Florence Morse, Ginny Burley, Ed Deegan, Ross Hazel, CJ Flynn, Gene Troia, Amy Willis and Appellants Ross & Devon Mroczek and Deane Hedges.

### **Appeal Hearing, 1: Clark appeal of Lister Grievance**

The hearing was called to order at 7:00. The Board members swore the Oath aloud, and Chair Grundy swore in the Appellants and the Lister.

Ms. Helen Clark was represented in this matter by Mr. John T. Waldo, Real Estate Appraiser. Neither Ms. Clark nor Mr. Waldo appeared at this hearing but Mr. Waldo provided a one page document and asked that it be distributed to all BCA members attending the hearing. This document listed 8 local properties (6 in East Montpelier) and this included sale dates between 2010 and 2014 and Comparable Land Sale figures.

The 6 properties he listed that were in East Montpelier were on Quaker Road, Captain Kidd Road, and two apiece on Towne Hill Road and Old Farm Road. They varied greatly in year sold, type of location and total acreage. Mr. Waldo is requesting that the Town assessments on Ms. Clark's parcel be reduced from \$ 112,500 to something less than \$40,000 (the properties he listed on the provided document varied in price between \$ 40,000 and \$ 65,000). He also specified that he and Ms. Clark intended to continue to pursue this adjustment, even beyond this decision, and he courteously requested that he be provided with a copy of any decision rendered by the BCA.

Lister Ross Hazel then provided an 11 page packet of information that shows the method used to rate this property. His packet included a newly taken photo, as well as a panoramic photo, a tax map, the site grade chart with modifiers and a guidelines key, and an itemized property costs statement for the Quaker Road Comp, along with a map of the inaccessible area behind the property and the CAMA itemized property costs sheet. He explained that the listers use the CAMA system which breaks down the acreage differential rate, the extra acreage, the grade factors of each parcel pertaining to the various elements accordingly which considers the land grades, and the neighborhood, etc. The BCA members asked several clarifying questions regarding this process.

The Board then clarified with Mr. Hazel how his calculations were done, and reviewed the details of the last appraisal, which was done in 2009. The Board asked some questions regarding whether a re-appraisal was warranted at this time and Mr. Hazel explained that the C.O.D. (the Coefficient of Dispersion) was not currently high enough to warrant a re-appraisal. He further explained that there is a difference in these ratings, based on residential use versus commercial use, as well as differences in the purchase values and the assessed values due to the market circumstances in the sale of each property. He reiterated that the listers try to be fair and impartial and follow strict protocol.

The inspection team of Michael Duane (Team Lead), Florence Morse and Dave Grundy will meet at the site within the next ten or so days.

## **Appeal Hearing, 2: Mroczek appeal of Lister Grievance**

This hearing began at approximately 7:25 pm. BCA member Gene Troia recused himself due to a conflict of interest issue between himself and Mr. and Mrs. Mroczek.

Lister Ross Hazel then provided a 4 page packet of information that shows the method used to rate this property. His packet included a newly taken photo (which reflected damage done to the roof in the recent storms) as well as an itemized property costs statement, a sketch of the floor plan, and the Quality Valuation calculation grid used in the calculation of the quality of a structure. He reiterated that the listers use the CAMA system which breaks down the acreage differential rate, any extra acreage, the grade factors of each parcel pertaining to the various elements accordingly which considers the building construction, the neighborhood, etc.

The Board then clarified with Mr. Hazel how his calculations were done, and reviewed the details of the last appraisal, from 2009. Mr. Hazel explained in some detail how Quality Grading is done, and reiterated that there was a diversity of Home Sale prices due to the gap in appraisal years. He also reminded all present (again) that the Listers always strive to be fair and impartial and follow strict protocols.

Mr. & Mrs. Mroczek then explained their appeal position using a previously prepared Power Point presentation, breaking down Fair Market Values in detail. Their house was built in 2008. Mr. Mroczek stated that he had done some independent research using the Real Estate Handbook. He then touched on Real Estate listing price and presented 4 Home Comparables (Clark Road, Towne Hill Road and 2 on East Hill Road).

They included Washington County Comparable metrics from VermontRealtors.com and various other appraisals including floor plans and photos. They stressed differences were due to, among other things, differences in the homes' square footage, and in acreage, even the number of bedrooms or bathrooms, which lead to multiplier differences, variables in valuation, and differences in depreciation which were effected by covenant restrictions. Mr. Hazel countered that the strength of CAMA was that it took all these differences into account.

Mr. Hazel stated for the record that the Listers do not "chase the market", for consistency's sake. He stressed that there is a subjective element to all assessments. A brief discussion

ensued regarding Curb Appeal and Panache. The Board asked several questions regarding Square Footage variations and Valuation Changes (there were none).

Mr. Mroczek made a final statement asking for details regarding what the process is going forward.

The inspection team of Becky Reed (Team Lead), Ginny Burley and Ed Deegan will meet at the site within the next ten days or so.

### **Appeal Hearing, 3: Hedges appeal of Lister Grievance**

This hearing was called to order at approximately 8:00 pm.

Lister Ross Hazel then provided a 3 page packet of information that shows Mr. Hedges original letter, an itemized property costs statement along with a 2008 valuation statement. He explained that during the original grievance hearing, it was presented that the company's figures were higher than the town's. Their asking price was \$ 450,000 vs. \$ 200,000 from the Fire District via the state. Mr. Hazel pointed out that the Listed Value of \$ 320,000 is close to the average of these two figures (\$ 325,000).

Mr. Hedges said that the State's valuation of \$ 200,000 was far too low, and that their business has been severely affected by the Water Company being "abandoned" by the Fire District and the Town. He stated that no other surrounding area town taxed their Community Water Systems, since the townspeople benefit from the water and this amounts to taxing the Water Company twice. Mr. Hedges explained that the Water Company was a non-profit, so that although they had not had a rate increase in 23 years, they were not losing profit, even if they were losing money.

Mr. Hedges complained that the issue in Vermont townspeople had no obligation to deal with Crystal Springs because they always retained the ability to dig their own well. Mr. Hazel elected to offer no rebuttal to Mr. Hedges statements although he did say that the Water Company has a right to the spring but does not own the spring. The Board asked if Mr. Hedges wanted the valuation reduced to the amount of the potential loan value. Mr. Hazel did not care to speculate on how the state would feel about this. Potentially, this figure might come down during a new appraisal (see notes on new appraisal above).

Mr. Hedges speculated that he'd lost approximately 11 customers to wells being dug instead, as of 2009. A Board member pointed out that the numbers being presented by the Water Company in their Annual Report were inconsistent. Mr. Hedges declined to make any additional statement and there were no further questions.

The inspection team of Ed Deegan (Team Lead), Gene Troia and Amy Willis will meet at the site within the next week to 10 days.

The appellants and Mr. Hazel were then thanked, and dismissed by the Chair, Mr. Grundy. Motion made and second received to go into Executive Session for discussion.

Out of Executive Session, it was decided that the Board will reconvene on Wednesday, August 23, 2017 at 7:00 pm.

The Board decided to address the Voter Checklist issue through individual review and then take it up at the next meeting.

Motion made and many seconds received to adjourn-all voted in favor and meeting adjourned at 8:45 pm.

Respectfully submitted,

CJ Flynn