

**TOWN OF DERBY  
BOARD OF CIVIL AUTHORITY  
TAX APPEAL HEARING MINUTES  
September 10, 2020**

**MEMBERS PRESENT:** Brian Smith, Doug Spates, Sharron Greenwood, Frank Davis, Loren Shaw, Grant Spates, Elizabeth Bumps, Al Loukes, Shirley Fournier & Karen Jenne-Chair, Town Clerk-Faye Morin.

**LISTERS PRESENT:** Susan Best, Stephen Cross, Nancy Moore & Matt Krajewski (New England Municipal Consultants, Ltd)

**MEETING CALLED TO ORDER & OATHS:**

Karen-Chair gave the oaths to all present in previous hearings

**DISCUSSION OF OTHER BUSINESS:**

Karen- Chair Read a letter from VLCT at the State of Vermont on the proper procedures of appeals being withdrawn. That being said the board reopened previous cases to follow the correct procedures.

**TAX APPEALS WITHDRAWN:**

**John & Nancy Hall Parcel ID # RT105026I6.T**

Karen- Re opened the John & Nancy Hall hearing scheduled on September 8<sup>th</sup> 2020.

Grant – moved to re open the hearing with John & Nancy Hall, Al Loukes seconded. Karen-Chair read the email to Faye Morin – Town Clerk dated September 8<sup>th</sup> 2020. By this letter we hereby wish to withdraw our appeal, and accept the Listers value set on August 5, 2020. Sincerely John & Nancy Hall.

Doug Spates moved to accept the tax value as set by the Listers on August 5<sup>th</sup> seconded by Frank Davis. No further discussion motion carries.

**Scott Warthin Parcel ID # TRD32060L4-T**

Karen- read the letter from Scott Warthin to Faye Morin – Town Clerk dated September 10<sup>th</sup> 2020. I hereby wish to withdraw my appeal, and accept the Listers value set on August 5, 2020. Scott Warthin.

Al Loukes – moved to accept the tax value as set by the Listers on August 5<sup>th</sup> seconded by Grant Spates. No further discussion motion carries.

**Frederick & Helen Speckels Parcel ID # SESAL023J7-T**

Karen- read the email to Faye Morin – Town Clerk dated September 10<sup>th</sup> 2020. I hereby wish to withdraw my appeal, and accept the Listers value set on August 5, 2020. Frederick & Helen Speckels.

Doug Spates – moved to accept the tax value as set by the Listers on August 5<sup>th</sup> seconded by Grant Spates. No further discussion motion carries.

**TAX APPEALS:**

Karen explained the procedure appellants will go first having 8 minutes to present their case then the Listers will proceed with 7 minutes with any questions or comments for the appellants, all the evidence will be provided for the Board. The Board will ask any questions they may have, and then the Board will schedule an inspection committee of 3 members that will go to the appellant's property to do the inspection and after that the board will provide the results of their inspection.

**CASE # 1 PARCEL ID # LAKPK033A1.T CONRAD & RITA LAWSON 1263 EAGLE POINT RD 5:30 P.M.**

Karen-Chair explained the rules of procedure to Conrad & Rita Lawson who will present their case and gave them the oaths. She also stated that each meeting will be only 15 minutes, 8 for the appellant and 7 for the Listers. Karen- Chair then read the Vermont State Law requirements with the COVID 19 about appeals and inspections. Inspections need written approval in advance.

### **Appellant – Conrad & Rita Lawson**

Conrad states that his property is valued a lot higher than any other in the area. The neighbors properties are all fairly new houses and in better condition than our home. Our house was built in 1970's compared to others built in Eagle Point and Lake Park area that are newer, better condition and quality houses, nice garages with apartments above, studios and we don't have any of that. We want you to come and inspect the inside and compare it with Jarret Moylan's property valued at \$526,600.00 Thomas Petit assessed at \$642,000.00, Dave Oliver assessed at \$539,300.00 and Jeff Blank assessed for \$506,700.00 and I am assessed at \$633,600.00. I have 3 buildings, my house, a guest house and a garage, my house was built as a summer home but we live there year round.

Frank Davis – You have a new roof when was that put on your house? This year in the spring after April 1<sup>st</sup>, Conrad said. Frank – When was the guest house roof redone? About 4 or 5 years ago Conrad answered.

Al Loukes – What is your house assessed for? \$104,600.00 house & garage and the Land at \$479,700.00 the guest house is \$40,300.00.

Brian Smith – You have one of the most unique properties in Derby you have your own peninsula. Mr. Lawson agreed. Frank asked if Conrad has ever been in the houses that he used as comps. He said yes.

### **Listers – Sue Best**

Stephen handed out information packets. Sue stated the parcel ID number and the location of the property then gave a description of the property and reviewed the Listers card with the Board. The property was inspected by the reappraisal firm Conrad & Rita's value changed from \$655,800.00 to \$633,600.00 at the grievance process. The property consists of a house, garage, shed and a guest house. The property has a private drilled well with a filter system.

Matt (NEMC) The guest house adds significant value to a property and the subject property has 450 lineal feet of frontage on Lake Mempremagog. General maintenance is always expected with every house. The house is assessed as on piers.

Grant asked if the shoreline was graded. Matt said we grade frontage according to what we see if it is average, mucky, rocky, sandy then we add depreciation accordingly. A 10% deduction was given off the shoreline frontage of the property.

Karen- Chair asked if any depreciation was given for no central heat in the camps. Matt said it is in at 70% heated not 100% due to just having electric heat and a fireplace.

Hearing Closed

Inspection Committee

Chair Al Loukes, Frank Davis & Grant Spates (Shirley Fournier recused herself from the case)

### **CASE # 2 PARCEL ID # MSTDL002A6.L GILMAN HOUSING TRUST INC. 197 MAIN ST DERBY LINE 6:00 P.M.**

Patrick Shattuck – Executive Director is presenting the case for Gilman Housing Trust Inc.

Karen-Chair explained the rules of procedure to Patrick Shattuck who will present their case and gave him the oath. She also stated that each meeting will be only 15 minutes, 8 for the appellant and 7 for the Listers. Karen- Chair then read the Vermont State Law requirements with the COVID 19 about appeals and inspections. Inspections need written approval in advance.

Patrick – Handed out new evidence to take into effect for tonight's meeting an updated income approach worksheet.

He feels the Town should value the apartments using the income approach worksheet provided by the State as in Statue title 32: Taxation and Finance Chapter 121 Subchapter 004 (Cite as: 32 V.S.A. § 3481). Income approach used, 99% funding deed restrictions for affordable housing. Patrick wants the value to be reduced in the first worksheets handed out dated August 18, 2020 the income approach value was( -\$115,500.00) and on the new revised worksheets dated Sept 9, 2020 the income approach value was \$208,700.00. Patrick wants the income approach value decreased from \$262,900.00 to \$208,700.00. Cy Bailey has been working with Patrick on his worksheets.

Frank asked if Patrick was looking at an appeal or abatement because he is not contesting the value just wanted us to use the income approach method and use the figures of \$208,700.00 to pay taxes on.

Matt (NEMC) I think it is very important that the Board of Civil Authority hear our position here, we are going to contest some of this certainly, what the Listers are going to present tonight might bring some light on what the board is looking for here.

### Listers – Sue Best

Stephen handed out information packets. Sue stated the parcel ID number and the location of the property then gave a description of the property and reviewed the Listers card with the Board. The property was not inspected by the reappraisal firm. A grievance request was denied. The property consists of an 11 unit apartment house used for low income housing. The building is subject to State subsidized housing rules and statues. The parcel MUST be valued using the income approach.

Specifically the State sets the following standards: Income per unit, monthly utility adjustments, vacancy allowance and Capitalization rate.

Matt -The owners have submitted documentation showing expenses at \$102,513.00 this creates a Negative cash flow of \$11,908.00 the value calculates a negative \$115,500.00 fair cash value. It is highly impossible to have a negative value. The Listers do not believe that is accurate. That to us is insulting. On the last sheet of the report Matt believes that Gilman Housing using the LOA of 98% instead of 100% we are at 100% fair market value and combining multiple properties expenses instead of individual properties expenses and to think that some of these properties have 80% expenses even the newer ones is not valid at all. Under the state guide lines we have the right to question these expenses. They don't break down the detail at all. To submit to us at grievance a property has a negative value it is a suggestion that we should be paying them to be in our community a property doesn't have a negative value. To come back with a new value of \$206,700.00 is certainly more reasonable but would definitely question the validity of that. And we will certenally rest case on that.

Frank- Is there an independant 3<sup>rd</sup> party auditor who could be tasked to check out the figures of their expenses?

Matt – At the State level that is correct, these reports are subject to be audited, we have a right to question the expense format and see that it's acceptable with the commissioner's office.

Patrick stated that we never made the assumption that we wanted a negative value, that's why he brought in another worksheet. We are looking for guidance. Unfortunately these properties don't make a lot of money. We require a lot of services, and we are non profit. That is why I give you the name of Cy Bailey PV&R regional supervisor who has been working with us on these worksheets; we are trying to be clear and as upfront as possible. These circumstances are unique. We have been working diligently trying to contact anyone, trying to get answers, it's very difficult. We never intended on getting a negative figure. We want to pay our share.

Listers – document dated Aug 18<sup>th</sup> with new numbers tonight the night of the meeting makes it difficult to believe the validity in that Karen-Chair agreed.

Doug - \$262,900 in an appeal value of 11 units is a real affordable number. Gilman Housing paid more for the unit. Doug owns a subsidized project apartment as well.

The Listers feel the cost approach of \$262,900.00 is fairly adequate with the numbers provided by the state.

Electronically images of the inside of the apartments will be provided by Patrick Shattuck

Grant Spates– Recused himself from this case.

Hearing Closed

### **CASE # 3 PARCEL ID #SMSDC013G5.C JOHNS RIVER APARTMENTS LP 22 WEST ST 6:30 P.M.**

Patrick Shattuck – Executive Director is presenting the case for Johns River Apartments parcel.

Patrick has already been sworn in at the previous meeting. Johns River has about 700 units but is only contesting the value on one of them this 8 unit apartment on 22 West Street in Derby. We have gone through and only contested the units with more than a 10% difference in value. Operating expenses like electric, heating oil fill ups, master construction costs, lawn care services are allocated on a per unit basis. That is how the expenses are allocated. Johns River Apartments is asking for a decrease in value to \$75,300.00.

### Listers – Sue Best

Stephen handed out information packets. Sue stated the parcel ID number and the location of the property then gave a description of the property and reviewed the Listers card with the Board. The property was not inspected by the reappraisal firm. A grievance request was denied. The property was built in the 1920's and consists of an 8 unit apartment house used for low income housing. The building is subject to State subsidized housing rules and statues. The parcel MUST be valued using the income approach. The state sets the following standards: Income per unit, monthly utility adjustments, vacancy allowance and Capitalization rate. The highly audited report worksheet the owner

provided shows a total of \$40,665.00 in expenses. Using the State mandated formula, the value calculates to \$323,000.00. The calculation sheet is attached to the report.

\*\*Final conclusion the subject property should be revised to \$323,000.00

Matt - The appellant provided their evidence on 6 units not 8 units. Plus the appellant used the LOA of 98% instead at 100% fair market value. We are basing our worksheet on 8 units with a LOA at 100% which is fair market value with the reappraisal and the correct number of units for the building. Matt personally stopped by the unit and it has 9 meters and 8 parking units. Listers would check the validity on that one as well.

Electronically images of the inside of the apartments will be provided by Patrick Shattuck.

Hearing Closed

Inspection Committee for both units:

Chair Frank Davis, Shirley Fournier and Loren Shaw