

TOWN OF JAFFREY
Jaffrey, New Hampshire

BOARD OF SELECTMEN
Meeting Minutes
September 21, 2015

Present: Selectman MacIsaac, Selectman Moore, Town Manager Caron, Administrative Assistant Richard

Absent: Selectman Rothermel

A. Call to Order

7:00pm

Property Revaluation Project Informational Meeting

Chairman MacIsaac introduced the Board and Municipal Resources, Inc. assessors Paul McKenney and Scott Marsh who were here to present information and answer questions on the following:

- Why the Town must review all property assessments at least once every five years;
- The cyclical inspection process and the statistical update;
- How MRI determines property values;
- General trends identified during the 2015 statistical update (reval);
- How changing values impact the tax rate and budget process;
- The formal appeal process available to all property owners under state law

Discussion on benefits of the revaluation:

- Adjusts value for market shifts
- Corrects disproportionate taxation
- Captures all new construction
- Required by State Statutes

Valuation Process:

- Analysis of Sale Properties for Arms Length Sales
- Property changes after sale disqualifies sale
- Measure and List Sale Properties from 4/1/2013 to 4/1/2015
- Valuation Modeling and Testing
- Informal Meetings (Taxpayer Input)

Mass Appraisal vs. Fee Appraisal

- Fee Appraisals are usually for a single property and purpose
- Mass Appraisal is the process of valuing a group of properties as of a given date, using standard methods, employing common data, and allowing for statistical testing
- Both are Opinions of Value
- Exterior Inspection
- Interior Inspection

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Sales Analysis

- In-Depth Study of Real Estate Sales
- Real Estate Sales Determine Values
- No Preconceived Estimates of Value
- Determine Land Prices
- Determine Building Value and Depreciation
- Develop Appraisal Models Based On Market

Land Valuation Model

- Land Units
Unit Price, Condition Factor, Neighborhood Adjustment and Site Adjustment equals
Total Land Value

Building Valuation Model

- Beginning Per Square Foot Price
Size Adjustment
Grade of Construction
Other building components
Number of Bedrooms
EQUALS the Adjusted Cost per Square Foot

Adjusted Cost per Square Foot x Building Square Footage
Other Building Features (Bathrooms, fireplace, garages, etc.)
Minus Depreciation Adjustment (based on condition)
EQUALS the Building Value

Standards for a Revaluation (IAAO)

	<u>Median Ratios</u>		
	Minimum	Maximum	COD
Vacant Land	90%	110%	20%
Single Family	90%	110%	15%
Multi Family	90%	110%	15%
Commercial	90%	110%	20%

Informal Meeting Process

- Notification to Taxpayers of New Assessment
- Informal Meeting Begin
- Valuation Review, if necessary
- Change Notice as a result of Hearings
- Abatement Review

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Hearings Results

- Were held September 16th and 17th
- There were 56 Hearings (43 in person and 13 by phone)

The Appeal Process

- Abatements can be filed after you receive your December tax bill
- Abatements must be filed by March 1st
- Applications are available on line or at the Town Office
- Next step is Board of Tax and Land Appeal

Cyclical Inspections

- Each year MRI will inspect 25% of the properties in town
- Errors will be corrected and values adjusted each year
- Keep data current and accurate
- Reduces costs of future valuations

Valuation Results

2014 Value	\$455,390,540
2015 Value	<u>\$404,557,850</u>
	\$ 50,832,690 (-11.2%)

Vacant land	-17.7%
Residential	-12.4%
Manufactured Housing	-11.9%
Condo	-10.6%
Commercial	-5%

Ratios After 2015 Reval

- Price Related Differential (PRD) 1.017
Must be between 0.98 – 1.03
- Coefficient of Dispersion (COD) 7.67%
Must be less than 15%
- Median Assessment/Sales Ratio 97.07%
Must be between 90% -o 110%

Value Change Effect on Tax Rate

- When the value of the town increases and the budget remains the same, the tax rate decreases.
- When the value of the town decreases and the budget remains the same, the tax rate increases.

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Impact on Tax Rate with 2014 Commitment

Tax Rate	2014	2015	Difference
Assessed Valuation	\$455,390,540	\$404,557,850	-11.2% (\$50,832,690)
Town	\$ 9.87	\$ 11.11	+12.6%
School	\$14.22	\$ 16.00	+12.5%
State Education Tax	\$ 2.20	\$ 2.20	0.0% **
County	\$ 3.16	\$ 3.56	+12.6%
Total	\$29.45	\$ 32.87	+11.6%
Taxes to be Raised	\$13,303,897	\$13,303,897	\$0.00

** State Education Tax set by State based upon State Equalized Value.

This illustration shows the impact of a reval on the tax rate, with no changes in appropriation from the previous year. Please note that the 2015 numbers are for comparison only, and is not the actual 2015 tax rate. The Tax Rate will be determined by the State Department of Revenue Administration in the next month.

Scott McKenney stated that the market values are coming back up and that the market has stabilized over the last few years.

McKenney also stated that the assessment is based on previous sales. He says the Town has been devalued in accordance with the sales data.

Residents were concerned how a property can be accessed in value if nobody ever comes to inspect the house inside and outside.

They asked why land value went down, house values went down, how you know when a permit is required for your home improvements.

Also asked was if the Board was worried with the Town Meeting coming up that there will be a lot of cuts because of this tax situation.

Marc Tieger was asked if it will be harder to sell houses in Jaffrey and Tieger stated "it won't be easier".

McKenney and Marsh answered everyone's questions. They also let residents know that they are a new company this year for the town and they have a five year contract.

MRI will be taking exterior measurements of the buildings and ask to view the interior, in order to verify existing data on file, to ensure accurate information is gathered for the town-wide value update.

MRI personnel will have proper identification on their person and their vehicle. All information will be on file with the Jaffrey Town Office and the Jaffrey Police Department.

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ADJOURNMENT

On a motion by MacIsaac, seconded by Moore, the meeting adjourned at 8:30pm (3-0).

Submitted:

Judy Zola
Administrative Assistant

Attest:

Donald MacIsaac
Chairman

