



CITY OF DOVER

## CITY COUNCIL - MINUTES

Meeting Type: Workshop Meeting  
Meeting Location: Council Chambers - 288 Central Avenue, Dover, NH 03820  
Meeting Date: **Wednesday, October 4, 2006**  
Meeting Time: **7:00 pm WORKSHOP**

### 1. PLEDGE OF ALLEGIANCE

Those present: Councilor's Cheney, Ciotti, DeDe, Deputy Mayor Hindle, Councilor Keays, Mayor Myers, Councilors Trefethen, Scott and Turner. Also present were City Attorney Allan Krans, Finance Director Jeff Harrington, and City Assessor Wil Corcoran. City Manager Joyal was absent.

### 2. DISCUSSION RE:

#### A. Tax Assessing

Jeff Harrington and City Assessor Wil Corcoran were present. Mike Joyal was absent.

The Mayor stated the Ward One School Board seat filing period opened this morning and will close next Wednesday at 6 pm. He urged anyone interested to file for office in the clerks office.

He continued the workshop is on Tax assessing as tax assessments were mailed out a few weeks ago and Keays requested a workshop for the folks with a presentation. There will be a power point presentation and he will then open it up to councilors, then to the public for any questions of the assessing process. This is unusual but the council thought it was a good issue for discussion. He will allow only assessment questions not related to specific properties but all general questions will be allowed.

The Mayor started them off with the Finance Director Jeff Harrington who will then turn it over to the City Assessor Wil Corcoran. Jeff distributed a handout. (see council folder of 10-04-2006 for handout).

Wil went over what he will discuss and how the process works. He stated there are 22 slides, by State Law they assess every 5 years. The assessing process starts with the State Constitution, then the State RSA's and then the Administrative Rules of the DRA. There are then standards by the Assessing Standards Board that all towns work under. There is then an Equalization Board. There is also an International Association of Assessing Officers; this organization sets the standards by which assessors should operate. NH is late in the game in getting up to standards but we are getting better each year.

He explained proportionality which is its proportion to market value and other properties of similar types.

Ultimately everyone is assessed at that value. Each year when we mail out assessments the tax payers complain that their assessment have been raised but this is not always the case.

Wil continued if the assessment changes the rate changes. The tax rate floats according to the assessments. There are two issues, one is assessing; the other is the appraisal process. He has data collectors as well as appraisers. He is the supervisor of these folks. If the data is not correct then the assessing cannot be correct. Every 5 years we visit 20% of the properties in the city. We also inspect every property that is sold; we send a questionnaire to the buyer. They



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ask did they pay cash or did they mortgage it. They cannot consider transactions to fiduciary dates, foreclosures, a family member, abutter sales, but a clean and verified sale, they then study the assorted types of properties and look at them all individually with regards to the market and if they have increased in value. They have broken the city up into economic neighborhood areas with similar land uses, similar traffic in the area or if have they softened in recent years. There are 4 groups in the downtown area, this enables them to compare the similar properties with a designated zone, this is called modeling, Appraisal Modeling. They then test them to see if they match up to the appraisal. They then inform the taxpayers of their assessment. They then hear from the tax payers and go back and take a look at the differences that have been presented in data. They like to assure the info is accurate as possible. There are three approaches to assigning value, cost, sales and income approach. Marshall/Swift is one way to determine how values are determined on building schedules. Then they track land schedules around the city. Whether they are wet lands, larger or small tracts, then there is depreciation schedules, they take the sales price less land value, the remaining value is divided by replacement cost; the difference is depreciation. He gave an example of this process.

He showed a bar graph with property valuations with the local assessment and equalized assessment saying this is how the state calculates the school tax rate. He explained the equalization theory saying the closer you are to full value the less risk you have. This tracks property evaluation by industrial, residential, commercial and public utilities. He showed several bar graphs with different property valuation information.

He continued explaining the measures of equity and assessment/market ratio. He then showed a measure of equity bar graph that shows since 2001 they have placed all properties in proportion as required by state law. He explained how they use the sales models to determine the COD, (see slides). Abatements filed since 2002 have declined considerably. He explained the elderly exemptions with a bar graph and how responsive they have been. There are 1 ½% of the residents that have applied for the elderly exemption.

Jeff has a couple of slides related to the net effect of all this. He had a property tax rate slide relating to the budget and when it was passed. He stated they take last year's values and building permits that are true growth and this allows for the estimated tax rate and so they get a good feel for what their taxes will be. 18.56 is the current estimated tax rate. Tax rates over time are almost inversed over time; this year it is \$18.56. He wants to give folks the estimated tax rate and you get a tax estimate of 5,464. if we want to maintain that they back into a value if the assessment is more than 10% higher \$290,000 is the average assessment. He explained how folks can calculate their own property taxes that is the current years value-last years value divided by last years value times 100. To calculate your tentative current tax: current year's value plus 1,000 times \$18.56.

Trefethen asked Wil about the April 1<sup>st</sup> date and the assessment that will be sent out in the fall of 2006, if they have a situation where they are building a new home and in the early part of the



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year and over the course of the month the house is not finished until June or July. Wil says they visit every house by April 1<sup>st</sup> and they will assess the land at 100%, then take the total building value and back it off by 50%. Trefethen wants to know when they catch up with the assessment and when is the real tax bill corrected. Wil says they will not go out to visit again until April 2007 but they will not be billed on it until the fall of 2007.

Trefethen wants to use an existing house for an example with renovations and if a person does not take out a building permit; what is the process to bring that house back into line. Wil says they will eventually be caught on a 5 year cycle. He has a good staff in his division and they pick up information as they go starting from the date of the first inspection. They do not change their assessment if a person puts a roof on or puts siding on unless they go through and completely retrofit a house; this will increase the building value. Trefethen says properties are assessed by April 1<sup>st</sup> and now prices have gone up by substantial amounts, would it be safe to say there has been a dramatic change in the overall market; he would like Wil's thoughts on this. Trefethen thinks it must be difficult in people's minds for them to use April 1<sup>st</sup>. Wil agrees this is of great concern and they have to take the sales of the past year and do the ratios. There have been no increases in property since this past April and through the summer there has been further softening of the market. They do look at sales after April 1<sup>st</sup> and they will be included in the sales ratio from this state.

Scott sees 2 numbers on the 2000 tax rate on page 11 of the power point presentation. Scott says they have heard about a smell factor in the north end. Wil used views as an example of a factor. Wil has heard that and have adjusted those assessments for those folks. This also relates to the sales factors. Cheney asked about the superfund site and the spring flood too. Wil says there are 30 some neighborhoods. He explained the superfund site. We are not alone people come tell us about the odors and truck traffic but until they see the market, they cannot change any of this. In order to keep pace they add more of a factor to make sure they are not exceeding what they are selling for each year. She inquired about the flood sites; Wil has not addressed this situation as yet as it has not been brought to his attention.

Keays wants to know when the industry and the merchants will start paying their fair share of taxes in this city. Wil says by all indications they are not under assessed. There has been a lot of activity in the downtown assessments. Industrial sites are now selling for pennies on the dollar. These are competing properties. Keays read in the paper this year that Wil was giving Liberty Mutual a \$25,000 tax cut and our home owners are picking it up on the other end. Wil explained he did not purposely lower their assessment. Keays still cannot understand why we are giving Liberty Mutual a \$25,000 cut and the homeowners are having to pay the additional assessment. The burden is on the taxpayers. He hopes he is around to see this when it goes bust. Wil says Liberty did not receive a lower assessment.

The Mayor asked Wil about private roads and folks that are not getting the services that other folks are getting. Wil says we enter that in the analyses, this is called a variable. So far they are not paying any less than a person on a public road. They can only determine what they are assessed at in relation to the market value. They have not seen any market indications on properties that may be on private roads.



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Trefethen stated on the other part of the hand out; the ratio in Dover is running relatively flat over the last 5 or 6 years. How does that compare to other communities in the area. Wil says he has worked in both communities and Newington is built out they have 5 times as much commercial as residential. He explained the various assessments noting commercial properties take much fewer services than residential properties. Trefethen wants Wil to be more specific in other words he wants a ball park figure on the percentage. Jeff says in Portsmouth the last time he looked was 55% commercial. But other communities are in the 70% residential percentile like we are. Trefethen wants a general area comparison in updated numbers. Jeff thinks the state website has this information. Jeff will print it off for them.

Ciotti wants to take Trefethen's question and go one step further, what is the trend for the next 5 years. Wil says these are land use issues and an appraiser looks backwards. He does not have enough information as he is not part of the planning process. Ciotti pointed out there is a lot of land and it comes up every year but Wil stated he does not look at it until it is on the market and then they look at the trends.

Hindle inquired about the tax exempt properties in the City and his inquiry is on Wentworth Douglass Hospital and does that include just the main campus and or does it include all their additional offices. Wil stated they have an institutional exemption and have to apply for it every year. Once a parcel is in use for hospital purposes they apply. Keays says he knows Wil does not live in Dover but has he taken a ride around to see all the homes that are for sale. Wil stated he drives around the City all the time in terms of properties on the market, he sees there is not as much demand and when they don't sell in the mean time more and more places come on the market. Keays wants to know if it has anything to do with the taxpayers not being able to pay. Wil hopes not as there are several exemptions a person can apply for. He hopes they would come to the assessing office to see if there is anything that can be done for them.

Trefethen says Dover has chosen to do an evaluation assessment process done each year as Wil indicated; other communities leave their properties alone for the 5 years and then there is a big jump or a big decrease. We have him as an assessor on a contracted basis and we have a number of staff under his direction. What if we left things alone for 5 years and then did this assessing once every 5 years. Wil used to be an appraiser and has traveled around the world and the United States. He continued their office has a massive amount of data that needs to be updated all the time. We have 11,000 parcels. He left this business because he felt it extremely unfair working for a revaluation company for 15 years. The idea of keeping our assessments current is of value.

Turner thanked Wil for the presentation. He is surprised as he received his tax assessment a few weeks ago he is the owner of a home that went from \$190,000 to \$238,000 when Turner turns the math around this still increases his assessment by 116% increase. Wil says he wants him to use an analogy some neighborhoods have declined and some have increased as their properties are more robust. Turner stated he owns a 3 bedroom house on the north end of town and this type of home must be in demand.

The Mayor opened the meeting up to general questions.

Don Andolina of 59 Littleworth Road has a list of prepared questions (See Council folder of 10-04-2006) and some of them have already been answered. He started by asking if Wil is still changing some values due to people like himself. Mr. Andolina says the 2006 data on the website did not include the variances if it is there, he would like to know where it is. He wants



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the data to be more meaningful. Wil thinks he is right on because on one page we have sales and on the other page we have the assessments. Mr. Andolina asked about #2 on his list. Wil explained since they started the statewide school tax, assessors use the middle and the state uses a weighted mean and they are not always the same. Wil explained his staff includes himself and he has a data collector with one person full time from his firm for 3 months and one from the department. Mr. Andolina asked about # 6. Wil stated he encourages anyone with a question on their assessment to schedule an assessment. If a person has something on their record that is not correct; he encourages anyone to help them clean the data. And the primary office contact is Claire and Jane. Mr. Andolina asked the Mayor if he is able to ask 4 more questions. He asked about assessments. Wil explained they use two years of market data to go by and this is according to the Administrative Rules. For residential property they go back 18 months with the most weight on sales accruing around April 1<sup>st</sup>. Mr. Andolina says the average assessment for single family homes is \$270,000 he would like the information qualified. \$18.56 assumes this tax rate includes school, county and city. One last thing when property is going up almost every year and yet the house goes up and the land goes down he cannot understand how that can happen, it does not make any sense at all. Wil explained he relies on raw land sales and they will find this value will go down. Mr. Andolina disputes this with landscaped land as opposed to an open field.

Scott asked if they have thought to put the comparison on the assessment card as Nashua does this. It would eliminate a lot of questions. Wil says we do have the capacity to do this but it is a complicated program and it will take a good 3 months to get it online.

**Roland Belheumer** of 125 Sixth Street stated Hindle just asked the question he is concerned with regarding Wentworth Douglass Hospital. He has been fighting the City of Dover's non profit status for 40 years as they do not pay any taxes. He belongs to an organization of the non profit status that do pay. Wil will try to explain but he does not have the authority to determine if these places will be exempt and not pay he mentioned a form 501-C. Also there are some benevolent organizations technically they cannot force them to apply. Mr. Belheumer understands and wants Wil to get with the Mayor or Jeff to see what he can do about the hospital.

**Vicki Blanchette** 86 Third Street stated her question is on single family houses used as a business and are they taxed as single family houses because they are downtown, Wil says this is good question; they developed a policy that unless they know otherwise they will tax them at the residential rate until they know other wise. She asked when you talk about the physical assessments are they done when a permit is taken out or 20% every year in the 5 year cycle. Wil says even if there is no permit taken out they still assess the home. She asked if a person has their house assessed by a realtor, Wil says they should be somewhere within reason. But he has had to fix this as of April 1<sup>st</sup>, timing is very important and a real estate evaluation should be in. She asked if the presentation can be available on the website. Wil confirmed this.

Trefethen asked about Wentworth Douglass Hospital and the status of non profits this is a good example, there is the non profit hospital and how do they keep the properties they own straight. Wil says some of the doctors are in for profit houses. He has been asking for years and he thinks someone at the state level should be dedicated to doing this as he does not have the time.



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Trefethen asked about churches in the area and if a church owns another building is that property tax exempt or taxable. The basis is its it owner used or occupied. Wil says in some instances they meet the spirit of the test. If there was a vacant lot somewhere he would tax it. Except for the Roman Catholic Church they have an exemption they do not pay taxes. Hindle wanted to know if there are a maximum number of buildings they can have as exempt. Ciotti wanted to know there is no law preventing Wentworth Douglass Hospital from purchasing properties and calling them exempt. Mr. Belheumer repeated himself about 40 years ago and gave the history of the hospital and at that time there were a lot of wills that were broken. Mr. Wentworth gave a million dollars to the city for the hospital. He knows the council is mostly all new and does not know the history of this. Forty years ago he had a meeting with 300 people in the auditorium but the idea is there is a lot of paperwork for nonprofit status. The head one moved from Wentworth Douglass Hospital to Rochester and he had a lot of information and he agreed the hospital should give a certain amount back to the city. There are other things the hospital can do to help the city. Wil stated he will look into this. Wil takes this as a challenge and accepts it. Mr. Belheumer stated he understands that Rochester is doing it.

Jeff noted on the exemptions there is Dover Housing Authority on the list a number of times and they do pay about \$55,000.

**Charlie Reid** of 266 Gulf Road asked what the steps are if we do not agree with Wil's assessment. If he disagrees he will fill out an abatement form and what happens if he is turned down. He thinks there should be a 4<sup>th</sup> approach which is common sense, if he can prove validity to his rational on his assessed value do you need to go thru the abatement process to do that. Wil thanked him and no they do not have to go thru the abatement process. Somebody has come in from gulf road and they will be looking at all data right up to the billing process and may be adjusting places in the area. It is not an automatic denial; they have to hold their ground with no justification. He is always willing to listen to another side. Mr. Reid has already been in once and was pacified. He has since made two calls and has yet to hear back from Wil. It seems the clerks do not want to let people talk to the actual assessors. He thinks in order to save time if we can come to a head we should take the common sense approach. He has made the attempt. Wil says if they have additional information, and he has seen his note, he will consider this information. Wil says if Mr. Reid does not agree with any of the adjustments that his office makes, they can file formal abatement. Wil continued to explain the abatement process.

Hindle has a general question is there any way they can see the actual number of abatements for 2006, Jeff says there were 73 parcels involved in 2006, he will get additional information for him. Cheney asked about the softened assessment how would they justify on the chart of appraisal modeling what would Wil do. Wil says they go to other parts of town to check that comp, Cheney says so they weight the neighborhood.

### 3. ADJOURN

KEYS MOVED SECONDED BY DEED TO ADJOURN AT 9:15 PM WITH ALL IN FAVOR.