

**TOWN OF JERICHO
BOARD OF CIVIL AUTHORITY
SEPTEMBER 8, 2016**

MEMBERS: Michael Weinberg, Chair; Debbie Rackliff, Vice Chair; Don Messier, Ann Messier, Jessica Alexander, Mary Coburn, Catherine McMains, Donna Boiney, Mary Jane Dickerson, Sarah Joslin, Peter Booth, Jim Gallagher, Janet Gallagher, Bert Lindholm (arrived 5:48 p.m.).

LISTERS: Sandra Costes, Assessor/Lister; Lori Dykema, Lister, Andrew Levi, Lister (Listers arrived at 6:03 p.m.).

OTHERS: James Clark, Eleanor Clark, Robert Popeleski, William Butler, Susan Harritt, Randy Clark, Christal Clark, William Veve and Kenneth Brown.

AGENDA ITEMS:

Hear Tax Appeals:

5:30 PM continuance of JC011 from 8/25/16 withdrawn

Approval of minutes from 7/27, 8/11 & 8/25/16, Lister presentation not done

6:00 PM Robert and Dorothy Popeleski GR026

6:30 PM OF009 - withdrawn

7:00 PM XD010 – rescheduled to date not certain

7:30 PM KCS LLC MR020

8:00 PM Kenneth Brown CH021

8:30 PM Randy and Christal Clark OR026 moved to 7PM

Hear inspection committee reports/Deliberative Session/Written decisions (moved to 6 pm, Deliberative session 6:25 to 6:50pm)

CALL TO ORDER

Mr. Weinberg, Chair, called the meeting to order at 5:30 p.m., and noted that a Listers' presentation regarding Land Values would appear on a future agenda.

Mr. Weinberg asked if the 8:30 p.m. appellants could be contacted to come in at the 7:00 p.m. time.

AGENDA

Add:

- Approval of minutes for July 27, August 11, and August 25, 2016
- Review and approval of Inspection Committee Reports
- Notate withdrawn appeals

MINUTES: July 27, August 11, and August 25, 2016

MOTION by Mr. Messier, seconded by Ms. Coburn, to approve the Jericho BCA minutes of July 27, August 11 and August 25, 2016, as written with corrections as noted.

VOTE: unanimous, 2 absent (Mr. Lindholm, Mr. Howe); motion carried.

APPEALS WITHDRAWN

- Brandon and Amanda Smith – PA113
- Barbara Tonn – GAR007
- Simon and Christina Thingvold-Dutcher – JC011
- Kendra Wallace --OF009

HEAR INSPECTION COMMITTEE REPORTS**James and Kathleen Carew OP026**

Inspection Committee: Mike Weinberg, Wayne Howe, Peter Booth. (Wayne Howe absent from meeting)

Mr. Booth reviewed a written Inspection Committee report regarding the James and Kathleen Carew property, located at 26 Old Pump Road. The property was inspected on August, 28, 2016, at 9:00 a.m. The Inspection Committee found that the property is stunning and a small house. The committee discussed the purpose of an Inspection Committee, which is to bring the parties into agreement. The town assessment is \$231,000, a homeowner's appraisal by the Merchant's Bank indicated a value of \$187,000, and the Assessor recommended an assessment of \$207,000 at the BCA hearing. The Inspection Committee accepted the recommended assessment of \$207,000.

Jim and Kathryn Bowie SM002

Inspection Committee: Sarah Joslin, Catherine McMains, and Peter Booth.

Mr. Booth reviewed a written Inspection Committee report regarding the James and Kathryn Bowie property, located at 2 South Main Street. The property was inspected on August 27, 2016, at 4:00 p.m. Jim and Kathryn Bowie, owners, were present during the inspection. Following a review of the Assessor's and appellant's evidence, the Inspection Committee recommends adjusting the assessment to \$395,000 based on sale comparison properties.

Johnson, Erik & Kelly MD016

Inspection Committee: Debbie Rackliff, Mary Jane Dickerson, Michael Weinberg.

Mr. Weinberg reviewed a written Inspection Committee report regarding the Erik and Kelly Johnson property, located at 16 Meadow Drive. The property was inspected on August 17, 2016, at 4:30 p.m. The Inspection Committee found that the house was nice and well maintained. The backyard is steep and the house is built into the hill side. The basement is dry. The house has 9 rooms consisting of 4 bedrooms, 3 bathrooms and a wooden deck in back. The Assessor recommends a new value of \$388,400. The committee supports the \$388,400 assessment.

Tim Clark ML011

Jessica Alexander, Mary Coburn, Sarah Joslin.

Date: Monday, August 29, 2016, at 11:00 a.m.

Ms. Alexander reviewed a written Inspection Committee report regarding the Tim Clark property, located at 11 Mill Street. The property was inspected on August 29, 2016, at 11:00 a.m. The Inspection Committee noted that the structure comprises two houses – the original structure and a newer addition done in the 1950's. The committee confirmed the number of rooms, a new sliding glass door to the deck that is not wind or water proof and should be redone, and a fire place insert where there is no fire place. The old portion

of the house has an open concept, and there is a small basement area. The first floor has the only bathroom with no heat or vent. The second floor stairs empty into the first bedroom that has two closets, and there is an office space with one closet. A barn-style garage has a loft with no stairs or access to the loft area. The house has single pane windows, no insulation, a chimney that needs capping, and there is a stove pipe that will be removed. The basement floor is a slab that is settling and not level. The siding needs replacing. There is a new back deck, new carpeting on the stairs and upstairs. The home owner has connected to natural gas and the old furnace in the basement needs to be removed. It is questionable on how to remove it. The committee drove around to see the sale comparison properties. The committee recommends removing the Lawrence Heights comparable. The committee supports an assessment of \$204,400.

HEAR TAX APPEALS

Robert Popeleski and Dorothy Popeleski – GR026

Robert Popeleski, owner, appeared before the BCA. Mr. Popeleski was sworn in, and signed a Witness Oath document.

Ms. Costes, Assessor/Lister, and Ms. Dykema, Lister, and Mr. Levi were sworn in, and signed Witness Oath documents

The BCA members present were sworn in, and signed Oath documents.

Mr. Weinberg explained the BCA tax appeal hearing process and a three-member BCA Inspection Committee that would conduct a site visit and write an inspection report. The appellants would be asked if they wished to continue with the tax appeal. The BCA could increase the assessment, decrease, or keep it the same based on evidence presented, said Mr. Weinberg.

Ms. Rackliff handed out copies of the Assessor's informational packet and appellant's written testimony packet for review.

ASSESSOR'S REPORT

Ms. Costes introduced the subject property located at 26 Griswold Street. The subject property consists of one-half acre and a dwelling.

APPELLANT COMMENTS

Mr. Popeleski explained that he had a professional appraisal done in 2012 that shows a \$235,000 market value. He purchased his house in 2005. He has not done any new construction or additions. He has provided five comparable recent sales that are all bi-level houses. His house is a by-level house. In 2016 his property was assessed at \$255,100, which he appealed. The Listers denied his appeal and he received a new assessment of \$262,100 with no explanation. He spoke with Lori Dykema, Jericho Lister, regarding the \$7,000 increase and asked how his house increased in value in three weeks. Ms. Dykema said that there is a recent sale of a single level ranch that indicated a higher value, said Mr. Popeleski.

Mr. Popeleski read Chapter 2, Section A, that “decisions must be carefully drafted” into the record. He is concerned that a home value can rise over a 4 year period by \$23,000, said Mr. Popeleski.

ASSESSOR COMMENTS

Ms. Costes asked if the appellant had a new appraisal done. Mr. Popeleski replied no. The Cannizzaro appraisal was in 2012, said Mr. Popeleski.

Ms. Costes reviewed the Listers’ Exhibit 2, regarding sales comparisons. One property, 57 Pinehurst, was on the market two days and sold. This indicates a hot market. Based on the three sale comparisons the recommendation is to keep the assessed value. The sale comparisons are 23-25 years older than the subject property and have sold well. Mr. Popeleski’s appraisal is from 2012 and is a dated appraisal. No adjustment was made on his property regarding the neighborhood, for example. The Kriste Lane, Underhill and Essex Junction properties in his appraisal aren’t comparable neighborhoods. It is a fee appraisal that may have been for a bank, or refinance. The town’s bi-level sales in Jericho are from 2014, 2015 and 2016 in a Jericho market and are recent sales, said Ms. Costes.

Mr. Popeleski said that his biggest issue is the three week \$255,100 to \$262,100 change that he would like addressed. Ms. Costes said that she did not know why the change was done and has not seen the change of assessment notice. Ms. Costes suggested that she meet with Mr. Popeleski at the Listers’ office and review the material.

BCA QUESTIONS/COMMENTS

Mr. Booth summarized that he understands that there are two issues: a disagreement regarding a re-assessment and why there was “x” value and three weeks later a different value. Is this the purview of the BCA, asked Mr. Booth. Mr. Weinberg replied yes, it is. The current assessed value is \$262,100. It was \$255,100. After grievance the assessed value was increased without explanation, said Mr. Weinberg.

Mr. Popeleski pointed out that one of the comparison sale properties has new windows and upgrades, and has 2.5 acres.

Mr. Lindholm suggested tabling the hearing until the Listers presented the reasoning for the assessment increase. Mr. Weinberg said that he had a concern regarding tabling hearings, and asked Ms. Costes why the assessment increase was done. Ms. Costes relied that it was not uncommon. The property owner can appeal to a first level Listers’ grievance. The town’s Exhibit 3 is the subject property history. When the Listers review a property adjustments can and are made. It is not uncommon during the Listers’ deliberations based on information that we do increase assessments, said Ms. Costes.

Mr. Popeleski stated that he had asked for a reason. One sale of a single level ranch house is not a reason. The June 2015 sales are not comparables. His house is a bi-level, and the town’s comparables don’t match that style, said Mr. Popeleski. Ms. Costes said that in her opinion it was felt that the subject property was under assessed and it was raised.

Ms. Messier pointed out that the Packard Road and a second property comparables are new sales. Mr. Popeleski replied that one is a new house that has not even been lived in yet, and the other has an in-ground pool and is larger. His five comparables are not considered by the Listers. That is not "careful" judgment, said Mr. Popeleski.

Mr. Weinberg asked Mr. Popeleski what assessment would be fair. Mr. Popeleski replied that the 39 Orr Road property sold for \$255,000 and has 10 acres. His home value might be \$250,000, said Mr. Popeleski.

Mr. Weinberg asked if the appellant would like to continue his appeal. A three member BCA Inspection Committee would visit the property. The committee is independent from the BCA and Listers. No new testimony can be taken at the inspection visit, said Mr. Weinberg. Mr. Popeleski said that he would continue his appeal.

INSEPTION COMMITTEE ASSIGNMENT:

Michael Weinberg, Mary Jane Dickinson, and Donna Boiney.

Date: Sunday, September 11, 2016, at 4:00 p.m.

Ms. Rackliff handed a copy of the Inspection Committee schedule to the appellant.

DELIBERATIVE SESSION

Mr. Weinberg asked the public and the Listers to leave the hearing.

MOTION by Mr. Booth, seconded by Ms. Coburn, to recess the BCA hearing and enter Deliberative Session for the purpose of approving Inspection Committee Reports related to OP026, SM002, MD016 & ML011 2016 tax assessment appeals.

VOTE: unanimous, 1 absent (Mr. Howe); motion carried.

A written decision will be mailed to the appellants within 15 days.

MOTION by Mr. Booth, seconded by Ms. Coburn, to adjourn Deliberative Session and reconvene the BCA hearing.

VOTE: unanimous, 1 absent (Mr. Howe); motion carried.

Deliberative Session was adjourned and the BCA hearing reconvened at 6:50 p.m.

Mr. Weinberg called a break from 6:50 p.m. to 6:59 p.m.

The Listers and appellants returned at 6:59 p.m.

Randy Clark and Christal Clark – OR026

Randy Clark and Christal Clark, owners, appeared before the BCA. Mr. Clark and Ms. Clark were sworn in, and signed a Witness Oath document.

Ms. Costes, Assessor/Lister, Ms. Dykema, Lister, and Mr. Levi, Lister, were sworn in, and signed Witness Oath documents.

The BCA members present were sworn in, and signed Oath documents.

Mr. Weinberg explained the BCA tax appeal hearing process and that a three-member BCA Inspection Committee would conduct a site visit and write an inspection report. The appellants would be asked if they wished to continue with the tax appeal. The BCA could increase the assessment, decrease it, or keep it the same based on evidence presented, said Mr. Weinberg.

Mr. Weinberg stated that any BCA member should recuse themselves if there is a conflict of interest.

Ms. Rackliff handed out copies of the Assessor's informational packet and appellant's written testimony packet for review.

ASSESSOR'S REPORT

Ms. Costes introduced the subject property located at 26 Orr Road. The subject property consists of 1.09 acres and a single family house.

APPELLANT COMMENTS

Mr. Clark explained that he bought the property in 1987. He has made several modifications and revisions as they raised their family. He has reviewed the appraisal. In the town records the property was 1.03 acres and somehow went to 1.09 acres. He doesn't understand how that makes a difference in land values. In 2004, he had a second story added to the single story ranch house. The property was inspected and the assessment went up. He has compared his house with other similar Jericho homes. He has calculated his square footage costs at \$133 per square foot. A larger home with more bedrooms calculates a \$121 per square foot cost, and a house that sold for \$25,000 less than his assessment calculates to a \$113 per square foot cost. There is a Murray Drive house currently listed for sale at \$356,000 that calculates to a \$125 per square foot cost. If you looked at value on a square footage cost basis then he is assessed higher. He met with Andrew Levi, Lister, and Andrew mentioned that he shouldn't compare his house with his neighbor's houses. Sandra said to use Jericho sales. It is confusing. He took the information and presented exhibits. The average cost per square foot for the town sale comparisons calculate to a \$117 per square foot cost versus his \$133 per square foot cost, said Mr. Clark.

ASSESSOR COMMENTS

Ms. Costes reviewed that the Clark property comes to \$107 per square foot cost before depreciation. Exhibit 1 is a cost report. The subject property square footage cost is for a basic shell. That comes to a base cost of \$85.04, with an added cost of \$22 for a basement and that totals \$107, explained Ms. Costes.

Ms. Costes reviewed calculations for a price per square foot of \$89 per square foot, which is what the property is in for. Exhibit 2 details sale comparisons for 2015 and 2016. The subject property valuation is within one percent of the sale comparisons using the same square footage range. Exhibit 3 is a snapshot of the market using age and neighborhood, said Ms. Costes.

Mr. Levi reviewed median sales of house sizes of 2,693 square feet, median sales of sale prices of homes of \$377,250, and that sold in a median time period of 48 days.

Ms. Costes asked Mr. Popeleski when he looked at a “neighborhood” did he mean Jericho. Mr. Clark replied that he looked at his immediate neighbors.

Ms. Costes handed out two comparisons: 31 Orr Road that is 1,000 square feet smaller with a larger 6 acre lot, and 47 Orr Road on a larger lot and is 3 years older. Adjustments were made for the land, said Ms. Costes.

BCA QUESTIONS/COMMENTS

Mr. Weinberg asked for clarification regarding land values and adjustments. Mr. Levi explained that the Clark’s are taking sale prices with the land value. His assessment is based on the house and two acres, said Mr. Levi. Mr. Clark said yes. The realtors’ took the base price of a house and broke out the acreage, said Mr. Clark.

Mr. Weinberg asked if the town’s Exhibit 3 is the original assessment of \$368,100, and then it went to \$358,800. Ms. Costes explained that an additional physical depreciation was applied and the assessment is \$10,000 less.

Mr. Clark said he didn’t get that information. The grievance letter he received just said his appeal was denied. Ms. Costes said that there are two pages in the grievance report. The second page shows it was denied, said Ms. Costes.

Ms. McMains said the cost report shows it is for \$358,900, then on April 27th it shows \$368,100, and on July 02 it is \$358,900. Is it \$358,800, asked Ms. McMains.

Mr. Weinberg noted that the letter says approved. What is the tax notice, asked Mr. Weinberg. Ms. Dykema replied that as per the Listers’ card it is \$358,900.

Mr. Clark read the grievance notice that says “denied”.

Ms. Alexander stated that the current tax bill says \$358,900.

Mr. Weinberg asked the appellants what they were looking for. Ms. Clark replied that the \$358,800 at \$100 less was better. Mr. Clark said that he was trying to figure out what the property was assessed at when the construction was done. The 72 Orr Road property recently sold and he looked at his neighbor’s properties and houses that sold of a similar size. He thought the assessment was \$368,100, said Mr. Clark.

Mr. Weinberg asked if \$358,900 was a fair assessment. Mr. Clark replied he was not sure where it is at. The sale comparisons were considerably less. One is assessed at \$375,000 has Mt Mansfield views and is a larger house, said Mr. Clark.

Mr. Clark said that the house across the road is a larger lot. It is hard to draw a conclusion when a house is “comparable” when it has 7 acres with road frontage on Orr Road and

Brown's Trace Road. Why does that land have so little value versus his at less acreage, asked Mr. Clark.

Ms. Costes said the house had 1,000 less square feet. One acre versus 2 acres is not a whole lot, and 2 acres and more is residual land and adjusted for.

Ms. McMains reviewed the 2004 inspection notes that appraises the house higher and land a little less. The 2016 assessment of \$358,900 has both the house value and land values shifted. The difference appears to be physical and functional depreciation, said Ms. McMains.

Ms. Costes stated that the assessment is spot on. The tax increased by 12 percent, said Ms. Costes.

Ms. Clark asked if square footage below ground counted. Ms. Dykema said that it is backed out.

Mr. Clark asked if the town's Exhibit 2 are recent sales, Ms. Costes replied yes. Mr. Clark said that there are properties listed for sale in town and the asking prices are similar to the town assessments. What makes their assessments lower than his, asked Mr. Clark.

Mr. Weinberg asked if the appellants would like to continue the appeal. A three member BCA Inspection Committee would visit the property. The committee is independent from the BCA and Listers and could raise, lower, or keep the assessment the same, said Mr. Weinberg. Mr. Clark said he would like to continue.

Ms. McMains and Mr. Messier recused themselves from an Inspection Committee assignment.

INSEPTION COMMITTEE ASSIGNMENT:
Peter Booth, Donna Boiney, and Mary Jane Dickerson.

Date: Sunday, September 11, 2016, at 2:00 p.m.

Ms. Rackliff handed a copy of the Inspection Committee schedule to the appellants.

KCS LLC – MR020

William Veve, authorized agent, appeared before the BCA. Mr. Veve was sworn in, and signed a Witness Oath document.

Ms. Costes, Assessor/Lister, Ms. Dykema, Lister, and Mr. Levi, Lister, were sworn in, and signed Witness Oath documents.

The BCA members present were sworn in, and signed Oath documents.

Mr. Weinberg explained the BCA tax appeal hearing process and that a three-member BCA Inspection Committee would conduct a site visit and write an inspection report. The appellant would be asked if he wished to continue with the tax appeal. The BCA could increase the assessment, decrease it, or keep it the same based on evidence presented, said Mr. Weinberg.

Ms. Rackliff handed out copies of the Assessor's informational packet and appellant's written testimony packet for review.

ASSESSOR'S REPORT

Ms. Costes introduced the subject property located at 20 Morgan Road. The subject property is a 6.2 acre lot.

APPELLANT COMMENTS

Mr. Veve reviewed a written letter of appeal, and read 32 VSA §3481(1) regarding a definition of a Fair Market Value (FMV) into the record.

Mr. Veve noted that the lot was purchased at a bona-fide arms length transaction for \$75,000 in 2016. This is its FMV using the market data approach. The lot is a paddle shaped lot adjacent to the Mt. Mansfield High School. It is bounded by a parking lot and a recreation facility and is impacted by the high school traffic and activities. There is a Vermont Electric Coop utility right-of-way shown as yellow dotted lines on the site map. The lot is impacted by the commercial and industrial uses by the high school, which starts early in the morning, late into the evening, and weekend uses, said Mr. Veve.

Mr. Veve reviewed that the appellant's Exhibit 3 of recent building lots and bulk land sales in Jericho over the last two years. The average price per acre of \$14,764 supports a FMV of \$79,135 for the subject property. Exhibit 4 uses a calculation of actual sales from the town's CAMA cards of a \$29,528 per acre that supports a value of \$79,135 for the subject property. Exhibit 5 shows that the town has under assessed lots in Jericho at \$11,133 per acre and over assessed the subject property at \$129,000. At \$11,133 per acre the subject property should be assessed at \$69,027, said Mr. Veve.

ASSESSOR COMMENTS

Ms. Costes reviewed the Listers' Exhibit 1, CAMA card records, and said that the subject property is not a bulk piece of land. It is 6.2 acres of land that is now permitted for a 5 bedroom single family dwelling and a 3 car garage. The \$129,000 assessment stands. Exhibit 2 indicates that the appellant has received a state waste water permit and a town zoning permit to build a 5 bedroom house and a 3 car garage. There is a connection to the Champlain Water District. The appellant is in the process of applying for an access from the Jericho Highway Department. In the future the property will be adjusted as the use changes. The Jericho DRB is currently reviewing a permitted use change. The subject property will be reassessed next year. The state has issued a storm water permit for a 6-unit apartment complex of 22 bedrooms. The subject property is in flux. The \$75,000 purchase isn't what it was then. The lot has been cleared and permitted. There may be changes to the 5 bedroom-3 car garage permit, said Ms. Costes.

Ms. Costes reviewed the town Exhibit 3, building lots sold. The property at 216 Brown's Trace is a contractor purchase as is the KCS, LLC property. Other lots are vacant lots with no dwellings. There are significant differences in sale prices, said Ms. Costes.

Mr. Levi said that in regard to a definition of FMV and potential uses - we didn't consider it at the time when looking at land values. You can't do a price per acre on a building lot. You have to look at "a building" lot as a lot; is it one acre, or 10 acres. It depends if that 1 acre is in a one-acre zoning district that can only have 1 house, or if that 10 acres is in the 10-acre zoning district that can only have one house, it would make no difference, explained Mr. Levi.

Mr. Veve stated that what we are discussing is a lot as of April 1st and what it was then. The BCA can't take a future use/value into account as per case law, said Mr. Veve.

Ms. Costes said that she was just saying that the Listers will revisit the assessment. The property has changed and will change again. As of April 1st the lot has been cleared. The Listers have inspected it all spring, said Ms. Costes.

Mr. Veve asked when the Listers were officially out inspecting the lot. Ms. Costes replied that in February, March, and on or about April 1st. Ms. Dykema said that the Listers have been around that road for the last two years.

Mr. Veve asked Mr. Levi to explain his comments on how a zoning district is "a lot is a lot". Mr. Levi replied that if there is a 10 acre lot in a 10-acre zoning district then you can't build more than one house on it. You have to go before the DRB. If there is a 10 acre lot in one-acre zoning then you could have the potential for 10 lots, said Mr. Levi.

BCA QUESTIONS/COMMENTS

Mr. Lindholm asked what the appellant submitted to the DRB. Mr. Veve replied that the lot is permitted for a single family home. Mr. Lindholm asked if the permit for that was in effect April 1st. Mr. Veve replied yes. The other things are not relevant, said Mr. Veve.

Mr. Booth asked for an explanation of how the Listers arrived at the land value. Ms. Costes explained that there two methodologies. A list of sales based on Jericho building lots, for example. If there is a built-out neighborhood then a cost table is used. You take all house sales, look at them and the data. You adjust the tables per Marshall-Swift and make the tables "Jericho" only. You subtract out the house value and the "land residual" is left. You do that for house after house. It is what makes one neighborhood more valuable than another neighborhood, and is called a neighborhood multiplier, said Ms. Costes.

Mr. Lindholm asked why the subject property appraisal increased in April, which is three months after the sale date of December 18th, 2016. Mr. Levi replied that a sale is not a market. A sale is a sale. All sales are the market. Look at the median averages. It may be a valid sale, but you look at the medians. It may be an outlier and you throw out outliers,

said Mr. Levi. Ms. Costes said that a lot without permits are valued at 80 percent. Once permits are in place there is added value, said Ms. Costes.

Mr. Booth asked (Mr. Veve) if the permits were in place April 1st. Mr. Veve replied that at the time of April 1st the permit was in place. The lot was purchased as raw land, said Mr. Veve. Mr. Weinberg summarized that Mr. Veve is not saying that the permits were in place before April 1st.

Mr. Veve reiterated that lots are similar in nature, permitting in place or not. The town is arguing it is an outlier. Using a market data approach of a price per acre as per state statute you arrive at a FMV based on Jericho sales, stated Mr. Veve.

Mr. Weinberg asked the appellant if he wished to continue with the tax appeal. The BCA could increase the assessment, decrease it, or keep it the same based on evidence presented, said Mr. Weinberg. Mr. Veve said that he would continue.

INSEPTION COMMITTEE ASSIGNMENT:
Don Messier, Ann Messier, and Jim Gallagher.

Date: Thursday, September 15, 2016, at 10:00 a.m.

Ms. Rackliff handed a copy of the Inspection Committee schedule to the appellant's agent.

Kenneth Brown – CH021

Kenneth Brown, owner, appeared before the BCA. Mr. Brown was sworn in, and signed a Witness Oath document.

Ms. Costes, Assessor/Lister, and Ms. Dykema, Lister, and Andrew Levi, Lister, were sworn in, and signed Witness Oath documents.

The BCA members present were sworn in, and signed Oath documents.

Mr. Weinberg explained the BCA tax appeal hearing process and that a three-member BCA Inspection Committee would conduct a site visit and write an inspection report. The appellant would be asked if he wished to continue with the tax appeal. The BCA could increase the assessment, decrease it, or keep it the same based on evidence presented, said Mr. Weinberg.

Ms. Rackliff handed out copies of the Assessor's informational packet and appellant's written testimony packet for review.

ASSESSOR'S REPORT

Ms. Costes introduced the subject property located at 21 Cilley Hill Road. The subject property consists of a 3-unit rental apartment, 3.36 acres of land, and a 2,000 square foot stable/outbuildings.

APPELLANT COMMENTS

Mr. Brown read a written letter of appeal, dated stamped received January 19, 2016, into the record. The BCA should read the letter, said Mr. Brown.

Mr. Weinberg asked if Mr. Brown had anything else to add. Mr. Brown replied no.

ASSESSOR COMMENTS

Ms. Costes reviewed Exhibit 1, property record card and photographs of the subject property. Exhibit 2 showed Jericho sales that included two recent sales, one of which is a market adjusted sale. There is a 3-unit sale in 2014. The average price comes to \$108,700 per unit. The sales data indicate a \$326,200 value. The assessed value of the subject property is \$303,400, said Ms. Costes.

Ms. Costes reviewed rental property income/expenses and noted that market rent rates of \$1,100-1,400 per month were the average. A comparison property on South Main Street is not a sale. The Listers used an actual market approach. The issue of income/expenses was discussed with Mr. Brown. He said he chose not to charge market rent, so he subsidizes the renters. The subject property's 3.36 acres has an additional 2,000 square foot garage/stable that he uses for his own use. He doesn't rent it out. Mr. Brown's property is not top of the line. Mr. Martin's property is top of the line, said Ms. Costes.

Mr. Brown said that his tenants can't afford \$1,200-1,400 per month. The renters have been there a long time. He has not raised the rent in six years. The barn is used partially for storage. Each rental unit gets one of the 10'X12' stalls for use and one stall is used for rubbish, said Mr. Brown.

Mr. Levi asked if the appraiser did the work for Mr. Brown. Mr. Brown replied no. Jim Abbott did it on his own. He asked Mr. Abbott for an opinion, said Mr. Brown.

Mr. Levi explained that the State of Vermont was governed by USPAP – Uniform Standards of Professional Appraisal Practices. It appears to be an appraisal. He didn't think it met the USPAP standards, which are federal appraisal standards, said Mr. Levi. Mr. Brown explained that Mr. Abbott did research on what rental units sold for. He did not have a problem with the valuation of the building; the problem is the land values versus his neighbors land values, clarified Mr. Brown.

BCA QUESTIONS/COMMENTS

Mr. Booth said that it appears that \$44,000 was added onto the land value. Ms. Costes said that all income producing property is valued differently, although it is not an industrial property, like a Dollar Store. Income producing property, such as rental property, is considered "light industrial". It is graded at a 1.5, said Ms. Costes.

Mr. Brown asked the town to use common sense. It is revenue producing, but not enough rent to pay the taxes, said Mr. Brown. Ms. Costes explained that the town has to put a

FMV on it. Mr. Brown chooses to charge lower rents and that is a personal choice. The town doesn't take that into consideration, said Ms. Costes.

Mr. Weinberg summarized that what Ms. Costes said was that the current rent was a personal choice. Potential higher rents could pay the taxes, said Mr. Weinberg. Mr. Brown stated that if it is the building that is income producing, then why not reflect that in the building versus the land, asked Mr. Brown.

Ms. Costes explained different valuation approaches that included an income approach versus a market approach in calculating a base price per unit, which were two different animals. The land value could be adjusted, but the land is where to put the value, said Ms. Costes. Mr. Brown said that was not where the value is.

Mr. Weinberg said that it was the job of the BCA to figure out the values. Mr. Brown said that the town should use common sense. The 3.5 acres are fallow. His immediate neighbor had the same amount of land and is assessed \$43,000 less than his land. He had no problem with the building value, reiterated Mr. Brown.

Mr. Weinberg asked the appellant if he wished to continue with the tax appeal. The BCA could increase the assessment, decrease it, or keep it the same based on evidence presented, said Mr. Weinberg. Mr. Brown said that he would like to continue the appeal.

Mr. Weinberg asked Mr. Brown what value should be applied. Mr. Brown said that his neighbor's land was appraised at \$43,000 less.

Ms. Costes said to look at other businesses in town. They are assessed a 1.5 grade. Another 3-unit property would have the same value versus a single family unit.

INSEPTION COMMITTEE ASSIGNMENT:

Catherine McMains, Mary Coburn, and Jessica Alexander.

Date: Monday, September 22, 2016, at 10:00 a.m.

Ms. Rackliff handed a copy of the Inspection Committee schedule to the appellant.

OTHER BUSINESS

NEXT MEETING:

- Thursday, September 22, 2016, at 5:45 p.m.
- Thursday, October 13, 2016, at 5:30 p.m. – Lister Land Presentation to be confirmed
- Thursday, October 22, 2016, at 5:45 p.m.
- Thursday, November 10, 2016, at 5:45 p.m.

The BCA hearings were recessed at 8:37 p.m. and will reconvene at the next meeting.

Minutes respectfully submitted, Kathlyn L. Furr, Recording Secretary.
These minutes were approved by the BCA on September 22, 2016