

MINUTES

Thursday, August 9, 2018 at 5:30 pm

Town of Springfield - Board of Tax Appeals

Selectmen's Hall - 96 Main Street - Third Floor

Board of Civil Authority Members Present:

Alice Emmons
Warren Cross
Scott Farr
Mark Greenvall
Cynthia Martin
Ernest Lamphere
Kathleen Stankevich
Stephen Matush
Kristi Morris
Charles Gregory
David Yesman
John Stettner
Walter Martone
Barbara A. Courchesne, Town Clerk

Others:

Maxine Aldrich, Assistant Town Clerk
Nichole Knight, Assessor
Terry Perkins, Lister
Matt Krajeski, Town's Appraiser

1. Call to Order

The continuation of the August 2, 2018 meeting was called to order at 5:30 pm by Ernest Lamphere, Chairman.

2. Swearing in of Board

Walter Martone was sworn in by Clerk. The rest of Board was reminded that they are still under oath.

3. Tax Appeals

Appeal 18-11: Carolyn Blake-Deyo, 23 Pine Street, Parcel #026/1/21

Appellant Carolyn Blake-Deyo, Lister Terry Perkins, Assessor Nichole Knight and Town's Appraiser Matt Krajeski were sworn in by Clerk. Chairman Lamphere read aloud Appellant's letter requesting tax appeal. Copies of Appellant's letter and evidence and Listers' evidence were distributed to all parties.

Appellant Carolyn Blake-Deyo referred to her letter and stated she and her husband bought the house 22 years ago and the price was \$73,125. Now, 22 years later, it's only worth \$86,000.

Town's Appraiser Matt Krajieski stated the appraisers consider the subject property a 2-family home. Mr. Krajieski listed the comparable sales: 48 Summer Street sold 9/14/16 for \$85,000 located in a similar neighborhood as the subject property and coded as a village 4; and 10 Mineral Street sold on 2/1/18 for \$110,000 which has 3,100 square feet vs. subject property is about 890 square feet so that sale was adjusted about 10%.

Appellant stated that with the bank and with the Town since they bought the house it is considered a 1-family home.

Barbara Courchesne questioned if the property was inspected by the appraisal company? Mr. Krajieski answered that it was not so some assumption data may potentially be used. He stated the request to enter the property was not met.

Mark Greenvall asked Appellant to confirm if she feels the value is too low because she plans to sell the property. Appellant stated there is a family living in the property taking care of it and interested in buying home. Nichole Knight stated if they are interested in buying and getting a loan from the bank, the Town's appraisal does not mean the Appellant can't sell the house for what she wants to. Appellant spoke with bank and they were shocked that the Town would come up with a figure that's lower than what is actually owed.

Chairman Lamphere advised Appellant that a 3-person inspection committee would contact the Appellant and visit the property.

The Board questioned access to the property by the appraisers. Ms. Knight and Mr. Krajieski confirmed that Appellant was given several notices, in the initial process and at grievance, and for whatever reason, the request to enter was not met.

Appeal 18-12: TEMKO, Inc., 76 Hartness Avenue, Parcel #027/4/38

Appellant Ted Chivers, Lister Terry Perkins, Assessor Nichole Knight and Town's Appraiser Matt Krajieski were sworn in by Clerk. Chairman Lamphere read aloud Appellant's letter requesting tax appeal. Copies of Appellant's letter and evidence and Listers' evidence were distributed to all parties.

Appellant Ted Chivers stated he represents TEMKO as former owner and present historian. Mr. Chivers referred to Appellant's letter for details of the appeal. Mr. Chivers introduced additional evidence which was distributed to all parties. He stated he obtained a copy of the data sheet that showed a substantial amount of the principal office warehouse building was viewed as finished space when in fact it is not. Mr. Chivers stated they are being appraised for 5,746 square feet of finished space and that assumes that entire part of that main building is finished office space. In fact there is only 2,240 square feet that is finished, the remainder is unfinished storage and workshop space. He stated the appraisers were not able to get in because of conflicts of schedule. Appellant's additional evidence calculates an adjustment applying the square foot value between finished and unfinished space which is \$14.52 x 2,926 square feet, the difference between stated amount on card and actual square footage, which equals \$42,486. Mr. Chivers stated the appraisal should be reduced by that amount from \$368,700 to \$326,214 which represents slightly less than 9% reduction from 2017 value. He stated that is a far cry from the average commercial property reduction on Clinton Street of 25.75%.

Town's Appraiser Matt Krajieski stated the appraisers use an income approach to value on commercial property. He stated this appeal process allows them to reanalyze the income approach through other market data collected. He stated the actual information is confidential.

Mr. Krajieski stated they look at the income generated by the real estate not the business. He explained determining gross income, potential rent, making an adjustment to accommodate for vacancies and delinquent payments, expenses limited to utilities, insurance and maintenance, triple net lease assuming the tenant is responsible for everything at that property with the exception of insurance and management. Mr. Krajieski stated once they have a net operating income, they establish a capitalization rate based on the community in general, tax rates, the way the economic market is working in the community. The appraisers looked at office area, service area and warehouse area, and the square foot costs derived from other data that has come through, not specific to any submissions but in general, averages, and determined office space at \$5 per square foot, service area at \$3 per square foot, warehouse space at \$3.20 per square foot for an annual gross projection of \$58,500, subtract 10% for vacancy and 12% for owner expenses, which equals \$46,327 and applying capitalization rate of 14.5 for a value of \$319,500. Mr. Krajieski is recommending to the Board that Appellant's assessed value be lowered to \$319,500.

Mr. Chivers stated Appellant is not triple net. Charles Gregory asked if the capitalization rate explains the reductions in Clinton Street businesses. Mr. Krajieski stated he cannot make an assumption on the previous appraisal; it was a different market in 2004-2007. Kathleen Stankevich asked if all commercial properties use this same method in this reappraisal. Mr. Krajieski confirmed they did. Mr. Krajieski stated the Listers did not receive income and expense data from every commercial business. In that case, the appraisers would take averages from similar office types, similar warehouse rental setups, who submitted income and expense data and what could be deciphered from it.

John Stettner asked the Appellant if the Board accepts the \$319,500 value would that satisfy Appellant. Mr. Chivers responded he will have to discuss with owner and reiterated they do not operate triple net, nothing is separated. Barbara Courchesne confirmed the Board will set the value, then Appellant can go forward to the two appropriate avenues or there will be another tax year. Alice Emmons confirmed the Board must still visit the property to set the value even if the Appellant agrees to accept the new amount. Walter Martone asked if the income and expense information was requested of the property owners and they didn't respond. Mr. Krajieski confirmed Appellant did not respond with that information.

Chairman Lamphere advised Appellant that a 3-person inspection committee would contact the Appellant and visit the property.

Appeal 18-13: Melvin Fink, 61 Cherry Hill, Parcel #024/2/15

Appellant Melvin Fink, Lister Terry Perkins, Assessor Nichole Knight and Town's Appraiser Matt Krajieski were sworn in by Clerk. Chairman Lamphere read aloud Appellant's letter requesting tax appeal. Copies of Appellant's letter and Listers' evidence were distributed. The appellant provided no evidence.

Appellant Melvin Fink stated he resides at 61 Cherry Hill, has been there for 48 years, was not home for a good portion of the winter and was not available for an inspection. He was shocked by notice of value. He stated it had been well advertised that generally across the board values went down. Mr. Fink's assessed value went from \$430,300 to \$514,800, up 20%. He took a look at comparable properties up and down the street and noted that 25 Cherry Hill went down 36%, 39 Cherry Hill went down 17%, 65 Cherry Hill went down 26%, 229 Highland Avenue went down 21%. He looked at a property that he had compared with another owner for years and years at 11 Summer Hill Street and that property was valued higher over the years and is now down 13%.

Town's Appraiser Matt Krajeski stated it is extremely difficult for a property of this prestige and magnitude to fairly compare it with anything else without the request for gaining entry to the house being met. He stated a notice was sent in late 2017 outlining the pending reappraisal, the property was visited on December 11, 2017 and a notice was left, a letter was sent in late winter/early spring of 2018 asking for an appointment, Mr. Fink filed a grievance in June 2018 and was told no changes would be made to the property without an inspection and Mr. Fink did not arrange for an inspection. Mr. Krajeski stated the Fink home is one of the premiere properties in town, the Cherry Hill area is one of the finest neighborhoods, the home has substantial architectural character, the grounds are highly maintained and the accessory buildings are very significant. He stated based on exterior views the home was judged as being high quality and in good condition at that point. Mr. Krajeski stated one of the biggest differences between the subject property and the equity comparable Mr. Fink referenced on Summer Hill is the neighborhood and the traffic factor.

John Stettner asked Appellant if all houses he referenced are really comparable to his. Mr. Fink stated he thinks yes. Mr. Stettner asked how all houses in Mr. Fink's neighborhood can go down and his goes up? Mr. Krajeski stated he would have to look at current assessments to current assessments not previous assessments. Barbara Courchesne asked Mr. Fink if he is in agreement with the cost sheet as far as square footage, number of bathrooms, bedrooms. Mr. Fink stated he hadn't studied it. Mr. Fink thought it was accurate with the last reappraisal. Nichole Knight recalled at grievance that Mr. Fink mentioned the bathroom count was wrong and advised the Board to pay attention to those details when doing the inspection to make sure the cost sheet data is accurate because the appraisers didn't get inside. Mr. Stettner asked Appellant why he didn't have appraisers come in to assess his home. Mr. Fink stated he wasn't home, he went south for a good portion of the winter. Mr. Fink stated that at grievance he was only given one availability for the appraisers to visit and he had work commitments.

Chairman Lamphere advised Appellant that a 3-person inspection committee would contact the Appellant and visit the property.

Barbara Courchesne reminded Board to let Listers know of inspection dates and times. The Listers have the right to attend; the homeowner has a right to deny them entry.

Appeal: Salus Real Estate LLC, 6 Connecticut River Road, Parcel #011/2/34

Ms. Courchesne advised the Board that Salus Real Estate LLC had withdrawn, in writing, their tax appeal request for 6 Connecticut River Road.

4. Inspections/Decisions from July 26, 2018 hearing

Appeal 18-03: Norman and Judith Dubreuil, 56 County Road, Parcel #01A/1/16

Barbara Courchesne advised everyone is still under oath. Mr. and Mrs. Dubreuil submitted a letter as further evidence. Copies were distributed to all parties and Chairman Lamphere read the letter aloud.

Mr. and Mrs. Dubreuil felt Matt Krajeski used intimidation tactics and the Board had an unfair advantage over Appellants as Appellants weren't given the paperwork ahead of time. Nichole Knight stated that the Town's Appraiser and Listers do not receive any of the evidence before the hearing so are not any more prepared than the Appellants. The Appraiser, Listers, Board and Appellants receive the evidence at the same time. Matt Krajeski apologized and stated it was not

his intention to be disrespectful or that his statements were personally against the Appellants. John Stettner stated that there is no other way to do property values than to compare properties.

Appraiser, Lister and Assessor were dismissed. Barbara Courchesne advised the Appellants that they could stay for the reading of the inspection report and decision but they could not participate further.

Kristi Morris read the inspection committee report of Elizabeth Gray, Warren Cross and Kristi Morris. Inspection was made on August 2, 2018 at 10:00 am. Norman and Judith Dubreuil were present and Mr. Dubreuil accompanied the inspection committee on a tour of the house, property and garage. The Listers were not contacted in time to be present for the inspection. The report described the entire property in detail.

MOTION: Mark Greenvall moved to accept the report as presented; seconded by John Stettner. No discussion. Motion passed.

Kristi Morris read the Tax Appeal Decision. The Listers valued the property at \$98,300 for the 2018 Grand List. Mr. and Mr. Dubreuil grieved this initial appraisal and submitted a list of concerns dated June 22, 2018. The appraisal was reduced at grievance on July 2, 2018 to \$82,700. Adjustments were made to the building value and the land value at grievance. After an inspection of the property by committee and review of comparable sales, the Board agrees the property depreciation physical condition is average. The Board is recommending a change to the basement functionality from 2% to 10% which will reduce the building value to \$48,900 when added to the \$5,700 yard items and the \$23,800 land value, the new property appraisal will be \$78,400.

MOTION: David Yesman moved to accept the decision; seconded by Mark Greenvall. No discussion. Motion passed.

Appeal 18-01: John and Marion Murray, 988 Connecticut River Road, Parcel #011/2/02

Scott Farr read the inspection committee report of Scott Farr, John Stettner and Charles Gregory. The inspection committee visited the property on July 30, 2018 at approximately 4:00 pm. Mr. Murray and Marion Murray were present and accompanied the inspection team. The inspection team focused on the items addressed by the Appellants: shed/garage – the inspection committee found the garage to be fully enclosed with 2 garage doors and large enough to accommodate other than the soffits and recommended no change to the value; cathedral ceiling – the inspection committee reviewed definition of cathedral ceiling which is a pointed or slanted ceiling rising more than one floor and found it to be so and recommended no change to the value; and attic – the inspection committee determined that an average person can stand at 38” of width and although is limited option for usable living space the Listers did correctly label as attic and recommended no change to value.

MOTION: David Yesman moved to accept the report as presented; seconded by Warren Cross. No discussion. Motion passed.

Scott Farr stated that the decision was not ready for presentation. Barbara Courchesne advised there needs to be a written decision to be the first decision read at the meeting scheduled for August 23, 2018 at 5:30 pm.

Chairman Lamphere asked for inspection committees. The following inspection committees were appointed:

Appeal 18-11: Charles Gregory, Warren Cross and Cynthia Martin

Appeal 18-12: Walter Martone, Scott Farr and Alice Emmons

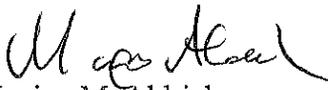
Appeal 18-13: Charles Gregory, Mark Greenvall and Cynthia Martin

5. Public Comment:

None.

Kathleen Stankevich moved to recess; seconded by John Stettner. At 7:15 pm, the meeting was recessed to August 23, 2018 at 5:30 pm.

Respectfully submitted,



Maxine M. Aldrich
Assistant Town Clerk