

LUNENBURG BOARD OF ASSESSORS
MONDAY, FEBRUARY 5, 2024
BILOTTA ROOM, LUNENBURG TOWN HALL
17 MAIN STREET

Present Members: Chair Brian Laffond, Vice Chair Sarah Cammer, Clerk John Rabbitt, Interim Principal Assessor Rena Swezey, Town Manager Heather Lemieux, and 3 Select Board Members.

Joint meeting with Select Board.

CALL TO ORDER

The meeting opened at 6:30 PM.

OPENING COMMENTS

- Board

Rena Swezey gives an update about her upcoming work schedule. Due to the new year starting she will be able to work more than the usual 23 hours a week. Rena Swezey and Heather Lemieux confirm the office will be open during the week from 8 AM- 4 PM.

- Public

Carl Luck – 50 Sunset Lane

- Carl Luck questions where will lake front properties assessment to sales ratio come from? Carl Luck questions if the 3 available options are to use the 2023 assessments, the 2023 abated value, or the updated value on the Vision cards. Carl Luck states the 2023 assessments are fatally flawed and inaccurate. The 2023 abatement values were good at the time but not everybody filed for an abatement. Lastly, the values updated on the Vision cards are flawed as there is an added 4 to 8 percent to the land value above and beyond abatement values.
- There is an additional question of what the ratings of good, average, and below average play roles play in the current assessment process.

Phyllis Luck – 50 Sunset Lane

- Phyllis Luck asks when the residents will have access to the 2024 assessment data? Additionally, how any adjustments were calculated.
- When will a public meeting be held to review the results of the process and recommendations with the ability to ask questions?

Dave McDonald – 155 Island Rd. – States that he is proud of everyone on the Board and is seeing the progress that's being made.

Michael Ray – 1170 Mass Ave. – Thanks the Board for their work. He has a question about how the homes are assessed and how they arrived at those numbers.

CURRENT BUSINESS

- Discuss Status of / Review **5 Year Re-evaluation** – with Mike Tarello of Vision
- Mike Tarello states that over the last year there have been changes in values from new to old that are going to be inconsistent. There's going to be corrections showing a significant drop and some showing significant increases. The information being provided during the meeting is preliminary. The Board will have to approve the work for it then to get submitted to the DOR to start their process.
- According to state guidelines the value in town must be between 90% and 110% for fair market value. As a basic overview the sales from 2022 adjustments for land is 20%, commercial is 15% coefficient of dispersion (COD), and under 10% for residential for the different categories.
 - Re-evaluation of fiscal year 2024
 - Vision has analyzed all properties throughout the community including depreciation, updating construction costs, land values, capitalized rates for commercial, income and expense information.
 - Below are the steps that were followed by Mike Tarello from Vision
 - Review of all property sales for land and building.
 - Verify sales through MLS.
 - Communications with the assessor's office
 - Physical investigation and make sure sales were in arm's length transactions.
 - Review all sales based on data collection guidelines developed by the assessor approved by the Board.
 - Investigate sites for location and amenities.
 - Review characteristics, style of the property, condition of property, quality of construction, extra features, and outbuildings.
 - All changes are entered into their system, recalculated, checked for errors, then analyzed.
- Improved sales are found by extracting the building value and depreciation. This is also how residuals are found. Through the process a base land curve for residential was determined. Next, the land curve was developed, and adjustments were made. Additional items to factor in the land were neighborhood adjustments and delineated neighborhoods. With the land curve found there would need to be a positive adjustment for the land curve of 10%. This was then applied to the base land curve based off sales. The land curve was

set at 10% and excess land was \$7,500. If the sale included over an acre or 2 of land depending on zoning an additional 10% was applied. This raised the \$7,500 to \$8,200. Undeveloped and unusable land was at \$1,000 and was adjusted to \$1,100.

- The data for Lunenburg included 7 neighborhoods, 3 waterfronts, and 4 regular neighborhoods around the water.

- A team reviewed and inspected the work previously completed. There was a review of different types of effects surrounding properties on the water while not having greatest access or view factored in.

- Data was collected through the sales in 2021 and the limited sales from 2022. Vision looked through MLS to determine if the sales were qualified and if not, they were unqualified. If they were qualified, then they looked at MLS to make sure there were accurate descriptions. MLS contains roughly 45 pictures for each property. For 2022, there were 8 qualified sales.

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- Once land values are set the next step includes a review and inspection of building costs based on the different styles. Adjustments were made using the cost support manual, Marshall and Swift, then testing with the sales adjusted the building costs. On average the building costs from last year were around 130 to 140 dollars with no adjustment for unusual characteristics or grade. After looking at adjustments and comparing them to sales they were raised to the lower \$150s. There was an 8 to 10 percent increase in building costs.

- A land to building ratio was used to test for reasonableness in the contribution of the land and the building to the total value. The depreciation schedule was adjusted for properties that are from poor condition to excellent condition.

- There was a review of building permits to identify what changes there are- renovations, remodeling, and additions.

- After completing all adjustments to the sales, they were determined to be in ratio. Sales were then re-evaluated and presented to the Board to review. There was a request to the Board to add those rates, run all record cards, then review the town for physical characteristics, elements of construction, elements of condition, elements of sales prices. This created trends of values in different neighborhoods. Additional changes and adjustments were made.

- A report was run of old to new value reports specifically looking for outliers in data. About 25 sketches were updated and corrected.

- The Board was provided with a report that included tables for cost, the market, rentals, vacancy, expenses, capitalization ratios, neighborhood adjustments. There were 2

income reports used including the income cost comparison report, and other economic spreadsheets.

- Board Questions

- Sarah Cammer was hoping for a map of the neighborhoods. Mike Tarello confirms this will be provided once the process is finished.

- Brian Laffond asked if it was fair to say that this reevaluation does not depend on prior values and that it really depends upon sales. Mike Tarello confirms that prior values were only used for comparisons sake. Additionally, there was a look at the sales for a whole year before and a whole year after for all properties. Another question is whether condos are treated as rentals and how they are being evaluated. Mike Tarello states that for condos there was a review of the last 3 years of sales. Additional information was used for comparison or other rental apartment complexes. Furthermore, Vision used an income approach. Mike Tarello wants to speak further with the Board and the DOR representative specifically about condos.

- John Rabbitt asks if there was a common place where mistakes were made or found. Mike Tarello confirms that many error logs were run, multiple checks of overrides and details on each spreadsheet. Out of the 4,000 property cards roughly 800 to 900 changes were made.

- Below are numbers and data that Mike Tarello provided.

- o Property values

- Single families went up 4%. Condos went up 30%, two families went up 9%, multi-homes went up 3%, apartments went up 30%, vacant land went up 10%, commercial went up 6%, industrial went up 6%

- o Values in house styles

- Ranches went up 2%, colonials went down 1%, capes went up 3%, cottages went down 7%, raised ranches were up 4%, split levels went up 4%.

- Mike Tarello stresses that the public is part of the appraisal process. No one knows their property better than the residents. Public disclosure is a good time to bring any questions forward.

- Mike Tarello asks the Board to create a list of questions and send them to him prior to the next meeting.

- Approve Recommendation for **2025 Overlay**

- Every year an amount of money is appropriated into the overlay account. This is a combination of cumulative effects of what's available in the overlay to address abatements and exemptions. The amount for fiscal 22 was \$132,000 and the

amount for fiscal 21 was \$139,000. The 5-year average for overlay was around \$125,000. This excludes the \$1,451,502 that was excluded in the original overlay amount. Heather Lemieux reached out to the DOR about the increased amount from last year and learned that it could be excluded in the 5-year average.

John Rabbitt did some research and provided a presentation that was displayed during the meeting. John Rabbitt suggested that there are 4 different options. John Rabbitt suggests increasing the exemptions across the board. This would change the overlay amount of \$120,000 to \$200,000. Ultimately John Rabbitt believes that Heather Lemieux is being too conservative with her numbers.

Brian Laffond suggests that since the town already has money in that account, it may be more practical to increase between \$130,000.00 or \$140,000.00.

Heather Lemieux states that the cumulative number in the overlay account is \$562,500. If there is an excess of money this will affect the overall budget.

Sarah Cammer is not inclined to increase the overlay amount. The data coming in through Vision looks well established and believes there is enough money available in the overlay fund for this upcoming year. Additionally, Sarah Cammer believes the Board should go with the \$120,000 that's been recommended.

Sarah Cammer makes a motion to accept \$120,000 for the next fiscal year, seconded by Brian Laffond to open for discussion. John Rabbitt is in opposition.

John Rabbitt makes an amended motion to accept \$200,000 for the next fiscal year. This vote was not seconded.

Sarah Cammer suggests if it's going to be increased this needs to be done before the budget comes out for the next fiscal year. With the re-eval coming out Sarah Cammer believes this is too late and is concerned about long term impacts on the budget. Sarah Cammer won't take any action until this is discussed at the town meeting. Sarah Cammer doesn't want to increase the taxes for anyone beyond what we're seeing in assessments because there is so much going on in the town.

After discussion, Brian Laffond calls a vote on the motion to set the overlay figure at \$120,000 for the 2025 budget. All in favor.

- Discussion on **Public Disclosure Notice and Impact Notice for Second Home Owners**

The town will enter public disclosure for a period of 5 days. During those 5 days, taxpayers can obtain and review proposed data. Taxpayers can go to the assessor's office with questions and to discuss recent changes in proposed values. Also provided is an overview of the process, the valuation changes, and the overall effect on assessments. At the completion of the certification on February 21, a

statement will be received from the DOR which will also be made available to residents. All information will be posted on the Lunenburg website.

A classification hearing with the Select Board will take place on March 12th. Tax bills will be sent out by the end of March. If there are any abatement requests, they will start thereafter.

Rena Swezey, Brian Laffond, and the DOR representative Becky had a meeting and discussed the option of having a visual board. The board would include properties recently sold, what they sold for, and what they were assessed at. In addition to being displayed in the assessor's office there is a discussion about this being made available at places such as the library and senior center.

UPCOMING MEETING/ EVENTS SCHEDULED

- February 12th at 6:30 PM
- February 15th at 6:30 PM

CLOSING COMMENTS

- Public
No public comment.
- Board
No Board comment.

ADJOURN

Motion to adjourn by Sarah Cammer, seconded by John Rabbitt. All in favor.

The meeting adjourned at 9:15 PM.