

A special meeting of the Board of Aldermen was held Monday, July 22, 2019, at 7:00 p.m. in the Aldermanic Chamber.

President Lori Wilshire presided; City Clerk Patricia Piecuch recorded.

Prayer was offered by City Clerk Patricia Piecuch; Alderwoman-at-Large Shoshanna Kelly led in the Pledge to the Flag.

The roll call was taken with 11 members of the Board of Aldermen present; Alderman Harriott-Gathright. Alderwoman Melizzi-Golja, and Alderman Lopez were recorded absent. Alderman Ben Clemons arrived after roll call at 7:02.

President Wilshire turned the meeting over to Alderman Dowd, Chair of the Budget Review Committee, to conduct the public hearing.

PUBLIC HEARING

R-19-159

AUTHORIZING THE MAYOR AND CITY TREASURER TO ISSUE BONDS NOT TO EXCEED THE AMOUNT OF ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000) FOR PROPERTY REVALUATION SERVICES

Kim Kleiner gave a brief overview of R-19-159 before the Board heard public testimony.

Alderman Dowd

This evening we are going to be having a public hearing on R-19-159 authorizing the Mayor and City Treasurer to issue bonds not to exceed the amount of \$1,300,000.00 for property revaluation services. Is there someone from the City who would like to come up and explain the Ordinance?

Kim Kleiner, Administrative Services Director Good evening Chair and Members of the Budget Committee. As we all know from last year's management audit report and from the improvement plan that was presented to all of you at the full Board in April, this has been an item that has been addressed and brought forward and has the Mayor's full support. It is an item that we feel is crucially necessary to deal with our data within the Assessing Office. This has not happened since 1991. This would be a full measure and list over a three-year period. There would be two attempts and then a third to get into all properties.

We are looking at beginning the project in October with a start-up meeting between the City and the State DRA. In 2022 a full statistical would finish the project. Now it's important for people to realize is as these properties are being entered and data is being collected, data corrections to properties occur right away; so this not that data corrections wait until the end. That is not so. It is just like if our assessors were to go out and to find errors within a property card; we would make those changes right away.

So over the three-year period there are updates and changes to these properties as information is obtained. Then at the end in 2022 we would have a full statistical update. Again as with any statistical update full measure list a use report would be required to be submitted to the DRA for acceptance. I am happy to take any questions.

Alderman Tencza

So this full list and measure, we wouldn't be able to then wait another 5 years to do an assessment. The DRA would require us to do one again within 5 years of this year?

Ms. Kleiner

You would reset the clock sort to speak, so if we did the statistical update in 2022, we are actually a year ahead of what would be required, right? We are actually required in 2023. You would be required to do another one five years from 2022.

Alderman Tencza

So just a follow up and I think I am pretty sure I already know the answer to this. The State does not require us to do a full list and measure, correct?

Ms. Kleiner

It does not.

Alderman Tencza

Which is why we probably haven't done one since 1991. And then according to the State Standards, the Statistical Revaluation that we just did is sufficient by DRA Standards?

Ms. Kleiner

Correct.

Alderman Laws

What is the protocol, so you make 2 or 3 attempts? What happens if on the third attempt you still can't get into the property?

Ms. Kleiner

So they try to obtain as much data as physically possible. It is a process that is quite similar to what our assessors do. They leave tags, they follow up and they call. We will actually have staff that will follow-up and make phone calls as well. But at that point, we use whatever data is available to us from looking at GIS and looking at the property from the outside, looking at building permits, any building plans, any data that we have.

Alderman Klee

Yes, I have just a quick question. So when you are saying that they make two attempts and the third one what you are going to. During these attempts will the homeowners know we are going to be coming into this neighborhood during this period of time. Or is it just a knock on the door, "Hi we are here".

Ms. Kleiner

So they are splitting the City into thirds and we will know what areas we are working on that they have boots on the ground sort to speak. We can certainly post that and let people know if that is helpful to residents. I would think it is, I would want to know.

Alderman Klee

Yeah if that's at all possible just to give people a heads up because we know what happens with utilities, knock, knock on your door and it is not real. So just so that the residents know that these people, so we know what kind of ID's they are going to have and so on. I think that is really important for the safety of our residents. Thank you.

Alderman Jette

So what we are here for tonight is the public hearing on the bond right?

Alderman Dowd

Yes.

Alderman Jette

I notice in the, I don't see it in the bond language itself, but in the fiscal note on the bond it says that the bond would be sold in Fiscal Year 21 and I am wondering why is that? Why wouldn't it be sold right away? I understand the interest rates are really good for municipalities right now. Why would we wait until 2021 to sell the bond?

Alderman Dowd

Treasurer Fredette would you like to come up and address that.

David Fredette, Treasurer

First of all, after the bond gets passed here a packet has to go out to bond counsel. That can take up to 60 days. We are selling bonds in October of this year. This just won't be ready, plus we don't sell bonds normally until the work is almost already complete. We use our own cash to pay for the work and then we reimburse ourselves later. The rates will still be good for, I think, a couple more years, the way it looks. That is the plan anyways. I don't think I could have it ready for the October sale. We try to sell just once a year because there are a lot of expenses when you sell.

Alderman Dowd

Treasurer Fredette, would you also explain why it is a five-year bond?

Mr. Fredette

There is a State Law that allows only up to 5 years for this type of bond. I think it goes back to years ago, I think many communities did these every 5 years. I mean you don't do it today, but years ago they did. So I think that's why the five-year max is there.

Alderwoman Kelly

Just a question around the selling of the bond. If we find that things are shifting, could we sell it earlier than 2021? You are saying for a couple of years the rate might be fine?

Mr. Fredette

Oh yeah, we could sell it earlier if we thought something was happening with rates, yes.

Alderman Dowd

Any other questions for Treasurer Fredette. Thank you. Any other questions?

Alderman Clemons

I just have one question. So my question is do we anticipate that by doing this there is going to be some massive swing one way or the other in what the rates currently are?

Ms. Kleiner

So are you asking for the full measure or are you asking with the statistical update? I mean presently we do see property values still rising, right? So we do see that. How much is a change in value because of the statistical update that is processed in 2022 and how much is actually from the full measure list data collected over the three-year period. We will now how much change we see in the data as the years are being processed, at least the first couple. But then you will see a greater change for those properties are in the third year of data collection because that will be the year that you are also having the statistical update take effect, right? But with homes still rising and the fact that one of the reasons that we are addressing doing the full measure and I list is because it has been so many years since we have done one. It is kind of hard to say what we are going to find from the data collection.

Alderman Clemons

OK thank you.

Alderman Tencza

Would you agree with me though that this isn't a way for the City to collect more taxes, if anything is a way to redistribute how the taxes are collected?

Ms. Kleiner

Correct.

Alderman Tencza

Do you have a sense of will it be, do you have a sense of how that redistribution will take place?

Ms. Kleiner

So as far as the statistical update, that's based on sales right so that's based on sales with homes a year prior. So at that point you will be looking at, it'll be based on sales from April of 2021 to April 2022. In commercial they will actually be using two years. This is not the City's attempt, you don't collect more on taxes, this is a redistribution where you are going to see if there have been changes to homes that we are not aware of. Those changes will impact those property values. And if the market continues to have increases like we see now, you will see increases in 2022 based upon those sales.

Alderman Clemons

Yeah, I mean, I think I understand but I also want to make the point that you know in 2009 we weren't rushing to do one of these, you know what I mean? Because property values at that point dropped tremendously. And it wasn't exactly a priority. So I am just hoping that we are not looking to do this for the opposite reason of why we wouldn't have done it in 2009. If you can read between the lines.

Ms. Kleiner

So if I may, I mean one of the things that we did notice in the Management Audit and it was one of the recommendations, was it always the City's best interest to have accurate data. And I think is why we made it a

recommendation of the Management Audit, we felt pretty strongly that it needed to be done. And no, we aren't saying that you want to undertake every 5 years or every 10 years. But maybe the City looks at that and figures out what it thinks is most reasonable to keep our data and our systems accurate.

Alderman Tencza

Thank you so if someone and you may have said this before, if someone refuses for the inspector to come into their house, there is nothing the City can do about that?

Ms. Kleiner

No.

Alderman Tencza

OK.

Alderman Dowd

So question, the bonds is an item not to exceed \$1.3 million are we basing that on a proposal?

Ms. Kleiner

We are.

Alderman Dowd

OK so we don't anticipate having to spend any more than the \$1.3 million.

Ms. Kleiner

So I want to say that when CFO Griffin and I were undertaking the management audit, we asked for a quote, a proposal on this item to get understanding of what we would be asking the City to undertake. So that was based on February of 2019. I am hopeful that I will not have to come back to you.

Alderman Dowd

Thank you very much. I will open the public hearing for testimony. Anyone who wants to speak in favor, please come up to the microphone and state your name and address.

Testimony in Favor

Laurie Ortolano 41 Berkeley Street. A couple of things. I have some concerns about the four-year time frame on this revaluation with a list and measure. I would love to see it done in 3 years and certainly not 5 so I was glad to hear tonight it was 4. A couple of my concerns are that the market is running high. We lost 5 points on the equalization ratio last year in a year that we were equalizing to one. We came down to 94.9%. It is very possible that this year we could lose 10 points on that ratio and we will be equalizing property at 85%, maybe 87 after that first year.

You know you'd like to think that the market will correct itself, I hope it does. But if it doesn't and it runs hot, you are going to have properties that are pretty far off. When you couple it with the miscue and data that hasn't been captured over 30 years, I think you could have some pretty devastating increases. That concerns me a great deal. I would love to know if this State has any way to phase in high increases on properties.

I know that other States do when they have done revaluations and they have seen somebody's property taxes go up a lot, they will phase it in over 2 or 3 years. I don't know if New Hampshire has ever done anything like that. But I am not a proponent of seeing property values increase 50 or 100% because of an adjustment. It sort of happened to us and it is a pretty unpleasant situation and I wouldn't wish it on anyone else. So that concerns me.

Doing it sooner would help take the edge of the market run that we are seeing happening. And I also think that the Management Audit Report didn't do much at all to tell us about the need for a list and measure. What tells you the need for a list and measure would have been a technical audit report. It is the technical data that kind of speaks to that.

Alderman Dowd

Ms. Ortolano, could you address just the bond in front of us if you are in favor, stating that you are in favor and not what might come out of it or anything else, because we have no control over that at the public hearing.

Ms. Ortolano OK I was only speaking to what was spoken to here, and I didn't know I couldn't speak to what was spoken to here. So I would like to see the bond carried sooner than 4 years. I would like to see the work done in 3 years. For myself it makes a big difference because I moved into a neighborhood where we have no equity and waiting 9 years to find it is just a long time to have to wait to get properties in line. You know it just doesn't seem reasonable for the properties that are completely out of line. So handling the list and measure quicker, I would be a big proponent of it.

Testimony in Opposition

Testimony in Favor

Testimony in Opposition

ADJOURNMENT

**MOTION BY ALDERMAN O'BRIEN TO ADJOURN
MOTION CARRIED**

The meeting was declared adjourned at 7:20 p.m.

Attest: Patricia Piecuch, City Clerk