

**Town of Chelsea
Board of Assessors Meeting Minutes
March 25, 2013**

1. Call to Order

Chairperson Ben Smith called the meeting to order at 6:07 PM.

Assessors present were Benjamin Smith, Michael Pushard, and Linda Leotsakos. The Town Manager, Scott Tilton, was excused from the meeting. There were 12 residents and members of the public present including John O'Donnell from O'Donnell & Associates, Inc.

Linda Leotsakos asked Ben to talk with Scott Tilton about installing an American Flag in the Town Office meeting room so they could say the Pledge of Allegiance in future meetings.

The Board members agreed to take Item 2D out of order.

2. Scheduled Items

A. 2013 Town Wide Revaluation Update

John O'Donnell from O'Donnell & Associates, Inc. reviewed the status of the revaluation work plan. All taxable properties have been visited. Pictures and sketches have been completed. The Commercial pricing has been done except for the field work review. He hopes to do this when they do the personal property assessing. The sale of property reviews have started.

John and the Board discussed 2 workshops planned for the Board (Reval 101 and Reval 201). They need to schedule dates for these workshops and plan two separate dates for these workshops. Reval 101 is the fundamentals of assessing and Reval 201 deals with the specifics for Chelsea including sale properties.

There was no further discussion.

B. Review and Approve the 2013 Property Tax Declaration Form

The Board and John O'Donnell discussed the process, including the letter, forms, and the schedule for assessing the personal property of the Town's businesses. The list of businesses, draft letters, the Declaration form, and the Depreciation schedule were included in the handout available at the meeting.

They discussed revisions to the draft letter and agreed the letter needs to include language referencing the Maine Statute Title 36 MRSA Section 706.

They discussed what constitutes a business and when personal property should be assessed or exempted.

John reviewed the tentative schedule for this portion of the work plan. They need to notify business owners by mid-April in order to get returns back by mid-May with the intent to complete this work in time for commitment July 31st. They agreed to send notices to those actively engaged in business. They would review the current list of business by next Wednesday.

Ben Smith recommended the Board accept O'Donnell's draft, subject to revisions from the Town Manager's draft letter, along with the Declaration Form and Depreciation schedule.

- Linda Leotsakos moved the Board approve the Letter, the Personal Property Form and the Depreciation Schedule subject to the amendments discussed. Mike Pushard seconded the motion. There was no further discussion or public comment. The vote was unanimous. The motion carried.

C. Personal Property Assessing

The Board and John O'Donnell talked in general about assessing personal property. They discussed discovery efforts, enforcement, the claims settlement process and the efficiency and the effectiveness of the process along with the overall impact it could have on the town's revenue base. John recommended to the Board staying with the clean business focus. The Board agreed on taking no action at the meeting and would review after the initial responses from the businesses.

Craig Hitchins stated the businesses might have some difficulty responding to the letter. John O'Donnell explained the letter opens up interaction and invites dialogue.

D. Private Roads Assessing Policy

John O'Donnell, O'Donnell & Associates, Inc., gave an overview of the revaluation assessing process, which includes looking at properties sold in the town. He said some of those properties might include properties with private roads. He said they make adjustments in assessments for private roads because some factors apply. They recognize maintenance of the private roads by the landowners might impact the potential sale prices of the property thus lowering the values of the properties. Maintenance, the number of houses on the road, the length of the road and the conditions of houses on the road all impact the ability to sell or attract a buyer which impact the value. They have to use reasonable judgment and experience and recognize these factors when assessing to determine how much is appropriate. Part of assessing is the physical characteristic of the property, not just the cost of maintenance nor the condition of the road.

There are variances from road to road. It is too early to determine the actual outcome yet but they establish tables used in the process. The owners will get information when the letters go out to them with the proposed assessments. Then the owners can give feedback to the assessors before a final value is determined. Mike Pushard gave a few examples of possible situations in town such as a road that starts as a town road but the end of it is a private road or two similar houses with one on a town road, the

other on a private road. He asked if the value could be different. John explained in the second situation there might be a 10% variance if all else is equal.

Linda Leotsakos stated the town is recognizing the impact of private roads through the revaluation. Ben Smith acknowledged the impact of incentives to maintain these roads and improve the overall value of the properties. The Board and John all agreed the town is not taxing the private roads. There is no market value of a private road. Linda reminded everyone that some private roads are taxed; some are not. How do you distinguish between driveways and private roads? For newer houses, if there are 2 or more residences, it is a road. Linda explained the old standard in a subdivision required the road to be built to the town standard for the road to be considered a town road. They might want to look at standards for developments.

John O'Donnell reiterated the feedback from the property owners is part of the finalization process for the revaluation. Ben said the Board needs to identify the private roads and provide a list to the assessing contractor so the assessor can take that into consideration.

This was a preliminary meeting. There was no action required at the meeting.

E. Review and Adoption of Assessor's Agent Contract

The intent was to review the provisions of the contract and to make revisions to the draft. The Board discussed:

- 1) Incorporating the job description into the contract
- 2) Removing the \$430 per full day rate and making the contract a flat amount.
- 3) Defining service as at least once every other week
- 4) Adding indemnification language to address insurance issue
- 5) Removing the word "Primary" before contractor
- 6) Requiring each page to be initialed by the Board members
- 7) Providing 2 originals – 1 to the town and 1 for the contractor

The Board agreed to work on this at a future meeting. No action take.

3. Other Business

None

4 Adjournment

Linda Leotsakos moved the meeting adjourn. Mike Pushard seconded the motion. Ben Smith called the meeting adjourned at 7:25 PM.