

TOWN OF MADISON - PUBLIC NOTICE

The Inhabitants of the Town of Madison are hereby notified of a public meeting, The time, place and purpose of which are as follows:

MINUTES BOARD OF ASSESSORS Monday June 26, 2017 5:30pm Old Point School Meeting Room

- A. Salute to the flag: Meeting was called to order at 5:30pm
- B. Nominations for electing Chair and Vice Chair of the Board of Assessors: Assessor Jack Ducharme nominated Al Veneziano as Chair seconded by Paul Fortin. Motion carries 3-0. Mr. Fortin nominated Jack Ducharme for Vice Chair, seconded by Assessor George Elias. Motion carries 3-0.
- C. Roll Call: Assessors Al Veneziano, Jack Ducharme, Paul Fortin, and George Elias were present. Assessor Ron Moody was absent. Assessing Agent Shirley Bartlett and Town Manager Tim Curtis were also present.
- D. Discuss acceptance of meeting minutes of March 27, 2017: Motion to approve by Mr. Fortin, seconded by Mr. Ducharme. Motion carries 3-0 (Mr. Elias abstained as he was not present at the March 27 meeting).
- E. Old Business (Assessor's concerns from immediately preceding meeting): None
- F. New Business
 - 1. Discuss County Commissioner's decision regarding denial of abatement for 25 Park Street: In January 2017 the Board of Assessors had denied an abatement request from Mr. and Mrs. Leslie Rexford who had purchased a foreclosed property at 25 Park Street in Madison. The Rexfords appealed the decision to the Somerset County Commissioners who heard the appeal on June 7, 2017. Town Manager Curtis represented the Town and took the position that the Rexford's application for abatement was unclear and was based solely on market conditions. The property which is valued at \$120,000 was purchased for approximately \$61,000. It appeared from their application that the Rexfords were asking for a \$60,000 abatement. The Commissioners asked if Ms. Bartlett had done an inspection of the home's condition. She had evaluated the outside but not the inside. The Commissioners asked for a complete condition report to be done. At their next meeting on June 21, 2017 the Commissioners reviewed Ms. Bartlett's report that the condition of the house should be downgraded from 'good' to 'below average' resulting in a reduction in value of \$23,200 from \$120,600 to \$97,400. That will be the valuation for 2017 going forward. In a 4-1 vote the Commissioners granted the Rexfords an abatement of \$23,200 to be applied to the 2016 taxes, resulting in a refund of \$487.20.

Motion from Mr. Fortin to approve an abatement of \$23,200 and a reduction in taxes of \$487.20 for the property located at 25 Park Street, seconded by Mr. Ducharme. Mr. Fortin asked what was learned from this process. Town Manager Curtis said that the lesson is to remain consistent to value on condition and to make sure that the Town does due diligence to inspect properties on request. Mr. Ducharme asked if the planned town revaluation would catch some of the recently purchased foreclosures with accurate values. Ms. Bartlett confirmed that would be the case. Motion carries 4-0.

- 2. Discuss Abatement Appeal for 17 Locust Street:** In January of 2017 the Madison Assessors denied an abatement appeal from Charles Potratz who had purchased the property at 17 Locust Street for \$25,000. Assessors Agent Shirley Bartlett reduced the value from \$50,000 to \$38,000 in 2016, but Mr. Potratz wanted the value to be reduced to what he paid (\$25,000). On June 1, 2017 Mr. Potratz submitted a letter to the Town appealing the abatement denial to the County Commissioners. After attending the June 7, Commissioners Meeting he asked that Ms. Bartlett look at his property again. She did and took into consideration the fact that the building was in disrepair and hadn't changed much since 2016. As a result she lowered the value to \$35,800 for 2017 forward. Mr. Potratz has asked if the Assessors will grant an abatement to that value for 2016.

Motion from Mr. Fortin to approve an abatement of \$3,100 and a reduction in taxes of \$65.10 for the property located at 17 Locust Street, seconded by Mr. Ducharme. Motion carries 4-0.

Mr. Curtis noted

- 3. Discuss IGS Solar valuation:** Shirley Bartlett presented information regarding the taxable value of the Solar Panels that were in place at the Business Park as of April 1, 2017. She has performed calculations based on the cost value and from the income approach. There is a wide variance between the two. The cost approach would be based on the total cost of installation less obsolescence and depreciation. According to the information provided by IGS, the cost of installation was approximately \$9M. Using an income approach is more convoluted because there is not a lot of data since the project has only been on line for less than a year, and the investors are utilizing tax credits for profit the first five years. The Board said all the tax credits should be considered in the income approach. Mr. Fortin said that the tax credits and the Renewable Energy Credits make the income approach so confusing that he would be more in favor of developing a valuation based on the cost approach.

There are no other solar projects on line of this magnitude in the state to get an idea of valuation. The consensus of the Board was to have Ms. Bartlett research a solar industry standard for obsolescence, and to contact Madison Electric Works to get a copy of the contract between IGS and MEW which would provide a reduction of value based on buyout figures over several years.

Town Manager Curtis explained to the Board that this valuation is captured within the TIF District that was expanded in 2013. That means the valuation does not apply to the overall Town valuation. There is no Credit Enhancement Agreement in place for IGS Solar therefore there is no arrangement to pay back any taxes collected.

The expanded TIF District also includes a good portion of the Downtown area, the property that the Town owns at Old Point School and the site of the former Weston Ave

School. The consensus of the Board was to determine what options the Town has to opt out of capturing valuation. Mr. Curtis said he would be in contact with attorney Joan Fortin from Bernstein Shur regarding that. His understanding is that if the Town takes no action, the valuation will automatically be captured in the TIF and sheltered.

G. **Assessors Concerns:** None

H. **Citizen Concerns:** Mr. Potratz was in attendance and he thanked the Board for their swift and fair action on his abatement request.

I. **Executive Session to consult with legal counsel pursuant to 1MRSA 405 (6) (E):**
Motion to enter executive session by Mr. Fortin, seconded by Mr. Moody. Motion carries 5-0.
The Board entered into executive session at 6:15pm

The Board exited executive session at 6:34pm.

J. **Adjournment:** Meeting adjourned at 6:35pm