

# LONDONDERRY TOWN COUNCIL MEETING MINUTES

February 7, 2022

The meeting took place in the Moose Hill Council Chambers, 268B Mammoth Rd, Londonderry, NH 03053.

Present: Chairman John Farrell; Vice Chairman Joe Green; Councilor Jim Butler, Tom Dolan, and Deb Paul; Town Manager Kevin Smith; Assistant Town Manager Lisa Drabik; Assistant Town Solicitor Mike Malaguti; Executive Assistant Kirby Brown.

## CALL TO ORDER

Chairman Farrell called the Town Council meeting to order at 7:00 PM. This was followed by the Pledge of Allegiance. This was followed by a moment of silence for the public works department who is out there making sure the roads are ready and keeping everyone in the community safe.

## PUBLIC COMMENT

Mike Martinet, 24 St Andrews Way, Forest Hills, stated that he is happy to live here and pay his share. As a 55+ HOA member we pay for our snow plowing and maintenance. Martinet state that these communities should be provided the same level of service.

Bruce Burgess, 8 St Andrews Way, Forest Hills, stated that he wrote a report to the Committee and he didn't see any of that in presentation. Chairman Farrell stated that all of his questions have been forwarded to the Town Manager and Town Solicitor. They met with the Assessor and he will be addressing them this evening.

Councilor Dolan stated that he attended the pre-grand opening of Jersey Mikes Sub Shop in the Shaw's plaza. Councilor Dolan recommended they come and introduce themselves to the Town Council.

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### PUBLIC HEARING

NONE

### NEW BUSINESS

Chairman Farrell stated that he is moving around the agenda a bit.

Assistant Town Manager Lisa gave the Council an updated about the second seat on the PFAS Study Commission. Drabik stated that the town has two seats on the Commission. The Council has already appointed Councilor Dolan to serve on that appointment. The second seat is not appointed by Council, but instead, it is appointed by the Senate President. This person needs to be involved in a drinking water related organization. Drabik stated that some feelers were put out, and Ron Dunn, a resident, has stepped up. He has taken an interest in PFAS issues since 2017. The Council gave the go-ahead.

Town Assessor, Steve Hamilton, gave a presentation. See attached. Hamilton stated that he would like to wait for questions until the end.

The Council expressed their concerns for the reevaluations. Hamilton went over the abatement process. Councilor Paul stated that she doesn't think it's fair for these residents to sit and go through this because of an issue that could have taken place in the system. Hamilton stated that he is committed to meeting with all of the residents and going through everything.

Town Solicitor Mike Malaguti explained with a Dillon Rule State is. Malaguti stated that it is contrasted with a Home Rule State where municipalities have all powers that they would like to have that are not inconsistent with State Law or the State Constitution. New Hampshire is not this way. In New Hampshire, municipalities have only the powers that are granted by the legislatures. Among those powers is the Elderly Tax Exemption. It's narrowly defined by State Statute. Malaguti stated that we can't decide to create another exemption.

Chairman Farrell stated that 55+, when a developer comes in and wants to build one, the

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68 requirement to build one, is that you have to build your own infrastructure, but it doesn't  
69 have to be built to town spec. So if you build your road, it is not built the same way a town  
70 road would be built. That's why in these communities, you pay for plowing, that's part of  
71 what the developer signs up for when they build your home.

72  
73 Chairman Farrell reminded people to vote in March, when most of their money is spent.

74  
75 Bruce Burgess, 8 St Andrews Way, Forest Hills, stated that he wrote two pages of  
76 assessments that weren't read. Burgess stated that he wrote the evaluation on eighteen  
77 homes, all similar in design. There were two homes that had ninety-seven-thousand-dollar  
78 difference. It's a 23% difference.

79  
80 Councilor Paul asked what happens if everything isn't completed by April. Malaguti stated  
81 that it is a state deadline. Hamilton stated that it has to be done by that date.

82  
83 Peter Lison, 38 Sawgrass Cr, asked if the assessed values are higher than what someone  
84 paid, and it's market value, are we saying the assessment is unreasonable because it's above  
85 market value. Chairman Farrell stated that is what Hamilton will figure out.

86  
87 Hamilton stated that he will work with all of the residents to understand ways he can help  
88 in this process and encouraged everyone to file an abatement process and why there are  
89 differences there.

90  
91 Janet Huttula, 5 Stony Point, stated that she doesn't have any stake in this but she has lived  
92 in a few different communities who have had this issue and when you find an error, there is  
93 legal remedy if it has happened in years past. '

94  
95 Chad Franz, 1 Sunflower Lane, suggested to residents who have an issue, to talk with our  
96 local Senator and Representatives to see if there is a way to fix some of the state law for  
97 additional tax benefits.

98  
99 Chairman Farrell asked Hamilton to give an update at the next Council meeting on February  
100 22nd.

## LONDONDERRY TOWN COUNCIL MEETING MINUTES

The Council conducted Energy Efficiency Task Force interviews. Councilor Paul stated that it is nice to see so many people step up and suggested that we amend the original Resolution so we can have five full-time and three alternates. This way there can be subcommittees and we can go after more funding, and look at different areas of energy. Councilor Paul stated that she would like to be the Councilor on the Committee. The Council decided that Councilor Paul would be the Chair. The Council interviewed those members who applied.

Vice Chairman Green motioned for six full-time members and two alternates. Councilor Dolan stated that Ron Dunn expressed interest in the board as well. Chairman Farrell stated that there will be three alternates. Vice Chairman Green motioned for Martha Smith, Doug Thomas, Bob Pitre, Kevin Foley, Ron Dunn and Mike Speltz as full-time members; and Susan Furey, Ray Breslin and Richard Darveau as alternates. Second by Councilor Butler. Chair votes 5-0-0.

Assistant Town Manager Drabik went over the next steps for the Town Manager position. Drabik stated that Kevin Smith, and the Council, would like to move up the separation date. Drabik stated that today, February 7, is Kevin's official separation date. Drabik asked the Council to pay out Kevin's accrued time and make the contributions to his retirement, waiving paragraph four. Motion made by Councilor Dolan and second by Councilor Butler. Chair votes 5-0-0. Drabik introduced Resolution #2022-01, a Resolution promoting Michael Malaguti to Acting Town Manager. Motion to approve Resolution #2022-01 made by Vice Chairman Green and second by Councilor Butler. Chair votes 5-0-0.

### OLD BUSINESS

### NONE

### APPROVAL OF MINUTES

Motion to approve the Town Council minutes from January 24, 2022 made by Councilor Dolan and second by Councilor Butler. Chair votes 5-0-0.

Chairman Farrell stated that the Council signed off on warrants and the vote that took place after the Deliberative Session on article #17 which was 5-0-0, was corrected to 4-1-0.

## LONDONDERRY TOWN COUNCIL MEETING MINUTES

### APPOINTMENTS

Motion to appoint Mitch Feig to a full-member on the ZBA made by Vice Chairman Green and second by Councilor Paul. Chair votes 5-0-0.

### ADJOURNMENT

Motion to adjourn made by Vice Chairman Green and second by Councilor Dolan. Chair votes 5-0-0.

Notes and Tapes by:	Kirby Brown	Date: 2/07/2022
Minutes Typed by:	Kirby Brown	Date: 2/12/2022
Approved by:	Town Council	Date: 2/22/2022

# Assessing Department Presentation

to the

## Londonderry Town Council

February 7, 2022

## Presentation Goals

- Answer some of the questions raised at the January 25 meeting.
- Provide information to the Town Council regarding concerns expressed by some owners of 55+ unit owners.
- Examine the available sales data over the past several years for this type of property.
- Review the Assessing Department procedures/responses to all taxpayers that express concern over their property assessment.
- Review available tax deferrals for those 65 years or older or disabled.

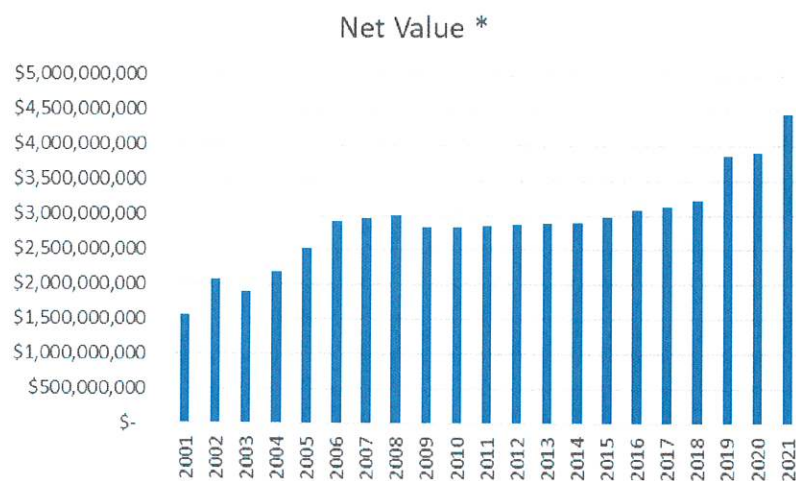
## General Assessing/Revaluation Questions

- What are the Guidelines/Formula to assess property?
  - All property with very few exceptions are assessed at their market value. Market value is determined by buyers and sellers in the open marketplace.
  - The standard for market value assessment is a range of assessment/sale ratios of between 90% and 110%, with an average dispersion of less than +/- 20%.
  - This standard of market value applies to 55+ units as well as other property.
  - The exceptions to market value are generally homes located in a commercial/ industrial zone and land that is enrolled in the state “current use” program.
- Why are the assessments of previously constructed units similar to newly constructed units?
  - The interaction between buyers and sellers is the fundamental driving force that establishes value, as they set the prices that all units transact at.
  - While some physical depreciation accumulates, the impact on value is determined by the buyers and sellers and is sensitive to the balance between supply and demand.

## General Assessing/Revaluation Questions

- Is it standard practice to assess property without an inspection visit?
  - In some revaluations a full inspection of every property is completed.
  - Most revaluations are completed as statistical updates without an inspection of every property.
  - Most communities have a cyclical inspection program that has all properties inspected over a reasonable period of time. Here in Londonderry we have a program that inspects all property over a five year period (20% per year).
- What was the average assessment rate over the last 5-years?
  - Revaluations and the assessments they reveal are tied to the performance of the real estate market at that time.
  - The chart on the following page shows that overall the town Net Value is \$1.5 Billion higher now than in 2016, approximately 45% higher overall.
- What was the average assessment rate over the last 2-years?
  - The chart on the following page shows that overall the town Net Value is \$.588 Billion higher now than in 2019, a little more than 15% higher overall.

## 20 Year Net Assessment Performance



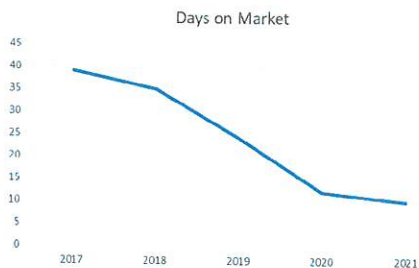
\* Local Assessed Value Less Exemptions and Utility Value. Sourced from Londonderry town reports.

## General Assessing/Revaluation Questions

- Why did the schedule of revaluation change from 5 years to 2 years?
  - In response to the significant increase of assessed values in 2019, the Town Council decided that it would be better to make more incremental changes on a more regular basis than to wait for 5-years to elapse.
  - Many cities and towns have adopted this more advanced schedule, as market value changes can be more readily implemented.
  - These would include increases or decreases depending on market activity.
- What impact did increased material costs have in the revaluation?
  - There is a minor cost adjustment for increased component costs.
  - The overwhelming increase in value is due to the significant demand for property, including 55+ units.
- Could the property value increase be spread over two years?
  - When the town undertakes a revaluation, there can only be an effective date of April 1 of that tax year. The full impact of that revaluation is realized with the final notice of tax for that year (the December tax bill).

## Performance of Market for 55+ Units

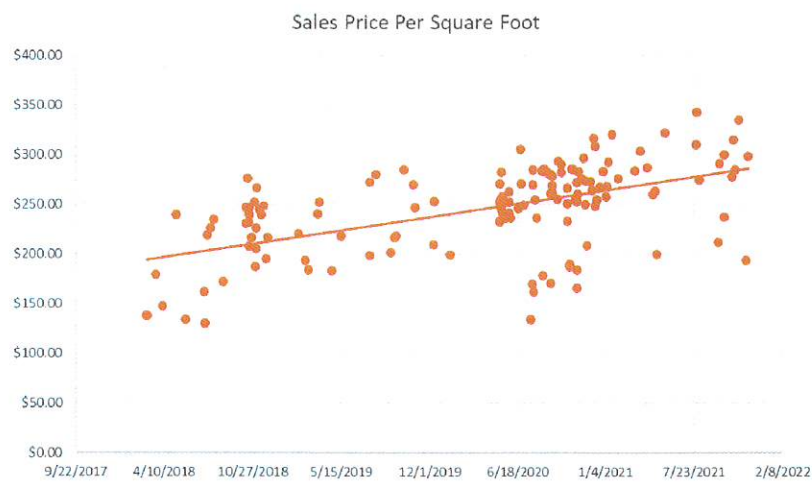
- There has been a very significant increase in the demand for all residential housing units in Southern New Hampshire generally and Londonderry specifically.
- This increase is not exclusive to 55+ unit developments, but importantly includes that subset of property.
- Days on Market is an important gauge of demand. Below are condo average days on market in Londonderry and total condo units sold in the last 4 calendar years.
- Demand trends were established prior to current Pandemic.



## 55+ Unit Sale Performance Per Square Foot

- Sale price divided by square feet of living area is displayed over time:
  - Shows a large increase in activity in 2020.
  - Shows a large increase in prices per square foot.
  - Identifies a significant trend to higher values.
- Pricing varies from development to development.
- Shows an overall trend toward higher pricing per square foot.

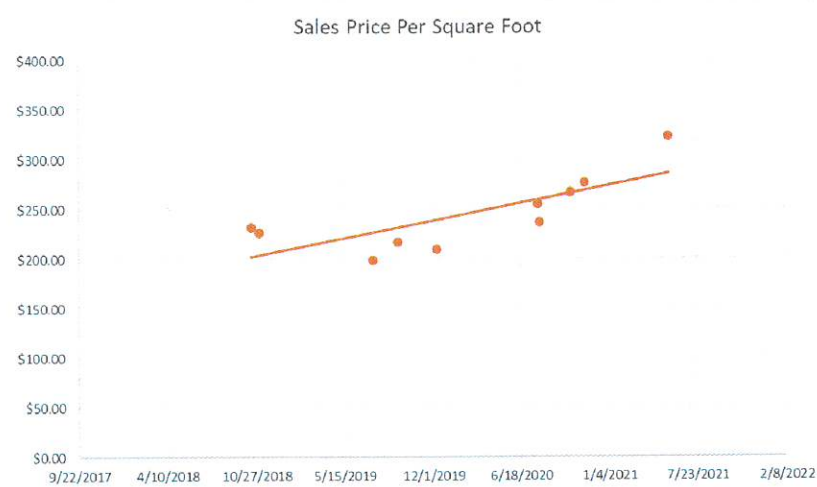
## All 55+ Unit Sales 1/1/18 to Present



## Sale Performance in Complexes

- The following slides show the sales within individual complexes.
- Each slide shows a fairly consistent increase in value and activity.
- Complexes with few sales have less reliable indications.
- The eight sales occurring in Forest Hills are shown on slide 17.
- The three smaller complexes of Sugar Plum, Forest Hills and Parish Hills have been combined on slide 18 to show the most reliable indication of performance.

# Buttrick Village



# Harvest Village



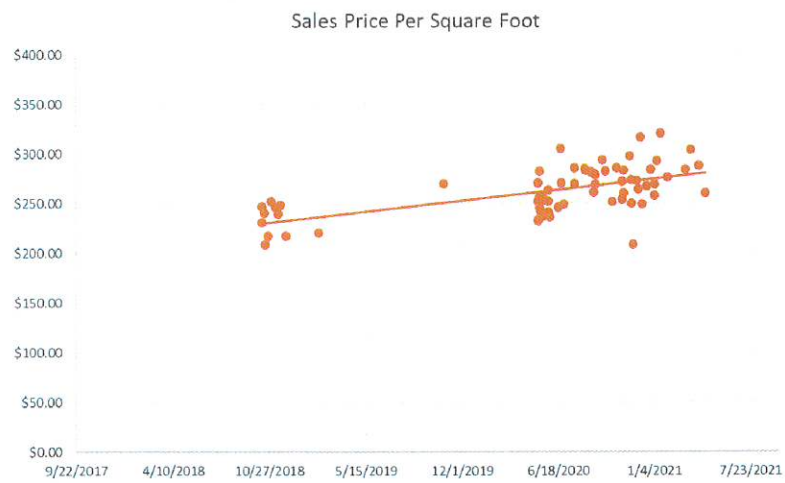
# Whittemore Estates I & II



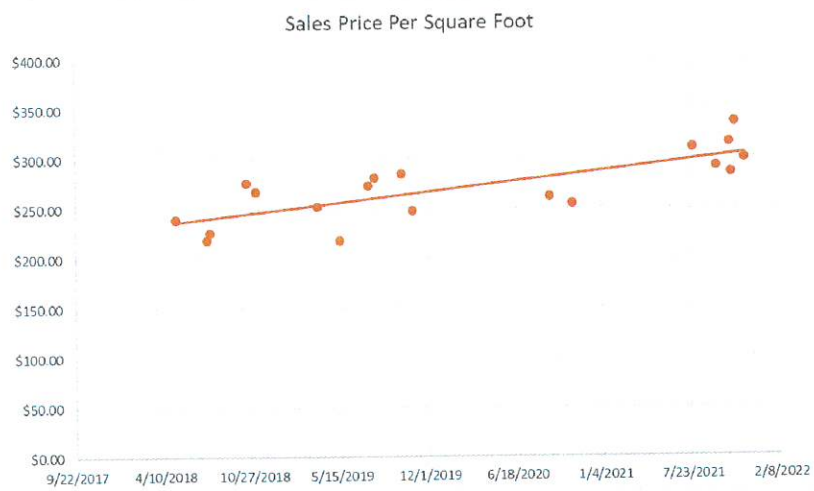
# Hickory Woods



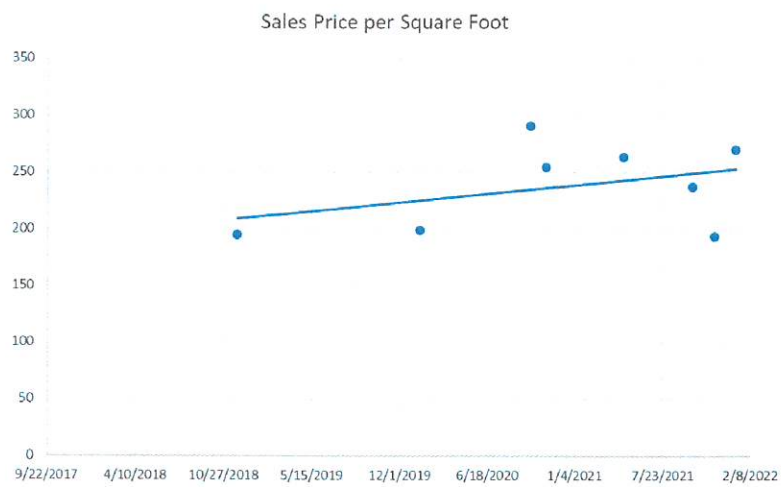
# Cross Farms



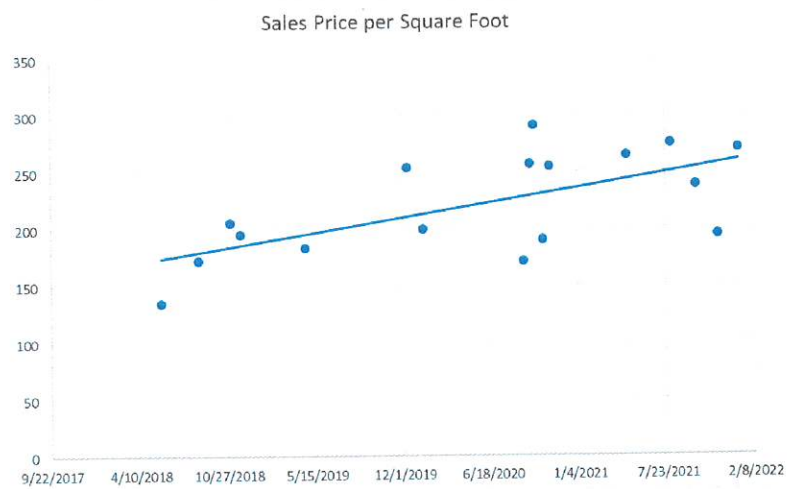
# The Nevins



# Forest Hills



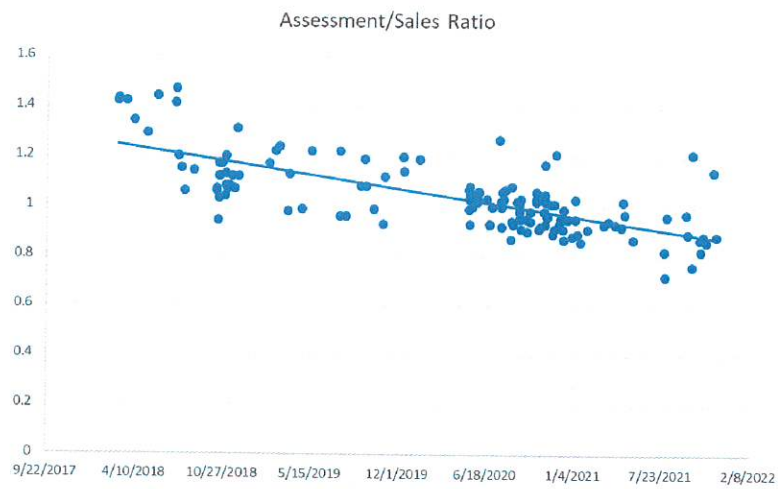
# Sugar Plum, Forest Hills & Parish Hills



## Assessment Performance 55+ Units

- The following page shows the performance of the assessments of 55+ units over the last several months, plotting the assessment/sales ratio for each sold unit.
- Ratios are a way to measure how closely the value estimate is to market value:
  - 1.00 means the assessment is equal to market value.
  - Over 1.00 means the assessment is higher than market value.
  - Less than 1.00 means the assessment is lower than market value.
- There is always dispersion of the resulting ratios, with the goal of having it be less than +/- 20%.
- Goal is that median overall ratio should be between .90 and 1.10.

## Ratio Study Results 55+ Units



## Assessment Performance 55+ Units

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- Goal is that median overall ratio should be between .90 and 1.10.

## Assessing Department Procedures

- We provided notices to every taxpayer in August of 2021 informing them of the revaluation result for their property.
- We invited them to participate in informal hearings, providing extensive opportunity for all taxpayers to get answers to property value questions and correcting data errors resulting in many revisions/corrections.
- After tax billing the remedy for taxpayer concerns is the abatement process, allowing for a close examination of concerns raised.
- Processing abatements includes examination of physical description information on each property, and may involve a property inspection.
- When receiving any question from taxpayers they are encouraged to submit an abatement request, and we offer assistance as well.

## Assessing Department Procedures

- Abatement requests need to be made in writing, signed by the taxpayer, and either presented to the Assessing Department or mailed first class postage by March 1, 2022
- The town must answer each abatement request, and there is a deadline for that answer of July 1, 2022. We strive to provide answers as quickly as possible and have already begun processing.
- After analysis of each individual abatement claim, a recommendation is presented to the Town Council for action.
- If denied or if granted but at a value higher than taxpayer believes is correct, appeal may be made to either NH Board of Tax and Land Appeals, or Rockingham County Superior Court, but not both.
- Appeal deadline of abatement decisions is September 1, 2022.

## RSA 72:38-a Tax Deferral

- I. Any resident property owner may apply for a tax deferral if the person:
  - (a) Is either at least 65 years old or eligible under Title II or Title XVI of the federal Social Security Act for benefits for the disabled; and
  - (b) Has owned the homestead for at least 5 consecutive years if the person qualifies as an elderly applicant, or has owned the homestead for at least one year if the person qualifies as a disabled applicant; and
  - (c) Is living in the home.
- The assessing officials may annually grant a person qualified under this paragraph a tax deferral for all or part of the taxes due, plus annual interest at 5 percent, if in their opinion the tax liability causes the taxpayer an undue hardship or possible loss of the property. The total of tax deferrals on a particular property shall not be more than 85 percent of its equity value.

## RSA 72:38-a Tax Deferral

- The application and instructions for requesting deferral are available online at the Assessing Department webpage.
- The process may require additional information to assure that sufficient equity exists to defer taxes. Information regarding ability to pay may be requested to confirm that the applicant meets the statutory standards.
- Some or all of the taxes may be deferred, but only on the home in which they reside.
- Designed by legislature to allow taxpayers access to the equity in their homes in order to meet potentially increasing tax burdens.
- May be paid anytime, but usually when sold or when estate is settled.
- Can be used for balances after elderly or disable exemption applied.

Questions?