

North Berwick Board of Selectmen Minutes June 4, 2019

NORTH BERWICK BOARD OF SELECTMEN MINUTES JUNE 4, 2019

Present: Chairman Cowan, Selectman Johnson, Sr., Selectman Hall

Absent: Selectman Glemmo, Selectman Johnson, Jr.

Also Present: Dwayne Morin, Craig Skelton

Chairman Cowan called the meeting to order at 6:30 pm.

1. Pledge of Allegiance

2. Review and Approve Minutes of May 21, 2019

Chairman Cowan stated that on Page 4, in the first paragraph, the 5th sentence currently reads, “One kiosk will be at the Old Country Road...”. It should read, “One kiosk will be at the Old County Road...” Also in the 3rd paragraph on the same page, the 2nd sentence currently reads, “He stated that they will be starting tomorrow to Old County Road.”. It should read, “He stated that they will be starting tomorrow on Old County road.”. She also stated that on Page 5 in the 2nd paragraph, she is a little confused by the 6th sentence. It reads, “He has not heard back from her yet...”. The previous sentence reads, “Dwayne said that he had a meeting with the DOT a couple of weeks ago...”. She is wondering who “her” was. Dwayne stated that the name of the person he spoke with at DOT is Jennifer Burkett. He will change the sentence to, “He has not heard back from Jennifer Burkett from Maine DOT yet..”.

Selectman Hall motioned to approve the minutes of May 21, 2019 as amended. Selectman Johnson, Sr. seconded the motion. VOTE: 3-0

3. Public Input

There was no public input at this time.

5. New Business:

A. Assessing: Review Assessor Proposal for Valuation Increase

Dwayne stated that starting on Page 14 in their packet, they would find the memo from Craig Skelton. It basically talks about our sales and our proposed property value adjustments for the next year. He suggested that the Board turn to Page 18 which has another memo from Mr. Skelton. It shows what our ratios have been since 2003 to current. He stated that the 2003/04 period was the reason that we did a reval. We had dropped to 72% and we were going to drop even further. We did the reval and implemented it in the 2004/05 period. We were shooting for the mid-90’s and they ended up at a 96%. We dropped for the next couple of years to 92% and

then the market crashed. Dwayne stated that when the market crashes, we started rising. We went from 97% and then to 99%. We then had about 6 years that we were at or over 100%. Now the market has rebounded again and we are starting to see the numbers drop. In 2016 we were at 100%, 2017 we were at 95% and last year we were at 92%. He anticipates that next year it will drop again and would probably be in the high 80's. Dwayne stated that in order to claim 100%, we have to be within 10% so we would have to be at 91% or above.

Dwayne stated that, by looking at the ratios, what has been going on and doing a sales study analysis, they are seeing that our building values are low. Dwayne reviewed the chart that is located on Page 20 of their packet. The numbers represent the price per square foot. When we implemented our reval we were between \$85 and \$90 per square foot. In 2020 the cost is around \$110 to \$120 per square foot. This gives them an idea of what is going on with residential construction. It did go down for a few years but has been skyrocketing since about 2012. Dwayne stated that it is not affecting the land values but it is affecting our building values. Our cost tables for assessing is based on 2005 numbers and not the current numbers.

Dwayne stated that Craig Skelton has gone through everything to see what we can do to try and keep ourselves in the mid-90's. Mr. Skelton has come up with amending our cost construction tables by 10%. By amending it 10%, this doesn't mean that it adds 10% in value. It adds it to the square footage and there are also factors that go through a process. This would increase values on buildings within our town. With the analysis that Mr. Skelton has done, it would bring us to about 96%.

Dwayne said that there are some differences if they let the number go down instead of taking some kind of action. One of the differences is regarding the Homestead Exemptions. We wouldn't be able to give people \$20,000. We would have to multiply it by our ratio so instead of seeing a \$20,000 number they would see about an \$18,000 number. The other difference is regarding our Veteran's Exemption. Instead of getting \$6,000, they would get whatever the percentage is of \$6,000. It would be the same thing for the Blind Exemption. Dwayne said that, although these will create a lot of conversations, they are not big dollar drops. It would be around a \$25 to \$30 drop but would see an increase in taxes. Another change would be on our reimbursements from the State because it is based on our State valuation. The biggest change would be on our BETE reimbursements. This year, we are looking at about a \$1.9 million BETE reimbursement. If we only got 90%, we would lose \$200,000. The Homestead Reimbursement would also be affected. Not only do we need to reduce the Homestead for the individual taxpayer, but we also wouldn't get reimbursed the full amount. We would get reimbursed based on our certified ratio. If the State owed us \$70,000 and we are at 90%, they will only send us 90% of our money which would be \$18,000 less for the town. With all of these decreases, we would have to increase our tax rate to compensate for the loss of revenue.

Selectman Johnson, Sr. stated that Dwayne had mentioned before how some amounts would go up and some would go down. He asked for clarification on this. Dwayne said that their values wouldn't go down but there is a good possibility that taxes will go down. By changing the cost tables, it would affect the cost of a building in our community. Dwayne stated that the way that they value property is that Mr. Skelton would go out to look at the house, measure it and figure out what the house is. For each segment of that house we have a square foot dollar attached to it.

If it is a 2 story house, there is a value attached to that. If you have a deck, a porch, and a garage, all of those have values. Dwayne said that when they look at the cost tables in TRIO it is about 8 pages long. When we put it in the system, we assign a category to it. They will then plug all the information about the building into the system and then they grade the house. Selectman Johnson, Sr. asked if age played a part in the figures. Dwayne said that it did.

Chairman Cowan asked how they were going to figure it out for each individual house. Mr. Skelton stated that all the homes were visited back in 2003/2004 for the reval and measured everything. They look at the size, age, condition and the quality of the structure. Chairman Cowan asked if he was going to be revisiting all of the homes again for this reval. Dwayne stated that they will not be doing any visitations. Chairman Cowan asked how they will know what the current value is. Dwayne stated that they just update the cost table because the data regarding the structure doesn't change. If someone has made any changes to their home, they had to pull a building permit and it would be visited at that point to reassess the value. Dwayne stated that we currently have a cost table that is based on 2006 values. Mr. Skelton has adjusted it by 10% and it will bring us up to about a 96% rate. Chairman Cowan asked if people could look at this data and cost tables. Dwayne said that it is on our Town website under the Assessing tab. Selectman Johnson, Sr. stated that whatever a house sells for doesn't have any affect. Dwayne said that it does because whatever property sells for affects the cost tables.

Dwayne stated that with a mass appraisal system, some people are going to be high and some are going to be low. There is always a range because we don't go out and individually appraise every single house in our town. It is based on a mass appraisal system that is based on cost tables, based on what the market is doing, what lumber is selling for and many other things.

Dwayne said that he does have some good news. He said that the ripest time to change values is probably right now. He stated that he just got Pratt & Whitney's numbers. Pratt had told us about 2 years ago that they were done buying all of their equipment but they didn't. They bought another \$80 million in equipment. He said that our value that we a \$29 million increase in valuation and we realized \$16 million with enhanced BETE. Dwayne stated he estimated that we would get about \$5 million in new construction but it looks like it is tracking at about \$7 to \$8 million. He stated that they will see a drop in our mil rate. With 10% increase in values, that generates another \$17 million in added value.

Dwayne reviewed the Tax Rate Calculation Form that is on Page 21 of the packet. Next year, we are estimating \$7 million in new value and \$17 million with the reval numbers. We are going to lose about \$4 million on personal property. He stated that these are just estimates and not the final numbers. They will probably change. We are going to gain about \$29 million in BETE because of Pratt's numbers so we will net \$16 million. Dwayne stated the numbers for the School Budget and County Tax are pretty well set. He stated that the State will be increasing Revenue Sharing from 2% to 3% so this will be an increase for us. All things considered right now, our tax rate is \$12.90. The highest we would go is at \$12.65 so we will be dropping our mil rate.

Dwayne showed the Board on the computer, a complete list of all property owners in the Town of North Berwick. It shows what the new values would be and what they were for last year. He

then added their tax value. He then added some different tax rates to look at to see what would happen. He picked \$12.45 because he thinks that it is mid-range. He said that 1,800 accounts will see their taxes drop with the implementation of the 10% and 862 will see their taxes go up. The highest tax increase is around \$300 but most of them are under \$100. He stated that most of these that have increased are on older apartment buildings that have undervalued for years. Mr. Skelton will research the ones that have gone up a lot to see why as well as look at those that have gone down a lot. Dwayne stated that it looks like the State will be increasing the Homestead Exemption from \$20,000 to \$25,000. If they do, the property taxes decrease on all but 99 accounts.

Chairman Cowan believes that they should wait to do a motion on this until the other members of the Board are present in case they have any questions or concerns. The other Board members agreed.

4. Unfinished Business:

A. Maple Street Forest: Maine Community Foundation Day Fund Request

Dwayne stated that they are still working on moving forward because June 30th is the cutoff date to get the majority of the stuff done. The brochures are printed and the signs are currently being made. Once the signs are done, our workers will build the frame and they will install them at the site. They did go and cut Old County Road and Center Trail yesterday so they are cut out. Chairman Cowan asked if getting things done included the bridges. Dwayne said that they can't do the bridges now because there is still too much water. He stated that they told Project Canopy that they would have one trail done by 6/30. We are putting 6 trails in. He has told Project Canopy exactly where they are at. We had presented 1 trail to them and we are now building 6 trails. We will have about 4½ trails built by the time June 30th is here. We still need to build 2 of the bridges. The bridges are there at Old County Road. They are old pallets and are probably not safe. He has put a proposal in to the Day Foundation to fund a bridge to go across the Negutaquat River which will cost about \$15,000. If they approve it, we will be able to connect the trail that the Great Works Land Trust has off of Lebanon Road. The Parker's have already given us easements to connect it.

Reminders: Next Board of Selectmen's Meeting – June 18, 2019 – 6:30 pm Municipal Building

5. New Business:

B. Conservation Agricultural Commission: David Edwards Membership Application

Dwayne stated that he received an application from David Edwards to join the Conservation & Agricultural Committee. He asked the Board if they wanted him to come to the next Board meeting to meet him. Dwayne said that he believes he has been in town for a couple of years because he served as Environmental Commissioner for the City of Rahway, NJ until 2017. Dwayne will ask him to come to the June 18th meeting.

6. Other Business:

Dwayne said that they had the roof done and it cost more than what they thought. They found out that another reason that the shingles were blowing off was because the wood was completely splintered. When they nailed a shingle it wasn't catching because of all of the holes that were in the wood. They had to add plywood to the whole section. It cost \$13,000 instead of \$11,000.

Dwayne said that he has met with the Bauneg Beg Lake Association because they are looking to do some improvements to help the water quality in the lake. The Town of North Berwick and the Town of Sanford have agreed to enter into a Memo of Understanding to help them on a project on Sand Pond Road. They want to fix the culverts on Sand Pond Road to stop the sand from spilling into that area so it won't go down to the lake. They are putting in a grant to the Federal Government to get some funding to help pay for it. Dwayne told them that we don't have money to contribute but we may be able to offer them some trucks and labor time depending on what they want to do. They want to do some riprap, pave shoulder to shoulder and guardrail to guardrail with curbing, catch basins and sedimentary ponds. This way the sediment will get displaced out before getting to the water. Dwayne said that the Association have identified about 10 projects that they want to do but the majority of them are in Sanford. There was one other project in North Berwick but they have decided to wait on that one.

Dwayne said that he is still working on the LED light project. He is very frustrated because he is waiting to get our net book value from CMP and it is taking very long. Selectman Johnson, Sr. asked how long did they had to get the information to him. Dwayne said they can drag it out for years but he is not letting them. He has sent them an email every week. He said that they sent him a total today but he needs them to break it down. The net book value that they gave him was \$44,000. He asked them to break out the school lights and town lights but they didn't do that. He also asked them to give him a breakdown of how they determine the cost. Dwayne said that the City of Augusta had the same issue with them. They replaced 1,900 lights and when they weren't getting the numbers from CMP, they told them that they wouldn't pay them until they give them the numbers.

Dwayne said that they will be getting into highway mode in the next couple of weeks. The first projects will most likely be the Fire Station parking lots and the sidewalks on Market Street. The Water District has decided not to do the water project this year because their bids came in at \$300,000 more than what they had estimated. He said that they think that they are going to bore under the sidewalk now anyway so we can probably do the Linscott sidewalk this summer as well. The last week in June, they will start on Valley Road getting it ditched and prepped so we can get the pavers in here right away.

Dwayne said that he had a workshop with the Zoning Board of Appeals last night. He said that it was a really good meeting. They had a lot of questions and thought that the meeting was beneficial. He told them that they should probably meet at least every 6 months. He reviewed things such as how to run a meeting, how to fill out the Findings of Facts and how to handle an appeal.

7. Review and Approve Warrants and Correspondence:

Warrant:	May 28, 2019	- \$	0.00
Warrant:	June 4, 2019	- \$	80,295.43

Selectman Hall motioned to approve the Warrant of June 4, 2019 for the amount of \$80,295.43.
Selectman Johnson, Sr. seconded the motion. VOTE: 3-0

Respectively Submitted,
Susan Niehoff, Stenographer

Original to Town Clerk

Chairman: Wendy Cowan

Selectman: Jonathan Hall

Selectman: Michael Johnson, Jr.

Selectman: Charles Galemmo

Selectman: Michael Johnson, Sr.

