

BCA Members
 Liz Scharf, Chair
 Chris McVeigh,
Vice Chair
 Peter Hood
 Mary Just Skinner
 Steve Martin
 Phil Hyjek
 Sarah Merriman
 Theo Kennedy
 Doug Lombard
 Chris McVeigh
 Charles Merriman

MIDDLESEX BOARD OF CIVIL AUTHORITY
Tuesday, July 28, 2020
5:00 PM
REMOTE VIA ZOOM
Middlesex Town Clerk's Office
5 Church Street
Middlesex, Vermont 05602
(802) 223-5915

Minutes

PRESENT: BCA Chair Liz Scharf, Vice Chair Chris McVeigh, Select Board Members Peter Hood, Steve Martin and Phil Hyjek, Justices of the Peace Jan Thouron and Theo Kennedy. Listers Eric Young and Dick Alderman. Appellant Scott Beaudin. Treasurer Dorinda Crowell. Town Clerk Sarah Merriman.

Call to Order/Amendments

Liz called the meeting to order at 6 PM. There were no amendments.

ORGANIZATIONAL MEETING

Electing Liz Scharf Chair

Motion: Steve moved and Chris seconded nominating Liz Scharf as Chair. The motion passed.

Electing Chris McVeigh Vice Chair

Motion: Theo moved and Liz seconded Chris McVeigh as Vice Chair. The motion passed.

Adopting the BCA Rules of Procedure for Property Assessment Appeal Hearings

The Board reviewed the Middlesex Board of Civil Authority Rules of Procedure for Property Tax Assessment Appeal Hearings based on the 2019 VLCT model policy. Sarah suggested removing the word "tax" throughout since these are appeals of Listers' grievance decisions, not taxes. This would be a technical correction. Peter moved that hearings proceed according to the agenda by a majority vote. Chris amended that to majority present. Theo seconded. The amendment passed. Liz moved the policy limit appeal hearings to 30 minutes, Steve seconded. Liz says keep it to 30 minutes, Steve seconded. Peter suggested amending that to unless a majority of the BCA agree to extend time. That amendment passed. The motion passed. Theo moved that two-thirds of those present should be required to amend the rules, Liz seconded. The motion passed. The Middlesex Board of Civil Authority Rules of Procedure for Property Assessment Appeal Hearings passed with changes.

**Scott and Gretchen Beaudin's Appeal of the 2020 Town Valuation
of 67 Zdon Road, Parcel ID # 00029-004.000**

Liz opened the hearing and administered the pertinent oath to Eric, Dick and Scott who swore to present truthful evidence. Scott confirmed he had received the above rules and had no questions. No BCA members reported any conflicts of interest or *ex parte* communications with the appellant.

Listers' Presentation

Speaking on behalf of the Listers, Eric introduced the property under appeal. The property is located at 67 Zdon Road and Eric said the property was purchased for \$1,362,500 in March of 2018. The existing house was razed in March of 2019. The house under construction is closed to being completed and may be completed today. The new house is about 3,364 square feet. There is one new outbuilding, an existing barn and other lot improvements. The listers estimated as of the assessment date of April 1, 2020, it was approximately 90% complete. New improvements are very well built and of good quality. The whole property consists of approximately 650 acres. The property was originally assessed in 2020 for \$2,074,300 at 90% complete. After the owners grieved, the Listers lowered the assessed value on June 17th to \$1,892,800.

Eric said the owners then hired a private appraiser. The appraisal that was done includes the house and improvements and surrounding 2-acre property. Therefore, though this is unusual, this is what is up for appeal. Not the entire 650 acres. The private appraisal of the house, outbuildings, improvements and 2 acres came in at \$785,000. Multiply that by .90 to be consistent with the Listers' numbers, and the equalized value is \$706,500. For the 2-acre house site, the Listers' value is \$1,020,300. The difference between the Listers's assessment and the private appraisal is \$313,800 or approximately 30%, the basis of the Beaudins' appeal.

Scott Beaudin's Presentation

Scott clarified that he and Gretchen sought the private appraisal after the initial change of assessment notice in May, not after the grievance, as a way of determining market value. Eric was correct about everything else. The appraisal speaks for itself, he said.

Peter said that in his experience in property appeals, the outside appraisal is the appraiser's judgment of the market value of the property. The Town's appraisal is the market value of the property as it compares to all the other properties in Town. By the very nature of the process, those numbers are often divergent due to a different methodology. Chris asked if Listers had sufficient time to review the appraisal which they received the day before the hearing. Eric said he felt fairly confident commenting on it, even though it's 78 pages.

The Listers Present Evidence

With a difference of \$313,800, Eric said the Listers decided the best way to approach this discrepancy was to point out to the Board, especially the inspection committee, four major areas of dispute. The first thing the inspection team needs to look at is the outbuildings, Eric said. The appraisal reports their value at \$25,000; the Listers value the outbuildings at \$85,300. That's a \$60,300 difference just on the outbuildings alone. Eric recommended the inspection team take a close look at the new 2-car garage and the detached barn.

The next is the value of the lot. The value is difficult to calculate since the price of land is increasing in Middlesex. There is a correction that needs to be made on page 21 in the appraisal – it says the value of the 2-acre lot is \$142,600. That value was lowered after the grievance to \$129,600 via the grading process, lowering it from a 2.2 to 2. Eric noted the report contains listings of raw land sales around Washington County with little analysis. The report mentions two Middlesex land sales - the Timbervest land sale on Hunger Mountain, 760 acres in Middlesex that sold in December 2017. It's not comparable to a 2-acre lot. The other sale in the report occurred in October 2012, Casey Ellison's 125 acres at the end of Chase Road. It's an old sale; they are not comparable.

The appraisal also includes a McCullough Hill property with a 2-acre housesite for @ \$110,000. The appraiser argues the lots are similar. The Listers feel the 67 Zdon lot is superior in many ways. The McCullough Hill lot is below the road; the Zdon lot is above the road and more desirable. The Zdon lot has more privacy in that they own all the 649 acres around the house. Also, there is less mud going out of Zdon Road to the interstate vs. McCullough Hill Road. The private appraiser valued the 2-acre land site at \$80,000 and the Listers valued that at \$129,600 for a difference of \$49,600. The inspection committee needs to look at that lot.

The third point of discrepancy has to do with the sunroom and deck. Eric said the attractive sunroom is 540 square feet and wraps around an attached garage with a bluestone floor. It appears to be ventilated. The house is heated with a heat pump. The inspection team needs to verify if it is unheated and look at the quality of the floor and windows. The appraiser valued the porch and sunroom at \$46,595 whereas the Listers valued those at \$136,260, a difference of \$89,665.

The fourth and final item the inspection team needs to take a look at is the overall quality of the subject house, Eric said. The house is new construction with high-quality materials and energy-efficient items that are newer than the comparable on McCullough Hill Road, which is much older. The quality rating is 4.75 in the appraisal report. The listers gave it a quality rating of 6 before the grievance and then lowered to a 5. Therefore, there is a quarter-point difference. The quarter point difference on a house of this quality equals \$88,870. The appraiser subtracted \$36,795 for depreciation on this house. Eric disputed that a house still under construction could be depreciated by close to \$40,000. That figure partly explains the difference in the Listers' and the private appraiser's assessment of the house.

The report lists the garage as one-story when the Listers have it as a two-story. There is also nice landscaping. The four items added up explain the difference in the assessment between the Listers and private appraisal.

Scott Beaudin's Rebuttal

Scott said in regard to the outbuildings, there's too much improvement on this property for what the market will bear. If you put the Palace of Versailles on 67 Zdon Road, no one will pay \$50 million for it. Scott asked where there are sales that support the Listers' assertion the outbuildings have a market value they've listed. The sunroom does not have bluestone; it's \$3 Home Depot tile. There is no HVAC. It is strictly a screen porch with storm doors. It's also not a three-season room. Scott thinks the McCullough Hill Road is the best comparable sale and doesn't know why the appraiser included the two Middlesex land sales. Sarah asked if he could find any inaccuracies in the Listers' post-grievance cost sheet. Scott said he would need more time to assess.

Jan noted that an appeal to the BCA opens up an evaluation of the entire property, not just the section the appellant may want to have reassessed. Peter concurred, noting there have been rare instances when the BCA has actually raised the value above the Listers' grievance decision. Sarah noted more evidence/comparables could not be submitted after the hearing was closed. The Board selected a subcommittee of Liz, Jan and Chris to visit the property on Wednesday, August 12th. The Board has until August 27th to reach a decision. Liz recessed the hearing at 6:07 PM. Eric, Dick and Scott left the meeting.

Preparing for the August 11, 2020 Statewide Primary

MOTION: Peter moved and Chris seconded approving Assistant Town Clerk David Smith, Treasurer Dorinda Crowell and former Assistant Town Clerk Maryke Gillis as Elections Officials authorized to process absentee ballots, run the tabulator and record the votes cast in the August 11th statewide primary. The motion passed.

MOTION: Chris moved and Peter seconded appointing Eamon Penney as a poll worker at the Statewide Primary. The motion passed.

MOTION: Sarah nominated Peter O. Hood to serve as official canvasser of votes for Middlesex, reporting results to Washington County Elections Clerk Rosie Laquerre at 10 AM, Friday, August 14, 2020, via Zoom. Jan seconded. The motion passed.

MOTION: Chris moved and Phil seconded appointing Jan and Chris – with Charlie Merriman as backup – to deliver ballots to housebound voters on Primary Day. The motion passed.

MOTION: Sarah moved and Jan seconded appointing Liz and Phil as BCA members on call via Zoom to assist with voting issues on Primary Day. The motion passed.

MOTION: Peter moved and Chris seconded approving the list of challenged voters. The motion passed.

The Board discussed COVID safety protocols on Primary Day. Dorinda asked what would happen if voters refused to wear masks. Sarah said they would not be permitted to enter Town Hall, however they would be given absentee ballots in envelopes they would seal and sign which they could vote on outside.

Liz adjourned the meeting at 6:27 PM.

Respectfully submitted by,
Sarah Merriman
Town Clerk/Select Board Assistant

Note: an audio recording of this meeting is available at the Town Clerk's Office