BOARD OF MAYOR AND ALDERMEN

August 7, 2001 **7:30 PM**

Mayor Baines called the meeting to order.

The Clerk called the roll. There were thirteen Aldermen present.

Present: Aldermen Wihby, Gatsas, Levasseur, Sysyn, Pinard, O'Neil, Lopez, Shea, Vaillancourt, Pariseau, Cashin, Thibault, Hirschmann

Absent: Alderman Clancy

Mayor Baines recessed the regular meeting to allow the Public Participation session to continue.

Mayor Baines called the regular meeting back to order.

Mayor Baines stated tomorrow at the Ash Street School there will be an informational session for seniors on questions about revaluation, the session will be held in the third floor in the Board Room, it is accessible and it's handicapped accessible by elevator on the Bridge Street side and plenty of parking is available. Also, tomorrow from 8:30 to 2:30 the Mayor's Housing Task Force will hold a community meeting to discuss solutions to the housing situation, the meeting will be at UNH @ Manchester on Commercial Street and I want to thank Jeannette Gagnon, the group's Chair, and Meena Gyawali from the Planning Department for all of their efforts they've made to pull this event together. I'd like to introduce Kerry Bolieau a teacher at Parkside who is part of the school to create a Partnership Teacher Intern Program…she's working in the Mayor's Office over the next two weeks and will bring back to her classroom all that she's learned to set a good example for her colleagues in school, so welcome Kerry to the Mayor's Office and welcome to your first Aldermanic meeting up front, good luck tonight.

Mayor Baines stated there will be a presentation by United Way representatives George Reagan and Joe Riley.

Mr. Riley stated as a volunteer representative of your local United Way organization here throughout Greater Manchester. I wanted to take just a very brief moment on behalf of your local United Way to thank you extremely for your support, for the leadership you are showing with respect to the agreement by the City to be a pacesetter, one of 16 organizations throughout the Greater Manchester community, we are extremely proud and happy to have you kick off this very important campaign for this year. I can assure you of two things. Firstly, you're local United Way is extremely well run and secondly, the needs of the several social service agencies in our community is growing. Having said that, we had a meeting this morning in which we had an opportunity to present our campaign effort this year before several members of the City

department heads and that was extremely well received. Thursday in these Aldermanic Chambers, all day, are going to run a number of different presentations to individual City employees in which we are extremely hopeful and expect a very strong showing of support and once again on behalf of the United Way of Greater Manchester as a volunteer representative this year's Vice-Chair, next year Chair for the campaign I want to say thank you, your leadership and example is very powerful. So, with that we would like to distribute a small token of our appreciation and give you something that can help keep us in front of you.

3. Presentation relative to the status of the Granite Street Widening Project.

Mr. Tom. Sommers stated I am with the consulting firm of CLD here in the City. With me today is Hank Alinger from LDR International who will do the bulk of the presentation since they developed the bulk of the concepts for this meeting. Also, is the CEO of CLD who happens to be the Project Manager on this project Tim Golde. I'm going to start this off and Hank is going to do the meat of it and Tim will wind up with the financial and scheduling aspects of it. We were before the CIP Committee, I believe, about a month ago and from that scheduled to come to this meeting. What we are going to present to you tonight is basically what we presented at that meeting with some additional information that has come forward and been discussed since then. Hopefully, we can do this presentation in 15 to 20 minutes and we know you're already behind on your agenda and so we will try to move it through quickly. As a result of this presentation what we are going to be asking of this Board is for your support of the concept, not necessarily in every detail, not necessarily with respect to any aspect of the funding because that has not been finalized yet, but with respect to the concept so that we can move forward. We recognize that because the concept goes beyond just the street expansion because it goes into pedestrian and because it goes into highly improved areas of landscape on Granite Street that there is also more impact and we'll discuss that some tonight so that you are more aware of that and we hope that you will recognize that and the trade-offs that are necessary with respect to this project. Granite Street Widening and if you look up you will see that it goes from South Main Street on the west over to the Civic Center and Chestnut Street on the east. We've divided it up into five sections for this presentation, which Hank will go through in a little more detail. This, in essence, is the gateway to Downtown and back when we were originally selected and went under contract to the City with respect to the design of this we recognized that it was more than just improving vehicular access, that it also had to do with pedestrians and it had to do with the visual impact of the Downtown of the City and that is what really this presentation is substantially about. The project description and benefits which we have put in general terms here is, first of all, the widening of Granite Street to provide sufficient lanes for vehicular access between those locations as we suggested. There are various lane layouts as necessary as traffic moves away from the I-293 intersection where the largest amount of traffic is expected. In addition to that is to provide sidewalks and bicycle lanes along this corridor for safe and continuous pedestrian movement with access through Loeb Plaza to the future Riverwalk, but also along the entire corridor. It includes the widening of Granite Street Bridge over the Merrimack River to 7 lanes, this is probably the maximum lane layout and width that there is in

this project. It is intended to be constructed concurrently with the NHDOT Exit 5 Project, that is to take advantage of interchange improvements during the construction of this and, quite frankly, we know there is going to be a substantial impact of this while it is under construction, so therefore, it's also to minimize the timeframe in which that occurs. It helps mold the vehicular movement by coordinating signals to maximize traffic efficiency and I think one of the most important parts it provides the corridor enhancements to the effect use of lighting, streetscape, sidewalk, benches, etc. in order to make this truly a gateway to the economic development, to the habitability, to the people visiting Downtown Manchester. What that description in hand I am going to turn it over to Hank to…I'm sorry, I have one more thing to talk about and I stated this before…with respect to this project because of the expansive of it we also have potential project impacts. On the West Side the Exxon Station and Cumberland Farms will be impacted…both are impacted because of the street widening. They have been notified, but negotiations with them have not started at this particular point, but we will enter into that. We recognize that one of those probably won't be able to exist as it is after the project starts. Loeb Plaza and Gateway Park are both City parks where federal funds were used…because of the expansion those will be reduced in size, there will be some improvements to them through this, but there is also a need for mitigation. Mitigation being the creation of other park areas along this corridor in order to offset that area lot. The property owned by WMUR, Channel 9 has a very slight impact and although we have not discussed it with them it's really because of the widening of the sidewalk there and will have very little impact on them, if any. The Boston & Maine Railroad crossing will have substantial impact…we have been in long discussions with them and believe we are moving towards a solution. Two other areas…the Center City Salon and the Manchester Wholesale Distributors and the Fleet Bank…three areas, are all impacted on the east side. These areas are important because they are what have been shown for the mitigation purposes. I need to state for the record now that we have been in discussions with Fleet Bank, we have been in discussion with the owners of the property that they're on, we have been in discussion with the Manchester Wholesale Distributors, we recognize that they have concerns…Fleet Bank does not want to move, they are in favor of the project but very much desperately want to stay in this location. It is our intent, on behalf of the City, that negotiations continue with them to work out solutions for both. It is not out intent to just say you will have to move now that we know what their position is. With that I am going to turn this over to Hank and hopefully we'll move it along faster than I did.

Mr. Alinger stated as Tom mentioned we are going to…as you saw in the first slide, I'd like to just walk through this sort of west to east and we've broke it into five sub-segments and to talk about some opportunities and constraints that exist in each of those sub-segments. As Tom mentioned this is not only a transportation enhancement project from the standpoint if circulation and access but it is also a gateway project and we see it as a great opportunity to improve the entrance to the City, your most prominent entrance to the Downtown which will now have the Civic Center at the end of the access and so it's an opportunity to upgrade this whole movement and also to reinforce connections between the west side neighborhoods and the east through the Granite Street Corridor. So, this first segment starts to look at the section

between South Main and the Interchange and looks at the potential improvements on there and as Tom mentioned there will be impacts potentially to Exxon, Cumberland Farms based on the overall widening…there some minor impacts to parking areas along here that we're working with and reworking to get as much parking as possible…there are, of course, impacts to Henry's Auto Body and the Raphael Club…those in fact are a result of the I-293 work and not, in fact, this project. But, both of those sites are impacted directly from the Interchange work. In terms of improvements in this area we are looking at a focus of continuous sidewalks on both sides of the street which in some cases are set back from the street. We're looking at bicycle lanes, in fact, on both sides that would be four foot wide that will accommodate bicycle movement to and from the Downtown…we're also looking at crosswalks. You see in this red tone improved pedestrian crosswalks, again, to facilitate better pedestrian movement. The photos and again these are a little small to read, but obviously you all know the existing conditions well…at the bottom of these images we've just included…since we haven't designed this in detail yet we've provided some sort of character images to talk about the kinds of opportunities that we see in the corridor, opportunities for gateway signage, for example, that could occur here at Exxon at this intersection, opportunities to do an improved landscaped median and many portions of the corridor and opportunities to improve crosswalks, to look at how we treat lighting, signals arms…all the sort of furnishings that add up to become the architecture for the corridor and how we deal with the sidewalks themselves to make this a more pedestrian friendly kind of environment. As we sort of shift east we start to look at the Interchange area itself and the bridge itself and this again is sort of pre-designed, but the kinds of things we're thinking about are how do we treat these walls and embankments around the interchange…can those be architecturally treated with special materials, again to sort of reinforce the gateway character again looking from different directions…how do we deal with the railings on the bridges, the idea of introducing even overlooks on the bridges that start to give some real character to the Granite Street Bridge and again just examples of how that bridge architecture, in fact, can reinforce the whole entrance to the Downtown as just an architectural statement. As we move across the bridge…as Tom mentioned there is an impact to Loeb Plaza, but what we're looking at now is how do we integrated Granite Street Improvements with the future Riverwalk Improvements with the transition on Loeb Plaza…we are losing a little bit of dimension on Loeb Plaza, but the intent would be to design it so that we are not affecting Jillian's in any way, but in fact we're affecting the landscaping around it, we're looking at creating an overlook here that could be sort of a focal point coming across the bridge and really highlight the future Riverwalk in this zone and it looks at how the sidewalk works out for banners, lighting, the bicycle path, median treatment…all these things really add up to make, we think, a potentially very dynamic entrance to your Downtown that will really showcase the gateway coming in from the Interstate and from parts of the south. The next slide shows Loeb Plaza in plan, again shows it can sort of create this portico, an overlook area, how we can create this transition, opportunities to create access down from Granite Street to Loeb Plaza…of course, that access exists today and we would want to look at how that could be reconstructed and how the landscape knits that together. As we move further east we move into the Millyard area transitioning beyond Canal and Commercial Street across the railroad tracks, again, our goal would be to get continuity in

terms of landscape with street trees, sidewalk, median treatments and again just a few images that start to show in other cities how they've treated boulevards and really trying to think of this is more of a grand kind of boulevard as you're entrance to the Downtown…whether the landscape elements that reinforce that…there are minor impacts to the Gateway Park and so forth and we'll be looking at working with those elements and again looking for ways that we can mitigate those impacts. The next area moving east as Tom discussed…one of the initial concepts we looked at in terms of mitigation was the idea of providing green in this zone with the possibility that Fleet Bank might move. Now, we did that without having discussions with them…since that time we have had discussions with them and they have concerns that they're committed to staying in this location, so we have to look at how the mitigation can work and whether that means a portion of this site or whether there's other sites we can look at, we've basically got to reconsider this option. But, basically again the focus is trying to look at how these edges reinforce the corridor…how we sort of set up views to the Civic Center, how we create the best possible pedestrian environment and sort of aesthetic environment for this corridor at the same time improving access and circulation and so forth through the improved signalization and lanes. The next image shows a sketch of this and this obviously shows that with the Fleet Bank removed which is probably not being considered at this point where we're trying to look at these other alternatives I had mentioned there is a possibility that maybe a portion of this site could be green and we would look at how we reinforce these edges. We'd also look at this Old Granite Street corridor, again, we think there's a real opportunity here in terms of redevelopment and if there's the opportunity to tie that into the project we think that will help and still focus more activity there and sort of help jump start this magnet block from an economic development standpoint the idea that we can tie some of these improvements to that as well. Here again, median improvements, lighting, bike paths, sidewalks…as you've seen in the earlier plans. In the next image, it shows the final linkage which ties down Lake Avenue all the way up to Chestnut and again the key here is really just coordinating with civic center improvements and improving all this whole zone and whatever improvements we do here again they would be sympathetic to the civic center to try and tie this together as one area. At this time, I would like to turn it over to Tim to talk about funding.

Mr. Golde stated the proposed timeline on the project as you can see we've been under design preparing these concepts, gathering all of the survey data, and so forth…that started about a year ago and that will happen through the year 2003 where we anticipate starting construction. The hope is that the majority of work to be done in 2003-2004 construction seasons with minor cleanup and follow-up in the year 2005. It is the intent that this happens at the same time that the State DOT does the interchange work. To tear up the interchange for a couple of years, three years, have some gap and then go and tear up Granite Street for a couple three years more just does not seem tolerable, do it all at once, get it over with, coordinate the traffic control…that's the intent. Project costs and anticipated funding…our estimate on this project is in the range of $15 to $18 million…if we go with the streetscape that you've seen this evening it will be at the $18 side of the range…those widened sidewalks, those widened medians…increased impacts will drive the costs up and they also will have more impact to abutting properties. What we are

asking you for tonight is to carefully consider that and go into that increased impact and increased costs with your eyes open. Potential funding sources…there's a list there…Federal Earmarked Funding…that is when we ask our congressional delegation to go and get us some special funds that aren't part of any other program. Quite frankly, that's our best chance for dollars in this range or this size. Transportation Enhancement Funds (Te)…that's for things like sidewalks and bike paths, but we have some of those…we could get some of the funding but it's only going to be a small portion. We've applied for those funds and that's in progress. Congestion Mitigation and Air Quality Program (CMAQ)…that is funding that's intended to improve the air quality, reduce congestion by tying the signals together…you can do that, we would qualify for that but again it's only going to be a small portion of that cost. Surface Transportation Program (STP)…that is the regular 10-year plan that you hear a lot of talk about that *The Union Leader* has been running all of the projects throughout the State. In order to get that kind of funding you have to get at the end of the line…that means it's 10-years out…well, we're trying to do this in the year 2003. Municipal Bonds…I'm sure you know all too well, so I'll flip back to that Federal Earmarked Funding…we've been coordinating with the congressional delegation (Senator Gregg's office, Senator Smith's office, Congressman Sununu's office, and Congressman Bass' office). Recently, there was an article in *The Union Leader* where Senator Smith's office had requested $10 million in the year 2002, in fact, that was a slight mistake…the request was actually for $8 million, the $10 million number was really what was being asked for for the Airport Access Roadway. As you can see, we are planning construction in 2003-2004 and the requests that we made to them was for $7.5 to $8 million in each of those two years. They kind of got a jump-start on us by requesting the first $8 million in the year 2002. They have given us their commitment to continue to give it their all in the years 2003 and the year 2004. With that, Tom, Hank and I are all available to answer any questions.

Alderman Vaillancourt stated considering the lateness of the hour at the early hour I'll try to keep them short, but first of all, how much have you been paid so far for doing this study.

Mr. Golde replied I wouldn't be able to give you exact numbers. Our design fee in total will be a million dollars; we are maybe only 30% into it.

Alderman Vaillancourt stated under the best possible projection, let's say $18 million is what ends up being spent…under the best possible projection how much of that do you think would be available in Federal Earmarked Funding, under the best and then under the worse scenario. In other words, how much would perhaps be necessary by municipal bonds under the worse scenario.

Mayor Baines stated let me answer the best question because we've been working very closely with Senator Gregg and Senator Smith and Congressman Sununu to try to get the entire amount earmarked, that's the best guess.

Mr. Golde replied the worse scenario would be the other end of that range that they're unsuccessful and they wouldn't be able to help us with any of it.

Alderman Vaillancourt stated none of it at all, so the City would have to come up with $18 million in bonding for this project.

Mayor Baines interjected or we would have to scale it back.

Alderman Vaillancourt stated that was my next question. If in fact you were to scale this back to the absolute bare minimum what would it be, less than $15 down to what.

Mr. Golde replied I'm trying to answer your question but it is going to sound like I sidestepped a little bit. What's driving the project is the interchange that the State DOT is doing which is funded with turnpike funds, money that they've collected at the turnstiles. If we are unable to secure funding for this project the State DOT is prepared to go ahead and do the interchange project, add the north bound on ramp, add the south bound off ramp and tie into the existing width of Granite Street. If they do that yes you'll be able to get on northbound, yes you'll be able to get off south bound but traffic won't flow very well at all.

Alderman Vaillancourt stated the question would remain the absolute minimum that would be required of the City to do this project.

Mr. Golde replied I guess the answer would be…the absolute minimum would include widening the bridge and then trying to tie into the existing width of Granite Street within as close proximity to the bridge over the river as possible and that's not something that we've done a cost estimate price tag for.

Alderman Vaillancourt stated I certainly would like to see that. I don't know about the other members of this Board, but I would like to see it.

Alderman Hirschmann stated this Board has already committed as a Board, I thought to go ahead with the Granite Street Bridge expansion and I thought the price of the bridge alone, our city engineers priced it at approximately $14 million without any purchases of bank land or anything else.

Mr. Golde stated the bridge cost is not as high as $14 million and I don't know what presentation you're referencing. But, the cost that we have on the bridge is three or four million.

Alderman Hirschmann stated I don't want to go down that road, but I know we had Frank Thomas up in front of the room and at one point it was going to be $14 million.

Mayor Baines stated I think they were looking at the total scope of the project especially looking at the West Side and some of the things that had to be done for enhancements up to Elm Street.

Mr. Thomas stated the original project cost was in the range of about $14 million before these enhancements were brought forward. At that time, we were just envisioning making roadway improvements more or less to answer Alderman Vaillancourt's question. What would be the minimum to make the area work would be $14 million, however, as the project developed it became quite apparent that this is really the gateway to the City and you're going to be making an investment for the next hundred years and if you're going to do it and if we are successful in obtaining federal money, what's being presented tonight is our recommendation of the way to proceed.

4. Presentation with representatives of Cole, Layer, Trumble, the City's Revaluation Company, regarding the processes taken, methods used, the upcoming appeal process and local issues.

Mayor Baines stated we will have Mr. Tellier make a presentation and introduce the presenters.

Mr. Tellier stated I have with me this evening three gentlemen from Cole, Layer, Trumble (CLT)…with me to my immediate right is Paul Flynn, Senior Vice President, CLT; center is Bob Marshall, Business Manager (senior management level); and to my far right is Jeff Waterhouse who is Project Manager for this site. We've been asked to respond to a letter precipitated by Alderman Wihby and many concerns from individual Aldermen as well about the hearings and the difficulty primarily of taxpayers trying to get through the phones. On Friday, the firm added two more phone lines to make it to six. What we've evidenced and Mr. Flynn will talk briefly about that, but what we're finding is that people are finally getting through and those calls are diminishing. There are several concerns that the Aldermen have submitted to our office that they are ready and willing to address and at this point is what I'd like to do is turn the microphone over to Mr. Flynn.

Mr. Flynn stated we mailed notices a couple of weeks ago and we have been manning phones at our local office here since that time. As Steve mentioned we did increase the number of phones to accommodate the additional people that were having difficulty coming through so we currently have six lines. The past few days, as we would expect, the phone calls are diminishing as people are able to get through and make appointments with us. So, we feel that that has worked out. If we see this trend continuing we would anticipate the phones at the same time that we had planned which would be Friday the tenth. If we see that the phones are not diminishing we would think it reasonable to hold the phones open for a few more days next week to accommodate those people that were perhaps initially unable to get through. Those were the issues that Steve asked me to address here and I would say that I would be prepared to answer any questions that may come up.

Alderman Wihby asked how much did the City pay you to do this.

Mr. Tellier replied the contract, Alderman, was for $1,300,750.

Alderman Wihby stated for that we get four telephone lines, the company telling us that we're not going to extend it past the tenth, who made the tenth deadline, is that in our contract.

Mr. Flynn replied we worked out a plan with the Board of Assessors for the mailing of notices, how much time would be allocated for answering phones, listening to property owners and making resolution of those interviews with the property owners and that's the schedule that we're working under. The schedule that we're working under here is usual and customary for projects of this type and I feel demonstrating some extra flexibility and manning the phones for a few more days next week if indeed we should do that.

Alderman Wihby stated so if this Board votes to extend the time frame from the tenth you're not going to honor that, is that what you're telling me.

Mr. Flynn stated I don't understand.

Alderman Wihby stated if we vote or make a motion today to ask to extend their time frame and move it past the tenth are you saying that you are not willing to do that if the Aldermen want you do to it.

Mr. Flynn replied no, in fact I said that if we find that the phone lines are diminishing we are willing to extend it beyond the tenth a few days.

Alderman Wihby stated one of the things is we put it on the Internet and it happened to come out after my letter to ask for it to be on the Internet, something that we thought was going to help the citizens, I guess, and basically all it had was evaluation numbers from this year. I think what's missing on that and I know *The Union Leader* was going to do something…I read in the newspaper were evaluations from last year, the old valuations and I think we also should continue that with another step and have the living space number. My feeling is we give the citizens a chance to see that if we can put it on the Internet and I know I've spoken to Diane and she told me that we could do that and I think we should put all that information on the Internet and give the residents a chance and extend that time frame so that they could look and compare properties and then go forward and make phone calls after the tenth.

Mr. Tellier stated in response to that, Alderman, that's clearly something within the ability to do and I've spoken not only with Diane Prew of Info Systems but with Jeff Waterhouse the Project Supervisor and it's readily available to run a report to make that information available for the City's web site to help the taxpayers and we're prepared to do that.

Alderman Wihby asked how soon can that be done.

Mr. Tellier replied I believe it could probably, the report probably could be generated within 24 hours to deliver to Info Systems so that they could submit that and get it into the web site.

Alderman Wihby asked, Steve, are you having any phone calls in the Assessor's Office, are you getting any.

Mr. Tellier replied certainly. We're receiving an awful lot of phone calls and they range from just asking about the process and clearly as you are all receiving them as well…a lot of people are really amazed and ill prepared for the magnitude of the increases in market value that's out there.

Alderman Wihby asked do you think it's unfair to ask for an extension from the tenth…let this get on the Internet with all of the information available…living space, the old valuation, the new valuation…and give it to people…an extension past the tenth.

Mr. Tellier replied no, certainly, that's very reasonable and the Board of Assessors, the full Board met with all the gentlemen here from CLT before this meeting to make them aware of those issues and they are prepared to keep the phone lines open as needed, make sure the information gets out there and to help in any way, to make sure the taxpayers are served.

Alderman Wihby stated I guess I'd just as soon have a date rather than just "see how it goes" because people out there should know that they have a date, not well maybe I'll call the following week and all of a sudden there's nobody there anymore. So, there should be a date set of at least an extra week, if not two weeks, to give the people a chance to look and see the information that's now going to be available that's not available now.

Mayor Baines asked for clarification what would be going on in terms of plans of people's houses, how does that work.

Mr. Tellier replied no, we're just talking about a number, I believe. Down the road it's something that may be deliberated by this Board is to make the full assessing data base available on the Internet, but for purposes of this discussion we're just talking about the old values, the new values and gross living area which are the most pertinent facts surrounding the assessing process…

Mayor Baines stated the only reason I brought this up, I know there has been some problems in other communities, actually they put house plans right on that and there was some…

Mr. Tellier stated there are some communities that experience that difficulty but Concord, Rochester, Nashua…a great deal of them are experiencing great success and community development success with that.

Alderman Wihby stated, your Honor, we have made this a very difficult chore for the citizens out there, we've told them we're going to be good and put it on the Internet and now you go and find the house and find the square footage and find everything else and we're making them travel everywhere. My understanding is there are a lot of phone calls that we've taken property that wasn't buildable and priced it as a buildable lot because we didn't want to do the homework, I guess that maybe wasn't in the contract for the company, but I don't think this Board would have gone along with that and said just go ahead and charge them and if they come to us and complain then we'll change it. We should have taken that into consideration when we sent out the contract that if it's an unbuildable lot they'd know about it and they would bill it accordingly and not make it up to the residents to go down to Memorial, check out…get upset first of all for a week or two weeks before they their appointment and then be told oh yeah, well, we took it as buildable and it really isn't…that's not our job, which is what I am hearing from people. I am hearing that when they go down to these hearings one of the comments from one of the people that were there said the price of the land, that's not our fault that's the Assessor's who priced the land. We have nothing to do with it, we do the property, the living space…but, the Assessors are the ones who price the land and I'm getting phone calls saying what did you put for a price and I'm saying I don't know what you're talking about. I don't think that's true, I think everything was done by this company, right.

Mr. Tellier replied that is correct.

Alderman Wihby stated there were some comments in the newspaper that we're taking actual price, it's was people could sell their houses for but yet somebody from the company spoke about a house in the north end being evaluated at $800,000…houses are selling good and that's true the house was selling for $800,000, but it sold for $600,000 or $650,000 actually which is a nice price for a house, but yet when it was assessed it was only assessed under $450,000…$200,000 difference from just selling three weeks ago. So, that was an example that was thrown out in the newspaper. I have examples where there are houses that…we just heard from a resident today.

Mayor Baines interjected could we just hear the response on the buildable lots because those are types of questions that I brought to the Assessor I think within the first day…that we were receiving a lot of calls about people who have unbuildable lots that went anywhere from two to three thousand up to $30,000 and they clearly are not buildable…some of them are below the 50 x 100 standards, they require variances other than Public Service Right-of-Ways and all kinds of stories that we heard and when I brought it to Mr. Tellier's attention he indicated that there were some errors there, so you could respond to that.

Mr. Tellier stated to start we are aware that there will be of necessity some adjustments in a lot of the vacant lots in the City of Manchester regarding especially buildable status…

Mayor Baines interjected Alderman Wihby's point was why are we putting the people of the City through that process when clearly the information…if you're a property owner you'd think that people would know that they're not buildable lots and why value them at that and put people through the hassle of having to deal with that.

Mr. Tellier stated in speaking briefly with Commissioner LaFreniere we found out that each parcel is rather unique, it's not clear, a clear parcel that is buildable or unbuildable. There is a 1960's ordinance on contiguous lots, there are different zoning ordinances throughout the City and there are unique circumstances surrounding all of them, so I'm not trying to defend the company, but their job is very difficult and we understand that they are actively looking at it right now to correct those unbuildable lots and I think that they should probably have an opportunity to talk about what's going on regarding that issue.

Mr. Flynn stated I don't know if I could add too much more to that. You are correct that there is a problem in the valuation of some of the vacant lots. We recognize that and we're going to work with the Board of Assessors to resolve that to the City's satisfaction prior to the close of the hearings.

Alderman Cashin stated are you telling me that the appraised lots that are unbuildable are buildable lots and in order for anyone to do them they have to go to a hearing to justify it.

Mr. Flynn replied no.

Alderman Cashin asked then what are you telling me.

Mr. Flynn replied I am telling you that it has come to our attention that there are some vacant parcels in the City that are valued incorrectly and that additional information is available. We're going to change all the parcels that we believe to be incorrect…whether the property owner appeals or not. So, if someone doesn't appeal and they do have a lot in that situation we would make the change anyway.

Alderman Cashin stated so you are going to send another notice to that individual telling them that you made a change.

Mr. Flynn replied that is correct.

Mayor Baines asked how soon.

Mr. Flynn replied the notices would go out in September.

Alderman Cashin stated totally inadequate as far as I'm concerned.

Alderman Wihby stated I think the whole thing is inadequate, but…how are you going to know which ones that didn't come and apply for an appeal. How are you going to know that they are unbuildable?

Mr. Tellier replied we are working with the Building Commissioner's office to ascertain the buildable status of those lots. As most of you know all communities in the State of New Hampshire are going to have to go through this every five years, so we're trying to work in collaboration with the Building Department to get that data base an accurate reflection of what is buildable, what isn't buildable…back land, contiguous lots, sidewalks…all of those old grandfathered lots that through zoning ordinances have been discontinued as a building lot. So, we're working in collaboration with the Building Department to get that information.

Alderman Wihby stated again talking about the $800,000 house where it was assessed at $450,000 and sold for $650,000…we had a person come to us today in the first meeting and I don't want to mention streets to get people upset, but the people said we're appraised at $140,000 and all of our houses are selling for $190,000, so please don't do anything to our neighborhood that's going to hurt our neighborhood. Those are the kinds of things that I'm hearing. I'm getting calls from residents on streets where across the street they have more land, bigger houses and they're valued at thirty or forty thousand dollars less. I'm getting calls from neighbors who live across the street from a house that has a thousand square feet, 1,200 square feet less, same size lot and the same price within a thousand dollars of assessment and that's what's happening throughout the whole north end. Somebody called me today, they went down to talk to you people and somebody said we're using the sales for the last two years which is how we're coming up with pricing, is that true.

Mr. Flynn replied yes.

Alderman Wihby stated so someone goes in and sees you and says a house sold five months ago for $240,000 and I got assessed for $311,000, five months later and is told by somebody there that you live in the elite section of town and that's the price that it's going to be, but we'll send you something in the mail…he left thinking nothing is going to be changed yet you're telling me you're going by sales and it was on the market for $249,000 for 18 months…he bought it for $240,000 and now it's $311,000 five months later assessed by the company. Those are the types of things that are happening throughout the north end and I know there's a premium a and no one is going to argue that a house in the north end should be charged more than the south end or someplace else, but I think that that value is way over priced in the north end to compensate for other things in the City and I guess that's one of my question is the square footage in the north end…what's that compared to the square footage in the south end or a house the exact same thing in the north end now being in the south end, what are you seeing happening…same house, same square footage, same size lot, what would you expect that the price would be different.

Mr. Waterhouse replied location is a critical factor in any property value and if you talk to realtors and other appraisers they'll tell you the three most important factors is location, location, location and you can have an identical home in the north end with a much higher value than a similar home in the south end, that is possible.

Alderman Wihby stated what was the answer; I didn't hear an answer.

Mr. Waterhouse replied oh yes the location has a critical impact on the value of a property.

Alderman Wihby stated I heard that but I didn't hear an answer, so you don't have an answer.

Mr. Waterhouse asked could you repeat the question.

Alderman Wihby stated you just revalued the whole City, you've come up with some formula that says the north end should be superior to everybody else and now you can't tell me how much more you valued the square footage of the north end and in the south end.

Mr. Waterhouse replied it's not quite that simple there are quite a lot of other factors that go into it.

Alderman Wihby stated the same house, the same exact house in one area to another area…three houses built the same way…$50,000 difference…two streets over. I don't know how that happens, but there has got to be some extra amount estimated to the north end compared to someplace else in the City, I don't know how you can tell me that it depends on the house and you can't have the exact house. There's some formula used, you can't just say I like your area and I'm going to charge you this and two streets over I'm going to charge you a different amount, how is that done. Do you have appraisers that go out, you put all of the stuff in the computer then what?

Mr. Flynn replied you've touched upon a lot of different things to take into consideration in the value of a property and to speak about very specific properties without having the characteristics in front of me is very difficult, but the location is going to determine, in great part, how much somebody will pay for it and if you look at the sales that occurred in the north end you're going to find that those sale prices are considerably higher than other areas of the town. The south end, for example, has negative impacts from the Airport. The north end doesn't have the same impact from that situation.

Alderman Wihby asked so what is the approximate value of the same house in the north end compared to the south end…same neighborhood, same everything, same amount of traffic. What would you tell me there's got to be some number.

Mr. Flynn replied I couldn't tell you right now without having all of that data in front of me.

Alderman Wihby stated you don't know what the square footage of an average house is in the south end compared to the north end.

Mr. Flynn stated we didn't bring that sort of data with us tonight. There's a number of factors that go into the mass appraisal of real property, houses in particular and one would be the land value and that is highly reflective of…

Alderman Wihby interjected I guess that is where the biggest problem is…the land value of the north end parcels are way higher…you've got land lots of $90,000 in the north end and values in the houses in the south end are only $90,000 total and I don't want to pick on the south end, elsewhere in the City.

Mr. Flynn stated that is reflective of the neighborhood.

Alderman Wihby stated so a 10,000 square foot lot with a house on it is valued at $90,000 in the north end…what would it be valued in the south end or somewhere else in the City.

Mr. Flynn stated it depends on the house. We don't have examples chosen of…here's this house here and here's one almost like it here…we just don't have that information.

Alderman Wihby asked is there a reason that the same house two streets apart in the same neighborhood there's a $50,000 difference.

Mayor Baines interjected I think that is an important thing to zero in on. What would be the factors that would differ here? They were built the same…are there things that you looked at…improvements, cosmetically…what do you look at.

Mr. Flynn replied in the appraisal of a property we would look at the location, where is it located within the City, within the neighborhood and the land price will reflect that and we look at the physical characteristics of the house and any other structures in the property…garage, pools and so forth. You can have a 2,000 square foot house that's pretty commonly built, nothing fancy or you can have a 2,000 square foot house that has the finest amenities…fancy windows…things of that nature, so that's in the quality of construction and then we take a look at adjusting the replacement cost of a structure…

Alderman Wihby asked is that how you're figuring out, it's not sales…

Mr. Flynn replied essentially it's replacement costing less depreciation plus the value of the land calibrated to the sales over the last couple of years. Technically it's called the marketed adjusted cost.

Mr. Tellier stated stepping back for a moment one of the first things that's done in any appraisal whether it's a fee appraisal or a mass appraisal is to find the project
and then do the data analysis. In this particular case it was to define that the City of Manchester was going to have a revaluation. Further from that the neighborhoods are delineated or identified. Usually with manmade boundaries such as streets and geographic boundaries such as the river. So, that defines those types of boundaries…streets, neighborhood characteristics such as commercial buffers, streets and geographic boundaries help to define neighborhoods like the west side is bounded by the Merrimack River and that's a geographic boundary, for example. A lot of people feel there's a general consensus, it's not written on paper or anything, but there's a general consensus that the north end may start north of Webster Street, for example. The commercial district beginning at the beginning of South Willow Street…

Alderman Wihby stated that is what I'm getting at. There's a cutoff somewhere that all of a sudden we're going to start saying there's a little more value to these houses on this street, true.

Mr. Tellier replied that is correct, Alderman.

Alderman Wihby asked so where are those cutoffs, how do we know where those cutoffs are. Wherever that cutoff was when it got to the north end it went too high; that is where I'm saying the whole north end is wrong.

Mr. Tellier replied what they would have done, Alderman, is make every effort to define the neighborhoods as finite as they could and then from there they are going to let the sales speak for themselves. It really comes down to units of comparison. They're going to take sale prices of properties, they are going to further break it down by property type (i.e., ranches, capes, colonials) that type of property or commercial properties and then it breaks down into units of comparison and a knowledgeable buyer is the one that is going to dictate what those price ranges are for properties in different areas. A cul-de-sac, a quiet, well-populated neighborhood, a stable neighborhood with large lots someone would likely pay more for that than to live on a busy artery of the City where you might have thirty or forty thousand cars a day driving past that, so all of these is what's taken into consideration in breaking this down and coming into units of comparison and then arriving at values.

Alderman Wihby stated I mentioned the street to you that you looked up, I don't want to mention the street, where it seemed like one side of the street was overvalued more than the other side of the street…same type of neighborhood, same busy street…what happens there. Do you do an adjustment up or do you do an adjustment down.

Mr. Tellier replied it would be defined by the market. Quite frankly, we would err on the side of the taxpayer thought which would mean that if it's a slight adjustment it may go down.

Alderman Wihby stated so for ones that are overpriced, the ones that are higher than across the street would go down.

Mr. Tellier stated I wouldn't use the word "overpriced", but if there's a disparity there of any kind certainly the company would err on the side of the taxpayer to be fair for everybody.

Alderman Wihby stated okay, so the taxpayers see this information by Thursday morning and it shows square foot…I know that doesn't tell everything because it also depends on bathrooms and the quality of the house and the number of rooms and everything else, but the square footage…the old assessment seemed like it was near theirs and theirs went up $40,000 more than someone else. They go in the neighborhood now and they could fine five houses, three houses that are where they think they should be. Is that fine enough to bring to the company and show these three houses at $200,000 and mine's $240,000 and I have the same type of house as theirs, is that enough for them to...

Mr. Tellier stated anybody who calls our office we've encouraged them to accumulate homes of similar size and style, we've made the City's live database available to them where they can have half-a-dozen or three or four comparables because quite frankly the square footage that the City's Assessors presently have is quite similar to what the revaluation firm has, a great many of the houses haven't changed. So, it gives them an opportunity to compare apples-to-apples.

Alderman Wihby stated so we're not giving an answer to the people that go there yet…are we giving any hints to them or are we just listening.

Mr. Tellier replied I don't know if I can speak for the company but I have spoken to taxpayers myself, I've gone three or four times a day to the hearings. Many of them are very disgruntled assuredly. Most of them feel that they've been heard and many of them are cynical, however, the facts are that all of the information that they've brought to the table will be taken into consideration. What the hearings are in effect is somewhat of an audit, if you will. It is not only an opportunity for the taxpayers to air whatever grievance they may have or to bring up additional facts that may not have been taken into consideration in the first round, but it is an opportunity for the revaluation firm to perform somewhat of an audit…manmade errors or data entry errors are found and corrected, areas that may not have had some additional information may have come forward after the fact and this is only the first bite of the apple. The hearing process is necessary, part of the contract and required by State statutes and the DRA's Administrative Rules and then after that there is the local process where someone can appeal. Clearly, the Board of Assessors as being a full-time Board we're there to answer the phones and help them in any way we can and I can tell you that the last several nights in a row I've spent at least 45 minutes answering E-mails and trying to answer their concerns, giving them the phone number and encouraging them to call me so that I can further explain how the process goes and how we can be of assistance. So, this is only the early part. Now, I understand there is some dismay on the Board about the length of time that it takes for people to get their response back.

Well, the fact is that the hearings are slated to end August 25th, school starts at Memorial High School, I believe, the 28th. So, we've gone up until the last possible opportunity…is it the 28th or…we're ending on Friday or Saturday of that week. The following Tuesday or Wednesday, I believe, school starts.

Mayor Baines interjected we could find another place.

Mr. Tellier stated absolutely.

Mayor Baines stated what I would like to do and Alderman Wihby has brought some things forward and I gave him a little latitude there and I hope didn't upset too many members of the Board but we're going to proceed around in order each member of the Board a couple of questions and then we'll move forward.

Alderman Gatsas stated I am going to make these questions simple, they're yes or no answers, okay. Alderman Wihby asked you a question, did you do the land assessment or did CLT.

Mr. Tellier replied the Board of Assessors did not, the answer is no. CLT performed those land assessments.

Alderman Gatsas stated I said yes or no, one word answers. Don't get into a dissertation. So, you didn't do it.

Mr. Tellier replied no, absolutely not.

Alderman Gatsas stated so CLT did the appraisals on land, vacant land and occupied land…notification period. Is that the limit in the contract or is it unlimited. I believe I asked you for a copy of the contract and I haven't seen it, but go ahead.

Mr. Tellier replied I don't remember you're asking me, Alderman.

Alderman Gatsas asked is there a limit in the contract for the number.

Mr. Tellier replied no, it was left open for some flexibility.

Alderman Gatsas stated so if we want to put that limit at 25 days this Board has that ability.

Mr. Tellier replied I'll have to

Alderman Gatsas interjected yes or no.

Mayor Baines stated I don't think that…

Alderman Gatsas stated then don't answer the question, just say you don't know the answer.

Mr. Tellier replied I don't, I don't know the answer.

Alderman Gatsas asked how many bidders were there for this contract.

Mr. Tellier replied two.

Alderman Gatsas asked were they the low bidders.

Mr. Tellier replied there were only two that were quali…were they the low bidders, there were only two that bid. The low bidder was awarded the contract.

Alderman Gatsas stated why don't you hand the mic over to the company because now I have some questions for them.

Mayor Baines stated can we make sure that all members of the Board get a copy of the contract, thank you.

Alderman Gatsas stated the people that were doing the viewing and the measuring were they licensed real estate appraisers.

Mr. Flynn replied no.

Alderman Gatsas stated so somebody in an inadequate position, not knowing what neighborhood he was in, not knowing what values were went out and measured a house, viewed the property, came back and let somebody that never saw that property do a real estate appraisal.

Mr. Flynn replied no. All of our personnel were certified by the DRA at the level at which they were required to be, but they were not certified fee appraisers that is my interpretation of what you're referring to.

Alderman Gatsas asked who put the value on the property, in-house people or those people that did the viewing and measuring.

Mr. Flynn replied the data collectors collected data, the appraisers set the value on the property, they are all Cole, Layer, Trumble employees.

Alderman Gatsas asked would you venture to guess just to give you a little…I was in the real estate business selling real estate in Manchester for about 18 years and did appraisals so I am well familiar with the verbiage that you're using. Would it be fair to say that an appraiser could never give you an opinion of value without actually seeing property inside and out and obviously the topography of the land.

Mr. Flynn reiterated would it be fair to say that he couldn't render an opinion.

Alderman Gatsas stated or a reasonable opinion based on location.

Mr. Flynn replied it depends on the extent to which you're appraising the property. If you're appraising it for mass appraisal purposes the appraiser views the property but does not necessarily make the full inspection, that is done by the data collector; that is how you're able to do 31,000 parcels in a compressed time frame at a price that jurisdictions are willing to expend. You're probably familiar with the mortgage financing or something, the appraiser comes to your property, goes through the whole thing, he makes his appraisal and that's his number. The way mass appraisal is done is more like building the bridge they were talking about earlier…there are people that do the data collection, you have people who do the neighborhood delineation, people that do the valuation tables and the review appraisers that finalized those values prior to mailing them to property owners.

Alderman Gatsas stated you have gotten some 2,000 phone calls. Of those 2,000 and the 31,000 pieces of property that you have valued in this city how many of those phone calls are residential and how many are commercial roughly.

Mr. Flynn stated of the appointments that are scheduled thus far which are about 3,100, 342 are commercials and 27,53 are residential.

Alderman Gatsas asked of the 342 that you consider commercials you're assuming that those would be multi-families as part of those.

Mr. Flynn replied yeah, commercials, industrials and apartments.

Alderman Gatsas asked of the 342 how many would you guess between 2 and 10 units.

Mr. Flynn replied I don't know.

Alderman Gatsas stated 20%, 30%, 40%.

Mr. Flynn replied I don't know, we don't have any stats on that.

Alderman Gatsas asked how many of the 342 units are actual commercial, industrial buildings.

Mr. Flynn replied I don't know.

Alderman Gatsas asked how many commercial and industrial buildings did you reevaluate in the City of Manchester.

Mr. Flynn replied a little over 4,000.

Alderman Gatsas stated that would leave you about 27,000 that you did residentially.

Mr. Flynn replied yes and there's some exempts in there too, so it's a little less than that.

Alderman Gatsas stated I find it unusual, I think a question I had asked of the Assessor's Office is what was the total commercial value in 1990 versus the total residential value, have you been able to get those numbers or ascertain those numbers as of yet. What are those totals and how do they compare to what they are in 2000. Because my understanding was that in 1990 that the tax burden was being carried by the residential property owner at somewhere around a 60-40 split and because of the vacancies and the downswing and office rentals and now that that upswing and almost 100% occupancies in the commercial properties, I would assume that that would be a flip to a 60-40 the other way, have you seen that.

Mr. Tellier replied we saw what amounts to a two- percent shift back to the commercial. The rated numbers…we did some calculations this evening, Alderman, and we found that it's about 58-42% at this time, so there was a two- percent shift back to commercial properties. With the fact that there is over 26,000 residential and only a little over 45,000 commercial with that rating two percent is substantial in itself.

Alderman Gatsas stated I think the big question is is the total square footage that you have based that on the 27,000…my concern is that these 342 pieces that I think if you broke those down you're going to find that most of those are two and three-families and I think you're going to find a diminished amount of industrial/commercial property which tells me that if that's the case then there was an injustice done to residential versus commercial.

Mr. Tellier stated the two or three-families are considered in the numbers of the residential, Alderman. There are only four units and above that would be considered in a commercial capacity.

Alderman Gatsas stated the number of calls that you've gotten…let me give you an example…I had a call today from a lady that lives on Russell Street, she lives in a two-family, what would you think is the most expensive two-family you would find in the City of Manchester. I'll give you a wider scope, what would you think the most expensive two-family in the State of New Hampshire is. If I told you this one was $440,000 would you believe that? So, can you tell me that a senior appraiser that would look at a two-family that would be sitting down do an analysis could possibly look at a two-family home in the City of Manchester and say that that value went from $180,000…I want to say it's between $430,000 and $440,000.

Mr. Flynn replied not being familiar with the property I can't render an opinion, but certainly if the owner thinks that's inappropriate we would hope that they would schedule an informal appeal and if it is inappropriate we'll make the change.

Alderman Gatsas stated but I think that's an unreasonable response because I think your response should be that's an unreasonable appraisal anywhere in the State and not leave it up to an owner to look at because I say if we're paying $1.3 million to your folks that I can understand disparities and I can understand properties in the south end…when you address Alderman Wihby's…when you have two houses that are 2,500 square feet, the exact identical cost for the structure because you're talking about reconstruction to that property then the only difference in the value of that home should be the land…square footage wise if it cost me $100 a square foot to build that house in the north end or it cost me $100 a square foot to build that house in the south end, the value should be the same except for the lot that it's sitting on.

Mr. Flynn stated I would differ on that from a depreciation standpoint the house in the less desirable neighborhood would have more depreciation or market adjustment, so why you may start out at the same replacement cost new, the net building value in the less desirable area should be less.

Mr. Tellier stated speaking on that particular parcel that you're alluding to our Board would be very interested in identifying that to find out…

Alderman Gatsas stated as a matter of fact the woman that talked to me had no problem with me identifying the property, it's 145-147 Russell Street and once I give you that address you tell me about a property that's even a single-family and that's between…I want to say it's between Harrison the next cross street…but, tell me there's a piece of property in there that's worth $430,000. Am I right or wrong?

Mr. Tellier replied regarding that particular value in that area what I would have to do is take a look at the sales in the area that the company used to allocate and I can't really tell you without…I would have to go back…

Alderman Gatsas asked is there a two-family in this City that's worth $430,000.

Mr. Tellier replied at first glance I would say no.

Alderman Gatsas stated thank you.

Alderman Levasseur stated I'm glad you're sitting down, Mayor. This is probably good for you because I'm going to say some things here that I just can believe. I've been sitting here for 19 months in this chair and I have never had a pain in my temple and my left-hand side over an issue like this one. This has been unbelievable. I've had a license for real estate, I've bought and sold many properties, I came through a revaluation in 1991 and I've never seen anything like this, I don't know if anybody every expected it to be the way it is. I warned the people in the City that this was not the right time to do a revaluation because we're at the peak of the market…Massachusetts right now, friends of mine have bought homes over there and they

wished they didn't because they've already dropped in percentage per value just in the last three months and it's coming this way. You would think that the number of political signs out there would be a lot but the number one signs out there are "For Sale" signs. I've gone house-to-house, seniors are worried like they've never been worried before. Right now, they're saying they're going to have to sell their homes because they can't afford to live in them anymore with the revaluation numbers. I'm embarrassed by this revaluation, the discrimination, the differentiation, the disparity of the numbers from house-to-house and street-to-street is nerve wracking. It couldn't happen at a worse time the economy is slowing down, the money that people are now have to save because they're going to have to worry about their taxes will now not be spent in this community. They will have to tighten their belts because they'll have to worry about this. I can't imagine why we would have to accept this and would like to make a motion that this Board not accept this revaluation, that we eat the money that we spent on this revaluation and leave the numbers as they were because this is not the right time to have this revaluation when we're at the peak of a market that is absolutely going down. This is going to cause a lot of problems in the City of Manchester. Rents are high, when people who own commercial buildings and multi-families get these property tax increases they're not going to eat them, they are going to pass them down to the tenants. People who have these increases in leases for commercial property in the Millyard and such they have that built into their leases that if there is any increases they're the ones that have to eat it. This is not the right time, this was not the right time, and these numbers are ridiculous. To have people's homes go from $100,000 to $300,000…some of these people who have lived in their homes for 75 years and now will have to worry about selling their property. This is not right and I have a motion on the floor, I'd like to have a second not to accept this revaluation.

Alderman Hirschmann stated, your Honor, I'm tempted to make the second but I'd like more discussion.

Alderman Levasseur interjected we don't have to accept this.

Alderman Gatsas asked what would that mean.

Mayor Baines replied I think there's a lot that it would mean, I'd like to give an opportunity to respond to those comments because…

Alderman Levasseur stated I'd like to follow-up, your Honor.

Mr. Tellier stated in response to the need to have the revaluation, we hadn't had one in ten years and April 1, 2001 will make ten years. In reflection of the Supreme Court case that just came down all communities shall revalue every five years; that is "shall" revalue every five years. The Department of Revenue Administration's current plan is to divide the State of New Hampshire into five regions, look at the areas within those five regions and then find the communities that have the most egregious or the worse numbers and the largest time frame between revals…they will be ordered to go first.

Alderman Levasseur stated I agree with you, Mr. Tellier, that the Supreme Court has ordered a revaluation every five years, but when we made this revaluation that order had not yet been put down here. So, when we made this order it wasn't commanded by the Supreme Court of New Hampshire. Now, let me tell you if you wanted to do a revaluation we didn't have to do it from now until five years, we had a five-year window to do a revaluation, we have a five-year window where you and I have talked about this before. We could do it in three years when the economy has slowed down enough that the market value has dropped on these properties that is what we could have done and the other thing is don't tell me that we have to do this by statute because the statutes specifically say and I've read the statutes…there is no 10-year mandate that we have to do this every ten years. As a matter of fact before 1991 we hadn't done one for 20 years. So, somebody decided we're going to do this on a 10-year basis but it is not mandated by the statutes. As a matter of fact, if you look at the statutes it's a five-test criteria and then we decide there. But, there is also in that statute, it says…if 50 persons come together and sign a petition saying they do not want this revaluation it can be overturned unless the statutes have changed since the statutes have come out. But,
you don't have to accept the revaluation especially if it's done the way it's been done, it's haphazard.

Mayor Baines stated let's respond. First of all, could you go through the process because some of us weren't here in 1999.

Alderman Levasseur interjected, your Honor, let me make one more point. Bedford has not done one in 13 years, so there is no 10-year mandate.

Mayor Baines stated let's go through the process. In 1999, what happened that this Board of Mayor and Aldermen caused the Board at that time to vote for this revaluation.

Mr. Tellier replied there are statistical measurements that define the level of disparity between sales price and assessments and the division between the accuracy of those assessments…it's called the COD. At that point, we realized that our COD was increasing over an acceptable level and if we didn't take an affirmative action we would probably be ordered at some time in the immediate future. So, what we did was we came to the Board of Mayor and Aldermen, noted the…

Mayor Baines stated just go through time frames.

Alderman Wihby stated my understanding was that we got petitioned by residents to do that, that is why we went forward with it. I remember…

Mayor Baines stated just go through the whole process…

Alderman Wihby stated I remember the doctor's name who petitioned the City.

Mr. Tellier stated no the Board of Assessors brought forward to the Board of Mayor and Aldermen and pointed out the facts that it would have made it ten years since the last revaluation, that the disparity in assessments between different communities would lead to inaccuracy and we wanted to position the Board and the City of Manchester to have accurate assessments and that was the facts. It subsequently was accepted, bonding was approved, RFP's were sent out and there were only…

Alderman Wihby asked, Mayor, did you ask for 1991 or 1999.

Mayor Baines replied 1999. I want to know what happened, what was the time frame of this whole thing. Did it just start in 1998…

Mr. Tellier replied 1998.

Mayor Baines stated so in 1998 you came to the Board.

Mr. Tellier stated subsequently in the beginning of '99 was the RFP process, the contract was awarded and towards the end of '99 the revaluation started.

Alderman Wihby stated back in '91 when we went through the last assessment it was because residents and I think it might have been only one went down and petitioned one person to say that they wanted the reassessment done which is why we went forward in 1991.

Mr. Tellier stated I think that's correct.

Mayor Baines stated but in 1998 you came, the Board of Assessors came to the Board of Mayor and Aldermen at the time and convinced the Board that they had to move in this direction because of disparity.

Mr. Tellier replied that is right. Subsequent to that the contract was awarded…we've been undergoing the process of data collection, valuation and the hearing process.

Mayor Baines asked what if…and just give me a clarification on Alderman Levasseur's assertion, and what Alderman Wihby said, what is the ramification if this Board decided because of their concerns that are shared by many of us because of this apparent disparities that have surfaced that we decided not to accept this revaluation, what would the process be, what are the ramifications to the city.

Mr. Tellier responded I believe the Department of Revenue Administration could weigh in on it and quite possibly the Board of Tax and Land Appeals as well. And that's not withstanding the company's contract with the city which is a legal issue and I really can't answer that.

Mayor Baines stated let's say if we decided not to use these evaluations, what's the process and what would happen…

Mr. Tellier responded I really can't answer that right now, I would have to do some research with the DRA, right now I don't know.

Alderman Levasseur stated let me answer that for you, Your Honor. It's the same thing as if somebody goes to them and asks for an abatement. They go to them and they ask for an abatement and they say yea, we don't think your evaluation's right, and they knock the abatement down. We're deciding that we are not going to accept this abatement. And let me remind you of something Your Honor, you were not here and I was out there in the real estate market, 1995 is when we actually hit bottom, so when you look at the statistics Your Honor, we had a very high there was a very low occupancy rate, in other words there were a lot of apartments in the city that were empty, crime was at an all time high. We had not even come out of our recession yet in 1995 and then in 1998 we decide that we are going to go for a revaluation. It wasn't the right time to do so, we were climbing back up, we still hadn't come out of it. We are only five years out of this recession. It was a very deep hard-hitting recession in the City of Manchester. So we haven't been a ten-year, we haven't had a good ten years go by. We hit bottom in 1995 and we are hitting peak very quickly, we are at the peak of the market and we are going back down again. But we never even had a chance for these people in this town to recover from some of these valuations. I mean I paid $120,000 for a home and it's probably worth that now, but in 1998 it took twelve years to get up to that point. And here we are now crushing people with these ridiculous valuations. I have a motion on the floor and I think it should be accepted.

Alderman Wihby stated my concern your Honor, would be that we know that there are some properties that have gone down and people are paying less, so what stops those 20 or 30 individuals from banning together and going down to Concord saying we want another assessment done. Are we back to doing one the next year? I think what people want is a fair assessment. I know a lot of people who called me said look, my house is worth $200,000. but the one across the street is not worth $150,000 it's worth more than mine, I just want them to be even with me or me down with them, but it's just not right when I live in the same neighborhood and I'm paying more than them. Those are the inequities that we have to take care of those I think everybody wants a fair assessment.

Mayor Baines stated I am going to ask Alderman Hirschmann because.

Alderman Hirschmann stated I wanted to speak to it because you asked a question. I by chance met the Bedford Assessor, and it was a chance meeting when we were discussing building boom down in Bedford. We were discussing property values and assessments and the construction boom and where are they at the peak, and he said yea, we are at a peak all right but we are not accepting those values in our town. They went through a revaluation but they were not going to accept those values. Maybe within the five year time span that Steve Tellier is saying we have to accept this revaluation, but maybe that's in 2006. Maybe if Alderman Levasseur is correct we can delay this and just not accept these values.

Mayor Baines stated that before they take any action they should look at all legal avenues.

Alderman Hirschmann stated absolutely, but I'm just making the point of what other communities are talking about.

Alderman Lopez sated clarification, if I may Your Honor, and I say this with all due respect to Steve Tellier, but we have three officers that are officers of the city that are Board of Assessors. I think that all of them should either agree that this is the way we go, because we are paying over $200,000. for these three people and ask their opinion as a Board of Assessors, do your two colleagues agree with you in what you just stated and everything that you just stated you've discussed with your officers of the city.

Mr. Tellier responded we met as a Board earlier, I'd be happy to ask them to come up here. And even further, I believe this firm, and project manager and their upper management people are very well aware of the concerns that have been expressed on this Board and are going to go right back to the table and continue to refine these values. Now, can I look at anybody here at this Board and agree that all of these values are accurate. Absolutely now, this is part of the process.

Alderman Lopez stated I would like to interrupt there please. I'd like to just hear from the other officers of the Board of Assessors.

Mayor Baines asked the other members of the Board of Assessors to come forward.

Alderman Levasseur asked if that motion was still on the floor.

Mayor Baines advised he had not accepted any motion, they were just getting some background and then they would put it back suggesting they continue the discussion with the Assessors.

Alderman Lopez stated he did this out of respect because this was a Board of Assessors that they relied on.

Mr. Porter asked where they would like him to start, asking if there was a specific question.

Alderman Lopez stated some of the statements that one of the Assessors made in answering to Alderman Wihby, Alderman Levasseur, Alderman Gatsas, you as the Board of Assessors as a conversation went around, do you agree with all the things as a Board and can you enlighten anything that you feel maybe this Board should know before we take a vote. Does this DRA, would this Board, would the DRA accept a motion from this Board to do away with the reval.

Mr. Porter responded as far as I know the DRA would have a say in it, however, I do think it would be in the prerogative of this Board to delay the implementation of a reval. But that could be a legal question which I am really not prepared to answer.

Alderman Wihby asked what he meant by that, delay till what.

Mr. Porter stated it could be delayed for example if the decision that there weren't ample hearings, which I don't think that's the case at this point. If I may digress I do believe and I said it before, I said it initially from the outset in my opinion we should have had a minimum of six weeks of hearings. We did at the last revaluation, I believe it was closer to seven weeks, that was a very difficult revaluation. No revaluation is easy. I do believe that six weeks a minimum would be appropriate. I have said that from the beginning and I don't think that the amount of time allocated for this is adequate. However, if they were to extend it for a period of two weeks, which I would recommend, and they found out that the phones weren't ringing or the people weren't coming in it would be a lot easier to close up shop then to try to reinstitute it at a later date. I myself have guaranteed people they will get a hearing. If it's not from the revaluation company it will be with the Board of Assessors. Vacant lots, if I may. In my opinion should have been addressed as vacant lots. And the reason I say that is that the company and I don't mean this in any way Paul to be slamming the company, but I just want to state what I consider some facts evaluation company in taking a look at vacant lots, for example, should have recognized that there was something unusual about them because they did have access and copies of our prior property record cards. If a vacant lot had an assessment of $5,000. then obviously it should trigger a question how come. If they are coming up with $29 or $30,000 I believe it would have been appropriate to have an individual, whoever that may be, take a look at that. As far as the two family at $440,000 and I don't mean to be fecicious, but unless it has an oil well on it I don't believe there is any two family in the city that would warrant that. I too have been in the real estate business with Alderman Gatsas. I do recognize that there is no perfect system with revaluation and it is a massive task. I think part of the problem has been the review area. Some of these things could have been caught and will be caught in a review. I would not recommend delaying the implementation of this revaluation for a lot of reasons. Number one the people who are under-assessed and there are a considerable number, will continue to be under-assessed. Those who are over-assessed will be forced to avail themselves of the abatement process. We are hoping to correct that. I don't think it would serve the best interest of the city to delay it. That's my opinion. No we have not discussed all of these ramifications as a Board because quite frankly they haven't really surfaced in that fashion. The vacant lots, the company did have the prior property record cards. I do believe they should have

viewed them. There could have been a report generated showing any properties going up more than triple, quadruple, ten times, conversely there could have been a report made to show properties that decreased. This is all part of a review. In my opinion there is still time to implement this. So I would myself not like to see this delayed or scrapped, because I don't think it would be in the best interest of the City, the reason Alderman Levasseur that we talked about this. This started three years ago when we were still in the plaza. We recognized, and you are right 1995 was the bottom. We didn't want to catch it at the bottom. We also don't and hope we don't catch it at the top. We still hope that values are increasing. I don't think they are increasing at the same rate that they were. There is a slowing down of the economy and that simply means a slowing of the increase, not necessarily a decrease. In my opinion that it is a right timing for implementation of this revaluation. Now as far as land value visa vi the building values, the goal of the Board of Assessors, the goal of a revaluation company is to have a fair total assessment. Under the statute, if a property is over-assessed by $20,000 on the land and under-assessed $20,000 on the building then it is a fair assessment. I think Alderman Wihby we do have to look at the overall value. Is it fair?

Mayor Baines requested he repeat the last comment again.

Mr. Porter stated there are two elements in an assessment. The land value, the building value. If for some reason it is the opinion that the land value is to high by the same amount that the building is to low, then the overall assessment is accurate. And I think that if people have an ample opportunity to see what the assessments are. I also believe in some statements that Alderman Wihby has made, I don't believe the general public has enough information in which to make an intelligent decision, am I assessed fairly. We don't expect everybody to be an individual appraiser. It's difficult enough. But, I do think that perhaps in addition to the gross square footage, they're putting out the effective square footage, because that is the square footage that the value is arrived at from that factor. Let me give you an example. In the property record cards there are three categories. One is the gross area. Gross area includes patios, decks, swimming pool, garages. Effective area I'll touch on that later. Living area is what most people really relate to. If you have a 24 by 34 cape, it's two stories, the second story is calculated a little bit less, but let's take a colonial or garrison for example, a 24 by 34 garrison, you would multiply the dimensions out and them multiply that out by two to get the actual living area. The garage is area, but it is not living area. Garage would be part of the gross area. The main factor is what we call effective area. If a garage for example is 24 by 40, you have a 960 square foot garage. That doesn't necessarily translate into the same value per square foot as the main home. That would be reduced, I don't know what the exact percentage would be but let me give you an example, they may call that an effective area of 240 square feet and use that to be multiplied by the total square foot cost per square foot to arrive at a value. This is the period of time when I think that we have to have people who feel that they have issues, and you know just because a person calls and makes an appointment to have their property reviewed, doesn't mean they are appealing it. And I have recommended that people do that only from the standpoint check and see if your property has been properly listed. Perhaps through a human

error, maybe there is a foundation size that's in error, these are items that can be corrected immediately. You have other subjective issues such as condition of property, the grade of property, these are subjective and perhaps in the eyes of the listor may or may not be the accurate listing characteristic. Those should be reviewed by a review appraiser going in the field and viewing the area for a specific consistency. And I think that all in all most of these things have been done. Unfortunately, we are in a period of time when the shock of the values of property is being realized. And there are some errors. And I agree with Alderman Gatsas. I ran a program where I probably reviewed five or six hundred maps myself through a little program that I have written on the computer just to see consistency. I am not going to get into an individual assessment. But if I look into an area where the properties are in the $140,000 - $150,000 range and I see one at $390,000 it flags to me and this is what I think should be done by the revaluation company, and I do believe there is still time to do it.

Alderman Vaillancourt stated I would like to try to set the record straight because my problem is not so much with the valuation company, although I realize individual problems have been made and you will remedy them. But my problem is with some of the misrepresentations that have gotten out to the public that have created a sense of panic among the public. I blame the Union Leader for this. For more than a week they were running the wrong tax rate. It took me five calls to Mr. Tellier then a call to the DRA in Concord, and finally a call, Randy I believe it was you, and I thank you for finally setting the record straight. So people were thinking that their tax rate was going to be $24.38 when in fact it's going to be $23.39 or something like that. Now that's a pretty big difference. It's a difference of about $150 for the average tax. I think we are doing a disservice by not getting this information out and I look forward to this meeting tonight so we could do that. There was an article in the paper Thursday, August 2nd, and it referred on the front page to this couple who were alarmed because their house went up from $74,000 to $92,000. Well low and behold that's only 25% increase, the average is 35%, so what we should have been telling people is look at your new rate. Multiply your old rate by 135 – Mr. Nichols gave me this formula and I've been doing it to everybody with a calculator sitting next to my phone at home with every constituent that has called me – take your old assessment, multiply it by 135, if your new assessment is less than that you are in good shape no matter what the value is, no matter what the dollar amount is your tax rate should be basically going down. Now we gave out some misinformation because we said it was 125 instead of 135 at one point, but this couple on Norcross Street that were so alarmed according to my calculations, should be paying a new tax of around 2,152 where their old tax was 2,270, so they are all set because their tax is going down about $120 a year. I had a constituent who was in the same ballpark yesterday, called me alarmed and I worked the numbers for her, it's not a hard problem mathematically so I think you have to realize is that for everybody that has gone up 155% probably to get at 135% average overall, I should say 55% and 35%, somebody is only up 15%, and only up 15% is good news because it's 20% less than the average, so I think we've probably done a terrible job in explaining this and that people should step back take a deep breath and realize that maybe they are in good shape. Now I do realize that there are individual problems but my question is this.

Ten years ago did we have 2,000 or 3,000 people come in and ask for a look again? Are we experiencing anything different this year?

Mr. Porter replied the only difference and I might say this, I was here. I went through the revaluation back in 1991 and there was a difference in the economy. As you know, Alderman, five of the major banks headquarters in New Hampshire were right here in Manchester and the economy failed. We probably had, after the revaluation, probably 3,000 or 4,000 appeals. There is nothing wrong with that. We encourage people, in the event that they do feel aggrieved, that they file an appeal. They will all be reviewed and acted on.

Alderman Vaillancourt asked is it not a fact that the salient point is not what your house is valued at but what it is valued at vis a vie every other house in the City.

Mr. Porter answered that is exactly right. You have two issues. One is what is the real value or market value of your real estate and the other is is it equitable with other comparable valued properties in the area. For example, if you have a $150,000 home that is assessed…and we don't anticipate that we will be at 100% because the market is still increasing, let's say we were at 95% for example. You would certainly anticipate that if your property were worth $200,000 you, too, would be assessed at 95% of that value. What you are bringing out is very valid, Alderman Vaillancourt, and this is an equity issue as well as what is the market value of the property. It is almost an impossible task to correlate every property, every category of property with every other property in the City and I think all in all the revaluation company has done a very good job with listing the properties. I think they did inform everybody with the mailing that they should not take that assessment and apply the old tax rate. Short of going to everyone's home and telling them that I think they have done the best they could. No revaluation is without problems. We went through it 10 years ago and I will say this. Our office doesn't have anywhere near the calls that we did 10 years ago. However, the Aldermen 10 years ago didn't have anywhere near the calls that you are getting now. For some reason, a lot of people are calling their Aldermen and not our office and I don't want to say that is okay because it isn't but by the same token I think that somehow they are more sophisticated. I do think they are more involved and possibly Aldermen they feel are more credible at this point because people are more aware. We are talking about Internet and cyberspace and everything. We didn't have this 10 years ago. We had a cigar box and we worked out of that.

Alderman Vaillancourt stated I would certainly welcome anybody in Ward 8 to call me and with my calculator next to my phone I will run the numbers for you and be prepared to do this for anybody and I think we are in pretty good shape. I will do Alderman Pariseau's right now just to give everybody an example. His old assessment was $108,000 or let's just say $109,000.

Mayor Baines stated let's not do that right now.

Alderman Vaillancourt stated well then let me continue. You mentioned that $5.2 billion approximately is the new total tax base in the City as opposed to $3.8 billion. That is the 35% increase. That is why if your tax as an individual has only gone up 35% you are in good shape. Isn't that $5.2 billion accurate or might we have $5.3 billion or something else? Have we got that bottom number yet?

Mr. Porter answered no we do not.

Alderman Vaillancourt asked when do we expect that.

Mr. Porter answered after the hearings are held and they turn the figures over to us. However, even at that stage there will be the review process going on by the Board of Assessors and if we deem that a change is necessary we will make that change. However, I don't believe that the change will be that significant as to skew the tax rate. $100 million on the rate given $120 million budget is approximately 43 cents. If $100 million change were made, 43 cents would be the change in the rate either up or down. I think that it is very difficult for us to project exactly what it will be because it is a massive operation. I think that Alderman Gatsas had inquired as to the percentage of commercial vis a vie residential appeals that have been filed. I think what you have to understand is mostly and I think Alderman Gatsas would agree, the commercial property owner doesn't have the emotional reaction as a property owner and individual taxpayer. I think that what has happened is there are tax representatives, credible tax representatives out there who are contacting commercial, industrial and apartment complexes to represent them in their hearings. I think that these will come in the future and they also recognize that if the problem isn't solved or what they perceive is a problem isn't solved they will file an abatement at the Board of Assessor's level for us to handle after the revaluation company has left the area. That doesn't mean they are gone forever because if a property is denied and they wish then to take us to Superior Court or the Board of Tax and Land Appeals, the company will be there to defend the value should we request that. I think the commercial owners and the industrial and apartment people are kind of having their tax representatives handle this. That is why I think that the initial wave is with the single residential property owner.

Alderman Vaillancourt stated could we just ask Randy to explain to us very quickly why the tax rate is going to be closer to $23.50 than $24.50, which was out erroneously for a few weeks.

Alderman Levasseur stated before he goes on we need clarification on the numbers. Why did we pay $1.2 million if all you have to do is multiply by 135%? We should have just multiplied by 135% across the board. That is what he is saying because the numbers don't work. He is saying it should have been 135% and then you are either going up or you are going down.

Alderman Vaillancourt stated what happened is if you add up all of the parcels of property in the City it comes up to $5.2 billion, which is a 35% increase from $3.8 billion and that is why the average is 35%.

Alderman Levasseur replied when I do my numbers, mine goes way up past that 135%. How much of that is out there?

Alderman Vaillancourt stated that is because to get an average you have to have some people above and below.

Mayor Baines stated what I would like to do is let Tom and Randy clarify that.

Mr. Nichols stated first of all I think we should go forward with the revaluation with the stipulation that all taxpayers who are calling up or need the extra time should be given that time even if it takes an extra week. If we can't have Memorial High School, they can come to a conference room in City Hall or some other place designated to give the people the extra time.

Mr. Sherman stated the number that the *Union Leader* originally was provided was the tax rate based on $5.2 billion for your assessment, but that was based on the Mayor's proposed budget, not the final budget that was adopted. When the Aldermen got the budget finally to the adopted stage, the tax rate that we now have is the $23.39. That is the difference between those two rates.

Alderman Vaillancourt stated so the Aldermen's budget saves the average homeowner about $145.

Mayor Baines stated no the revenues got adjusted too very significantly and that is what changed it. The follow-up that I wanted to make with Mr. Porter is it is very enticing in the situation that we are sitting in now to respond to it by throwing it out because that would make a whole group happy but it would probably upset another group that I think Alderman Vaillancourt alluded to. Something that seems to be appealing to me and I want some clarification on it, is to delay the process. First of all, I don't think there is any excuse for what has happened with the vacant property. I think we panicked taxpayers across this City by giving them tax bills for vacant property. We had that information. We put them through needless anxiety and that is going to continue for another month. I think that is absolutely unacceptable. I don't know where the blame lies but that is a very unfortunate part because it puts the credibility of this whole process in question. Secondly, if we delayed it for a year and here is my concern because I think there are going to be a lot of appeals that are going to come to the Assessors and I have a feeling that a lot of them are going to be granted. We are putting an undue burden on a lot of people coming up with a lot of cash to pay their tax bill that they were not anticipating because I don't think anybody could have anticipated and certainly the conversations that I had with the Assessors leading up to that regarding people I know…somebody I know when from $170,000 to $330,000. Nobody could anticipate something like that. The appealing thing to me is that if we delayed it for a year we could allow all of those appeals to be heard. This is what worries me about that. Because there is evidence,

for example, that people may be paying more than they should be paying, would that create another financial dilemma for the City with people coming forward, if we delayed the process, people coming forward like Alderman Vaillancourt pointed out the example in the paper where they were going to get a decrease in their taxes. Would they have a legitimate beef to come to us and say you can't do that to us because our taxes were going down? Can you clarify that?

Mr. Porter stated regarding the vacant parcels, I do believe that there would be time to run a report. I don't think it would be that difficult to have all vacant parcels and I believe with our technology something could be done to have a before assessment and after assessment. If an assessment increased by more than a certain amount it would be corrected. That doesn't do much to alleviate the anxiety that has already been experienced by individuals, however, it would correct the problem. I believe that is correctable. I think the problem with delaying it, your Honor, is that there are assessments and I am not going to say that they are under assessed through any action that was taken by anyone or any overt action. They are under assessed based on the market and even as Alderman Vaillancourt alluded to and I think it is premature to really determine that there has been a 2% shift. A 2% shift doesn't sound like a lot. I guess it depends on what you are dealing with. A 2% shift is significant in total dollars and I do believe it is appropriate to have a number of these properties that have been under assessed and as I said not through any fault of their own because a number of them were vacant back in the mid 90's and early 90's. There were Millyard properties that were vacant that are no longer vacant. If we revert back to the old assessment, the burden will then still shift to the residential. I don't believe it would serve the general public overall to delay it. That is my opinion.

Mayor Baines asked so you are not recommending to throw out or delay.

Mr. Porter answered I cannot speak for the Board. We have not addressed this as a Board.

Alderman Levasseur asked how much for the set aside. Do we need to put more money away for a set aside since they have admitted that…

Mayor Baines interjected let's talk about the set aside.

Alderman Levasseur stated because of the land and the lots.

Mr. Tellier stated there has been, what we believe to be an adequate amount in the overlay account set aside for the appeal process. Is that what you are alluding to?

Alderman Levasseur asked is it $1.5 million.

Mr. Tellier answered $2.5 million that is set aside for the appeal process.

Alderman Levasseur stated well the $2.5 million that we were talking about probably didn't include the mistake. I know one person who went from $5,000 to $90,000 and if you have 10 of those, you are up to $1 million already.

Mr. Tellier replied in assessed value but not in tax dollars.

Alderman Levasseur asked so your set aside was $2.5 million in tax dollars and not in valuation numbers.

Mr. Porter answered the reductions that we make prior to the bill going out will eliminate the abatement process. It will lower the assessment. For example in your case where you said somebody went from $5,000 to $90,000. Let's say it should go from $5,000 to $7,000. If we adjust it to $7,000 there will be no abatement because the bill will go out at $7,000 and there will be no abatement.

Alderman Levasseur replied my point is that instead of it being $5.2 billion, which is what you anticipated for your increase it would then drop quite substantially.

Mr. Porter stated I would like to remind this Board that initially the discussion on the tax base was approximately $5 million and I remember making a comment that if we look at $5 billion plus or minus 4% it could range from between $4.8 billion and $5.2 billion. I didn't think it was unreasonable to use the $5.2 billion because it was still within the range that we felt was appropriate.

Alderman Levasseur asked when you came up with that number did you think in your mind that this would be such a big problem.

Mr. Porter answered yes. Every revaluation is fraught with problems.

Mayor Baines stated we have to focus. Everybody wants to participate and some people haven't had a chance at all.

Alderman Shea stated well we are beating a dead horse to death in a way. The point is that the people on the East Side of Manchester have as much concern as the people in the North end. Let's make that plain and clear. Assessments have gone up on a 1905 house from $109,000 to $199,000. That is a house built in 1905. A man called me and said that his commercial property went from $71,000 to $199,000 and he is trying to sell it and he can't obviously. Other people say look I live next door to a house and how can I compare the square footage of my house to the house next door when they don't give me the figures. What do you say? In other words his assessment went up about $40,000 more than the house next door to him, which is the exact same replica. Maybe he has a wash room or something like that. How can you compare this? What should I tell my constituents?

Mr. Porter replied that is why I agreed earlier with Alderman Wihby when he said that you put on the gross square footage and I would recommend the effective square footage on the properties when you put it on the Internet and people could make a basis of comparison.

Alderman Shea responded but they won't do that. They say that it is private property and you can't get that information.

Mr. Porter replied no. They may not have had that available at this point, but it will be available.

Alderman Shea asked in other words if I live at 109 Smith Street and another fellow lives at 111 Smith Street and we have the same type of building but I want to find out his square footage I can do that you are saying.

Alderman Wihby answered yes on Thursday morning.

Mr. Porter stated you have to understand and I will defend the revaluation company to this extent, they are not fee appraisers as Alderman Gatsas was alluding to. No, they are not fee appraisers and I think when you look at the cost for a revaluation for 30,000 parcels, a fee appraiser would probably…well if you close on a home or even refinance they are going to charge you $400 for an appraisal. This is a mass appraisal. The Board of Assessors will do the fine-tuning after the Revaluation Company leaves. There are always mistakes made. I would say that there were probably fewer mistakes made than proper evaluations established and I think that because we are dealing with such a large number of people it seems like an insurmountable task. I don't believe it is. They will be able to find the square footage because that can be put on the Internet. There are three areas – gross square footage that is good to have and perhaps they could put both. Gross and effective and living area. There are all kinds of things that can be put out there. If people become confused by too much information, we don't know about that but I do think that it would at least give people a chance to say well I am really not that bad off because my house is a little bit bigger than the one next door.

Alderman Shea stated so you are saying they can go to the Internet. Where else can they go?

Mr. Porter replied we don't have the records yet in our office. They have not yet turned them over to us because they are working on it. If we have a property in our office that we are changing, they might not get the right information.

Alderman Shea asked so what are you saying.

Mr. Porter answered they can get the information from the Internet or we could print the books again and put them in the same place.

Alderman Shea asked can they call your office and get that information.

Mr. Porter answered we don't have the records at this time.

Alderman Shea asked well when are you going to have them.

Alderman Pariseau asked well can't they call CLT.

Mayor Baines stated we are going to get that information and put it somewhere in City Hall as well as on the Internet.

Alderman Wihby stated I had this discussion with someone from the *Union Leader* and they said they would print that also.

Alderman Shea stated the other question I have is in my ward a lot of people have vacant lots. Now the assessments have gone up unbelievably like from $5,000 to $50,000 on lots that can't be built. What I recommended is that they get in touch with your office. I know, Tom, that you have taken care of a few of these people. These are really concerns that people have and you have addressed that tonight in the sense that you said what.

Mr. Porter replied I am sure that we could write a simple report to provide all of the vacant lots and the prior assessment. If a prior assessment showed a building lot than chances are it is still a building lot but if a prior assessment is $5,000 and it went up to $30,000…and I do think that here again in fairness I am not trying to find excuses but I do believe that the revaluation company had a very difficult task before it. That is one area that I do think could have been done a little bit better but it is still not too late to correct. We can get a report showing the vacant lots and find the prior assessment and then look at the lot and if it is not buildable it will be corrected before the bill goes out.

Alderman Shea asked can they combine those non-buildable lots to one lot so that they don't have to go through hoops the next time.

Mr. Porter answered it is a zoning issue but I do believe that the Building Department passed some ordinances years ago and Alderman Pariseau I don't know if you were on the Zoning Board at that time but if you have two unbuildable lots that are adjacent to your own lot they are considered to be consolidated into one lot because if you can't sell them and you own it then you have to consider that it is by virtue of a mechanic of the ordinance consolidated. So, yes they can.

Alderman Shea asked so there is already something on the books now.

Mr. Porter answered correct. If they are buildable lots then it is the choice of the property owner as to how we bill it but how we bill it does not determine the legal status of the lot. They could get one bill for two lots but if it is a separate buildable lot they will be assessed as such.

Alderman Pariseau asked what response should I give to those individuals whose homes have gone up $60,000 or $70,000 and no representative from the revaluation company ever visited them.

Mr. Porter answered without a doubt they should definitely be instructed to call the revaluation company. It is unfortunate that that happened. There could be a number of reasons for it. I am sure that the revaluation company will respond and if they haven't been viewed then I believe that they would be sending someone out.

Alderman Pariseau stated there are homes on Kenberma, Laval, and Murphy that have not been viewed by the revaluation company.

Mr. Porter replied I think that would have to be transmitted somehow to the revaluation company by them calling themselves. I don't know what else to say.

Mayor Baines asked what is the number again for the revaluation company.

Mr. Nichols answered 644-7887.

Alderman Thibault stated what I would like to know is the calls that I am getting are mostly from elderly couples that have been in their house for 40 or 50 years and all of the sudden their valuation has gone up by $50,000 or $60,000 and then they feel that they are under the gun because of the limits that we set for them to call for an appointment and they haven't been able to get through on the telephone. A lot of these elderly people don't want to go for a hearing because they don't feel right about going in there and explaining their situation. Some of these people are handicapped even and having problems. How do you handle that?

Mr. Porter stated there is a lot of anxiety and I know that if somebody calls me and they say they have had a hard time getting through I get their number and I either go to the revaluation company or call and get through myself and make sure that they call them.

Alderman Thibault stated hopefully this process will be extended and I am going to get these people as much as I can to go and call and even after the revaluation thing is settled they can go to the Assessor's Office if they feel there is something wrong. I believe a lot of these elderly people would much prefer that type of situation. I just wanted to clear that up and make sure that there was a way for them to be heard at some point.

Mayor Baines stated we are having that special program tomorrow at the School District Office starting at 11 AM and that is one of the reasons why we instituted that.

Alderman Hirschmann stated my question is for CLT. I just wanted to ask the company because they are the ones doing the process and that is your data collectors when they go out and view…I represent the West side of Manchester with these rural R-1 zones, which is single family homes. One of my questions is would your data collector know that there is no City sewage service and that people are on septic systems.

Mr. Flynn replied that comes in the general neighborhood data. The data collector may or may not be aware of it but…

Alderman Hirschmann interjected you would devalue for that.

Mr. Flynn stated we set the land values based upon either vacant land sales in the area or residuals but we don't particularly say oh this is less because there is no water in this area or no sewers.

Alderman Hirschmann asked so the North end does not get assessed higher because they have sewer service.

Mr. Flynn answered if it is reflected in the market it would reflect a higher assessment.

Alderman Hirschmann asked how about the fact that with our new airport there is a beacon that directs all of the flights from Northwest, etc. right over our homes. Would anyone have had a meeting with you to tell you that we are not a flight path and we weren't 10 years ago? Does that devalue the homes at all?

Mr. Flynn answered I can't speak to that issue in specificity.

Alderman Hirschmann asked is that new information that would help you devalue homes in my area.

Mr. Flynn answered if we can see that there is an impact on the value, we would try to correlate that.

Alderman Hirschmann stated I would like that to be looked at and if you had to speak with Kevin Dillon, the Airport Director, he could show you a map showing that Ward 12, my area, has a beacon directing all of the air traffic over our homes on Goffstown Road, Dunbarton Road and our area.

Mr. Porter asked when did that change.

Alderman Hirschmann answered in 1997. The last thing I want to say is we are R-1 and people have all different types of house. One New England style farm house that a man was born in in the early 1900's and still lives there was valued at $101,000 and it went to $300,000. It just seems to me…that is tripling the guy's value. How is that type of person going to keep that home? It almost seems like you can hear the bulldozers coming to knock his home down to put more houses in there. Like the land is so valuable that you are causing people to tear their homes down.

Mr. Flynn stated we are required to appraise property at fair market value without consideration for the impact on the owner. So, an owner who can afford $8,000 in taxes if he has a $500,000 property and the guy who can't afford, they are both going to be appraised the same. Now the City may have a program for individuals who have a problem paying their taxes and that would have to be addressed there but that is essentially the law in New Hampshire. It is based on fair market value.

Alderman Hirschmann stated I don't have any answers and I don't expect you to have any but I have concerns that in Alderman Wihby's area and in my area they are similar yet we don't have the services in our ward and we have impact from the airport and I want my ward looked at. When people call in from West Manchester I think that some of their values should be lower.

Alderman Cashin stated 10 years ago I was here and we didn't go through this. No way. I just don't understand it. We are talking about things hear tonight like flight patterns and vacant lots being buildable lots. I would have thought that all of these things would have been discussed before the first person ever went into a neighborhood. I just don't understand it. I don't understand the rationale here. How can you expect people to have any faith in the numbers after what they are hearing here this evening?

Mr. Flynn replied I think we are talking for the most part about individual problems on individual parcels and while they need to be addressed and they will be addressed before this revaluation is complete, there are 31,000 parcels in the City that were revalued. If there are 10 of something that is wrong, that seems like a lot to a person but in reality it is a very small portion of the total. It is just a natural part of a process such as this that new information comes to our attention. Some of these things have already been considered. Perhaps they need to be reconsidered but this is all part of the process.

Alderman Cashin asked why weren't they considered prior to anyone going out in the field. You haven't answered my question. I mean vacant lots were considered buildable lots unless somebody complained. To me, that is ridiculous when you had it on the cards and all you had to do was look at the cards. Now we are talking about air traffic over properties that might devalue the properties. Why wasn't this done prior?

Mr. Flynn answered it may have been done prior. We have amassed a lot of information and a lot of records on this project and I just don't have specifics on everything.

Alderman Cashin stated well I guess we have accomplished a couple of things. You are going to extend the length of time for hearings and we are going to check on vacant lots and work that out. I guess the *Union Leader* is going to advertise the old assessments and the new assessments so people are going to at least have an idea of what is going on and I think that is really when you are going to start getting your phone calls and you better be prepared for it. I am going to tell you that from what I hear tonight if I go to my constituents and give them all a crash course in revaluation they are going to be in good shape but if I don't, they are going to be hurting and I think that is very unfair.

Alderman Gatsas stated I don't believe we got an answer to Alderman Cashin's question about the extension to August 24. Has the company agreed to that extension?

Mr. Flynn replied not yet.

Alderman Gatsas responded I didn't think so. I am going to make a motion right now that we tell them that they are going to extend that time period to August 24.

Alderman Thibault duly seconded the motion.

Alderman Wihby moved to amend the motion to include putting all information available on the City's website.

Alderman Gatsas duly seconded the amendment.

Alderman Hirschmann asked do we have to pay more money for the extension.

Mr. Flynn stated right now August 24 is the last day of hearings so the practical matter…you can't call on August 24 and get a hearing on the same day. Further, we don't have a hearing site beyond August 24. There are some practical issues to be worked out that I think we would have to work out with the Board of Assessors. Assuming that we can work those issues out, I have no objection to extending the time for people to call in and set an appointment until August 24.

Alderman Wihby stated I guess we are trying to decide…like you know we have a deadline of August 24 and we have Memorial Day and all that stuff. I think the proper motion would be to delay it a year and let them go back. The proper way we should have started this was send out a notice…not a notice that said this isn't a bill disregard this and by the way your property doubled so people looked at it and go wow I feel rich because my property has doubled and then throw it away and when they see their tax bills that is when they are going to go crazy. My feeling was that we should have sent out a notice that said here is what your tax rate was last

time and here is what your assessment was. Here is your new valuation and here is the projected tax rate. We should have let them know that. That is when you would have gotten 8,000 people complaining about the parcels. Until they have this information they are not going to use it so you are going to see after today's show and when this is rebroadcast you are going to see a lot of people calling and saying I checked this information out the neighbor across the street from me has a different valuation and I want to come in for a hearing. We are rushing it now because we have a delay because we want to get our tax bills out and we want to have the money in by December so we are rushing this. If we delay this a year and let them go out and do their job and let them take a month to talk to the residents and let them go back and look at the properties and send out a notice to the people and let them go down to the Assessors and then next year assess that amount. We are really doing an injustice to the senior citizens out there and to people who have not actually figured out what their tax bill is yet because it is all due in December.

Mayor Baines stated we have a motion on the floor to extend the time and then we can discuss another approach that we talked about earlier in terms of delaying it for a year because I would like to discuss that thoroughly. I am very sympathetic to that and feel inclined to support that.

Mayor Baines called for a vote on the motion as amended. There being none opposed the motion carried.

Mr. Porter stated I have to bring something very serious and significant up here. What do we do about the new construction or property that was put up prior to April 1, 2001 between last year and this year? The revaluation company did receive all of our permits because it was their job to pick everything up. We do not have those records in our office as to the new properties so if somebody built a brand-new building and we sent them out the old land assessment for this year, they would not be paying their fair share. I just want to bring that to your attention that any new construction, any new renovations, etc. would not be picked up for this bill if we were to do that. We only have now…if we are anticipating setting a tax rate at the end of October, this would give us about three months to do a year's worth of work.

Mayor Baines stated a question that I would like to ask from a legal perspective is the question that I asked earlier. People who would now be taxed higher…all of the people that Alderman Vaillancourt talked to that now have thought about the fact that they had been saving $200, $300, or $500, would they be able to form some kind of a suit against the City and then throw all of our finances and tax rates into turmoil? I think we have to talk about that before we make a monumental decision.

Deputy Solicitor Arnold stated I am afraid I am not prepared to answer that now. I would have to review the statutes and I could do that tomorrow.

Alderman Levasseur stated I think the proper way to do this and what most people say to me as I go door to door is that we have an Assessor's Office. The Assessors from Manchester who live and work here everyday should have been the ones assessing these properties in blocks. I don't understand what the problem would be with new construction. As a new construction came along in the last 10 years it wasn't assessed at any other value. It was assessed at the value you gave it. Every time a new property came on and every time you get a building permit the assessment goes up anyway. Why couldn't you just say give me those numbers that you already have? What is the problem? You already assess when there is a new project that comes on anyway?

Mr. Porter replied I only brought it up as a consideration. It could be done but any vacant lots that were vacant last year and here again maybe a report of a vacant lot that now has a building on it should be turned over to us.

Alderman Levasseur responded but you are saying, Mr. Porter, and I agree with you that you could actually just say okay we are going to assess them as we would normally.

Mr. Porter replied it does have to be addressed.

Alderman O'Neil asked if I made the statement that if the market value of your home went up less than 35% you were most likely going to see a reduction in taxes is that a correct statement.

Mr. Tellier answered well at 35% it would be average.

Alderman O'Neil asked is it a yes or a no.

Mr. Tellier answered no.

Mr. Porter stated it would be 31.8%. Anything at 31.8% or under would receive the same or less. Anything 31.9% or over would be a slight increased based on the rate projected by the Finance Department.

Alderman O'Neil asked is there a possibility that the total valuation of the City could go beyond $5.2 billion.

Mr. Tellier answered yes.

Alderman O'Neil asked so could that percentage then go up, the 31.8%.

Mr. Porter answered every $100 million is 43 cents so I don't think that we would have that much of a shift to make it that drastic.

Mayor Baines asked can you repeat that.

Mr. Porter answered $100 million in assessed value based on the projected…am I right Steve you said $120 million is that right.

Mr. Tellier stated we are using that for the exemption but 43 cents is accurate on the $100 million.

Mr. Porter stated I know it is accurate if you use the $120 million. Is the $120 million accurate for a budget figure? I thought it was $126 million? It would be approximately 40 cents then anyway give a penny or two.

Alderman Vaillancourt replied that is almost 2%.

Alderman O'Neil stated this may be a question for you, Paul. Was there ever a period when the commercial value exceeded the residential value in this City?

Mr. Porter answered I am not sure. I have been here 21 years and I don't believe it has occurred that way. We have had cycles and it seemed that the commercial/industrial…the peaks were a little bit higher, but the valleys were a lot deeper. I think on average the answer would be no.

Alderman O'Neil asked so in recent history it has always been the residential valuation that has carried the City.

Mr. Porter answered yes.

Alderman O'Neil asked do you believe that 2% shift from the former of $40.60 to $42.58…would you call that substantial.

Mr. Tellier answered in the numbers it is substantial and that may change. We are constantly working with the revaluation firm to review that.

Alderman O'Neil asked could that go either way.

Mr. Tellier answered it could, yes.

Alderman O'Neil asked if somebody disagrees with the numbers they can ask for a meeting with CLT right.

Mr. Tellier answered yes.

Alderman O'Neil asked if they don't agree with those findings, they can then request a hearing for an abatement with the Assessors, right.

Mr. Tellier replied that is correct. The process is once the bills are posted we have forms in our office although they could submit a letter of any type to file an appeal with the local board and they have until March 1, 2002 to do so.

Alderman O'Neil asked and the bills would be posted approximately when.

Mr. Tellier answered in the normal sequence of events, the first week of November.

Alderman O'Neil asked if they didn't agree with that they have one or two choices, either Superior Court or the Board of Land and Tax Appeals.

Mr. Tellier answered yes that is correct.

Alderman Pariseau stated relative to the assessed value and tax bills, I was here when the majority of this Board supported a request from the Assessors to eliminate identifying the value of land and buildings on the tax bill but I did not think that it was going to pertain to revaluation figures. Is there a chance that we could get the land values?

Mr. Porter replied it could be done but it would be another mailing. I thought it should be included in the beginning but I did not prevail.

Alderman Pariseau stated I was under the impression, although I didn't support you, Chairman Porter at the time to reflect land values, that they would have been identified in the revaluation process.

Mayor Baines asked why didn't we do that.

Mr. Porter answered I wanted to do that.

Mr. Tellier stated the simple answer was to assist people in concentrating on the entire value rather than picking apart the land or building portions of the assessment.

Mayor Baines stated the only thing is I think we cut our taxpayers a little bit short when we don't think that the more information we give to them the better off they are going to be. I don't think we should have to do that. How would we know that that decision was made without our knowledge? If you are on a parcel of land, for example 50' x 90' and you have a house on it, I would like to know what the land is and the house and what makes the difference. That would be very helpful to all of us who own property. Never, never should we make decisions that preclude the taxpayers from getting every bit of information possible. We are in an information

age. People expect this information today. Ten or twenty years ago perhaps it wasn't the same but people should get the information and whenever we are making decisions I would appreciate it if people would keep that in mind.

Alderman Wihby asked is that possible to put on the Internet also.

Mr. Porter answered technologically it certainly is. I believe it should have been on the notice. I believe there is some advantage once the bills go out because under the Statute you can't appeal land or buildings. The State does require that we have the land assessments available but on the revaluation I believe it would be appropriate. I always have.

Alderman Wihby asked but on the Internet can we put the square footage of the house and the square footage of the lot and the land value. I mean the more we can put on the Internet the better it is for everybody in the next few weeks.

Alderman Pariseau stated a property owner going to their hearing tomorrow asking what should I bring, what do we tell them.

Mr. Tellier replied for those who have called and asked what do we bring and it has been posted in the newspaper and discussed on MCTV as well. What will assist is any recent appraisal if their home was refinanced or if they just purchased the home. What would also be helpful would be to identify homes of similar size and style in their neighborhood. We have the gross areas in our office and we have encouraged people to come in. We have assisted them in compiling that information so that they can come into the hearing with as much information as they are comfortable with.

Alderman Lopez stated there have been a lot of great questions and a lot of great answers and we are probably more informed tonight than before. The final question for me is as the Board of Assessors do you recommend that we go forward instead of waiting another year? As the Board of Assessors, what is your opinion?

Mr. Porter replied I think it is unfair to ask us as a Board. I personally do not think that it would serve the best interest of the whole operation or the City not to go forward. That is my opinion.

Mr. Tellier responded I would concur with my colleague. There is nothing that can't be fixed. They are in that process now and they are working to correct the inconsistencies that may have been found and the errors that have been identified so I would concur.

Mr. Nichols stated if we give them enough time with hearings I think these problems can be ironed out.

Mayor Baines stated first of all I have a great deal of respect for you as individuals and as a Board. This is my problem with that. We are putting out more information because we have the ability to do it. Secondly, I have a problem with the fact that people before they get to the Board of Assessors who are residents of our community and understand our community better than anybody else that I think in terms of making adjustments and I think there is a history following the revaluation that the Board of Assessors who have that experience do make adjustments. I am sure they don't make some but they respond to it. People will be put in a position in a very short period of time of paying a lot of money that they may not be prepared to pay right now. Delaying it a year, if we can do it legally, which would be the caveat that I would put forward and we don't have a motion on the floor so that is why I am speaking freely on it, would at least alleviate the panic that is out there, give us a chance to do a very thoughtful and deliberative analysis of the situation because I think people are feeling rushed and panicked right now whereas if we were able to outline a process to them that once you are finished then the Assessors are going to do it but it is not going to be in time for this year and we are going to be looking at the next year seems like the right thing to do to me.

Mr. Porter replied we will make it work, whichever way this Board votes.

Mayor Baines stated but that is the caveat I put in. That is what I feel at this point in time is the right thing to do. I hope we would put subject to legal review and analysis and recommendation because I think then we would be extra responsible in terms of getting some advice on that.

Alderman Gatsas stated we see department heads continually sitting in front of us. We ask them for their opinion, we don't get that opinion, we all sit here and scratch our heads. You have three people who are experts in the field and the three of them are sitting here saying we should go forward and we are questioning that. I can't believe that. I can't believe that. We sit here and we look for every department head to give us an answer on something and they don't have one. Tonight we get the opinion and we want to do something else.

Alderman Wihby stated I have faith in the Assessors but I don't have faith in the company that is doing the revaluations. If you told me fine we are going to take everything and let the Assessors do it I have no problem with that but I don't think when I am getting the reaction from residents in my ward that they don't feel they are being listened to from this company and they feel like they are leaving in worse shape then they arrived with and they are hearing things like you live in an elite neighborhood and well what do you expect because property values have gone up…there is no compassion on this side. When I first sent a letter in we were told well our lines aren't ringing. Well you should have heard my line ringing with people saying they had been trying every 15 minutes and the company said there was no problem and all of the sudden they added two telephone lines and there was still a problem. Your Honor, I have no faith in that. If the Assessors want to take it on right now let them take it on. We are getting their opinion but we are not looking ahead. No one is going to feel the impact until they get their tax bill and when they get their tax bill on November 10 or whenever and I am sure it will come out

after the election, but whenever they get that tax bill they are going to have three weeks to pay that bill and when you are talking going up $50,000 or $60,000 and that amount of money that is going to be devastating to a lot of people. I have heard complaints from the elderly. I have heard complaints from the people who said I have lived in this house for 100 years and I am 95 years old and I can't afford anything more. I am telling them fine go through an abatement.

Mayor Baines stated that is my concern. If we delayed the situation for a year people could save or make some prudent decisions. It is not being disrespectful to the Board from my perspective.

Mr. Porter replied I would just like to say something and you have to understand, Alderman, that you are asking an opinion of us but I have to give my opinion and we all happen to agree on this issue but that doesn't make us right or wrong. It is our opinion. An alternate or varying opinion doesn't mean it is right or wrong. I do realize that you ladies and gentlemen are elected and we are not. You are asking our opinion as Assessors. The work has been done and I do believe we can do it, however, you have other considerations that we don't really happen to have in the same way. I hope you understand that.

Mr. Tellier stated there is an additional fact. Irregardless of what this Board decides on implementing the values or not, our Board will continue with all due diligence to correct the issues that have come forward and to continue this process and work in collaboration with the company to come out with accurate and fair assessments. We will continue this process.

Mr. Nichols stated and I think Paul alluded to it for, if we have to run a special report of all the new construction because both of the budgets are hanging in the balance.

Mr. Tellier stated there is another additional important aspect of this for those who are really worried about paying their bills and I know that members of our Board will be working in collaboration with Alderman Gatsas' Committee on Administration to increase the elderly exemption. That is going to be a big, prevalent factor in this to relieve a lot of the elderly citizen's fears as well.

Alderman Wihby asked you know when you do an appraisal of say 10,000 square feet of land and somebody has wetlands on most of it compared to somebody who has a nice property, isn't there some adjustment that is usually made because there are wetlands or there is a slope or there is something wrong with it. Wouldn't there be an adjustment made?

Mr. Tellier replied the simple answer is yes there should be an adjustment reflecting utility of land.

Alderman Wihby stated but simple things like that is what I am hearing from people are not being done.

Alderman Sysyn stated I was at a hearing today with one of my relatives. She had three pictures of properties in her neighborhood. Each property had different things like she had a sun porch that you don't live in so it is not heated so they took that into consideration. Somehow or another her land value went down. How that happened, I don't know but they took all of the facts into consideration and they said that they would be sending her a letter. The girl that did it was very nice and she was not from this City.

Alderman Cashin asked we paid $1.3 million for this right. How much money have we held back?

Mr. Tellier answered 10% in arrearage contractually is kept right off the top until the job is complete and regarding the other 90%, I believe only 80% has been paid.

Alderman Cashin asked so what are we holding, 20%.

Mr. Tellier answered a little bit more than that. Maybe 23% or 27%.

Alderman Cashin moved that the Board of Mayor and Aldermen be notified before the rest of the contract is paid. Alderman Wihby duly seconded the motion.

Mayor Baines called for a vote. There being none opposed, the motion carried.

Alderman Shea asked if, in fact, we do not implement this, what impact will that have on the individual person's tax rate because we have obviously set the budget so how will that impact the people.

Mr. Tellier replied the simple answer is last year's estimate was given at about $25 million in additional new construction so the impact would be minimal on the old rate because there was also less than a 3% increase on the budget. The issue of disparities in assessments still remains though. The easy answer is we would have added about $25 million as an estimate. As Mr. Porter alluded to, we haven't gone out into the field to do that work because that was the responsibility of the revaluation firm. I don't think any of us are prepared to answer that.

Alderman Shea asked well the tax rate would be what, $30+ per $1,000.

Mr. Tellier answered last year's rate was $30.68 per thousand.

Alderman Shea stated so people would expect a certain amount of increase in their taxes depending upon where they live. If their house is assessed at $200,000 they would go up proportionately so there wouldn't be any reduction in their tax rate?

Mr. Tellier replied there would be a small reduction as a result of the 2.7% or 2.6% increase in the budget.

Alderman Vaillancourt stated I promised not to get into individual parcels and Alderman Gatsas did broach that and I am not going to do it but the two people that I had…the two types of people that I had where their property values more than doubled, one was on Crystal Lake and there seems to be a big problem on the lakefront and one was along the river. Are we valuing lakefront and riverfront property a lot more than ever before?

Mr. Tellier replied that would have been a direct result of sales that happened on the lakefront and riverfront property and that would have ascertained what those market values were in those neighborhoods so if there were increases in sales prices in those neighborhoods, it would have reflected in higher assessments as well.

Alderman Vaillancourt stated there is a campground on Crystal Lake that operates 10 weeks a year taking care of 175 kids and it went from $202,000 to $518,000. Does that sound like he should request a hearing?

Mr. Tellier stated that gentleman was in our office yesterday and I spoke at length with him about the different approaches to value, how they approached it, how we could assist him in reviewing that value and what he needed to bring forward to speak with the revaluation firm. We expect him to be in contact with them.

Mayor Baines stated obviously this is the first time that a number of the Aldermen here have ever been through a process like this. Is it common that the process for appeals is as constricted or is there a history out there of other communities who take a full year like I think we are about to recommend to give people a fair process and the ability to plan for increases. It would seem to me that type of approach would be the norm, not the exception, especially if we are thinking about people coming up with money that there is no way of possibly knowing that they were going to be facing. Could somebody respond to that because that strikes as a fairness issue to me? If we are going to be fair to people, first of all the process I think should be longer and secondly why wouldn't you give people a year to plan because people have budgets, they have responsibilities, they have kids in college, they have fixed incomes, they have whatever they have that creates tremendous demands on them. I know if I were facing this situation on a fixed income or whatever it might be…how could we possibly expect people to come up with that money and pay their bill? Could somebody respond to that for me?

Mr. Tellier replied every situation is different. I am aware of one community that did delay the implementation. I am aware of another community that attempted to have it delayed and the DRA stepped in and said no and got the Board of Tax and Land Appeals involved in it because of the level of disparities in assessment it was unacceptable to those administering boards. That is the answer to one of your questions. The other question asked was the process of allowing

more time for people to prepare for the impact that those increased tax bills may precipitate. A city the magnitude of Manchester…we provided for two years in the event of delays or different problems or so forth that always comes up and we knew it was going to be difficult. We anticipated this. It is not an easy decision for anybody. This whole State is going to be going into a mode of very confined times where people's values may change in a very short timeframe as well. The whole State is going to be going into this as well.

Mayor Baines stated the only thing I would say and then I am going to accept the motion is that at the end of the day and I think other Aldermen have said this, the citizens are willing to accept, I believe, even though it is difficult, a process that they perceive to be fair and equitable and the fairness standard doesn't seem to be here. Going back to this problem with vacant lots and also some of the tremendous increases that people have seen then I don't think government is being fair to them if they say so what your property went up $100,000 or $150,000, the tax bill is due December 1 and I guess if you don't pay it you know what happens there. That is a fairness issue and that is why I am coming down where I am coming down.

Alderman Wihby moved to delay the implementation of the revaluation for a year subject to legal review and report back to the Board. Alderman Levasseur duly seconded the motion.

Alderman Pariseau asked are we just delaying the agony because it is an election year.

Mayor Baines answered I don't believe so.

Alderman Pariseau stated it is quite obvious that the reason we want to delay it is to wait for a non-election year.

Alderman Levasseur stated I would rather that we just got rid of the revaluation all together but I would be willing to accept at least a delay. I really think it is an unfair revaluation anyway. If it is a political year or not, it is about fairness and equity and giving people a chance to adjust.

Alderman Vaillancourt stated it is about fairness and equity and this sets us on a course of fairness and equity. We have had unfairness and inequality for the last several years because these assessments have gotten out of kilter. That is what the purpose of revaluation is. To bring things to a fair level. I agree with my colleague from Ward 9 that to delay this would not be feasible. For everybody that goes up 20% more than average, somebody is going down 20% more than average. So for everybody who is trying to find a way to come up with an extra $200, there is somebody who is going to have a $200 bonus because they are not going to have to pay that much. I think it is time to go ahead with this. I think it is time to fix the problems. They can fix the problems that they said they can fix. They can do it at the level with CLT and then they can go to the next level. We can get this done. We don't have to delay it. We should accept the recommendation that goes before us and realize that there are always going to be problems but we have to move forward with what is equitable.

Alderman Hirschmann stated I do think that delaying it is responsible and it gives people a year to accept the sticker shock of their homes.

Alderman Wihby requested a roll call.

Alderman Cashin asked, Mr. Tellier, why are you so concerned if we put this off for a year.

Mr. Tellier answered number one it prolongs the agony. Secondly, we firmly believe that they are acting in a professional manner. We have worked with them to identify errors. We have been working with them diligently through this entire process. As my colleague said before and I have said as well, there is nothing that can't be fixed. We identified a level of disparity in assessment in early 1998 when we brought forward to this Board a request to revalue the entire City. We feel it is the right thing to do. We certainly don't want anybody to lose their home. We are going to be working with this Board on exempts for the elderly. We still feel it is the right thing to do.

Alderman Cashin stated but the people out there don't have confidence in how this was done. That is the problem.

Mr. Tellier replied we have been hearing that and we are going to have to make, in collaboration with the company, an extraordinary effort to not only inform the public but to also show them the corrections that are being made and to assure them that they are being treated fairly and to listen to them when they are talking.

Alderman Cashin asked if you feel that way then why wouldn't you let it go for another year and really get an opportunity to work it out and I am not running for re-election so it is not political.

Mr. Tellier answered I can only say that we have all sat before you and stated that we should continue with the process. We think it is the professional and appropriate thing to do.

Aldermen Wihby, Levasseur, O'Neil, Shea, Cashin, Hirschmann voted yea. Aldermen Gatsas, Sysyn, Pinard, Lopez, Vaillancourt, Pariseau, and Thibault voted nay. The motion failed.

Mayor Baines called for a five-minute recess.

Mayor Baines called the meeting back to order.

On motion of Alderman Shea, duly seconded by Alderman Cashin, it was voted to recess the meeting until Tuesday, August 14,2001 at 7:00 PM.

The following items were not addressed:

CONSENT AGENDA

5. Mayor Baines advises if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Minutes Accepted

A. Copies of minutes of BMA meetings held on January 2 & 23, 2001 (two meetings each); February 6 & 20, 2001 (two meetings each); March 7, 14, 19, 20 (two meetings) and 29, 2001; April 3, 16, 17 (two meetings each) and 23, 2001; May 1 & 15 (two meetings each); and June 4, 5 & 11 (two meetings each).
(Note: available for viewing at the Office of the City Clerk and forwarded under separate cover to Mayor and Aldermen.)

Informational - to be Received and Filed

B. Copy of a communication from Alderman Vaillancourt to *The Union Leader* regarding the Chamber of Commerce's search to develop a new slogan for the City.

C. Copies of Airport Authority minutes of a meeting held on April 26, 2001.
(Note: available for viewing at the Office of the City Clerk and forwarded under separate cover to Mayor and Aldermen.)

D. Copies of minutes of the Mayor's Utility Coordinating Committee meeting held on July 18, 2001.
(Note: available for viewing at the Office of the City Clerk and forwarded under separate cover to Mayor and Aldermen.)

E. Communication from the Manchester Transit Authority advising that due to FTA regulations they will no longer be allowed to provide charter service to the City and suggest contacting Spartans Coach Lines for any future service.

F. Copy of a communication from Marcia Rusch, Hillsborough County Delegation Coordinator, submitting copies of the FY2002 Hillsborough County Budget and copies of the minutes of the Delegation meeting held June 21/26, 2001.
(Note: available for viewing at the Office of the City Clerk and forwarded under separate cover to Mayor and Aldermen.)

G. Copy of a communication from the NHDOT advising of contemplated awards.

H. Communication from AT&T Broadband submitting their franchise fee payment ($294,864.09) for the period April 1-June 30, 2001.

REFERRALS TO COMMITTEE

COMMITTEE ON BILLS ON SECOND READING

I. Communication from Alderman Shea requesting that the Zoning Ordinance Section 151.41 which allows RV's or campers to be parked (running) on property within the City for up to 60 days be changed to 30 days.

J. Ordinance Amendment:

"Amending An Ordinance Regulating Traffic Upon the Public Streets of the City of Manchester, relating to establishing parking permits and increasing fees."

COMMITTEE ON FINANCE

K. Communication from the Deputy Public Works Director requesting that $38,831.00 received in the Johns Manville Settlement Fund be placed in a special account for the repair and maintenance of the Gossler, Jewett and Smyth Road School roofs.

L. Communication from Brenda Lett requesting $500.00 from Civic Contributions to be used toward expenses of the Caribbean Celebration 2001 scheduled for Saturday, August 25th, from 10 AM to 6 PM at Veteran's Memorial Park.

REPORTS OF COMMITTEES

COMMITTEE ON JOINT SCHOOL BUILDINGS

M. Advising that it has voted to accept the completion of the High School Stages and CHS/WHS Electrical Improvements Projects.

N. Advising that it has approved the following change order:

Asbestos Abatement - Green Acres School

Ceiling Tile Design	$116,239.00

O. Advising that is has accepted the enclosed project financials, status, architect's, engineer's, contractor's and consultant's reports for the month of July 2001 relative to Henry J. McLaughlin Jr. Middle School, ADA Accessibility/School Elevators (Parker-Varney Elevator/ADA Improvements), Central and West Heat & Ventilation Improvements Phase V, NORESCO Performance Contract, Roofing Projects (Manchester Schools), Asbestos Abatement (Green Acres School and McDonough/Green Acres Gym), McLaughlin Middle School Addition and Central High H&V Phase 6 and Window Replacement and is submitting same to the Board for informational purposes.

COMMITTEE ON TRAFFIC/PUBLIC SAFETY

P. Recommending that a request to close Crosbie Street, from 209 Crosbie Street to the end of the cul-de-sac on Saturday, August 25, 2001, for a neighborhood block party from noon until 9 PM be granted and approved under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk.

Q. Recommending that a request from the Manchester Church of Christ to use the Pine Street parking lot at the Federal Building on Saturday, September 29, 2001, from 7 AM until 5 PM for their annual "Give-Away-Day" be granted and approved under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk.

R. Recommending that is has reviewed Ordinance amendment:

"Amending An Ordinance Regulating Traffic Upon the Public Streets of the City of Manchester, by increasing penalties (fines) for parking violations."

and recommends same be referred to the Committee on Bills on Second Reading for technical review, and to the Committee on Accounts, Enrollment and Revenue Administration for a recommendation on whether a public hearing should be held.

S. Recommending that a parking permit fee of $36/month (Monday-Friday, 8AM - 5:30 PM) be approved for the Rubenstein Lot and that same be referred to the Committee on Bills on Second Reading for ordinance preparation and technical review.

T. Recommending that regulations governing standing, stopping, and parking and operation of vehicles be adopted and put into effect when duly advertised and the districts affected thereby duly posted as required by the provisions of Chapter 335 of the Sessions Laws of 1951 and the Ordinances of the City of Manchester.

OTHER BUSINESS

6. Communication from Dr. Rita Brack submitting her resignation as a member of the Board of Registrars.

7. Communication from Karen Rumfelt submitting her resignation as a member of the Personnel Appeals Board.

8. Nominations to be presented by Mayor Baines, if available.

9. Confirmation of nominations to the Planning Board as follows:
Kevin McCue to fill expired term of William Trombly, term to expire May 1, 2004; and
Raymond Clement to fill expired term of Kevin McCue (alternate position), term to expire May 1, 2004.

10. Confirmation of nominations to the Central Business Service District Advisory Board as follows:
Cliff Ross to fill the expired term of William Norton, term to expire December 1, 2005;
Sal Steven-Hubbard to fill the expired term of Mark Taylor, term to expire December 1, 2005; and
Tim Bechert to fill the expired term of Brooks McQuade, term to expire December 1, 2005.

11. Confirmation of the nomination of Peter Capano to succeed himself as a member of the Southern NH Planning Commission, term to expire June 30, 2005.

12. Mayor Baines advises that a motion is in order to recess the regular meeting to allow the Committee on Finance to meet.

13. Mayor Baines called the meeting back to order.

OTHER BUSINESS

14. Report of the Committee on Finance, if available.

15. Report(s) of the Committee on Bills on Second Reading, if available.

16. Proposed amendments to the City Charter (relating to the School District) to be placed on the Municipal General Election ballot to be held on November 6, 2001 as follows:

Shall the City of Manchester, New Hampshire approve the Charter amendment summarized below?

> "To amend the Charter of the City of Manchester, New Hampshire to provide that the City of Manchester, a municipal corporation, shall constitute a single school district, administered by the Board of School Committee as a department of the City of Manchester and that the mayor shall have control over the form and procedures for preparation and adoption of the school department budget."

17. Notice for reconsideration by Alderman Levasseur of motion to invite an engineer from CLD to explain what could possibly be done at the Singer Park site instead of undertaking an assessment and borings.

18. Communication from Alderman Shea requesting that a recently viewed site at Derryfield Park, which includes the tennis court area, be referred to the Mayor's recently established Senior Center Committee for review and consideration.

19. Communication from Alderman Vaillancourt regarding concerts at Singer Park and suggesting changes to the Code of Ordinances.

20. Communication from the City Clerk requesting the Board set the polling hours for the Municipal Primary and State Special Primary Elections to be held on September 18, 2001, to begin at 6:00 AM and end at 7:00 PM.

21. Communication from the Elderly Services Director requesting the Board authorize negotiations for the possible lease extension of office space located at 66 Hanover Street.

22. Communication from the Chief Sanitary Engineer requesting that the Board make a finding that the Pond Drive Sewer and Pumping Station project is a "public need" and grant permission to acquire temporary easements and permanent easement from the owners of Lots 779/15, 779/16, 779/17 and 779/23.

23. Communication from the Chief Sanitary Engineer seeking the Board's authorization to apply for 20% State Aid Grants for various projects as outlined herein.

24. Communication from the Finance Officer advising that there is a sufficient balance in the City's Contingency Account at year-end to contribute $10,000 to the Manchester Professional Firefighters Association to help defray the cost of Firefighter Anderson's funeral expense.

25. Communication from the Public Works Director advising that due to

information received verbally from the School District, the FY '02 Building Maintenance Budget as it relates to School Chargebacks will not fund the custodial contract enhancements and additional departmental personnel.

26. Communication from the Deputy Public Works Director requesting to increase the Revolving Loan amount from the NH Department of Environmental Services for the Landfill Closure Project from $12,100,000 to $14,105,000.

27. Communication from the Deputy Public Works Director requesting the Board accept State Hazardous Waste Clean up funds, enter into a contract with the NH Department of Environmental Services, Waste Management Division for the Fall 2001 Household Hazardous Waste Collection project, and authorize the Mayor to execute such documents as may be required.

28. Communication from the Information Services Director seeking Board approval to dispose of various pieces of equipment that are obsolete and no longer of value in a manner that is most cost-effective to the City either through receiving multiple quotes or sending out requests for bid.

29. Communication from the Director of Parks, Recreation & Cemetery advising that in order to address recent problems at Crystal Lake it has become necessary to assign an off-duty police officer to that location and noting he may need to request funds for this purpose at a later date since it was not included in the FY02 budget.

30. Communication from Francis Murphy, Managing Director of the law firm of Hall, Hess, Stewart, Murphy & Brown, relative to afternoon concerts at Veteran's Memorial Park.

TABLED ITEMS

31. Report of Committee on Accounts, Enrollment and Revenue Administration
Advising that it has accepted a School audited financial statements report from the Finance Department, as enclosed herein, and is submitting same to the Board for informational purposes.
(Tabled May 1, 2001)

32. Report of Committee on Lands and Buildings
Recommending that the Mayor be authorized to execute a Release of Reversionary Rights, enclosed herein, for property now owned by The Way Home and known as 214 Spruce Street, Manchester, NH, subject to the review and approval of the City Solicitor.
(Tabled July 17, 2001)

33. Communication from the Economic Development Director seeking approval to expend $75,000 of its funds to have the City Highway Department construct a temporary surface parking lot with 151 parking spaces on the vacant lot at the corner of Bridge and Elm Streets and further requests authorization to have parking revenues from this lot, less funds for the reasonable management expenses of the Traffic Department, returned to MDC in repayment of its $75,000 investment.
(Tabled July 17, 2001)

34. Communication from the Selectmen of Ward 9 regarding the relocation of the Ward 9 polls from Blessed Sacrament Church Hall to the Bishop O'Neil Youth Center.
(Tabled July 17, 2001)

A True Record. Attest.

City Clerk