

**OGUNQUIT BOARD OF ASSESSMENT REVIEW
MEETING MINUTES
JUNE 20, 2013**

A. Roll Call

Mr. Baer called the Roll with the following results:

Members Present: Stanley Baer, Chair
Don Simpson, Vice Chair
John Miller

Also Present: Robert Gingras, Town of Ogunquit Assessing Agent
Barbara Kinsman, Town of Ogunquit Assessor's Assistant

B. Acceptance of Minutes – March 12, 2013

**Mr. Miller Moved to Accept the Minutes of the March 12, 2013 Meeting as Submitted.
MILLER/SIMPSON 3:0 UNANIMOUS**

C. Old Business - None

D. New Business

1. Thomas and Susan Kerekes – 55 Israel Head Road, Unit 404 – Map 4 Block 18 Lot 404. Appeal from the Town of Ogunquit Assessor's December 6, 2012 Denial for Abatement of Tax Year 2011/2012.

Mr. Kerekes reviewed the material submitted in his Application packet. He noted that his unit is valued at over \$400,000 and that no unit at the Lookout has ever sold for even close to that price. The assessed values for similar units, with similar square footage, are highly varied. He acknowledged that there is a difference between units that look out onto the street and units on the ocean side of the building, and that there are differences between the different floors, but not to the extent reflected in the assessed values and the actual selling prices.

Mr. Kerekes reminded everyone that the selling prices for real estate have significantly dropped since 2005. He noted that the current selling prices indicate what the buyer is willing to pay, the True Market Value. He referred to language on the Town of Ogunquit's Website which states that: "the most recent study conducted by the State for valuation purposes indicated an assessed value to be, on average, at approximately 100% of market value". He cited the example used on the Town of Ogunquit's Website.

The properties, in Ogunquit in general, sold during the twelve months prior to April 1st average \$453,000 assessed value. The average selling price for those same properties was \$517,000.

Mr. Kerekes referred the Board to Unit 304 which is directly below his unit at the Lookout. Unit 304 was purchased in 2003 for \$341,000, it was sold in September of 2012 for \$307,500, and the current assessed value is \$405,700. Unit 304 and his unit have the exact same square footage and it is directly below him. He noted that there are units at the Lookout which have 651 square feet,

his unit has 674, and the assessed values of these other units is \$178,000. He acknowledged that these other units are on the street side while his unit is on the ocean side however he questioned the difference in assessments. He expressed his belief that most of the assessments for units at the Lookout are \$100,000 higher than they should be, and while they are on the ocean and they do have the view, they are selling for lower prices.

Mr. Simpson asked if Mr. Kerekes' unit is on the street side or the ocean side.

Mr. Kerekes responded that he is on the ocean side, and unit 304 is also on the ocean side. It is one floor below him. He also noted that on his abatement application he agreed that his value should be higher than that of unit 304.

Mr. Kerekes expressed his belief that the software used by the Town's Assessing Department is outdated and he asked when it was last updated.

Mr. Gingras responded that the software was updated in 2005 when the revaluation was done. He added that the Town has to live with those numbers for the next ten years.

Mr. Kerekes suggested that the formulas given for additions for pieces on the ocean are incorrect for today's statistics.

Mr. Gingras responded that the only thing that is incorrect is today's market. He added that there hasn't been a stable market for the last seven years. He noted that basically everyone's taxes are staying the same, and values for similar type properties are staying the same, and no adjustments are made because of the bad market.

Mr. Kerekes asked "why"?

Mr. Gingras responded that there is no point. He suggested that if everyone's values were cut 50% then the mill rate would double and taxes would stay the same. The Town needs to look at stability in taxes, fairness and equity to support the Town of Ogunquit. It isn't the Town's fault that the market has gone down, but values were established at one point in time and they are assumed to be fair and equitable at that point in time, and nothing has changed except for the market.

Mr. Kerekes again noted that nothing in the Lookout has sold for anywhere near \$400,000 and he again asked why all of the evaluations are so high.

Mr. Gingras noted that no one questioned the values in 2005, and he agreed that the economy has effected the market today.

Mr. Kerekes responded that "it's wrong". He asked what town governments do in this situation, does everything stay the same?

Mr. Gingras responded that for assessment purposes leaving everything the same is the smartest thing to do.

Mr. Kerekes stated that he has a place in Florida, which is where he lives, he noted that he hasn't lost any benefits, however that town has made employees contribute more to their health benefits

and retirement plans, and his taxes have gone down every year so that he is down \$942 since 2006 when he closed on his Florida property.

Mr. Gingras responded that he isn't aware of anyone's taxes going down in the State of Maine.

Mr. Kerekes stated that \$400,000 is way too high. He agreed that it should be three hundred and something but not \$400,000. Mr. Kerekes asked someone in the audience for information on the highest price any unit at the Lookout has sold for.

Dave Barton (Lookout resident and Town Selectman) responded that his best guess would be \$340 +/-.

Mr. Simpson pointed out that while this meeting is public it is not a Public Hearing.

Mr. Kerekes responded that Mr. Barton is present as his (Mr. Kerekes') guest and he can answer his question.

Mr. Gingras informed Mr. Kerekes that for assessment purposes he (Mr. Gingras) looks at the square footage, at assessed values as being comparable, and the location of all the units. When these factors are compared it is evident that Mr. Kerekes' unit isn't overvalued in comparison to any like property.

Mr. Kerekes asked if Mr. Gingras is saying that his (Mr. Kerekes) evaluation is the same as the unit next to him.

Mr. Gingras agreed and added that equity in assessment prevails over the sale price of a single property.

Mr. Kerekes reiterated his belief that the Town's software is outdated, and it's wrong because it isn't updated with current formulas.

Mr. Gingras responded that if there had been a stable economy for the past seven years then Mr. Kerekes might have an argument, but the economy hasn't been stable.

Mr. Kerekes pointed out that Unit 305 sold in January of 2012 for \$265,000 it was assessed for \$265,600.

Mr. Gingras stated again that the inconsistency is the market place, not the assessed values in the Town. The Town is valuing properties equitably.

Mr. Kerekes argued that the Assessor is making his argument fit what he has done, he (Mr. Kerekes) wants the Assessor to look at the reality of what things are selling for and what he (Mr. Kerekes) is being assessed at, because it's coming out of his "fixed income" pocket.

Mr. Simpson asked for confirmation that Maine State Law prohibits the Board from creating inequities within the system.

Mr. Gingras confirmed this.

Mr. Simpson stated that all of the evaluations were done in 2005 and if Mr. Kerekes's unit was a single unit stuck way outside the others, it could be argued that a change would not create a great inequity, however that is not the case. Mr. Simpson noted that as Lookout unit owners come in one and two at a time, if the Board were to adjust one it would create a huge inequity which is in violation in State Law.

Mr. Kerekes responded that the Town should do them all, update the software and do it right. He referred the Board to Lookout Cottage C which was sold in 2011 for \$487,500 and its assessed value was \$405,000.

Mr. Kerekes stated that there is something incorrect in the way things are being done and he is asking for the software to be updated and done correctly. He argued if the software was updated the valuations would not be the same as what they are now.

Mr. Simpson responded that it could be argued that this might be true throughout the Town.

Mr. Kerekes agreed, and stated that government can not continue to have so many benefits and still spend the way it does. People can not keep paying these values.

Mr. Gingras stated that the problem at the Lookout is that properties are being sold for more than what they are assessed at.

Mr. Kerekes responded that there are no units selling for higher than the assessed value.

Mr. Gingras cited several units which sold for more than their assessed value.

Mr. Kerekes responded with units which sold for less than their assessed values.

Mr. Gingras reiterated that similar type properties are assessed the same, not based on sale prices. He noted that if every property's value was changed for what people paid for it there would be no equity in assessment. He noted that he is not allowed to chase sales.

Mr. Kerekes asked about the statement that the State proposes that assessed values are 100% of market value. He noted that the Town isn't doing that and he asked if the Town totally ignores that.

Mr. Gingras responded that the State is looking at the Town's numbers, based on the sale of properties, and is coming up with 100% average ratio. The State of Maine is telling the Town of Ogunquit that it is at 100% of market value, overall.

Mr. Baer stated that he sees what the Applicant is saying however the problem he (Mr. Baer) has is that if the Board reassesses the Applicant it will have to reassess the whole town, and all that would do is raise the mill rate and the taxes won't change.

Mr. Kerekes asked what the purpose of the Hearing is if the Board can't do anything about changing the values.

Mr. Baer responded that they can make an adjustment if there is a true exception.

Mr. Gingras responded that the Applicant has to prove inequity in assessment.

Mr. Baer added that the view was part of the assessment, which was reasonable at the time the property was assessed. He again pointed out that there is an economic downturn.

Mr. Kerekes asked how long it will take to catch up to what was already stated for assessments.

Mr. Baer responded that it may be until the Town is reassessed.

Mr. Kerekes stated that this will occur in 2015.

Mr. Miller added that it can occur when the State determines that the Town is assessing at greater than 70% of the market value. When the Town is assessing at under 70% then the Town must re-evaluate. Most towns don't want to re-evaluate because of the costs involved and the situations where 1/3 of the property values increase and 1/3 of the property values decrease, and 1/3 of the values don't change. He noted that, as a rule, when the property values go up the tax rate will drop because the town needs to meet the amount of money required to run the town.

Mr. Kerekes asked what each person's role was, and it was explained that Mr. Gingras is the assessing agent. His role is to make recommendations to the Town, maintain the assessments which were established in 2005, he tries to keep values equitable in comparison to one another and not based upon actual sales. He noted that if the market had gone the other way the applicant wouldn't be here. He noted that it is against the law for the value to be determined by the sale price. He is prohibited from chasing sales and making adjustments for what a property sells for.

Mr. Miller stated that the Board tries to be as impartial and fair as it can be. He noted that he lives in the same neighborhood as the applicant. He can not see the ocean from his house and he knows he couldn't sell his house for its assessed value.

Mr. Baer reminded the applicant that values are not based on market value.

Mr. Kerekes again stated that the Town Website says "100% of market value".

Mr. Baer asked if there was any more input.

Mr. Kerekes responded that he has no more input.

Overlapping discussions followed involving several individuals.

Mr. Simpson noted that what they are doing is difficult because there are personal issues involved however the Board has to abide by the State of Maine's regulations.

Mrs. Kerekes asked what the recourse is if they don't get satisfaction from the Town.

Mr. Gingras responded that they can appeal to Superior Court if they are not happy with the outcome.

Mr. Miller added that commercial properties can go before County Commissioner, residents go to Superior Court.

Mrs. Kerekes noted that it is a sad state of affairs when elderly people have to be evacuated from their homes if they can't pay the taxes. She added that there should be a freeze on the taxes of senior citizens like there is in Connecticut.

Mr. Gingras responded that ability to pay doesn't enter into the formula, which is unfortunate.

Mr. Miller added that the Circuit Breaker program is based on income, which helps elderly people.

Multiple overlapping discussions followed regarding social programs to assist elderly or low income individuals.

Mr. Miller Moved to Deny the Application for Abatement and to uphold the Assessor's Denial.

MILLER/SIMPSON 3:0 UNANIMOUS

Mr. Simpson added that this is a problem which will only be fixed at a Town revaluation.

Mr. Kerekes asked what the circumstances are.

Mr. Baer responded that the circumstances are a 2005 evaluation which, in the Board's eyes, is reasonably consistent with comparable properties.

Mr. Gingras informed the Applicants that their denial letter will contain instructions on how to proceed with further appeal.

E. Other

F. Adjournment

Mr. Simpson Moved to Adjourn at 2:35.

SIMPSON / MILLER 3:0 UNANIMOUS

Respectfully Submitted

Maryann L. Stacy

Maryann Stacy
Recording Secretary

Unanimously Accepted on December 11, 2014