



Town of West Tisbury
BOARD OF ASSESSORS
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Open Session Meeting Minutes

Board of Assessors February 15, 2023

Members Present: Michael Colaneri (Chair), Maria McFarland, Lawrence Schubert

Members Absent: none

Also Present: MacGregor Anderson (Principal Assessor), Mary Jane Nevin (Data Collector Assistant-Assessor), Paul Kapinos (Recertification Consultant)

The meeting convened at 4:30 P.M.

All votes were roll call votes due to the remote nature of the meeting.

Principal Assessor MacGregor Anderson's Disclosure by Non-Elected Municipal Employee Under MGL c. 268A, § 19 filing in order to participate in Financial Management Team meetings and make recommendations to the Select Board

Mr. Anderson said that as a member of the Financial Management Team he was charged with reviewing the warrant with other members of the team and making recommendations to the Select Board.

Mr. Anderson said two warrant articles involved the 4.4% wage adjustment and a proposed 10% one time increase to all staff salaries. He said in order to participate in these discussions which would impact him personally, he would have to file a disclosure of the conflict of interest that stated he could participate without bias. It was the Board of Assessor's responsibility to then decide if they agreed that he could act impartially or decline to approve the disclosure in which case he could not participate.

Mr. Anderson said he believed he could do this without conflict. Mr. Colaneri said he had reviewed the disclosure. He pointed out this was the first time that the Board had been presented with one despite the financial management team's history of involvement for many years.

Mr. Anderson said it had been overlooked over the years, and that Skip Manter had brought it up at the last Financial Management Meeting, leading Jen Rand (Town Administrator) to check with the State Ethics Commission who agreed a disclosure was required.

Ms. McFarland felt the 10% additional pay increase could be triggering this.

The Board voted to sign the disclosure: Colaneri yes, McFarland yes, Schubert yes.

Review of LA-3 and Preliminary Values Ahead of Disclosure Period

Mr. Anderson said the disclosure period would begin the next day, and last five business days. He said postcards had gone out to off Island addresses as required, and an announcement in the paper had been posted which was not required. The public could now see preliminary property record cards on the town website as well.

Mr. Anderson said he had distributed preliminary values and sales reports to Board members earlier in the week and had answered some questions from individual Board members already. Mr. Anderson said Paul Kapinos was now available to help answer questions from the Board. Mr. Anderson said that the significant change in values meant education was going to be important for taxpayers. He said outreach would be important because for instance a taxpayer would see a 40% value increase and think their taxes were going up 40% when in fact it would be more like 5%.

Mr. Colaneri said the elected members of the Board had no input on these values including the Board's own parcels and Mr. Anderson agreed saying this was mass appraisal. Mr. Colaneri said he'd been doing this a very long time and even during boom times they'd never seen anything like this, with so many properties being purchased through LLCs or with cash, or so many transactions. He said things were changing quite radically, and the more they understood it the better they could respond to it and explain it. He described the Board's duty was to keep the system fair, and were in a sense the messengers.

Mr. Colaneri said he would like to hear from Mr. Kapinos and to know if he felt the values he presented would be defensible at the Appellate Tax Board.

Mr. Kapinos said this was his 245th recertification project and among the most involved he'd done, requiring 87 person days for his firm. He said Mr. Anderson put it in an equal level of work. He said they'd simplified the model and data so it would be easier to explain to a taxpayer, eliminated hundreds of factors and adjustments from the model and reviewed well over 300 parcels individually where there were specific issues.

Mr. Kapinos discussed the changes to large lot land valuations. In addition, they reduced the number of grades on buildings to a more reasonable number. Mr. Kapinos said yes, in his opinion he was confident the values were defensible.

Ms. McFarland asked for examples of where Mr. Kapinos found the old approach was not working well. He said there was an overabundance of coding likely related to the limitations of prior systems. He said there was now one land price field where in the past there were up to three with two being common. That made it difficult to plot these on the map. This approach to excess land valuation was a huge improvement and considered a standard method by the State that was easily explainable to a taxpayer.

The Board then asked for examples of changes made for large parcels, waterfront, and core neighborhoods. Mr. Anderson and Mr. Kapinos ran through a number of these demonstrating how the single land price index impacted the prime site and how new curves to excess land that reduced values as the lots grew helped better match sales. They talked about the adjustments to long narrow parcels on the water, where they brought down excess land to better reflect the relatively lower value vs the prime site. They also discussed the Vineyard Meadow Farms neighborhood where a large number of sales clearly showed the land price index had to go up by 20% making changes there greater than other neighborhoods.

Mr. Anderson then explained how the very large land increases along with the relatively modest building increases meant properties within neighborhoods had very different percent increases depending on the ratio of land to building value, where properties with simple structures like a 1200 square foot ranch would be up much more in percent terms than a neighboring property with a more substantial home like a large colonial.

Mr. Colaneri then asked for median values and changes. Mr. Anderson said the single-family homes were up 44% to \$1,300,700 and vacant land up 59%. He further added that the middle two thirds of both classes were up 35% to 50% and 36% to 73%. The larger range in land value increases he said had to do with the size curve adjustments.

Mr. Schubert said he'd reviewed all the single-family home changes as sorted by neighborhood and found consistency across town and within nearly all neighborhoods. He said these changes made sense to him, noting that value increases taking the reduction into tax rate were not as extreme as most people might first think.

Ms. McFarland pointed out that the unusual billing schedule this year meant all increases would fall on the Q4 bill and not be spread across the last two quarters as was common. This was the main reason taxpayers would notice the jumps.

Mr. Colaneri confirmed that this was the first recertification in five years, and that in a sense, despite interim year adjustments, this fiscal year represented five years of value changes. Mr. Anderson said that because the prior four fiscal years saw single digit increases, and this was the first year that fully captured the Covid driven market, it was reasonable to look at it that way.

Mr. Colaneri pointed out that these value increases were not just a local problem. Mr. Kapinos said the 12 communities on the Cape he consulted for also showed similar two year increases as did Oak Bluffs and Tisbury.

Ms. McFarland asked Mr. Anderson if he was seeing better uniformity with the work they'd done. Mr. Anderson said the uniformity was much better. Prior to the changes it was unclear if the sales could fit the DOR prescribed limits, but after the changes, especially using the time adjustment factors, everything fell right into place. Mr. Kapinos said these results were certifiable by the DOR.

Ms. McFarland then asked about past re-certification directives. Mr. Anderson said their work had addressed some on the land side but there was still work to be done on inspections. He explained that when there are large numbers of building permits, it means a lot of time devoted to more time demanding inspections leaving less time for cyclical inspections that went much faster. However, he said their inspection pace had picked up greatly following the Covid period and high turnover of data collection staff.

Mr. Schubert asked about people who may question their values. Mr. Anderson, along with Mr. Colaneri and Ms. McFarland said they encouraged people to file for abatements, and if data is incorrect the Board will make the needed changes. Mr. Anderson pointed out that this year, with increases predominantly tied to land values, those would be part of most abatement conversations.

Mr. Schubert said one thing he had noticed was that when he looked at values now on a property he knew, he would agree that yes, that value makes sense if it were to be on the open market. He said in the past it was common for many people including himself in Town to assume values were always discounted, maybe 25% or so. He felt reassured that these values reflected Full and Fair Cash Value.

Mr. Kapinos said they had been fortunate to have so many sales during this period which wouldn't happen in a quiet market. The vacant land sales were especially helpful. He said that if someone came in challenging a two or three-million-dollar sale Mr. Anderson could provide that person with several comparable sales.

Mr. Colaneri acknowledged that they often had far less data to rely on when making mandated value adjustments.

Mr. Anderson noted they had devoted so much time to this work because the value changes were so extreme, and that the consequences of getting the numbers wrong represented a huge risk to the overlay account that could go into the hundreds of thousands of dollars or more. He said simply meeting DOR requirements was just the first step, and in order to feel confident in the work they had done, and in order to protect the Town, it had been critical to do much more this year.

Mr. Anderson then spoke about outreach practices. He said the critical thing for taxpayers to understand was that a 33% increase in value meant no increase in taxes due to the expected 25% decrease in the tax rate. He expected a 35% increase in value would lead to a 1% increase in taxes and a 50% increase in value would result in a 12% increase in taxes. He added that the Q4 actual billing issue would confuse this further, and felt this had to be the focus of Board and Department outreach.

Mr. Colaneri asked when they expected approval of the preliminary values. Mr. Kapinos said by the end of the week. Ms. McFarland asked if Mr. Kapinos expected any problems in the DOR review of the values. He said he expected no problems, noting his long working relationship with them.

Mr. Kapinos then reviewed commercial and industrial changes where sales were thin in West Tisbury. He said he built models from other Island data and industry standards. He said every value had supporting market data of some sort.

Mr. Schubert said this was his first meeting of this type. He said with his review earlier, nothing jumped out as incorrect, and since he's lived in Town most of his adult life and works in the building trade, he feels he has a good sense of values. He said the values felt right to him.

Mr. Colaneri said he looked at the numbers and discussed them many times with Mr. Anderson. He said he felt they were in a good place but it was a tough place to be in. He said he hoped the community would receive the explanations and justifications well.

Mr. Anderson thanked Ms. Nevin for her support during this period when he spent so much time working with Mr. Kapinos.

Mr. Colaneri asked if the expected March 1st classification hearing was likely to be on schedule. Mr. Anderson said it was.

Mr. Colaneri said he didn't think people appreciated the amount of time, skill and effort that went into the process of ensuring fair and equitable taxes. He thanked everyone for their efforts.

The meeting adjourned at 5:45pm

MacGregor Anderson, MAA
Principal Assessor

Approved:

5/16/23
