

HARTFORD TAX ABATEMENT
September 23, 2019; 5:30pm
Hartford Town Hall, Room 2
Meeting Minutes

Members Present: Kevin Raleigh, Chair; Nancy Howe; Don Foster; Michelle Wilson, Assessor; Mike Morris; Sue Buckholz; Brett Mayfield; Alan Johnson; Roy Black; Dick Ballou; Pat Cook; Gayle Ottmann; Kim Souza; Dennis Brown; Dan Fraser; Lisa O'Neil, Town Clerk; Gabrielle Lucke. **Other:** Dawna Nadeau for Finance Department.

Meeting Called to order 5:32pm. Kevin welcomed Brett Mayfield as a newly appointed Justice of the Peace. Kevin Raleigh had been elected Chair at the Board of Abatement Hearing in March thus continued in the role as Chair.

Woodstock Adult Day Services, Inc.

Property Location: 8828 Woodstock Rd./Parcel ID #12-162/SPAN #285-090-14888

Taxpayer/Representative Appearing: Gretchen Cole; Deanna Jones; Jill Lord

Gretchen Cole explained Woodstock Adult Day Services, Inc. is a non-profit agency. The member assigned to submit their exempt status did not submit it by the deadline. "We were not aware the exemption status was not filed timely; it was not intentional. We are asking for your mercy; it is a wonderful organization and provides a valuable service. It needs this time to get going". WADS opened last November; they have 10 participants and can accommodate a maximum of 17 per day. Kevin Raleigh reminded the applicant the Board of Abatement cannot determine if your organization qualifies for exempt status rather the Board can only decide whether or not to abate any property taxes. He asked if they had budgeted for taxes. Deanna Jones indicated when they first purchased the property, taxes had been budgeted for but, but they had to make significant renovations/improvements to qualify to function as this type of facility. The adult day program fills a gap in the area beyond what senior centers can handle. We knew it would take a while to build the revenue; they hope to break even and are trying to use fundraising and grant-writing to supplement revenues. The other closest day facility is in Springfield. She indicated all the projections for the daily census showed they should be able to get to the number of participants to make this sustainable. It has taken longer than anticipated to reach that number. One contributing factor is the VA is not allowing any new funding for Adult Day Services because some of their resources have not been funded. The VA had 20 people on a waiting list; that contract with the VA is not being filled. We are in a dire straits and low cash flow at this time.

Roy Black asked about how the two structures are used. Deanna Jones explained the former Scotland by the Yard building is used for the Adult Day Services. The other building/house is rented. The house was vacant for a while but was rented in September; The tenant paid a year in advance. It is not a money-maker. The rental income is a small piece of the revenue plan.

Nancy Howe asked what amount of taxes WADS is looking to abate. They responded they are looking to have the tax bill from August abated. Kim Souza asked what the forecast for sustainability for the program is going forward and if exemption not approved what is the prospect for going forward? Gretchen Cole indicated they are working hard. They have some new board members with marketing experience to enhance their efforts and they are partnering with healthcare providers to make it more visible for prospective participants. They also just raised their hourly rate by \$2 while still trying to keep it affordable. Deanna Jones shared that the fee is low compared to a private, in-home caregiver at home

which is about \$5 more per hour so, this facility is a more affordable option. They have provided services and supported 44 participants and families since November. The program is Medicaid eligible (VT Medicaid; they are applying for NH Medicaid as well because they have participants from some of the nearby NH towns).

According to Dawna Nadeau the total for August bill with interest accruals is \$5888.21. Nancy Howe asked if Exemption is granted what period will it cover. Michelle Wilson stated it would become effective with the 2020 Grand List filed on April 1st. There is not a retroactive mechanism. Dennis Brown asked if the request is for full amount or a partial. Deanna Jones indicated they are asking for the August amount. Mike Morris asked about the process for obtaining Exemption status. Michelle Wilson explained the Assessors' office approves an Exemption but she said she runs it by the state first in an effort to avoid problems.

Alan Johnson made a Motion to Abate \$5888.21 for the applicant. Nancy Howe seconded. The Motion passed unanimously.

2024 Quechee Main Street, LLC

Property Location: 2024 Quechee Main St./Parcel ID#12-14/SPAN#285-090-13927

Taxpayer/Representative Appearing: Ryan Johnson

Ryan Johnson explained they acquired the property in Spring 2018. The house had been remodeled house but, he said it appears many things were covered up; they have had a lot unexpected of issues. They discovered a leak eight months ago; it had been painted over. It was an \$8500-\$9000 unforeseen expense. He explained when they originally bought the property they looked at the numbers provided by the seller and confirmed with town the valuation of \$299,200 was correct. They used those numbers going into it. They did not expect to see the tax bill almost double. Ryan Johnson said, "We can make this up over years by increasing rents. But, had we known about the tax situation before we could have approached it differently. We think in this case there were some unusual circumstances. We are asking to abate the increase this year and hopefully, follow the process for a more measured valuation in the future through another avenue".

Kevin Raleigh asked what the previous assessment was. Michelle Wilson indicated it had been \$299,200; Now it is \$517,700. We reassessed it after purchase. Ryan Johnson stated the purchase price was between \$515,000-\$530,000. Michelle Wilson commented this is more of a Grievance request than an Abatement. Dawna Nadeau explained the taxes at \$299,200 assessment would be \$7952.14. Ryan Johnson said they are asking to cut taxes by \$2903.65.

Dick Ballou made a motion to deny the request for abatement (because it does not fit the statutory criteria; it is not a case of inability to pay rather they did not plan properly for the investment). Dennis Brown seconded the motion. 15 Members voted In Favor of the Motion; Gabrielle Lucke Opposed the Motion; and, Michelle Wilson Abstained.

Steven Leninski, Sr.

Property Location: 72 Wood Rd./Parel ID #12-158/SPAN#285-090-12887

Taxpayer/Representative Appearing: Steven Leninski, Jr. and Jennifer Weinstein, Esq.

Kevin Raleigh explained since the property had sold at Tax Sale in January, 2019 the Town Clerk sought an opinion from Vermont League of Cities and Towns Municipal Law Center related to abatement in this instance. Lisa read the following response from Attorney Garrett Baxter for VLCT MAC:

"If the Board of Abatement grants an abatement in this case, then the Town will have to come up with the money necessary to make the purchaser at tax sale whole. It is not really clear to me whether abatement is allowed after a property is sold at tax sale and during the redemption period. Arguably, once a tax sale is held, the right to seek an abatement might not be allowed because there are no outstanding delinquent taxes; they have been satisfied by the proceeds of the tax sale. To redeem the property, the taxpayer must pay "the sum for which the land was sold with interest thereon calculated at a rate of one percent per month or fraction thereof from the day of sale to the day of payment." 32 V.S.A. 5260. After the tax sale, the taxpayer's obligation is to the party that purchased at tax sale, and not to the town. The argument that a tax sale extinguishes the right to request an abatement is further supported by the Superior Court's ruling that notice to delinquent taxpayers must provide a statement that the taxpayer has the right to apply for an abatement of his or her taxes under 24 V.S.A. § 1535. See Fysh v. Town of Bristol, Vt. No. S110-95Ac (Aug. 9, 1995). The decision however will be left up to the Board of Abatement."

Jennifer Weinstein, attorney working with Mr. Leninski Sr., explained they are trying to work toward getting the funds to redeem the property by January, 2020. Kevin Raleigh explained if an abatement was granted, the Board would be abating future taxes for the potential new owner who purchased the property at tax sale. Dawna Nadeau explained the Tax Sale was for delinquent taxes from 2017-2018 plus there are delinquent taxes for 2019 and the August payment remains due. Steven Leninski, Jr. explained his father should have a Guardian because of his mental compacity and should not have purchased this property.

Alan Johnson commented the Board could consider abating in the future if Mr. Leniniski, Sr. redeems the property. If the person who bought at tax sale retains the property in January, the tax burden falls to that party so, we would not want to abate taxes until property ownership is settled.

Gabrielle Lucke Made a Motion to decline the abatement request due to the tax sale status. Mike Morris seconded the motion. The Motion passed unanimously.

DINSE-All-Star White River LLC

Request Withdrawn on Thursday, September 19, 2019 per e-mail from Michael Riva, Manager for All-Star White River, LLC.

Martha Hetnik

Property Location: 218 Willow Circle/Parcel ID#13-43-18/SPAN#285-090-11241

Taxpayer/Representative Appearing: Larry Hebert & Martha Hetnik

Martha Hetnik explained she is on a limited income and has health issues. She was unaware she needed to file the Homestead Form the previous two years. Dawna Nadeau said for 2018 & 2019 the total due is \$2822.62. She said the 2020 Homestead payment exceeded the amount due so, the balance was applied toward delinquent taxes.

Mike Morris moved to abate the taxes in the amount of \$2822.62. Michelle Wilson seconded the motion. Motion passed unanimously.

Alicia and Charles Gordon

Property Location: 68 Old River Rd./Parcel ID#32-32/SPAN#285-090-0618

Taxpayer/Representative Appearing: Charles and Alicia Gordon

Charles Gordon explained they have lost the use of about 75% of the property from the fire and from the damage from July 2017 storm. He said the Fire Dept. has condemned a portion of it. We have use of about 800s.f. and no water/sewer or heat. We are suing the Railroad but it is still in the courts; We have been waiting 2 years, 2 months. We may be in Court by February. Pat Cook asked if the applicants have you asked for a re-assessment. Alicia Gordon said they had not. Michelle indicated the Assessors are not always aware of every issue with a property unless the taxpayer comes before her for a grievance. She explained they could see her about the valuation.

There was a Board discussion about how to fairly calculate taxes for the property using percentage of usage; tax rate from the time damage occurred; what a fair assessment would be. Mike Morris asked the applicants what amount they were hoping to have abated. Charles Gordon indicated he would like it to be where it was two years ago.

Gabrielle Lucke made a motion to charge town staff to calculate the percentage. Dennis Brown Seconded the Motion. Lisa O'Neil said she thought that was problematic because no one has articulated what that formula would look like. Dawna looked up the tax rate and amount abated in 2017; Lisa confirmed the amount from minutes from December, 2017 Abatement Hearing. Gabrielle Lucke & Dennis Brown withdrew their motion.

Alan made a motion to abate \$4971.28 representing 75% of total figure due. The amount shall be applied to the 2019 delinquent taxes and any remaining amount shall be applied to 2020 taxes. Michelle Wilson Seconded. The motion passed unanimously.

A Motion to adjourn was made and seconded. The motion carried. The meeting adjourned at 7:50pm.

Respectfully Submitted,

Lisa O'Neil, Town Clerk