

CMA *Covering Maine Assessing*

Newsletter for the Maine Chapter of the IAAO



August 2021

Judy Mathiau, Editor

Chapter President Judy Mathiau

The Maine Chapter Executive Board held their June meeting at my house in Vassalboro. For quite a few years, we have done this and I have always enjoyed our camaraderie sitting around a picnic table under the old black walnut tree.

My husband Rick has volunteered every year to provide our cookout meal following our meeting and we are grateful to his grilling expertise.

This year, we were honored to have Ken Rogers and Rob Tozier of KRT Appraisers join us as well as former Chapter member Wade Rainey. He has not missed a year!

Meeting in person after the year we have had was a breath of fresh air and there was so much to catch up on! Caitlin brought her darling baby girl, who I had the pleasure of holding.



Thanks to Darryl for bringing lawn games and to the rest of the board for their delicious accompaniments including strawberry shortcake, homemade biscotti and Wicked Whoopie Pies. And Julie's bean salad was the big hit!

We are still discussing holding our annual meeting in person! If you have any ideas for educational sessions, please let Kerry know as soon as possible!

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Maine News

Helen Cummings Marr Tupper-Southard passed away in July at the age of 95. She worked as an assessor in both Orrington and Brewer, served on the Governor's Municipal Advisory Board and held the position of Past president to both the Maine Chapter and MAAO.

Bill Healey, Lewiston Assessor, reports that a valuable member of his team has retired. **Ken Priest**, we wish you the very best in your retirement!

Robert Gingras, owner of **Parker Appraisal**, is currently conducting revaluations in Byron and Garland and will be completing Sidney and Buxton next year.

KRT Appraisal has begun data collection in **Rockland** and they have also signed a contract with **Winslow** to conduct a full revaluation effective 2023.

Barbara Brewer, CMA 3 was recently hired as an appraiser in

Standish, working with Joe Merry. Barbara states that this is the best job in assessing she has had to date! Did you know that

Barbara wrote a short book detailing the history of the Portland Water District??

Kerry Leichtman was appointed to the IAAO Editorial Review Board for the *Fair and Equitable* magazine.



News from at least a couple Berwicks – by Craig H. Skelton

There may be more than a few folks in the Assessing Field that have heard the words “claw back” spoken by members of the audit team at Maine Revenue.

I did not immediately call for an appointment with my therapist, but... I got the message that there would be serious repercussions related to “reimbursements” if the ratio in my towns strayed more than the allowed 10% from our declared ratio of 100%.

From 2007 on, when I began working in North and South Berwick it wasn't all that difficult to keep the “Certified Ratio” parked at 100%! After the last big crash, my ratio was climbing and rose as high as the low 100's in both towns. Starting in 2014 the ratio found a pathway down that became more cliff-like in 2018.

One of my Berwicks files an “Enhanced” Tax Rate Calculation Form giving us a greater than 50% BETE reimbursement due to a very large taxpayer and “claw back” there could be significant. The manager in that town considered budgeting for a “claw back” of the BETE reimbursement, however I was quick to point out that no adjustment this year might mean an even larger adjustment needed next year if sale prices keep climbing. And do we have any reason to believe they won't!

A few consults with my crystal ball, numerous phone conversations with psychics throughout the Assessing Field and a healthy review of sales justified moving forward. After all, this is Maine and folks have been and are continuing to flock to our haven to escape their “hot zones” so how could we expect this run up in valuation to abate (no pun intended).

That set me on a path to do a statistical update to values in both towns resulting in an increase to the land and building tables of 12 and 13 percent in North and South Berwick respectively.

This has been the third year in a row that adjustments have been made to cost tables in an effort to narrow the widening gap between assessments and sales so the process this year almost felt routine. The first time around, I wrote lots of notes about everything I did and those notes became the road map for each subsequent table adjustment. All those notes, along with print outs of table changes as well as observations from ratio reviews went into a ring binder and onto the shelf for future reference.

The ring binder also included new land and building tables, copies of the Maine Revenue Ratio Study, print outs of sales studies broken down by neighborhoods and class and I even included a printout of Realtor statistics for York County. All in all, the ring binders have been a handy tool for those taxpayers who want to know the ins and outs of what we do and why we did it!

If I do get any “claw back” from Maine Revenue, the gouges should not be too deep!

The 2021 IAAO Conference August 29—September 1st.

If you plan to attend, please take photos and bring back your experiences and we will put it in the next newsletter!

Send to
jmathiau@winslow-me.gov

JATA Program

A brand new brochure with new mentors listed! They are waiting for your call.



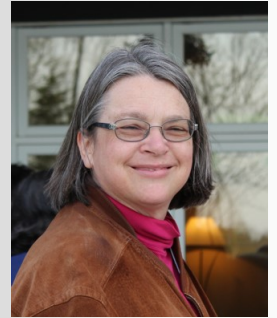
Log on to
www.mechapteriaao.org

June Executive Board Meeting



The Bath Iron Works: An abatement in an unprecedented time

By Brenda Cummings



Just before our world shut down in March of 2020, Bath Iron Works (BIW) submitted an abatement application seeking to reduce their taxable valuation by more than half – from \$544 million to \$287.3 million. At Bath’s 2019 mill rate of \$19.80/\$1,000, you might say the \$5.7 million request caught my attention.

Bath Iron Works is roughly 40% of Bath’s tax base, though CEA payments to BIW under three TIFs reduce their effective contribution to the tax base to about 25-30%. In 2019, BIW paid (net of TIFs) about \$5 million in taxes.

In June of 2021, Bath settled with Bath Iron Works. Under our five-year agreement, BIW dropped the 2019 abatement request, and received a \$131.5 million valuation reduction for 2020.

There’s a great deal to this story that I can’t tell you here – Judy says I only have a short newsletter article, and our attorney says many of the details embedded in the actual assessment remain confidential. And, some of the details that allowed Bath to survive a 10% reduction in the City’s valuation with a projected mill rate increase of less than 3% are unique to our particular circumstances. But I did learn a few lessons that may be useful to other assessors, especially when an abatement affects such a large portion of a community’s tax base.

The best thing I did after receiving the application was call Bernstein Shur (who has been the City’s attorneys in other matters with BIW). Joel Moser became the lead attorney representing the City.

I benefited tremendously from Joel’s experience with other high-stakes cases.

The most important next step we took was forming what Joel called the “A Team,” - the City Manager, the Assistant City Manager and the Finance Director. Having the City’s leadership involved from a very early stage was essential. As the Assessor for the City, my priority is determining and implementing a just valuation for the Yard. But I needed the participation of the rest of the team because this was going to be an expensive and complicated matter to resolve.

Many months later after an in-depth expert review from among the nation’s leading appraisal experts, and after several rounds of offers and counter offers with BIW this winter, the City and BIW agreed to mediation before the local Board of Assessment Review hearing was scheduled. We mediated for two full days in May before agreeing on a settlement.

Due to our 15 months of research and discussions with our experts, I went into mediation with a much stronger understanding of the valuation elements at Bath Iron. Bath emerged with a valuation that was a fair and just valuation for the City as a whole, especially once the costs of appeal are considered.

Key to our success (and by success, I mean survival) in resolving the BIW valuation case was my staying fully involved in the valuation review and in the modeling of options for possible valuation adjustments. In some measure, this is because of the uniquely complex nature of the Bath Iron Works.

There are thousands of items on their annual asset list, and there are three complex TIFs that affect how each asset is handled and how its value will or will not affect the City’s bottom line. There was no way I could have trained (or that I could have trusted) an outside party to understand how all those elements intertwine, so I had to do a great deal of the analysis inhouse. Though a lot of work, this meant that I understood the impacts of proposed valuation changes and had an effective model to use during mediation to ensure that our negotiations resulted in the least possible impact on other taxpayers.

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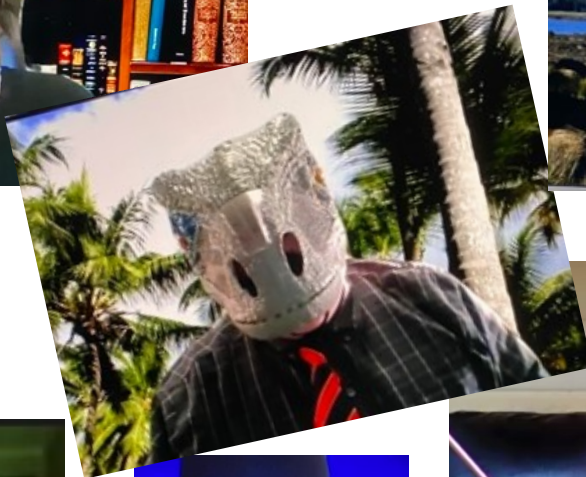


April 13th PTI Meeting Recap

For those of you who missed our entertaining meeting on April 13th, you missed a great opportunity!

Special thanks to Natalie, Rob, Andrea, Kerry, Clint, Phil, Karen, Amber and Lewis for filling the squares and providing answers to questions, emceed by Judy and directed by Kyle.

We were all laughing so hard we did not get a chance to snap more screen shots!



The Bath Iron Works - Continued

It was important that I remained an active participant in the process rather than let the experts battle it out and await the outcome. Because I was engaged, I was able to question both our experts and BIW's appraisers, unravel assumptions, and make corrections to the record that BIW sought to establish. I believe my in-depth knowledge helped to encourage the BIW negotiators to, ultimately, accept the City's settlement offer – both because the staff at BIW responsible for maintaining that asset list knew and trusted me from our many years of working together, and because I showed the BIW leadership that, should they appeal my decision, I could be effective in defending the valuation of the shipyard.

Remarkably, the public response to the settlement has been quite muted, despite TV and newspaper reporting. I believe this is mostly because the potential impact on taxpayers was limited to a 3% increase, which is in line with an expected tax rate change in an ordinary year. Also, transparency goes a long way in alleviating people's discomfort. The City placed links to the settlement agreement and information on BIW's historical and adjusted valuation on our website.

2020 truly was an unprecedented year for all of us. I'm relieved to have gotten through it, and I'm looking forward to perhaps finally taking that trip to the U.S. Virgin Islands that I purchased at the last auction in Sebasco. For now, though, I'm working on my review of the BIW asset list as of April 1, 2021...



IAAO Info

Candidates certified for Board of Directors election

Congratulations to the following candidates! The IAAO Board of Directors recently approved the **2021 Nominating Committee report** certifying candidates to be placed on the November 2021 election ballot for consideration for service to begin Jan. 1, 2022.

President-Elect
Pat Alesandrini, CAE, RES, Tampa, FL

Vice President
Lisa Hobart, CAE, PPS, FIAAO, Birmingham, MI
Rebecca Malmquist, CAE, Minneapolis, MN

Region 1
Kara Endicott, CAE, RES, Olathe, KS
Doug Warr, AAS, Norman, OK

Region 2
Greg Hutchinson, Howell, NJ
Stuart Topliff, Rocky Hill, CT

Region 3
Bobby T. Lee, AAS, Esq., Mount Juliet, TN
David O'Neill, Lexington, KY

Associate
Jason Camp, PhD, Mississippi State, MS
Ryan Cavanah, CAE, Nashville, TN
Daniel Fasteen, PhD, Minneapolis, MN

Election
The IAAO election will take place electronically from Nov. 1-15. Regular members, in good standing, will be able to vote for the 2022 Regular Board Members and Officer positions and Associate members, in good standing, will vote for an Associate Board Member.

State of Maine Chapter of the IAAO Executive Board

Judy Mathiau	President/Newsletter Editor	jmathiau@winslow-me.gov
Karen Scammon	Vice President/IAAO Rep	kscammon@auburnmaine.gov
Kerry Leichtman	Past President/IAAO Rep	kleichtman@camdenmaine.gov
Julie Ethridge	Secretary	jethridge@yorkmaine.org
Clinton Swett	Treasurer	clinton.swett@capeelizabeth.org
Natalie Andrews	Director	assessor@norwaymaine.com
Phil Drew	Director	phil.drew@bangormaine.gov
Brent Martin	Director	assessor@cityofbelfast.org
Darryl McKenney	Director	assessor@waldoboromaine.org
Caitlin Thompson	Director	cthompson@camdenmaine.gov