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**Virginia:**

AT A CALLED MEETING of the Nelson County Board of Supervisors at 2:00 p.m. in the Board of Supervisors room located on the second floor of the Nelson County Courthouse in Lovingston, Virginia.

Present: Allen M. Hale, East District Supervisor  
Constance Brennan, Central District Supervisor  
Thomas H. Bruguere, Jr. West District Supervisor - Vice Chair  
Larry D. Saunders, South District Supervisor  
Thomas D. Harvey, North District Supervisor -Chair  
Stephen A. Carter, County Administrator  
Candice W. McGarry, Administrative Assistant/Deputy Clerk  
Debra K. McCann, Director of Finance and Human Resources  
Phillip D. Payne, IV, County Attorney  
Jean Payne, Commissioner of Revenue  
Pam Campbell, Deputy Commissioner of Revenue

Absent: None

**I. Call to Order**

Mr. Harvey called the meeting to order at 2:00 pm with all Supervisors present to establish a quorum.

**II. Consider 2012 General Reassessment of Real Estate**

Mr. Carter noted that Mr. Matt Hickey and Mr. Dave Hickey of Blue Ridge Mass Appraisal Company (BRMAC) would take questions from the Board regarding the 2012 general reassessment. He added that he had related various questions submitted to him from the Board. It was noted that specific card data could be provided through the Hickeys' connection and projected for the Board's review.

Mr. Harvey made reference to the presentation materials previously given to the Board and asked to look at sales. He noted a property on record that was sold, 967 Afton Mtn. Road, which sold for \$730,000, was assessed at \$335,000, and the sale was less than six months old. He added that the prior assessment was \$630,000 and it had been confusing for the Board to understand.

Mr. Dave Hickey responded that there would be some sales that were high and some that were low and the measure of performance that was looked at was the Sales Price Ratio. He noted that if the ratio was perfect it would be 100%, which represents 100% of Fair Market Value (FMV). He noted that the Department of Taxation looked at this. Mr. Hickey then related that they have to look at the mass of sales and determine how the value prediction model predicts the value based on all of the sales. He noted that the County's ratio was 97.5% which represented what properties were being bought and sold for. He noted that sales from July to the end of the year were most representative of the current market conditions. He reported that Wintergreen as compared to the County as a whole had a sales ratio of 146% and the overall County was around 116%. He noted that Wintergreen homes were selling for 2/3 of what they were previously assessed for. He noted that after adjustments were made the County had a ratio as a whole of 95% and Wintergreen had one of 109.8%. He added that in looking at current

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listings in Stoney Creek at Wintergreen, their new assessment was a median assessment ratio of 97.9% and their assessments were fairly representative of what those properties were being marketed for. He noted that the question of uniformity applied to how uniformly the assessment criterion was applied to each property. He then discussed looking at the body of sales and measures of central tendency as a measure of how accurate the assessment is; which is used by the Department of Taxation and the Assessment Officers Association. He concluded by noting that the County was 98% and was as close as it could get to Fair Market Value (FMV); noting that some would be higher and some lower but they looked at the median.

Members discussed the fact that they understood the principles outlined by BRMAC; however it was difficult to comprehend how some sales were half of the previous assessment. Members then noted other examples of like properties that had very different sales prices and assessments.

Mr. Matt Hickey confirmed that they analyzed every sale in the County to gauge the market but that multiple sales in the same area were a market. Mr. Matt Hickey also confirmed that all sales were averaging the 97.7% sales ratio.

Mr. Hale then addressed the question of notices and stated that he has heard more about this and that he had examples in which the owner did not receive notice of their reassessment and still had not received them even though they have the same address and do receive their tax bills. He added that the biggest issue was that this then precluded them from seeing the assessors during their hearings and was a serious issue.

Mr. Matt Hickey responded that 16,041 notices were sent to the mailing company; which was the same one used by the Treasurer's Office. He noted that the records had come straight from the Commissioner of Revenue's office and were sent to the company in order to go out on December 2, 2011. They had assumed that all of the notices had gone out and then during their hearings they heard that several had not gone out. He noted that they had investigated and found a problem in the Montebello area and then an additional 1,600 notices were sent out. He added that they had made a mistake in rushing so that people could be able to come see them and that he could not explain this any better than that.

Mr. Hale noted that there were many examples of these and inquired as to if there was any remedy that they had now for those that claimed they did not get their notice. BRMAC noted that they could now see the Board of Equalization; however it was noted by Mr. Hale that they were not assessors and could not make as informed explanations to the public.

The multiple notices that were sent out were discussed and Mr. Matt Hickey noted that they had made a mistake in values in the second notices and then those persons received a correct third notice as a result of their hearing and adjustment.

He further explained that the ProVal system showed the reassessment and multiple dates which could not be removed by ProVal. He noted that these dates were part of their working papers in the system and they were working with ProVal to get this cleaned up. He added that they pulled the wrong value when sending out the second notices; which was their mistake; however they wanted those owners to have the opportunity to come and see them. He noted that they did not know why it was taking so long for the notices to be received by some since they were mailed from Lynchburg by BMS all on the same day. He

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acknowledged that even so, some out of state owners got theirs' before some locals. He reiterated that there was a problem with the notices for single-wide dwellings and that BRMAC had stuffed 700 new notices themselves that had gotten to people before the original ones.

Members questioned the values that went from \$50,500 to zero and Mr. Matt Hickey noted that there were eight of these properties. He noted that they had since corrected these and that they were depreciated 100% in error. He added that the latest notice received had the correct value and that these had been restored in the system. He added that the system allowed for depreciation of greater than 100% which was illogical.

Mr. Hale questioned the valuation of home sites and noted that on his assessment card it showed a parcel value for 1 acre which was the home site and then the rest of the acreage was different. He noted an example of a home site on a card that was \$40,000 and for another property, it was \$15,000 per acre and the properties were not far away from each other. He added that this site was on river frontage and was a better home site than his. He noted that he thought this odd as the assessors were at his house during summertime. Mr. Matt Hickey noted that his must have been considered a view lot with the assessors assuming it had a view; as they did consider views in assessments. Members noted that the definitions of views were part of the problem. Mr. Matt Hickey noted that it was definitely not a perfect science and they were doing the best they could over time. He added that they broke the acreages at 25 acres and were trying to compare apples to apples; however there would be some that were close to the break; which could have problems. It was noted that the only way to see this was to see the cards.

Mr. Saunders noted that it made him wonder how many more were done this way and incorrectly.

Mr. Matt Hickey commented on the information on Mr. Hale's card and stated that the previous information stated that the house had a view last time and the assessors went with that since they were there in the summertime, where the foliage would obstruct the view. He added that he felt confident that the assessment numbers were pretty accurate; however they would find small inaccuracies throughout the entire job since they were looking at so many properties, they would have some issues.

Mr. Saunders indicated that he thought that using views to value property was very subjective. Mr. Matt Hickey explained that they did their analysis on sales which reflected views a lot of the time. He noted that they did take some off because the sales did not justify it. He reiterated that views did have value as demonstrated by their emphasis in real estate advertising.

Ms. Brennan inquired as to whether or not BRMAC threw out the outliers and Mr. Dave Hickey stated that if the ratio was less than .25 or greater than 2.0 the sale was disregarded because it was not indicative of the market.

Mr. Harvey noted that he thought there were instances where money was left on the table with some of the assessments being so low on some Wintergreen condos and that this was shifting the tax burden to others. Mr. Matt Hickey explained that they considered all of the condos in question together and that they were aiming for the median. He added that some of those sales were from 2010 and some were from 2011; however they put the most emphasis on the 2011 sales.

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Mr. Hickey added that in Wintergreen the sales ratio was 101.8%, whereas it was 97% in the whole County and some of the value was still being skewed onto Wintergreen. He noted that the lion's share of their hearings was Stoney Creek properties and a lot of realtors thought they were too high. He added that if they have an inordinate number of people from one area, they will take another look at that area and then if an adjustment is made it is done uniformly.

Mr. Matt Hickey then noted that large parcels of land had been a major concern for the Board and he noted that there were only a handful of sales in the County and the ones they had were way down. He noted that 250 acres had sold with a nice house on it for \$900,000 and a certain land surveyor had said it was right on the money. He noted that the farmland values in 2008 were wrongly set high and that they were comparing these to a prior inflated number. He added that they were in land use so it was not an issue. He noted that the average per acre value on large acreage was \$2,000-\$2,500 per acre. He then noted that large acreage was broken down into 100-200 acre increments and Mr. Hickey noted these values per increment.

Mr. Saunders noted that there still seemed to be so much difference between neighbors' properties and they have seen a decrease in land value and an increase in improvement value.

Mr. Harvey reiterated his statement that a lot of value had been left on the table for high end properties and that low end property owners would be paying for it.

Mr. Matt Hickey stated that they could work on showing comparable sales online, however it would take 6-8 months to get that pulled over correctly and it would be cheaper and easier to go through GIS sites. He added that the past assessment could be seen on the GIS site. He noted that the County uses ProVal; which has been used historically.

Mr. Matt Hickey reported that the property cards were at the printer and would be delivered ASAP; adding that these could not be printed from the ProVal system. He added that the Wintergreen properties would be in a different color from the rest of the County. He noted that they did take pictures front and back of all properties and these were on the system. He noted that the assessors did leave their cards on doors if the resident was not home when they came by. Mr. Bruguiere noted that he was not aware of a card being left nor did he see anyone come by his properties.

Mr. Saunders questioned the type of training the assessors did and Mr. Matt Hickey responded that when they were hired, they were given a manual and rode with someone experienced for at least two months. He noted that then as they became experienced, they would help with the grading process and otherwise they just recorded basic information.

Mr. Matt Hickey then noted that he and another supervisor did the Wintergreen properties. He noted that they had fourteen months to appraise 1600 parcels and that they were not doing a field appraisal as a bank appraiser would.

Mr. Saunders questioned the experience of the new people on views and Mr. Matt Hickey responded that they do train them on unique properties before they start.

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Mr. Harvey then pointed out that the Liberty gas station property was assessed at 30% of its sales price and Mr. Dave Hickey noted that when convenience stores were sold like that, there was more to it than just the real estate. Mr. Harvey acknowledged that he was sure it was a lock stock and barrel sale including McDonalds and the inventory. Mr. Hickey noted that this seemed like an anomaly sale to him but that similar sales had not brought that much in his experience. Mr. Bruguire noted that they were buying it for the business and likened it to buying a view.

It was noted that there were 712 sales and of those, 569 were taken into consideration; while the 143 outlier sales were discounted.

When asked for any further comment, Mr. Bruguire noted that he was upset that the Wintergreen sales did not equal the assessments and Mr. Harvey noted that he thought that a lot of money had been left out there that could be used to pay the taxes, especially on high end properties. He added that the Board would have to raise taxes 29% to equalize revenues and that poorer people would have to pay the difference. Mr. Hale, Mr. Saunders, and Ms. Brennan did not provide additional comment.

The Board then asked Commissioner of Revenue, Jean Payne and Deputy Commissioner Pam Campbell for their input.

Ms. Campbell stated that the computer records still were not correct and inquired as to how BRMAC will get them fixed and that they were finding more errors every day. She noted that somehow when they did the mailings they used the wrong addresses.

Mr. Dave Hickey noted that they were working with Ms. Payne's office to straighten this out and it was ongoing; noting that they were going to help out when problems were discovered.

Mr. Carter commended BRMAC for taking pictures of every property front and back, which the last company did not do. Mr. Matt Hickey noted that all pictures were entered by hand and that some numbers had gotten transposed in the process.

Members then asked for any public comment on the matter and the following person offered his comments:

1. David Hite, Roseland VA and BOE Member

Mr. Hite reported that his property assessments were received on December 21, 2011 from the Commissioner and due to family issues he did not have them in hand until after the first of the year. He noted that comparable housing ran from \$135 per sq ft to \$65 per sq ft and this was a serious issue. He added that he had property in four different names going to a Post Office Box and still has not received his official assessments and therefore had no opportunity to appeal them.

The Board took a short break and then resumed discussion of the matter.

Mr. Carter reported that the Board's options were to: continue with the 2012 assessment as reported, noting that both Hickeys continued to maintain that the assessment was at 97% of FMV or otherwise they could decide to use the 2008 values. He recommended that in the latter case, the Board base this

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decision on the fact that per the State Code they could complete a reassessment every six years. He added that staff would have to work quickly to retain someone to begin this work.

Mr. Carter referred to the debate between the Board and the Assessors and noted that staff was not able to contradict their methods etc. unless someone else evaluated their work to determine if it was valid; however he did not recommend they pursue this.

Members and staff again discussed the wide differential in some properties and that there seemed to be so much value uncaptured. Mr. Carter suggested the Board look at the valuation methods used outlined in the assessors manual and noted that BRMAC followed this process. He reiterated that the 2008 ratio was 124%; however it was the Board's decision as to how to proceed. He added that in 2008, the values were at the peak and now in the last two years housing values have plummeted; which reflected the national trend. He acknowledged that BRMAC did not get 100 % right; but that they could not take an individual sale and apply it to that particular property. Ms. Brennan confirmed that they did not use a lot of the outlying sales because of these anomalies. Mr. Carter noted that the difficulty was that the tax burden was shifting somewhat and that 29% was the breakeven point.

Mr. Harvey noted that BRMAC had used the last six months at Stoney Creek to do the values there.

Mr. Hale stated that there was no question that they were confronted with serious issues and have found many things that would call into question the job that was done. He noted that in terms of falling values the values at Wintergreen have fallen more than in the other areas of the County and that is where they would feel the pain. He noted that an average homeowner in 2008 had property valued at \$189,400 and it has now dropped to \$180,700, not nearly the percentage drop as in Wintergreen and if the Board changed the tax rate to equalize revenue, they would pay more in taxes. He noted that this was unfortunate but the course of rejecting this or deciding not to use it and hiring someone else to redo it, was not something the Board should do. He added that there were more troubles to face and that they should live with the 2012 reassessment with the flaws.

Mr. Bruguire commented that he was afraid they would be stuck if BRMAC could prove that they were 97% of FMV; and that while he disagreed with it, he thought there was not much the Board could do about it.

Mr. Harvey stated that it would take a lot of average citizens to make up the taxes left on the table on some properties.

Ms. Brennan noted being conflicted about it and she wondered if they would be any better off if it were redone; noting that she was uncertain if the County would recoup the cost of doing so. Mr. Carter noted that a reassessment typically cost a base amount of \$16-\$18 per parcel.

Mr. Saunders noted that this was all new to him but that it seemed that there were more mistakes than they were saying and he was concerned about how many more there were to be found. He stated that he was not happy with it but that he was not sure the Board should do anything else. He stated that he agreed with Mr. Harvey that the smaller person would bear the others' increases. He then suggested that the Board think about hiring its own full time assessors as an alternative. Ms. Brennan questioned if the

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Board had the ability to assess a quarter of a jurisdiction every year and the Commissioner noted that she thought this was done in larger urban areas.

Members and staff discussed whether or not the values on the tax tickets should be close to the value arrived at by a private appraiser and it was noted that private appraisers were typically higher and did a more in depth analysis of the property. Mr. Carter confirmed that this was the case with an appraisal done last spring on his property and Mr. Bruguere noted the same in his case.

Mr. Harvey noted his concern about the crowd that would come out when the tax bills were received and members and staff reiterated that there would be a public hearing on the rate beforehand and that they would have to take a hard look at the County budget this year.

Mr. Bruguere asked if the Board of Equalization could look at certain parcels without the individuals coming back to ask and Mr. Payne noted that they could not change certain parcels themselves and that if they did that, then they would be picking on individuals and he suggested that they not do that. Mr. Carter added that this would undermine the validity of the process. Mr. Bruguere noted that he was thinking of the condo issue previously discussed.

Mr. Saunders then supposed that if the assessments were left at the 2008 values, people would be unhappy about that also.

It was noted that the Board did not have to officially accept the assessment and it would stand as is if the Board did not act. Mr. Payne advised that the County ordinance had the reassessment occurring every four years and that the Board would need to approve a motion to go with every six years, if they wanted to redo it.

Mr. Hale noted that their options were very limited and that he felt they would have to accept the 2012 values. He then iterated the need to publicize the availability of the Board of Equalization and submit a public notice regarding that if citizens did not receive a notice to come to the Commissioner of Revenue or go to Vamanet.com to see their values. He stated that he thought the County had an obligation to do these public notices. Ms. Brennan added that she would like to see the BOE meeting dates and information published in the Nelson County Times and the Waynesboro, Charlottesville, and Lynchburg papers.

Mr. David Hite, member of the BOE, read from the BOE manual a section that gave the BOE power to look at any property and equalize assessments whether or not it was called to their attention by an individual.

Following discussion, no action was taken by the Board regarding the 2012 reassessment.

### **III. Other Business (As May Be Introduced If All Members Are Present)**

*Introduced: Resolution Honoring Marjorie W. Eggleston*

Mr. Carter noted that staff had submitted a resolution honoring the service of Marjorie Eggleston at Mr. Harvey's request and Mr. Hale noted that there would be an event to honor her at Nelson Rescue.

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Mr. Hale then moved to approve resolution **R2012-11**, Resolution Recognizing the Community Service of Marjorie W. Eggleston and Ms. Brennan seconded the motion.

There being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the motion and the following resolution was adopted:

**RESOLUTION R2012-11  
NELSON COUNTY BOARD OF SUPERVISORS  
RESOLUTION RECOGNIZING THE COMMUNITY SERVICE OF  
MARJORIE W. EGGLESTON**

**WHEREAS**, Mrs. Marjorie W. Eggleston retired from volunteer rescue squad service with the Nelson Volunteer Rescue Squad at the end of January 2012; and

**WHEREAS**, the Nelson County Board of Supervisors wishes to honor Mrs. Eggleston's diligent volunteerism and service to Nelson County citizens; and

**WHEREAS**, Mrs. Eggleston, a Registered Nurse, joined the Nelson Volunteer Rescue Squad in 1994 as an Emergency Medical Technician (EMT), advancing to the first level of Advance Life Support (ALS) and attaining Shock/Trauma certification in 1996; and

**WHEREAS**, over her eighteen (18) years of volunteer rescue squad service, Mrs. Eggleston has not only maintained the highest number of calls out as an Emergency Medical Technician (EMT) running on as many as one hundred and ninety (190) calls per year, she attained regional recognition in 2010 when she was awarded 2010 Regional Outstanding Pre-hospital Provider and was nominated for the 2010 Governor's EMS award. This award recognized not only her routine exemplary service, but her dedication to her community in an emergency during the winter storm of December 2009.

**NOW, THEREFORE, BE IT RESOLVED**, that the Nelson County Board of Supervisors hereby recognizes, thanks, and honors Mrs. Marjorie W. Eggleston for her many years of volunteerism and for her dedication in utilizing her extensive medical knowledge and training to so adeptly and tirelessly serve the citizens of Nelson County.

*Introduced: Wintergreen Partners Financial Hardship*

Ms. Brennan noted that the Wintergreen stories were causing concern from the EDA and that the perception was that the County was not concerned about this and that there was no strong support for them. She added that she thought it would be nice to talk to Wintergreen to see if there was any political conversation that could be had. She noted that she had spoken with Senator Deed's and Warner's office and suggested that Mr. Bruguere speak with his connections. It was noted that nothing could really be done other than talking.

Mr. Carter noted that he had spoken to Hank Thiess and Robert Sullivan and no request for help from them had come forward. Mr. Bruguere noted that no one could bail them out of the situation and it was unfortunate that Bank of America would not work with them and they needed a line of credit. Mr. Carter

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added that they had issued a public notice on fixing the issues and that they were competent people and could make it work. Ms. Brennan indicated her surprise regarding the valuation of the conservation easement and it was noted that WPI allowed for thirty-five people who were not WPI members to invest in a private placement.

#### **IV. Adjournment**

At 4:02 pm, Mr. Bruguere moved to adjourn and Mr. Hale seconded the motion. There being no further discussion, Supervisors voted unanimously by voice vote to approve the motion and the meeting adjourned.