

**Dover Select Board
Meeting Minutes
Dover Town Office
Tuesday, April 2, 2019**

THESE MINUTES ARE NOT OFFICIAL UNTIL THEY HAVE BEEN APPROVED BY THE DOVER SELECT BOARD

Select Board members present: Josh Cohen, Victoria Capitani, Dan Baliotti, Joe Mahon

Select Board members absent Sarah Shippee

Also, present: Jeannette Eckert

Public: Lauren Harkawik, Jim & Judy McDevitt, Bob Holland, Linda Sherman, Tabi Freedman, Mike Arbogast, Cliff Duncan

Regular Meeting Called to Order at 6:30pm by Josh Cohen

I. Public Comments:

Dan Baliotti:

- Dover Historical Society news: *Airing of the Quilts* will take place on Memorial Day weekend in front of the historical society. It goes along with this year's program "*Show Us What's in Your Attic.*" Items can be lent to the DHS for display during this program
- Also partnering with Readsboro theater group for a murder mystery: "*Murder at the Sugarhouse*"; a dinner to be announced in the newspaper and on chamber website
- On Thursday 4/4/19, Jennifer Tallini is having a *Coffee Barn Creates* painting workshop

Vicki Capitani: Schedule for next meeting? Will there be a quorum? Sarah and Joe will not be present

II. Police:

A. Revisit Personnel Policy Addition

- VLCT's Jill Muhr and Trevor Whipple reviewed the policy addition and suggested three insertions. The Police Dept did not have any issues with the first two statements inserting "*for hours worked*". The third insertion pertained to Collective Bargaining Agreements which do not apply in Dover.

On a motion by Victoria Capitani, seconded by Dan Baliotti, the Board unanimously agreed to update the Town personnel policy with the Police Dept. addition on compensation with the first two changes recommended by VLCT

At Jeannette's suggestion, the Board agreed to have VLCT review the entire personnel policy and submit comments/updates for review by the Board at a later date

III. Highway:

A. ~~Certification of Compliance for Town Road and Bridge Standards~~ **defer to May 7**

- State is presently updating these standards and the comment period ends April 26
- Will revisit when a final document is available

IV. New Business:

A. Reappraisal on Commercial Properties (Cliff Duncan)

Cliff presented a diagram of the proposed broadcasting of meetings by Duncan Cable. As it was not on the agenda, it will be reviewed at a later date. In the Board's opinion, there is a lot more conversation to be had on this topic.

**Dover Select Board
Meeting Minutes
Dover Town Office
Tuesday, April 2, 2019**

Regarding the re-appraisal:

- After a great conversation with Assessor Linda Sherman about the Town's interest in re-appraising commercial property, would like to share experiences from 2000
- Duncan Cable does not own any real property in Wilmington, it is all taxed as personal property
- Property valuation board convinced the Wilmington Listers to value Duncan Cable's personal property based on the value of its business
 - Went from \$60,000 in depreciated assets to a skyrocketed figure of \$700,000
 - Huge hit on property taxes
- Appealed and denied decision twice and finally fought it in court with Downs, Rachlin, Martin at a cost of \$12,000 and we settled; they realized they were in an undefendable position
- May not be applicable in Dover as Dover taxes on real property not personal property
- For example: If you had two people doing the same construction business
 - #1 who hustles but has used, worn out tools & makes \$200,000 a year
 - #2 who is lazier but has expensive Dewalt tools & makes \$30,000 a year
- Success in business is punished; requires person to pay taxes twice; completely unfair
- Unfair and counter-productive to our area that is looking to encourage economic development; runs counter to our logic & would discourage business
- Transition to real property:
 - Same two businesses across the street from each other with same exposure, same curb appeal, same access:
 - #1 does online marketing & makes \$20 million a year
 - #2 who is local makes \$700,000 a year
- Inequity based on income approach is startling; applies downward pressure on the successful business
- Hope that the Board agrees as a Town in not going down that road

Joe Mahon: Are you asking the Assessor to do something different than what we are doing? You don't want us to look at value in multiple ways?

Cliff: Multiple approaches to valuing property— the State believes one way is by asking for financial information about your company's success

Approaches the Assessor has are State statute; it is up to the Assessor which one to use
Duncan pays a tax on personal property in Dover

Vt telecommunications plan's taxation process has a huge disparity; this needs to be addressed by the legislature

Vicki: It's voluntary whether you give your tax returns; which makes it unequal; really just valuing the building not the business within the building; my business in Wilmington is a building, could move the business to my house; that building has nothing to do with the business I operate; pay taxes based on income; need to take these things into account when we work with Linda on valuing commercial properties

Josh Cohen: Doesn't this become messy when talking about valuing commercial property that is a rental? Is it the value of the business that's renting which has nothing to do with the owner?

**Dover Select Board
Meeting Minutes
Dover Town Office
Tuesday, April 2, 2019**

Linda Sherman: When charged with valuating, I look at the highest and best use of the property. For example, if the highest and best use of two rental buildings:

- #1 is fully rented with 4 units for \$1000 a month; \$4000 is coming into that owner every month; he's looking to sell, and I want to get into apt landlord business, this looks feasible
- #2 can't keep tenants; building is in disrepair and maybe generates \$500/mo.
- Which one is going to be better for me to buy?

Have to look at each one of three criteria that are used to valuate: income approach, sales approach, cost approach; it is such a mixed bag, can't say which one of these will be used; I am not an appraiser that is why the RFP was for a professional to assist with this process

Cliff: Using the income approach, the appraisal goes up because he is successful. If all of a sudden, the business goes sour....What it cost to build the building is what's important

Joe: Looking around the valley, there are a lot of vacant commercial properties that are for sale but are at too high a price; Silo for example, no one wants to buy it because they can't make a go of it

Dan: I look at the Silo every day; tried to get someone to operate it and income approach is not a good way of doing it

Josh: It is easy to cook books; part of the issue is how much of the building is a part of the business? Some sales are uniquely linked to the building, others where it means nothing. Depends on the type of business; need a level playing field; building specific businesses

Cliff: You open yourself up to litigation using different approaches

Jim McDevitt: Should be based on the building; shouldn't there be different rates for businesses versus residential properties? It has nothing to do with income; income approach is flawed

Linda: Hope we don't get stuck in this place. Has Cliff reached out to property valuation at the State level? Don't want to get stuck using one approach for all. That is why we are retaining a professional commercial appraiser to guide us through this whole process; Really hope that you trust in the process; May or may not use the income approach; may be asking for business income—all we can do is ask; Don't know how the last re-appraisal was handled. Happy we were given permission to do just the commercial piece

Vicki: Wilmington is doing a full town wide re-appraisal; Dover is only doing commercial; curious if Cliff has talked with Wilmington about this

Cliff: Approach to taxation in this State is ridiculous. It is out of control. Wilmington is approaching a \$3.00 tax increase. Not sustainable. Passionate about this and had the opportunity to experience this process. Have not spoken with Wilmington but intend to

Vicki: You won't get income from a lot of people, so then you are comparing apples to bananas

Cliff: Buyers are looking at the current value, current income statistics, what can I do if I move in and run my business in this location....all those factors play a part on the asking price & selling price

**Dover Select Board
Meeting Minutes
Dover Town Office
Tuesday, April 2, 2019**

Josh: Some are benefiting, and others are suffering, we don't want to be a part of that balance; how can we put a value on a new owner and new sales; I think our system is ok; we have room for grievances if needed but appreciate what you are saying

Linda: Cliff made a perfect point that a buyer is looking at the overall building, the structure, the income they could produce...bingo, that is just what you're here for. Why would I buy a building if I'm not going to make any income? You just kind of put your foot in your mouth. It's all part of it.

Cliff: The difference is the tangible and the intangible. Tangible is the value of the assets; intangible is the goodwill, it cannot be taxed; value of the commercial traffic is irrelevant to the value of the building, it may have an impact on it

Linda: Think this is going beyond; appreciate your passion. When it comes to Mt Snow, they are probably not going to give us their income; Whole process is to bring our COD and CLA more in balance; not out to screw someone because they have a really good business

Josh: Is the building ultimately related to the business? An inn or restaurant relies on the building, a law firm doesn't.

Dan: Psychologically if the building has a business that is successful, in your mind it is worth more than a building where the business is not successful; it has an effect

Josh: There is stuff in place, I don't believe there is a run-away train here

V. Unfinished Business:

- A. Review Select Board Rules & Procedures
- Vicki reviewed and found no concerns to address
 - Reminder to review annually for any updates

On a motion by Victoria Capitani, seconded by Josh Cohen, the Board unanimously adopted the Select board rules and procedures as presented as of May 3, 2011 and re-dated for April 2, 2019

- B. Re-Affirm DRB Appointments
- A letter was presented at the last meeting but a motion to accept was not made
 - It was discovered that one of the alternate appointments was left off the letter
 - A new letter was composed by DRB Chair Sarah Shippee and read into the record to include re-appointment of Heather Kelly as an alternate

On a motion by Victoria Capitani, seconded by Dan Baliotti, the Board unanimously accepted the DRB appointments as read

VI. Liquor Control:

On a motion by Victoria Capitani, seconded by Josh Cohen, the Board recessed and convened as local Liquor Control

Note on the Snow Republic, LLC: The Police Dept did not have any concerns; Rich Werner was ok with the permit approval with the stipulation that the owner cannot open until the final inspection report, the COO from the Fire Division and any requests from Fire Division be completed before he opens. Believe the opening will not happen until the Fall as there are several permits in the works.

On a motion by Victoria Capitani, seconded by Dan Baliotti, the Board unanimously approved the following with the stipulation that all inspections/permits be in order prior to opening:

**Dover Select Board
Meeting Minutes
Dover Town Office
Tuesday, April 2, 2019**

- A. 1st Class License for:
a. Snow Republic LLC (former Bennington Furniture Bldg.)

On a motion by Victoria Capitani, seconded by Joe Mahon, the Board unanimously approved the following:

- b. Looking East Corporation d/b/a Cooper Hill Inn

On a motion by Victoria Capitani, seconded by Dan Baliotti, the Board adjourned as local Liquor Control and reconvened as Dover Select board

VII. Consent Agenda:

- A. Approve Minutes of March 19, 2019
On a motion by Victoria Capitani, seconded by Joe Mahon, the Board unanimously approved the minutes of March 19, 2019 (Mahon abstain)
- B. Approve Warrants of March 23, 2019 for \$151,766.39
On a motion by Victoria Capitani, seconded by Dan Baliotti, the Board unanimously approved the warrants of March 23, 2019

VIII. FYI:

- A. Wilmington Planning Commission Public Hearing on Flood Plain Regulations, Apr 8 at 6pm
- B. Town Health Officer Training, Apr 18 in S. Burlington; Apr 25 in Montpelier—Tabi Freedman is attending Montpelier
- C. Effective Property Tax Appeals, Apr 30 in Fairlee; May 7 in Rutland
Linda Sherman requested that the Board encourage our Justices of the Peace as BCA members to attend one of these workshops; Jeannette will reach out to them with the information
- D. Designated Employer Representative Training, Apr 24 in Putney—Jeannette is attending
- E. Thank you card from the sixth-grade class for the donation for the lunch at Town Meeting

- IX. Liaison Reports:** Meeting on April 16th? Consider moving to the 23rd. Usually the ED meeting is the 4th Tuesday...will advise Steve about possibly moving it to another night. Board to check schedules and determine which date to hold SB meeting.

- X. Executive Session, as needed:** none

- XI. Adjournment at 7:25pm**

Respectfully submitted by Jeannette Eckert

Public notices of these minutes have been posted at the following locations:
Dover Town Clerk's Bulletin Board, Dover Town Meeting Bulletin Board, Dover School
Dover Free Library, East Dover Post Office, Town of Dover Website: www.doververmont.com