MINUTES

PROPERTY VALUATION TRAINING AND PROCEDURES COMMISSION (PVC)

Marshall University Graduate College ~ South Charleston, West Virginia

January 18 - 19, 2012

Presiding: Jeff Amburgey

Director, Property Tax Division

Chairman, Property Valuation Training and Procedures Commission

Quorum Present:

Hon. Mickey Brown, Boone County Commissioner

Hon. Janice LaRue, Mineral County Commissioner

Hon. Dana Lynch, Assessor of Webster County

Hon. Cheryl Romano, Assessor of Harrison County

Mr. Kurt Donaldson, Citizen Member

Dr. Calvin Kent, Citizen Member

Members Absent:

Hon. Dolan Irvine, Assessor of Pocahontas County

Guests Present:

Amy Jacobs, Secretary, PVC/Office Manager, Property Tax Division

Steve Judy, Appraiser Manager, Property Tax Division

Faith Dangerfield, Appraiser Chief, Property Tax Division

Rob Leisure, Property Tax Division

John M. Cutright, Barbour County Assessor

Mike Allen, Wyoming County

Mike Cook, Wyoming County Assessor

David McKain, Citizen

Ralph E. Phillips, Wetzel County Assessor

Angela Banks, Jefferson County Assessor

Terri L. Funk, Preston County Assessor

Dr. Joseph Super, Barbour County Schools

Ralph Layton, Grant County Assessor

Lee Church, Grant County

David Toms, Dominion Post Rodney Pyles, Monongalia County Assessor Ora L. Ash, State Auditor's Office Allen Ferrier, Harrison County Assessor's Office

Recognizing the presence of a quorum, Mr. Amburgey called the meeting to order.

1. <u>Minutes of November 9, 2011, Meeting of the Property Valuation Training and Procedures Commission.</u>

Faith Dangerfield of the Property Tax Division made a change on page 3 under the item that says "Procedures." Dana Lynch asked that the approval of the minutes be delayed until Cheryl Romano arrived.

2. Monitoring Reports - Tax Year 2010.

Mr. Amburgey reminded the PVC that at the last meeting it was decided that "Atta boy" letters would be sent to the counties that passed the monitoring. Year one and two counties out of compliance were sent a letter asking them to send the PVC a letter explaining what they would do to correct the deficiencies. Those letters arrived and Steve Judy, Appraiser Manager for the Property Tax Division of the State Tax Department, and Faith Dangerfield, Appraiser Chief of the Property Tax Division of the State Tax Department, reviewed the letters and they had no major problems with them. Counties that had been out of compliance in the same category for 3 or more years were asked to appear and give the Commission their plan to correct those deficiencies.

3rd Year Deficient Counties

Wetzel County

Steve Judy stated that Wetzel County is in their 3rd year of deficiency in "Appraisal Uniformity" and "Procedures" which is Land Tables and Modifiers, also "Sales Validation."

Mr. Amburgey asked Mr. Ralph Phillips, Assessor of Wetzel County, if he wished to address the Commission. Mr. Phillips stated that his office had been in touch with Cole-Layer-Trumble (Tyler Technologies) and they are working to resolve the issues, however, there isn't a contract as yet. Dana Lynch asked if that was Mr. Phillips' plan, to hire CLT and if so is there a time frame. Mr. Phillips said that CLT had been tied up in other counties but he anticipates hiring them. Calvin Kent asked if Mr. Phillips anticipated that the problems will be cleared up by this time next year or when the monitoring is done. Mr. Phillips said, yes.

Dana Lynch asked if Mr. Phillips' intentions were to hire CLT to correct the problem and by next year be in compliance. Mr. Phillips said, yes and he is considering hiring CLT to do the county's maintenance work in the future.

Dana Lynch made a motion to accept Mr. Phillips' report and have the Tax Department continue to monitor. Cal Kent seconded the motion. The motion carried.

Wyoming County

Steve Judy introduced Mike Allen and Mike Cook, Assessor of Wyoming County. Wyoming County is deficient for 3 years in Sales Ratio.

Mike Cook pointed out that the time period was June 2008 through July 2009. He took office in January 2009. In our discussions with Faith we found out that after the 2001 flood in Wyoming County, my predecessor decided he was going to do an across-the-board 10% decrease so this past year, Tax Year 2011, we eliminated that 10% decrease. We are continuing to improve data collection accuracy. They are also getting more accurate building costs to use a supplement to the Marshall & Swift program. Adjusting land tables and neighborhood modifiers as we get good data, update the depreciation table that will retain value longer, maintained diligence in verification of sales.

Dana Lynch asked Faith Dangerfield if she had seen improvement in Wyoming County. She stated that she had seen improvement. Mr. Lynch asked Mr. Cook how long he thought it would take to become compliant. Mr. Cook stated that he would be back for 2011 but feels that in 2012 they will be on the path to compliance.

Dana Lynch made a motion that Wyoming County's report be accepted and that the Tax Department continues to monitor them. Cal Kent seconded the motion. With no further discussion the motion carried.

4th Year Deficient Counties

Barbour County

John Cutright, Assessor of Barbour County, explained that when he took office he knew that Barbour County was in deficiency. The county hired Dwight Goff, a former employee of the State, to do a study on all of the land tables, agriculture and commercial. Mr. Goff suggested that the commercial rate be raised to 1.39 and he raised it to 1.42. The residential was raised to 1.42 and raised the land tables 30%. The agriculture rate was raised at 100% per Mr. Goff's suggestion. He knows that the county is still out but he plans to contact Mr. Goff to go back through the study to see what else can be done.

Dana Lynch asked about the study that Mr. Goff did and if it had been initiated and have you seen the results of that. Mr. Cutright said they had. Mr. Lynch asked if the land tables had been done and Mr. Judy said they had been done. Mr. Lynch asked if sales ratio was the only area in which Barbour County was out of compliance. Mr. Judy said that Barbour was out in that area as well but it is gradually getting better. Mr. Lynch understood that but still wanted to know if Mr. Cutright was making progress and if he is taking the necessary steps to become compliant. Ms. Dangerfield and Mr. Judy both agreed that he was.

Dana Lynch made a motion that the Barbour County report be accepted and that the Tax Department continues to monitor Barbour County. Kurt Donaldson seconded the motion. During discussion Dr. Kent asked what the time frame would be for the county to become compliant. Mr. Cutright said it would be a guess but he thinks it would be within 2 years.

Mr. Amburgey called for the question and the motion the motion carried.

Mr. Amburgey then brought up the subject of a request for hiring approval for Barbour County which was questioned by the PVC. The job announcement should have been posted in a public area and this one was not. The reason stated was that this was already a position paid by the Barbour County 911 system and Mr. Cutright wanted to move the person to his payroll and pay 75% out of the valuation fund.

Dana Lynch made a motion to approve the employment as requested by the Barbour County Assessor. Kurt Donaldson seconded the motion and with no further discussion the motion carried.

Grant County

Steve Judy stated that for the 4th year he is not on schedule according to his 3 year county valuation plan. Out of the past 2 years it is also "Appraisal Uniformity" which is the sales chasing exercise, sold and unsold.

Ralph Layton, Assessor of Grant County, stated that he has had some employee problems since 2007. He intends to move a part time employee to full time in the field in appraisal work and he has been approved by the PVC. Mr. Layton said this should get him back on schedule. They will do a cost study on the land sales, vacant sales, to come up with a new land table. Mr. Layton introduced Lee Layman, formerly with Hardy County, is now working with Grant County.

Mr. Layman is going to start a cost study for base tables and is going to collect as many as possible for the 2013 tax year. The other thing that will take place is that with more people in the field doing the data collection records will be more up-to-date in the appraisal part of it. They will also work on commercial cost study and a new residential cost study.

Mr. Lynch then asked Mr. Layton how long it would be before Grant County is back on schedule with the visitation. Mr. Layton thinks it might be back on schedule for 2012 but they intend to do their best.

Dr. Kent made a motion to accept the Grant County monitoring report. Dana Lynch seconded the motion and added that in previous motions he had made when he asked for the Tax Department to continue monitoring he would like for the monitoring to be done more often to see to that some progress has been made. With no further discussion the motion carried.

Monongalia County

Rodney Pyles, Assessor of Monongalia County, stated that he had advised the PVC last year that Tyler Technologies had been hired to do a total reappraisal of the entire county as recommended by the Statewide Property Tax Equalization Study by Kelly Real Estate Appraisal. That total reappraisal has been completed for the 2012 tax year and as far as he can tell Monongalia County should be in compliance for Tax Year 2012 Dr. Kent asked if the sales chasing problem was resolved. Mr. Pyles stated that it hadn't occurred since the latter part of 2010. Dr. Kent wanted to know if it was primarily due to cost adjustments or land adjustments or what. Mr. Pyles said the land tables were out of date but primarily it was land adjustments but to a lesser extent would be cost adjustments.

Dana Lynch asked Mr. Pyles if for 2012, no later than 2013, Monongalia County would be in total compliance. Mr. Pyles answered yes.

Mr. Lynch made a motion to accept the Monongalia County monitoring report with the Tax Department still monitoring the county. Cal Kent seconded the motion.

Jeff Amburgey called for the question on the original motion that had been seconded and with no further discussion the motion carried.

Jefferson County

Angela Banks, Assessor of Jefferson County, stated that she took office in 2009 so the 2009 year was finished. After the Board of Review, once they started on the new year she unfroze depreciation tables, which were frozen for 15 years. We had to go out and look at a lot of grades on our houses because some things were over graded, that was fixed for the 2010 year.

For 2012 year and also, actually for 2010 we did a county modifier 1.78 but we did 1.80 but old thinking in the office was thinking that we needed to round but we were told that we weren't supposed to round. 2011 year we redid our land tables. 2012 we did our county modifier and we used the 1.67, and we did a commercial modifier because we lacked commercial sales we looked at those and we sent out questionnaires but we also used the Marshall & Swift calculator. So we did our commercial modifier for 2012 and our residential and we did land studies on commercial and residential. We did not implement them for 2012; we want to look at them more because the sales of vacant land have been down.

Mr. Lynch made a motion to accept the Jefferson County monitoring report with the Tax Department still monitoring the county. Kurt Donaldson seconded the motion. With no further discussion the motion carried.

(Lunch Break)

NOT ON TAPE: Send assessors letter stating that summer help is included in hiring approval procedures. Tabled until next meeting.

Kurt Donaldson asked Rob Leisure if he knew how many counties were not submitting their tax maps to the State Tax Department on an annual basis. Mr. Leisure stated that he did not have that information with him but he estimated somewhere around a handful but he didn't have an exact number. Mr. Donaldson asked if a report could be submitted at the next meeting, the counties that are not submitting their maps to the State Tax Department and have them provide a reason why they are not submitting them.

Cheryl Romano addressed the PVC regarding monitoring. Ms. Romano would like for the PVC to be made aware a situation and she has Allen Ferrier with her to discuss it. Harrison County has one neighborhood where the commercial land sells, it is called Charles Point.

In the Charles Point situation the reason why we didn't conduct a commercial land study that year is because we didn't have enough commercial sales. We had a question on the value of one of the parcels up there and, it went to the Board of Equalization and the attorney who was representing the taxpayer pointed out that the sale price that was recorded on the deed hadn't indicated the true sale price of the property. Instead of us not conducting a study we actually did the study but due to the fact that we had these sales we had to throw out we didn't have enough do to the land pricing study for commercials that year.

Dana Lynch said he believes there are unique circumstances on all of the sales ratios in all counties and the only thing that can be done is to deal with it at the time. He said that he didn't believe the PVC could make a rule because they wouldn't know for sure what it would pertain to. Ms. Romano reiterated that she wanted the PVC to know why Harrison County was written up for not doing the study.

Cal Kent made a motion that for the upcoming year we do not include the Charles Point properties in the monitoring of Harrison County. Dana Lynch seconded the motion. Motion carried.

Mr. Amburgey stated that normally the PVC approves all of the monitoring reports at the same time and so far they have approved the six people that have appeared but we have not approved the other reports done by the State Tax Department.

Cal Kent made a motion to accept all of the responses provided by the counties in response to their monitoring reports. Dana Lynch seconded the motion and with no further discussion the motion carried.

Dana Lynch stated that there is nothing wrong with the minutes so at this time I would make a motion that we approve the minutes for meeting of November 9, 2011. Janice LaRue seconded the motion and with no further discussion the motion carried.

Kurt Donaldson asked if the minutes should be put on a website the same way that other commissions do. Mr. Amburgey said that since the PVC doesn't have a website but they could be put on the Property Tax website. Mr. Donaldson said the minutes only have to have the motions that were recorded and the people who attended, the time the meeting opened and adjourned. Amy Jacobs stated that she didn't feel it was her decision to say what is important

or not to be included. She tries to do it complete and then when it is sent to the PVC members she will do whatever the PVC wants as long as it isn't just her decision. Mr. Amburgey suggested that we keep a bigger copy and then he will trim it down to an abridged version that we will send around for the members to review Mr. Donaldson asked if the information on the counties who appeared would be included and Mr. Amburgey said yes. Mr. Donaldson also suggested putting the agenda on the website.

Kurt Donaldson made a motion to put the a condensed version of the meetings' minutes, starting with today's meeting, on the Property Tax Division website and we will have a second click for the PVC which will contain the minutes and the agendas. Dr. Kent seconded the motion and with no further discussion the motion carried.

3. Review of All Proposed County Valuation Fund Budget Documents FY2012-2013

Mr. Amburgey introduce Ora Ash, Director, Local Government Services Division of the State Auditor's Office is present to answer any questions. Mr. Ash gave a brief overview of the Summary sheet for the counties. Information is obtained from county clerks (bookkeepers) regarding how much was left over at the end of fiscal year.

Barbour County

Dr. Kent took exception to the amount of carryover being shown on Barbour County. Dr. Kent said that Barbour has a good percentage of their budget carried forward year after year. The idea behind the 2% wasn't just to give them 2% it was so that they could improve the process and if they need consultants or they need training and they are carrying that much money forward then I would fuss about approving them for another 2% just so that they can continue to carry half of their budget forward. A lot of counties are doing the same thing.

Jeff Amburgey asked Dana Lynch to give an example, from his experience as an assessor, of why a county would continue to carryover a large amount each year. In his county he has had a problem with the mapping and he wants to go to the digitizing process but he had to bring the maps up-to-date. He hired a contractor to do that manually. But until he gets the completed product from the contractor he can't spend the remainder of the money for the mapping system.

Dr. Kent said that there may be some legitimate reasons but he doesn't want people to say they can't train and can't get consultants and then we see that 50% of their budget is unencumbered. A lot of the people who are in trouble have the money to do something about it if they would.

Jeff Amburgey asked Ora Ash to refresh his memory, currently for these budgets or any county budgets there is no rules in place about what percentage your carryover can be is there? Mr. Ash said not on general fund. The Auditor's Office asks for justification if it is more than 25% but by law they don't have to answer.

Berkeley County

Ms. LaRue said that the PVC needed to discuss what is a reasonable carryover and what is unreasonable. Dr. Kent wanted to lay aside Berkeley.

Braxton County

Ms. LaRue said that Mickey Brown suggested that the PVC should be looking at the percentages. Dr. Kent said he would like to see any county that is over 50% that has been that way year after year after year, that they send the PVC a better explanation as to why they never seem to spend their carryover. Mr. Donaldson said maybe they should lower their percentage.

Lincoln County

Dr. Kent wants to set aside Lincoln County. Justification was not completed.

Mason County

Dr. Kent said that he has dropped down but he has a hefty unencumbered balance. Ms. LaRue said it is over 50%. Mason County was set aside.

Mineral County

The percentage is 60% which is too much. Set aside Mineral County.

Monongalia County

Ms. Romano asked Mr. Amburgey if he had received a letter from the Monongalia County Commission. He talked to members of the commission because he read in the paper that they were going to ask that Rodney Pyles not get 2% but he hadn't gotten a copy of the letter.

Ms. Romano said maybe the commission thinks it's based on the new valuations, but it isn't, that would be for next year or 2013. Mr. Ash said it's the difference in what is anticipated and what the actual was for the year before. If the property values go up this year like they are expecting he's not going to get that money until the next budget year, he won't get it in his 2012-13 he is going to get it in 2013-14.

Mr. Lynch asked if they were going to lay this budget aside because of the county commission letter and Mr. Amburgey said yes.

Nicholas County

Dr. Kent said the assessor stated that 2% budget needs to have a carryover amount which will replace all computers and software. Lay Nicholas aside.

Pocahontas County

Lay aside because it is over 50%.

Summers County

Dr. Kent said this county should be laid aside. Mr. Lynch doesn't think he can afford digital mapping. Lay aside.

Taylor County

Mr. Lynch noted that it is over 50%. Dr. Kent pointed out that she has been way up there for a long time. Lay aside.

Webster County

Dr. Kent noted that the assessor is at 61%.

Dr. Kent suggested that any assessor who is over 50% the PVC only allow them to receive 1.75% as a way of sending them a message that they cannot continue to build up surplus unless there is some compelling reason. Ms. LaRue suggested that the PVC send them a notice that they have to spend the money, justify how they are spending the money, put them on notice that if it is not down by next year budget year that we will lower it for them. Dr. Kent agreed with Ms. LaRue's suggestion.

Ms. LaRue put her suggestion in the form of a motion. Dr. Kent seconded the motion.

During discussion, Mr. Amburgey said that the letter would be sent to the members for their approval prior to mailing to the assessors. He had a question as to whether it should shall "we will reduce it" or "we may reduce it." Ms. Romano stated that she didn't agree because some of the assessors said on their justification what they were going to do with it. Ms. LaRue said that they need to do what they have said in their justification. Ms. Romano suggested that the letter tell what the PVC discussed and that it would be looked at. Ms. LaRue stated that, in her opinion, it needed to be addressed not just looked at.

Repeating the motion – send a letter notifying the ones who are above the 50%

The motion carried. Ms. Romano voted no.

Dana Lynch made a motion to approve all budgets with some counties designated to receive a letter. Mickey Brown seconded the motion and with no further discussion the motion carried.

4. County GIS Mapping Program Status

Mr. Donaldson made a motion to send a letter to the counties reminding them of their requirements, Dr. Kent seconded the motion. With no further discussion the motion carried.

5. PVC Member Appointments Status Report

Mr. Amburgey said he was asked to give an update. When Tim Helmick resigned it left the PVC with 3 citizen vacancies. As you know everyone has had their term expire but you serve until you are replaced or reappointed. Dana Lynch said it would be a really good thing to get those positions filled because 2 of the assessor members were not running for re-election, him and Dolan Irvine.

6. Budget Revisions FY2011-2012

Dana Lynch made a motion to approve all budget revisions. Mickey Brown seconded the motion and with no further discussion the motion carried.

7. Other Business

Dana Lynch asked that the results of the follow-up on the monitoring be provided to the PVC members.

Dr. Kent made a motion to adjourn. Dana Lynch seconded the motion. With no further discussion the motion carried.