

**MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
DECEMBER 11, 2012**

A.) OPENING CEREMONIES & ROLL CALL

The regular scheduled Work Session Meeting of the Monroe Township Council was called to order by **Council President, Frank J. Caligiuri** at approximately **6:00 PM** in the Conference Room on the first floor of the Municipal Complex, located at 125 Virginia Avenue, Williamstown, New Jersey.

This meeting was advertised pursuant to the New Jersey Open Public Meetings Act (*NJSA 10:4-6 thru 10:4-21*). Notices were placed in the official publications for Monroe Township (i.e.: Gloucester County Times, Courier Post and the Sentinel of Gloucester County). A copy of that notice has been posted on the bulletin board at the Municipal Complex.

SALUTE TO OUR FLAG – **Cncl. Richard DiLucia** led the Assembly in the Salute to Our Flag.

ROLL CALL OF PUBLIC OFFICIALS

Cncl. Walter Bryson	Present	
Cncl. Marvin Dilks	Present	
Cncl. Rich DiLucia	Present	
Cncl. Ronald Garbowski	Present	
Cncl. William Sebastian	Present	
Cncl. Daniel Teefy	Present	
Cncl. Pres., Frank J. Caligiuri	Present	
Mayor, Michael Gabbianelli	Present	
Business Admin., Kevin Heydel	Present	
Solicitor, Charles Fiore	Present	
Engineer, Dave Cella, ARH	Present	(Arrived 7:00PM)
Dir. of Finance, Jeff Coles	Present	
Dir. of Public Safety, Jim Smart	Present	
Dir. of Code Enforcement, George Reitz	Present	(Arrived 7:00PM)
Dir. of Public Works, Bob Avis	Present	
Municipal Clerk, Susan McCormick	Present	

B.) MATTERS FOR DISCUSSION

Cncl. Pres., Frank Caligiuri announced due to the nature of the matters scheduled for discussion, he requested everyone's indulgence to kindly raise their hand to be recognized. This was in an effort to minimize the discussion as certain individuals are making their presentations. **Cncl. Pres., Caligiuri** indicated there was much material involved and a lot to get into and this was in an effort to move the meeting along in an orderly fashion.

• **Monroe Township Compliance Plan for Tax Year 2013**

Cncl. Pres., Frank Caligiuri recognized representatives from Gloucester County who were invited to attend as a result of what transpired at the prior work session meeting. **Cncl. Pres., Caligiuri** requested that **Carmen Malignaggi, Assistant County Counsel**, or a designee, make a statement on behalf of the county as to the origin and crux of the Compliance Plan for Tax Year 2013.

Mr. Malignaggi introduced those in attendance on behalf of the county. Gerry White, Deputy County Administrator, Robyn Glocker-Hammond, Gloucester County Assessor, Bonnie Longo, Director-Office of Assessment.

Robyn Glocker-Hammond spoke to council and offered some feedback on the Compliance Plans that were filed for 2013. She explained that our office always likes to keep things uniform and equitably assessed, in doing this we look at a lot of data

MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
DECEMBER 11, 2012

B.) MATTERS FOR DISCUSSION (cont'd)

including sales, current listings, and the number of appeals experienced in different neighborhoods/subdivisions throughout the township. Based on this information we decided to go ahead and file a Compliance Plan again this year. We filed in twenty-seven (27) different neighborhoods, about 4800 line items and it totals approximately \$130,000,000 in assessed value. This plan is something that we felt we had to do based on the appeals we have experienced and how there was such an injustice taking place in the assessed values. **Mayor Gabbianelli** expressed there is still an injustice. **Ms. Glocker-Hammond** continued to explain that we made our presentation to the tax board and they approved it back in November, at which time we informed Mayor Gabbianelli, Mr. Heydel and Mr. Coles what we were filing and which neighborhoods were being adjusted for the 2013 tax year. She added, anyone, even the people whose properties are included in the Compliance Plan, are not precluded from filing a tax appeal in 2013. If those people went ahead and filed they were definitely, in our terms, the losers for Monroe Township. You would be so exposed, that you would have to go get that money somewhere in 2013, if that many (4800) had filed and you lost those appeals. We felt they were definitely not winnable, they were over assessed and we had to bring them in line with the rest of the township. Ms. Glocker-Hammond went on to explain we are looking into filing Compliance Plans again next year and if need be we can go back and file on the ones we already filed on, we may not file on any, we may file on others. It is wherever the sales takes us and that is the tool we utilize in allowing these things to remain uniform. If not, then you are again having all this inequity throughout municipalities for many years. This is a tool (*Compliance Plan*) that the Division of Taxation has allowed assessors to utilize over the years to go ahead and file. In the past, this has not been done a lot with assessors, it is very time consuming and a lot of study must go into this. She stressed this is not something put together overnight, it is sales data taken from July 1 of the previous year until June 30 up until October 1, it is a process that takes many months and that is what we ended up doing. As a result of that, I understand there are questions people may have this evening as to why we did this. Ms. Glocker-Hammond indicated she did not want to speak specifically on a particular Lot and Block, but she would talk in general terms. If there was a question on a particular property she advised that you contact the assessor's office personally and speak with one of the assessors or her.

Cncl. William Sebastian posed a question on the criteria used in picking the neighborhoods included in the Compliance Plan. **Ms. Glocker-Hammond** responded it was a combination of sales data, appeals, type of home and experience with other appeals in other similar neighborhoods. There is a whole compliance form that the Division of Taxation has put out that assessor's must follow in order to submit our application to the Board of Taxation. **Cncl. Sebastian** noticed there were a lot of neighborhoods that were omitted from the list that are A-typical to ones contained within the list, is this only because those people did not file an appeal. Ms. Glocker-Hammond responded "no", it depends on the type of sale that is utilized as well. Some of the sales may not be arms-length sales, after our study going through Mod 4 and contacting attorneys and realtors, that sale may look to everyone else that it is a good arms-length sale but we may find out, that in fact, it was not. **Cncl. Sebastian** questioned when filing an appeal can we use data on short sales, foreclosures, etc. She explained the state does not use them in terms for the ratio but you can, anyone can put anything they want in there, it is up to the board to determine if they felt it was a legitimate sale or not. **Bonnie Longo, Office of Assessment** noted you just have to justify, either make an adjustment for the conditions of sale so it is no different, you still have to adjust for the conditions of sale. **Cncl. Sebastian** then questioned, after you go through the Compliance Plan, can the developments or individual homeowners, outside of the twenty-seven neighborhoods, still file an appeal. Ms. Glocker-Hammond noted anyone can file, anyone within Compliance Plans, anyone outside the Compliance Plan. She stressed that she did not want anyone to walk away with a misunderstanding. Every property is in a neighborhood here, whether it is a named subdivision or whether it is on a rural road, they still have a BCS code and they were looked at as well. **Cncl. Sebastian** noted Ms. Glocker-Hammond made a comment about the township having to find the money if 4800 people came in with appeals. Ms. Glocker-Hammond responded that is correct, it's a surplus and the township would need to pay the money back next year. **Cncl. Sebastian** questioned whether under the Compliance Plan the same 4800 people will be dealt with. Ms. Glocker-Hammond explained when the township books close on January 1st they will close with the new values in place. **Ms. Longo** added which means the tax rate is set based on the book

**MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
DECEMBER 11, 2012**

values in place. **Ms. Longo** added which means the tax rate is set based on the book closing with good numbers so the township will have a stabilized ratable base. **Ms. Glocker-Hammond** added Mr. Coles will tell you when the books close in January everyone wants to know what the net evaluation taxable of Monroe Township is because whatever that number is, that is what is used to base the budget on for the municipality, school, county and open space; everything is used off of that number. If you end up with 4800 appeals and were to lose \$130,000,000.00 and you based your budget on X when in fact it was actually Y, which is \$130,000,000.00 less because that is what those twenty-seven neighborhoods dropped the NVT (*net valuation taxable*) by. **Cncl. Sebastian** noted regardless of whether they file an appeal or go through the Compliance Plan we will have to come up with 4½% of our budget next year. **Ms. Glocker-Hammond** explained the net valuation taxable is \$130,000,000.00 less. **Ms. Longo** explained that will be spread out onto the tax rate. She gave the example of 4800 appeals being won and the township being required to refund the municipal portion as well as the school portion. For an example if the taxes were \$2,000,000.00 the township would not just be refunding the 25% that we received we would be refunding the 80% the school district received, which would amount to \$1.6 million (*not just the money you receive through the tax rate*). If this is done through the Compliance Plan there will not be that big chunk of refunds. There will still be appeals and there will still be losers but with this Plan, the township will be proactive in getting the numbers right and on the books at a stable value.

Cncl. Walter Bryson noted he just had a couple of questions and comments because he already attended a meeting at the County along with **Cncl. DiLucia** and **Dilks** regarding this issue. **Cncl. Bryson** questioned is it not true that the real legal option that a taxpayer has until the next time there is a reassessment is a tax appeal. **Ms. Longo** noted that is correct. **Cncl. Bryson** questioned in the last three years since the County has handled our tax assessments how many people from this township have filed tax appeals each year. It was noted there was approximately 400 in 2010, 700 to 800 in 2011 and almost 1,000 (952) in 2012. **Cncl. Bryson** then directed his questions to the Business Administrator, **Kevin Heydel** and the CFO, **Jeff Coles** asking in those three years what was the impact on the township. Were we able to handle that, which was less than 1%. **Mr. Heydel** explained we handled it because we had revenues coming in but we did lose. He went on to explain there are values and added assessments and if we look at the values lost from appeals and what that impact would have been to the township out of our surplus. In 2012 the township lost \$730,000.00 from appeals, in 2011 we lost \$800,000.00 and approximately \$870,000.00 in 2010 and \$764,000.00 in 2009. **Cncl. Bryson** questioned where the money was made up. **Mr. Heydel** advised that money was made up in added assessments; we lost from appeals but we added value from any new homes coming in plus the Wal-Mart this year. When we add that value against what we lost he noted the approximate loss was anywhere from \$330,000.00 to over \$400,000.00 a year net out of our surplus. The way we made that up was we had some revenue items that came in and the staff was really decimated because no one was replaced. In the last four years, we lost forty full time people and that is how we made up the money lost from appeals. **Cncl. Bryson** questioned who requested this Compliance Plan to be done without any discussion what-so-ever with the governing body. **Ms. Glocker-Hammond** replied no one requested it; we went ahead and initiated it. **Cncl. Bryson** noted what you were supposed to do, as a county entity, when the township signed an agreement with you, was to reassess. He noted what you are doing right now is taking 4,000 properties out of 10,000 and reducing their taxes automatically, some of which have already been reduced over the last year once or twice. **Ms. Glocker-Hammond** replied she did not know anything about that. She noted her department deals with assessed value; not tax dollars and it was correct that they reduced assessments to bring them in line. **Cncl. Bryson** noted this is even more inequitable because it deals with only 4,000 homes instead of the full 10,000. He noted if he owned a property that was not on that list he would make a appeal. He then questioned what about the businesses because if we are over assessed right now at the rate you are saying, what about them. **Ms. Glocker-Hammond** replied she did not say the township is over assessed by a certain rate; she was saying that she is bringing those twenty-seven neighborhoods into compliance. **Cncl. Bryson** questioned compliance with what. **Ms. Longo** explained in compliance with sales for the market ratio; sales versus the assessed value. Right now you are assuming there are 10,000 properties in the township that are over assessed and that is not what we are saying. **Cncl. Bryson** noted you are saying that once the Compliance Plan is put into place there will be 6,000. **Ms. Longo** and **Ms. Glocker-Hammond** both stated we are not saying that at all. It was noted they could

**MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
DECEMBER 11, 2012**

have done more homes, up to 50% but they felt that they did not need to be done at this point in time. This is not just a onetime thing; this is a yearly thing that must be filed by November 10th of each year and we will be looking at all of our towns next year. Cncl. Bryson questioned how many other townships in this County were done in the same way and how much of them were done. Ms. Glocker-Hammond replied five were done but she did not have the percentage done in each community. Ms. Longo replied in Wenonah a Tax Compliance Plan was implemented for 2012. Their ratio was 113% and their coefficient of deviation were all over the place so we implemented a Compliance Plan for 2012, which was a success story. Their appeals dropped, their ratio dropped. The impact to that town was huge but they knew they had to bare that versus paying back school taxes and municipal taxes. It was a proactive approach versus waiting for the appeals to come in and taking the risk. We did it because of what the sales showed us and we cannot ignore the factors in front of us. We cannot ignore that Monroe Township's ratio went from 100% to 104% to 107%, as that tells us that the values are too high. It does not necessarily mean that values are too high in every single area. Cncl. Bryson noted when we first did the reassessment it was because we were sued by the County to do it. Our tax assessor in place at the time kept saying to the County that this is not the time and we were at the bare minimum where we could have let it go, like you let Washington Township go. Ms. Glocker-Hammond explained Washington Township could not go because they did not have *tax map* approval, which is the first step. She noted Cncl. Bryson could call the Director of the Division of Taxation on Washington Township. Cncl. Bryson noted what the County has done to the citizens of this township is put an unfair, inequitable burden upon everyone. Even the 4,000 because what they are doing to them is changing their assessment that will give them the false idea that the value of their property is going to go down in February but then the numbers that we are looking at is a 4½% to 6½% increase. Cncl. Bryson's last comment upon this was that he knows the governing body is separate from the County taxing body but shared services is something that is being pushed all the time by the State of New Jersey. The shared services objective is to save money for the taxpayers of New Jersey, which includes taxpayers of Monroe Township. This particular proposal, which the County Tax Assessor's Office took the initiative to do does not save any taxes and will, as a matter of fact, raise taxes for everyone because even though the assessed value is lowered, the taxes will still go up, because if you lower them by 10% they are still going to go back up 6½%. Assessments of this nature (*shared services*) do not benefit anyone. As a Councilman in Monroe Township, when this contract comes to an end, I would recommend that we do not go forward with this any longer with the County, until, if and before, you give us what you owe us (*as a county*) and that is a total reassessment. Ms. Glocker-Hammond noted this has nothing to do with a Share Services Agreement. If I was sitting here as your municipal tax assessor I would have filed this Compliance Plan. Those subdivisions are out of line and they had to be brought back in; it has nothing to do with me sitting here as a county assessor, it's me as an assessor doing my job and I will always do my job. Ms. Longo noted Council is distorting the facts by saying that the County is raising taxes; we are here to protect Monroe's ratable base, we are creating a stable ratable base. Not something that we can go into 2013 and hope that 5,000 people don't file appeals. This plan brings those homes in line and how would that be fair to them to let them go into the 2013 books with a false ratable base. Those people would have had to pay their \$6,000.00 in taxes and then the township would have had to refund the school money from the surplus of the township, how is this fair? Cncl. Bryson noted during the last three years there have been 900, 700 and 400 appeals. We are talking about 4,000 homes. Ms. Longo noted this is done proactively, not with appeals. He referred to an article in the Gloucester County Times that appeared in the paper the same day Cncl. DiLucia, Cncl. Dilks and himself went to your meeting to hear what had happened and how great the Compliance Plan was. He noted if he was a citizen that read this particular article it stated to the other 6,000 homeowners that the door is open for them to file a tax appeal. He questioned how the township would handle another 1,000 or 2,000 tax appeals because already the tax rate is being raised by close to 6½%. Ms. Glocker-Hammond noted that cannot be stopped, the township could even get 13,000 tax appeals because every tax line item could appeal and there is nothing the township or county can do to keep that from happening since it is their right in the State of New Jersey to file an appeal.

Cncl. Pres., Caligiuri noted it is his understanding that the total sale value of all the property in Monroe is divided up among the total budget for township, county and school district. He added these budgets remain stable, the township is \$31,000,000.00, the

**MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
DECEMBER 11, 2012**

school district is \$69,000,000.00 and the County is approximately \$30,000,000.00 so the total is approximately \$150,000,000.00 or thereabout and that is divided up among the total dollar value, whether it is reassessed or at its current inflated value and questioned whether that was correct. Ms. Glocker-Hammond that was correct, it is the Evaluation Tax Law. **Cncl. Pres., Caligiuri** noted when the County selected areas using a certain criteria to reassess the properties the dollar value of that real estate declines. However, the total budget is divided up among all the real estate so that forces the tax burden on all the properties that are not part of the Compliance Plan and he questioned whether that was correct. Ms. Glocker-Hammond replied it is on everyone, it is just distributed by (*inaudible*). **Cncl. Pres., Caligiuri** noted the money that they will pay then essentially goes up because the rate goes up. Ms. Glocker-Hammond replied correct. **Cncl. Pres., Caligiuri** noted so everybody that was not included in the Compliance Plan can expect to pay the surplus that was reduced from the select people that are part of the Compliance Plan. Ms. Longo explained it could include people that are part of the Compliance Plan as well because they could also receive an increase. **Cncl. Pres., Caligiuri** noted so a Compliance Plan can be implemented as long as less than 50% of the properties are affected. Ms. Glocker-Hammond replied correct, in a given tax year. She added we look at the whole township but we cannot file over 50%. **Cncl. Pres., Caligiuri** noted he wanted to look at his area, which is a rural area where there are not many developments. His Ward (*Ward 4*) is probably the segment within Monroe Township that has the least amount of money. Unfortunately, they are the people who will get the brunt of the burden. He noted his home was part of Sunset Oaks, which is no longer recognized as a development, and it is very unlikely that area was even looked at by the County because the assessed value of his home is significantly higher than it would ever sell for. He noted he did not file a tax appeal because he did not want to saddle the excess burden on the rest of the people in the township. He added the truth is many people will be affected in the southern part of town and the poorest people are not aware that they can file a tax appeal and they are the ones who will end up paying the burden. It was noted it is just not them, everyone pays and just because it does not have a development name, it is still considered a neighborhood, we still categorize every property and every property has their own neighborhood. Every single neighborhood was looked at as far as their coefficient, sales, etc. Ms. Glocker-Hammond noted the data from the re-evaluation that was done in 2007 for 2008 is good data. We have sent field inspectors out on added assessment on appeals to make sure the measurements are accurate. The data we have is still good, which is another reason why the Compliance Plan was filed. We do not need to go out and re-measure the houses when the data we have is already good, we just need to do the sales study, appeal study and the listing study in the MLS and that takes us to where we know we are with the Compliance Plan. **Cncl. Pres., Caligiuri** noted he is absolutely sure that his home is over assessed by at least 20% and probably more and that his house is representative of all three bedroom ranchers in Sunset Oaks/Victory Lakes area and his neighbors are not wealthy people. This is just a crime and his honest feeling is that the reason why a Compliance Plan was chosen over an assessment is to keep that number under 50% so you do not need to pay a million dollars for another assessment. Ms. Glocker-Hammond noted **Cncl. Caligiuri** is entitled to his opinion but in going forward with the good data we have there is no reason to have field inspectors go back out and re-measure because we can look at what we have and that is where we differ in our opinions. Ms. Glocker-Hammond noted they are still looking and will continue to look for next year but there is a window of time that they must stop and file the Compliance Plan and that is what was done and they could actually have done another 1700 and gone to the 50% mark. Ms. Longo explained many times a re-assessment/re-evaluation is triggered by what we call "*the coefficient of deviation*". The Division of Taxation always says 15% or more are the towns that should be done so when looking at all of the coefficient of deviation for all of Gloucester County typically the 15% or more happen to be many of the townships that are under re-evaluation right now. Monroe Township for 2012 the coefficient was 10.5% for residential and 6% for commercial properties so you are coefficient and historically in Monroe in 2009, 2010 and 2011 it has been hovering in that 9/10% range for residential properties as well as commercial. The coefficient in the sales information is showing us that these Compliance Plans are really what the township needs; it is not a full blown re-assessment or re-evaluation. The Compliance Plan will bring the township back to a stable ratable. Appeals can be filed and it is hard when there is nothing to defend those numbers. **Cncl. Pres., Caligiuri** noted he knows he could defend his numbers to reduce his own taxes but he does not want to make other people divide up and pay what he would save. He added he would rather pay it himself but he

**MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
DECEMBER 11, 2012**

does not think it's fair for everyone else especially in the rural areas that have never been named in any plan and this unfortunately is affecting the people that need the money the most. He noted that is the crime here and he will not debate or argue it because it is the County's call but it affects the people in the rural areas who cannot afford it the most.

Cncl. Rich DiLucia noted he had the advantage of meeting with Ms. Glocker-Hammond and Ms. Longo a couple of weeks ago and he will not go through the numbers or the rationale, the problem with the tax rate being set and the appeal process because he understands all that. But, his understanding of what his responsibility, as a councilman, is to do what he believes is in the best interest of the people that he not only represents as a ward councilperson but in the entire township. The whole idea of the way taxes are structured in New Jersey, right or wrong, are based on assumed property values and there are procedures to arrive at that value, as Cncl. Caligiuri explained that divides into a cost to run the town. Four years ago there was a reassessment done, right, wrong or indifferent, that reassessment was suppose to create equity, which means at that time houses should have been properly slotted as to what their values were. There was a tax rate developed at that time to meet the obligations of the town. Assuming nothing changes the tax rate would only change to meet inflation and right now we know in New Jersey it is basically about 2% unless you get an exception. Cncl. DiLucia noted he looked at the last three years and last year there was a downside of \$1.3 in revenue that had to be made up and that had some consequences with the school and the amount of money we needed. He urged the County representative not to take his comments personally, as he understands their job functions but he noted they (*county*) put a plan in place that he believes to be flawed. The reason he believes it is flawed is that if those 4800 homes are re-assessed that tells him there are approximately 6,000 residential units that will not be re-assessed via this procedure. He noted in looking at some of those areas that are not being addressed because they are not in a development he knows that some of those properties have not seen a reduction in their assessments since the re-evaluation was done. There is no way in this economy that those houses have not diminished in value therefore they have been arbitrarily excluded from this process. Cncl. DiLucia noted that does not eliminate the inequity. He felt the right way to eliminate the inequity would have been to have a total reassessment whether that cost a million dollars or it cost us to raise our tax rate again. He noted if they could stand there, tell him that this Plan is foolproof, and will withstand Cncl. Caligiuri's appeal he would say it was pretty good because it will avoid what has happened with the school, etc. going forward. However, looking at this now he would say the township will still be exposed to appeals since this plan, although it meets the 50% criteria, does not protect us against the other 60% of the people that may file an appeal. It does not protect us against the 4,000 other things that are outside residential, as there are 13,900 tax bases and we are only talking about 11,000 in this scenario. Cncl. DiLucia then noted someone that does not get a reduction in their assessed value is going to pay a minimum of 6½% more on their taxes next year than they did this year. Cncl. DiLucia emphasized this is inequitable; it is not fair, it is not right and he cannot agree to it. He understood that legally, he probably had no right to stand there and insist that you (*county*) do a total reassessment, although that is what he wants. With that, at least he could go as a council member, with a straight face and say, this was a reassessment and everyone will pay equally because it standardizes the value of your homes based on the market fluctuation that took place in the last five years. This Plan does not do that, it does a partial, it may minimize the number of appeals going forward but it also may maximize them. This Plan has been publicized in the newspaper and he has heard of people saying they will go out and tell everybody who does not get a reduction to file an appeal and they will even teach the people how to submit an appeal. If this was to happen, we are going to have a mess. Cncl. DiLucia stressed he does not know that in all good conscious how we go to someone whose house is overvalued by \$20,000.00/\$30,000.00 and does not get a reduction in assessment and say you are going to pay 6½% more in taxes this year, than last with no more services. He will not do this although he may be forced to do so. He, as a council member, will look to the solicitor to see if there is a legal way to stop this. Cncl. DiLucia noted he understood the down side of this and we will deal with it because one of the things we could do, and maybe should have done in the past, is to go to the schools and explain there must equal suffering here. If we are paying you 1.3 of something we are not collecting, we need to work something out and we need to be proactive on this. Cncl. DiLucia felt there were other things that could have been done other than this approach. He added he was totally opposed to the outcome, not the approach, as he understood the philosophy of the approach, the numbers

**MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
DECEMBER 11, 2012**

and the rationale. He is opposed to it because he did not feel it resolves the problem in an equitable manner.

Cncl. Walter Bryson touched base on the general coefficient of deviation in Monroe Township and questioned those numbers. Ms. Longo noted it was 10.5% on residential. Cncl. Bryson added there were a couple of very large developments and most of the twenty-seven (27) neighborhoods in the Plan are well below the 10% figure. Only two (2) are above the 10% ratio, one of them being Scotland Run (16.70) which has 338 residences with the other one being Flozella Gardens (11.30) with 272 residences, totaling somewhere in the neighborhood of 600 residences. If you added those two, together you come up with almost 600 properties and if you were to do something automatic, as you did in Hunter Woods this past year, you would be lowering some 600 properties. He added a coefficient of over 16% is high, very high it should never be at that number. Cncl. Bryson went on to speak on the general coefficient. He went on to elaborate noting that he just cannot see this as a being something that is good or even beneficial for any of our citizens. Ms. Longo explained some of the coefficients are based on one sale; we go back and look at historical sales data and listings information. The non-usable sales are not allowed to be included in these, how many bank foreclosures, short sales, etc. She noted that you are looking at a snap shot. **Cncl. Bryson** noted if the county would have really looked at this and not taken a carte-blanche approach and given us a \$130,000,000.00 reduction and done it the way it had been last year (*in an automatic way*) it would have been a lot easier on the township and all the taxpayers, including and most deceptively those who have never, ever filed an appeal. Those poor people are not going to just have a higher assessment but they actually are going to pay more in taxes than anyone else.

Ms. Longo then asked if anyone had further questions, which they could assist with. They understood the obvious with the tax dollars, but again we are involved with assessments. The Mayor explained when we signed on to the Pilot Program, which Monroe was the last municipality to do so, we had performed a reassessment the year prior. When we did the reassessment, we did so because of the county suing the municipality. At the time we signed on, we were told, by the county, we would have a reassessment done in three (3) years. This is important because of the timing of the last reassessment as the property values were just ridiculous. His questions then were how long do we have to stay in the pilot program and when are we going to be reassessed. Ms. Longo advised the statute for the Compliance Plan references the Plan as a form of reassessment. There is different lingo but the Compliance Plan statute says it is a way of performing a reassessment. The mayor again questioned how long we have to stay in this program, just how long are we committed. **Gerry White, Deputy County Administrator** noted he would defer to your solicitor, but if you check the law, you would see there is no "sunset provision". Solicitor Fiore indicated it is forever until the legislation would change.

Robin Glocker-Hammond then noted she was the assessor for Monroe Township for nine (9) months and if I were your sitting municipal assessor today, you would have had your evaluation in 07 for 08 and I still would have filed the Compliance Plan. That law has been around forever, they changed it from 25% up to 50% because the state realized that more needed to be included in a given year, so that change was made about four (4) years ago. She stressed, we are assessors, and we would be turning a blind eye to our job if we did not make these adjustments. They are blindly staring at us and you need to do something. To ask us not to do our job is just not fathomable.

Cncl. Richard DiLucia wished to make a point of clarification and questioned why a reassessment/reevaluation is not the answer. Why is the Plan that does *less* than create equity for the taxpayers the plan? Ms. Glocker-Hammond explained for a reassessment/reevaluation you need to have your tax maps re-done, re-approved by the Division of Taxation and all this takes time. You need to gear up your entire staff and nothing could have been done in time for 2013. **Cncl. DiLuica** indicated the point made here is that we have had appeals that have been increasing for three (3) years. Perhaps three years ago someone should have said, Ms. Longo then spoke noting that three years ago you had a municipal assessor it was not with the county until two (2) years ago. **Cncl. DiLucia** then noted, for the record, it is a true statement I made that every taxpayer in this township will have an increase on the tax rate of 6½% if we go along with what you (*county*) are doing? Ms. Glocker-Hammond noted if your budgets hold and there is a

MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
DECEMBER 11, 2012

decrease in the net valuation taxable your rate will go up in '13. If there were a re-assessment of the entire township your rate was going up if your budgets held. **Cncl. DiLucia** questioned Mr. Heydel on how much taxes went up last year. Mr. Heydel noted taxes went up last year by 1.8% and in prior years less than 2%. **Cncl. DiLucia** questioned if we go 2% based on this Plan, what will happen. Mr. Heydel explained assuming we would collect the same amount of money as we did last year, and let's take what our taxable value was last year minus the \$130,000,000.00 figure, then a penny goes from \$286,090 to \$273,090 and that equates to, on every hundred thousand dollars of assessment, \$136.00. He further explained that this will not affect everyone, it will affect the ones not in the Compliance Plan. **Cncl. DiLucia** then questioned what would the tax rate go up. Mr. Heydel noted it will go up about 6½%. Ms. Longo noted your tax rate could possibly go up more during a re-assessment. **Cncl. DiLucia** then stressed at least it would equitable; at least I could look at a taxpayer and say you are paying on an equitable basis. **Ms. Longo** stressed the same thing happens during a re-assessment, it done on a one-third basis, one-third go down, one-third stay the same, one third go up. You are having the same effect, you are assuming that every single person would go down and that is an improper assumption based on the data that we have. **Cncl. DiLucia** noted that he does not assume that every single person goes down. He made a statement, which he thought, was indisputable that being the tax rate will go up 6½%. If someone gets a re-assessment and it drops 5% they will only be paying a percent and one half more. **Cncl. DiLucia** went on to note that he understands math very well. However, when it is said that the tax rate will go up 6½% and I as a councilman have to sit here and raise the tax rate on somebody whose houses are still over-valued, that will continue to subsidize other people that have had the benefit of unilaterally having their taxes lowered, I am not prepared to do that. Now, every councilman will speak for himself, and you guys (*county*) will do whatever you think you can do legally. He stressed that he made himself pretty clear on his question to the solicitor as to whether we have any rights or not in this matter. He also made himself clear on what his vote would be. That being, it is based on the fact, that he will try to represent all the taxpayers.

Cncl. Daniel Teefy then spoke, noting that we would like to get a total re-evaluation and when we brought into the Pilot Program, we thought we would get one every three (3) years. Within the statute regarding the Pilot Program, there are certain loopholes that give you (*county*) the right to do what you are doing. **Cncl. Teefy** felt that they were giving it the best shot they have. Percentage wise, the information sent from the county was all about the developments and it would have been nice to receive detailed information on the 4800 homes, including the averages, sales prices, etc. He used, as an example, a home in the rural area being valued at \$300,000.00 and only selling for about \$260,000.00 was not included in the Plan. He questioned if that was what they saw in this area when they looked at the data. Ms. Longo noted the sales information and all the market information that was available to us, for the areas that were not touched, did not support touching them. **Cncl. Teefy** requested to see additional data on the 4800 homes, including a breakdown on the data they acquired on sales, what they were assessed at and what they sold for. Then look at the other 6,000 homes, the sales, the assessments, and the percentage differences, etc. He would like to review such information and this will tell him if the county did their job. There was a brief discussion on the components utilized in filing a Compliance Plan. **Cncl. Teefy** clarified what he would like to see. The sales dealing with the 4800 homes, the sales you got there versus the assessments, the percentage in the difference, as well as the same information on the 6,000 homes and see where they all fit.

Cncl. William Sebastian spoke on the homes within his development being cookie cutter homes of 2 to 3 bedrooms on a quarter acre lot, with the same size house, same size lot as Coventry Glen, Green Meadows and the newer Schoolhouse Gate developments. Those three developments are included in the Compliance Plan and his development (*Chelsea Farms*) is not, probably because it only consists of approximately 100 homes and they haven't filed appeals. He noted as soon as all the other homes around us, that are A-typical to those in his development, go down the first comment is going to be (*in their appeal*) their house is the same as mine how come mine is \$100,000 more than theirs. He questioned if that information, on the homes included in the Compliance Plan, could be used in an appeal. Ms. Longo advised if the sales information supports reduction then (*inaudible*). **Cncl. Sebastian** then questioned why the county didn't go to a full blown re-evaluation instead of a Compliance Plan. He knew, for a fact, that the Plan was