

## Community Partnership Award

POPULATIONS OF LESS THAN 10,000

# NEW LONDON AND NEWBURY, NEW HAMPSHIRE

*ICMA's Community Partnership Award recognizes the programs or processes that demonstrate innovative, multiparticipant involvement between and/or among a local government and other governmental entities, private sector businesses, individuals, or nonprofit agencies to improve the quality of life for residents or provide more efficient and effective services. This year, ICMA presents the Community Partnership Award in the less-than-10,000 population category to the town of New London, New Hampshire, and Town Administrator Jessie W. Levine, and to the town of Newbury, New Hampshire, and Town Administrator Dennis J. Pavlicek for the Tri-Town Assessing Intergovernmental Agreement.*



**Overlooking Lake Sunapee, a popular vacation and retirement destination**



**JESSIE W. LEVINE**

With no income or sales tax, New Hampshire relies solely on the property tax to support municipal and county budgets. Thus, the fair and accurate assessment of real estate is crucial, and property owners are expected to pay their fair share based on the market value of their property. In 2004, the towns of

New London and Newbury had completed, and were in the process of defending, their townwide revaluations to update the market value of property, and their neighboring town of Sunapee was ready to do the same. The three towns surround Lake Sunapee, a popular vacation and retirement destination that saw multi-million-dollar real estate sales in recent years. However, property value updates had not been conducted since the late 1980s, so some tax bills quadrupled to as high as \$60,000. Needless to say, this produced significant resident dissatisfaction.

While the revaluation process would have gone more smoothly for everyone had it been handled by an experienced assessing staff, none of the three towns had enough residents or properties to justify a full-time assessor. But the town managers realized that by sharing the employment of an assessment professional, each town could provide its residents and businesses with more equitable property assessments and better customer service. They estimated that the combined annual expense of their current assessing practice was about \$287,000, including legal appeals and tax refunds (with interest) to property owners; however, a shared full-time assessor and assistant assessor would cost only \$213,000, and each town would still benefit from regular staffing and continuity of service. With this information, the managers developed a plan for a joint assessing department and presented it to their boards of selectmen in November 2004.

The boards of selectmen authorized the managers to draft an intergovernmental agreement. This proposal—the first of its kind in New Hampshire and perhaps in New England—was approved in May 2005. In addition to standard clauses governing its purpose, duration, and

termination, the agreement created a joint board to “hire and supervise the [assessor and staff] and to oversee the sharing of time and costs associated with the joint positions.” The joint board has five members: the three managers, a selectman, and a citizen; the latter two rotate annually among the three towns. While the board is not responsible for any assessing functions or responsibilities, it does oversee administration of the joint assessing department and has sole authority over the equitable distribution of the assessors’ time, the compensation and performance evaluation of the two assessing positions, and establishment of the department’s annual operating budget.

The intergovernmental agreement explicitly outlines the financial arrangement among the three towns. Newbury budgets for the total cost of the department and is reimbursed quarterly by New London and Sunapee, which budget only for their pro rata share. To ensure that all three towns are being served, the agreement contains the following statement: “The Towns recognize that due to revaluation, litigation, or other large projects, one town may require disproportionately more of the Joint Assessor’s attention for a period of

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time, and that in the long run, use by all Towns should balance out. This is a chance that all Towns are willing to take and the Towns enter into this Agreement with that knowledge.”

Along with the assessor and assistant assessor, the tri-town department also has three assessing clerks, each of whom had been previously employed by one of the towns. The department standardized assessing procedures in the three communities, incorporating state law and local forms, and all three towns use identical versions of the same appraisal software.

In its first annual review of the new department, the joint board unanimously agreed that its performance had exceeded expectations.

Of note were the reduced number of errors, particularly those leading to property tax appeals; the benefit of having the in-house assessor provide testimony in trials; and the increased effectiveness of having experienced employees. Customer service has greatly improved as well. Taxpayers know that an assessor is available in their town on specific weekdays, and each town has an employee who supports the assessors, schedules appointments, and manages day-to-day questions on a timely basis. And the tri-town assessing budget has remained consistent, changing only to reflect increases in staff salaries and benefits.

By educating taxpayers about the assessing process and minimizing inaccurate assumptions, the joint assessing department has promoted public confidence that property taxes are being assessed fairly and equitably. Even in New Hampshire, where towns pride themselves on autonomy and independence, no one can dispute the benefits of intermunicipal agreements.