

July 18, 2018  
Sussex County Board of Taxation  
Regular Meeting  
Minutes

**Open Public Meetings Act Statement**

The Regular Meeting of the Sussex County Board of Taxation was opened by President John Fierro; with a reading of the Open Public Meetings Act, at 9:15 AM

Followed by: **Salute to the Flag**

**Roll Call:** Mr. Rich Ecke, Present; Mr. George Conway, Absent; Mr. John Fierro, Present.

**Approval of Minutes** - May 9, 2018 –Regular Meeting

President John Fierro introduced the Minutes from the May 9, 2018 Regular Meeting of the Tax Board, and asked if everybody had an opportunity to review them and if there were any comments or questions. There being no comments or questions, President Fierro made Motion to approve the Minutes; Commissioner Ecke Seconded the Motion; all in favor.

**NEW BUSINESS –**

**Township of Sparta**

Board President John Fierro welcomed and thanked Joseph Ferraris, Tax Assessor, and Thomas H. Prol, Esq., Municipal Attorney for appearing before the Sussex County Board of Taxation.

President Fierro explained that the Board (since the completion of appeal season) had noted quite a large number of appeals on the “Island” – Manitou Island. Mr. Fierro said he felt the Board was leaning towards the possibility of having Mr. Ferraris take a closer look at the assessments on the Island; they are large assessments and they are important to the town to have them correct.

Thomas Prol, Esq., Municipal Attorney said the issue is that there is active pending litigation on all of the properties and he wanted to be circumspect about the way they approach this. Most of the appeals were brought by one (1) attorney, so as much as it seems like there’s a lot of properties under appeal, someone went around and knocked on doors essentially, so that changes the dynamic. It changes the temperature of the room here when you discuss this, because it’s not necessarily an organic matter before the Board that all these properties are here, but a little energy was exerted to bring them all here in concert.

You can point to any number of neighborhoods where attorneys go around and do this, so I think against that back-drop - that should be the consideration here. We also recognize that the “Island” is a bit like “Camelot” – it’s this magical, mystical place - there’s no other place like it in the County - it really is something of an anomaly. Mr. Prol said that is their concern, and they want to work with the Board in terms of what they’re looking to do and consider, and although they recognize there were a lot of appeals filed about the Island, there’s a number of factors that sort of differentiate it from some sort of... “something’s wrong.”

Mr. Prol said he didn't think actually that anything was wrong, he said the Assessor does a very good job and analysis. He tries to consider the fact that the island does have a unique quality about it, and so with that said, he told the Board Joseph Ferraris, wanted to participate in the discussion today, but that he himself just wanted to come forward and bring those points to bear.

Joseph Ferraris, Tax Assessor told the Board that there were two (2) sales that occurred in 2017, one which was a tear-down, and another sale which was not on the Garden State MLS. One sale was for \$999,000.00 and the other for \$1,525,000.00 – 4 acres and 2,955 sq. ft. - a modest size home. President Fierro said that is the problem; that there is so much disparity between the properties.

Mr. Prol told the Board that some of the properties are on the Market and he's sure the property owners are informed by a real estate professional; one property is listed at 2,900,000.00 for example, and is assessed well below that. President Fierro said he had also recognized that current listings are on the market for more than their assessed value, and the same people are out there appealing their assessments.

Mr. Ferraris added that there are 34 unique properties on the Island, and they vary in size from a low of 1,460 sq. ft. to upwards of 6,080 sq. The lots vary whether they face the open lake or whether they face West Shore. There are topography issues on the ends of the cul-de-sacs, and some lots where they only have 40 ft. lakefront. It's such a unique combination of square footage and ages of dwellings - from the 1920-1930 eras to 2012. There are seven (7) current real estate listings, and one did show that it was under contract - although Mr. Ferraris wasn't sure if and when it would sell; it is listed about 3% over assessed value. Yet some are listed well below assessed value - some considerably below assessed value (by 24%).

President Fierro asked Mr. Ferraris if he thought the problem was not so much the assessment on the improvements, but more so the ability – the enjoyment you might gain out of certain land – some facing the main lake, some facing the riversid Should there possibly be a breakdown in the land values rather than having one site value? Mr. Ferraris said the problem is that there aren't a lot of properties and for the sampling; he'd have to go back to 2010.

Mr. Prol offered that you could exhaust yourself in any neighborhood in drilling down to a granular level on the nuances of each street vs. each house.

President Fierro said that's why we are having this discussion. If there's anything the Board can do, let's do it, if you think we need to hold off and wait, let's hold off and wait - Joe is the guy that deals with this on a daily basis, we want to know what your thoughts are. The Board was just doing some fact-finding and if Mr. Ferraris was leaning on holding off on potentially taking some action on the Island, the Board would acquiesce to that.

Mr. Ferraris said he might know further towards the end of the year if the listings actually sell, because then he would have more of a sampling to really look at. It's difficult right now with the two sales he has, and if one is discounted, there is no base line. He doesn't have that top echelon sale that would adhere to those 5 or 6 houses on the Island that are 5,000 sq. ft. plus - that are newer.

President Fierro asked for some details about the house that is currently under contract, and wanted to know if it was a "high-end" property. Mr. Ferraris told him that it was approximately 3,400 sq. ft. (mid-range) and he didn't think it was a newer home – built in 1932 - possibly renovated; but still has the structure and layout of a smaller home - lots of woodwork.

President Fierro asked if the town thought they should wait it out a few more months. Mr. Prol said he did think it was appropriate for the town to hold off - particularly in light of the pending litigation as well, and they want to see how the fall goes - with sales.

Melissa Rockwell, County Tax Administrator said if there weren't so many Listings on the Island, the conversation would probably go differently.

Mr. Fierro said the Board and the Township should revisit the subject in December, and to keep an open dialogue. He offered that - whatever the Board could do to help in any way, they would be more than happy to do so. He thanked the two gentlemen for attending.

## **OTHER BUSINESS**

### **Township of Vernon -**

Lynne Schweighardt, Vernon Township Tax Assessor, Robert McBriar, Esq. Municipal Attorney, Mr. Charles Voelker, Vernon Township Business Administrator, and Council Person's Jean Murphy, President and Dan Kadish, Vice President appeared before the Tax Board.

Board of Taxation President John Fierro welcomed everyone in attendance from the Township of Vernon, and told them that in 2013 the Board initially had Vernon Township come in. He told them that the Board has been proactive since the crash in 2008 to get all the municipalities within Sussex County as close as possible to 100% Assessed Value - Vernon is now the last municipality in the County. We started moving forward in 2013 to have a Revaluation in Vernon, knowing there were going to be some issues with tax maps, and updating those maps. The maps needed a lot of work and we knew it was going to take some time. Now it's 2018 and we're still not there yet.

Mr. Fierro told the township officials that the Board every year sees what goes on as far as the appeal process and the magnitude of work that is put forth - to try to be as correct as possible through that process. In the meantime, Vernon is hemorrhaging financially through those appeals that are not successful, and unfortunately the maps are not there yet - but are close.

Vernon Township Tax Assessor, Lynne Schweighardt, explained to the Board that the tax maps are close to completion. Vernon Township was proactive in getting full map approval because the State told them they would be going digital. There were many more problems than first thought because the maps really hadn't been done since the 60's - and there was no money allotted towards map progression for many years. To try to find old deeds and to try to match it all up and figure out why this road is here - why it isn't there... it was extensive work.

The MOD-IV software has also been a great challenge. Ms. Schweighardt said the maps seem to be almost done, and she thought that once they got the MOD-IV fixed, the maps would be approved by this year.

Ms. Rockwell, County Tax Administrator said she sees this scenario so often, and that the town's don't realize that proper tax map maintenance in the budget, saves them a lot of money in the long run. She told them that she tries to send letters to the municipalities every couple years reminding them about tax map maintenance and how important it is. We saw it in Montague; they ended up spending \$100,000.00 on a tax map because they let the maintenance go - and now we're seeing this issue again in Vernon. It's a shame that a \$1,500.00 budget line item

in the assessor's office for map maintenance would make such a big difference in the long run to avoid these issues.

President Fierro said that Vernon Township from the beginning has been a tremendous teammate and partner. They have been working diligently as far as funding - we've had a tremendous working relationship and we continue to have a tremendous working relationship trying to get this completed. We appreciate that effort and again, always have an open line of communication with us, as we do with you. It's no fault of anybody that it (revaluation) has taken so long; we realize that - but it seems now that we have to push this (revaluation) back one more year, so it looks like we will be requesting a formal extension for 2020.

President Fierro asked if the Town had any questions and said that's it - we just wanted to have a conversation and make sure we're all on the same page - the relationship between this Board and the Town has been fantastic and we want to keep it this way.

Municipal Attorney Robert McBriar added that in the interim, understanding these challenges, Lynne and her team have done a tremendous job trying to mitigate the loss on a year to year basis. So with the understanding that we typically have seen appeals that average 50% of the entire appeal load filed in this county, It's still a tremendous amount of work and Lynne and her team have done a tremendous job with that.

President Fierro said any time you lose an appeal, you're losing the school funding and the county portion; you don't get that back, so the quicker we can get 2020 here, the better it is for all sides, especially Vernon.

Mr. Fierro thanked the Township of Vernon and told them he appreciated them coming.

### **Outstanding Appeals –**

The outstanding Appeals for the Township of Vernon have been adjudicated:

22-1800198D Swanson – Judgment Code 1E  
22-1800008L Mountain Creek – Judgment Code 5C  
22-1800009L Mountain Creek – Judgment Code 5C  
22-1800010L Mountain Creek – Judgment Code 5C  
22-1800379L Carr, Frank & Carol – Judgment Code 2B  
22-1800383L Hannigan, John J LLC – Judgment Code 3  
22-1800013L Veffler, Barbra & Richard A - Judgment Code 2B  
22-1800030L Coppola, Anthony & Tamara – Judgment Code 3  
22-1800092L Tomasik, Michael – Judgment Code 2B  
22-1800214L Murray, William – Judgment Code 2B  
22-1800241L Gabel, Lucille – Judgment Code 7  
22-1800299L Glaeser, Richard & Maureen – Judgment Code 2B  
22-1800409L Kleinman, Debra M – Judgment Code 2B

The Judgments issued for the outstanding appeals, have been recorded, archived, and are available for review at the Sussex County Board of Taxation office at 83 Spring Street, Suite 301, Newton, NJ 07860.

**Tax Rates –**

Ms. Rockwell provided the Board Commissioners with the 2018 Tax Rates for the Sussex County Municipalities with the exception of Byram Township; because of the State Certification from DCA. The number for Open Space differed from the Open Space figure on the municipal budget; Ms. Rockwell is awaiting clarification on which figure is correct.

Ms. Rockwell told the Board that she had been speaking with the Borough of Hopatcong Assessor, Therese dePierro, and said she would probably bring her in to the September Meeting, for some discussions. However, Ms. dePierro will address her governing body first. Ms. Rockwell said Hopatcong's co-efficient is okay, but their ratio is going to drop. Although she hasn't looked at the usable listing for Hopatcong - she really hadn't studied it. In the next month she said she would look at it and prepare a spreadsheet.

President John Fierro made a Motion to approve the tax rates (with conditional approval of Byram Township - once the Open Space discrepancy is corrected), Commissioner Ecke seconded the motion; all in favor.

There being no further business to come before the Board, President John Fierro made a Motion to adjourn the meeting at 10:29 AM, Vice President Richard Ecke seconded the Motion; all in favor.

Respectfully submitted by,

Marylou Hennighan  
County of Sussex  
Board of Taxation