

**WALDO COUNTY COMMISSIONERS COURT SESSION
TAX ABATEMENT HEARING PETITION NO. 347
MR. & MRS. DONALD ZAHORUIKO VS TOWN OF PALERMO
MAY 19, 2009**

PRESENT: Commissioners Donald P. Berry, Sr. (Chairman), William D. Shorey and Amy R. Fowler. Also present were Petitioner Donald Zahoruiko and Defendant Town of Palermo Assessor Paul Cowing. Also present was County Clerk Barbara Arseneau, with Deputy County Clerk Veronica Stover recording the minutes.

County Commissioner Chairman Donald P. Berry, Sr. opened the hearing at 10:05 A.M. Commissioner Berry introduced the County Commissioners, read the rules of the hearing to all present and then the Petitioner and Defendants were sworn in. He asked the Petitioner and Defendant to introduce themselves.

D. Berry: The Petitioner may now present your case.

Petitioner: Donald Zahoruiko

D. Zahoruiko: [D. Zahoruiko submitted documents to all.] I do realize how difficult it is to get an abatement but I really feel that the assessment was way out of line. I would love to get \$180,000.00 for my 25 x 25 board and batten house sitting on pressure treated sitting on dirt. The only defense that I have is looking at two other lots connecting to Beech Pond. When I go down my road it is a 650 foot right of way on someone else's property. Lot R2 36-3 is over three times larger with direct access to the main part of the road. Lot R2 36-4 is also over three times larger and has a direct access to the main part of the road. They were assessed at \$54,000.00 for Lot 36-3 and Lot 36-4 was assessed at \$55,000.00. My lot went from \$22,700.00 to \$52,500.00. That is a 130% increase. The other lot went from \$36,900.00 to \$63,600.00; a 74% increase. The house itself - which I am not even worrying about even though I think that it is very over-valuated - is from \$37,600.00; it went to \$68,300.00 with no improvements over the life of the house and that is an 81% increase. My total tax bill went from \$958.00 to \$1,736.00 in the course of one year and that is 87% increase. This is a 59-acres, 12-foot-deep mud pond; not swimmable. It is a wonderful place and I love it down there. I am a retired person and I have trouble with the \$1,700.00. I have never missed my tax payments and I have always taken the discount except this year. When I first moved here 20 years ago, I said that I would budget \$100.00 per month for my taxes and I am afraid that is not making it anymore. It just seems like it has gone so high. I love the selectmen, I realize the problems that they have but there has to be a differentiation between property on a Beech pond and on Sheepscott Lake. This property supposedly was re-evaluated because of one out-of-state person bought - not sure which one of the lots - and paid something in the neighborhood of \$90,000.00-plus dollars. It just seems like that because of one person that the rest of the people living on a lake or pond should have to pay the increase. I mean 130% increase on one piece of property! People can't cope with this; I know that I can't cope with this. I look forward to moving up here from New Hampshire, as a matter of fact, because I like the set up, I've always been up here on vacation and I guess that is the motivation for everyone that comes up. It has got so that I would love to sell that piece of

property right now for about \$120,000.00 and move on. I can't cope with a bill of \$1,800.00. What is it going to be next year, or the year after, or the year after? I feel that I am not asking for a million dollars and I am not questioning the house minimal insulation sitting on top of the ground on pressure treated timbers sitting underneath. I am not asking any change in that even though it went from \$37,600.00 to \$68,300.00 and nothing done to it. I am asking for approximately \$10,000.00 drop in the valuation of the two pieces of property, that is all.

D. Berry: Any questions?

W. Shorey: I have a couple of questions. This lot R2 34-4 and 5; are they shore-front lots?

D. Zahoruiko: Yes they are.

W. Shorey: And how much frontage?

D. Zahoruiko: I think it is a 120 feet for one lot. The lots are separate and I am giving you the taxation for the two lots.

W. Shorey: How big are they?

D. Zahoruiko: 1.6 on one and 1.5 on the other.

W. Shorey: On these other properties that you were using as examples, would you know the frontage of R2 36-3 and 4?

D. Zahoruiko: No, it is in that vicinity but I didn't get my rough copy, I am sorry.

W. Shorey: Would they be like 4 acres in size?

D. Zahoruiko: Yes, actually, they are a little bigger than that. They are long and narrow. The two lots have direct access onto Parmenter Road. I have my own road agent. I have a sander and a plow with chains. I went to Florida for two years and I hated it and I will never go back again. I will take my 10 feet of snow - I love it. It is the difference of being on Parmeter Road.

W. Shorey: Is the pond pretty well developed? Are there a lot of lots on this pond?

D. Zahoruiko: No, very few. The whole back end of it is for sale.

A. Fowler: The properties that you keep referring to on Parmeter Hill, those are not water front properties, correct?

D. Zahoruiko: No, these are right abutting me, almost.

A. Fowler: To reach your property, you have to go up this Parmeter Hill. I don't even know if I am saying it right.

D. Zahoruiko: No, Parmeter Road is the main road that is off Route 3. You take a right.

A. Fowler: I went out and looked at the property and I took a wrong turn and took a road that was not yours and some scary stuff in Palermo.

D. Zahoruiko: I would be the first road on your right.

A. Fowler: I did find it and I saw where you went down. But I was a little disappointed because I couldn't find a 9-1-1 number on the houses, so I couldn't even look up to see what was yours. I just saw the No Trespassing signs and I had seen a few too many of those on another road. Were you aware of how steep it was when you purchased the land? And you are familiar with the New England winters?

D. Zahoruiko: Yes. I lived in New Hampshire for 35 – 40 years and then we lived here. I have lived in the woods all of my life.

D. Berry: Any further questions for the petitioner? [To D. Zahoruiko] Any further statements?

Defendant: Town of Palermo Assessor Paul Cowing

P. Cowing: [P. Cowing submitted a packet of information with a map.] The property is on a small pond in Palermo. It is accessible from a dirt road, is where he is coming from. We do have some lots that are accessible from Route 3 properties. On page 7 in the handout it shows how we come up with some of the different schedules. Ponds are less than Sheepscott Lake. Most of our analysis is based on sales; of course sales are relative. Sales from a year ago or two years ago is how we come up with these properties. The only thing is that he stated - \$184,000.00 - and I guess that is from both properties. The property that he is living on, I think the valuation is \$130-something and the other one on top of it does make a total of \$184,000.00 for valuation. If you have any questions of the how, why, what and when done, ask away. That is how we did it and we tried to do the same to everyone. The waterfront property is where we got hit from the State and where we had to go and measure every property and look at them and go by sales.

A. Fowler: I think that is what gets people because they don't understand that. You had made a comment that someone had purchased a piece of property and your couldn't fathom how it went up but that is what the State does is they take the sales and if someone is willing to come in and spend \$500,000.00 on a piece of lake front property.

P. Cowing: We have sales from just last fall - \$250 to \$300,000.00 - just on water front. The waterfronts just aren't dropping like a rock. We are hoping that we don't ever have to do a reassessment again. We did, by no means, single him out we looked at all of them and increased everybody. He does feel that we increased his a little more than everybody else. We tried to do it as fair as we could as a board. There are five members on the board of selectmen and we do have a licensed or certified assessor. I am not a certified assessor; I am a builder and I do deal with properties and stuff quite a bit. I have been on the board for about four years now. This is a hard job to do to your neighbors.

A. Fowler: You don't make friends!

P. Cowing: I didn't want to do the assessments and I begged the town to hire a private firm to do the re-evaluation. They voted to have us, the board of five, do it.

A. Fowler: You bought the computer programs and everything else?

P. Cowing: Yes. We tried as best we could.

A. Fowler: I know you did and I appreciate it because, make no mistake, it is a thankless job and it is the best way to make enemies. When did you complete your evaluation?

P. Cowing: We completed it last year. We are doing some clean up work now. D. Zahoruiko called and he came in for abatement and we didn't grant it; we stayed with what we decided. This year we have some re-measuring to do. This year we sent out the bills with the information packets, which we have never done, and it stated just what we taxed and how we taxed it. The way it was written was there was almost too much information for people to understand it. So we have a lot of times where people have come in and asked, "What does this mean?" but once we explained it, a lot of people liked this because they like to see what they are being taxed for. It also gives us an opportunity to, if we had something out there that we shouldn't have done, and then we got notified real quick because before, you just got a tax bill and now it is broken up.

D. Berry: [To D. Zahoruiko] do you have any questions of him?

D. Zahoruiko: No, I would just like to make a statement. First of all I am not naïve to the operations of the town; I was a selectman for two terms in a small town in New Hampshire. I realize there are problems and we avoided the problem of the re-valuation. A wise way to do it is to hire somebody and when they come in, say that "you will have to see the gentleman that is coming in on Tuesday." I realize that they took a big bite doing it; we did it the first time ourselves and realized that it is a very dangerous way to go. You are right, you don't make friends in the game and you get some people that are really irate. The two o'clock morning calls that "there is a puddle in the middle of my road; why isn't it dried up?" I understand all of that but I also understand the other end of it being a home owner, there has got to be a way to control it a little bit. You just can't do that to a person. You can't go up almost double on taxes where you can't afford it. What happens is you force people to say that they have to get out of there. I know what I think is a fair price for that property; I know what I could get. Quite frankly, I couldn't get anything right now, frankly, as there is too much desirable property in this world. There has to be a little bit of give and take. I still don't think \$100.00 on each piece of property is a heck of a lot of money, but it is to me because it will buffer me now. This was a shock; this was "BAM!" My budget doesn't accept a doubling just like that. It is a great piece of wildlife habitat; you have loons, ducks and everything on that pond.

W. Shorey: It appears to me that one of the lots is 200-something feet frontage as looking at the map. [All looked at the maps.]

D. Berry: I have a question for the town. I am looking at D. Zahoruiko's valuation report and it shows that he has 1.5 acres, I jump to the Littlefield's who have 2 acres, and you have a section here that has no well or septic listed in Littlefield's, and so there is a value there of \$7,500.00; on theirs there is a value of \$15,000.00. The total acreage on Littlefield's is 2 acres and the total acreage on theirs is 1.5 acres.

P. Cowing: That is lot improvements. Littlefield also has a lot with a house on it. His lot has been excavated and stuff. It doesn't have a well and septic. An improved lot driveway, well and septic and power is \$15,000.00. No well and septic is 50% improved and we valued it at \$7,500.00. The lot that he is living at, if I am reading all of this right, has the improvements is \$15,000.00. On the other one there are no improvements and it is not a fully improved lot.

A. Fowler: Mr. Cowing, for the record, is what you are charging all of the people on waterfront - I noticed there is a difference between lake property and pond property - there is a set figure and I am to assume that anyone on a pond it is \$40,000.00 for a lot? Now let's say that Sheepscott Lake lots start at \$100,000.00 and that is equal across the board? So if I bought the property next to his and improved it, it would be a \$30,000.00 lot?

P. Cowing: That is correct and the improvements would be \$15,000.00. We have a multitude of small ponds; I think 17 of them. We have some ponds that are close to bog and if they have a camp on them, and can get to the water. The town of Palermo has 22 named lakes and ponds and 4 streams and rivers. It is a beautiful spot. His place is off a dirt road and he does take care of his own road.

D. Berry: Any further questions? [There were none.] Then we have to move forward with our decision. I would entertain a motion on this.

DELIBERATION

****A. Fowler moved, W. Shorey seconded to deny the abatement request from Mr. Zahoruiko.**

Discussion:

A. Fowler: I completely see where you [Plaintiff] are coming from and I also see where you [Defendant] are coming from. As I sit here now, it is my job to make sure that you are being equal to everyone across the books and that there is not prejudice and that is exactly what the town of Palermo has done. In the past we have been able to whoop you a little and you know that. This is exactly what I wanted to see and what I was hoping for. I completely see where you are coming from, sir, [Plaintiff] you are right; maybe it is just \$100.00, I agree with you there; however I have to support and go with the denial. One, because I agree with what they have done and, two, do you have any idea the Pandora's Box that we would have just opened if we went against what was requested for you to do? That is my thoughts.

W. Shorey: What is troubling me about this situation is when I look at this R2-34 that went from 36 to 63 and that is larger than the two examples that were down below with less land. I am just having trouble at how these two figures were arrived at on these two lots. I am having difficulty understanding that. We have a difference; one was 22 and went to 52 and one was 36 and went

to 63. It appears to me that the one that went from 22 to 52 is the larger of the two lots and the one that went from 36 to 63 is the smaller lot. Then when I look at some of the other examples, there is a lot more land with about the same frontage; I am having trouble with the \$63,000.00 one.

P. Cowing: The land itself – if you go to the land description, the base lot is \$40,000.00. The extra footage of anything over 100 feet – there is differences there and the calculation is \$12,500.00 and \$8,500.00. \$40,000.00 and \$12,500.00 is \$52,500.00 and \$40,000.00 and \$8,500.00 is \$48,500.00 and the difference is the improvements on the lot. The lot that he is living at is \$15,000.00 for the well and septic improved lot. There is no improvement on the other lot; it is raw land.

W. Shorey: Would 36-3 and 36-4 be improved lots or just lots that were not improved?

P. Cowing: The road frontage schedule and acres-per-backland is acres after the 100 feet on the lake and there is a \$400.00 charge for back acreage. It is \$40,000.00 for the base lot; basically the 100 feet. We have a schedule for road frontage on hot top and that is \$1,000.00.

W. Shorey: I guess that you have answered the question. What was confusing me is this map is not to scale.

P. Cowing: They are not all of the same footage.

D. Berry: Any further questions? [There were none.] The motion before us is to deny the request for abatement. All in favor please signify. **Unanimous.**

A. Fowler: Thank you gentlemen.

D. Zahoruiko: Could you answer me a question that will be helpful? I am going to combine those two lots to eliminate the frontage. What will be my savings?

P. Cowing: They are abutting lots and it should be one deed. The first 100 will be \$40,000.00.

A. Fowler: It will be a savings of one house lot.

P. Cowing: The map and the schedule are in the computer. I don't know what the map would be.

D. Berry: My note was why you didn't combine these properties before.

D. Zahoruiko: It was because the taxes were so reasonable. But I can see that I need to combine them. I just want to know if it will be worth it.

D. Berry: I think that it would be worth it to you.

P. Cowing: Hopefully, I am not saying this wrong, but I would think that it would do away with the \$40,000.00. I am not sure what that calculation would be. It might be 50%.

D. Berry: I think that what you should do is go with them and go see them and get them to say exactly to you this is what would happen.

P. Cowing: The footage would be different, plus your backland would be different. You would combine your acreage. Your first acre and 100 feet is what your big hit is and your back land and your extra footage is your lesser hit. So, right now, you have two viable things that are being hit twice. So, I would think it would be well worth it. Come down and talk with us. The assessors meet Monday's and Thursday's at 6:00 P.M.

****W. Shorey moved, A. Fowler seconded to adjourn the meeting at 10:57 A.M.
Unanimous.**

Respectfully submitted by Veronica Stover
Veronica Stover, Deputy County Clerk