

**MINUTES  
BOARD OF CIVIL AUTHORITY (BCA)**

**TAX APPEAL HEARINGS  
TUESDAY, JULY 29, 2014**

**Meeting convened at 7:00 p.m. in the conference room of the Barnet Town Clerk's Office.**

**Board members present:** Steven Adler, Gary Bunnell, Dylan Ford, Gordon Goss, William Graves, Benjamin Heisholt, and Dennis McLam.

**Others present:** Listers John Cook and Scott Renfrew; appellant Mark Cleverdon (TransCanada Hydro Northeast, Inc.).

**1. Organization of the Board**

Mr. McLam moved that the current slate of officers be re-appointed: William Graves as Chair, Dennis McLam as Vice Chair, and Benjamin Heisholt as Clerk. Seconded by Ms. Ford and approved by voice vote.

**2. Tax appeal hearing:**

**a. TransCanada Hydro Northeast, Inc. – Parcel ID #s 0023-01-32 (McIndoe's Dam) & 0006-01-10 (Comerford Dam)**

Chairman Graves reviewed procedures for BCA tax appeal hearings. Board members signed member oaths. Listers signed witness oaths.

Chairman Graves named Board members present and thereby eligible to participate in a decision in this matter. Mr. Graves then read the appellant's letter of appeal.

Appellant's Testimony

Mark Cleverdon appeared as representative for the appellant and signed a witness oath.

Mr. Cleverdon reviewed the contents of his letter. The Town's assessments of the two parcels are as follows:

- Parcel ID #0023-01-32 (McIndoe's Dam): \$3,916,500
- Parcel ID #0006-01-10 (Comerford Dam): \$42,439,700

The appellant's suggested values for the two parcels are as follows:

- Parcel ID #0023-01-32 (McIndoe's Dam): \$3,004,530
- Parcel ID #0006-01-10 (Comerford Dam): \$34,039,743

Mr. Cleverdon indicated that the basis for the difference in values between the Town's assessment, as based on the 2012 State of Vermont (Sansoucy) appraisal, and the appellant's, as based on an independent appraisal, is that the State of Vermont appraisal has multiple flaws. These are in the areas of financial structure dealing with interest rates and return on equity;

capital expenditure projections; reversionary value; and the accuracy of comparable sales data used in the sales approach.

Mr. Cleverdon then discussed the appellant's appeal of the assessments on these same two parcels in 2012 and 2013. These assessments were appealed beyond the BCA to the Vermont Superior Court, where the appeals are currently in mediation. If the appellant appeals the 2014 assessment to the Superior Court it will also be combined with the 2012 and 2013 appeals. Mr. Cleverdon discussed the progress of mediation. One mediation meeting has been held, and a second will be held; the appellant has proposed a settlement that represents a compromise between the Town's assessments and the assessments of the appellant's independent appraiser; the proposed settlement is for approximately \$41,500,000 for the two parcels combined.

#### Testimony by Listers

John Cook appeared for the Board of Listers. Mr. Cook confirmed that the value currently assigned for these parcels is based on the 2012 State of Vermont (Sansoucy) appraisal.

#### Discussion

Discussion followed between BCA, Listers, and Mr. Cleverdon, including the following:

- Mr. Adler asked if the proposed settlement amount is arbitrary, with the appellant simply trying to meet the Town in the middle of the range between the two assessments.
  - Mr. Cleverdon indicated that the figure is not arbitrary, and discussed several differences in the approach of the appellant's independent appraisal versus that of the State of Vermont (Sansoucy) appraisal. Primarily these are related to different assumptions with regard to discounted cash flow (DCF) based on the price of energy and capital expenditures.
- Mr. Adler asked what would happen with the 2012 and 2013 appeals if the BCA set the value at the proposed settlement amount for 2014.
  - Mr. Cleverdon indicated that both parties would then hope that the State of Vermont follows the lead of the BCA and assigns the same value for the 2012 and 2013 assessments.
- Mr. Graves asked the Listers if there is any new information appearing since the time of the grievance hearing that would cause them to wish to change the assessed value.
  - Mr. Cook indicated that there is no such information.
- Some discussion was had relating to capital expenditures that have been made to improve the two facilities as they currently exist. Some BCA members suggested that these improvements would tend to increase the value of the properties due to increased energy-generating efficiency. Mr. Cleverdon indicated that the improvements would not necessarily improve efficiency because the facilities always operate at peak hours.

#### Committee Appointment

Committee appointed for inspection of property: Dylan Ford, Gordon Goss, and Benjamin Heisholt. Committee plans to meet on Friday, August 8, 2014 at 9:00 a.m.

#### Deliberative Session Meeting

The Board agreed to meet on Wednesday, August 20, 2014 at 7:00 p.m. to hear the report of the Inspection Committee and to issue a decision.

**3. Other business**

No other business was discussed.

**4. Adjournment**

Mr. McLam moved to adjourn the meeting. Seconded by Mr. Goss and approved by voice vote.

Meeting adjourned at 8:10 p.m.

A true record.

Attest: \_\_\_\_\_  
Town Clerk