

Town of Boscawen
Agricultural Commission
Meeting Minutes – Final
Boscawen Municipal Complex
December 14, 2017 7:00 pm

Members Present: John Keegan – Chair, Bill Bevans – Vice-Chair, Rusty Colby, John Porter.

Members Absent: Joshua Marshall, Tina Larochele.

Ex-Officio Absent: Ken Marshall

Ex-Officio Present: Roger Sanborn

Others Present: Linda Chandonnet – Recording Secretary, Adele Sanborn – Guest, David Bishop – Guest, Cara Penley - Guest.

Staff Absent: Alan Hardy, Planning & Community Development Director, Kellee Jo Easler, Planning & Community Development Assistant

Chairman Keegan called the meeting to order at 7:13pm with a voting board.

Roll call made by Chairman Keegan.

Review and Acceptance of Prior Meeting Minutes:

Chairman Keegan asked if anyone had any changes to the previous minutes from 11/09/17 and there were no changes made.

Motion made to accept the October minutes by John Porter and seconded by Bill Bevans amended. All in favor, none opposed.

Land Use Happenings:

- Guest speaker Adele Sanborn, owner of Twiggs Gallery at 254 King Street, in conjunction with the Boscawen Old Home Day Committee (BOHD) is planning an Art Show. Hopefully, this would bring more Boscawen residents into the gallery and introduce some of the poets, writers and artists along with their work. Adele would like to include a ‘get together’ featuring Boscawen old timers who have farmed, logged, and worked the land in town. Adele discussed her ideas with the Commission Members. Everyone seemed enthusiastic about the concept. Adele will come back in 3 months and will keep the Committee up-to-date. Meanwhile, several individuals were identified to contact. Adele is trying have the Boscawen Historical Society do a corner in the Twiggs Gallery and highlight past Boscawen Old Home Days. The event would have to be either July 28th, 2018 or August 18th, 2018.

- Chairman Keegan introduced David Bishop, Branch Manager, Farm Credit East in Bedford, NH and Cara Penley, Certified General Appraiser, Chairman Keegan provided a brief recap of the prior meetings in which property tax issues were discussed mentioning specifically issues related to single use construction, evolving agricultural technology and

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the differentiation between equipment and structure as they related to property tax assessments. He asked John Porter to begin the dialogue.

Mr. Porter noted that there are at least two dairy farm operations in the area considering upgrades. One question they will be asking is, “How will I be taxed; as a commercial factory or a barn?” Mr. Porter has heard of loss capital and single use construction as a way to give a little help to farmers by not assessing, a dairy barn, for example at peak value. How do you handle providing a farmer with a fair assessment in this situation?

Mr. Bishop, before responding to the question, stated that Boscawen has a good reputation as an agriculturally friendly community and dealing with these tough issues is one of the reasons why. He continued that he and Cara are not tax law experts but approach these issues from an appraisal prospective.

Mr. Bishop explained that Farm Credit East is using the appraisals from the credit and lending perspective. His staff is also using the appraisals for estate planning and or buying and selling. They use the perspective of the market value and practical usage of these facilities.

Ms. Penley discussed the loss capital/single use concept and began by asking if you could build your own facility or buy another one which one are you going to pay more for? Obviously your own because you want it built to your needs/desires. When people go to look at a property they need to look at what they are using it for and are they intending on using that asset for a while. Because if they see a newer facility sell, in general, her rule of thumb for a specialized property is loss capital the day after it is built could be anywhere from 10% to 50% and that is usually captured in her appraisals when she looks at depreciation. So, if an assessor is looking at market value as a starting point and taxed on the market value that won't be the same as cost of the construction. But if cost of construction is where one starts then the next question is what does the depreciation curve look like and how is that going to change over time? That depreciation curve is going to look different for different types of property.

In regard to RSA: 79F when you have something of a specialized nature you're going to have more lost capital or depreciation in regards to your physical depreciation the wear and tear on the building and functional.

Mr. Porter asked if any Avitar assessors ever reaches out to them for information. Ms. Penley replied it is not typical and usually she is the one asking them the questions to clarify. She does not rely on the assessment to determine her appraised value because they are both separate and the methodology is very different. Mr. Bishop added when an assessor goes about their tasks there are rules they have to follow and need to keep it a consistent methodology across the entire municipality and how they approach it. As far as specialized structures he does see a wide variation of town municipalities and how they approach these assessments. Ms. Penley added that

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identification of what you have is also a big issue. You have to make sure the assessor understands what that specialized improvement is, so they can find the right information to assess it. Selectman Sanborn, as an example, noted that he is aware of similar sugar houses located in different municipalities. One is assessed for \$50,000 and the other for \$10,000.

Chair Keegan asked if the municipal assessors are considering the concept of loss as Farm Credit East does Ms. Penley couldn't answer that question but explained how she does her assessment with one or three approaches.

- Sales comparisons
- Cost approach
- Income thru sales for some commercial properties

Mr. Bishop said that assessors could be looking at this from a standpoint of what they assess is a cost, and if they don't have market data and are doing something specialized the most common thing they would be looking at a cost less depreciation. Then depreciation becomes very important.

Discussion followed about distinguishing between equipment and structure, basic questions are: is it moveable or permanent; can you recycle it? If permanent and then, how it's taxed? Mr. Keegan asked if there is any way to start an educational process in a place where these questions could be explored and explained to municipal assessors. Mr. Bishop stated there are several organizations to help familiarize assessors with the rules and the tax base. Farm Bureau or the Municipal Association might offer assistance.

Mr. Porter noted that the audience would be more with Avitar than Selectmen and Mr. Bishop agreed. Chair Keegan asked Mr. Porter if there was anything going on with Cooperative Extension with the issues of how farms are assessed? Mr. Porter replied he didn't think so. Chair Keegan stated that it is an education issue. But where are the resources to pull the data together? Mr. Porter replied Farm Credit East has all the data.

Commissioner Colby suggested using the two sugar houses Selectman Sanborn mentioned as an example that might be the simplest and least expansive approach.

Chairman Keegan thanked Mr. Bishop and Ms. Penley for their concise and informative dialogue with the Commission members.

Old Business:

- Treasurers Report: Chair Keegan asked the Commissioners review the Treasurer's Report.

Motion made to accept the Treasurer's Report by Mr. Bevans and seconded by Mr. Colby, All in favor, none opposed.

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- 2018 Budget: Chair Keegan stated he thought either the \$2,500 or the \$2,000 would meet the Commissions' needs in 2018.

Motion made to accept the \$2,000.00 bill for 2018 budget by Mr. Bevans and seconded by Mr. Colby, All in favor, none opposed.

- Crete Banner is up: Selectman Sanborn reported the three selectmen presented the banner to the Crete's. The Crete's were very pleased with the banner.
- Educational Program: Chairman Keegan reported he had contacted Dot Perkins at Cooperative Extension. She has yet to find a Master Gardener who is interested in working with us.
- Community Garden: Chair Keegan has no current update.
- Site visit report: John Porter reviewed the highlights of the site report included in the Commissioners meeting book. He and Commissioner Josh Marshall visited the Welch's on December 5, 2017. To observe the goats in this residential setting. The goats are well taken care of, they animals were very clean, well secured with no manure odor. The goats are more like pets than farm animals. Commissioner Porter thinks the owners are doing a great job caring for the goats and is recommending the Commission support the ZBA granting a special exception.,. He noted that keeping the site visit process in place and working with the ZBA is a good idea because not everyone would follow best practices. With this process in place each case can be reviewed and decided in the best interest of the community.

New Business:

- Farm Stands work status: Chairman John Keegan will talk to Alan Hardy and Kellee Easler for a status update.
- Annual Report: Will be due January 20, 2018 and volunteers are needed to contribute to the report. Commissioners will be contacted by the Chair.
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- Review of Lorraine Merrill letter: Chair Keegan wrote a letter to Lorraine Merrill thanking her for her service as Commissioner of Agriculture and for her support of this Agricultural Commission. Commissioners reviewed the letter and supported sending it to her.
- Meeting time discussion: Chairman John Keegan asked the Committee if they would be open to the possibility of changing the Agriculture Committee meetings time. To be discussed at the January meeting.

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Motion to adjourn made by Bill Bevans and seconded by Rusty Colby. All in favor, none opposed.

The meeting adjourned at 8:45pm.

The next meeting of the Commission is scheduled for January 11, 2018 at 7:00pm.

Minutes respectfully submitted by Linda Chandonnet