ASSESSOR'S ASSOCIATION OF PENNSYLVANIA
SUMMER BOARD OF GOVERNOR'S MEETING
JULY 11, 2014 AT 8:30 a.m.
CCAP NORTH – HARRISBURG, PA

The meeting was called to order at 8:36 a.m. with President Charles "JR" Hardester presiding. Following the Pledge of Allegiance and a moment of silence, all in attendance introduced themselves.

Members attending this meeting:
Charles "JR" Hardester, AAP President, Lawrence County
Tony Alu, AAP Immediate Past President, Nominating Committee Chair, Luzerne County
Melissa Border, AAP President Elect, Bedford County
Angelia Tennies, AAP Vice President, Conference Planning Chair, Budget Committee, McKean County
Larry Shubert, AAP Treasurer, AAP Journal Editor, Philadelphia County
Deb Crawford, AAP Secretary, Clean and Green Co-chair, Tioga County
Terry Cochran, AAP Staff
Lori Lawyer, AAP Staff
Joan Righter-Price, AAP Solicitor, Assessment Reform, Legislative Task Force, Montgomery County
Randy Waggoner, Perry County, Past President, Education Co-Chair, Clean and Green Co-Chair
Steve Howe, Dauphin County, Past President, State Board Representative, Education Co-Chair
Chris Savage, Butler County, Past President
Barb Walter, Adams County, Past President, Policies and Procedures Chair
Susan Miller, Adams County, South Central Chapter
Paul Kreiser, Dauphin County, South Central Chapter
Mark Kellerman, Centre County, North Central Chapter
Al Bressi, Northumberland County, North Central Chapter
Scott Maas, Erie County, North West Chapter
Barbara Mehltretter, Monroe County, Northeast Chapter
Lynda Kittle, Monroe County, Northeast Chapter
Robbie Roland, Bedford County, Laurel Mountain Chapter
Denyel O'Brien, Westmoreland County, Laurel Mountain Chapter
Mark Lawton, McKean County, Northwest Chapter
James Ray, Chester County, Southeast Chapter
Via Conference Call:
Jonathan Schuck, Chester County, Legislative Chair

The **minutes of the May 6, 2014 board meeting** were presented by Larry Shubert for approval. The motion was made by Angelia Tennies to accept the minutes and was seconded by Mark Kellerman. The minutes were unanimously approved.

The **financial report** was submitted by Larry Shubert, Treasurer. Prior year to date balance was $287,784.36; year to date balance is $346,520.26 and year to date revenue is $167,701.80. Larry Shubert asked for an explanation of the Net Profit Loss in the amount of -$3,472.49. A motion was made by Deb Crawford and seconded by Melissa Border to table the financial report for further explanation.

Committee Reports:

Assessment Law and Legislative Task Force Committees Combined Report – Joan Righter Price, Esq.
Joan - You have a copy of my report dated June 27, 2014.

We have been in contact with Alan Dornfest who has been assigned to study STEB's procedures, only with regard to the Common Level Ratio. Mr. Dornfest's report right now is just a draft report; he is in the process of fine tuning the report to present to the State Tax Equalization Board. We are trying to get across to him that his report needs to be very basic; if he goes in to ratio studies in detail, the information will be lost. In his report he recommends, (1) that they develop a Policies and Procedures manual for transparency in their formula and procedures and (2) a sales validation process. If the only thing we get out of this entire process is a Sales Verification Form, then we've achieved something and fortunately he has made that a high priority. His third recommendation which goes hand in hand with the second is that they change from using the mean to a weighted mean which would change their trimming method.

JR attended the STEB meeting in May and that is the first time the DCED IT Department presented TEDtrac which is basically the same as STEBtrac with a couple of bandaids. They've made two major changes - one is that they have enhanced the way you will log in to the system. You will no longer have to login through the Pennsylvania State Portal. DCED is going to make a more convenient process. The second major change is adding a unique identifier. There has been a lot of discussion between JR, DCED, the Dauphin County IT Department and a couple software vendors with regard to the unique identifier because you could have a parcel sell more than once in the same month for the same price. What is being suggested because the field is 50 characters in length is that after the parcel id number you add the deed book and page, document number or instrument number. That way it will make the record completely unique.

JR – back to the sales verification form - Lawrence County has actually been running a test on the use of the sales verification form since the beginning of March. We have not received much push back on the use of the form; most of the closing companies and real estate agencies are actually filling out the form in advance. The first week we required it to be recorded, that's when we got push back; so from that point forward it's just been used for the Assessment Office.

Mark Lawton asked if there is any other information on the sales verification form that might be an issue with the Right to Know Law. JR- It would have to be requested through Open Records and it has not been mentioned to us. What information on the form would be proprietary? Joan – We could remove question 21 and still get to the heart of the question, such as; how long was it on the market and was there any personal property involved in the sale?

Joan – The Legislative Task Force's primary focus the past year to year and a half has been STEB and the Common Level Ratio; we are now shifting our focus to reassessment issues with Randy Waggoner and Daryl Crum being the co-chairs for the Reassessment Sub-committee.
Joan – I'd like to update you on a piece of legislation that we've been working on known as the "Sheds Bill"; it doesn't just affect sheds. This is a result of the Peterson case out of Monroe County where the Commonwealth Court said that sheds and other building that are not permanently attached to the land or connected by utilities are not assessable. We've worked with CCAP to address this; HB 2131 came to the Senate as SB 1322. At the last board meeting in May it was going gangbusters. HB 2131 was voted unanimously on May 7th and had already had its first consideration. SB 1322 was then picking up steam and was going through the Senate; the hope was that they reconcile the two bills if there were any changes and we have it. Unfortunately, the Farm Bureau got on it and is objecting. Their objection is that pole barns would no longer be taxable. One possibility would be coming up with language that would exclude pole barns used for storage of agricultural equipment. Currently everything is stalled; we are working with CCAP.

Larry Shubert asked - do insurance companies consider them taxable as real property? Joan – I believe they do. Larry – then shouldn't they be taxable? Joan – that is one of the things we are looking at.

Randy Waggoner suggests that an appraiser be put on the committee because they tend to look at these things a little differently. Someone giving an appraisers perspective as to why it is taxable or not taxable would help the process along.

JR suggests getting the banking industry involved. There was some discussion among the members on how this will affect their tax bases.

Randy Waggoner – DCED was told that they are somehow to come up with an operations manual to be utilized by counties when they are contemplating a reassessment - a best practices manual. DCED reached out to CCAP who in turn reached out to the AAP. We had a kickoff meeting yesterday to discuss how we are going to go about doing this and we came up with some bullet points. Our committee is going to get back together sometime in September to look at what we have on various bullet points. Example: triggering mechanism, how to put together an RFP. We are going to try to come up with a best practices manual. Those who are on the committee have experience with reassessment.

***AAP Journal* – Larry Shubert**
As of this date the *AAP Journal* is running extremely well. We have a list of speakers who are willing to write articles for our journal quarterly. Bill Hoffmeyer volunteered to write an article for our next journal. If we keep up with our speakers at the chapter meetings, I think we will do well as far as the *Journal* goes. As far as advertising I think we're up to date? Terry Cochran – Yes, I think we have one to track down for payment, but we should have it by the time we print the next *Journal*.

Education Committee – Steve Howe
AAP Training and Education Report dated July 11, 2014.
We provided a copy of the report. I would to draw your attention to the 2014 AAP Fall Conference dates November 5-7, 2014; November 5th is the date of the board meeting the conference is November 6th and 7th. If anyone has any questions about the report you can give Randy or me a call.
JR – Just a question about the education report we've had a good number of people pass the CPE test from the recent classes? Steve – The pass rate from the last couple of classes I would guess is somewhere up in the 80% bracket.

Government Information – Jonathan Schuck
Government Information Committee Report dated July 11, 2014 as of June 16, 2014.
All of you should have received the report along with the associated Legislative Reports. I don't need to read them; there are some that have gotten media attention but as far as legislative activity there has been very little that has happened in the last couple of months.

State Board Liaison – Steve Howe
The board did not meet in July. The last meeting was in June and there was nothing that really affected CPEs.

Clean and Green Committee – Deb Crawford
Clean and Green Committee Report dated July 10, 2014
The class at conference went very well. I had a lot of people say they liked the new format. There was some discussion during the class about the lower forest rates. Doug said it was mostly because of the lower stumpage rates. He was asked if it was going to be looked at again and he said he didn't think so. We have been working on possible changes to Act 319; we had a work session yesterday. We are discussing increasing the minimum acreage to 25 acres, addressing some of the issues where the lien goes if the property owner no longer owns land, and maintaining base year Clean and Green values. I plan on presenting these changes to the commissioners at their Annual Conference in August.

Mark Lawton – We have had a problem in our county where subsequent years the states rates have gone down. Deb – We are saying even if the rates go down, you will still maintain your base year rates. Mark – Do you anticipate any problems with the Farm Bureau? Randy – We have not really discussed the base year with the Farm Bureau; it's been more along the lines of minimum acreage requirements. I don't think we will get much push back on the minimum acreage. There may be some give and take.
Angelia Tennies – We've adjusted our values. Would we go back to our 1996 values? Deb – No, you would maintain the values you are at currently. The change would be going forward.

Policy and Procedures – Barb Walter
Report dated June 20, 2014
At the last meeting we discussed a few things to do with the Policies and Procedures. One was who will attend the annual IAAO Conference if anyone or NRAAO conference. You have a copy of our report. In our current policy attending the IAAO Conference is extended to the President, President Elect, Education Chair and Government Information Chair. The board directed the committee to look at changing the policy and the committee has given the board two options (Option #1 and Option #2 are spelled out in the report). One possible change is that the board may designate up to two individuals to attend the IAAO Conference or the NRAAO Conference. There's a choice; provided that the annual budget supports the cost of attendance. That was one of the issues - the policies and procedures said that we shall pay for these individuals to go but the budget was not adjusted for these people to go. The budget was adjusted in May so that JR could attend the conference because the policies and procedures said he had the right to go. We also kept some of the old policy, expenses for pre-conference and post conference seminars will not be included and the cheapest mode of transportation will be paid.

Mark Lawton – The board can choose any member of the AAP and the only difference between Option 1 and Option 2 is that Option 1 allows for one individual and Option 2 allows for two individuals? Barb – The reason is right now our organization sends members to represent us on a lot of boards; we send one person to represent us CCAP and the State Board. That's why originally the committee said one person. There was a lot of discussion among the committee members. That's why we decided to give the board more than one option.

James Ray – There is no suggested process as to how to pick the representative for the board. Will there be a process for nomination? I recommend that there be some process such as a nomination.
Al Bressi – My concern is it should probably be the President or President Elect to get first option, but if he or she is not an IAAO member, we are not paying $3,000 we are paying $4,000. Again I think it's a good idea to send someone, but it becomes unclear who we're going to send. Is it going to become a popularity contest; I don't think it should. The officers should have first option if they are IAAO members.
Denyl O'Brien – It should be first option to the President or President Elect and then possibly if neither one wants to go, then the President could nominate someone. The board would then vote.
James Ray – Why would we send the existing President? Why wouldn't we send the second or third person so that we would get more benefit? I know someone in my chapter that I would like to nominate because he would help us in our chapter.
Randy Waggoner – I have two points - depending on the sitting president's involvement on committees such as STEB, it would be very beneficial to send that person. If someone who wants to or someone that wants to nominate someone to go, writes a letter of intent to the president and he could then take it to the executive board. I don't think we should exclude anyone.
Larry Shubert – Personally, I feel that there should be someone on the Board of Governors that should be going on a continuous basis.
Angelia Tennies – I feel that we should always keep it open for our solicitor to bring back the legal side of it as well.

Deb Crawford – As far as the money, shouldn't we budget for two to go every year and if we don't use it we don't?
Melissa Border – Agrees that the solicitor should be one.
JR – There were a couple of suggestions - does anyone want to make a formal motion. How many do we want to allow – one or two? If we allow two, then we won't have to come back to the board in a couple of years.
Tony Alu made the motion to go with Option 2 for IAAO Conference Policy and Procedure, Mark Lawton seconded.
Further discussion; Al Bressi is concerned about the "provided" that the annual budget supports. Tony states that he wants the word provided to remain because it will be addressed during the budget process; it will be reviewed and a decision will be made.
All in favor of Option 2, one opposed (Denyl O'Brien). Motion carries.

Health and Welfare – Terry Cochran
Nothing to report everyone is healthy.
Randy – Correct that - on the way home from the ball game last night I received a call from Anne Teal her father passed away. Please put her and her family in your thoughts and prayers.

Conference Planning Committee – Angelia Tennies
Our dates are November 6th which is a Thursday and November 7th which is Friday.
Thursday, November 6th
8:30 a.m. to 12 p.m. USPAP, Steve Howe
9 to 12p.m. for KOZ, LERTA and TIF – Jim Diamond, we did get confirmation back from Jim Diamond.
9 a.m. to 12 p.m. Appraising Vincent Dowling, I will make contact with Cindy to see if he can teach a class.
1 to 4:30 p.m. USPAP, Steve Howe
1:30 to 4:30 p.m. PA Act 45 BOCA Hoping to get someone from the state that actually implements the code and possible someone local (Pending)
1:30 to 4:30 Understanding Deeds, William Hoffmeyer has agreed to instruct that class.
Friday, November 7th
9 a.m. to 12 p.m. Legal Roadmap/RHLS, Joan Righter-Price
9 a.m. to 12 p.m. Reassessment Appeals a Beginners Guide, Randy Waggoner and Angelia Tennies
9 a.m. to 12 p.m. Birth of a Parcel, Jeff Kerns Denyl is going to reach out to Jeff to confirm that.
We do have one backup class, Reassessment from a Chief Assessor's Perspective – Scott Maas.
Because of our location, the members will be on their own for meals but there are plenty of restaurants in the area.
Members of the committee are going to contact their chapters to see if they would be willing to sponsor a break. There are some vendors that will pay for breaks. At this point in time we don't have any events scheduled, but there is plenty to do in the area.

Executive Director – Doug Hill
Report dated July 11, 2014
JR – The Executive Director provided a report, please look it over.
Steve Howe – I do have a question about Doug's report. Have any of you been contacted by any other individuals or parties relative to turnpike properties? Larry Shubert – Doug said at the last meeting that they were going to lower it at that time. Steve – I didn't know if anymore had come of that, every now and then that seems to come up. Those of us who have Turnpike properties through our counties that is of some concern to us.

IAAO Report – JR Hardester

JR – I have nothing to report at this time. As many of you know, I will be attending the CCAP Annual Conference next month. Hopefully, at our Fall Conference I will be able to have a nice report for us.
Joan – Just want to let everyone know that the half price membership is still available as long as one of us is listed as the IAAO representative. Either JR or I need to sign the special application. JR – Since the year is half over it, may be beneficial if you wait until the last quarter then that way you get the last quarter and all of next year at half price.
JR – If there are no more questions for committee members, I'll entertain a motion to approve the committee reports. Motion made by Larry Shubert seconded by James Ray, motion carries.
JR – At the beginning of the meeting we tabled the financial report to give time to research the $3,000.00 deficit. Terry – When we originally did the budget, we thought we were going to do the Chapter Education Auction then we realized with the change in the law, we wouldn't be able to have the auction so we took it out of the budget. Then we decided that we still may be able to work something out so we put it back in the budget. The $3,000 figure might have been a little optimistic but we thought we might still be able to have the raffle.
Joan – I'd like to make a suggestion that perhaps we work with CCAP to make an amendment to the Small Games of Chance law to make an exception for what we do. If you would like me to work with CCAP on that, let me know. JR – I think that would be a good idea.
JR – Do we have a motion to approve the financial report? There was a motion to approve the financial report by Al Bressi and seconded by Deb Crawford; motion carries.

New Business
JR – Future Conferences. As many of you know, the AAP membership has been disappointed with Seven Springs for the past couple of years. There has been discussion about changing our Annual Conference to another site. Four or five years ago our Policies and Procedures were updated that the board has the right to pick an alternate site. The next conference will be at Seven Springs, but after that we do have the option to change because we have not confirmed Seven Springs for 2016.
Terry – I sent out an email to the Executive Board. Two of the places I got bids from seemed to be good bids and could accommodate our conference. They were Hilton Harrisburg and Lancaster Marriot; there bids were pretty much equal for 2016. I sent the options to the Executive Board to see what their thoughts were. Everyone though both were good and my suggestion was that we get one for 2016 and one for 2017. We may not be able to lock in the same rates for 2017.
There was discussion and some other recommendations from members.
JR – Lets make a decision on 2016 and then we'll do some additional research for 2017. Does anyone want to make a decision on where we will go for 2016? Right now Terry has quotes on Hilton Harrisburg and Marriot in Lancaster. Or do you just want to stay in Seven Springs?
Tony Alu made a motion 2016 Hilton Harrisburg and 2017 Marriot Convention Center, Lancaster; seconded Deb Crawford. One opposed, Larry Shubert.; motion carries.
JR – I would like to discuss item "c." on our agenda AAP dues. There was discussion at our last board meeting about increasing the dues to take us more financially secure. Larry – How many members do we have? Lori – There are approximately 690, combination of both, about 150 that are cooperative members. After a lengthy discussion Larry Shubert made a motion that we raise regular member dues from $50 to $55 and cooperative members from $110 to $150. The motion is seconded by Deb Crawford, three opposed, motion carries. JR – Next year our dues will be $55 for member and cooperatives $150.
JR – The last item on the agenda under new business that I would like to discuss is our current solicitor. Joan would like to recuse herself from this discussion. Does anyone have any questions for Joan before she leaves?
Larry – Joan roughly how many hours are dedicated to the AAP functions? Joan – Per week? It depends on the week; recently I would say within the past three months close to 50% of my time. Roughly twenty hours per week. JR – Typical year? Because I know we've had a lot with STEB. Joan - Typical year is probably more like 20% to 25%; I think that is a fair estimate. It depends on the number of pieces of legislation that are pending.

JR – I do want to make it clear to the board that it was not Joan that approached me about this; it was other members. Her yearly retainer is currently $1,500. I was thinking on a personal basis to give her another $500 just to show her that we do appreciate the time and effort that she has done for us on a yearly basis. Is there any further discussion?
Larry – Is it going to be for 2015 or is it effective immediately? JR – Probably for 2015 because it hasn't been budgeted for this year.
Members agree that she puts in a lot more time than our previous solicitor.
Mark Lawton – I just want to state before we go to a vote that these are the kinds of things that we need to consider when we talk about budget issues that we just voted on. We have to be realistic about where the money is coming from and how we are spending it because now we're going to double her compensation and we're going to have to come up with another $1,500 and if we have a short fall, I just want to put that out there for everyone to think about. It's not about Joan; it's about managing our dollars.
A motion was made by Larry Shubert and seconded by Al Bressi for $2,500. The motion was amended to $3,000 by Melissa Border and seconded by James Ray. The vote is unanimous, motion carries.

A motion to adjourn was made by Larry Shubert and seconded by Scott Maas and unanimously passed.