City of Portland, Maine
Remote Finance Committee Meeting Agenda
Thursday, June 18, 2020
5:30 PM, Remote Meeting via ZOOM

AGENDA

ZOOM MEETING INFORMATION

This meeting will take place remotely using Zoom. Virtual meetings are allowed using emergency legislation approved by LD 2167; 1 M.R.S. §403¬A, that authorizes cities and towns to conduct meetings online. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be uploaded to portlandmaine.gov/livestream the next day. Please click the link below to join the webinar:

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https://zoom.us/j/97427870407

Or iPhone one-tap :
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Dial(for higher quality, dial a number based on your current location):
US: +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799 or +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799
Webinar ID: 974 2787 0407
International numbers available: https://zoom.us/u/apk1x7LzV

1. Introductions

2. Discussion of Revaluation and Postponement to 2021

The City Manager Jon P. Jennings and City Tax Assessor Christopher Huff will discuss the status of the City revaluation project and the decision to delay the revaluation until 2021. This is a discussion item only, no action will be taken at the current meeting.
https://docs.google.com/presentation/d/1zzp-9Inaz6kEgM4GkHWDX1uarfGUETokj9osN4wBaGM/edit?usp=sharing

3. Discussion of the City of Portland Municipal Budget Status

The City Manager Jon P. Jennings and City Finance Director Brendan T. O'Connell will discuss the status of the FY20 City of Portland general fund operating budget. The Finance Director will highlight budget to actual results through May 2020 and discuss unbudgeted COVID19 related expenditures and revenue losses which have occurred during the fiscal year. This is a discussion item only, no action will be taken at the current meeting. *https://docs.google.com/presentation/d/1-ETOODxRBa6ytxwy0_IH72E0GH8D-D_0b0VTtidIT0I/edit?usp=sharing*

4. Adjournment

CITY OF PORTLAND
Assessor's Office
Christopher A. Huff, CMA

TO: Jon Jennings, Heather Brown, Brendan O'Connell
FROM: Chris Huff
DATE: 6/11/20
RE: **2020 Revaluation Project Update and FY21 Assessment Ratio**

After much consideration and deliberation, the 2020 Revaluation Project will be pushed out a year and new assessed values implemented for April 1, 2021 for the Fiscal Year 2022 tax billing cycle.

Given the unknowns with changes the real estate market will see from the COVID-19 pandemic, it would not be prudent to set new values for the April 1, 2020 (FY21) assessment date. Achieving uniform, fair and equitable property taxation is the paramount goal for our office, especially with a long overdue revaluation. However, I feel the potential impact to market values from the pandemic outweighs this concern for the coming year. We would not be doing our due diligence if we did not take into account the market changes that develop. Therefore, we will continue to analyze the market response over the coming months, make any adjustments necessary and set new assessment values as of 4/1/2021 for the Fiscal Year 2022 tax billing cycle.

When the pandemic struck, the project was 95% complete through the valuation, field review & Q/A phases. The overall project timeline was on track to have all tasks completed as scheduled. New value notices were scheduled to be sent to all property owners in May with informal value appeals set to commence in June and the project closed out in late August or early September. These activities will still take place, but will occur next year instead. A new timeline and schedule will be posted once these dates are determined.

It is important to note that we will not lose any of the information, data or values developed over the last 16 months of the project. We will use this as the base moving forward and make the necessary statistical adjustments that the market bears out over the coming months and apply these accordingly to develop values for April 1, 2021 that reflect 100% of market value as of that date. Tyler will stay on the project in a significantly reduced capacity over the year to assist with the statistical analysis, model and system implementation as well as to facilitate the final value notices and informal appeal process, as was originally contracted. We anticipate a contract extension amendment will need to be executed and discussions are underway as to additional costs that may be incurred.

For 2020 (FY21), Maine Revenue Services has declared the assessment ratio for the City of Portland to be 70% of market value. This means the average assessed value for a property in the City is 70% of its fair market value. This determination is a direct finding and final result of Maine Revenue Services' audit of the 2018 local valuation for residential property used to develop the 2020 State Equalized Valuation for Portland at $10,507,000,000.

36 MRSA §383 requires that all municipal assessors annually certify by June 1st the ratio of market value that will be used locally for the upcoming tax year. This ratio is needed to determine the proper amount of exemptions to be applied. The law allows the municipal assessor to certify within 10% of the declared ratio as determined by M.R.S. This allows us a range of 63% to 77% for FY21 and I will certify us officially at **77%**.

The impact this ratio has on our exemptions is shown below.

389 Congress Street • Portland, Maine 04101 • 207-874-8786
assessors@portlandmaine.gov • www.portlandmaine.gov

	Exemption Amount at 100% Full Value	Exemption Amount at Current 84% (FY20)	Tax Relief this provided	Exemption Amount at 77% (FY21)	Tax Relief this will provide*	Difference from FY20 to FY21
Homestead Exemption	$25,000*	$16,800*	$391.61	$19,250	$448.72	+ $57.11
Veterans Exemption	$6,000	$5,040	$117.48	$4,620	$107.69	- $9.79
Blind Exemption	$4,000	$3,360	$78.32	$3,080	$71.80	- $6.52
	* Homestead increases to $25,000 in 2020 for FY21	*Homestead full value was $20,000 in 2019 for FY20			* at current mill rate	

Please don't hesitate to reach out with any questions.

Chris