

**Town of Troy**  
Board of Civil Authority (BCA)  
Minutes, August 1, 2023

BCA MEMBERS PRESENT: Robert (Bobby) A. Starr, John Starr, Cris Choquette, Helene Croteau, Gaston Bathalon, Holly Wyllie  
ADMINISTRATION: Terri Medley, Town Clerk; Matthew Krajeski, Vice President, New England Municipal Consultants (NEMC)  
OTHERS PRESENT (VEC): Vickie Brown, General Counsel  
Brittany B. Greene, CPA  
Marissa Morse, Cost Accounting Supervisor

*NOTE: Prior to the meeting being called to order, Terri Medley, Town Clerk, verified that BCA members had signed and filed their oath of office.*

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**1. CALL TO ORDER**

The BCA was called to order at 6:05 PM by Bobby Starr.

**MOTION by Gaston Bathalon, SECOND by John Starr, to nominate Bobby Starr, Chair, BCA.  
VOTING: unanimous; motion carried.**

Chair Starr introduced article 2 of the BCA agenda identifying Vermont Electric Cooperative as Appellant, to grieve their 2023 assessment.

**2. TAX APPEALS**

Parcel identification #000009 and #000001 owned by VEC.

Vickie Brown, Brittany B. Greene, and Marissa Morse appeared on behalf of the appeal.

Submittals:

- Memo with attachments (listed below) to BCA, undated, from VEC (Marissa Morse) re: Additional Supporting Evidence (VEC Exhibit 1).
  - Email to Town of Troy Town Clerk, dated June 26, 2023, from VEC (Marissa Morse) re: Notice to Appeal,
  - Email to VEC (Marissa Morse), dated June 26, 2023, from Town of Troy Town Clerk (Terri Medley) re: Vermont Electric – Notice to Appeal,
  - Email to Town of Troy Town Clerk, dated 30 June 2023, from VEC (Brittany Greene) re: Follow Up with Additional Detailed Explanation of Calculations,
  - VEC Calculations for 2023 Grand List - North Troy Village,
  - Vermont Department of Taxes, VEC Electric Utility Inventory (Town of Troy)
  - VEC Calculations for 2023 Grand List – Town of Troy.
- Memo with attachments (listed below) to BCA, dated August 1, 2023, from Assessor’s Office (Matthew Krajeski) re: Property Identification # 000009 (NEMC Exhibit 1).

- Subject Property Card (Town parcel 000009),
- Additional Subject Property Record Card (Village parcel 000001),
- Electrical Utility Inventory (Town),
- Electrical Utility Inventory (Village),
- Email correspondence with PVR District Advisor.
- Memo with attachments (listed below) to BCA, undated, from VEC (Marissa Morse) re: Additional Supporting Evidence (VEC Exhibit 2).
  - Memo with high-level overview of the issue,
  - Original Troy Inventory Worksheet for entire Town / Village,
  - Original North Troy Inventory Worksheet for Village only,
  - New Worksheet for Troy without the Village portion,
  - Map showing what is included in the Troy Inventory Worksheet (including Village),
  - Map depicting the area covered in the North Troy Village Inventory Worksheet.

**ASSESSOR COMMENTS:**

*Gaston Bathalon clarified, for VEC, that the Town of Troy no longer has listers and has contracted with NEMC to operate as its Assessing Contractor. VEC representatives acknowledged his role in the proceedings.*

The Assessor (Krajeski) summarized that the VEC property being appealed as parcel #000009. The property is an electrical distribution system located throughout the Town of Troy, consisting primarily of poles and wires meant to provide electricity to customers within the Town. While the property has no land or structural value, the State of Vermont requires that the property be assessed and to ultimately tax the equipment, i.e., poles and wires, as real estate. He clarified that VEC submits a breakdown of the Village and Town distributions. The appeal is focused principally on the Town portion, i.e., the #000009 account.

Assessor acknowledged receipt of grievance that was denied based on lack of specific information. He summarized that typically utilities (i.e., a company or entity) operating in Vermont submits an Electric Utility Inventory Form to the State of Vermont Division of Property Valuation and Review (PVR). The inventory is then subjected to the different depreciation schedules / tables and the common level of appraisal by PVR. The result is a suggested annual value of the inventory. Therefore, utilities are unique compared to residential properties. Unless new equipment is provided, or work completed, the property depreciates annually. Most of the time, the suggested annual value of the inventory is less than the year before. Residential property owners are not able to say their property is depreciated from a cost approach to value annually to ultimately reduce their property value. This is a unique circumstance in that a municipality can challenge a utility value but doing so is very technical and a costly endeavor. Specifically, a private specialty appraiser must be contracted with expense being compounded by legal fees associated with challenging a utility value. In most cases a municipality will accept the suggested utility's value provided by PVR.

Specifically, the Assessor referred to the first electric utility inventory form provided by the Vermont Department of Taxes (page 4, NEMC Exhibit 1). The top right hand corner states that the Town/City is Troy. He interpreted this as being the Town's distribution of the value (as described earlier). The North Troy Village distribution of the inventory was briefly reviewed (page 5, NEMC Exhibit 1). The back side of page 4 (NEMC Exhibit 1) lists the Town's distribution as being \$4,112,359.00. Nowhere is it apparent that the value of the Village's distribution is included in the Town's distribution. For him, it seems illogical why there would be a separate Village distribution, but he acknowledged that the Town has compounded the Village's distribution into the Town's distribution.

He further indicated that he was looking for transparency to see the values of the Town's and Village's distribution. The parallel situation is when someone applies as a public or private charity organization for tax exemption, NEMC (i.e., the Town) needs documentation on file to support the tax exemption. In this situation, it is not clear in VEC's submission that the Village distribution is built into the Town's distribution. He indicated that PVR alerted him that the Town distribution does, in fact, contain the Village distribution, totaling \$616,004.00. He then referred to the email correspondence to and from the PVR Regional Advisor wherein he confirmed that his calculations were correct. Specifically, it was confirmed that he needed to remove \$616,004.00 from the Town portion of the assessment (parcel #000009). The PVR Regional Advisor recommended that the Assessor (i.e., the Town) reduce the Town's distribution by the Village's distribution.

The Assessor's recommendation to the BCA was to scale the value back on parcel #000009 to \$3,496,355.00, as recommended by PVR. He felt that the Town of Troy was not interested in challenging the suggested value or engaging in a legal battle with PVR. Finally, he indicated that his frustration is with transparency in that it would be best to get a submission that spells this out in the future. Had this been the case today, this grievance would not have been necessary.

#### APPELLANT COMMENTS:

VEC (Morse), clarified that at the end of 2021, before filing for 2022, PVR requested that VEC provide an additional worksheet, to three towns, for which VEC broke out Town and Village distributions. VEC suggested that there was a misunderstanding of who would notify the affected Towns as it was unclear whether the State would provide notification. VEC had not asked the State to clarify about notification and assumed that because PVR was working closely with one Town, that they would have notified the other two Towns. VEC acknowledged that they should have asked the State to verify if they would provide notification.

She indicated that VEC submitted for FY2022 using the same process as for FY2023 but did not catch the error that the Town and Village values were combined in time to file a grievance in FY2022. VEC identified the error this year and so they took steps to grieve the assessment and correct the assessment. Next year, and in the out years, VEC will provide three work sheets (grand list calculation): one with the Town's total VEC owned inventory value, one with the Town's distribution, and one with the Village's distribution. This is a new process that was put

together after PVR's request to do so. VEC is working to identify and address issues with the new process.

Lastly, VEC concurred with the value the Assessor was recommending be assigned to parcel #000009 as their calculation matched and for the BCA to consider.

#### BCA COMMENTS / QUESTIONS

Chair Starr, referring to page 1 (NEMC Exhibit 1) asked the Assessor to clarify the 2022 and 2023 assessment values (i.e., \$4,124,100.00 and \$4,112,400.00, respectively). Assessor clarified that the property value did get scaled back \$11,700.00. He speculated that the property submission was similar in 2022 as VEC did not catch the error that the Town's distribution included the Village's distribution. VEC caught the error this year (that the Village was built into the Town distribution) hence why they are relatively close in value.

Helene Croteau pointed out that, as a past Town of Troy Lister, that VEC only provided the Town with one number and never broke it out by Village and Town. The Listers had to then split the value between the Town and Village. It was not that VEC was doing it one way for years and made a big mistake this year. VEC responded that she was correct in that VEC submitted in FY2022 using the same procedure as they submitted in FY2023 but did not catch the error (i.e., Town and Village values combined) in time to file a grievance in FY2022. VEC identified the error this year and so they took steps to grieve the assessment and to correct the assessment. Historically, VEC always provide only one value and the Town would adjust the Town and Village portion based on their calculation (not sure what calculation was). This is a new process that was put together after the PVR's request to do so. VEC is working to identify and address issues with the new process.

The Assessor clarified that NEMC contracts with other communities in which a single number is submitted by a utilities company yet there are multiple parcels involved with multiple parcel accounts, i.e., Village and Town portions. So, in those cases, NEMC must calculate the percent distribution. In this case with two submissions, at least with this initial interpretation was that the Town' distribution and Village's distribution were being separated. VEC concurred saying that it was a 'very fair' interpretation.

Helene Croteau wanted to make it clear that as this was a new process for VEC and that it is understandable that there be issues that arise. VEC responded that they wanted to make sure that they had an opportunity to explain what happened.

Chair Starr asked if the tax or property value for 2021 was known. VEC responded by referring to the table on page 1 (VEC Exhibit 2) as detailing the inventory value for the past 3 years (2023, 2022, and 2021). The table lists the inventory value VEC submitted for the worksheet and how it was distributed between the Town and Village parcels. The Assessor then confirmed that he too showed the value of \$4,166.00 for the Town and \$205,000.00 for the Village for 2021. VEC

then clarified that the two values combined total the VEC submitted worksheet (i.e., \$4,370,970.00).

John Starr indicated that it amounts to the same total value but is broken out by parcel. VEC agreed adding that the two portions taken together amount to the total value submitted by VEC.

Chair Starr asked what the final 2023 tax bill would be. The Town Clerk responded by stating that the Town had not calculated tax bills to date (a few weeks out) and that it was not too late in the process to make the change requested by VEC. The Assessor added that he was aware that the Town was going to lose the \$616,004.00 off the municipal end year grand list and so he had not wanted to set a tax rate prior to the BCA hearing as he and the Town Clerk had been discussing this expected outcome. The Assessor indicated that he was in the process of submitting the Town's grand list when this issue became apparent. The Town Clerk reiterated that it was a good plan to hold off on setting a tax rate until after this issue was resolved.

Helene Croteau asked VEC whether her assumption that when VEC sends all the town values to the State, someone at the State reviews the submission. VEC responded by saying that they were not certain what the State process is after the submission is received.

John Starr asked for clarification whether the \$616,004.00 would go to the Village? Chair Starr responded that the \$616,004.00 should not have been included in the Town's portion. The Town Clerk agreed further explaining that the Town's portion had to be reduced by the \$616,004.00 Village value. The Assessor further clarified that the \$616,004.00 was already included in the Town's total valuation and represented a 'double dip' – that it needed to be pulled off the larger Town account. Gaston Bathalon then asked whether the Village would get the \$616,004.00? The Town Clerk responded by saying that VEC would get a tax bill from the Village for the \$616,004.00 value. Helene Croteau clarified that currently, there is one value for the Town and another for the Town plus Village. The point was separating out the Town and Village portions.

Gaston Bathalon reiterated that going forward there would be three worksheets (VEC confirmed the worksheets were included in VEC Exhibit 2 packet). Looking at the first worksheet, he asked VEC to explain the information found on the worksheet. VEC responded that this was the total summary worksheet submitted to every Town. That this was a high-level summary of transmission and distribution lines, poles and, as the formal submission, is signed by Brittney Greene, VEC Comptroller, before being sent to the Towns. This is the formal packet that VEC is required to send out by the end of March. Gaston then asked about the new third form. VEC responded by saying that the first form listed value of \$4,112,359.00 (Town total value), the second form was valued at \$616,004.00 (Village value), and the third (new) form was valued at \$3,496,355.00 (Town without Village). These matched the values identified by the Assessor.

ASSESSOR RESPONSE TO VEC

The Assessor indicated that the NEW third page was exactly what he was looking for in terms of transparency.

Chair Starr confirmed that there was no further testimony or evidence. The hearing was closed.

#### SITE INSPECTION COMMITTEE

Gaston Bathalon asked Chair Starr about the need for an Inspection Committee. Chair Starr responded by saying that this would entail viewing poles and utility lines. Gaston Bathalon suggested that a motion could be made that the BCA forego an inspection committee and inspection report (if everyone was amenable). Such a motion would, for the record, provide the rationale of the BCA to dismiss the required inspection committee / inspection report. Helene Croteau clarified that the reasoning for not having an inspection committee would be that the State (PVR), and not the BCA, sets the electrical utilities inventory value. This would obviate the need for having an inspection committee. The Assessor then clarified that it is technically a suggested value and that the Town could protest and would then need to contract with a specialty appraiser and consult with legal advisors. The Assessor then reiterated his recommendation to approve the suggested value provided by the State (PVR).

**MOTION by Gaston Bathalon, SECOND by Helene ....., to forego an Inspection Committee as the State mandates that PVR set the suggested value indicating that there is no need to have an Inspection. VOTING: unanimous; motion carried.**

#### 3. BCA DECISION

Chair Starr reiterated that the issue was the \$616,004.00 as it should not have been included in the Town's portion. The Town Clerk agreed further explaining that the Town's portion had to be reduced by the \$616,004.00 Village value. The Assessor further clarified that because the \$616,004.00 was included in the Town's total valuation. That VEC would be billed twice for the Village portion the BCA needed to pull it off the larger Town account. Helene Croteau clarified that currently there is one value for the Town and another for the Town plus Village. The point was separating out the Town and Village portions.

**MOTION by Gaston Bathalon, SECOND by John Starr, to accept the Assessor's recommendation and agree with VEC that the \$616,004.00 be taken off the Town of Troy appraisal / assessment. VOTING: unanimous; motion carried.**

#### 4. OTHER BUSINESS

Chair Starr asked if there was other business before the Board. No other business was presented.

#### 5. ADJOURNMENT

**MOTION by John Starr, SECOND by Holly Wyllie, to adjourn. VOTING: unanimous; motion carried.** BCA adjourned at 6:20 PM.