

**Mayor and Council of the Borough of Allendale  
Work Session Meeting Minutes – 7:30 p.m.  
April 27, 2023**

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A Work Session Meeting of the Mayor and Council of the Borough of Allendale was held in the Municipal Building at 500 West Crescent Avenue, Allendale, New Jersey on April 27, 2023. The meeting was called to order at 7:30 pm by Mayor Wilczynski who welcomed everyone who is joining the meeting in the audience and on Zoom Webinar.

Mayor Wilczynski asked that the Municipal Clerk read the open public meetings statement: “In compliance with the Open Public Meetings Act, the notice requirements have been satisfied. The meeting dates for the year are confirmed at the Annual Meeting, are posted on the public bulletin board in the Municipal Building and on the Borough Website, published in The Record within the first 10 days of the New Year, and copies are sent to The Ridgewood News and Star-Ledger. Notice of this meeting by the April 18, 2023 Sunshine Notice was sent to The Record, The Ridgewood News and Star Ledger and has been posted on the public bulletin board in the Municipal Building and Borough website.”

**ROLL CALL:**

PRESENT: Councilmembers Liz Homan, Susanne Lovisolo, Ed O’Connell, Matthew O’Toole, Tyler Yaccarino and Mayor Amy Wilczynski

ABSENT: Councilman Joseph Daloisio

ALSO PRESENT: Thomas Bouregy, Borough Attorney  
Ron Kistner, Director of Operations/Borough Administrator  
Linda Louise Cervino, Municipal Clerk  
John Gil, Director of Communications

**PRESENTATION:** Appraisal Systems – Annual Assessment Program  
Present: Angela Mattiace, Rich Del Guercio and Sarah Holbig

Mayor Wilczynski stated that we have a presentation from Appraisal Systems. They are going to talk to us about our appraisals in town; our rolling re-evaluations that we have every year. We look forward to a great presentation. The floor is yours.

Rich Del Guercio handed out two pages, marked M-1. He explains that the first page is a snap shot of the tax impact of the reassessment that they just put on the books for the 2023 tax year. Before I get to that, I’d like to take a step back and answer the question as to why are we doing this and what benefit is this to the town. That really is summarized by the chart that Sarah Holbig put together for me. Sarah is the project manager of Allendale. She compiled this information for me to present to you tonight. If you look on the spreadsheet, I took some interesting statistics for six years. Three years, 2018, 2019 and 2020, which was prior to us engaging in this program of annual re-assessment and 2021, 2022 and 2023 which are the three years that we did under this annual re-assessment located on the second page.

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One of the questions that's always raised is if you're doing an annual re-assessment every year, the assessments are going to change every year and, in the typical market they're going to go up every year, so are our taxes going up every year. The answer is no, not necessarily. The taxes will go up every year anyway whether you do a re-assessment or not because if the budget goes up, the taxes go up. You don't need a re-assessment or re-evaluation for your taxes to go up. If you look at the three years prior and you look at the fourth column, which shows what your average assessment was in those years and, remember, you're not doing any re-assessment and no re-evaluation. So, essentially, the average assessment is unchanged from 2018 to 2020 at \$660,000. That's what the average residential assessment was in those three years. But obviously, your tax rate goes up every year because the budget goes up every year. So, even know the average assessment didn't change every year, the average residential taxes did change every year. You can see they went from \$15,160 to \$15,926. That's a statistical fact. That's what happened here. That's simply because your tax rate went from \$2.29 to \$2.41. Yes, the assessments didn't change in those three years, but also, yes, your taxes certainly did change on a year-to-year basis.

The other statistic is you had anywhere between 34 to 45 appeals at the county alone. We can talk about the state tax court, which is something different, but County appeals I like to put on here because they usually get adjudicated within a calendar year. State tax appeals sometimes linger on for years.

Councilwoman Homan asked what's the difference between the county and the state and could these numbers look different if we included state appeals. Mr. Del Guercio responded by saying state appeals are typically the larger commercial appeals. So, if your assessment is over a certain value if you file straight to the tax board.

Councilman O'Toole asked what's the threshold? Mr. Del Guercio said a million dollars.

Councilwoman Homan asked if he had another column that has state appeals and what do they look like because now we have homes that are over a million dollars. Angela Mattiace, Tax Assessor, said most homes even though they're over one million dollars still initially file with the county tax board. Mr. Del Guercio said 95 plus percent of residential file at the county. One of the reasons the lawyers like filing at the county as do homeowners like filing at the county is you get an answer right away. The county appeals are usually heard in June and July and they're almost immediately by August. State Tax Court can linger on for five years to seven years. So large commercial, yes, they do go to the Tax Court but, typically, residential are heard at the county.

Councilwoman Homan said these are the number of county appeals which appear to have decreased. What's the Allendale 2,453-line item? It looks like we only have 2,257. Mr. Del Guercio said that includes non-taxable exempt properties as well. Even though they don't pay taxes, you have to put your tax-exempt properties, vacant lands, schools, etcetera. Councilwoman Homan said the front page 2,382 is all taxable properties? Angela Mattiace said correct. Mr. Del Guercio said the 2,453 is every parcel in town including non-taxable exempt properties.

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Mr. Del Guercio said you can see that one of the benefits of the program is that we drastically decreased not only the number of appeals that are filed to the County Tax Board, but the actual reductions that were given as a result of judgments.

Mayor Wilczynski said the advantage is not just that. So, it's the reductions why? Mr. Del Guercio said he would give an example. In a non-re-eval, non-reassessment year, sometimes you have sales that take place that are higher than their assessments and sometimes you have sales that take place that are lower than their assessments. The assessor can't arbitrarily adjust any assessment unless physical work is done to the house. That's the law. They can't make market adjustments without doing a plan like a re-assessment. So, rest assured, anyone who has a sale price and all the neighbors of like properties that use that sale price that is less than the assessment is going to file an appeal to the county and most likely is going to win because it's good market evidence. The properties that sell over the assessments can't be adjusted by the assessor upward. That's considered discrimination and it's against state law. Again, that assessor is handcuffed. Without doing a re-assessment, you can have ten sales that are \$500,000 above their million-dollar assessments. You can't do anything until the next time you do a re-assessment or re-evaluation. It's called spot assessing and it's against the law. It's already been tried in court many years ago. You see you're in a lose-lose situation. Where when there is some sort of gain in some section of the town, whether it be high-end properties, condos, commercials, downtown commercials, you can't recoup that value in a non-reassessment year. Conversely, if there's a reduction in some area of town or individual homes or some property class, whether it be the condos or the lower end properties, you're going to lose it all through county tax appeals.

When you do a re-assessment each and every year when those lower sales do come in in certain market areas, you adjust it before it becomes and appeal. Now there's no appeal because it's already been adjusted. Properties that are higher, you're gaining that out. That's why your annual re-assessment really should be called more like a maintenance of assessments where you can net things out. In my experience in Bergen County, not just Allendale, whenever the market shows a loss in some particular class of properties or some area within a town it almost always is a gain somewhere else. The industrial market use to be depressed some 15-20 years ago, now it's the hottest commercial market of all the commercial types; garden apartments. I can go on and on. It almost always kind of nets out. Councilwoman Liz Homan asked are we just talking in today's discussion about residential? You're not re-assessing in the five years? Mr. Del Guercio said all commercials are re-assessed as well. Yes. You're always going to have appeals. The trick is to eliminate all of the appeals where you potentially have exposure.

Mr. Del Guercio said with these appeals that have many, many years, one of the strategies the tax attorneys do is they ask the plaintiffs to withdraw the earlier years to give them a little benefit of a better number going forward. It's a strategy that the governing body could either accept or not. Angela Mattiace said you're not paying back on every year. Mr. Del Guercio said let's say your assessment is a million dollars and they're looking for \$800,000 and you want to fight them tooth and nail, but they have these four years, they might say drop the first three years and we'll give you your \$800,000.

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Mr. Del Guercio said the other thing is when you look at this ratio in the third column, every year the state does a study where they take all of the sales and they divide them into the assessments and they come up with the ratio of the market sales to assess and you are in the lower 90 percentile, meaning that on average, the sales were coming in six or seven percent higher than what the assessments were. And, so, they established this ratio which they used for county tax purposes, Allendale's percent of county taxes that they have to pay, the schools use them, and they're also used for tax appeals; meaning, if somebody has a million-dollar assessment but the town has a 90 percent ratio, it equalizes at 1.1 million, then you have to defend the 1.1 million. And if you can only defend a million, then they apply it, say, a 90 percent ratio and their assessment drops to \$900,000. So, you're losing \$100,000 just based on a ratio. We call that a ratio case.

Councilwoman Homan asked Mr. Del Guercio if he can go back and explain it again. Mr. Del Guercio every year in a non-re-eval, non-reassessment year. Councilwoman said but we are re-evaluating and reassessing every year. Mr. Del Guercio stated right now you don't have to deal with this ratio because you're getting 100 percent. If you look at the third column, you see that it's 100 percent in the three years that I put while we're doing the program, but in the three years before you did the program, you had to deal with this ratio. Councilwoman Homan said living in an area where we are and not every town is doing the same re-eval process that we are. If somebody is not doing that, their taxes are still going to be what they're going to be because they are what they are because you have to raise a certain amount of money. But when they go to try to make an appeal, their value of their home is actually less so they have a harder time succeeding at their tax appeal, would they? Mr. Del Guercio said no. The reason why is because of this ratio. Let's say our assessment is a million dollars and let's say that sales throughout town are ten percent higher, the state gives the town this 90 percent ratio which means when they go to court, Angela and your attorney and your expert have to not defend a million dollars, they have to defend a million dollars divided by .90, equalized the ten percent, they have to defend 1.1 million. So, now it's easier for the homeowner to win that case. Angela said you take that percentage and divide it into that assessed value. As bad as it may be for residential, where a municipality gets killed is on the commercials. That's where you have a lot of exposure. That's why it's better to always try to keep that ratio at that 100 percent. Councilwoman Homan said I'm asking because we have had a lot of questions. There's a lot of residential questions.

Mr. Del Guercio said let's say the town comes up with this 90 percent ratio and primarily as a result of residential sales, unfortunately, it gets applied to commercial.

Mayor Wilczynski said we have to pay a certain percentage to the county, so, ten percent. Say we're at 100 percent and Upper Saddle River, for example, is at 90 or some other town, do we have to pay more of the county piece because we're at the higher assessed value than a town that's not properly assessed? Mr. Del Guercio said, no, because the county does the same equalization. The total aggregate of all assessments in Upper Saddle River gets equalized; if it's 50 percent it gets doubled. Councilwoman Homan said they're not paying ten percent to the county; they are paying something more? Mr. Del Guercio said correct.

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Mayor Wilczynski said when they explain to the residents how this whole process was rolling out. Everybody was going to get what I'm going to call a "total evaluation" which means you go in the house, look at all the bathrooms, count each and every one, and then after that, 20 percent are going to get a total and then the rest are going to have the one where you just walk around the house. The next year, it will be another 20 percent who are going to get the total. Mr. Del Guercio said there's a lot of confusion surrounding this. We're actually doing two things simultaneously. Number one, we're reassessing 100 percent of all properties each and every year based on the current market conditions. The second thing you're doing is you are inspecting the properties for the purposes of verifying the data to make sure that what Angela has on her property record card is exactly what exists there. You want to do that to make sure you pick up any work that was done or just to make sure the objective data is correct. They are two different things. That's what we're doing 20 percent. Mayor Wilczynski said the first year you went in everybody's home and they are all getting evaluated 100 percent, but then 20 percent are getting the actual inspection, but everybody else is getting reassessed based on the market? Mr. Del Guercio said correct.

Councilwoman Homan said people got letters that I think there was some misunderstanding that some people felt that they were penalized by allowing somebody in during covid so they got physically inspected and they got reassessed. And then their understanding was then next year they also got reassessed because they were part of that 20 percent. Angela Mattiace said because somebody has to be that first year out.

Mayor Wilczynski said you have the property record card that has the basement, bathroom, etcetera, and then the next year it's different. It was inaccurate. There were a couple times and we heard this through residents, that a fireplace was missing or a fire place was added on or a kitchen that wasn't knew and it was really old. I was just curious how something like that would happen if you have the records. Angela Mattiace said if you don't let someone in, we're probably going to assume that the house has been updated. We're not going to leave it as old. We're going to leave it as updated unless you let us in to see that it's not. Mayor Wilczynski said you just make assumptions that they redid their home? Angela said yes. Mayor Wilczynski said people really need to look at their cards. Mr. Del Guercio said the first year that we did this was very similar to a re-evaluation. We estimated a good chunk of the town in that year one and left those blue cards which said we were at your house twice and we didn't get in so we're going to assume that you have an updated kitchen. If you don't, please call us and we'll come back out to see it. Councilwoman asked what is considered new? Mr. Del Guercio said if you have a 1960, 1970, 1980's house and you just did the kitchen within the last four or five years, then it has to be striking to the inspector in that it's a new kitchen.

Mr. Del Guercio said just to summarize the bullet point benefits of doing this every year, it stabilizes the average residential tax by doing this. You can see with these numbers that the average residential tax is more stabilized and the tax rate is more stabilized. It puts your ratio at 100 percent every year so you don't have to worry about the ratio causing problems with appeals.

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We are doing inspections each and every year which will only help make the data more accurate. We reduce the number of county appeals filed each year but, more importantly, we reduce the actual refunds that are given. As far as the State Tax Court is concerned, it allows us to eliminate any large exposure cases with commercials, whether it be because of the sale or whether it be because a large tenant moved out, we make the adjustment before it becomes an appeal. More and more towns are starting to do this; at least 35 or 36 doing it.

Councilwoman Homan said in the Chapter 123 ratio, that's the number you were talking about. We were originally trending at 93.8 prior. Is that what it was? Mr. Del Guercio said that's what it would have been had you not done that first year.

Councilwoman Lovisolo asked how do residents verify what is on their card if you don't have the card anymore? Mr. Del Guercio said you can call our number and we will get it right to you.

**PUBLIC COMMENT:**

**Nancy Boitnott, 3 Fox Run Road, Allendale, New Jersey 07401** asked how much is spent on the re-evaluation each year. Mayor Wilczynski responded by saying it's a total of \$200,000 for five years. Mr. Del Guercio said year one was the bigger year. I think it's much less per year now. By the way, that first year which was the more expensive than all the total inspections, so long as you keep the program going, we'll never have to do that again. You can just keep going. Mayor Wilczynski said it's around \$45,000 to \$50,000 a year. Mr. Del Guercio said about \$45,000.

**ADJOURNMENT:**

There being no further business to come before the Mayor and Council, on a motion by Councilwoman Homan, second by Councilman Yaccarino and unanimously carried, the work meeting was adjourned at 7:59 p.m.

Respectfully submitted,



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Linda Louise Cervino, RMC  
Municipal Clerk

05/11/2023  
Date Approved

" M-1 "

# ALLENDALE

PROPERTY CLASS	No. OF ITEMS 2022	2022 ASSESSED VALUE	% OF TOTAL	No. OF ITEMS 2023	2023 ASSESSED VALUE	% OF TOTAL	INCR.	SHIFT
1. VACANT	54	\$13,187,700	0.7%	55	\$16,094,500	0.8%	1.220	0.001
2. RESIDENTIAL	2,257	\$1,638,084,300	85.3%	2,256	\$1,739,133,500	85.4%	1.062	0.001
3A. FARM (Reg)	1	\$894,700	0.0%	1	\$1,218,600	0.1%	1.362	0.000
3B. FARM (Qual)	5	\$8,300	0.0%	5	\$8,300	0.0%	1.000	0.000
4A. COMMERCIAL	43	\$100,099,500	5.2%	43	\$96,217,600	4.7%	0.961	-0.005
4B. INDUSTRIAL	21	\$167,377,800	8.7%	21	\$183,159,000	9.0%	1.094	0.003
4C. APARTMENT	0	\$0	0.0%	0	\$0	0.0%	0.000	0.000
TOTAL COMMERCIAL	64	267,477,300	13.9%	64	279,376,600	13.7%	1.044	-0.002
6A. LCL TEL EXCH	1	\$100,000	0.0%	1	\$100,000	0.0%	0.000	0.000
<b>GRAND TOTAL</b>	<b>2,382</b>	<b>1,919,752,300</b>	<b>100.0%</b>	<b>2,382</b>	<b>2,035,931,500</b>	<b>100.0%</b>	<b>1.061</b>	<b>0.000</b>

### CURRENT DATA

Current Tax Rate \$2.277

### PREDICTED 2023 TAX RATE

Current Tax Rate 2022 \$2.277  
 Adjustment to Ratable Base 1.061

Current Tax Rate	<u>\$2.277</u>	=	\$2.147	Predicted Tax Rate <i>WITHOUT</i> a Budget Increase
Adjustment to Ratable Base	1.061			

Average Residential Property (2022 Assessed Value)	X	2022 Tax Rate	=	2023 Avg. Tax
\$725,800		\$2.277		\$16,526.47

Average Residential Property (2023 Assessed Value)	X	2023 Est. Tax Rate w/o Bud Inc.	=	2023 Avg. Tax
\$770,900		\$2.147		\$16,551.72

Average Residential Tax Dollar Difference \$25.25

<b><u>Total Residential Properties:</u></b>		<b><u>2,256</u></b>
# of Properties Tax INC > \$100:	570	25.3%
# of Properties Tax Neutral 0 - \$100:	378	16.8%
# of Properties Tax Dec > \$0:	1,308	58.0%

<b><u>Properties with Tax Increase Breakdown</u></b>		
# of Properties Tax INC \$250-\$100:	263	46.1%
# of Properties Tax INC \$250-\$500:	233	40.9%
# of Properties Tax INC \$500-\$1,000:	33	5.8%
# of Properties Tax INC \$1,000-\$2,500:	20	3.5%
# of Properties Tax INC \$2,500-\$5,000:	9	1.6%
# of Properties Tax INC \$5,000-\$10,000:	10	1.8%
# of Properties Tax INC > \$10,000:	2	0.4%

**ALLENDALE - 2,453 LINE ITEMS**

<b>TAX YEAR</b>	<b>TAX RATE</b>	<b>CHAPT 123 RATIO</b>	<b>AVG. ASSESS</b>	<b>AVG RES TAXES</b>	<b># COUNTY APPEALS</b>	<b>TOTAL REDUCTIONS</b>	<b>TAX REFUNDS</b>	<b>TOTAL ASSESSED AGGREGATE OF TOWN</b>
2018	2.297	95.34	\$660,000	\$ 15,160	35	\$1,618,000	\$ 37,165	\$ 1,690,023,800
2019	2.349	94.43	\$660,000	\$ 15,503	34	\$3,020,000	\$ 70,940	\$ 1,691,031,200
2020	2.413	94.44	\$660,000	\$ 15,926	45	\$2,309,000	\$ 55,716	\$ 1,684,255,000
2021*	2.349	100 (93.88)	\$690,000	\$ 16,208	27	\$836,200	\$ 19,642	\$ 1,800,589,700
2022	2.277	100	\$725,800	\$ 16,526	9	\$434,700	\$ 9,898	\$ 1,919,752,300
2023	2.147	100	\$770,900	\$ 16,551	TBD	TBD	TBD	\$ 2,035,931,500