

April 5, 1966

Present: All commissioners, Mr. W. S. Donaldson.

Civil Defense

Gen. Hogaboom, Mr. O. Wood, Major Ellison. Gen. Hogaboom said they have spent the past two weeks attempting to find a course to recommend as to what should be done in view of the high bids for the civil defense building, and the cause for them. They have run through the various elements, such as the wage scale, and this does not account for this. They have checked the design in the building and this cannot account for the high bids, and they are now going over all the specifications to reduce everything possible. It is the conclusion of all concerned that the bids are simply high either because the contractors have plenty of work, or because of penalty clauses that might give them some concern. Gen. Hogaboom stated that the state office wants the project re-bid, rather than negotiated.

Mr. Tilp is meeting with the engineers to work up a new addendum to the specifications to present to the commissioners. So far as negotiating with the low bidder is concerned, Mr. Guyther will have to determine if this is legal.

Tax Problem - Whorl

Mr. C. Norris, Mr. O. Guyther. Mr. Norris discussed matter of a piece of property which was sold for 1962 taxes on June 1, 1964, and now belongs to a Mr. Whorl. It is not his responsibility to pay the taxes as he has a receipt stamped "paid" by the treasurer. Mr. Cecil stamped the deed as having the 1963 taxes paid. In 1962 a Mr. Meisner owned the property and he is the one who is actually responsible for the taxes. What actually happened was that the 1963 taxes were accepted by the treasurer and the 1962 taxes were left unpaid. Mr. Whorl bought the property for \$133.89 when it was advertised, even though it was already his, in order to keep it from being sold for the unpaid 1962 taxes. It appears this property was transferred without the taxes being paid. Mr. Norris said he feels this money should be paid back to Mr. Whorl. According to the law this is the responsibility of the treasurer as it is his mistake. Mr. Guyther said the treasurer could either pay this personally or it could be gotten from his bonding company. This matter will be discussed with Mr. Cecil.

Lexington Park Association Assessment Appeal

Dr. Blevins, Mr. Burton, Mr. Guyther, Mr. Herbert, Mr. Lawrence, Mr. Hewitt. The Lexington Park Association is appealing the assessment on the Lexington Park Hotel property. Mr. Burton, attorney, went over the protest as presented (copy in files) and reviewed map of the property in question. He stated that the road in front of the hotel is being used by the county, but has not been officially dedicated to the county. This has no use for the hotel as it is being used as a roadway. This was not taken into account when the assessment was made and they feel it should have been. According to these men, they own part of the street. Mr. Guyther said this is not true as the plat shows that this was dedicated to the county in 1943. He proceeded to enlighten Mr. Burton about the property in question and the latter was satisfied with Mr. Guyther's explanation.

Mr. Paul Bailey came in at this point. Mr. Burton reviewed the back of the property which is being taxed on the same rate as the hotel land. The back lot is not on any street, is a dead piece of land, and not usable as there is no access to it at all. This is about 35% of the total area. They feel this should be taken into account in the assessment, as it is merely acreage.

Mr. Burton reviewed assessment of the buildings which was done on the cost of reconstruction. When it came to putting a value on the building, a depreciation of only 10% was taken. The building was built in 1942 and the depreciation of only 10% by the year 1966 does not seem fair. The original cost was not used, but the reconstruction cost based on today's prices, then this value was reduced 10%, and this does not seem a fair way to do this. The depreciation percentage should not be less than 4% per year, or even 2%. The last building was built in 1956 and is ten years old, and is the newest one. It is Mr. Burton's feeling that they are entitled to a depreciation of not less than 2 to 2½% per year. He agreed that the assessors have the right reconstruction figures, but feels the depreciation value should be greater. The most they have gotten is 1% on the newest building and they do not feel this is fair.

Mr. Burton mentioned the economy of the shopping center and that is dependent upon the slot machines in the various places within it. Their gross receipts in 1964 were \$187,000, and in 1965, \$163,000. As of the first three months of this year they were below the 1965 figures, and are averaging only about \$11,000 per month. They are hoping this will improve during the summer months. It is their feeling that we should have taken into account any commercial activity in the economic situation, which is in the protest. In each of the years mentioned they have had a loss and are in a deficit cash position. It is an overall situation where the property has to be looked at on the basis of what it produces to a potential investor. The additional taxes only have the effect of making a bad situation worse and a consideration must be given to the fact that they do not have the same kind of property in 1966 that they had in 1963. Mr. Burton said he had gotten the impression from the assessors that they might give some consideration when the slots are completely phased out, but he feels some consideration should be given to this in 1966. Some consideration should be given as to what this complex is worth as a business investment, and he stated that the various stores in the shopping center are leased on a flat rate. Mr. Burton mentioned the income tax figures sent to the commissioners and all the details of the income from the property and the taxes paid.

Mr. Lawrence said that the property was assessed on reconstruction costs and land values of other properties in the vicinity. Personal property was on the basis of \$100,000, which Mr. Burton agreed to pay. The 3½ acre assessment is \$46,725 for the total land. This was done on a front foot basis using an average depth of 420 feet. The property actually goes back approximately 800 feet. Mr. Herbert said they use 100 feet on commercial property. Using a 200 foot depth, the assessment would be \$40,050, so that they actually have approximately \$6,000 assessment on the last 220 feet back. The value is \$75 per front foot. By using this method the assessment on the back land is very low, and most of the assessment is on the front footage. The further back you go the lower the assessment is on the back land. The first 100 feet would be assessed at \$33,375, the fair market value. This would be about \$55,000 for the first 100 feet.

The great increase of the percentage of assessment is what is causing the problem. It was assessed at \$18,690 and is now assessed at \$46,725, which is a 2½ times

increase. Mr. Lawrence stated that the other properties in the area were assessed in the same way, using the same formula. Mr. Burton said if this was done this way, he cannot argue and feels it is correct, but they would appreciate some consideration on the step up of the valuation of the land. Mr. Lawrence said the front foot value was arrived at from a capitalization standpoint. This is net income, and the depreciation and interest were removed. Reviewed manner in which the assessment was figured and Mr. Burton agreed with the figures of capitalization for this property, which were 8%. Mr. Lawrence said that the formula they use is in the manual. Mr. Burton feels that this cannot be figured by a formula but must be done according to the fair market value. Mr. Bailey said he feels that these people have some basis for appealing to the state for some help in this matter. Mr. Lawrence stated that in another year if the rates are less due to the slot machines going out, some consideration could be given.

Mr. Burton said he does not feel that this property is worth the approximately \$500,000 it is valued at. He feels the fair way to do this was to take Mr. Lawrence's figures on the reconstruction costs of the building, allowing a depreciation value greater than 10% overall.

The commissioners will consider this appeal and give these gentlemen an answer.

Roads

Mr. T. Hall. Estimate for the Coleman Road is \$13,900. The commissioners agreed that this amount should be given to Mr. Hall. Mr. Donaldson stated that this is in the budget.

Reviewed the county 1966 construction program and final revisions will be made next week.

Mr. Hall said that the Whalen Road is in good condition and he will bush it.

Board of Education Budget

Mr. M. Joy, Mr. Venetta, Mrs. Murray, Mrs. K. Daugherty, Miss E. Pickrell. Mr. Joy read statement from the PTA Council expressing their concern about the Board of Education budget, and thanked the commissioners for their progress in education in the county. General discussion concerning Board of Education budget and Mr. Joy said he does not feel the budget is adequate for the needs and this will be a cutback in the program. In order to raise teachers salaries to compete with other counties, they have had to cut down on other programs, and Part I of the budget is not adequate. Mr. Bowles stated that it is not the commissioners duty to make up the Board of Education budget. The budget is submitted and approved with both parties, the commissioners and the Board of Education. The Board of Education has always approved and agreed on the budget as approved by the commissioners. The Board of Education has always closely with the commissioners to do what can be done to meet their needs.

Mr. Donaldson explained that the only time any limit was placed on the Board of Education was two years ago when the Hughes formula came out. At that time, there was an error made in the state figuring the funds available for the Board of Education. Mr. Donaldson explained the formula used. Mr. Joy said what they are supporting is the alternate if the Cooper-Hughes was passed, and Mr. Donaldson stated that Part 4 was never submitted to him. This part is for construction.

Mr. Joy said it was his understanding that there was not enough money to build the type school they want in the first place and this is why this is done. Mr. Bowles said that when a school is to be built the Board of Education comes in and proposes this and states what it is to consist of. They give the commissioners an estimated cost they have gotten from their architect. This is based upon what they have determined their needs to be. This is their judgment, not the commissioners, as the latter do not determine this. If funds can be provided they are, and have always been with the exception of this last request. Meeting a need is a continued process, and we must meet the need as best we can as fast as we can. (Mrs. Daugherty left the meeting). Mr. Joy said they are in favor of paying for better education and the majority of the people are in agreement with this. It was generally agreed that the public will have to be educated as to the needs of the school system and they will have to pay for this.

Mrs. Murray asked if Part II was looked at with favor, and Mr. Donaldson said this was in the Board of Education request. So far as the salary scale request by the Education Association is concerned, Mr. Guyther will have to advise as to whether or not this is legal.

Human Relations Commission

Mr. Edward Long of Leonardtown, will be asked to accept appointment to this Commission.

MCCA Dues

The commissioners approved payment of \$287.50 dues to the Association for the first six months of 1966.

Vouchers #25287 through 25458 approved for payment, and signed by Mr. Burch.

Meeting adjourned.

Approved,

F. Elliott Burch

F. Elliott Burch, President