

MINUTES OF THE BOARD OF ABATEMENT

Thursday, December 5, 2019

6:00 pm

Board Members present: Chair, Del Cook, Brian Coolidge, Timothy Guiles, Seth Hopkins, Seth Clifford, Sally Cook, Bud Coolidge, Wendy Feldman, Marge Munger, Kathy Clark and Clerk, Susan Gage.

Guests present: Jeff Wallin and Peter Breen

I) Abatement Hearings – Neshobe Golf Club; Parcel 0082-0224; 224 Town Farm Rd; Per 24 V.S.A. § 1535(a)(3) – Taxes of persons who are unable to pay their taxes, interest, and collection fees.

Chair Del Cook opened the hearing at 6:00 pm. It was noted that a quorum of members was present. Board members Del Cook and Brian Coolidge acknowledged a potential conflict of interest, as they are shareholders in the Neshobe Golf Club. Members present felt that the potential conflict would not have an adverse effect on the hearing, or decision. Chair Cook swore in Jeff Wallin and Peter Breen as representatives of the Neshobe Golf Course in the abatement.

Clerk Sue Gage entered five items into evidence: 1) Initial letter from Jeffrey Wallin, President of Neshobe Golf Course, dated August 15, 2019, including Profit and Loss Statement and Balance Sheet; 2) Lister's Card detailing property costs and values; 3) Letter from Jeffrey Wallin, President of Neshobe Golf Course, dated December 5, 2019, including Profit and Loss Statement; 4) Accounts Payable aging Summary; 5) Balance Sheet.

Chair Del Cook asked Jeffrey Wallin to open the hearing with an overview. Mr. Wallin read the letter dated December 5, 2019, that was entered into evidence. Mr. Wallin stated that the bank has moved quickly to begin the foreclosure process after a reappraisal was ordered and the value came in at nearly 50% of the town appraised value. Mr. Wallin went on to explain that the golf course adds inherent value to the town and that avoiding a foreclosure auction would be in the best interest of the town. Mr. Wallin enclosed two letters, from the Town of Brandon and the Brandon Chamber of Commerce supporting the golf course and requesting the bank slow down the foreclosure process to try and secure an outside buyer. They are entertaining two potential buyers, who would privatize the golf course and their interest would be piqued should the board agree to abating the current year taxes of \$37,588.24.

Tim Guiles asked for clarification on the category of the abatement request. Mr. Wallin stated that the request was based on an inability to pay taxes, interest and collection fees. Chair Cook asked for clarification on the abatement request, Mr. Wallin stated they are requesting abatement of the unpaid taxes for the 2019/2020 year. As the year continues and the late fees and taxes continue growing, the potential sale of the golf course continues to increase in costs. He feels the abatement would go a long way to remediate some of the ancillary costs to be incurred by an outside purchaser. He believes this could make a big difference in a buyer being able to purchase the golf course and satisfy the bank debt.

Clerk Sue Gage asked why the Golf Course didn't grieve the valuation of the property during grievance hearing. Mr. Wallin stated that he didn't come into his position until after the grievance period ended and began remedial work at that point. Ms. Gage also asked why the Golf Course never sought any funds from the Town revolving loan fund. Mr Wallin stated that incurring additional debt would not solve the issues.

Mr. Guiles asked for clarification about who owns the Golf Course. Mr. Wallin stated that it is a member owned golf course. Mr. Guiles then stated that based on the statutory reading of the laws of abatement, it is the

members who are unable to pay the tax bill. Mr. Guiles contended that it is likely that the members are not unable to pay the bill, but rather choose not to. Mr. Breen stated that it is more complicated, in that the members pay a fee as members and it is the pooling of these funds that generate revenue for the Golf Course, from which expenses are then paid. Mr. Breen stated that there are about 88 paying members and 82 gold members, who are non-paying members.

Marge Munger asked for more details about the buyers, and asked if there was a serious potential buyer. Mr. Wallin stated that there are two groups looking seriously at purchasing the golf course. Ms. Gage asked how things would look with a private owner, and Mr. Wallin stated it would still be open to the public. Seth Hopkins asked what would happen to current shareholders should the sale go through. Mr. Wallin stated that the sale would be a sale of assets, so the shareholders' interest would expire with the corporation upon sale of the assets.

Mr. Guiles asked how the deal was structured and why Mr. Wallin contends that the abatement of taxes would have such a dramatic effect on the deal itself. Mr. Wallin stated that the deal is dependent on the payment of bank debt, and is looking to be around \$500,000. The removal of the tax burden would make the deal more appealing to both the bank and the potential buyers. Bud Coolidge asked what effect the abatement of these taxes would have on the remaining taxpayers in town. Mr. Guiles stated that the Golf Course taxes are about 1% of the Town Budget. Mr. Breen stated that the reappraisal coming out this spring will likely reflect a lower valuation for the Golf Course, meaning the taxes will be spread among remaining taxpayers anyway.

Kathy Clark asked how the new owners will run the golf course, and whether they will be raising the rates. Mr. Wallin stated that it is likely that rates will increase, and he is hopeful that they will manage the golf course better than the members were able to. Mr. Breen stated that the membership expanded the offerings at the golf course such as hosting private events, to try and bolster the income, but neighboring courses began doing the same and cut into what profits Neshobe had generated in the past. Mr. Wallin added that the first year for a new owner will be very difficult, as many members will go to other courses as the fate of Neshobe is unknown.

Marge Munger stated that she recently read about the decline of golfing, and wondered how a golf course can be sustainable at all in this new climate. Mr. Wallin said that the overall decline is true, but there are a number of young people in our area that are involved in golf. The general manager began a program at the elementary school this year, to groom future golfers.

Marge Munger asked about any trusts or funds that have been bequeathed to the Golf Course. Mr. Wallin explained that there were funds left by an old member, but his family petitioned the courts after the members death, to remove the Golf Course as an heir to the estate. This individual did leave \$10,000 to both the Golf Course and the Town, to be used for youth golfing. These funds have been spent.

Chair Cook closed the hearing, and the members went into deliberative session at 6:30 pm.

II) Adjournment - Meeting was adjourned at 6:50 pm.

Susan Gage, Clerk

Del Cook, Chair