

Date: Tuesday, Sept. 20, 2016
Time: 6:55 pm
Place: Westside Firestation

FINANCE AND TAXATION COMMITTEE

A. CALL TO ORDER & ROLL CALL

B. OVERVIEW OF YOUTH IN GOVERNMENT PROGRAM AND INTRODUCTIONS

A brief overview and expectations of the Youth in Government program will be provided - followed by an introduction of the student representative(s) and the board members.

Individual Requesting Item	City Administrator
Expected Length of Discussion	5 minutes

C. CORRECTION OF MINUTES

D. BUSINESS: OPEN

1. AGREEMENT WITH ASSOCIATED APPRAISAL CONSULTANTS, INC. FOR ASSESSMENT SERVICES

Review and possibly recommend to Council for approval

Individual Requesting Item	City Clerk/DOGG
Expected Length of Discussion	5 min.

Documents:

[*Monroe C - Annual Full Value 2017-2019.pdf*](#)
[*Finance Staff Review.pdf*](#)

2. NEW SOFTWARE AND SYSTEM FOR AGENDAS/MINUTES/VIDEO MANAGEMENT FOR CITY COUNCIL & COMMITTEE MEETINGS

Individual Requesting Item	City Clerk and Alder Boyce
Expected Length of Discussion	20 min.

E. BUSINESS BY MEMBERS

May make brief informative statements or bring up items to be discussed at a future meeting.

F. ADJOURNMENT

This Committee may take any action it considers appropriate related to any item on this agenda.

Requests from persons with disabilities who need assistance to participate in this meeting, including need for an interpreter, materials in alternate formats, or other accommodations, should be made to the Office of the City Clerk at (608) 329 2564 with as much advance notice as possible so that proper arrangements can be made.

Members: Chairperson Reid Stangel, Brooke Bauman, Chuck Koch, and Alternate Michael Boyce

Youth in Government Members: Nick Baumann, Lillian Edwards

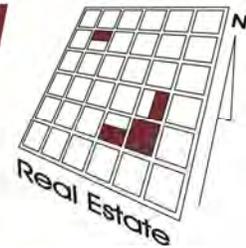
AGREEMENT FOR ANNUAL FULL VALUE MAINTENANCE ASSESSMENT SERVICES

Prepared for the
CITY OF MONROE
Green County

By

***Associated Appraisal
Consultants, Inc.***

Appleton ■ Hurley ■ Lake Geneva



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AGREEMENT FOR ANNUAL FULL-VALUE ASSESSMENT SERVICES

This Agreement is by and between the **City of Monroe, Green County, State of Wisconsin**, a municipal corporation (hereafter “Municipality”) and **ASSOCIATED APPRAISAL CONSULTANTS, INC.**, with its principal office at 1314 W. College Avenue, Appleton, WI 54914 (hereafter “Assessor”) as follows:

I. SCOPE OF SERVICES. All services rendered shall be completed in full accordance and compliance with Wisconsin Statutes, the *Wisconsin Property Assessment Manual* and all rules and regulations officially adopted and promulgated by the Wisconsin Department of Revenue as of the date of this agreement. That being said, this agreement is being provided under the assumption all property records are in a digital format. Digital property records include digital photographs, sketches and property record data compliant with Wisconsin Department of Revenue mandates. In the event the records are not digital, there shall be an additional cost for conversion.

A. COMPLIANCE. Assessor shall keep the City of Monroe’s assessments in compliance with the Wisconsin Department of Revenue for the duration of this contract. The level of assessment shall annually be kept within 10% of the cities full equalized value.

B. INSPECTIONS. Assessor shall physically inspect 20% of improved properties on an annual basis and update assessment records, such that all improved properties will be inspected on a five-year cycle. The Assessor’s annual inspection cycle shall include all of the following:

- 1) New construction, annexed properties, and properties with a change in exemption status shall be physically inspected, and the property record card prepared or updated as needed.
- 2) Properties affected by building removal, fire, significant remodeling (those requiring a building permit), or other major condition changes shall be physically inspected.
- 3) Improved properties under construction over a period of years shall be re-inspected.
- 4) All sales properties, legal description changes, and zoning changes shall be reviewed and inspected if deemed necessary to ensure a fair assessment.
- 5) Requests for review by property owners, made after the close of the municipal Board of Review, and prior to signing the affidavit for the next assessment roll, shall be physically inspected during the current assessment cycle.
- 6) A classification review shall be conducted annually to determine eligibility for agricultural use value assessment and the assessment of agricultural forestland and undeveloped land.

C. PARCEL IDENTIFICATION. The legal description, drawing and measurements of each land parcel and improvements shall be contained in the existing property record cards. Drawings shall be made for all new records. In the event of a discrepancy existing, the Assessor shall investigate and correct the record.

D. PREPARATION OF RECORD CARDS. Appropriate record cards shall be used in the evaluation and collection of data for residential improvements, commercial improvements, and agricultural improvements. All information relating to the improvements shall be obtained and shown as provided on the respective forms. The Assessor shall supply to the Municipality a complete set of property records either on computer readable format compatible with the Municipality’s computer system if a computer valuation

program is used, or a hardcopy if a manual system is used, and update the records within fourteen (14) days of final adjournment of the Board of Review. The records shall be updated prior to the open book and again to reflect any changes made at the Board of Review.

E. **APPROACH TO VALUE.** Assessor shall assess all taxable real estate according to market value, as established by professionally acceptable appraisal practices, except where otherwise provided by law. Assessor shall consider the sales comparison approach, the cost approach and the income approach in the valuation of all property.

- 1) **Sales Comparison Approach.** Assessor will collect, compile and analyze all available sales data for the municipality in order to become familiar with the prevailing market conditions and activity. A detailed analysis of sales data will be prepared, including a picture book of recent residential and agricultural sales. Vacant land sales will also be compiled and analyzed. In valuing property by the sales comparison approach, subject properties will be appraised through a detailed comparison to similar properties that have recently sold, making careful consideration of similarities and differences between the subject and comparable sale properties.
- 2) **Cost Approach.** The cost approach to value will be considered for all taxable improved property. Replacement costs for residential and agricultural improvements will be calculated per Volume II of the *Wisconsin Property Assessment Manual*. Replacement costs for commercial improvements will be calculated using Marshall & Swift valuation service. All accrued depreciation, including physical deterioration, functional obsolescence, and economic obsolescence will be accurately documented and deducted from current replacement costs.
- 3) **Income Approach.** Consideration of the income approach to value will be made when the income or potential income generated by the real estate is deemed likely to affect the property's resale value. Data to be analyzed will include economic rents, typical vacancy rates and typical operation expense ratios. In the valuation of property by the income approach, adequate records will be prepared, showing a reconstruction of income and expenses, as well as all calculations used to arrive at market value, including formulas and capitalization rates as appropriate to the type of property being appraised.

F. **OPEN BOOK CONFERENCE.** Upon completion of the Assessor's review of assessments and prior to completion of the assessment rolls, the Assessor shall hold open book conferences for the purpose of enabling property owners or their agents to review and compare the assessed values. The Assessor shall send notice to each property owner of any change in assessment. The notice form used shall be that prescribed by the Department of Revenue, and include the time and place the open book conference(s) will be held. Mailing shall not be less than fifteen days prior to the first day of the conference for the convenience of property owners. The Assessor shall take the phone calls to schedule appointments for the open book conference. The assessor shall be present at the open book conference for a time sufficient to meet with the property owners or their agents and shall be present at least two hours or as needed. Assessor shall provide the necessary staff to handle the projected attendance.

G. **COMPLETION OF ASSESSMENT ROLL AND REPORTS.** The Assessor shall be responsible for the proper completion of the assessment roll in accordance with current statutes and the *Wisconsin Property Assessment Manual*. The Assessor shall provide final assessment figures for each property to the Municipality, and the roll shall be totaled to exact balance. Assessor shall prepare and submit all reports required of the Assessor by the Wisconsin Department of Revenue including: Municipal

Assessment Report (MAR), the Tax Incremental District Assessment Report (TAR), The Annual Assessment Report (AAR) and the Exempt Computer Report (ECR). Assessor shall follow the Uniform Standards of Professional Appraisal Practice (USPAP) as required by the Wisconsin Property Assessment Manual; postage is at the Assessor's expense.

H. **BOARD OF REVIEW ATTENDANCE.** The Assessor or his/her authorized representative shall attend all hearings of the Municipal Board of Review to explain and defend the assessed value and be prepared to testify under oath in regard to the values determined. All Board of Review appeals must be made in a formal manner, which complies with the State Statutes governing the assessment process. This includes filing with the Clerk, prior to the Board of Review, a properly completed objection form.

I. **PERSONAL PROPERTY ASSESSMENTS.** The Assessor shall prepare and distribute annual personal property statements to all businesses; postage is at the Assessor's expense. By May 1st each year the Assessor will review statements and follow up with un-filed or incorrect statements. The Assessor shall determine the appropriate assessment. The Assessor shall exercise particular care so that personal property as a class on the assessment roll bears the same relation to statutory value as real property as a class.

J. **PUBLIC REQUESTS.** The Assessor shall timely respond to all open records requests received by the Assessor. In so doing, the Assessor shall comply with the confidentiality provisions of the law, including sec. 70.35(3), regarding the personal property return; sec. 70.47(7)(af), regarding income and expense information provided to the assessor and board of review; and sec. 77.265, the real estate transfer return.

K. **AVAILABILITY.** The Assessor shall maintain a local or toll free telephone service to receive calls from the Municipality or property owners five days a week from 8:00 a.m. to 4:30 p.m. excluding holidays. Internet communication is available twenty-four hours per day. The Assessor shall timely respond to all telephone inquiries within four working days or sooner. The Assessor shall copy the municipal clerk on those issues that have been raised to the clerk or board and subsequently passed on to the Assessor.

L. **MUNICIPAL RECORDS.** The Municipality shall allow access and make available to the Assessor municipal records such as, but not limited to, previous assessment rolls and records, sewer and water layouts, permits, tax records, records of special assessments, plats, and any other maps currently in the possession of the municipality at no cost.

II. GENERAL REQUIREMENTS

A. **OATH OF OFFICE.** As the Assessor is a corporation, the person designated as responsible for the assessment shall take and subscribe to an oath or affirmation supporting the Constitution of the United States and to the State of Wisconsin and to faithfully perform the duties of Assessor. The oath shall conform to Section 19.01, Wis. Stats. and be filed with the Municipal Clerk prior to commencing duties. Assessor shall assume the appointed office of city assessor as per Wisconsin Statutes 70.05 (1) for the duration of this contract and shall perform all statutory duties appertaining to such office. As such the Municipality shall hold harmless the Assessor from all claims and liabilities relating to the assessment or taxation of property, including but not limited to claims made under Statutes 74.35, 74.37 and circuit court claims, unless otherwise specified in this agreement.

B. **QUALIFICATIONS AND CONDUCT OF PERSONNEL.** The Assessor shall provide at its own expense any personnel necessary and shall comply with the following:

- 1) All personnel providing services shall be currently certified in compliance with Sec. 70.05 and 73.09, Wis. Stats. and the administrative rules prescribed by the Wisconsin Department of Revenue.
- 2) Assessor's field representatives shall carry photo identification cards and a general letter of introduction/identification on Municipal letterhead.
- 3) All employees, agents, or representatives of the Assessor shall conduct themselves in a safe, sober, and courteous manner while performing services within the Municipality.
- 4) The Assessor shall review any complaint relative to the conduct of the Assessor's employees and take appropriate corrective action. If the Municipality deems the performance of any of Assessor's employees unsatisfactory, the Assessor shall, for good cause, remove such employees from work upon written request by Municipality.

C. ASSESSOR PROVIDED INSURANCE AND INDEMNITY. The Assessor agrees as follows:

- 1) The Assessor shall obtain and maintain during the term of this contract full coverage insurance to protect and hold harmless the Municipality which insurance is to include:

(a) Workers Compensation State of Wisconsin requirements

(b) General Liability

General Aggregate	\$ 2,000,000
Products/Completed Operations	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Personal & Advertising	\$ 1,000,000
Fire Damage	\$ 100,000
Medical Expense	\$ 10,000

(c) Comprehensive Auto Liability

Combined Single Limit	\$ 1,000,000
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- 2) The Assessor shall provide the Municipality with certificates for all required insurance, with the Municipality as a named insured. All insurance coverage shall contain a 10-day advance notice of cancellation to the Municipality. The Assessor shall timely pay all insurance premiums.
- 3) Liability for bodily injury, disability, and/or death of employees or any person or for damage to property caused in any way, directly or indirectly, by the operations of the Assessor within the Municipality shall be assumed by that Assessor and the Assessor shall indemnify and hold harmless the Municipality against all claims, actions, proceedings, damages, and liabilities, including reasonable attorneys fees, arising from or connected with the Assessor's activities in connection with the services provided to the Municipality, including but not limited to, any acts or omissions of the Assessor, the Assessor's employees, agents, representatives, and any other person doing business with Assessor. This paragraph is not to be in conflict with Sec. 893.89(4), Wis. Stats.

C. OWNERSHIP OF RECORD. All records prepared or maintained in connection with assessments in the Municipality shall at all times be and remain the sole property of the Municipality, including (a) all records

prepared in connection with assessments in the Municipality including, but not limited to property record cards, personal property forms, maps, and any other schedules or forms, (b) all records and materials obtained from the municipality and not previously returned to include maps, and Assessor's records, and (c) materials specifically obtained and/or used for performance of assessment work for the Municipality, to include aerial photos, maps, depth factor tables, copies of leases, correspondence with property owners, sales data, copies of real estate transfer returns, and operating statements of income property, and (d) if the record system is computerized, at a minimum, provide that the software be able to create an exportable text file of data, (e) if the municipality requires a conversion of the electronic assessment records to a neutral file format, such as a text file format or a tab delimited format, the municipality agrees to pay the actual cost of such conversion.

III. TERM AND TERMINATION

A. **TERM.** The term of this Contract is for the 2017, 2018, and 2019 assessment years. The assessor shall have completed all work under this agreement on or before the second Monday of May or 30 days thereafter, excluding appearances beyond the Board of Review. The date of completion may be extended, if necessary, under the terms of this contract and by mutual consent.

B. **TERMINATION.** Either party may terminate this Contract only with cause, cause being defined as default of the other party of terms of this Contract upon sixty (60) days written notice to the other party. Upon termination by either party, Assessor shall deliver to the Municipality all records and materials in Assessor's possession used or created during this Contract. During the 60-day wind down period, both Assessor and the Municipality shall act in good faith with each other and cooperate in the orderly transfer of records.

C. **AUTOMATIC RENEWAL.** This Agreement will automatically renew for successive annual assessment years unless either party, on or before July 1 of the preceding year, notifies the other party by certified mail of their desire to non-renew.

IV. COMPENSATION

A. The Municipality shall pay the Assessor **Fifty-Three Thousand, Two Hundred Dollars (\$53,200.00)** for each of the 2017, 2018, and 2019 assessment years for full-value maintenance assessment services.

OPTIONAL AGREEMENT EXTENSION: The Municipality shall pay the Assessor **Fifty-Three Thousand, Eight Hundred Dollars (\$53,800.00)** for each of the **2020, 2021, and 2022** assessment year for maintenance assessment services.

B. The compensation due the Assessor shall be paid in installments throughout the 2017, 2018, and 2019 assessment years.

C. This is an **all inclusive contract**, meaning that the Municipality will not be billed for additional expenses such as postage, mileage, or supplies.

D. **Optional Website Posting:** The Municipality shall have the option to post their assessment data on our website for an additional cost of a penny and a half per parcel per month (\$.015 4,179 = \$62.69) payable to a third party vendor. Should the parcel count change, this cost would decrease or increase at the rate of \$.015 per parcel.

***** Please initial yes or no to post data to the website. *****

Yes _____ No _____

V. SIGNATURES



8/25/2016

Mark Brown
President
Associated Appraisal Consultants, Inc.

Date

Authorized Signature
City of Monroe, Green County

Date



Finance Committee Staff Review

Agenda Item:

Agreement with Associated Appraisal Consultants, Inc. for Assessment Services

Review Notes from City Clerk/Director of General Government

Associated Appraisal Consultants, Inc. is the city's current assessment company. They have been very good to work with the last 5 years with relatively few problems or complaints. When Associated Appraisal starting working for the City of Monroe in 2012, most of the business properties had not been re-assessed for many years and the assessments were therefore quite below fair market value. This was a tough situation for them as many of the business owners were visibly upset when their assessments went up quite drastically in some cases. Associated Appraisal handled the complaints very well in a professional manner. All properties are now scheduled to be inspected and appraised on a 5 year rotational basis.

The basic fee in 2012 was \$52,000 with gradual increases up the current fee of \$52,800 in 2016. The basic fee proposed for 2017 is \$53,200 with gradual increases for future years. This equates to a total 2.3% increase since 2012. There is also a monthly fee of approximately \$62.69 to have the parcel and assessment information posted electronically.

The new agreement is for three years with optional extensions.

Staff Recommendation:

Recommend to Council for approval