

**MINUTES OF THE REGULAR MEETING OF THE
AMES CONFERENCE BOARD AND
REGULAR MEETING OF THE AMES CITY COUNCIL**

AMES, IOWA

JANUARY 24, 2012

REGULAR MEETING OF THE AMES CONFERENCE BOARD

The regular meeting of the Ames Conference Board was called to order by Chairperson Ann Campbell at 6:30 p.m. on January 24, 2012. Present from the Ames City Council were Davis, Goodman, Larson, Orazem, and Szopinski. Story County Board of Supervisors present were Clinton and Sanders. Representing the Ames School Board were Espeset and Talbot. Gilbert School District and United School District were not represented.

MINUTES OF THE DECEMBER 13, 2011, CONFERENCE BOARD REGULAR MEETING:

Moved by Davis, seconded by Sanders, to approve the minutes of the Special Meeting of the Conference Board on December 13, 2011.

Vote on Motion: 3-0. Motion declared carried unanimously.

ASSESSOR'S BUDGET PROPOSALS: Ames City Assessor Greg Lynch highlighted information from the City Assessor's 2012/13 Annual Report. He explained the effect of residential rollback on taxable value; it was the primary driver of the net 5.9% change.

Department activities were reviewed by Mr. Lynch. He stated that new residential sales decreased from 43 in 2009 to 19 in 2010, a trend that has continued over the past three years. The new home sale price decreased approximately 5.6%. The sales value for existing homes increased slightly (1.64%). From information provided by the Iowa Department of Revenue in July 2011 and from sales that have occurred since then, the median sales ratio for commercial property in the Ames jurisdiction is 101.3%. According to Mr. Lynch, that means that the sale prices are a little high in relation to the assessed value.

City Assessor Lynch said that new real estate software called Incode (produced by Tyler Technology) was successfully installed and has been used since last spring. Currently, the City Assessor's Office has been working with Tyler Technology to convert to its new Microsoft.Net-based software, which is a much-improved product. They are close to finalizing the contract. The software would be implemented in January 2013. The City Assessor's portion of the cost of the new software would be \$8,000, which would primarily be for training.

Mr. Lynch detailed the City Assessor budget proposal for 2012/13. Pertaining to salaries, he advised that he based his request on the Consumer Price Index, which showed a 3.4% increase from November 2010 to 2011. Mr. Lynch stated that he is asking for a 1.5% cost of living increase and a 1.00% merit pool, for a total of 2.50%, for the Assessor and all other staff. In addition, he is requesting a one-time bonus of \$1,000 for each professional designation obtained by appraisal staff and for the designation of Certified Administrative Professional for the office assistants. Mr. Lynch noted that he would be excluded from the bonus option. Also, a bonus of \$1,000 has been included in the budget proposal for Chief Deputy Assessor Paul Overton, who achieved the designation of Residential Evaluation Specialist (RES) in March 2011.

Regarding the Board of Review line item, which showed an increase of 646.7% (from \$500 to \$5,600), Mr. Lynch said that they would like to go with an all-digital presentation to the Board, thus necessitating the purchase of laptops or iPads. He described the concise time frame that property owners have to appeal assessed values. Especially for commercial property, the justification submitted by the property owner can amount of enormous amounts of paper. Providing that information in digital format can save a lot of staff time and paper.

The major components under the Data Processing & Software line item were listed Mr. Lynch. It includes maintenance on existing software and upgrades and payments to the City's Information Technology (IT) Department for use of the network and IT staff within City Hall.

A summary of the 2011 Assessment Appeals was given by Mr. Lynch. The Barilla Pasta manufacturing plant was the one case that was appealed to District Court in 2011. The new Super Wal-Mart case is still unresolved from 2010.

City Assessor Lynch reminded the Board that there is now a 28E Agreement in place for GIS and mapping. Support Assurance is paid to Story County. The City Assessor's Office pays for web hosting and basic system support to Schneider Corporation. For the next three years, the City Assessor's Office will pay \$7,166/year to Pictometry for new aerial photographs.

In conclusion, Mr. Lynch advised that they retain 30% of the annual budget in reserves.

Mr. Clinton asked for clarification of the proposed \$1,000 bonus for professional designations. He views the proposed bonus as continuing education and asked if the City Assessor's Office budgets for continuing education. Mr. Clinton asked Mr. Lynch to compare the bonus proposal to what City of Ames employees might receive or be eligible to receive. Mr. Lynch stated that he was unaware of what is offered to City employees. He advised that the budget does contain an Education line item. Supervisor Sanders recapped discussions on this topic that had been held by the Mini Board. In summary, the Mini Board felt that there is a number of limited designations possible for the positions that would be affected. According to Mr. Sanders, after lengthy discussion by the Mini Board, it felt the bonus provision was justified. Mr. Larson noted that a similar proposal was brought to the Mini Board a year ago. The Mini Board had asked for modifications to the proposal to narrow it down and bring back more specifics.

Mr. Sanders also noted that the Mini Board had discussed a \$4,800 Board of Review expense for laptops or iPads for the Board members to use during their time in session. Discussion ensued on the granting of a stipend to Board members if they provide their own equipment. It is a possibility that the Assessor's Office might purchase two laptops or iPads in the case that someone did not wish to purchase their own, but the \$4,800 was really just a "placeholder" until a discussion could be held with this Conference Board. Mr. Sanders expressed his preference that a stipend be offered since the equipment would not be in use for the majority of the months. Mr. Lynch noted that any communication among Board members would be a public record. If the equipment used was owned by a Board member and a public records request was received about a Board of Review matter, the personal equipment would be checked. Mr. Larson pointed out that the Board of Review would need that equipment for such a short period of time; therefore, it would be more economical to provide a stipend rather than the City Assessor buying laptops or iPads. Mr. Davis stated that he would prefer to see the stipend option offered. Mr. Clinton offered his opinion that offering a stipend was more

appealing to him than the outright purchase of the equipment. He also suggested another possibility that the equipment be used by other departments when not being used by the Board of Review.

Noting that the cost of a laptop has decreased significantly, Mr. Davis felt that \$200 was too high. If a stipend is offered, he believed it should be set at \$100/each Board of Review member, with

the amount for equipment set at \$1,000 that would include incidental expenses associated with that equipment.

Moved by Davis, seconded by Sanders, to set the stipend for laptops or iPads for the Board of Review at \$100 and retain the other \$800.

Upon being asked for clarification, Mr. Davis said his motion was essentially to set the line item total at \$1,800.

Mr. Sanders noted that the proposed budget for that line item currently is shown at \$5,600. He assumed that the amount designated for equipment (\$4,800) would be decreased to \$1,000 and the other \$800 would be left in there for other expenses of the Board of Review, as determined by City Assessor Lynch. Mr. Davis confirmed that that was the intent of his motion.

Mr. Goodman added that he would like to see the total increase between the proposed and current budget be approximately 3.0%, rather than 4.3%. He noted that there had been a 6.4% increase the previous year (2010/11). Mr. Goodman asked the Mini Board members if it were impossible to get the work done and stay at a 3.0% increase. Mr. Larson, a Mini Board member, said that the Mini Board extensively reviewed the budget, brought it down a little, and felt what was being proposed now was justified. Mr. Sanders agreed and noted that the \$4,800 equipment expense had been reduced to \$1,000.

At the inquiry of Mr. Goodman, Deputy Assessor Paul Overton explained their "reserve" policy. He said the proposed budget includes an approximate 30% reserve, which the Assessor's staff feels is adequate.

At the further inquiry of Mr. Goodman, Mr. Sanders expressed his opinion that the Mini Board's role is to go through the proposed budget and evaluate it line-by-line. Mr. Larson pointed out that upgrades in Incode software and data processing equate to over \$14,000. Mr. Sanders noted that the Pictometry expense is approximately \$7,200 that was not budgeted last year, and the Incode software upgrade at \$8,000 is really outside the Ames Assessor's control. He commended Mr. Lynch and his staff at reducing certain line items by 10% after the Mini Board meeting to get the budget proposal to where it is now.

Roll Call Vote: 3-0. Motion declared carried unanimously.

Noting that the City works hard to stay between 2 and 3% increase, Mr. Goodman said that he would support the budget proposal this year; however, he did not believe that that percentage of increase is sustainable. He encouraged the City Assessor's Office staff to prioritize and keep the increase at no more than 3%.

Moved by Davis, seconded by Sanders, to approve the proposed City Assessor's 2012/13 budget, as above-discussed.

Roll Call Vote: 3-0. Motion declared carried unanimously.

Moved by Davis, seconded by Sanders, to receive the proposed budget (adoption of the budget will occur after the hearing is held).

Roll Call Vote: 3-0. Motion declared carried unanimously.

Moved by Davis, seconded by Sanders, to set 6:30 p.m. on February 28, 2012, as the date of public hearing on the proposed FY 2012/13 City Assessor's budget.

Roll Call Vote: 3-0. Motion declared carried unanimously.

Mr. Sanders asked for a clarification of representation on the Conference Board. He noted that there are three School Boards on the Ames Conference Board (Ames, Gilbert, and United), and asked if each School District should have representatives present. City Attorney Doug Marek advised that, per *Iowa Code*, there are three units that make up the Conference Board. All of the members of the combined School Boards (Ames, Gilbert, and United) constitute one voting unit of the Conference Board. The Ames Community School Board, provided there are two members present, constitute the third voting unit (along with the City of Ames and Story County Board of Supervisors) of the Conference Board.

Mr. Larson expressed his preference for all members of the three voting units should sit around the dais.

ADJOURNMENT: Moved by Sanders, seconded by Talbot, to adjourn the Ames Conference Board at 7:15 p.m.

Vote on Motion: 3-0. Motion declared carried unanimously.