

City Assessor's 2015-2016 Annual Report To the Ames City Conference Board



Conference Board Members

Chairperson:

Ames Mayor Ann Campbell

Ames City Council:

Gloria Betcher • Amber Corrieri • Tim Gartin • Matthew Goodman • Chris Nelson • Peter Orazem

Story County Board of Supervisors:

Wayne Clinton • Rick Sanders • Paul Toot

School Boards of Directors:

Ames:

Jane Acker • Rodney Briggs • Luke Deardorff • Mike Espeset • Tim Rasmussen • Teresa Simpson • Bill Talbot

Gilbert:

Tanya Austin • Sean Barber • Tyler Holck • Kim Mosiman • John Nelson

United:

Valerie Brewer • Leonard Larsen • Ron Miller • Kathy Toms • Kristin Zehner

**Ames City Assessor's Budget Proposal for the 2015-2016 Fiscal Year
For the Conference Board meeting at 6:30 p.m. on January 27, 2015**

The following report outlines the structure, programs, duties and activities of the Ames City Assessor's Office.

The Mini Conference Board met January 8, 2015, to review the Assessor's budget proposal. Members present were Peter Orazem, Ames City Council; Bill Talbot, Ames School Board of Directors; Rick Sanders, Story County Board of Supervisors; and Greg Lynch, Ames City Assessor. Also present were Brenda Swaim (City Assessor), Matt Emerson (City Assessor) and Julie Erickson (City Assessor).

For Conference Board Members, minutes from the Mini Conference Board meeting were included with the *2015-2016 Annual Report*. The public may view the minutes by visiting the Ames City Assessor's Office in City Hall.

CONFERENCE BOARD

Iowa assessment laws can be found in Chapter 441 of the *Iowa Code*. Other chapters affect the process, and there are numerous administrative rules. The *Code* creates a Conference Board for each county. City Assessors are optional for cities with populations over 10,000. City Assessors are created by ordinance and a Conference Board is automatically created. The City Conference Board includes the City Council, School Boards of Directors (Ames, Gilbert, and United Community) and County Board of Supervisors. The Mayor is chairperson. The Conference Board votes as three voting units, with a majority of the members present for each unit determining the unit's vote. At least two members of a voting unit must be present in order to vote. A quorum is reached when at least two members from two units are present.

The Conference Board must meet annually to propose a budget for publication. The Board must meet again to hold a budget hearing and approve a budget. The Ames City Conference Board has used a subcommittee called the Mini Conference Board to facilitate the budget discussion. Each of the three voting bodies appoints one member to the Mini Board to conduct a preliminary meeting to discuss budget proposals with the Assessor and report back to their full body. The Mini Board has also been used to draft a personnel policy handbook and advise the Assessor on policy issues.

The Conference Board appoints the Assessor, Examining Board and Board of Review. The Examining Board is activated when the Assessor position is vacant, or in the unlikely event of a Deputy Assessor appealing a termination or disciplinary action.

BOARD OF REVIEW

The Ames Board of Review has five members. Members are appointed for staggered six-year terms. The *Code* requires members to have different occupations, and that at least one is experienced in real estate or construction. The Board of Review meets annually in a limited time frame to hear appeals. Most decisions from the Assessor can be appealed (e.g. value, classification, exemption). The expiration date for each of the board members is as follows:

Thomas Jackson	12/31/2014	Judy Albright	12/31/2018
Tom Carey	12/31/2016	Jami Larson	12/31/2019
Roy Zingg	12/31/2017		

Tom Jackson's term ended December 31, 2014. He has agreed to be reappointed if that's what the Conference Board wishes. He has been an asset to the Board, and I strongly recommended his reappointment.

ASSESSOR

The Conference Board appoints, or reappoints, an assessor for a six-year term. Iowa assessors are required to pass a comprehensive examination before being eligible to be appointed. In order to be reappointed, 150 hours of state-approved continuing education, of which at least 90 hours must be tested courses, are required during the six-year term.

The main duties of the Assessor are to classify and value all taxable property in the assessment jurisdiction. Iowa law requires reassessment in odd-numbered years and notification of changes of value in even-numbered years. Even-numbered year changes are typically new construction or renovation of existing structures. In odd-numbered years, the Ames office recalculates values and sends notices to property owners.

In addition, the Assessor administers multiple credit and exemption programs. The most common are the homestead credit and military service exemption. Less common, but more problematic, are exemption claims for religious and charitable organizations and business property tax credits.

In the course of classifying and valuing property in Ames, extensive property-related information is acquired. Public information laws require, and common sense dictates, that most of this information be readily available for review. This often involves considerable time and effort, but it is an essential part of the operation.

It is also important for the Conference Board members to fully understand what the Assessor does not do:

- Does not calculate or collect taxes.
- Does not set the level of value – the Assessor measures the level of value, as indicated by sales of real property in Ames.
- Does not make the laws and rules for assessments.

The most visible function of the office tends to be providing information to the public via the Internet or through requests in the office. However, the first priority and the primary effort of the office is discovering changes in real property, such as new construction, and maintaining the classification and values for the entire tax base of Ames.

In summary, the Assessor has a variety of duties and functions and is an integral component of local government operations.

VALUATION

In July of 2013 Senate File 295 was enacted. It deals with property tax reform. It contains the most sweeping changes to assessment practices in recent history. There are many changes within this law, but in particular, four components have or will directly impact our office. The following is a brief description of them.

1. Business Property Tax Credit, effective 1/2013
 - We initially implemented the Business Property Tax Credit late in 2013 and early 2014, identifying 1,076 qualifying “units,” providing pre-filled applications to the owners, and processing the returned forms. As class changes, ownership changes, splits, combines and new subdivisions have occurred in 2014, we continued to maintain these credits, removing those that no longer qualify and providing pre-filled applications to the owners for newly qualifying parcels. This has now become a routine mandated process that will be ongoing. To date we have had 51 newly created “units.” In addition to processing the newly created “units,” we have removed “units,” for which we did not track a count.
2. New rollbacks or assessment limitation & replacement claims for commercial, industrial, and railroad properties
 - 95 % for 2013 Assessment
 - 90 % for 2014 Assessment
3. Changes to taxable value growth for residential & agricultural property
 - Reduced from 4% to 3%
4. New classifications: Dual Class and Multi-Residential effective 1/2015

Dual Class – separate values for commercial and residential components

- Portions of properties less than three units, used or intended to be used for human habitation (and a portion of the land), regardless of the number of units and that is not otherwise classed residential

We identified 72 parcels we thought could possibly qualify for dual classification. We mailed out a letter and survey on July 11th to these, asking information be filled out by the property owners that would aid us in determining whether they qualified for Dual Class. We had 44 returned, so on August 14th, we mailed again to the 28 properties that hadn't responded to the first letter. To date we have had six returned from this mailing, and in total we have had 50 returned.

Of the 50 letters returned, 25 were identified as Dual Class, and were mailed a letter on December 1st asking for Income and Expense data, and a form to aid in identifying how many and what type of apartment units were contained in the property. To date we have had fourteen returned from this mailing.

Multi-Residential

- Properties used or intended to be used for human habitation, containing three or more separate dwelling units, as follows:
 - Commercially Classed Apartments
 - Commercially Classed Mobile Home Parks
 - Commercially Classed Manufactured Home Communities
 - Commercially Classed Nursing / Retirement Homes
 - Commercially Classed Land-Leased Communities

We have identified 182 Apartment properties that will be classified as Multi-Residential; 13 Mobile Home properties comprising 4 Mobile Home parks; 4 Nursing/Retirement Homes. We are in the process of revaluing and reclassifying them.

This classification has a graduated reduction of the rollback until year 2022, at which time it will equal the residential rollback. Here is the reduction schedule:

- 2015 Assessment 86.25%
- 2016 Assessment 82.5%
- 2017 Assessment 78.75%
- 2018 Assessment 75%
- 2019 Assessment 71.25%
- 2020 Assessment 67.5%
- 2021 Assessment 63.75%
- 2022 Assessment = residential rollback

ASSESSED AND TAXABLE VALUES

It should be understood that when a roll back (assessment limitation is legal terminology for roll back) is applied, it reduces the taxable value. So when a roll back decreases, it also decreases the taxable value. This is shown below:

Assessed Value	\$100,000	\$100,000
Roll Back	50%	45%
Taxable Value	\$50,000	\$45,000

The tax base changes for assessed and taxable values from 2013 to 2014 are shown in the following two tables:

Table 1.

Ames Taxable Valuations by Class: 100% Assessed Values (in Thousands of Dollars)				
Class	2013 Actual	2014 Actual	Difference 2013 to 2014	% Change
Ag Land & Ag Dwellings	\$ 3,575	\$ 4,204	\$ 629	17.6%
Residential	\$ 2,611,516	\$ 2,785,315	\$ 173,799	6.7%
Commercial	\$ 832,703	\$ 842,003	\$ 9,300	1.1%
Industrial	\$ 132,599	\$ 134,033	\$ 1,434	1.1%
Railroads & Utilities Minus Gas & Electric	\$ 11,819	\$ 11,708	\$ (111)	-0.9%
Total Except Gas & Electric	\$ 3,592,213	\$ 3,777,263	\$ 185,050	5.2%
Gas & Electric Valuation	\$ 16,335	\$ 17,023	\$ 688	4.2%
100% Assessed Values Total	\$ 3,608,548	\$ 3,794,286	\$ 185,738	5.1%
<i>T.I.F Value Not Included</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	

Table 2.

Ames Taxable Valuations by Class: Rolled Back or Taxable Values (in Thousands of Dollars)				
Class	2013 Actual	2014 Actual	Difference 2013 to 2014	% Change
Ag Land & Ag Dwellings	\$1,552	\$1,879	\$ 328	21.1%
Residential	\$1,420,670	\$1,552,353	\$ 131,683	9.3%
Commercial	\$791,068	\$757,803	\$ (33,265)	-4.2%
Industrial	\$125,969	\$120,630	\$ (5,340)	-4.2%
Railroads & Utilities Minus Gas & Electric	\$ 11,819	\$ 11,121	\$ (698)	-5.9%
Total	\$ 2,351,078	\$ 2,443,786	\$ 92,708	3.9%
Military Exemptions	\$ (2,607)	\$ (2,514)	\$ 93	-3.6%
Taxable Total Except Gas & Electric	\$ 2,348,471	\$ 2,441,272	\$ 92,801	4.0%
Gas & Electric Valuation	\$ 6,437	\$ 5,566	\$ (871)	-13.5%
Taxable Values Total	\$ 2,354,908	\$ 2,446,838	\$ 91,930	3.9%
<i>T.I.F Value Not Included</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	

Sources: Iowa Department of Management Reports for Story County, January 1, 2015.

Categorical changes of the 2014 taxable values are illustrated in the following table:

Table 3.

Class	2013 Taxable Value (in Thousands)	2014 Taxable Value (in Thousands)	Change from Revalue of Existing Property	Change from Class Transfers & Annexation	Net Change from New Construction & Buildings Removed	Change from Rollback Percentage	Change from New & Expiring Exemptions, TIF, Court Reductions, Equalization	Total Change 2013 to 2014 (in Thousands)
Residential	\$1,420,670	\$1,552,353	\$55,694	\$1,241	\$38,326	\$37,137	(\$714)	\$131,683
% Changes			3.9%	0.1%	2.7%	2.6%	-0.1%	9.3%
Commercial	\$791,068	\$757,803	\$3,018	(\$4,113)	\$21,759	(\$42,100)	(\$11,829)	(\$33,265)
% Changes			0.4%	-0.5%	2.8%	-5.3%	-1.5%	-4.2%
Industrial	\$125,969	\$120,630	\$0	\$0	\$1,386	(\$6,702)	(\$24)	(\$5,340)
% Changes			0.0%	0.0%	1.1%	-5%	0.0%	-4.2%
Agricultural	\$1,552	\$1,879	(\$81)	\$1	\$0	\$55	\$353	\$328
% Changes			-5.2%	0.1%	0.0%	3.5%	22.8%	21.1%
Totals	\$2,339,259	\$2,432,665	\$58,631	(\$2,871)	\$61,470	(\$11,610)	(\$12,214)	\$93,406
% Changes			2.5%	-0.1%	2.6%	-0.5%	-0.5%	4.0%

Note: Does not include state-assessed property

Sources: 2014 Abstract of Assessment; 2014 Reconciliation Report.

Agricultural assessed values (Table 1) increased 17.6% from 2013 to 2014. This was due primarily to annexation.

Agricultural taxable values (Tables 2 & 3) experienced an increase of 21.1% from 2013 to 2014. Categorically it decreased due to revaluation. Increases were due to annexation, an increase in the rollback from 43.3997% of the 2013 assessed value (payable fall of 2014 and spring of 2015) to 44.7021% for 2014. The net result is an increase of 21.1% of taxable value for 2014.

Residential assessed values (Table 1) increased 6.7% from 2013 to 2014. This was a result of revaluation, new construction and class change from commercial.

Residential taxable values (Tables 2 & 3) experienced an increase of 9.3% from 2013 to 2014. The largest contributing factors were the increase due to revaluation, new construction and the increase in rollback to 55.7335% of the assessed value from 54.4002% in 2013.

Commercial assessed values (Table 1) experienced a slight increase of 1.1% from 2013 to 2014. This was primarily the result of revaluation and new construction.

Commercial taxable values (Tables 2 & 3) experienced a decrease of 4.2% from 2013 to 2014. Categorically it decreased because of class changes, rollback, and court reduction. The largest contributing factor to the decrease was the implementation of an additional 5% rollback reduction. It is the final reduction that was made due to SF 295.

Industrial assessed values (Table 1) experienced a slight increase of 1.1% from 2013 to 2014.

Industrial taxable values (Table 3) experienced a decrease of 4.2% from 2013 to 2014. Categorically it decreased because of rollback. The contributing factor to the decrease was the implementation of an additional 5% rollback reduction. It is the final reduction that was made due to SF 295.

Excluding railroads and utilities, the overall change for the upcoming fiscal year is 4% more taxable value, as shown in Table 3.

DEPARTMENT ACTIVITIES

Revaluation of existing properties is continuous. Staff has been busy this fall and winter measuring, listing and valuing new construction and remodeled properties. The staff is constantly engaged in acquiring information about building changes, construction costs, selling prices and terms, and numerous other items that affect market value. Sales information is reviewed and investigated through letters and inspections. Due to the efforts of the entire staff, the assessed property values assigned by the Ames City Assessor's Office consistently rank among the most uniform and equitable assessments in the state.

The new construction segment of the residential market continued its recovery. The table on **Attachment "C"** shows the quarterly activity of sales that are good for analysis (arms-length sales). Unfortunately staff wasn't able to get all of the 2014 sales entered into our database, as we have been focused on listing all the new construction and houses that have had changes made, based upon permits that were issued. Therefore a comparison of total sales from 2013 to 2014 would be skewed downward.

However, we do feel that a comparison based on average price per square foot and median sale price between the years would be an accurate representation.

New Construction Sales: The price per square foot is the most reliable indication of price increase. Annual percentage changes and cumulative changes since 1995 are the right two columns. The report shows that the sales price for new homes increased. The average new home price per square foot is up approximately 5% as compared to 2013 (shown in the row heading "New construction sales"). It was \$182.29 in 2013 and \$191.41 in 2014. The median sales price showed an increase of 5.02% from \$296,012 in 2013 to \$310,865 in 2014 (shown in the column heading "Median Price").

Existing House Sales: The average sale price per square foot of increased 4.32%, from \$129.25 in 2013 to \$134.83 in 2014 (shown in the row heading "Existing houses"). The median sales price showed an increase of 7.03% from \$166,450 in 2013 to \$178,150 in 2014 (shown in the column heading "Median Price").

Staff has scanned all of the active residential property record cards, and they are available on the Beacon Web site. This allows 24-hour access to them. The cards have been donated to the Ames Historical Society. This freed up the existing space where these cards were stored in six four-drawer filing cabinets. We have placed a table with a workstation in the space, allowing the public access to our Web site, maps, and Pictometry. This also provides an area to assist the public with matters pertaining to their assessment as well as offer them the opportunity to obtain assistance in navigating our Web sites, online maps, and Pictometry.

We have also accomplished the following:

- Homestead application was made available online.
- Electronic assessment appeal form was created and used in 2014.

There is ongoing development of our Beacon Web site (WWW.AmesAssessor.org) to better serve our needs as well as the public's. This site continues to be our most active method of communication with the public. The data files created for the Web site are the backbone of real property information for several city and county departments. Map files are uploaded regularly from the Story County Auditor's files, and data files are uploaded nightly from the county's real estate system and both assessors' offices. In addition, map layers for Ames zoning are updated by the city's GIS staff as the Planning department makes zoning changes.

Digital photos for most properties are available on our website, but continue to require ongoing maintenance.

STAFF

The full-time employees of the City Assessor's Office and their starting dates as full-time employees with this office are as follows:

- | | | |
|---|-----------|------|
| ▪ Gregory P. Lynch, City Assessor | February | 2006 |
| ▪ Brenda M. Swaim, Chief Deputy Assessor | December | 1996 |
| ▪ Matthew R. Emerson, Database Manager/IS Administrator | July | 2012 |
| ▪ Judy K. Heimerman, Office Assistant I | January | 1990 |
| ▪ Julie R. Erickson, Administrative Assistant | September | 2013 |
| ▪ Appraiser II - Vacant | | |

In November, Mitch Friedow left our office. We thank him for his sixteen years of excellent service. He was very good appraiser, and a wonderful human being, we will miss him.

BUDGET PROPOSAL

Attachment A is the budget expense proposal. Explanations for various line item expenses follow:

Salaries: The Consumer Price Index (CPI), published by the Bureau of Labor Statistics of the U.S. Department of Labor, shown in a news release dated November 20, 2014 indicates an increase of 1.7% since October of 2013. The following paragraph is from this release.

“The all items index increased 1.7 percent over the last 12 months, the same increase as for the 12 months ending September. The index for all items less food and energy increased 1.8 percent over the span, and the food index rose 3.1 percent. In contrast, the energy index declined 1.6 percent over the last 12 months.”

The expense items for the Assessor and all other staff are budgeted with a 2% cost of living increase and a 1.00% merit pool, for a total of 3.0%. (As always, exact salaries for staff will be based upon individual evaluations.)

Board of Review salaries are \$17.50 per hour. Their total has been increased by 15% in anticipation of a large number of appeals due to the increased assessments of both Residential and Commercial properties for 1/1/2015. There is also a clerk to take the minutes. For budgeting purposes, we estimate that the clerk will need to put in 1.5 times the hours of the Board. The clerk is paid at a rate of \$15.00 per hour.

As Ames continues to grow and is a thriving community with many sales and permits for improvements, we find it necessary to hire an additional appraiser to provide enough man hours to adequately follow up on sales, permits, and other improvements for which a permit is not required. The last time a permanent staff position was added was in January of 1997 – 18 years ago. As a representation of the growth, the 1996 Census figures show the population of Ames was estimated to be 48,238 and the 2013 Census estimate was 61,792.

The Director of Planning and Housing has told me that they have experienced a 20% increase in projects over the past two years. Naturally this has a cascading effect on the Building Inspections department. Below are statistics from the City of Ames Inspection Division:

Service Accomplishments:	2011/12	2012/13	% Increase	2013/14	% Increase	6 Mos 2014	% Change
New single family permits issued	54	101	87%	110	9%	48	-56%
Building permits issued	673	640	-5%	696	9%	330	-53%
Building inspections performed	2,503	2,289	-9%	2,455	7%	1,350	-45%
Electrical permits issued	573	604	5%	607	0%	300	-51%
Electrical inspections performed	1,883	1,675	-11%	1,671	0%	844	-49%
Mechanical permits issued	766	925	21%	941	2%	445	-53%
Mechanical inspections performed	1,039	1,212	17%	1,393	15%	662	-52%
Plumbing permits issued	1,246	1,445	16%	1,642	14%	797	-51%
Plumbing inspections performed	2,532	2,672	6%	3,045	14%	1,611	-47%

To compound matters for our staff, the Iowa Department of Revenue has given us their preliminary results of their 2014 Sales Ratio Study. According to the 21 Commercial sales included, our Median Sales Ratio is 95.4%. Although this is just over the 95% threshold, an increase of approximately 4% will be made to Commercial properties for 1/1/2015. This will likely increase appeals to the Board of Review and subsequently to District Court or the Property Assessment Appeal Board.

According to the 567 Residential sales included in this Study, our Median Sales Ratio is 94.2%. This is just under the 95% threshold, and an increase of approximately 5% will be made to the Residential properties for 1/1/2015. This will likely increase appeals to the Board of Review and subsequently to District Court or the Property Assessment Appeal Board.

Ames City Assessor
2015 Budget Proposal and Conference Board Report

Despite the considerable growth, we have conservatively only budgeted for a half time appraiser. The total cost for this half time position is estimated at \$48,948 with the components shown below:

Base Salary	\$35,000
F.I.C.A. @ 7.65%	\$2,678
I.P.E.R.S. @ 8.93%	\$3,126
<u>Health Insurance</u>	<u>\$8,145</u>
Total Cost	\$48,948

During 2015-2016, we will again need to employ three interns to assist us with various projects that arise. This expense is estimated to be \$33,000 and it's shown on the Extra Help/Interns line item.

Taxable Fringe Benefits: This line includes mileage allowance for two of the full-time employees who use their private auto for work purposes. Employees must provide a copy of their insurance card and driver's license annually. In return for maintaining liability insurance and a dependable vehicle that is available to the employee during working hours, each full-time employee is paid monthly as follows (less mileage reimbursement*):

Assessor	\$100
Deputy	\$90

Additionally, this line includes a monthly cell phone allowance of \$25.00 a month for the four full-time staff that have regular duties outside the office. The allowance is paid if the employee has a cell phone available for office use during work hours as well as for on-call availability for IT staff.

Health Insurance: The amount budgeted last year was based on our current staffing and use levels. I received notice that we could expect a 9% increase in health insurance costs for the upcoming fiscal year.

This also includes a pro-rated amount of the group workers' compensation insurance for the fiscal year.

Life and Disability Insurance: This line represents life and disability insurance from the city for all full-time employees.

Board of Review Expenses: This line represents payment of the Board's mileage, postage and supplies. It also includes a stipend to reimburse the members for the use of their laptops during sessions. The cost comes to \$1,500.

Supplies, Telephone, Etc.: These amounts are mostly self-explanatory. Most are based on past experience and the city's estimate of charges for next year.

* **Mileage:** This line represents reimbursement to employees who use their personal auto for work purposes. It is paid at the current IRS rate. (As of January 1, 2015, the rate is \$0.575 per mile.)

Our former Appraiser II has been using a pool vehicle provided by the city whenever possible. The rate for it is currently \$0.45 per mile. We hope to keep this option open for the new Appraiser II.

Data Processing & Software: This line typically includes the maintenance on existing software and upgrades as well as payments to the City’s Information Technology Department for use of the network within City Hall. It also now includes the cost of using City IT for most of our needs.

The following is a list of just the major components:

City information services (Network, Email, GIS, IT needs)	\$27,400
Estimated CAMA software & ongoing support costs	16,500
Pictometry Aerial Photography	10,500
Fiber Connection to Story County	3,600
Consulting (Miscellaneous IT issues)	5,000
<hr/>	
Total of Major Components (Rounded)	\$63,000

New Servers & Document Management Software (Purchases): This is a new line item for our budget. I have separated it, so that it doesn’t distort our historic line items. There are two components that are included.

Server replacement: The Ames City Assessor is currently operating two Windows Server systems. These database and file systems were purchased in 2009 and 2010 respectively. Our office currently has two support contracts for service and hardware failures on these machines. These two critical components of the office's operations are nearing their operational lifespan. As computers age, their support contracts increase in cost and have shorter contract periods. These computers had served us well, but we need to plan for the future.

We are suggesting consolidating two older, less powerful systems on to one more powerful and robust system and virtualizing these systems. The server systems will run virtually on one piece of hardware. This will allow our office to maximize utilization of the hardware, reduce the need for an additional support contract, and allow us future growth by allowing us to instantiate new server systems for future projects (web, document management) without acquiring expensive new physical hardware.

This project will incur a substantial up-front replacement cost of \$28,700, but will eliminate a need for ongoing support contracts of \$700 annually for a piece of hardware and mitigate problems associated with aging hardware and parts. This initiative toward virtualization would also incur some additional licensing considerations for the virtualization software and implementation. Moving our existing systems to a virtualized configuration would also expedite any disaster recovery needs, as a saved intact computer image could be quickly instantiated on widely available VMWare hosts.

Document Management System: The Ames City Assessor is exploring Enterprise Content Management solutions that will allow us to fully transition from paper hard-copy driven processes to digital documents. We are exploring two avenues to the fruition of this project. We would like to be a part of a larger City-wide initiative to a unified document management system. Our office is aware that this has been an ambition of the city for quite some time, and that projects particular for an entity the size of the City of Ames can incur substantial expense and require a lot of project planning.

The City Assessor's office would like to have an alternate contingency plan should it be determined the likelihood of a City wide ECM solution will not be imminent within the next three years. We would like to earmark \$17,000 annually over the next 2 years to begin planning for a Content Management system that is scaled to the needs of our office. This project will allow us to integrate many of the paper forms, applications and records into our current CAMA, Appeals, and Real Estate system. Advantages include more efficient retrieval of information, improved customer service, and repurposing of office space that is currently used for storing documentation.

Contingency: This line is usually used for recurring and non-recurring expenses that do not fit a regular category. This line item historically runs \$1,000.

ASSESSMENT APPEALS

Property Assessment Appeal Board

For 2014, fourteen cases were filed with the Property Assessment Appeal Board (see table below). Twelve cases involve residential properties and two are commercial.

Doc #	Owner	PID	Address	Class
14-100-0388	Shen, Nuo & Jiang, Li	05-28-112-050	3032 Stockbury St	Residential
14-100-0017	Konek, Bernard & Jeanne	05-28-228-520	4231 Brickman Ave	Residential
14-100-0390	Tannehill, John C & Marcia K	05-33-105-055	3214 Greenwood Cir	Residential
14-100-0379	Ferndale Cooperative Housing Assoc.	05-34-226-040	2417 Ferndale Ave	Residential
14-100-0391	Hulsebus, Alan J & Smith, Quentin A	09-02-305-110	722 Clark Ave	Residential
14-100-0380	Grove, Lad & Patricia S (Ryan)	09-05-102-060	4018 Quebec St	Residential
14-100-0383	Johnson, Brent D & Wana L Revoc Trust	09-06-340-100	5131 Tabor Dr	Residential
14-100-0389	Janus, Andrzej & Janus, Agata	09-06-382-040	324 Hartford Dr	Residential
14-100-0385	Breckenridge Group Ames Iowa LLC	09-08-225-020	205 S Wilmoth Ave	Residential
14-100-0386	Breckenridge Group Ames Iowa LLC	09-08-230-000	321 State Ave	Residential
14-100-0387	Breckenridge Group Ames Iowa LLC	09-08-325-010	601 State Ave	Residential
14-100-0381	GD Lincoln Way LLC	09-09-200-025	2320 Lincoln Way	Commercial
14-100-0382	GD Lincoln Way LLC	09-09-200-050	2335 Chamberlain St	Commercial
14-100-0384	Sirotiak, Todd L & Runestad, Janelle	09-09-425-030	817 Gaskill Dr	Residential

OFFICIAL BUDGET DETAIL

A copy of the official budget detail form to be published is **Attachment “B.”**

CITIZEN SURVEY & EVALUATION

The Conference Board requires an annual survey of citizens and an evaluation of the Assessor by the Conference Board. The annual survey was performed recently and the results follow this report (**Attachment “D”**).

Of the 100 forms mailed, 37 were returned. All comments written on the returned survey forms are included. In addition, material concerning the use of the Assessor’s Web sites, WWW.AmesAssessor.org and WWW.AmesAssessor.org, have been included.

Submitted January 21, 2015, by Gregory P. Lynch, Ames City Assessor.

**AMES CITY ASSESSOR
2015-2016 BUDGET PROPOSAL**

Item	FY 13-14 Actual Expenses	FY 14-15 Actual Expenses for the First 6 Months	FY 14-15 Projected Expenses for the Year	FY 14-15 Budget	FY 15-16 Proposed Budget	% of Change Between Proposed & Current Budget
Assessor	\$ 120,187	\$ 61,828	\$ 123,786	\$ 123,786	\$ 127,478	3.0%
Deputy	96,420	49,606	99,034	99,034	101,998	3.0%
Staff	239,115	105,747	208,052	246,272	253,630	3.0%
Longevity		690	1,390	1,390	1,120	-19.4%
Overtime Pay	8,994	666	5,500	5,500	5,500	0.0%
Extra Help / Interns	15,028	11,413	33,000	33,000	33,000	0.0%
Board of Review	4,261	666	6,600	6,600	7,590	15.0%
Taxable Fringe Benefits	2,369	1,298	2,200	2,200	2,266	3.0%
F.I.C.A. @ 7.65%	35,967	17,048	36,686	39,610	40,743	2.9%
I.P.E.R.S. @8.93%	41,426	20,389	42,825	46,238	47,560	2.9%
Health Insurance & Workers' Comp	76,841	40,639	88,287	99,746	108,700	9.0%
Unemployment Compensation	-	-	500	500	500	0.0%
Life & Disability Insurance	3,064	1,314	4,410	4,410	4,631	5.0%
Total Payroll & Related Expenses	\$ 643,673	\$ 311,304	\$ 652,270	\$ 708,286	\$ 734,715	3.7%
New 1/2 Time Appraiser					35,000	
F.I.C.A. @ 7.65%					2,678	
I.P.E.R.S. @8.93%					3,126	
Health Insurance					8,145	
Total Staff Addition	\$ -	\$ -	\$ -	\$ -	\$ 48,948	
Board of Review Expenses	\$ 1,148	\$ 229	\$ 1,500	\$ 1,500	\$ 1,500	0.0%
Office Supplies	3,229	1,545	4,500	4,500	4,500	0.0%
Postage & Mailing	7,144	344	8,250	8,250	8,250	0.0%
Employee Mileage & Expenses	2,717	791	4,500	5,640	5,640	0.0%
Communication Services	4,096	2,154	5,400	5,400	5,400	0.0%
Data Processing Services / Major Software	64,334	31,560	75,000	75,000	66,200	-11.7%
Tyler Technologies (Data Processing)		-	6,150	6,150	6,150	0.0%
Education & Training	12,607	8,656	10,000	20,000	15,000	-25.0%
Utilities (City Hall Expenses)	16,021	8,286	15,000	15,000	15,050	0.3%
Equipment Rental & Maintenance	7,937	5,341	8,000	8,000	8,000	0.0%
Assessment Appeals / Court Costs	64,300	13,190	15,000	66,000	66,000	0.0%
Management Services / Contingency	1,013	567	1,000	1,000	1,000	0.0%
Total Office Expenses	\$ 184,546	\$ 72,663	\$ 154,300	\$ 216,440	\$ 202,690	-6.4%
Total Payroll & Office Expenses	828,219	383,967	806,570	924,726	937,405	1.4%
MAPS & GIS Project	\$ 12,475	\$ 7,300	\$ 14,200	\$ 14,200	\$ 14,200	0.0%
Revaluation Project						
Multi-Year Contracts (Data Processing)		4,250	8,000	8,000	8,000	0.0%
New Servers & Doc. Management Software				-	40,500	
Modeling Consultant (Data Processing)			20,000	20,000		-100.0%
Total Special Projects	\$ 12,475	\$ 11,550	\$ 42,200	\$ 42,200	\$ 62,700	48.6%
Total Expenses	\$ 840,694	\$ 395,517	\$ 848,770	\$ 966,926	\$ 1,049,053	8.5%
Projected Ending Fund Balance	\$ 339,887		\$ 303,103		\$ 202,620	

NOTICE OF PUBLIC HEARING -- PROPOSED BUDGET Fiscal Year July 1, 2015 - June 30, 2016	ASSESSING JURISDICTION:
	Ames City Assessor

The Conference Board of the above-named Assessing Jurisdiction will conduct a public hearing on the proposed fiscal year budget as follows:

Meeting Date:	Meeting Time:	Meeting Location:
February 24	6:30 PM	Council Chambers, Ames City Hall, 515 Clark Ave, Ames, IA

At the public hearing any resident or taxpayer may present objections to, or arguments in favor of, any part of the proposed budget. This notice represents a summary of the supporting detail of receipts and expenditures on file with the Conference Board Clerk. Copies of the Supplemental Budget Detail (Schedule 673-A) will be furnished upon request.

Clerk's Telephone Number:	PROPOSED BUDGET SUMMARY	Clerk's Name:
515-239-5375		Gregory P Lynch

FUND (Use Whole Dollars)	Expenditures			D Transfers Out	E Estimated Ending Fund Balance FY 2016	F Estimated Beginning Fund Balance FY 2016	G Estimated Other Receipts	H Transfers In	I Estimated Amount To Be Raised By Taxation
	A FYE 6-30-2014 Actual	B FYE 6-30-2015 Re-estimated	C FYE 6-30-2016 Proposed						
1. Assessment Expense	840,694	848,770	1,049,053		202,650	303,103	25,702	0	922,898
2. FICA				0	0	0	0		0
3. IPERS				0	0	0	0		0
4. Emergency				0	0	0	0		0
5. Unemployment Comp.	0	0	0	0	0	0	0		0
6. Tort Liability	0	0	0	0	0	0	0		0
7. TOTAL	840,694	848,770	1,049,053	0	202,650	303,103	25,702	0	922,898

Proposed taxation rate per \$1,000 valuation: \$ 0.37804

Attachment "B"

Ames 1-Family Sales by Quarter

Sales Period:	# Sold	Average Price	Average Hse Size	Price per sq.ft.	Average Year Built	Median Price	Annual % Change per SF	Cumulative % change \$/SF 1995 base
1st Quarter 1995	74	\$113,790	1,517	\$75.00	1961.1			
2nd Quarter 1995	147	\$120,453	1,411	\$85.38	1965.5			
3rd Quarter 1995	171	\$107,542	1,362	\$78.95	1962.3			
4th Quarter 1995	123	\$123,608	1,480	\$83.51	1963.1			
1995 Total Year	515	\$115,962	1,427	\$81.29	1963.2	\$97,750	n/a	n/a
1995 Sales Detail - Existing & New:								
<i>Existing houses</i>	452	\$106,322	1,355	\$78.47	1959	\$92,000	n/a	n/a
<i>New construction sales</i>	63	\$185,129	1,940	\$95.43	1994	\$172,676	n/a	n/a
1st Quarter 2011	68	\$173,053	1,482	\$116.77	1971.8			
2nd Quarter 2011	203	\$187,817	1,482	\$126.73	1976.6			
3rd Quarter 2011	144	\$173,350	1,476	\$117.45	1974.1			
4th Quarter 2011	107	\$189,712	1,516	\$125.14	1975.0			
2011 Total	522	\$182,291	1,487	\$122.56	1975.0	\$163,000	-2.8%	50.8%
2011 Sales Detail - Existing & New processed to date:								
<i>Existing houses</i>	492	\$177,672	1,477	\$120.29	1973	\$161,500	-1.0%	53.3%
<i>Single-Family Detached</i>	394	\$179,832	1,542	\$116.62	1968	\$163,000		
<i>Townhouses/Condos</i>	98	\$168,989	1,217	\$138.86	1992	\$154,500		
<i>New construction sales</i>	30	\$258,039	1,647	\$156.67	2011	\$252,412	-7.2%	64.2%
<i>Single-Family Detached</i>	27	\$262,547	1,667	\$157.50	2011	\$261,825		
<i>Townhouses/Condos</i>	3	\$217,467	1,466	\$148.34	2010	\$219,000		
1st Quarter 2012	92	\$177,415	1,480	\$119.88	1975.6			
2nd Quarter 2012	229	\$188,137	1,492	\$126.10	1975.4			
3rd Quarter 2012	187	\$184,675	1,491	\$123.86	1978.4			
4th Quarter 2012	126	\$194,139	1,438	\$135.01	1982.4			
2012 Total	634	\$186,753	1,479	\$126.25	1977.7	\$169,750	3.0%	55.3%
2012 Sales Detail - Existing & New processed to date:								
<i>Existing houses</i>	590	\$179,529	1,463	\$122.71	1975	\$162,750	2.0%	56.4%
<i>Single-Family Detached</i>	453	\$185,283	1,530	\$121.10	1970	\$167,500		
<i>Townhouses/Condos</i>	137	\$160,503	1,239	\$129.54	1992	\$137,500		
<i>New construction sales</i>	44	\$283,622	1,700	\$166.84	2012	\$271,835	6.5%	74.8%
<i>Single-Family Detached</i>	40	\$288,206	1,719	\$167.66	2012	\$275,335		
<i>Townhouses/Condos</i>	4	\$237,784	1,511	\$157.37	2011	\$228,250		
1st Quarter 2013	81	\$173,039	1,353	\$127.89	1971.0			
2nd Quarter 2013	255	\$193,185	1,449	\$133.32	1978.1			
3rd Quarter 2013	246	\$199,076	1,462	\$136.17	1976.8			
4th Quarter 2013	157	\$200,655	1,471	\$136.41	1973.3			
2013 Total	739	\$194,525	1,447	\$134.39	1975.9	\$172,000	6.4%	65.3%
2013 Sales Detail - Existing & New processed to date:								
<i>Existing houses</i>	679	\$183,927	1,423	\$129.25	1973	\$166,450	5.3%	64.7%
<i>Single-Family Detached</i>	523	\$191,470	1,495	\$128.07	1967	\$170,000		
<i>Townhouses/Condos</i>	156	\$158,638	1,180	\$134.44	1991	\$145,500		
<i>New construction sales</i>	60	\$314,457	1,725	\$182.29	2013	\$296,012	9.3%	91.0%
<i>Single-Family Detached</i>	54	\$319,409	1,751	\$182.42	2013	\$311,601		
<i>Townhouses/Condos</i>	6	\$269,887	1,494	\$180.65	2013	\$266,700		
1st Quarter 2014	94	\$202,776	1,461	\$138.79	1978.2			
2nd Quarter 2014	219	\$203,031	1,488	\$136.45	1977.8			
3rd Quarter 2014	227	\$212,447	1,515	\$140.23	1976.4			
4th Quarter 2014	126	\$202,621	1,434	\$141.30	1975.6			
2014 Total	666	\$206,127	1,483	\$138.98	1977.0	\$187,500	3.4%	71.0%
2014 Sales Detail - Existing & New processed to date:								
<i>Existing houses</i>	618	\$199,420	1,479	\$134.83	1974	\$178,150	4.3%	71.8%
<i>Single-Family Detached</i>	480	\$208,353	1,552	\$134.25	1969	\$189,000		
<i>Townhouses/Condos</i>	138	\$168,348	1,225	\$137.43	1991	\$147,500		
<i>New construction sales</i>	48	\$292,478	1,528	\$191.41	2013	\$310,865	5.0%	100.6%
<i>Single-Family Detached</i>	29	\$338,705	1,783	\$189.96	2013	\$327,142		
<i>Townhouses/Condos</i>	19	\$221,920	1,138	\$195.01	2013	\$220,309		
NOTE 1: Sales are assigned to quarters according to the month and year the deed was executed.								
NOTE 2: 1-family houses include townhouses, condominiums, detached houses, and attached houses.								
NOTE 3: Recent quarters may include unverified sales information; all sales are subject to correction.								
NOTE 4: Recent sales may not be included. New houses are not included until after they have been inspected.								

Customer Satisfaction Survey

The Ames City Conference Board requires an annual customer survey be made as a means of evaluating the City Assessor's Office. Forms were sent in early November to 100 individual who have had occasion to contact this office during the year 2014. Thirty-seven (37) were returned with all or part of the form filled in. Twelve (12) indicated they had filed an appeal. Two (2) were returned with no responses. The form was substantively identical to the following summary for the questions regarding the City Assessor's Office:

1. My business with the Assessor's Office included: **(37 RESPONSES)**
(Check all that apply)

- 10** (a) I filed for a Homestead or Veteran's Exemption.
- 17** (b) I inquired / requested information about sales or general property assessment information.
2 Online 11 City Hall 1 Fax 6 Phone
- 12** (c) I filed an assessment appeal.
- 2** (d) An Assessor's employee visited my property.
(Please select property type.)
0 residential 1 commercial 0 exempt
- 5** (e) Other

Please answer ONLY if you selected 1(b):

I used the following assessor web site(s):
(Check all that apply)

<http://www.cityofames.org/Assessor> **(8 Responses)**

- 2 assessment appeal information.
- 3 property tax information.
- 0 residential sales book (MS Word format).
- 0 residential sales book (MS Excel format).
- 0 other report(s) and/or data.
- 0 commercial sales information.
- 2 maps.

<http://www.amesassessor.org> **(8 responses)**

- 7 property information.
- 4 property tax information and/or paid taxes.
- 5 maps.
- 2 residential comp search.
- 0 mailing address change.
- 3 identified zoning information.
- 0 soils report.
- 0 other _____

Please rate your level of satisfaction:

2. The person I contacted listened and understood my question(s).
26 DEFINITELY **5** MOSTLY **1** NOT REALLY **1** DEFINITELY NOT **1** DOES NOT APPLY
3. I was satisfied with the response to my inquiry.
25 DEFINITELY **5** MOSTLY **1** NOT REALLY **4** DEFINITELY NOT **0** DOES NOT APPLY
4. I was treated with courtesy and respect.
28 DEFINITELY **4** MOSTLY **0** NOT REALLY **1** DEFINITELY NOT **1** DOES NOT APPLY
5. I was assisted in a timely manner.
24 DEFINITELY **7** MOSTLY **1** NOT REALLY **1** DEFINITELY NOT **1** DOES NOT APPLY

(Please continue on reverse side)

6. What, if anything, would you like the City Assessor's Office to be offering that it is **NOT**? (Service, policy, information, etc.):
- Correct the information on-line on the "property card." If the info is incorrect the cards should be deleted.
 - Assess correctly property values, listen and consider owner's complaints, correct your calculations, don't use 'magic numbers' in your calculations.
 - Online appeal form / process.
 - It was a very good experience.
 - Person answering the phone just referred to the web site. The information was not available (website was having problems) and even once I got the online information via the webmailer, it was too complicated for me to utilize. I still don't have any answer to my question. It would be nice if someone would call me + give it another try
 - Everything was really good.
 - It would be helpful to search by name of property owner in an easier manner.
 - Haven't lived in Ames long enough to know yet.

7. Additional comments/observations relating to the City Assessor's Office:
- The "model" that is being used needs to be reevaluated. A house with a ½ bath is assessed more than a full bath. The appeal board even questioned how this made sense.
 - Explain your way of calculating the assessed values.
 - Our petition was in the drop box the day of. But collected the day after an considered late. Morning pickups should be counted as previous day.
 - Efficient, friendly, helpful staff. Knowledgeable too.
 - We received pre-filled out information for the commercial property tax change. Really appreciated it.
 - I am a realtor heavy user of the assessor website and the staff. The office is a real asset to me in my work.
 - Always helpful and friendly staff. Website has a lot of useful data.
 - Secretary who answered the phone was very friendly and helpful.
 - Service was very quick & she was very helpful.
 - Thanks for the help. This was the best response I've had in years.

Questions 8-14 only apply to persons who filed an assessment appeal with the Board of Review. [Reference question 1(c)]

8. I learned about the appeal process and acquired the instructions/form: *(please select only one)*
5 ONLINE 6 CITY HALL / PHONE
9. I was satisfied with the information/explanation of the appeal process.
2 DEFINITELY 8 MOSTLY 0 NOT REALLY 1 DEFINITELY NOT 1 DOES NOT APPLY
10. My appeal to the Board was:
4 ORAL 8 NON-ORAL
11. The Board gave me the opportunity to present arguments and evidence in support of my appeal.

City Assessor Customer Survey Results (cont.)

6 DEFINITELY 4 MOSTLY 1 NOT REALLY 1 DEFINITELY NOT 2 DOES NOT APPLY

12. My appeal to the Board was:

4 DENIED 4 GRANTED 4 GRANTED IN PART 0 RETRACTED

13. I was satisfied that the Board of Review made an informed decision based on all the information presented.

3 DEFINITELY 4 MOSTLY 2 NOT REALLY 3 DEFINITELY NOT 1 DOES NOT APPLY

14. Additional comments regarding the appeal process or the operation of the Board of Review:

- I found errors: including sq footage & easement. I brought this up at the oral hearing. It was not corrected until Sept, after the property was remeasured and only then after many phone calls. Even though there were mistakes the appeal process could not address. So I will have to reappeal.
- I appeal the decision to the board in Des Moines and my appeal was granted!
- Since we were late, they said they would work with us the following year. We were confused and we were able to have a hearing, but not present.
- Would be nice to start the process online.
- When I filed a few years ago, then process was terrible + reasons seemed very flimsy for turning down my appeal. Hopefully you're doing better.

Thank you, again, for taking your time to complete this survey. Have a nice day! ☺

Please mail or return to: Ames City Assessor, 515 Clark Avenue, Ames, IA 50010

Or

Scan and email to: cityassessorinfo@city.ames.ia.us

GENERAL STATISTICS FOR G.I.S. WEB PAGE

(provides an overview of the site usage and behavior of our web site visitors)

Statistics for www.amesassessor.org (aka www.storyassessor.org) 01 Jan 2014 - 31 Dec 2014

Total web site Requests: 2,456,543

Total web site Visits: 454,975

Percent increase in visits from 2013:+22%

Avg. Requests / Visitor: 5.40

GENERAL STATISTICS FOR ASSESSOR PAGE ON CITY OF AMES WEB SITE
(provides an overview of the site usage and behavior of our web site visitors)

Statistics for http://www.cityofames.org/Assessor/	01 Jan 2014 - 31 Dec 2014
Home Page	12,753
Sales	1,876
Estimate Your Property Tax.....	1,221
Maps	1,700
Credits & Exemptions	406
Data or Reports	290
Board of Review.....	531
Assessment Appeal Information	<u>106</u>
Total Pages Viewed:	18,883



Mini Conference Board

Minutes for Wednesday, January 8, 2015 **(UNAPPROVED)**
Room 233, Ames City Hall, 515 Clark Avenue, Ames, IA

Members Present: Greg Lynch, Brenda Swaim, Matt Emerson, Julie Erickson, Bill Talbot, Ames School Board of Directors, Rick Sanders, Story County Board of Supervisors and Peter Orazem, Ames City Council.

Call to Order: 3:01 p.m. by Chairperson Peter Orazem.

Approval of Minutes from January 7, 2014, Mini Conference Board meeting. Moved by Sanders, seconded by Talbot, to approve the minutes without corrections. Motion carried unanimously.

Discussion of City Assessor's 2015-2016 Budget Proposal: Lynch gave an overview of the report that was distributed via email. He noted that he had just finished a report for the Finance Director, Duane Pitcher, and as part of the report, which will be included in the main conference board report, the total taxable value for 13-14 for Ames increased by 4%. Lynch also advised that new construction was up this year for both residential and commercial. There are new classifications that come into effect this year and staff is working on getting them identified. Letters were sent and some information has been returned. Multi-residential properties have been converted and there were 182 properties which received this classification. A lot of time and effort was spent for the Department of Revenue, the software provider and staff to implement this change. Lynch was able to answer several questions that the Board had regarding these changes and concerns regarding percent increases or decreases.

Regarding staff, Lynch advised that Mitch Friedow retired in November and thanked him for his many years of service and that he is missed.

Lynch overviewed the details of Attachment A. He shared the reasoning behind the request for a permanent half-time position in this budget proposal. Discussion ensued with Lynch explaining the reasoning being the overall growth in Ames, the increase number of building permits, annexations, sales in both residential and commercial have increased as well. Orazem inquired as to the type of person that would apply for this job, being part-time. Lynch and Swaim both shared that the hope is to advertise the full-time and part-time positions simultaneously and that many qualified candidates will apply and have an option.

Regarding the Server Replacement and Document Management Systems line items, Lynch explained that two servers that are nearing the end of their economic life. He is suggesting consolidating the two systems into one more powerful system that will allow the office to maximize utilization of the hardware and also support a Document Management System. Matt Emerson explained the benefits of such a system and that our goal would be to integrate with a city-wide system. Sanders agreed and advised he is on board with moving this forward.

All assessment appeals are settled except for two and the values are minimal.

Orazem wondered how many appeals could be anticipated for this next year and Lynch advised that most likely both residential and commercial values will go up and it is possible that 13,000 to 14,000 assessment rolls may go out. Historically, it can be assumed that anywhere from 5% to 7%

Mini Conference Board

of those will be appealed. Orazem wondered about notifying residents ahead of time that values are expected to increase and Lynch explained that it is part of our process through sending out press releases and posting on our website as well as through local real estate groups. Swaim also noted that we anticipate mailing out notices earlier this year giving staff more time to answer questions and to meet with property owners to potentially change values ahead of time so that they don't have to go through the appeal process.

Discussion ensued regarding several line items for Attachment A and as to what the budget carryover amount is, generally, from year to year. It was decided that several line items would be moved on Attachment A for better clarity for the conference board meeting including the new part-time assessor line item, to decrease office supplies by \$500, Education & training by \$5,000, and staff salaries decrease due to replacement of Friedow.

Other Business: None

Adjourn: Move by Sanders, second Talbert to Adjourn at 4:16 pm