

**MINUTES OF THE REGULAR MEETING OF THE  
AMES CONFERENCE BOARD**

**AMES, IOWA**

**JANUARY 28, 2014**

**REGULAR MEETING OF THE AMES CONFERENCE BOARD**

The regular meeting of the Ames Conference Board was called to order by Chairman ProTem Matthew Goodman at 6:30 p.m. on January 28, 2014. Present from the Ames City Council were Gloria Betcher, Amber Corrieri, Tim Gartin, Chris Nelson, and Peter Orazem. Story County Board of Supervisors present were Rick Sanders and Paul Toot. Representing the Ames School Board were Jane Acker and Bill Talbot. Gilbert and United School Districts were not represented.

**MINUTES OF FEBRUARY 26, 2013, MEETING OF THE CONFERENCE BOARD:** Moved by Sanders, seconded by Orazem, to approve the minutes of the February 26, 2013, Meeting of the Ames Conference Board.

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

**REAPPOINTMENT OF CITY ASSESSOR:** Moved by Gartin, seconded by Talbot, to adopt RESOLUTION NO. 14-039 approving the reappointment of Greg Lynch as the City Assessor.

Board Member Sanders reported that there had been a substantial amount of conversation at the Mini Board meeting regarding moving back to a one-assessor system. It was noted that Bill Talbot, representing the Ames Community School Board; Rick Sanders, representing the Story County Board of Supervisors, and Peter Orazem, representing the Ames City Council, serve on the Mini-Board. Mr. Sanders clarified that appointment of a City Assessor is exclusively under the purview of the Ames City Council; it is not a decision of the Conference Board. The question as to whether there would be cost savings in combining the two assessors was also addressed by Mr. Sanders. He advised that "it would depend on how you look at it." However, after looking at the numbers, even if there were to be dramatic savings, e.g., 20%, from combining the two offices, the reality is that any savings would not impact the taxpayers of the City of Ames. Any savings would be realized by residents living outside of the City of Ames. Mr. Sanders said that, after those facts were known, it was fairly clear to him that there would continue to be an Ames City Assessor. Mr. Sanders also referenced a report prepared by City of Ames staff in September 2005, which provided a lot of information germane to this issue. With the information that has now been gleaned, Mr. Sanders shared that he would support the reappointment of Greg Lynch as the City Assessor. Mr. Sanders complimented City Assessor Lynch for doing a "phenomenal job" and stated that he was impressed with his knowledge base.

Board Member Orazem pointed out that the City of Ames provides approximately 80% of the business. If the decision were to be made to eliminate the City Assessor position, Ames would be only 1/16th of the vote regarding operations; which would be disproportionately small. He believes that, with the split of population in Story County, having an Ames City Assessor is the most reasonable way of doing business.

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

**ASSESSOR'S BUDGET PROPOSALS:** Ames City Assessor Greg Lynch highlighted information from the City Assessor's 2014/15 Annual Report. Mr. Lynch specifically addressed the July 1, 2013, enactment of Senate File 295 (SF295), which deals with property tax reform. A brief description of each of the four components of the law were given, as follows:

1. Business Property Tax Credit (effective January 2013). This Credit is funded by the State and establishes a phased-in credit for commercial and industrial properties.
2. New rollbacks or assessment limitation and replacement claims for commercial, industrial, and railroad properties (effective 95% for 2013 Assessment and 90% for 2014 Assessment)
3. Changes to taxable value growth for residential and agricultural property, which was reduced from 4% to 3% effective January 2013
4. New classification of Multi-Residential (effective January 2015). This basically gives all the properties that are now commercial and used as residential components a roll-back.

Department activities were highlighted by City Assessor Lynch. He reported that the New Construction segment of the residential market continued its recovery. Overall sales volume for new homes increased 25% from 2012 to 2013. Also, the overall sales volume for existing homes rose significantly in 2013 (14.2%).

City Assessor Lynch complimented his staff members for their willingness to work extra hours and the teamwork displayed in implementing the provisions of Senate File 295. Staff identified 1,076 units that were qualified to receive the Tax Credit. Applications were mailed to those owners on November 6, 2013. After receiving only a 71% return rate as of December 15, reminder postcards had to be sent. Ultimately, a 91% return rate was realized by January 15, 2014.

Mr. Lynch explained the tax base changes for assessed and taxable values from 2012 to 2013. He advised that when a rollback increases, the taxable value increases. Mr. Lynch brought the Board members' attention to the tables showing Assessed Values by Class and Taxable Valuations by Class. He noted that, excluding railroads and utilities, the overall change for the upcoming fiscal year is 1.2% more taxable value. According to Mr. Lynch, included in SF295 is a provision for the State to reimburse the revenue lost due to the new Commercial and Industrial rollbacks. Converting the reimbursed revenue to taxable value, the overall taxable value change for the upcoming fiscal year would actually be 3.3%, which is more in line with the 3.8% and 3.3% that was experienced in 2012 and 2011, respectively.

According to Mr. Lynch, the Iowa Department of Revenue conducts a sales ratio study every year. That study is used to determine whether or not equalization orders are necessary. Equalization orders may only be issued in odd years. Median Sales Ratio for residential properties was explained by City Assessor Lynch. He advised that as long as the median sales ratio is between 95% and 105%, no equalization is required. If the ratio is outside that range, equalization orders will be issued. Mr. Lynch stated that it is estimated that Ames' current 2013 residential median sales ratio is 92.%. The Median Sales Ratio for 2012 was 99.3%. The Department of Revenue doesn't publish its final Median Sales Ratio until March. Mr. Lynch said even though the equalization study takes place in the summer, staff needs to know now to ensure that they do not receive equalization orders. It is evident that Ames is going to be approximately 5% lower on assessed values compared to market activity. Because of that, residential properties need to be revalued this year. Mr. Lynch explained that Ames uses models to accurately portray the market value. It currently uses "Adaptive Feedback Models," which are no longer supported by the current software. The 2014/15 budget proposal includes the hiring of a multiple regression specialist to convert four existing models to the SPSS software.

Mr. Lynch advised that, regarding commercial properties, based on information provided by the Iowa Department of Revenue through May 2013 and on other sales that have occurred since then, it is estimated that the median sales ratio will be 94%. While the 94% ratio is just under the 95% threshold, Mr. Lynch said he felt it prudent to wait and see what the ratio does this year and then plan a course of action.

Dawn Tank, who recently resigned after nine years of service to the Ames City Assessor's Office, was publicly thanked by Mr. Lynch for her outstanding work.

It was noted that that the proposed budget contains an overall 3% increase in staff salaries based on 2% cost of living and 1% merit. Health insurance is going up by 6% this year, which is lower than in past years.

The major components of the data processing and software line item were highlighted by Mr. Lynch. There will be ongoing expenses for GIS and mapping.

In summary, Mr. Lynch noted that the FY 2014/15 Proposed Budget equates to \$966,926, which is a 6.3% increase. Without the capital expenses, it equates to a 3.3% increase.

Board Member Sanders pointed out that, in terms of tax levy rates required to sustain the City Assessor's budget, the proposed budget actually reduces the levy rate by one-half cent.

The annual survey, as required by the Conference Board, was summarized by Mr. Lynch. The Board's attention was brought to the comments that were contained within the Report.

Moved by Toot, seconded by Corrieri, to approve the recommendations of the Assessor's report, as above-discussed.

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

Moved by Nelson, 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 Toot, seconded by Betcher, to set 6:30 p.m. on February 25, 2014, as the date of public hearing on the proposed FY 2014/15 City Assessor's budget.

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

**ADJOURNMENT:** Moved by Sanders to adjourn the Ames Conference Board at 7:02 p.m.

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

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Diane R. Voss, City Clerk

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Ann H. Campbell, Chair

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Greg Lynch, City Assessor