



Exploring Assessing Services in the City of Manistee

March 1, 2011



March 1, 2011

Dear Mayor Richard Mack and Members of City Council:

Several months ago Administration recommended and City Council supported drafting a study that explored and reviewed various assessing options for Manistee's future. It was determined that the white paper study would not include a recommendation from Administration to Council as this is a policy decision and is the primary responsibility of City Council to make.

Clearly Council, Administration and the Community have and will continue to face significant financial challenges. The intent of the study is to provide unbiased information that was researched and compiled by Administration to allow City Council to make an informed and educated, albeit difficult, decision regarding these services. Without conducting another professional study, City Council has the best and most complete information Administration has available.

This report has been compiled by City Assessor Julie Beardslee, Finance Director Edward Bradford and City Manager Mitchell Deisch.

Sincerely,

Julie Beardslee, City Assessor

Edward Bradford, Finance Director

Mitchell Deisch, City Manager

Table of Contents

- Introduction
- Why this Report Has Been Created
- Need for Evaluation of City Services
- Why Assessing
- Current Assessing Service Levels
 - Staffing
 - Work Schedule
 - Services Provided
 - State of Michigan Requirements
 - Departmental Statistics
 - Budgeting Challenges / Responses
- Income Review – Property Tax Administration Fee
- Options for Providing Assessing Services in the Future
- Status Quo
 - Description
 - Assumptions
 - Service Level Impacts
 - Pros and Cons Review
 - Financial Implications
 - Similar Communities Matrix
- Contracting With Manistee County Equalization Department
 - Description
 - Assumptions
 - Service Level Impacts
 - Pros and Cons Review
 - Dealing with State Assessing Process - Checks and Balances
 - Financial Implications
- Contract with Private Firm with Licensed Assessor
 - Description
 - Assumptions
 - Service Level Impacts
 - Pros and Cons Review
 - Similar Community Matrix / Financial Implications
- Keep Assessing In House, Reduce Level III Assessor to Level II Assessor
 - Description
 - Assumptions
 - Service Level Impacts
 - Pros and Cons Review
 - Financial Implications
 - Similar Communities Matrix
- Other Assessing Options
- Conclusion
- Supplemental Information

Introduction

The purpose of this report is to research and document the various options for providing Assessing Services in the City of Manistee.

The information presented is an objective look at various options that are available to the City to provide assessing services. The document is a collaborative effort between the City Manager, City Assessor and Finance Director. The completed document has been reviewed by all parties who had a role in compiling, preparing and reviewing the information.

This document will not suggest a recommended course of action, but will instead provide City Council and the public a resource from which to draw as service level, staffing and budgeting decisions for these services are made in the future.

Why this Report Has Been Created

The topic of the Assessing Department was discussed during the 2010-2011 FY Budget process. At the start of the budget process a large general fund deficit was projected. In response to this deficit several restructuring initiatives were proposed in the recommended budget. Among the restructuring proposals was contracting out or privatizing assessing services. This proposal would have eliminated both fulltime employees in the assessing department.

There was considerable discussion by Council and the public about this particular recommendation. Ultimately, Council decided to maintain the City Assessor (Level III) position and eliminate the Assistant Assessor (Level II) position. Assessing functions were maintained in house at the City.

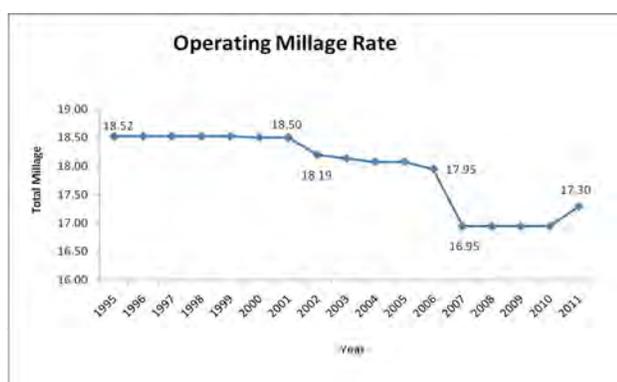
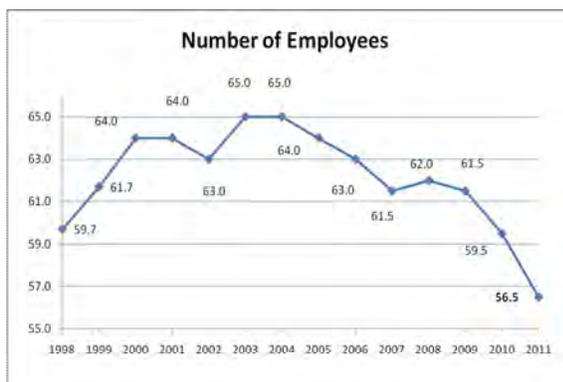
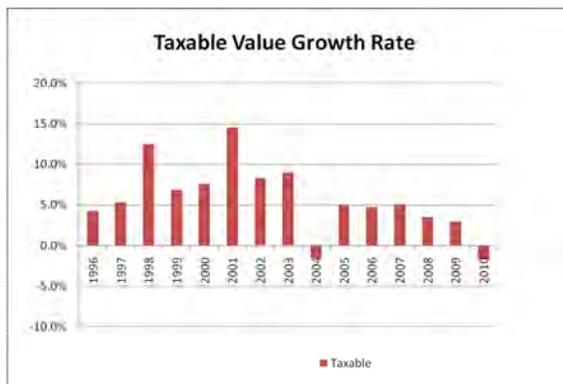
During last year's discussion on this topic it was mentioned by some Councilmembers that the Manager's recommendation did not contain enough information in order for a different organizational model to be considered. This white paper report is intended to provide Council with sufficient information to evaluate options.

Any discussion of eliminating departments or employees tends to bring emotional responses to people. The key is to focus on facts and information and not emotions. It is hoped this paper will provide objective information needed to make an informed and educated decision.

Need for Evaluation of City Services

As is typical in most communities across Michigan (and the rest of the country too), budgetary constraints are forcing a top to bottom evaluation of how and what type of services they should provide. Manistee is not immune from these budgetary pressures. Financial projections show that a reduced and/or slowly growing tax base, sharply declining state revenue sharing and increases in personnel and supply costs have put the City on a path that is unsustainable. The operating millage rate has also declined by 1.2 mills or 6.5% since 2001.

These projected deficits persist despite solid financial management by Administration and Council. Previous cost containment measures have included reducing the number of employees by 6.5 or 10% since 2006, implementing significant healthcare reforms through cost sharing, addressing pension costs by moving to MERS, controlling wages, cutting benefits and reducing operational budgets.



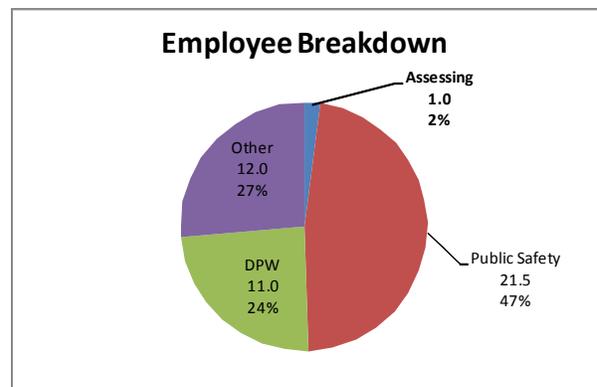
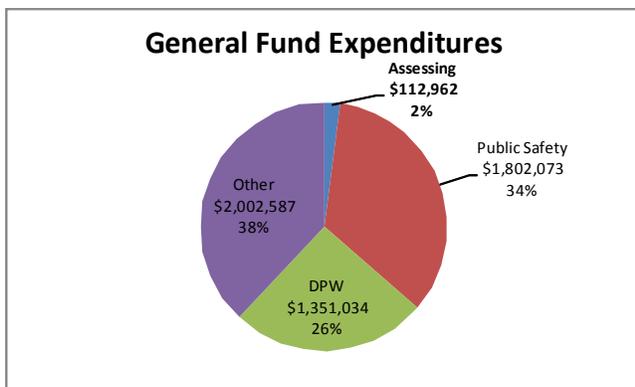
The conclusion from all of this is inescapable: The City's existing revenues can no longer support the service delivery model of the past. Manistee must reinvent how it delivers services so it can maintain the high quality of life enjoyed by residents, yet balance that with financial realities and respect for employees. Without doing this or, alternatively, finding significant new revenue, the City will not be able to continue to function effectively.

Why Assessing

Privatizing the assessing function was identified in the January 2010 Operational Service Assessment (OSA) Report as an opportunity to maintain a base service level and reduce general fund cost. In researching the various City departments it is the City Manager's and Finance Director's belief that there are acceptable alternative methods to providing assessing services other than how the City of Manistee currently provides assessing services. Based upon the fact that there are alternative options, that utilizing these options is recommended in the OSA report, and that Council previously discussed the issue and requested more information; the Assessing White Paper Report is being completed at this time.

As with the Public Safety White Paper Report this review is not intended to single out or balance the budget on the back of the Assessing Department, nor is it to be the last comprehensive review of City departments.

Assessing services currently consume 2.1% of the City's general fund budget and makes up 2.1% of the general fund employees.



This review should be viewed as a starting point. In these challenging economic times, every service provided by the City, and how these needs are delivered, needs to be scrutinized. Taxpayers are tightening their own belts and prioritizing their own budgets and expects no less from the City of Manistee.

Current Assessing Service Levels

In revisiting the City of Manistee's service levels and delivery methods for assessing there are several fundamental questions that must be answered. By answering each of these, the community and Council can arrive at the model that is best for Manistee.

- What service levels are desired by the community?
- What service levels are needed by the community?
- What level of service can the community afford?
- Is the current service delivery method the most effective & efficient?
- Are there alternative service delivery methods?

In order to evaluate these questions, it is imperative to understand what the current service levels are, how they are delivered and what it costs to deliver these services. This information is critical in evaluating alternatives so one can intelligently gauge what the real and perceived trade-offs for various options are versus the status quo. It is also important to document these service levels to address any misperceptions that citizens may have. Equally important is a discussion of internal and external constraints on the City through laws, regulations, policies, and financial condition.

In evaluating the level of assessing services, one can look at high level statistical data compiled by the department. However, to really understand this data (and thus the services provided) requires a closer look at the details. Drilling down into the data and looking at the component pieces is crucial. Summary data can often be misleading. It should also be noted that it is difficult to look at assessing services and make objective judgments of their relative "quality" versus other communities, as this is a complex question.

Current departmental information and a discussion of the service levels and constraints are provided on the following pages.

Staffing

The City currently operates with one fulltime Level III Assessor and budgets for contractual assistance for updating the residential parcel information. Staffing for the department is 1.0 FTE.

Work Schedule

The City Assessor currently works 8:00 a.m. to 5:00 p.m., Monday through Friday. Office hours are traditionally Monday, Wednesday and Friday 8:00 to 5:00 p.m. March through December. Office hours for January through March are Monday and Wednesday, 8:00 to 5:00 p.m. On the days the office is closed to the public the City Assessor performs necessary office and field work that are State-required to be compiled and authorizes the City tax roll.

Services Provided

- Coordinate and assist with Board of Review meetings.
- Represent City on Tax Tribunal cases.

- Assist citizens with requests for information about property values and copies of property value cards.
- Assist in filling out poverty exemption applications.
- Assists with City implementation of GIS system.
- Participates in department director functions.
- Prepare and authorize tax roll.
- Provide information to Finance Director for annual budget preparation.

State of Michigan Requirements

Pursuant to MCL 211.10e, the assessor must use and maintain the following assessment records:

- Appraisal record card system.
- Personal property record system.
- Tax (cadastral) maps.
- Land value studies and maps.
- Economic condition factor determinations.
- Current year assessment roll.
- Photos of dwellings and outbuildings affixed to appraisal record cards and/or stored electronically using assessing software.
- Homeowner's principal residence and qualified agricultural property exemption documents.
- Record of site visits to individual parcels.
- Historical assessment data.

The assessor must ensure that the assessment roll contains the following information:

- Name and address of property owner.
- Legal description or approved parcel identification number.
- School district code.
- Property classification.
- Assessed valuation.
- Capped valuation.
- Taxable valuation.
- Board of Review valuation column.
- Michigan Tax Tribunal and/or State Tax Commission valuation column.
- Homeowner's principal residence or qualified agricultural property exemption percentage.
- Date of last transfer or ownership.
- Leasehold improvements identifier, if applicable.

The assessor must ensure that the true cash value on the appraisal record cards matches the true cash value indicated by the assessor's value on the assessment roll. In addition to the other responsibilities the State has also charged assessors with complying with the State-approved fourteen point review. The fourteen point review is attached in the supplemental information section.

Departmental Statistics

For the period of January 1 to December 31, 2010; the assessing department had the following activity level:

- Poverty exemptions.
- Board of Review cases.
- Tax Tribunal appeals.
- Assisting citizens with property record card inquiries.

Budgeting Challenges / Responses

The assessing department has been proactive in dealing with the City's current financial challenges.

- Reduced staffing from 2 FTE to 1 FTE.
- Reduced part-time contractual appraiser hours.
- Reduced residential property appraisal from once every three years to once every four years.
- Abated longevity for FY 10/11.
- Took two furlough days in FY 10/11.
- Decreased operational expenses in FY 10/11.

Income Review

The City of Manistee is allowed by the general property tax act to impose a 1% property tax administration fee on any tax that it collects. The State Tax Commission has issued a memo (below) that supports and encourages local units of government to levy this fee as authorized by law. By law, the fee can only be used to "...offset costs incurred by a collecting unit in assessing property values, in collecting the property tax levies, and in the review and appeal processes." For the 2010 tax year, this fee amounts to \$100,759. Total estimated costs for the aforementioned functions are about \$175,000. Thus, this fee helps offset almost 58% of the cost of these services.

3500 (Rev. 1-03)



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ROBERT J. KLEINE
STATE TREASURER

DATE: October 2, 2008
TO: Assessors, Equalization Directors
Township Supervisors and City Managers
FROM: State Tax Commission
SUBJECT: Collection of the Administrative Fee

At their September 16, 2008 meeting, the State Tax Commission adopted the following position regarding the levy, collection, and use of the property tax administration fee authorized under Michigan Compiled Law 211.44:

It is the position of the State Tax Commission that Cities and Townships should levy and collect the one percent administration fee as authorized under Michigan Compiled Law (MCL) 211.44. The State Tax Commission also believes that Cities and Townships should take all necessary steps to ensure that the funds generated by this property tax administration fee are dedicated solely to the property tax function as specified by MCL 211.44.

Options for Providing Assessing Services in the Future

There are many different options for providing assessing services. Communities across the State deliver many different levels of these services through a variety of organizational structures, partnerships, and collaborative efforts. Whatever the structure is, each community has chosen it based on their community's unique needs. There is no cookie cutter approach to delivering these services. However, with that said, there are several models that are widely used and generally accepted as viable. These main options are the ones that this paper explores.

One of the hardest things to do is to make decisions under uncertainty. Anytime change is contemplated; a move from the known to the unknown, there can be trepidation, fear and reluctance. No matter the situation, there are always facts that are unknown, impacts that are unforeseen and hurdles that are unanticipated. The best you can do is research and plan to the best of the organization's ability and work through issues as they arise. Risk is present in any service delivery model, including the status quo. The way to handle risk is to quantify it to the degree possible, establish mitigating procedures, and then decide on whether the level of risk is acceptable.

The important point to keep in mind when reviewing each option is that no one service delivery method is necessarily "right" or "wrong"; "superior" or "inferior"; "safe" or "dangerous." The reality is each approach has its advantages and disadvantages; pros and cons; challenges and opportunities. In the final analysis, it comes down to the questions posed earlier:

- What service levels are desired by the community?
- What service levels are needed by the community?
- What level of service can the community afford?
- Is the current service delivery method the most effective & efficient?
- Are there alternative service delivery methods?

This report explores several options for delivering assessing services.

1. Status Quo - Assessing kept in house with Level III Assessor.
2. Contract with Manistee County Equalization Department for assessing services.
3. Contract with private firm with licensed assessor for assessing services.
4. Keep assessing in house, reduce Level III Assessor to Level II Assessor.

Status Quo

Description: The Status Quo Option maintains a fulltime Assessing department within the City of Manistee staffed with a Level III Assessor. This would maintain the current level of service being provided to City residents.

Assumptions: For the purpose of this reviewing this option, current staffing and equipment levels are maintained so as to maintain the service levels to citizens. This also assumes that the current model is reasonably efficient and requires staffing as currently allocated.

Service Level Impacts: With the Status Quo Option, service levels to the citizens would remain the same. Service levels were reduced last year with budget cuts.

Pros and Cons Review:

PROS	CONS
Current service levels maintained	More expensive than other options
Only focus is on City of Manistee assessing	Does not take advantage of intergovernmental cooperation opportunities

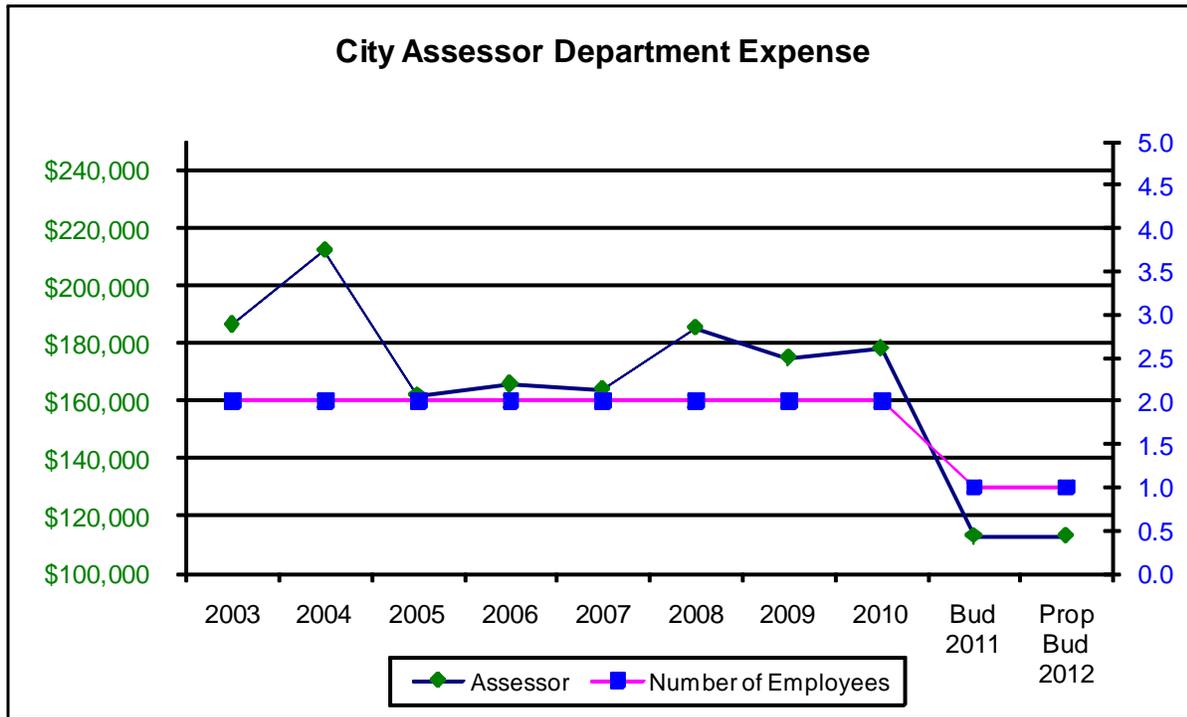
Financial Implications: The initial intent was to utilize the current 2010-2011 fiscal year budget as a baseline for establishing financial implications. Currently the fiscal year 2010-2011 assessing department budget is \$112,962 or 2% of the general fund budget. However, based upon the 2011-2012 budget submitted by the City Assessor, \$3,237 has been removed from the operational expenses; bringing the 2011-2012 fiscal year proposed budget to \$109,725; which is a 3.0% reduction from the current fiscal year.

In the absence of personnel reductions, departmental budgets are expected to come under increased inflationary pressures.

The proposed budget for fiscal year 2011-2012 for the assessing department is \$109,725 or 2.0% of the general fund budget. From 2004 to 2009 the assessor's budget fluctuated as follows:

2004/2005	\$170,009
2005/2006	\$167,531
2006/2007	\$161,334
2007/2008	\$181,363
2008/2009	\$180,640
2009/2010	\$179,580

In 2010/2011 FY Council eliminated the Assessor's Assistant position, thus the budget was reduced to \$112,962 or a 37.1% reduction. The Assessor has proposed a 2011-2012 budget that would decrease operational expenses by \$4,965 or 26%. This would offset almost entirely employee cost increases, the net result being a flat budget.



If we maintain the assessing department in house, professionally it is the group's belief we cannot go below one fulltime employee. Without knowing what changes will be coming from the State of Michigan, if more unfunded mandates or additional requirements are put on local assessors, one fulltime assessor will be challenged at certain times of the year to complete all of the requirements. With the changes made last fiscal year to eliminate the assistant assessor position, the service level has already been reduced through reduced office hours.

Similar Communities Table: These similar communities all provide assessing with in house staff.

COMMUNITY	POPULATION	2009 TAXABLE VALUE	2009 SEV	TOTAL PARCELS	2010 ASSESSING BUDGET
Albion	9,144	135,920,218	154,895,703	3,486	\$80,208
Alma	9,275	161,855,543	177,469,500	3,624	\$142,414
Cheboygan	5,295	120,950,559	148,746,200	3,532	\$69,850
Gaylord	3,681	200,134,723	222,957,423	2,623	\$78,500
Hastings	7,095	200,572,484	229,176,100	3,408	\$182,733
Howell	10,023	380,357,637	439,530,200	3,822	\$92,637
Imlay City	4,000	132,368,000	172,514,000	1,628	\$30,000 PT Assessor
Petoskey	6,080	357,612,638	638,019,800	4,561	\$119,300
Portland	3,789	97,517,699	110,506,500	1,870	\$54,530
Saint Johns	7,485	212,802,309	235,923,600	3,343	\$102,000
Saint Joseph	8,789	427,027,441	544,687,673	4,953	\$74,900
Tecumseh	9,000	274,629,870	289,896,135	4,119	\$58,000
Wayland	3,939	101,688,950	112,033,807	1,515	\$68,950
Zeeland	5,805	659,802,930	671,076,600	3,100	\$202,800
Manistee	6,586	212,862,439	249,064,100	3,942	\$112,000

Contract With Manistee County Equalization Department

Description: This white paper describes the City of Manistee negotiating an agreement with the Manistee County Equalization Department to represent the City of Manistee on all matters concerning assessment administration, including but not limited to:

1. Assessment Roll - The roll shall be completed and ready for review by Tuesday following the first Monday in March. Assessment notice changes shall be sent to all City property owners regardless of the amount of the increase. Sales data and property cards shall be available for inspection by the City of Manistee Board of Review.
2. Reports - All reporting forms shall be completed by the Equalization Department. The Equalization Department shall represent the City in all appeals taken to the Small Claims Division of the Michigan Tax Tribunal and the Equalization Department shall provide additional supporting appraisals to sustain the assessment whenever possible. The City will be responsible for the costs of any appeal taken to the full Michigan Tax Tribunal, and the City shall be responsible for selecting and providing legal counsel, if any, for such Tribunal matters. The Equalization Department will assist and provide testimony as is needed in any such appeals to the full Michigan Tax Tribunal. The City retains full settlement authority regarding all assessment appeals (to both Small Claims and the full Tax Tribunal).

The City responsibilities would be as follows:

1. Board of Review, Secretary, Meeting Place and Legal Notices - The members of the Board of Review, the secretary for the Board of Review, the meeting place for the Board of Review and all legal notices required as a result of the Open Meetings Act shall be the sole responsibility and expense of the City.
2. Postage Expense - The City will be responsible for all postage expense for notices of assessment changes, summer and winter tax bills; the Equalization Department will physically mail such notices or bills, so long as the postage expense is paid by the City.
3. License Agreement - The City shall provide, at its sole expense, a License Agreement for the Equalizer Appraisal System to BSA&A Software.

Assumptions: The primary assumption is that the goal is to maintain a community approved, acceptable level for assessing services while reducing costs. This would not lead to reduced service levels, but would require citizens to obtain services from the County Equalization Department rather than from City Hall. An agreement with Manistee County will need to be approved by both entities.

Service Level Impacts: On paper there should be no service level impacts other than City residents would be going to the County Equalization Department to obtain service rather than City Hall. With the reduction of staff in 2010/2011, there came a reduction of service levels (open office hours) provided to residents. This agreement would restore five days a week service to City residents.

Pros and Cons Review:

PROS	CONS
Intergovernmental cooperation	Loss of experience with current assessor
Working to increase availability of assessing services to public	Dependent on another unit of government
Saves general fund dollars	Loss of complete control of tax base

Dealing with State Assessing Process - Checks and Balances: An excerpt from the Assessor’s Training Manual of the Michigan State Assessors Board, Volume 1 (Training Manual for Michigan Property Tax Officials published by the State Assessors Board) Chapter 5 Equalization Page 5-5 and 5-6:

The three levels of responsibilities in the Assessment/Equalization process make up a system of “checks and balances.”

1. Local units (townships and cities) check assessments of individual properties and adjust assessments to 50% of true cash value, and certify the total assessed value for the six classes of real property and total personal property within the unit.
2. County boards of commissioners check the total assessed value determinations of the six classes of real property and total personal property for each local unit, and equalize each class in each unit to reflect 50% of true case value (TCV).
3. The State Tax Commission, sitting as the State Board of Equalization, checks the total county equalized valuation determinations for the six classes of real property and total personal property for each of the 83 counties, and equalizes each class to reflect 50% of true cash value.

The assessment/equalization process provides for a system of appeals and required due process. It is extremely important that the rights of all parties involved in this process be protected.

At the local level, the individual property owners may appeal an assessment, capped value calculation, taxable value calculation and/or property classification to the local Board of Review. Further appeal of local action about values can be filed with the Michigan Tax Tribunal. Further appeal about property classification can be filed with the State Tax Commission.

Each local township and city has the right to appeal the action taken by the County Board of Commissioners during county equalization. The local unit must present its arguments and reasons to the County Board of Commissioners during the Board's equalization session to protect the unit's right to further appeal to the Michigan Tax Tribunal.

All of the 83 counties may exercise their right to appeal the action of the Michigan State Board of Equalization. At the hearing to determine the State Equalized Valuation, a roll call of counties is conducted. The authorized representative of each County Board of Commissioners is provided the opportunity to address the state board. This action preserves the county's right to further appeal the state board's action and determinations to the Michigan Court of Appeals.

Some individuals, local units and counties have taken valuation issues beyond the Michigan Tax Tribunal to the Michigan Supreme Court. Due process cannot and will not be denied in the assessment/equalization process.

Financial Implications: The exact financial implications of contracting our assessing functions the County Equalization Department will be dependent upon both City Council and the County Board of Commissioners agreeing upon terms and financial compensation. Based upon conversations with County Administrator/Controller Tom Kaminski and County Equalization Director Roger Elbers a per parcel charge for handling all assessing services is \$23.72 per parcel. Total annual cost as discussed with Manistee County Equalization Department is \$93,723. This would save the City approximately \$16,002.* Again, there are other costs associated with assessing that would remain the City's responsibility.

*Note - The current City Assessor has a severance package which will be in the \$24,000 range. Thus, when you calculate the cost of the approximate savings minus the severance package cost, the total cost **increase** to the City for the first year is an estimated \$7,798.

During negotiations Manistee County did indicate that if an agreement was approved, it would need to have an ongoing cost of living increase factored into the agreement, thus increasing costs in future years.

Similar Communities Table: These are communities that contract with County Equalization Departments.

COMMUNITY	POPULATION	2009 TAXABLE VALUE	2009 SEV	TOTAL PARCELS	2010 ASSESSING BUDGET
Cadillac	10,000	282,865,972	326,788,572	5,809	\$132,600*
Charlevoix	2,944	248,598,254	330,404,700	2,834	\$69,872
Whitehall	2,884	126,802,309	139,576,103	1,752	\$29,600

Contract with Private Firm with Licensed Assessor

Description: This organizational model option relies upon the City entering into a multi-year contract with a private sector firm that employs a licensed assessor.

Assumptions: Several assumptions are made in drafting this section of the white paper. These assumptions are as follows:

1. As indicated in the January 6, 2011 memo to City Council, Administration did not issue an RFP to obtain exact figures to be included in this option. Rather, Administration contacted several similar communities in regards to population and total number of parcels and total annual fee provided to the private contractor.
2. It is also assumed that the private firm employs at least one Level III (Advanced) Assessor.
3. The contract will require the private contractor to be named Assessor of Record, taking responsibility for all assessing requirements for the City of Manistee. The City would assist in various ways that would be specifically addressed in the contract.

Service Level Impacts: In conversation with similar communities that have contracted out their assessing responsibilities to a private firm, it is clear that there is a reduction in the availability of the assessor to the public (open office hours). Thus there will be a reduction in service levels provide to citizens. For example, the City of Ludington Assessor of Record holds office hours once a week in City Hall. Citizens can contact them by phone or e-mail during the rest of the work week. Property record cards are maintained at Ludington City Hall, with the Assessor of Record accessing the database electronically through the BS&A software. Citizens of Ludington can access property records online, like in the City of Manistee.

Pros and Cons Review:

PROS	CONS
Significantly reduced cost	Does not take advantage of intergovernmental cooperation
Privatized service as recommended in OSAC report	Reduced office hours available to public / perceived as service level reduction
	Results in loss of city employee with 20 years of service and experience

Similar Community Table / Financial Implications:

COMMUNITY	POPULATION	2009 TAX	2009 SEV	TOTAL PARCELS	OFFICE HOURS	TOTAL COST
Ludington	8,357	274,658,382	333,486,050	4,568	1 day/week	66,000
Ionia	10,569	124,583,866	135,684,859	3,129	2 days/week	40,930
Flushing	8,348	227,845,941	235,329,550	3,698	2 days/week	24,500
Mason	8,000	-	258,270,483	3,767	2 days/week	47,000
Northville	6,459	361,240,277	418,680,425	3,406	2 days/week	156,936
Watertown Twhp	5,550	230,437,633	305,939,933	3,096	3 days/week	65,000
Manistee	6,586	212,062,439	249,064,100	3,942	-	-

Looking at similar communities with contracted Assessors of Record (excluding Northville), the average annual cost would be approximately \$48,600. Based upon the fact that we have not done an RFP for an exact cost, we would conservatively add a 20% multiplier to bring a potential annual cost to \$58,300. We included the multiplier to account for the potential of limited number of firms located in Northwest Michigan or firms willing to travel to Manistee. The exact figure would not be fully known until an RFP process was completed.

*Note - The current City Assessor has a severance package which will be in the \$24,000 range. Thus, when you calculate the cost of the approximate savings minus the severance package cost the total savings is approximately \$30,700 (2010-2011 FY Budget \$109,725 - \$58,300 (contract cost) + \$24,000 assessing services package = \$27,425) for the first year.

Keep Assessing In House Reduce Level III Assessor to Level II Assessor

Description: During last year's budget discussion it was brought forth by a Councilmember that another option for saving general fund dollars would be to employ a Level II Assessor in house, rather than a Level III. The assumption being a Level II would require less of a salary than a Level III Assessor.

Assumptions: The State of Michigan is currently in the process of revising how they categorize assessor certification levels. The current assessor certification levels were I-IV based upon experience and testing. The new certification levels are now as follows:

1. Michigan Certified Assessing Officer (MCAO) which will replace Level I and Level II Assessors.
2. Michigan Advanced Assessing Officer (MAAO), formerly Level III.
3. Michigan Master Assessing Officer (MMAO), formerly Level IV.

Determining which assessing level is required in a community is based upon the community's State Equalized Value (SEV). The SEV/Assessing Level requirements are as follows:

1. Michigan Certified Assessing Officer (formerly Level I & II) - \$0 to \$488,000,000.
2. Michigan Advanced Assessing Officer (formerly Level III) - \$488,000,000 to \$2,125,000,000.
3. Michigan Master Assessing Officer (formerly Level IV) - SEV greater than \$2,125,000,000.

The 2009 City of Manistee SEV was \$249,064,100; which mean it would fall under the Michigan Certified Assessing Officer criteria.

The assumption being one fulltime MCAO would be required to perform all assessing functions and maintain the same estimated office hours. This option also assumes that the fulltime MCAO employee would qualify for all City benefits.

Service Level Impacts: There should be no difference in scheduled office hours between employing a Level II or Level III Assessor.

There will be a service reduction on how much the Level II will be able to assist the public rather than a Level III. Simply, the current Level III has more years of experience at a higher level of assessing that can be used to assist citizens when answering appraisal questions, filling out poverty and homestead exemption forms, etc. The city and public would lose the 20+ years of knowledge if this transition was made. This results in less services being available to the public.

Pros and Cons Review:

PROS	CONS
Reduced cost	Not taking advantage of intergovernmental cooperation
	Reduced service level to public
	Less practical experience in position that may result in loss of taxable value capture

Financial Implications: In reviewing Level II salaries of similar communities with populations under 11,000, the average salary for a Level II Assessor is \$40,113. In 2009-2010 the salary for the City of Manistee's Assessor's Assistant position was \$43,430. The current salary of the City's Level III Assessor is \$63,696; thus a potential savings of approximately \$20,000 to \$23,000 annually.

Again, it is important to remember that the current agreement the City Assessor signed in 1990 commits the City to a 25% salary and benefit severance package with a total cost of approximately \$24,000. With the severance package there would be no financial gain in the first year if this option was incorporated.

Similar Communities Table:

2009 - 2010 LEVEL II SALARY FIGURES*

COMMUNITY	2000 CENSUS POPULATION	LEVEL II SALARY
Hart	1,950	\$27,539
East Tawas	2,951	\$29,020
St. Louis	4,494	\$46,134
Negaunee	4,576	\$46,897
Springfield	5,189	\$36,754
Cheboygan	5,295	\$37,440
Zeeland	5,805	\$45,200
Manistee	6,586	\$43,430
Ishpeming	6,686	\$43,599
Charlotte	8,389	\$43,680
Albion	9,144	\$38,480

Fenton	10,582	\$43,680
Big Rapids	10,849	\$42,406
Hartland Township	10,996	\$37,336
	Total Average Salary	\$40,113

*Michigan Municipal League Wage and Salary Survey 2009-2010

Other Assessing Options

Description: There are several options to providing assessing services beyond what specific models have been researched in this white paper. Many communities take pieces from various approaches and combine them in a system that is best for them.

Examples of other options that are not explained in detail in this paper are:

- City of Manistee contracts with other municipalities to provide assessing services for those municipalities.
- Part-time Assessor / Contractor of Record agreement.

Both of those options can be explored in greater detail. The main point to take away is that there are multiple effective options for delivering assessing services. Each has its associated tradeoffs and each provides slightly different levels of service.

Conclusion

Although this report has presented several different options for delivery of assessing services; it is ultimately a balancing act between the level of service provided and the cost to deliver that service. Nothing can change this basic fact. Any changes made to the status quo, whether incremental or wholesale, will result in a different service/cost relationship; but nonetheless, one that must be managed and affordable for the community. The difficulty is in gauging the desires of the community, and ultimately finding the correct balance between assessing services and affordability.

Finally, any changes will likely result in impacts to the existing employee. One of the reasons for carefully studying this issue and involving the affected employee in the discussions are to ensure that the employee has input into the process and is shown the highest level of respect. Whatever decision Council ultimately makes will impact the employee in some fashion.

Supplemental Information:

- Homestead and Non-Homestead Tax Comparison
- Fourteen Point Review
- State Tax Commission Required Certification Levels
- Manistee County Equalization Department Service Cost
- Wexford County / City of Cadillac Assessing Contract
- City of Ionia Private Service Contract for Assessing
- City of Ludington Private Service Contract for Assessing
- 2010 Assessing Survey

Review of Local Unit Assessment Administration Practices, Procedures and Records

MICHIGAN STATE TAX COMMISSION ASSESSMENT AND CERTIFICATION DIVISION

Random Review Follow Up Review Preliminary Review Ordered Review

UNIT: _____ COUNTY: _____

YEAR: _____ YEAR OF ORIGINAL REVIEW (FOLLOW-UP REVIEW): _____

1. Please identify the assessing officer who has signed the pre-Board of Review certification of the assessment roll.

Name of Township Supervisor/City Manager/Mayor: _____
Name of Assessing Officer: _____
SAB Certification No.: _____
SAB Certification Level: _____
Required Unit Level: _____
1% Administration fee added to tax collection: Yes No

This information is used for internal information only. No points are assigned to this item.

Notes: _____

2a. On what date was the assessment roll certified by the above identified assessing officer?

Date: _____
General Law Date: _____
Charter Date: _____

Notes: _____

-2 points if certified after 1st day of BOR

2b. On what date did the assessing officer deliver the certified assessment roll (original hard copy) to the local Board of Review for its required March meetings?

Date: _____
General Law Date: _____
Charter Date: _____

Notes: _____

-2 points if certified after 1st day of BOR

3a. On what date was the assessment roll certified by the local Board of Review?

Date: _____

Notes: _____

-1 point if later than 10 calendar days after BOR closes or the Wednesday following the 1st Monday in April, whichever comes first.

3b. Did the local Board of Review utilize State Tax Commission form L-4035 (or equivalent)?

YES NO

Notes: _____

-1 point if no

3c. Did the secretary of the local Board of Review utilize State Tax Commission form L-4035a to document valuation changes authorized by said board?

YES NO NOTES: _____

-2 point if no

3d. Did the local unit Board of Review prepare minutes of the meetings and actions authorized by the local Board of Review and file the minutes with the local unit clerk (MCL 211.33)?

March BOR Session YES NO
July BOR Session YES NO
December BOR Session YES NO
Assessors' Comments (optional): _____
Notes: _____

-1 point for each if no minutes were taken.
-1/2 point for each if minutes were not filed with the Clerk.

3e. Is the Board of Review in substantial compliance with the requirements of the GPTA (MCL 211.10f, MCL 211.33, R 209.28(4))?

March BOR Session YES NO
July BOR Session YES NO
December BOR Session YES NO

-5 points for each No answer

Assessors' Comments (optional): _____
Notes: _____

3f. On what date did the local unit/Board of Review Close?

March BOR Session _____

-1 point if after the 1st Monday in April

July BOR Session _____ Statutory Date _____

-1 point if not Tuesday following 3rd Monday in July

December BOR Session _____ Statutory Date _____

-1 point if not Tuesday following 2nd Monday in December

Assessors' Comments (optional): _____
Notes: _____

4a. On what date was the certified copy of the assessment roll delivered to the county equalization department?

Date: _____ NOTES: _____

-2 points if not by 10th day after close of March BOR or the Wednesday following 1st Monday in April, whichever is first.

4b. On what date did the assessing officer deliver State Tax Commission form L-4021 to the county equalization department?

Date: _____

-2 points if not by 10th day after close of March BOR. Either electronic or hard copy is acceptable **R 209.26(10)(b)**

Original Hard Copy Electronic/Magnetic File Transfer

NOTES: _____

4c. On what date did the assessing officer deliver State Tax Commission form L-4022 to the county equalization department?

Date: _____

-2 points if not by 10th day after close of March BOR. Either electronic or hard copy is acceptable **R 209.26(10)(b)**

Original Hard Copy Electronic/Magnetic File Transfer

NOTES: _____

4d. On what date did the assessing officer deliver a complete State Tax Commission form L-4025 (all property) to the county equalization department?

Date: _____

NOTES: _____

-2 points if after 1st Monday in May. Either electronic or hard copy is acceptable.

Original Hard Copy Electronic/Magnetic File Transfer

5a. Does the local unit have a printed copy of the 2003 Assessor's Manual cost schedules for review by the taxpayers and a copy of the manual actually used to make the assessments?

Yes No

NOTES: _____

-2 points if no, -1 point if no copy of 2003 manual but there is a copy of the manual used.

5b. MCL 211.10e Requirements - Pursuant to MCL 211.10e, please identify which of the following assessors' manuals is utilized by the local unit assessing officer:

- a) Michigan Assessors Manual, 1998 Cost Tables
- b) Michigan Assessors Manual, 2003 Cost Tables
- c) STC approved manual and/or computerized appraisal software program
(specify: _____)
- d) Other (specify): _____

-5 points if multiple schedules are used without separate ECF calculation.
-10 points if no manual or a non-approved manual was used.

6. MCL 211.10e Requirements - Pursuant to MCL 211.10e, please identify which of the following assessment records are utilized and maintained by the local assessing officer:

- a) Appraisal record card system
- b) Personal property record system
- c) Tax maps
- d) Land value determination
(maps, grids, tables and analysis)
- e) ECF determinations

a an electronic system is ok if available to the public and appropriate backup and security measures are in place.
-5 points if not.

-10 points for each except c is -5 points. -5 points for b if only current year records are available. -2 points for d if some are calculated and CED values used for remainder. -5 points for e if some are calculated and CED ECF used for remainder. -10 points if a certified copy of the assessment roll is not maintained.

f) Current year printed copy of the assessment roll Original Duplicate Copy

NOTES: _____

7a. MCL 211.10a Requirement - Pursuant to MCL 211.10a does the local unit provide customary business hours for inspection and copying of public records?

YES If YES, please indicate designated days and times. NOTES: _____

NO

NOTES: _____

Customary business hours are regular hours that are posted: Minimum of 1 day per week, minimum of 4 hours between 8 AM and 6 PM **OR SEE 7b**

7b. If the answer to #7 is NO, has the local unit adopted a policy and/or procedure(s) to be utilized regarding the inspection and copying of public records?

YES If YES, please attach a copy of policy/procedure

NO

NOTES: _____

If NO to items 7a and 7b, - 5 points. If accommodations are made, but NOT formally adopted and posted by the local unit, -2 points

8. Where are the real and personal property records, assessment roll(s) and support documents retained?

a) Local unit public offices

b) Office/home of township supervisor

c) Office/home of assessing officer

d) Other (specify: _____)

NOTES: _____

No points for this question. Informational only.

9. Assessment Roll Requirements - Please identify which of the following specific data or information is posted to the current assessment roll:

a) Name & address of property owner

b) Legal description or STC approved parcel code number

c) School district code

d) Property classification

e) Assessed valuation

f) Capped valuation

g) Taxable valuation

h) Board of Review valuation column

i) MTT and/or STC valuation column

j) Homestead or Qualified Agricultural Property Exemption & percentage

k) Date of last transfer of ownership

NOTES: _____

-1 point for each item not checked.

10a. Does the true cash value on the appraisal record card agree with the true cash value indicated by the assessed value on the assessment roll?

YES NO If NO, date(s) last calculated

NOTES: _____

-10 points if NO

10b. Does the assessor maintain a record of properties receiving treatment for normal repair, replacement and maintenance (MCL 211.27(2)) and indicate on the assessment roll the properties affected?

YES NO

NOTES: _____

[0 Points if Violation – instruction on proper procedure with follow-up review of the section]

11. Do the appraisal record cards properly account for all physical items located on the description?

- 90% + Accurate 80%- 89% Accurate 79% or less Accurate

NOTES: _____

Staff field review sample. Accuracy determined by indications of all structures, sample measurements, story heights, class of construction, and so on – not by number of cards with errors. A field spreadsheet will be used to determine: 90%+ no deductions, 80 -89% -15 points, less than 80% - 30 points.

12. MCL 211.27a(3) Requirement(s) - Pursuant to MCL 211.27a(3) is the local unit in substantial compliance with the uncapping of taxable valuations the year following a transfer of ownership?

- YES NO **If NO, documentation required.**

NOTES: _____

No deduction if error rate is less than 5%, -5 points if greater than 5% but less than 10% error rate, -10 points if greater than 10% error rate. Percentage based on number of errors, not value. Uncapping that is not warranted is considered an incorrect transfer. An opinion may be needed from the ACD field staff in regards to the severity of the situation.

13. Based on a sampling of properties involving new construction which occurred in the prior year, do the current year's assessments include new construction?

- YES NO **If NO, documentation required.**

NOTES: _____

No deduction if error rate is less than 5%, -5 points if greater than 5% but less than 10% error rate, -10 points if greater than 10% error rate. Percentage based on number of errors, not value. An opinion may be needed from the ACD field staff in regards to the severity of the situation.

14a. Based on a sampling of known "sale" properties, is the local unit in substantial compliance with STC Bulletin 19 of 1997?

- YES NO **If NO, documentation required.**

NOTES: _____

Minor infraction, -5, moderate problem, -10, major infraction, -20. An opinion may be needed from ACD field staff in regards to the severity of the situation. If the assessor adds omitted properties discovered through review of sales but does not have a program in place to review and add omitted properties from non-sale properties score this item as a moderate problem provided there are no addition infractions.

14b. Calculated Co-efficient of Dispersion _____

Calculated Price Related Differential _____

NOTES: _____

ADDITIONAL NOTES: _____

No points at this time. If the information is available for the Residential Classification, please include the values.

The acceptable range for the PRD is 0.95 – 1.05. If the reported value is outside this range, note whether the sample size is sufficient for the PRD to have merit.

Point 14b will always be calculated when the 14-Point Review is initiated as a result of the complaint process or at the request of the State Tax Commission.

CERTIFICATION: I hereby declare that the foregoing information submitted is a complete and true statement.

Electronic Signature

- By clicking the box, I agree the signature I have typed above will be the electronic representation of my signature for purposes when I use it on this document and is a legally-binding contract. I further understand that signing documents using this electronic signature will have the same legally-binding effect as signing my signature using pen and paper.

Date

Title

Summary of ARC Review

14-Point Review Scoring

Question	Points	Question	Points	Question	Points
2006		2007		2008	
1	0	1	0	1	0
2a	2	2a	2	2a	2
2b	2	2b	2	2b	2
3a	1	3a	1	3a	1
3b	1	3b	1	3b	1
3c	1	3c	1	3c	2
3d	18	3d	18	3d	3
3e	3	3e	3	3e	15
4a	2	4a	2	3f	3
4b	2	4b	2	4a	2
4c	2	4c	2	4b	2
4d	2	4d	2	4c	2
4e	2	4e	2	4d	2
5	10	5	10	5a	2
6a	10	6a	10	5b	10
6b	10	6b	10	6a	10
6c	5	6c	5	6b	10
6d	10	6d	10	6c	5
6e	10	6e	10	6d	10
6f	10	6f	10	6e	10
7/8	5	7/8	5	6f	10
9	0	9	0	7a/7b	5
10	11	10	11	8	0
11a	10	11a	10	9	11
11b	20	11b	30	10a	10
12	10	12	10	10b	0
13	10	13	10	11	30
14a	10	14a	10	12	10
14b	5	14b	5	13	10
14c	0	14c	0	14a	20
				14b	0
Total	184	Total	194	Total	200

Compliant (85%)	200 - 170	170
Non-Compliant (75%)	169 - 150	150
Substantially Non-Compliant (<75%)	< 150	

Note to ACD Staff: Review calculations of local unit ECF study, verify that ECF and LV study results are being used on all appropriate record cards for determination of assessed value. If not, there is to be a deduction for these items.

If the appraisal record cards (Item 11) are less than 80% accurate as indicated by the review spreadsheet, the local unit will be considered non-compliant regardless the quality of the other items. Please also review the use of the ECF and LV study conclusions if this item fails as those items probably are not being utilized.

**STATE TAX COMMISSION
REQUIRED CERTIFICATION LEVELS
FOR TOWNSHIPS AND CITIES**

Certification levels required of Townships and Cities are as follows:

- Level 1:** State equalized value greater than \$0 but less than **\$130,000,000** or a combined state equalized value of the commercial and industrial classifications, both real and personal property which includes utility property, of less than 20 percent of \$130,000,000 (or **\$26,000,000**).
- Level 2:** State equalized value greater than or equal to **\$130,000,000** but less than **\$488,000,000** or a combined state equalized value of the commercial and industrial classifications, both real and personal property which includes utility property, greater than or equal to 20 percent of \$130,000,000 (or **\$26,000,000**) but less than 20 percent of \$488,000,000 (or **\$98,000,000**).
- Level 3:** State equalized value greater than or equal to **\$488,000,000** but less than **\$2,125,000,000** or a combined state equalized value of the commercial and industrial classifications, both real and personal property which includes utility property, greater than or equal to 20 percent of \$488,000,000 (or **\$98,000,000**) but less than 20 percent of \$2,125,000,000 (or **\$425,000,000**).
- Level 4:** State equalized value greater than or equal to **\$2,125,000,000** or a combined state equalized value of the commercial and industrial classifications, both real and personal property which includes utility property, greater than or equal to 20 percent of \$2,125,000,000 (or **\$425,000,000**).

The certification level of a township or city with one large commercial or industrial property (major industrial facility, power plant, resort, etc.) or **multiple facilities (wind energy mills) that are located within the same county**, that causes the certification level for a township or city to increase from a level 3 to a level 4, may be reduced by action of the State Tax Commission if that township or city contracts with a level 4 assessing officer to appraise the single or multiple property(s) and the level 4 assessing officer assumes responsibility within the contract for any appeals through that assessment year. Requests for reduction must be submitted annually on STC Form 4742 by October 31. Reduction approvals are effective for the year following the approval and expire on December 31 of each year (unless otherwise extended by Commission approval).

The state equalized value requirements for Cities and Townships shall be adjusted annually by the rate of increase in the statewide state equalized value as compiled by the Assessment and Certification Division of the Michigan Department of Treasury; the rate of increase used to adjust the 2011 tax year certification levels was determined using the 2009 statewide state equalized value compared to the 2008 statewide state equalized value. When an assessor is responsible for more than one unit of government, the certification level for those units of government must be measured by using the combined state equalized value of all units for which that assessor is responsible.

These certification levels will become effective August 3, 2009 for the 2011 tax year.

**DIRECTOR'S WORKSHEET
2011 COUNTY COST FOR CITY ASSESSMENT SERVICES**

Personal Cost (Includes Wages & Benefits)

Property Description Manager/GIS	10% of Time.....	\$5,641
Answer phone, assist city property owners		
Appraiser	10% of Time.....	\$6,090
Assist Appraiser/City Assessor with fieldwork		
*Appraiser/City Assessor	90% of Time.....	\$56,700
Assessment Roll, Required Reports, Fieldwork, ECF's, Land Values, Board of Review		
Director	20% of Time.....	\$17,792
Administration and assist Appraiser/City Assessor with Reports, ECF's, Land Values		
Indirect Cost		
County Administrator, Personal, Payroll etc.		\$1,500
TOTAL PERSONAL COST		\$87,723

Operating Cost

Office Supplies	\$1,000	
Computer/phone service	\$1,500	
Travel/Training	\$1,500	
County Vehicle	\$1,500	
Membership & Dues	\$500	
TOTAL OPERATING COST		\$6,000
TOTAL COST FOR CITY ASSESSING SERVICES		<u>\$93,723</u>

Based on 3,951 Assessable Parcels = 23.72 per parcel
Based on 4,197 Assessed & Exempt Parcels = 22.33 per parcel

* Newly Created Job

2/1/2011

OFFICEFEES&TWPSCHARGEBACKCITYASSESSOR2011+5%

**ASSESSING CONTRACT BETWEEN
THE CITY OF CADILLAC
AND THE COUNTY OF WEXFORD**

THIS CONTRACT is made effective the 1st day of April, 2007, between the **CITY OF CADILLAC**, Cadillac, Michigan (City), and the **COUNTY OF WEXFORD**, acting through the **WEXFORD COUNTY EQUALIZATION DEPARTMENT**, Wexford County, Michigan (Equalization Department).

RECITALS

- A. The City and the Equalization Department have explored means of combining services for assessing properties in the City of Cadillac.
- B. The City has determined that it would like the Equalization Department to perform its assessment services for a period of five (5) years in order to see if economies of operation will result and quality of operations will be maintained.
- C. The Equalization Department is agreeable to performing assessment duties for the City for a period of five (5) years under the terms set forth in this Agreement.

AGREEMENT

As a result, the City and Equalization Department agree as follows:

1. **Term of Agreement:** This Agreement shall commence April 1, 2007 and shall continue until March 31, 2012. This term incorporates five (5) assessment years, each of which commences on April 1 and concludes on March 31.
2. **Equalization Department Duties:** The Equalization Department will represent the City in all matters concerning assessment administration, including, but not limited to the following:
 - (a) **Assessment Roll:** The roll shall be completed and ready for review by Tuesday following the first Monday in March. Assessment notice changes shall be sent to all City property owners regardless of the amount of the increase. Sales data and property cards shall be available for inspection by the City of Cadillac Board of Review.
 - (b) **Reports:** All reporting forms shall be completed by the Equalization Department. The Equalization Department shall represent the City in all appeals taken to the Small

Claims Division of the Michigan Tax Tribunal and the Equalization Department shall provide additional supporting appraisals to sustain the assessment whenever possible. The City will be responsible for the costs of any appeal taken to the full Michigan Tax Tribunal, and the City shall be responsible for selecting and providing legal counsel, if any, for such Tribunal matters. The Equalization Department will assist and provide testimony as is needed in any such appeals to the full Michigan Tax Tribunal. The City retains full settlement authority regarding all assessment appeals (to both Small Claims and the full Tax Tribunal).

3. **City Responsibilities:** The City shall be responsible for the following:

(a) **Board of Review, Secretary, Meeting Place and Legal Notices:** The members of the Board of Review, the secretary for the Board of Review, the meeting place for the Board of Review and all legal notices required as a result of the Open Meetings Act shall be the sole responsibility and expense of the City.

(b) **Postage Expense:** The City will be responsible for all postage expense for notices of assessment changes, summer and winter tax bills; the Equalization Department will physically mail such notices or bills, so long as the postage expense is paid by the City.

(c) **License Agreement:** The City shall provide, at its sole expense, a License Agreement for the Equalizer Appraisal System to BSA&A Software.

4. **Computer and Storage:** The parties agree that storage of all assessment data for the City will be stored on the City's computer system. The Equalization Department will provide a phone line and modem at its office (14.4 bps or faster) for the link with the City's computer. The Equalization Department will access only the Equalizer Appraisal System and the Equalizer Tax Administration System, and no other data portion of the City's computer system.

5. **Fees:** The City shall pay the Equalization Department assessing fees pursuant to the following schedule per entry per year for assessing all real, personal, IFT, CFT, TIFA's and LDFA's located in the City of Cadillac:

April 1, 2007 – March 31, 2008	\$14.50	
April 1, 2008 – March 31, 2009	14.79	
April 1, 2009 – March 31, 2010	15.08	<i>6550 parcels</i>
April 1, 2010 – March 31, 2011	15.38	<i>73,000</i>
		<i>25,000</i>
		<hr/> <i>98,000</i>

April 1, 2011 – March 31, 2012

15.68

In addition, a fee will be charged for Assessment Roll maintenance. The Assessment Roll maintenance fee is currently \$1.60 per parcel. The Assessment Roll maintenance fee is a Wexford County-wide fee and is subject to change with appropriate notice. The Assessment Roll maintenance fee for the City of Cadillac will be identical to that charged county-wide. Payment as provided in this paragraph will be due quarterly each contract year (i.e. July 1, October 1, January 1 and April 1).

6. **Appeals:** The Equalization Department retains the discretion to appeal any individual assessment change by the Cadillac Board of Review.

7. **Authority:** The parties respectively acknowledge that their governing boards (the Cadillac City Council and the Wexford County Board of Commissioners) have approved this Contract and have authorized the City Mayor and the Wexford County Board of Commissioners' Chairman to execute this Agreement where indicated. The Director of the Wexford County Equalization Department has signed this Agreement, indicating the Department's agreement to participate according to the terms of this Contract.

8. **Compliance with Laws.** Both parties shall adhere to all applicable federal, state and local laws, ordinances, rules and regulations which affect this Agreement. In addition, the parties agree to the following provisions:

(a) The parties shall not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of this covenant shall be considered as a material breach of the Agreement. MCL §37.1209.

(b) The parties shall not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight or marital status. Breach of this covenant may be regarded as a material breach of the Agreement. MCL §37.2209.

9. **Termination:** This Contract may be terminated by either party upon giving 180 days notice.

10. **Effective Date:** The effective date of this Contract is April 1, 2007.

11. **Merger:** All prior understandings and agreements between the City and the Equalization Department are merged in this Agreement. It completely expresses their full agreement. This Agreement has been entered into after full investigation, neither party relying upon any statements made by anyone else that is not set forth in this Agreement.

12. **Construction:** This Agreement shall be construed according to the laws of the State of Michigan.

13. **Amendment:** This Agreement may not be changed or cancelled except in writing.

Dated: _____, 2007.

CITY OF CADILLAC

By: 

Ronald J. Blanchard
Its Mayor

**WEXFORD COUNTY
BOARD OF COMMISSIONERS**

By:

Leslie D. Housler
Its Chairman

**WEXFORD COUNTY
EQUALIZATION DEPARTMENT**

By:

Marlene Whetstone
Its Director

Prepared by:
David S. McCurdy
McCURDY & WOTILA
Professional Corporation
Attorneys at Law
120 West Harris Street
Cadillac, Michigan 49601
(616) 775-1391

**CITY ASSESSOR'S SERVICE AGREEMENT
BETWEEN
THE CITY OF IONIA
AND
GRIFFITH APPRAISAL & ASSESSING**

SECTION 1. PARTIES

This City Assessor's Service Agreement entered into this ____ day of _____, 2008 between the City of Ionia, 114 North Kidd Street, Ionia, Michigan, a Michigan municipal corporation, hereinafter referred to as the "City" and Griffith Appraisal & Assessing, hereinafter referred to as "City Assessor".

SECTION 2. TERM OF AGREEMENT

This Agreement shall bind the parties once signed and shall be in effect from July 1, 2008 to June 30, 2013, subject to the termination provisions contained in Section 9 of this Agreement.

SECTION 3. APPOINTMENT AS CITY ASSESSOR

By approval of this agreement, the City Council confirms the Mayor's appointment of Griffith Appraisal & Assessing as City Assessor as outlined in Section 4.03(c) of the City Charter. During the term of this Agreement Griffith Appraisal & Assessing shall assign Randy Jewell to perform the services described in this Agreement so long as Mr. Jewell maintains the State of Michigan Level III certification.

SECTION 4. SCOPE OF SERVICE

The City hereby contracts for the services of the City Assessor which include the following:

- a. Perform the duties of City Assessor as prescribed in the City Charter, the City Code of Ordinances and in Resolutions and Policies adopted by the City Council;
- b. Review building permits and update property records;
- c. Prepare the annual assessment rolls;
- d. Final review and approval of personal property statements;
- e. File all required State and local forms pertaining to the assessment process;
- f. Attend the Board of Review Organizational meeting, one regularly scheduled meeting in March, and other special meetings of the Board of Review as required;
- g. Maintain office hours during two days each week. The City Assessor will be allowed a total of eight scheduled personal days off per year;
- h. Completion of a reappraisal of the industrial classified properties during the period of July 1, 2008 and June 30, 2009;
- i. Completion of a residential re-inspection program with one-fifth of the residential properties in the City re-inspected each year.

Work items a thru g above shall be considered "basic services" under this Agreement.

SECTION 5. RESPONSIBILITIES OF THE CITY

The City shall be obligated to:

- a. Provide adequate office space and equipment necessary for administration of the assessment function;
- b. Legal fees related to the defense of assessments;
- c. Mailing expenses;
- d. Purchasing personal property statements and compiling the necessary information for their presentation to the City Assessor for final review and approval;
- e. Board of Review notices;
- f. Printing and processing of assessment roll.

SECTION 6. RESPONSIBILITIES OF THE CITY ASSESSOR

The City Assessor shall at all times maintain a Level III Certification at his or her own expense. The City Assessor shall exercise due diligence in the discharges of all responsibilities.

SECTION 7. RELATIONSHIP OF THE PARTIES

The City Assessor is at all times during this Agreement an independent contractor, and not an employee of the City. As an independent contractor, the City Assessor is not entitled to make any claims against the City for any employment benefits, including insurance benefits and workers' compensation. The City Assessor is responsible for proper payment of any taxes due on his or her compensation.

SECTION 8. COMPENSATION

The total compensation to be paid by the City to the City Assessor shall be as follows which shall be paid in equal monthly installments:

July 1, 2008 – June 30, 2009 \$40,930 annually \$3,410.83 monthly
(\$34,800 for basic services, \$2,500 for industrial reappraisal and \$3,630 for year 1 of the residential re-inspection program)

July 1, 2009 – June 30, 2010 \$38,430 annually \$3,202.50 monthly
(\$34,800 for basic services and \$3,630 for year 2 of the residential re-inspection program)

July 1, 2010 – June 30, 2011 \$39,126 annually \$3,260.50 monthly
(\$35,496 for basic services and \$3,630 for year 3 of the residential re-inspection program)

July 1, 2011 – June 30, 2012 \$39,836 annually \$3,319.67 monthly
(\$36,206 for basic services and \$3,630 for year 4 of the residential re-inspection program)

July 1, 2012 – June 30, 2013 \$40,560 annually \$3,380 monthly
(\$36,930 for basic services and \$3,630 for year 5 of the residential re-inspection program)

This remuneration shall represent the full and complete financial obligation of the City to the City Assessor.

SECTION 9. TERMINATION

Either party may terminate this Agreement, with or without cause, by providing a 90 day written notice. Upon the expiration of this Agreement, all relationships between the City and the City Assessor shall terminate, raising no obligation or implication that it shall be renewed by either party.

CITY OF IONIA

BY: Jason Eppler, City Manager
As approved by the Ionia City Council on
Tuesday, May 6, 2008.

GRIFFITH APPRAISAL & ASSESSING

BY: Wayne M. Griffith

AGREEMENT FOR PROFESSIONAL ASSESSOR SERVICES

THIS AGREEMENT (“Agreement”), made and entered into this 12th day of April 2010 by and between the **CITY OF LUDINGTON**, a Michigan Municipal Corporation, 400 South Harrison Street, Ludington, Michigan 49431, hereinafter referred to as “**CITY**,” and Charles S. Zemla, P.O. Box 98, St. Johns, Michigan 48879, hereinafter referred to as “**ASSESSOR**.”

WITNESSETH:

WHEREAS, it is the intent of the City to retain Assessor to perform the duties as its certified assessor as an independent contractor, as outlined in the City’s “Request for Proposals – Assessing Services”; and

WHEREAS, Assessor retains qualified personnel with the proper State CMAE certification to act in that capacity for and on behalf of the City; and

WHEREAS, the parties wish, by this Agreement, to define their respective rights and responsibilities during the term of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants herein expressed, **IT IS HEREBY AGREED** by and between the parties hereto as follows:

SECTION I: BASIC SERVICES OF THE ASSESSOR

The following are deemed services or requirements included in the compensation of the Assessor under Section III - Payment unless otherwise stated:

1.1 General Duties:

The Assessor shall be required to perform all duties of an Assessor pursuant to City Charter, Michigan statute and law, and all other rules and guidelines established for the proper performance of said position, and as same may be from time to time amended, while this agreement is in effect, and shall conduct and perform same in accordance with all applicable standards of professional conduct required of such Assessors. Said duties shall include, but not be limited to, any and all requirements made effective or promulgated under Michigan Public Act 415 of 1994. In the event material changes in the laws, statutes, rules, guidelines or City Charter during the term of this Agreement result in a substantial additional work burden on the Assessor, then the Assessor and City shall renegotiate the compensation paid pursuant to the terms and provisions of this Agreement. For purposes of this paragraph, the term “substantial additional work burden” shall be determined to exist by mutual agreement of the parties to this Agreement, provided, in the event the parties cannot agree as to whether a substantial additional work burden has been imposed upon the Assessor, then the parties shall select a mutually agreeable mediator who shall make such determination and whose determination shall be final, however, said mediator shall not have authority to establish the amount of additional compensation, if any.

1.2 Office Hours:

During the term hereof, the Assessor shall maintain office hours at the Ludington City Hall at the above address, as follows:

- A. The Assessor shall devote at least 16 hours each week to maintaining office hours at the City office for public appointments for the two weeks immediately preceding the March Board of Review. At all other times, the Assessor shall devote at least 24 hours every two weeks to maintaining office hours at the City office for public appointments. The parties shall specifically agree upon a regular schedule for the maintenance of such office hours. In the event the Assessor is unable to be present for office hours on the appointed days, he shall notify the City of the fact as soon as is reasonably practicable and an alternative day shall be substituted.
- B. Days spent at the Small Claims Division of the Michigan Tax Tribunal shall count as office days.
- C. If specified office days of the Assessor fall on a day recognized as a holiday to City employees, then it will be recognized as a holiday by the Assessor, however, an alternate day agreeable to both parties shall be substituted.

1.3 Public Relations/Customer Service:

The Assessor shall work with and advise property owners in the ad valorem taxation system in an attempt to eliminate adversarial situations and establish positive public relations. The parties acknowledge that holding specific office hours for the public is valuable in the process of providing high quality customer service. The City wants to ensure that members of the public and City staff that need information from the Assessor, or wish to speak to the Assessor, are able to do so on a relatively convenient basis. In that regard, in addition to the hours specified in Paragraph 1.2, the Assessor agrees to meet with or contact residents and City staff members beyond normal office hours as appropriate to address their tax assessment-related concerns. Phone calls and answers to e-mails and faxes will be responded to in a timely manner, expected within 24 hours of receipt by the Assessor.

1.4 New Construction/Loss Adjustment:

During the term of this Agreement, the Assessor shall physically observe all new construction and real estate improvements through cooperation with the Zoning Administrator and will review all building permits. A copy of all building permits shall be provided for the Assessor's use. All permits shall be provided with the correct permanent parcel identification number entered thereon. Likewise, the Assessor shall physically observe damaged or destroyed properties with respect to the making of any loss adjustments as shall be necessary in the performance of his duties. To assist with this requirement, the City shall also supply the Assessor with a copy of all fire calls involving improved properties with permanent parcel number attached.

1.5 Economic Condition Factors (ECF):

During the term hereof, the Assessor shall review and prepare new land values and economic condition factors (ECF) by areas and apply these factors to property records so that the current assessment is reflected as 50% of true cash value on the assessment record.

1.6 "Proposal A" Requirements:

The requirements of Michigan Public Act 415 of 1994 and all related property tax reform legislation amendments and updates shall be followed and monitored as required. This includes by example, but is not limited to, the filing of all associated reports and forms to fulfill the following requirements:

- A. Approve or deny homestead and agricultural exemptions;
- B. Track property transfer affidavits, matching them with deeds within 45 days of being filed;

- C. Apportion the homestead portion of a combination-use building;
- D. Determine the homestead status of parcels resulting when homestead parcels are split or combined; and
- E. Calculate both assessed and tentative taxable values for all parcels, taking into consideration losses, new construction and replacement in any given year.

1.7 Assessment Roll Preparation and Records:

The Assessor shall enter the assessments onto the Ad Valorem assessment roll, specific tax rolls (IFTs, OPRAs, PILTs, TIFs, Tool & Die Renaissance Recovery Zone, Outside District Fire Roll, etc.), and special assessment rolls and prepare the warrant authorizing the collection of taxes by the City Treasurer. The Assessor, in cooperation with the City Treasurer and City Clerk, shall also enter any delinquent City utility payments onto the appropriate rolls. Assessor shall prepare, obtain and maintain, as necessary or desirable, such property cards, photographs, measurements, sketches, records and documents to meet all requirements set by the City and/or the State of Michigan regarding such assessment rolls and shall organize same on a basis that will provide easy access and comprehension of the information contained in each respective file and regarding each respective roll.

1.8 Annual Reports:

The Assessor shall prepare a report at least once each month outlining and summarizing the activities of the Assessor to the date of the report from the date of the last report, and annually shall prepare a report summarizing the entire year that shall advise the City of the overall activities, progress, problems and corrective measures regarding the various aspects of the duties of the Assessor under this Agreement. City shall have the right at any time to require the Assessor to make available to the City, within 48 hours of notice being provided, all records and documents developed and maintained by the Assessor under the terms of this Agreement for review and audit. All time spent in the preparation and presentation of such reports or in gathering and making information available to City by the Assessor shall be deemed a part of the services contracted under the terms and provisions of this Agreement.

1.9 Board of Review:

The Assessor shall attend each of the two (2) March Board of Review sessions. (In the event the City chooses to hold additional meetings, the Assessor may choose to have a non-certified staff member in attendance in his absence.) March Board of Review sessions shall be scheduled as provided in the City Charter, within the time limits prescribed by law. The Charter requires two sessions in March of each year. The first session convenes on the Tuesday following the first Monday in March and the day following (if necessary) for the purpose of reviewing and correcting the roll. The second session of the Board convenes on the second Monday of March each year and continues in session for one day and as much longer as may be necessary.

The Assessor shall provide adequate information to the Board of Review members as to how the assessments, capped and taxable values were determined to allow them to determine how best to decide a taxpayer's appeal; such information shall include the following:

- A. Sales map indicating all neighborhood increases or decreases
- B. Sales "comparable" book to include the following:
 - 1. Current picture
 - 2. Sales price versus assessment at time of sale
 - 3. Building permits issued before or after the sale.

The Assessor shall also attend the July and December Boards of Review. If the Assessor is unable to attend these two sessions, however, the Assessor must supply the City Manager with a written agenda for the Board of Review that contains the reasons for all recommended adjustments.

1.10 Sales and Appraisal Studies:

The Assessor shall prepare sales studies using available data and evaluate all equalization and/or appraisal studies and respond as appropriate.

1.11 Forms:

The Assessor shall file all forms fully completed with the Mason County Equalization Department, State Tax Commission and other agencies and entities, as required, in a timely manner.

1.12 Defense of Appeals:

This Section shall apply to real and personal, IFT and ad valorem property tax appeals.

The City shall retain ultimate control of all litigation and settlement negotiations and Assessor shall operate under the direction of the City in any litigation regarding a tax appeal, including appeals to the Small Claims Division.

Any appeal to the Tax Tribunal may result in the City obtaining competent legal counsel at its expense. If counsel shall desire the assistance of the Assessor in the defense of such appeals, additional fees for preparing necessary appraisals and/or consultation shall be reviewed in advance by the City and agreed upon on a case-by-case basis. The City may choose to retain the Assessor to prepare this report at an additional fee or may employ another firm to prepare a supportable and defensible report for an additional fee.

The Assessor shall defend all appeals to the Small Claims Division of the Michigan Tax Tribunal. This shall include, but not be limited to, filing necessary petitions, preparing and submitting such material, statistics and other information as is necessary to properly defend any such appeal, and appearing at all hearings and meetings as are required for the purpose of defending said appeal. City hereby authorizes Assessor, subject to approval by the City Manager, to settle where Assessor deems it appropriate or advisable any appeal. All the foregoing regarding appeals to the Small Claims Division is deemed to be included the services compensated pursuant to the terms and provisions of this Agreement.

In all other potential appeals to the Michigan Tax Tribunal or State Tax Commission, Assessor shall provide as part of the services included under the terms and provisions of this Agreement such time and effort as is necessary to properly provide to City information, documents, analysis and advice as may be required in the determination of the Assessor or the City to forestall the formal filing of an appeal or to settle a disputed case up to the date of the filing of a petition appealing a decision of the City or any of its agencies or boards to the Michigan Tax Tribunal or State Tax Commission. After the filing of said petition, the Assessor shall make himself available to the City for such further assistance as is required by the City in the defense of such appeal and shall be compensated for same as agreed by the City on a case-by-case basis. The Assessor shall make himself available as an expert witness on behalf of the City in any proceedings. Mileage expenses for out-of-city travel required for appearance at Tax Tribunal hearings or State Tax Commission hearings shall be reimbursed at the rate per mile recognized by the Internal Revenue Service's allowance for business use of an automobile. In the event of the termination of this Agreement and the necessity for the services of the Assessor for

purposes of consulting, review of information, analysis or expert testimony after the date of termination, the Assessor shall make himself available, notwithstanding the termination of this Agreement, for assistance in the defense of such appeals, provided, same shall not apply to appeals filed in the Small Claims Division of the Michigan Tax Tribunal. Assessor shall keep the City Manager informed of all appeals on a quarterly basis in written format and provide the City Manager with any recommendation regarding said proceedings, the manner in which same are to be handled, any proposed settlement and like advice.

The provisions of Paragraph 1.12 regarding appeals shall be and are hereby incorporated regarding any appeal of a personal property tax assessment.

1.13 Reappraisal Program:

The Assessor shall continue to reappraise at least 20% of the City's properties each year to ensure proper assessments when parcels are "uncapped." Maintenance renovations to structures are to be tracked so that said costs can be claimed as "new construction" when property is sold rather than treated as an increase in value that is subject to "uncapping" and results in the possibility of a Headlee rollback. The State Tax Commission recommends the reinspection of each property every five years or 20% of the properties each year.

1.14 Personal Property Statements, Canvas and Audits:

The Assessor shall prepare and maintain the mailing list for personal property tax statements and maintain records for personal property including data entry and calculation of depreciated values and their extension within each statement. The Assessor shall conduct a personal property canvas to ensure equity among business owners within the City. The Assessor is required to perform random personal property audits when warranted by questionable data or lack of submitted data.

1.15 Equalization Increases:

The Assessor shall strive to eliminate across-the-board increases in property values by applying any increases received through the Mason County Equalization Department to appropriate areas by using the economic condition factors hereinabove described, by adjustment of individual property assessments to 50% of true cash value, or as required by the State Tax Commission, in order to achieve maximum equity by class, and in accordance with the latest laws and regulations then in force. The Assessor shall represent the City when requested by the City Manager by attending the annual Mason County equalization meetings.

1.16 Land Division Applications:

The Assessor shall assist the City Zoning Administrator in reviewing land division applications.

1.17 Assessor Certification:

The Assessor shall be certified as a Level III Assessor in the State of Michigan.

1.18 Transportation and Equipment:

The Assessor shall provide all necessary transportation and field equipment to perform the services and meet the requirements of this Agreement.

1.19 Indemnification/Employment:

The parties hereto acknowledge that all personnel, except any current employees of the City, that may or might be utilized by the Assessor in the performance of his duties hereunder shall, for all purposes, be considered employees of the Assessor and not employees of the City. The Assessor shall be responsible for Workers' Compensation, Unemployment Compensation, state and federal withholding and payment of personnel. The Assessor shall indemnify the City and hold the City harmless from any claim, cause of action or other liability that may or might arise by virtue of any claim of any employee of the Assessor relating to his/her employment by Assessor.

1.20 Tax Increment Finance Authority:

The Assessor shall be responsible for the recording of any property value changes, new or loss, on the ad valorem assessment roll, specific tax rolls (IFTs, OPRAs, PILTs, TIFs, Tool & Die Renaissance Recovery Zone, Outside District Fire Roll, etc.) and special assessment rolls relating to the designation of properties as within the Downtown Development Authority (DDA) District boundaries.

1.21 Assessor's Recommendations:

On or before December 31, 2010, and each year thereafter, the Assessor shall prepare written recommendations and conclusions regarding the current state of the City's assessment rolls, by class, together with specific recommendations concerning actions which, in the opinion of the Assessor, should be taken in order to achieve maximum equity in the assessment rolls and compliance with all State Tax Commission rules, regulations and guidelines. Such report shall be submitted to the City Manager for his review. Preparation and submission of such recommendations shall be a part of the Basic Services to be performed by the Assessor under this Agreement.

1.22 Security of Information:

If any documents, data, drawings, specifications, photographs, property cards, summaries, accounts, reports, software applications or other products or materials are held in the possession of the Assessor outside of the City offices, then Assessor shall be under an affirmative duty to provide adequate security to safeguard said materials from fire, theft and other hazards of a like nature or type, while same are in possession of the Assessor. This may include, but not be limited to, providing for a fire proof safe or vault in which to store same, preparing and holding duplicates of same in the possession of the Assessor, but separately or providing same to the City for possession. Said security measures shall be deemed a part of the Basic Services to be provided hereunder as part of the costs to be born by the Assessor.

1.23 Optional Services:

The Assessor is responsible for determination and preparation of special assessment rolls for City projects such as sewer, street, sidewalk, drain, etc. The Assessor shall, report outstanding special assessments, properly completed, on forms required by the State Tax Commission, and same shall be deemed part of the services required by this Agreement. The Assessor shall also be responsible for assigning street addresses.

SECTION II: TERM OF AGREEMENT

2.1 Contract Period:

The Assessor shall commence performance of the services herein required on April 1, 2010. Unless sooner terminated, this Agreement shall, by its terms, expire March 31, 2011.

2.2 Mutual Right of Termination:

Either party may terminate this Agreement upon ninety (90) days written notice to the other. This right of termination is specifically exercisable at the sole discretion of either party, and requires no just cause nor other reason or justification for the exercise thereof. The effective date of such termination shall be ninety (90) days from the date of mailing of such notice by certified mail/return receipt requested.

2.3 Termination for Cause or Breach:

Notwithstanding anything to the contrary on this Agreement, either party may immediately terminate this Agreement in the event of material breach by the other. In such case, either party may seek such remedies as shall be available, at law or equity.

2.4 Notice of Termination:

Upon receipt of notice of termination or upon termination of this Agreement by expiration of its term, the Assessor shall immediately deliver to the City copies of all data, paper and computer files, drawings, specifications, reports, value estimates, summaries and other information and materials as may have been accumulated by the Assessor in performing the Agreement, whether completed or in process and same shall be in unaltered form, readable by the City. In the event of the failure or refusal of the Assessor to forthwith deliver the above referenced materials, documents and files, City may seek a Circuit Court order compelling the production of same forthwith, and the Assessor herein expressly waives notice of hearing thereon agreeing that a mandatory injunction may immediately issue due to the fact that the failure to receive the stated materials, documents and files will result in irreparable harm to the City without leaving the City an adequate remedy at law, thereby entitling the City to an immediate judgment in its favor in this regard. City shall be entitled to damages from Assessor for any information, materials or documents which are turned over to City in unusable or altered form.

2.5 Amendment/Renegotiation:

Nothing herein contained shall be construed to limit or abrogate the rights of the parties to modify or amend this Agreement at any time hereafter, provided however, that no such amendment or modification shall be effective unless in writing and duly executed by both parties hereto, through their authorized representatives.

If the Agreement is not renewed or extended prior to its expiration date, and the City desires to have the Assessor continue on a month-to-month basis, the fee will be that which existed for the final month of the previous term, being March 2011.

SECTION III: PAYMENT

3.1 Compensation for Basic Services:

During the term of this Agreement, which shall be from April 1, 2010 – March 31, 2011, unless sooner canceled or terminated under the provisions of Section II herein, the City agrees to pay to the Assessor for performance of the Basic Services set forth in Section I of this Agreement as follows:

Total Contract Amount: \$36,000.00 to be paid at a rate of \$2,500 per month. The remaining \$6,000.00 shall be paid to the Assessor by March 31, 2011 unless the Assessor has terminated this Agreement prior to March 31, 2011. In the event that the City terminates this Agreement prior to March 31, 2011, the City shall pay the Assessor through the date of termination calculated at the rate of \$3,000 per month.

3.2 Proration of Payments on 90-Day Termination:

In the event this Agreement is terminated pursuant to Paragraph 2.2, City shall pay Assessor to the date of termination on a prorated daily basis for any part of a month for which services have been rendered by Assessor and for which no compensation has been received.

SECTION IV: CITY RESPONSIBILITIES

4.1 Basic Data:

The City shall provide access to Assessor to property description files as currently exist as of the date of execution of this Agreement, containing initial information such as property number, legal description, owner and address information, as well as all data that the City may possess concerning such properties (i.e. measurements, sketches, photographs, etc.).

4.2 Office Equipment:

The City shall provide the Assessor with appropriate tax parcel maps, office space and furniture, telephone, voice mail, personal computer, printers, copying machine, fax machine, digital camera and office supplies (as defined in Paragraph 4.5) as reasonably needed during the duration of this Agreement. Assessor acknowledges that some of the equipment (i.e. fax, printers, copying machine) is shared among all administrative office personnel, and the Assessor will not have exclusive use of such equipment.

The Assessor shall have access, including remote access, to the City's computer network for the use of the following software products: BS&A Equalizer Assessing & Tax and Building Permit Modules and Microsoft Office applications. The City's Internet website will also have available on-line to the Assessor and the public the property record cards, digital photographs and tax payment information. The Assessor shall not use any other software within the City's network or download or upload any software to the City's network, except with the City's prior written approval. The Assessor shall be liable for any adverse consequence upon the City's computer network or function caused by any software introduced in the network by the Assessor without prior written consent of the City. Further, Assessor shall be liable for any act of negligence on the part of the Assessor in creating or causing an adverse consequence to the City's computer network.

The Assessor agrees that City equipment shall be used only for the purposes of fulfilling Assessor's obligations under this Agreement and shall not be used for personal reasons or to conduct other business not authorized under this Agreement.

4.3 Computer:

The City shall supply computer hardware, software and peripherals necessary to fulfill the Assessor's duties under this Agreement. The City will maintain the hardware, software and peripheral equipment through a regular maintenance program. The City will back up the system on a daily basis with alternate tapes or disks. Any data loss not due to the negligence of the Assessor as a result of hardware or software malfunction will be replaced at the City's expense.

4.4 Map Maintenance/Tax Roll Printing:

The Assessor shall assume the responsibility for preparing the tax bills and sending them to Centron Data Services, which will print and mail the assessment change notices, tax bills, etc. during the term of this Agreement. The Assessor shall assume the maintenance and updating of any parcel maps. The Assessor shall utilize such maps to develop and maintain land value maps showing dates of property sales, sale amounts and ratio to the current estimated value of the property.

4.5 Office Supplies:

The City shall provide the Assessor with office supplies, including computer paper, file folders, hanging folders, new State Tax Commission Assessor's Manual Volumes I and II, assessment notices and forms, postage and such other supplies as shall be necessary for the performance of Assessor's responsibilities hereunder.

4.6 Legal Counsel:

The City shall supply legal counsel, at its expense, for Small Claims and full Tax Tribunal hearings, should the need arise.

SECTION V: REAPPRAISAL AND OTHER NON-BASIC SERVICES

5.1 Additional Services (Pricing/Reappraisal):

In the event that the City desires to implement some or all of the recommendations made by the Assessor as herein contemplated, the City may request and the Assessor shall provide such services as are desired by the City, provided however, an addendum to this Agreement, reduced to writing and executed by both parties, shall set forth the terms and provision under which the additional services shall be rendered. Such addendum shall specify the nature, extent and timetable for the performance of such additional services and establish the rate of compensation therefor.

5.2 Implementation/Responsibility:

The parties acknowledge that it shall be the sole responsibility of the City to determine the nature and extent of implementation of the Assessor's recommendations under this Section or any other additional, non-basic services. To that end, the City assumes responsibility for defense of any claim, cause of action or other proceeding that may or might be instituted by the Michigan State Tax Commission, or other entity, arising from any failure, or alleged failure, to implement such recommendations.

SECTION VI: MISCELLANEOUS PROVISIONS

6.1 Relationship Between City and Assessor:

In the fulfillment of the services provided herein the Assessor and his employees, agents and officers shall be at all times be deemed in a relationship of independent contractor to the City.

6.2 Indemnification/Insurance:

The Assessor shall secure and maintain general liability and property damage, unemployment, errors and omissions, workers' disability compensation, automobile liability and any other insurance required by law for the Assessor, or his employees, agents or officers as will protect him and the City from claims under the Workers' Compensation Acts and from claims for bodily injury, death or property damage that may arise from his negligence or that of his employees in the performance of services under this Agreement or failure to properly perform his duties as Assessor. The Assessor shall save the City harmless and indemnify the City from any claims for bodily injury, death or property damage that may arise due to his acts or negligence or that of his employees in the performance of services under this Agreement or that arise from his error or omission to properly perform his duties as Assessor. Assessor shall, however, have no liability arising out of adjustments to assessments or other actions by Assessor, the City's Board of Review and/or the Michigan Tax Tribunal if such adjustments or actions result from honest differences of opinion regarding the value of the subject property and if the Assessor established the assessment pursuant to professional assessment standards.

Said policies shall be in such minimum amounts as shall from time to time be acceptable to the City or as set by the City.

A Certificate of Insurance incorporating such requirements and naming the City (and its officers and employees) as an Additional Insured Party and Certificate Holder along with a certificate showing its premium has been paid and a copy of the policy shall be filed each year with the City Clerk. Any such insurance policy shall provide the City will be given at least thirty (30) days advance notice before cancellation of the policy. The coverages provided by the General Liability and Automobile Liability policies of the Assessor shall be primary to any insurance maintained by the City.

6.3 Non-Assignability:

The parties to this Agreement acknowledge that, inasmuch as the Agreement is in the nature of a Personal Services Contract, and as the City's decision to contract with the Assessor is based in part on the perceived expertise and ability of the Assessor, it is agreed that the Assessor's duties and obligations hereunder may not be assigned, transferred nor conveyed without the advance written approval of the City. Nothing in this Agreement shall prevent the Assessor from employing such employees or agents, as Assessor shall deem reasonably necessary to assist him in the performance of his obligations under this Agreement. Also, in the event that vacation, illness, injury or incapacity in any form, whether elective or imposed, should cause the Assessor to be unable to personally fulfill the terms and obligations of this Agreement for a period exceeding three (3) calendar weeks (21 days), he shall provide the City, at his expense, a certified Level III Assessor to perform any and all such functions as required by this Agreement for the complete term of his absence or incapacity. The City reserves the right to approve or reject, without cause and at its sole discretion, any Assessor designee named to "fill-in" for the Assessor for a period exceeding two (2) calendar months (60 days), and to consider, as mutually agreed by the parties hereto, that a rejection of said Assessor designee shall constitute a material breach of the Agreement pursuant to the "material breach" provision of Section 2.3 herein.

6.4 Professional Standards:

The Assessor shall be responsible, to the highest levels of competency presently maintained by other practicing professional assessors and appraisers, for the professional and technical soundness, accuracy and adequacy of property valuations, drawings, property inspection data and all other work and materials furnished under this Agreement. At the time of commencement of performance, Assessor shall be properly certified, equipped, organized and financed to perform the services required by this Agreement. Subject to compliance with the requirements of this Agreement, the Assessor shall work independently.

6.5 Ownership of Documents:

All documents, data, drawings, specifications, photographs, property cards, summaries, accounts, reports, software applications and other information, products or materials produced or held by the Assessor, of whatsoever nature or type, in connection with this Agreement shall be the sole property of the City with the City having sole and exclusive right, title and interest in any and all records, compilation, documents, papers, maps or manuscripts pertaining to or prepared pursuant to this Agreement. All of the foregoing shall be forwarded to the City at its request and may be used by the City as it sees fit. The City agrees that if any of the foregoing prepared by the Assessor are used for purposes other than those intended by this Agreement, the City does so at its sole risk and agrees to hold Assessor harmless for such use. All services performed under this Agreement shall be conducted solely for the benefit of the City and will not be used for any other purpose by Assessor without written consent of the City. Any information relating to the services shall not be released without the written permission of the City. The Assessor shall act and preserve the confidentiality of all City documents and data accessed for use in Assessor's work products to the extent allowed or required by law. Any requests for information under the Freedom of Information Act shall be immediately forwarded to the City Manager for a proper determination of the response to be provided.

6.6 Attorney's Fees:

In the event of material breach of this Agreement by either party, it is agreed that the non-defaulting party shall be permitted to recover, in addition to any other remedies as may be available to it, at law or at equity, all reasonable attorney's fees and costs incurred as a direct result or consequence of such breach.

6.7 Validity:

If any paragraph or provision of this Agreement shall be determined to be unenforceable or invalid by any court of competent jurisdiction, such provision shall be severed and the remainder of this contract shall remain in force.

6.8 Survival:

All express representations, indemnifications or limitations of liability made in or given in this Agreement shall survive the completion of all services of Assessor under this Agreement or the termination of the Agreement for any reason.

6.9 Controlling Law/Venue:

This Agreement is to be governed by the laws of the State of Michigan. It is mutually agreed that, in the event of any proceeding, at law or at equity, arising under this Agreement or breach thereof, that the venue of any such action shall be in the County of Mason and the State of Michigan.

6.10 Authorization:

The respective signatories hereto expressly acknowledge that this Agreement is made and entered into with full authority of the Ludington City Council and Charles S. Zemla and that the persons executing this Agreement on behalf of the respective parties have been duly authorized and empowered to make and enter into this Agreement by said City Council and said Assessor.

6.11 Covenant Not To Discriminate:

Assessor agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status and to comply with all other State and Federal laws, including but not limited to the Americans with Disabilities Act. Assessor further agrees that any services, programs and activities delivered pursuant to this Agreement shall be delivered without discrimination on the basis of disability, in accordance with the Americans with Disabilities Act and Rules promulgated pursuant thereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

CITY OF LUDINGTON:

By: _____
John Shay, City Manager

By: _____
Deborah L. Luskin, City Clerk

Charles S. Zemla:

By: _____
Charles S. Zemla

COMMUNITY	POPULATION	2009 TAXABLE	2009 SEV	TOTAL PARCELS	ASSESSING	ASSESSING BUDGET \$
ALBION	9,144	135,920,218	154,895,703	3,486	In-House	\$80,208
ALMA	9,275	161,855,543	177,469,500	3,624	In-House, 1 FT Level III, PT Clerk	\$142,414
BOYNE CITY	3,503	197,513,900	246,553,908	3,199	Contract with County	\$74,700
BROWN CITY	1,334	24,120,129	27,798,159	789	Contracted (Sanilac Appraisers)	\$9,750
CADILLAC	10,000	282,865,972	326,788,572	5,809	Contract Wexford County	\$132,600
CHARLEVOIX	2,994	248,598,254	330,404,700	2,834	Contracted - County Equalization Dept.	\$69,872
CHARLOTTE	8,389	239,239,917	283,957,663	3,500	Contracted Assessor / Fulltime Employee	\$137,800
CHEBOYGAN	5,295	120,950,559	148,746,200	3,532	In-House (Assessor also is IT Person)	\$69,850
CLARE	3,137	96,216,723	110,462,550	1,913	Contract BS&A	\$30,000
DEWITT	4,702	151,857,068	167,354,150	1,699	Contracted	\$34,600
DOWAGIAC	6,147	102,326,247	119,969,000	3,308	Contracted & Part-Time Assessor	\$28,500
ELK RAPIDS	1,700	111,923,254	152,786,100	1,525	Township Provides Assessing	\$0
FLUSHING	8,348	227,845,941	235,329,550	3,698	Contracted	\$24,500
FRANKFORT	1,513	72,199,305	108,611,300	1,267	Contracted	\$21,370
GAYLORD	3,681	200,134,723	222,957,423	2,623	In House Level III	\$78,500
HASTINGS	7,095	200,572,484	229,176,100	3,408	In - House	\$182,733
HILLSDALE	8,229	160,083,631	175,257,632	3,259	In-House with Planning/Zoning/Code Enf.	\$154,775
HOWELL	10,023	380,357,637	439,530,200	3,822	In-House	\$92,637
IMLAY CITY	4,000	132,368,000	172,514,000	1,628	In House – Part Time Assessor	\$30,000
IONIA	10,569	124,583,866	135,684,859	3,129	Contracted	\$40,930
JONESVILLE	2,337	73,095,975	82,555,530	1,283	Township	\$0
KALKASKA	2,552	57,229,297	64,252,600	1,502	Township Assessor	\$0
LESLIE	2,044	37,410,258	43,492,250	908	Contracted	\$20,300
LUDINGTON	8,357	274,658,382	333,486,050	4,568	Contracted - Bud Inc Bldg Insp, \$183,700 Total	\$66,950
MANISTEE	6,585	212,862,439	249,064,100	3,942	In - House	\$112,000
MASON	8,000		258,270,384	3,767	Contracted	\$47,000
NEGAUNEE	4,576	79,286,531	102,781,203	2,408	1 In House (Planning/Zoning also)	\$59,400
NEW BALTIMORE	10,000	415,890,102	437,921,700	4,875	1 contracted emp / 1 in house Level III assessor	\$133,084
NORTHVILLE	6,459	361,240,277	418,680,425	3,406	Contracted	\$156,936
OTSEGO	3,933	99,311,284	103,162,803	1,997	Contracted	\$27,566

COMMUNITY	POPULATION	2009 TAXABLE	2009 SEV	TOTAL PARCELS	ASSESSING	ASSESSING BUDGET \$
PETOSKEY	6,080	357,612,638	638,019,800	4,561	In-House	\$119,300
PLAINWELL	3,933	85,287,515	99,581,500	1,725	Contracted	\$26,694
PORTLAND	3,789	97,517,699	110,506,500	1,870	In-House	\$54,530
REED CITY	2,430	61,197,590	66,731,800	1,466	Contracted	\$33,684
ROCKFORD	5,187	213,376,413	225,922,400	2,515	Part-Time Employee	\$40,800
ROGERS CITY	3,322	69,172,894	84,541,250	2,538	Contracted	\$21,675
SAINT JOHN	7,485	212,802,309	235,923,600	3,343	In-House Level III (Deputy Clerk) + Level II	\$102,000
SAINT JOSEPH	8,789	427,027,441	544,687,673	4,953	In - House	\$74,900
SOUTH HAVEN	5,021	391,317,084	560,880,100	5,188	Contracted / FT In-House Deputy Assessor	\$139,175
SPRINGFIELD	5,189	90,973,470	99,030,989	2,066	Contracted Assessor / 60% of Deputy Clerk	\$81,800
TECUMSEH	9,000	274,629,870	289,896,135	4,119	In House, Assessor salary & benefits Not a stand alone dept.	\$58,000
VASSAR	2,823	53,941,741	59,090,400	1,224	Contracted	\$9,000
WATERTOWN TWP	5,550	250,432,633	305,939,933	3,096	Contracted	\$65,000
WAYLAND	3,939	101,688,950	112,033,807	1,515	In - House	\$68,950
WHITEHALL	2,884	126,802,309	139,674,103	1,752	Contract with Muskegon County Equalization	\$29,600
ZEELAND	5,805	659,802,930	671,076,600	3,100	In - House	\$202,800