



CITY OF MANITOWOC

WISCONSIN, USA

www.manitowoc.org

Date: May 25, 2023
To: Finance Committee
From: Adam Tegen, Community Development
Re: Assessor Services Contract 2024-2027

With the end of our current Assessor Services Contract coming up at the end of 2023, a group of City staff from the City Clerk, Finance, Engineering, and Community Development Departments has been tasked with looking at options for the next contract. In April of 2023, a Request for Proposals was created and released. In May, 3 proposals were received, reviewed, and the consultants interviewed. The submissions received were from Accurate (our current contractor), Tyler Technologies (City worked with them prior to Accurate) and AAC. The consensus of staff was that AAC was the best blend of emphasis on the technical review and process, strong connections to Madison to be in touch with the current trends and law changes, good resources for public involvement, and overall knowledge. It is the recommendation of staff to move forward with negotiations with Associated Appraisal Consultants (AAC) on a contract and scope of services.

Some of the considerations on the contract and scope of services will revolve around:

- Continuing with a consultant providing 100% of the services like we currently have versus trying to recruit a City Assessor and have the contractor work to fill the gaps.
- Whether or not the City has a need for a consultant to provide “office hours” one day a week.
- Level of service to be provided in each year of the contract, the RFP requested proposals to provide a cost estimate that included Maintenance in 2024, Market Update in 2025, Maintenance in 2026, and Market Update in 2027 to ensure all proposals were on an equal playing field. However, the last true full revaluation we had was over 10 years ago and there may be value in looking at a revaluation in the next 4-year contract.
- Cost of assessment services and potential other services like mailings.

I have attached the proposal and supplemental information received from AAC for your review. As always, feel free to let me know of any questions you may have at ategen@manitowoc.org or 920-686-6931.

AAC

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

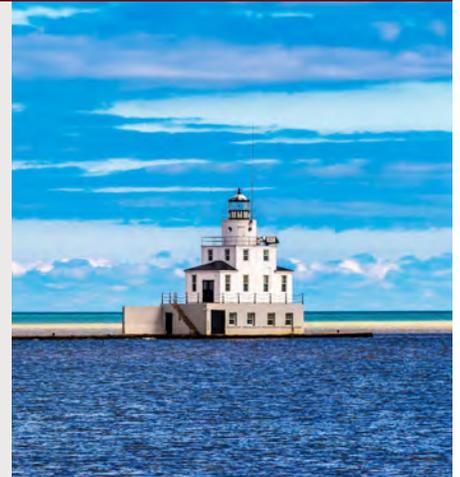


ASSESSMENT SERVICES PROPOSAL

2024-2027

*Qualifications and supporting
documentation*

PREPARED FOR:
City of Manitowoc
April 19, 2023



April 19, 2023

Adam Tegen
Community Development Director
City of Manitowoc

**Associated Appraisal
Consultants, Inc.**
W62237 Neubert Road
Appleton, WI 54942
p (920) 749-1995
f (920)-731-4158
apraz.com

Dear Mr. Tegen:

I am pleased to provide the City of Manitowoc with a proposal for statutory assessor services including annual maintenance and market updates for the 2024 through 2027 assessment year(s).

In preparing this proposal, I evaluated your current assessment uniformity and accuracy over the past five years by conducting an assessment/sales ratio study ([see Addendum A](#)), which indicated that the City's assessment equity and uniformity currently does not meet established industry standards. After taking over as assessor for the Village of Germantown and the City of Hartford, we corrected similar inequities and uniformity issues by your current assessor. During the interview process, I will explain my results and share how we can provide the city with more technically-sound assessment services — free from errors and defensible from an equity standpoint. I look forward to sharing more about our company and why our approach ensures a best-in-class assessment process.

Associated Appraisal Consultants, Inc. has been in the mass appraisal business since 1959. Our primary focus is municipal assessment through annual maintenance and revaluation programs. We currently serve as statutory assessor for more than 265 Wisconsin municipalities with a diverse variety of property types, ranging from the mansions of Lake Geneva to the unique properties of Wisconsin Dells, as well as Lake Superior communities and everything in between.

We offer unparalleled service and expertise. While our assessors are in the field, our administrative staff is in the office, Monday through Friday, to assist our clients, property owners, and businesses. Our staff is highly trained, and we pride ourselves on being prompt and professional when taking phone calls from property owners.

We also provide an optional service to our clients to have their municipal assessment records posted on our website. The website offers easy-to-use search criteria and shows land and improvement data, including digital photos of all properties within the municipality. Please visit our website at www.apraz.com and click on "Property Search."

Our professional image also sets us apart from other assessment firms. When fieldwork begins, your residents can readily identify the Associated Appraisal Consultants team by our fleet of red trucks clearly displaying our company name and logo. In addition, field appraisers wear company clothing and carry photo ID tags and letters of introduction from the City while conducting onsite inspections.

Associated Appraisal Consultants, Inc. uses cutting-edge computer-aided mass appraisal software to capture and create modern computerized assessment records. Our records include digital photographs, computerized sketches of buildings, a map indicating location of property, sales data, permitting information and all owner correspondence. We continually invest to utilize the latest technology to serve our customers.

This is our business. We are proud of the reputation we have in the industry, from both our clients and state equalization officials. We put our best foot forward with every opportunity.

We welcome with great enthusiasm the prospect of working with you!

Respectfully,



Mark Brown
President



Our experienced and knowledgeable team is here to serve you and your property owners.

OUR MISSION

To provide our municipal clients the highest standard of assessing services. We do so by following sound assessing methodology, developing municipal equity without bias and providing a professional, courteous staff.



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BY THE NUMBERS

Associated Appraisal serves over **265 municipalities** throughout the state of Wisconsin containing a total inventory of approximately **700,000+** real estate parcels and **30,000+** personal property accounts for a total assessed value of over **\$87 billion** making us the **largest mass appraiser** in Wisconsin.



Who we serve

42 CITIES **141** TOWNS **85** VILLAGES **60** OUT OF 72 COUNTIES

62 MOBILE HOME COMMUNITIES in 28 municipalities with over **5,000 sites** subject to monthly permit fee

302 ACTIVE TIDs (Tax Incremental Districts)



Why AAC?

Associated Appraisal has been in the mass appraisal business since 1959. Our primary focus is municipal assessment through maintenance and revaluation programs. Our client base is divided between providing services directly to municipalities by acting as their statutory assessor or supporting the local municipal assessor.



Associated Appraisal maintains a professional image in the field, at the Open Book, and Board of Review hearings. For identification in the field, our staff members carry letters of introduction for the municipality, wear company ID tags and apparel, and drive red company vehicles clearly identified as part of the Associated Appraisal fleet.



When you call our office, Monday through Friday, you will be greeted by a friendly voice ready to direct your inquiry to an appropriate team member who will be happy to assist you. Our website offers links to important information and access to property assessment records twenty-four (24) hours per day.

Each municipal client has a primary point of contact, the project technician, providing a consistent relationship with the Associated Appraisal team. Our corporate office is in Appleton with satellite offices in Lake Geneva (Southern) and Hurley (Northern).

WE DO ASSESSMENTS RIGHT

Assessment documentation is what sets Associated Appraisal above the rest. For property owners demanding answers to assessment methodology, we document all aspects of a maintenance or revaluation project.

Our property records include:

- land data
- improvement attributes
- sketch and pictures
- current and historical sales data
- applicable appraisal reports
- property maps
- and any additional documentation needed to defend values

Each year, maintenance and/or revaluation guidebooks are prepared for use during Open Book or Board of Review to aid in understanding the appraisal methodology used and provide the public with data used in our analysis.

Included in these reports:

- current assessment levels
- property sale attributes with recent pictures
- all database data for valuation tables
- a detailed sales analysis
- applicable appraisal reports
- property maps
- any additional reports needed to support values



We're dedicated to your success.

Associated Appraisal Consultants, Inc.

W62237 Neubert Road
Appleton, WI 54942

Phone: (920) 749-1995
Fax: (920) 731-4158
Website: apraz.com

Mark Brown *President*

W62237 Neubert Road
Appleton, WI 54942
Email: markb.apraz@gmail.com
Direct: (920) 224-8802

Associated Appraisal adheres to the Wisconsin Property Assessment Manual and the annual timelines as developed by the Wisconsin Department of Revenue.

OUR FIRM'S LEADER



Mark Brown

President

About Mark

Assessor with vast experience performing reviews, inspections and appraisals of property using independent discretion and judgment within the guidelines set forth by statutory requirements, and department policies and procedures. Experienced municipal Assessor, having successfully performed over 200 full-scale municipal revaluations, and successfully served as chief assessor for towns, villages, and cities throughout the state of Wisconsin.

Summary of Qualifications

- 17 years experience in appraisal and assessment.
- Considerable ability to communicate complex information tactfully and effectively, both orally and in writing, with state regulatory agencies, county regulatory agencies, elected officials, municipal staff, and the general public.
- In-depth knowledge of accepted principals, methods and techniques of property appraisal including computerized assessment systems.
- Extensive knowledge of all laws and regulations pertinent to local tax assessments.
- Strong knowledge of real estate property values and land economics.
- Ability to accurately perform mathematical calculations, analyze data, and prepare reports.
- Experience working with a variety of mass appraisal computer systems, including Market Drive, Microsolve, GVS, MCost, Vision, Universe, and others.
- Strong project management skills including the ability prioritize projects and to organize, plan and direct the work of staff.
- Ability to read and interpret a wide variety of legal documents.
- Successful experience in defending valuations at Open Book, Board of Review, Department of Revenue appeals and Circuit Court.

Certifications • WI60828CA

- Assessor III Certification
- Assessor II Certification

Professional Experience

Associated Appraisal Consultants, Inc., Appleton, Wisconsin
2004 - Present

Career Growth @ AAC

Staff Appraiser > Director of Project Management > President

Education

St. Norbert College, De Pere, Wisconsin
Bachelor of Business Administration, 2004

Contact

W62237 Neubert Road
Appleton, WI 54942
Email: markb.apraz@gmail.com
Direct: (920) 224-8802

YOUR KEY CONTACT



Dean Peters

Vice President of Maintenance Services

About Dean

A skilled and experienced municipal Assessor, having successfully performed over 200 full-scale municipal revaluations, and successfully served as chief assessor for towns, villages, and cities throughout the state of Wisconsin.

Summary of Qualifications

- 22 years experience in appraisal and assessment.
- In-depth knowledge of professionally accepted appraisal practices for residential, commercial, multi-family and agricultural property.
- Full working knowledge of laws and regulations pertaining to local property tax assessment.
- Strong knowledge of real estate property values and land economics.
- Extensive experience with analysis of trends in market value based on real estate sales.
- Familiarity with variations in building construction costs throughout Wisconsin.
- Extensive experience with appraisal of high-value lakefront property.
- Successful experience in defending valuations at Open Book, Board of Review, Department of Revenue appeals and circuit court.
- Experience working with a variety of mass appraisal computer systems, including Market Drive, Microsolve, GVS, MCost, and others.
- Ability to effectively communicate complex information with state and local government, elected officials, municipal staff, the media, and general public.
- Involved in managing, training, and educating of assessment staff.

Certifications • WI77308CA

- Assessor III Certification
- Assessor II Certification
- Assessor I Certification
- Property Appraiser

Professional Experience

Associated Appraisal Consultants, Inc., Appleton, Wisconsin

1999 - Present

Career Growth @ AAC

Staff Appraiser > Project Manager > Director of Project Management > VP of Maintenance Services

Education

University of Wisconsin, Madison

Bachelor of Arts, 1999

Contact

W62237 Neubert Road

Appleton, WI 54942

Email: deanp.apraz@gmail.com

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WE CREATE MAXIMUM TEAM SUPPORT



Appraising Property, Not People

Our firm considers property, not people, when establishing assessed values. We leave out the affordability factor when setting our values. We review property without the influence of friends, neighbors and enemies. Our only intent is to establish true market values.



Immunity to Pressures

We as the "outside assessor" are independent of local creditors and business influence. We do not run for public office, therefore we are not seeking constituents' votes. We have the freedom to establish values as the market dictates, without a concern for public pressures.



Customer Inquiries

When taxpayers need questions answered, we have a large staff of highly trained technicians ready with the answer. Municipal officials are spared the task of researching and answering the endless stream of technical questions from property owners.



Experience & Training

Our appraisers not only have their own education and experience as a foundation, but also draw upon the collective knowledge of the entire team. Our firm has been in the municipal mass appraisal business for over 60 years. All members of our customer service staff are certified by the Wisconsin Department of Revenue as Assessment Technicians, and all project managers are certified Level II Assessors.



Accepted, Standard, & Proven Methodology

We utilize industry standard methodology to determine values. We are highly skilled at incorporating the cost approach, market approach and income approach in our valuation models. We abide by the standards set in the Wisconsin Department of Revenue Assessors' Manual Volume II, and The Marshall and Swift Cost Guides. The market approach is our primary method of valuation when adequate sales data is available.



Customer / Public Access

Our courteous and professional staff is experienced at handling all types of inquires from municipalities, taxpayers, realtors and financial institutions. Our records are public, and are easily available through the Internet, e-mail, fax or phone. Our website offers municipalities and property owners access to their information at any time day or night. Our office hours are Monday through Friday, 8:00a.m. - 4:00 p.m.

**2022 AAC MUNICIPALITIES
OVER \$800 MILLION IN EQUALIZED VALUE**

*Municipality	Population	2022 Equalized Value	Total Parcel Count	Type of Assessment Services
City of Middleton	21,050	\$4,775,023,600	6,788	Maintenance (2022 Revaluation)
City of Verona	12,737	\$3,629,798,500	4,711	Maintenance (2022 Revaluation)
Village of Germantown	20,686	\$3,555,243,900	8,613	Maintenance (2019 Revaluation)
City of Neenah	26,333	\$2,731,410,000	10,329	Maintenance (2023 Revaluation)
City of Manitowoc	34,267	\$2,682,419,000	13,190	TBD
Village of Waunakee	14,399	\$2,638,409,300	5,247	Maintenance (2019 Revaluation)
Town of Linn	2,459	\$2,626,756,800	3,183	Maintenance (2019 Revaluation)
Village of Richfield	11,948	\$2,257,996,500	5,872	Maintenance (2021 Revaluation)
Village of Sussex	11,373	\$1,921,321,200	3,387	Full Value Maintenance
Village of Lake Delton	2,900	\$1,916,198,000	4,175	Maintenance (2017 Revaluation)
City of Hartford	15,870	\$1,844,911,200	6,011	Maintenance (2022 Revaluation)
Village of Deforest	10,624	\$1,828,925,000	4,212	Full Value Maintenance
Village of Grafton	11,989	\$1,790,522,300	4,167	Maintenance (2020 Revaluation)
City of Menasha	17,468	\$1,463,645,400	5,259	Full Value Maintenance
City of Port Washington	11,954	\$1,418,920,300	4,621	Maintenance (2021 Revaluation)
Village of Fox Point	6,826	\$1,359,086,300	2,664	Maintenance (2023 Revaluation)
Town of Liberty Grove	1,786	\$1,309,636,500	4,627	Full Value Maintenance
Town of Mukwonago	7,979	\$1,260,019,100	3,381	Maintenance
City of Fort Atkinson	12,395	\$1,257,936,500	4,600	Maintenance (2017 Revaluation)
Village of Mukwonago	8,126	\$1,243,347,200	3,138	Maintenance (2018 Revaluation)
City of Sturgeon Bay	9,542	\$1,224,724,100	4,619	Maintenance (2020 Revaluation)
Village of Little Chute	11,947	\$1,217,830,100	3,907	Maintenance (2021 Revaluation)
Town of Westport	4,038	\$1,215,453,900	2,906	Maintenance (2019 Revaluation)
Village of Pewaukee	7,883	\$1,177,242,600	2,945	Maintenance (2017 Revaluation)
Village of Somers	9,182	\$1,155,365,200	3,173	Maintenance (2020 Revaluation)
Village of Williams Bay	2,614	\$1,122,058,400	2,507	Maintenance (2022 Revaluation)
Town of Dunn	4,852	\$1,100,203,300	2,956	Maintenance (2021 Revaluation)
Town of East Troy	4,073	\$1,034,175,000	2,578	Maintenance (2016 Revaluation)
Town of Sheboygan	8,029	\$1,032,152,800	4,022	Maintenance (2010 Revaluation)
Village of Cottage Grove	6,716	\$1,006,437,800	2,530	Maintenance (2020 Revaluation)

*Complete client list available upon request.



OUR EDUCATION OUTREACH PROGRAM

We understand the importance of having a strong, proactive communication and education program to help you engage with your community's property owners. As we have learned from over 60 years of doing this work, being open and transparent with property owners as you begin assessments is critical. We will partner with you to supply you with content, data, key communication pieces and a public relations plan that will dispel perceptions and inaccuracies, and garner the support of your community as we provide you with the very best, technically sound assessment services — free from errors and defensible from an equity standpoint. We stake our reputation on it and it's why we've been Wisconsin's preferred assessor for decades. We're in this together!

We'll partner with you to provide:

- Social media content
- Planning and executing open houses/public information sessions
- Mailings
- Flyers and posters
- Public information pieces to post at libraries, public transit centers, municipal buildings, etc. *(to reach people who aren't on social media and/or have limited access to the internet)*
- News releases
- Coordinate media interviews
- Provide subject matter experts
- FAQs
- Content for municipal newsletters
- Informative slide decks
- Key messaging for municipal officials and other stakeholders
- Crisis communications
- Proactive PR strategies

REFERENCES



City of Hartford

Steve Volkert
City Administrator
109 N Main St.
Hartford, WI 53027
262-673-8204
svolkert@hartford.wi.gov



City of Neenah

Chris Hasse
Director of Community Development & Assessment
211 Walnut St.
Neenah, WI 54956
920-886-6125
chaese@ci.neenah.wi.us



City of Verona

Holly Licht
City Clerk
111 Lincoln St.
Verona, WI 53593
608-848-9947
holly.licht@ci.verona.wi.us



City of Middleton

Lorie Burns
City Clerk
7426 Hubbard Ave.
Middleton, WI 53562
608-821-8346
lburns@cityofmiddleton.us



Village of Germantown

Steven Kreklow
Village Administrator
N112 W17001 Mequon Road
Germantown, WI 53022
262-250-4750
skreklow@village.germantown.wi.us

OPTION 1

ASSESSMENT SERVICES COST

Our statutory assessor services including annual maintenance assessment and market adjustment work will meet or exceed all requirements described in the “Anticipated Scope of Work” on pages 4-8 of the City’s request for proposals document dated March 24, 2023. We have thoroughly read through the specific services required option 1 section of your RFP document. All items numbered 1-46 will be incorporated into our assessment services contract to ensure we are held to a high standard of service and quality of work currently experienced by our existing clients and is expected by the City.

The figures below are for the assessment years 2024, 2025, 2026 and 2027 beginning services not later than January 1, 2024.

Assessment Year	Total Annual Compensation Rate	Annualized Rate
2024 (Maintenance)	\$150,000	\$185,000
2025 (Maint. & Market Update)	\$220,000	\$185,000
2026 (Maintenance)	\$150,000	\$185,000
2027 (Maint. & Market Update)	\$220,000	\$185,000

Total Four-Year Cost:	\$740,000
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**Should the Wisconsin Legislature make personal property exempt from taxation at any point during the four-year term we would reduce our annual maintenance assessment services cost up to \$10,000 each year.*

Assessment CAMA Software	Included
*Personal Property Accounts	Included
Web hosting of assessment data	Included
Postage and mailing services	City provided per RFP
Monthly Parking Permit Fee	Not Included \$20/permit

The above total annual compensation rates are in not-to-exceed sums including all of the AAC’s costs, but not necessarily limited to: labor, materials, supplies, equipment, transportation, meals, lodging, computer CAMA software, and Board of Review expenses. The City will not incur any additional expenses for a computer-assisted mass appraisal (CAMA) assessment software license, processing of personal property accounts, website hosting of assessment information on AAC’s website.

CAMA SOFTWARE



AAC currently uses Market Drive™ as our computer-aided mass appraisal (CAMA) software, which is used by over 1,400 Wisconsin municipalities and will meet or exceed all assessment software requirements as requested on page 11-12 of the City’s request for proposals document dated March 24, 2023.

OPTION 2

ASSESSMENT SERVICES COST

Our statutory assessor services including assisting an in-house residential assessor with annual maintenance assessment and market adjustment work for commercial and personal property will meet or exceed all requirements described in the “Anticipated Scope of Work” on pages 4-11 of the City’s request for proposals document dated March 24, 2023. We have thoroughly read through the specific services required option 2 section of your RFP document. All items numbered 1-45 will be incorporated into our assessment services contract to ensure we are held to a high standard of service and quality of work currently experienced by our existing clients and is expected by the City. We have provided similar shared assessment duties in other municipalities and understand how to cooperatively provide cost effective services..

The figures below are for the assessment years 2024, 2025, 2026 and 2027 beginning services not later than January 1, 2024.

Assessment Year	Total Annual Compensation Rate	Annualized Rate
2024 (Maintenance)	\$50,000	\$80,000
2025 (Maint. & Market Update)	\$110,000	\$80,000
2026 (Maintenance)	\$50,000	\$80,000
2027 (Maint. & Market Update)	\$110,000	\$80,000

Total Four-Year Cost:	\$320,000
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**Should the Wisconsin Legislature make personal property exempt from taxation at any point during the four-year term we would reduce our annual maintenance assessment services cost up to \$10,000 each year.*

Assessment CAMA Software	Included
*Personal Property Accounts	Included
Web hosting of assessment data	Included
Postage and mailing services	City provided per RFP
Monthly Parking Permit Fee	Not Included \$20/permit

The above total annual compensation rates are in not-to-exceed sums including all of the AAC’s costs, but not necessarily limited to: labor, materials, supplies, equipment, transportation, meals, lodging, computer CAMA software, and Board of Review expenses. The City will not incur any additional expenses for a computer-assisted mass appraisal (CAMA) assessment software license, processing of personal property accounts, website hosting of assessment information on AAC’s website.

CAMA SOFTWARE



AAC currently uses Market Drive™ as our computer-aided mass appraisal (CAMA) software, which is used by over 1,400 Wisconsin municipalities and will meet or exceed all assessment software requirements as requested on page 11 through 12 of the City’s request for proposals document dated March 24, 2023.

FUTURE REVALUATION SERVICES COST

Our revaluation assessment services will meet or exceed all requirements described in the Wisconsin Property Assessment Manual. AAC annually conducts approximately 30-50 revaluations of varying scopes of work for Wisconsin municipalities. In addition, we provide revaluation CAMA modeling and consulting services for in-house statutory assessors.

Optional add-on assessment services for a revaluation would be in addition to the price of option 1 annual maintenance assessment services of \$150,000 (see page 9).

The figures below are for conducting a revaluation during any of the 2025-2027 assessment year(s).

Optional Revaluation Type	Cost of Services
Full Inspection Revaluation	\$400,000
Exterior Only Revaluation	\$300,000
Interim Market Update	\$70,000
Optional Interior Questionnaire	\$25,000
<i>Annual Maintenance Assessment Services</i>	<i>Not Included</i>
Assessment CAMA Software	Included
Postage and mailing services	City provided per RFP

FULL & EXTERIOR REVALUATIONS

AAC would physically inspect 100% of the taxable improved properties in one year and update assessment records. All taxable parcels would be updated to reflect recent market value sales utilizing mass appraisal methods. A *full inspection revaluation* would include both interior walkthroughs and exterior inspections. The *exterior only revaluation* option would only include onsite exterior inspections.

INTERIM MARKET UPDATE

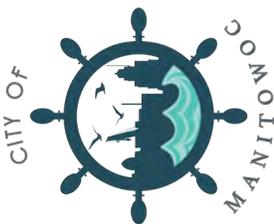
All taxable parcels would be updated to reflect recent market value sales utilizing mass appraisal methods. Only those parcels with “Maintenance” related reasons to visit would be inspected onsite. This option works best when the property record card information is deemed reliable and a full inspection or exterior only revaluation has been completed within the last five years and the overall assessment level shows an unacceptable degree of variance in some neighborhoods, property types or classes. This would be an option for the municipality if an onsite inspection revaluation had taken place within the past five to ten years otherwise property record card information and building pictures would be outdated.

**All optional revaluation costs listed above will have the option to amortize equally over the term of a four year contract.*

ADDENDUMS

A City of Manitowoc Assessment Ratio Study	A1
B Certificate of Insurance	B1
C Sample Contract	C1-9

CITY OF MANITOWOC ASSESSMENT RATIO STUDY



Residential Class Only	2018 (Maintenance)	2019 (Maintenance)	2020 (Maintenance)	2021 (MU Revaluation)	2022 (Maintenance)
Total Sales Transactions	485	463	454	552	552
Total Assessed Value	\$57,313,000	\$53,532,400	\$53,370,100	\$63,813,200	\$66,270,000
Total Sales Value	\$57,954,812	\$55,202,635	\$59,822,560	\$74,693,821	\$89,105,127
Aggregate Ratio	98.89	96.97	89.21	85.43	74.37
Mean Ratio	103.85	105.09	96.04	94.52	82.64
Median Ratio	100.13	96.22	88.95	84.80	73.92
Price Related Differential	1.05	1.08	1.08	1.11	1.11
Coefficient of Dispersion	15.97	19.82	20.06	25.31	27.72
Coefficient of Concentration <small>(within 15% of the median)</small>	58.8	65.4	57.1	52.0	50.7

A major objective of assessment/sales ratio studies is to determine the degree of assessment uniformity. This measure of assessment performance is gauged by looking at the level of assessment and the degree to which individual assessments differ from that level. The above ratio studies only include transactions of valid or arm's-length sales in accordance with the Wisconsin Property Assessment Manual. Sales data and statistics correspond to the calendar year of the sale as recorded via the Real Estate Transfer Return provided to the Assessors office. A series of ratios by itself does not tell much about assessment performance. A basic understanding of statistics is needed to successfully interpret the above ratios.

Definition of Statistical Terms

Aggregate ratio—As applied to real estate, the ratio of the total assessed value to the total selling price. Advantage is that it takes dollar values into account. Disadvantage is that it is sensitive to extreme ratios.

Mean ratio—A measure of central tendency equal to the sum of the values divided by the number. Also referred to as arithmetic average or arithmetic mean. Advantage is that it is easily calculated and understood. Disadvantage is that it is sensitive to extreme ratios.

Median ratio—A measure of central tendency equal to that point in a distribution above which 50% of the values fall and below which 50% of the values fall. The 50th percentile is the 2nd quartile. The median is the ratio in the middle. Advantage is that it is not sensitive to extreme ratios.

Price-related differential—As applied to real estate, an analytical measure of the vertical uniformity of values in a given distribution calculated by dividing the mean ratio by the aggregate ratio; a ratio of more than one being generally indicative of the relative undervaluation of high priced properties as compared to the less valuable properties, whereas a ratio of less than 1 would indicate the converse relationship. Price-related differentials above 1.03 tend to indicate assessment regressivity; price-related differentials below .98 tend to indicate assessment progressivity.

Coefficient of dispersion—As applied to an assessment-to-sale ratio distribution, is the average distance in percentage terms that individual ratios lie from the median ratio. A reasonable dispersion is 10% - 15%; good is under 10%. **Big is bad.**

Coefficient of Concentration—A single statistic expressed in percentage terms which tells how many ratios are within +/- 15% of the median ratio.

SAMPLE CONTRACT FOR ASSESSMENT SERVICES OPTION 1

Prepared for the

City of Manitowoc

Manitowoc County

By

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

Appleton Office

W6237 Neubert Road

Appleton, WI 54913

Phone (920) 749-1995/Fax (920) 731-4158

P.O. Box 291

Greenville, WI 54942-0291

Lake Geneva Office
Walworth County
Lake Geneva, WI 53147

Ironwood, Michigan Office
Ironwood, MI 49938

Hurley Office
Iron County
Hurley, WI 54534

CONTRACT FOR ASSESSMENT SERVICES

This Contract is by and between the **City of Manitowoc, Manitowoc County, State of Wisconsin**, a municipal corporation (hereafter referred to as “Municipality”) and **Associated Appraisal Consultants, Inc.**, with its principal office at W6237 Neubert Road, Appleton, WI 54913 (hereafter referred to as “Assessor”).

IN CONSIDERATION of the mutual promises contained herein, the parties hereto do agree as follows:

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

INSPECTIONS. The following inspection cycle is to be completed by the Assessor annually:

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

A. PARCEL IDENTIFICATION. The legal description and size of each land parcel shall be contained in the existing property records. The drawings and measurements of each primary improvement shall be

contained in the existing property records. For all new records, the Assessor shall provide digital drawings and digital photographs of each primary improvement. In the event of a discrepancy found in existing records, the Assessor shall investigate and correct the record.

- B. PREPARATION OF RECORDS.** Appropriate records shall be used in the evaluation and collection of data for residential improvements, commercial improvements, and agricultural improvements. All information relating to the improvements shall be obtained and shown as provided on the respective forms. The Assessor shall supply to the Municipality a complete set of property records in a computer readable format compatible with the Municipality's computer system and update records within fourteen (14) days of final adjournment of the Board of Review. Records shall be updated prior to open book and again to reflect any changes made at Board of Review.
- C. APPROACH TO VALUE.** Assessor shall assess all taxable real estate according to market value, as established by professionally acceptable appraisal practices, except where otherwise provided by law. Assessor shall consider the sales comparison approach, the cost approach and the income approach in the valuation of all property.
- 1) Sales Comparison Approach.** Assessor will collect, compile and analyze all available sales data for the Municipality in order to become familiar with the prevailing market conditions and activity. A detailed analysis of sales data will be prepared, including pictures of recent residential and agricultural sales. Vacant land sales will also be compiled and analyzed. In valuing property by the sales comparison approach, subject properties will be appraised through a detailed comparison to similar properties that have recently sold, making careful consideration of similarities and differences between the subject and comparable sale properties.
 - 2) Cost Approach.** The cost approach to value will be considered for all taxable improved property. Replacement costs for residential and agricultural improvements will be calculated per Volume II of the *Wisconsin Property Assessment Manual* or similar cost manual. Replacement costs for commercial improvements will be calculated using Marshall & Swift valuation service or similar cost manual. All accrued depreciation, including physical deterioration, functional obsolescence, and economic obsolescence will be accurately documented and deducted from current replacement costs.
 - 3) Income Approach.** Consideration of the income approach to value will be made when the income or potential income generated by the real estate is deemed likely to affect the

property's resale value. Data to be analyzed will include economic rents, typical vacancy rates and typical operation expense ratios. In the valuation of property by the income approach, adequate records will be prepared, showing a reconstruction of income and expenses, as well as all calculations used to arrive at market value, including formulas and capitalization rates as appropriate to the type of property being appraised.

D. OPEN BOOK CONFERENCE. Upon completion of the Assessor's review of assessments and prior to completion of the assessment roll, the Assessor shall hold open book conferences for the purpose of enabling property owners or their agents to review and compare the assessed values. The Assessor shall mail a notice of assessment for each taxable parcel of property whose assessed value has changed from the previous year. The notice form used shall be that prescribed by the Department of Revenue, and include the time and place the open book conference(s) will be held. Mailing shall not be less than fifteen days prior to the first day of the conference for the convenience of property owners. The Assessor shall take the phone calls to schedule appointments for the open book conference as needed. The assessor shall be present at the open book conference for a time sufficient to meet with the property owners or their agents and shall be present at least two (2) hours or as needed. Assessor shall provide the necessary staff to handle the projected attendance.

E. COMPLETION OF ASSESSMENT ROLL AND REPORTS. The Assessor shall be responsible for the proper completion of the assessment roll in accordance with current statutes and the *Wisconsin Property Assessment Manual*. The Assessor shall provide final assessment figures for each property to the Municipality, and the roll shall be totaled to exact balance. Assessor shall prepare and submit all reports required of the Assessor by the Wisconsin Department of Revenue; postage and mailing services are at the Municipality's expense.

F. BOARD OF REVIEW ATTENDANCE. Assessor shall attend all hearings of the Municipal Board of Review to explain and defend the assessed value and be prepared to testify under oath regarding the values determined. In the event of appeal to the Wisconsin Department of Revenue, Assessor shall be available upon request of Municipality to furnish testimony in defense of the values determined for up to eight employee hours per parcel. Testimony in excess of eight employee hours will require an addendum to this Contract. Assessor shall arrange and provide the Personal Property and Real Estate Assessment Roll for viewing by the public as prescribed in Chapter 5 of the Wisconsin Property Assessment

Manual, as amended each year, and adhere to any county or Municipality business requirements as prescribed under Wis. Stat. § 70.09(3)(c). Any outside counsel services requested by the Assessor shall be provided and paid for by the Municipality as agreed upon by both parties.

- G. PERSONAL PROPERTY ASSESSMENTS.** The Assessor shall prepare and distribute annual personal property statements to all businesses; postage and mailing services are at the Municipality's expense. Each year the Assessor will review statements and follow up with un-filed or incorrect statements. The Assessor shall determine the appropriate assessment. The Assessor shall exercise particular care so that personal property as a class on the assessment roll bears the same relation to statutory value as real property as a class.
- I. PUBLIC REQUESTS.** The Assessor shall timely respond to all open records requests received by the Assessor. In so doing, the Assessor shall comply with the confidentiality provisions of the Wisconsin Statutes, including sec. 70.35(3) Wis. Stats., regarding the personal property return, sec. 70.47(7)(af), Wis. Stats. regarding income and expense information provided to the assessor and board of review; and sec. 77.265, Wis. Stats., regarding the real estate transfer return.
- J. AVAILABILITY.** The Assessor shall maintain telephone service to receive calls from the Municipality or property owners five days a week from 8:00 a.m. to 4:30 p.m. excluding holidays and Assessor time off. Internet and voicemail communication are available twenty-four hours per day. The Assessor shall timely respond to all telephone inquiries within two business days or sooner. The Assessor shall copy the municipal clerk on those issues that have been raised to the clerk or board and subsequently passed on to the Assessor. Assessor shall be available to attend Village meetings at the request of the Municipality for up to four (4) hours annually not including annual assessment required meetings. Any additional meetings the Assessor shall be asked to attend beyond four (4) hours shall be compensated at the customary rates charged by the Assessor. The Municipality and the Assessor shall discuss the cost prior to attendance.
- K. MUNICIPAL RECORDS.** The Municipality shall allow access and make available to the Assessor municipal records such as, but not limited to, previous assessment rolls and records, sewer and water layouts, permits, tax records, records of special assessments, plats, and any other maps currently in the possession of the Municipality at no cost.

L. MAPS. Municipality shall provide at no cost to Assessor any plat maps, zoning maps, cadastral maps, or other maps currently in the possession of the Municipality. If such maps necessary for our work are not in the possession of the Municipality, Assessor shall obtain them from the County surveyor, Register of Deeds, or other sources at the Municipality's expense.

II. GENERAL REQUIREMENTS

A. OATH OF OFFICE. As Assessor is a corporation, the person designated as responsible for the assessment shall take and subscribe to an oath or affirmation supporting the Constitution of the United States and to the State of Wisconsin and to faithfully perform the duties of Assessor. The oath shall conform to Section 19.01, Wis. Stats. and be filed with the Municipal Clerk prior to commencing duties. Assessor shall assume the appointed office of City Assessor as per Wisconsin Statutes secs. 62.09 (1)(c) and 70.05(1) for the duration of this Contract and shall perform all statutory duties appertaining to such office. The Assessor shall be considered a public officer and afforded the protection from civil liability under sec. 895.46(1), Wis. Stats. for carrying out duties while acting within the scope of the Assessor's employment as an officer of the Municipality. As such, and except for those claims and liabilities based upon intentional acts of Assessor, Municipality shall hold harmless Assessor from all claims and liabilities relating to the assessment or taxation of property, including but not limited to claims made under Wisconsin Statutes secs. 74.35, 74.37 and circuit court claims, unless otherwise specified in this Contract.

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

- 1) All personnel providing services shall be currently certified in compliance with Sec. 70.05 and 73.09, Wis. Stats. and the administrative rules prescribed by the Wisconsin Department of Revenue.
- 2) Assessor's field representatives shall carry photo identification cards.
- 3) All employees, agents, or representatives of the Assessor shall conduct themselves in a safe, sober, and courteous manner while performing services within the Municipality.

- 4) The Assessor shall review any complaint relative to the conduct of the Assessor’s employees and take appropriate corrective action. If the Municipality deems the performance of any of Assessor’s employees unsatisfactory, the Assessor shall, for good cause, remove such employees from work upon written request by Municipality, such request stating reasons for removal.

C. INSURANCE. The Assessor agrees as follows:

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

(a) <u>Workers Compensation</u>	State of Wisconsin requirements
(b) <u>General Liability</u>	
General Aggregate	\$ 2,000,000
Products/Completed Operations	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Personal & Advertising	\$ 1,000,000
Fire Damage	\$ 100,000
Medical Expense	\$ 10,000
(c) <u>Comprehensive Auto Liability</u>	
Combined Single Limit	\$ 1,000,000

- 2) The Assessor shall provide the Municipality with certificates for all required insurance, with the Municipality as a named insured. All insurance coverage shall contain a 10-day advance notice of cancellation to the Municipality. The Assessor shall timely pay all insurance premiums.
- 3) Liability for bodily injury, disability, and/or death of employees or any person or for damage to property caused in any way, directly or indirectly, by the operations of the Assessor within the Municipality shall be assumed by that Assessor.

D. OWNERSHIP OF RECORD. All records prepared or maintained in connection with assessments in the Municipality shall at all times be and remain the sole property of the Municipality, including (a) all records prepared in connection with assessments in the Municipality including, but not limited to property records, personal property forms, maps, and any other schedules or forms, (b) all records and materials obtained from the municipality and not previously returned to include

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

III. TERM AND TERMINATION

- A. **TERM.** The term of this Contract is for the **2024, 2025, 2026, and 2027** assessment year(s). The assessor shall have completed all work under this Contract on or before July 1 of each year, excluding appearances beyond the Board of Review. The date of completion may be extended, if necessary, under the terms of this Contract and by mutual consent.
- B. **TERMINATION.** Either party may terminate this Contract only with cause, cause being defined as default of the other party of terms of this Contract upon sixty (60) days written notice to the other party. Upon termination by either party, Assessor shall deliver to the Municipality all records and materials in Assessor's possession used or created during this Contract. During the 60-day wind down period, both Assessor and the Municipality shall act in good faith with each other and cooperate in the orderly transfer of records. If termination occurs during the course of ongoing assessment work, any compensation not yet paid to the Assessor shall be paid based on a weighted scale relative to work completed to date.
- C. **AUTOMATIC RENEWAL.** This Contract will automatically renew for successive annual assessment years upon the expiration of the original term unless either party, on or before July 1 of the preceding year, notifies the other party by certified mail of their desire to non-renew.

IV. COMPENSATION

- A. The Municipality shall pay the Assessor **One Hundred Eighty-Five Thousand Dollars (\$185,000.00)** for each of the 2024, 2025, 2026, and 2027 assessment year(s) for maintenance and revaluation assessment services through December 31, 2027.
- B. The compensation due the Assessor shall be paid in monthly or quarterly installments throughout the 2024, 2025, 2026, and 2027 assessment year(s).
- C. The Municipality shall not be billed for personal property, mileage or supplies unless otherwise specified in this Contract and/or addenda.
- D. Additional compensation that may be due to the Assessor as a result of services that are beyond the scope of this Contract will be invoiced in the month subsequent to the month in which the services were provided.
- E. **Optional Website Posting:** The Municipality shall have the option to post assessment data on our website for no additional cost.

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

Yes _____ No _____

V. SIGNATURES

_____ Sample only _____
 Mark Brown
 President
 Associated Appraisal Consultants, Inc.

Date

_____ Sample Only _____
 Authorized Signature
 City of Manitowoc

Date

OPTION 1A

No Onsite Office Hours

ASSESSMENT SERVICES COST

Our statutory assessor services including annual maintenance assessment and market adjustment work will meet or exceed all requirements described in the “Anticipated Scope of Work” on pages 4-8 of the City’s request for proposals document dated March 24, 2023. We have thoroughly read through the specific services required option 1 section of your RFP document. All items numbered 1-46 will be incorporated into our assessment services contract to ensure we are held to a high standard of service and quality of work currently experienced by our existing clients and is expected by the City. ***This option would not include weekly office hours one day per week.***

The figures below are for the assessment years 2024, 2025, 2026 and 2027 beginning services not later than January 1, 2024.

Assessment Year	Total Annual Compensation Rate	Annualized Rate
2024 (Maintenance)	\$125,000	\$160,000
2025 (Maint. & Market Update)	\$195,000	\$160,000
2026 (Maintenance)	\$125,000	\$160,000
2027 (Maint. & Market Update)	\$195,000	\$160,000

Total Four-Year Cost:	\$640,000
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**Should the Wisconsin Legislature make personal property exempt from taxation at any point during the four-year term we would reduce our annual maintenance assessment services cost up to \$10,000 each year.*

Assessment CAMA Software	Included
*Personal Property Accounts	Included
Web hosting of assessment data	Included
Postage and mailing services	Budget amount or actual whichever is less
Monthly Parking Permit Fee	Not Included \$20/permit

The above total annual compensation rates are in not-to-exceed sums including all of the AAC’s costs, but not necessarily limited to: labor, materials, supplies, equipment, transportation, meals, lodging, computer CAMA software, and Board of Review expenses. The City will not incur any additional expenses for a computer-assisted mass appraisal (CAMA) assessment software license, processing of personal property accounts, website hosting of assessment information on AAC’s website.

CAMA SOFTWARE



AAC currently uses Market Drive™ as our computer-aided mass appraisal (CAMA) software, which is used by over 1,400 Wisconsin municipalities and will meet or exceed all assessment software requirements as requested on page 11-12 of the City’s request for proposals document dated March 24, 2023.

OPTION 3

No Onsite Office Hours

ASSESSMENT SERVICES COST

Our statutory assessor services including annual maintenance assessment, market update and exterior revaluation work will meet or exceed all requirements described in the WPAM and “Anticipated Scope of Work” on pages 4-8 of the City’s request for proposals document dated March 24, 2023. We have thoroughly read through the specific services required option 1 section of your RFP document. All items numbered 1-46 will be incorporated into our assessment services contract to ensure we are held to a high standard of service and quality of work currently experienced by our existing clients and is expected by the City. ***This option would not include weekly office hours one day per week.***

The figures below are for the assessment years 2024, 2025, 2026 and 2027 beginning services not later than January 1, 2024.

Assessment Year	Total Annual Compensation Rate	Annualized Rate
2024 (Maintenance)	\$125,000	\$205,000
2025 (Maint. & Ext. Revaluation)	\$395,000	\$205,000
2026 (Maintenance)	\$125,000	\$205,000
2027 (Maint. & Market Update)	\$175,000	\$205,000

Total Four-Year Cost:	\$820,000
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**Should the Wisconsin Legislature make personal property exempt from taxation at any point during the four-year term we would reduce our annual maintenance assessment services cost up to \$10,000 each year.*

Assessment CAMA Software	Included
*Personal Property Accounts	Included
Web hosting of assessment data	Included
Postage and mailing services	Budget amount or actual whichever is less
Monthly Parking Permit Fee	Not Included \$20/permit

The above total annual compensation rates are in not-to-exceed sums including all of the AAC’s costs, but not necessarily limited to: labor, materials, supplies, equipment, transportation, meals, lodging, computer CAMA software, and Board of Review expenses. The City will not incur any additional expenses for a computer-assisted mass appraisal (CAMA) assessment software license, processing of personal property accounts, website hosting of assessment information on AAC’s website.

CAMA SOFTWARE



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ANNUAL ASSESSOR REQUIREMENTS BY ASSESSMENT TYPE

	Full Revaluations	Exterior Revaluation	Interim Market Update	Annual Review/Maintenance
Appropriate when	PRC is outdated or inaccurate, <u>or</u> assessment uniformity is poor <u>or</u> full revaluation hasn't been done in 10 years <u>or</u> assessment uniformity is poor <u>or</u> reassessment is required per statute 70.75.	Most PRC information can be verified by exterior inspection <u>and</u> full revaluation completed within past 6-9 years	PRC is deemed reliable <u>and</u> full revaluation completed within past 5 years <u>and</u> assessment level shows unacceptable degree of variance in some neighborhoods or classes	PRC is deemed reliable <u>and</u> revaluation was completed within past 5 years <u>and</u> assessment level during previous assessment year is within acceptable parameters
Real Property affected	All Property	All Property	Changes identified in column D PLUS Analysis of problem strata Identified from pervious assessment year	Annexed properties Change in exemption status Demolitions & fire damage New construction Change in classification Parcels with ongoing construction Change in legal description Change in zoning
Land Study	On-site Inspection	On-site Inspection	As necessary	As necessary
Inspect Exterior	All Buildings	All Buildings If no changes, may use digital imaging technology to supplement field re-inspections with a computer-assisted office review.	Buildings w/changes	Buildings w/changes
Inspect Interior	All Buildings	Buildings w/changes	Buildings w/changes	Buildings w/changes
Building Measurements	Measure all buildings	Measure or verify as needed	Measure or verify as needed	Measure or verify as needed
Photos	All primary buildings	As necessary	As necessary	As necessary
Sketch	All primary buildings	As necessary	As necessary	As necessary
Analyze neighborhoods, property types, trends	Required	Required	Required. Results determine whether assessment is full value or aggregate assessment level	Optional
Property Record Card (PRC)	Create new	Update/create new as needed	Update/create new as needed	Update/create new as needed
Review classifications	Required	Required	Required	Required
Validate usability of sales	Required	Required	Required	Required
Verify sales attributes (Ch 7 and 9)	Required	Required	Required	Required
Parcels to be valued	All Parcels	All Parcels	Parcels with changes	Parcels with changes
Review / revalue properties	All Parcels	All Parcels	Parcels with changes	Parcels with changes
Assessment level	Full Value	Full Value	Aggregate assessment level or full value as appropriate	Aggregate Assessment
Mail Notice of Change in Asmt	Only if assessment changes	Only if assessment changes	Only if assessment changes	Only if assessment changes
Personal property assessment	Required	Required	Required	Required
Add omitted property to roll (70.44)	Required	Required	Required	Required
Correct errors in roll (70.43)	Required	Required	Required	Required
Hold open book / attend BOR (minimum 7 days between open book and BOR (70.47))	Required	Required	Required	Required

A change in color across a row indicates a change in the level of task work required compared to the preceding assessment type