



CITY OF MANITOWOC

WISCONSIN, USA

www.manitowoc.org

Date: September 26, 2023
To: Finance Committee
From: Adam Tegen, Community Development
Re: Assessor Services Contract 2024-2027

As you may recall, in June staff recommended entering into a contract with Associated Appraisal Consultants (AAC) for assessment services from 2024 to 2027. At that time, the Committee and Council authorized staff to negotiate a formal contract and to bring it back for final approval. As a result, staff has been working with the consultant to finalize the contract incorporating the items contained within the Request for Proposals. The final version of the contract is attached for your review. It is staff's recommendation to enter into the contract as presented for assessment services for the time period starting January 1, 2024 and lasting through December 31, 2027.

As always, feel free to let me know of any questions you may have at ategen@manitowoc.org or 920-686-6931.

CONTRACT FOR ASSESSMENT SERVICES

Prepared for the
City of Manitowoc
Manitowoc County

By



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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 property assessment records are not digital, there shall be additional costs charged to the Municipality for collection and or conversion. Additional terms and conditions apply to the revaluation assessment years of 2025 and 2027, as described in Appendix A that is attached hereto and incorporated herein by reference.

A. 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.

B. 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.

C. 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.

D. 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.

E. **ASSESSMENT NOTICES.** A notice of changed assessment as prescribed under §70.365, Wis. Stats., shall be mailed for each applicable taxable parcel or property whose assessed value has changed from the previous year. The notice form used shall be that prescribed and or approved for use by the Department of Revenue and include the time and place of when the open book conference(s) and board of review meeting(s) will be held. Assessor shall be responsible for the preparation and timely mailing of all assessment notices by First Class Mail.

F. **OPEN BOOK.** 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 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 necessary staff to handle projected attendance.

G. **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 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 §70.09 (3) (c), Wis. Stats. Assessor shall prepare and submit all reports required of the Assessor by the Wisconsin Department of Revenue.

H. **BOARD OF REVIEW.** 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 or Circuit Court, 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. If deemed necessary and mutually agreed upon by both parties, any outside

counsel services requested by the Assessor shall be provided and paid for by the Municipality as agreed upon by both parties.

I. **MONTHLY MUNICIPAL PERMIT FEE.** The Municipality shall be responsible for all Manufactured and Mobile home statements of monthly municipal permit fee calculations, reports and required property records. Assessor if requested by Municipality shall maintain an electronic copy of the property record data for each account as contained on the PA-117 form, Manufactured & Mobile Home Valuation Worksheet or similarly approved form as prescribed in Chapter 5 of the Wisconsin Property Assessment Manual, as amended each year. The cost associated with this optional assessment service is outlined in section IV. Compensation.

J. **OPEN RECORD 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 §70.35(3), Wis. Stats., regarding the personal property return, §70.47(7)(af), Wis. Stats., regarding income and expense information provided to the assessor and board of review; and §77.265, Wis. Stats., regarding the real estate transfer return.

K. **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 four 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 City meetings at the request of the Municipality for up to two (2) hours annually not including annual assessment required meetings. Any additional meetings the Assessor shall be asked to attend beyond two (2) hours shall be compensated at the customary rates charged by the Assessor. The Municipality and the Assessor shall discuss the cost prior to attendance.

L. **MUNICIPALITY RECORDS.** The Municipality shall allow access and make available to the Assessor municipal records such as, but not limited to, previous assessment rolls and property assessment records, sewer, and water layouts, permits, tax records, records of special assessments, plats, condominium documents, maps, and any other pertinent documents currently in the possession of the Municipality at no cost. If such records 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.

M. **MAPS.** Municipality shall provide at no cost to Assessor any plat maps, zoning maps, cadastral maps, GIS related maps, or any 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.

N. **MAILING SERVICES.** The Municipality shall be responsible for the cost of all postage and mailing services. This cost includes, but is not limited to, personal property forms, notices of changed assessment, written requests to view property, questionnaires, and mailing of documents such as maps and assessment rolls. If Municipality requires Assessor to send any letters by certified mail, Municipality shall be responsible for the postage and mailing services costs of all certified mail. Annual not-to-exceed amounts for mailing services are outlined in section IV. Compensation.

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 §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 §62.09 (1)(c), and §70.05(1), Wis. Stats., 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 §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 §74.35, and §74.37, Wis. Stats., 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 §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) Workers Compensation State of Wisconsin requirements

(b) General Liability

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) Comprehensive Auto Liability

Combined Single Limit	\$ 1,000,000
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- 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) The Assessor agrees to investigate and defend and hold the Municipality and its agents harmless for any claim, suit or loss attributable to bodily injury or damage to property, arising out of Assessor's services, even if the Municipality is alleged to be solely at fault for such bodily injury or property damage. The Municipality shall give Assessor prompt notice of any claim for which the Municipality seeks defense and indemnity.

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, the Assessor shall be paid for work completed as of the date of termination on a percentage basis in light of all work to be performed during the year of termination. Additional compensation to the Assessor upon termination may be required due to the combination of revaluation and maintenance assessment fees having been amortized over the contract term.

C. **ENTIRE CONTRACT.** This Contract contains the complete and entire Contract between the parties and may not be altered or amended except in writing, executed, making specific references to this Contract, by a duly authorized officer of the Assessor and by a duly authorized official of the Municipality.

IV. COMPENSATION

A. The Municipality shall pay the Assessor **One Hundred Ninety-Five Thousand Dollars (\$195,000.00)** for each of the 2024, 2025, 2026, and 2027 assessment year(s) for combined revaluation and maintenance assessment services.

B. **Mailing Services Budget.** The annual amount invoiced to the Municipality for mailing services shall not exceed **Four Thousand Dollars (\$4,000.00)** during the maintenance assessment years of 2024 and 2026 and shall not exceed **Thirty Thousand Dollars (\$30,000.00)** during the revaluation assessment years of 2025 and 2027. The annual budget amount(s) may be adjusted to reflect changes in postage and or service fees if mutually agreed upon by both parties.

C. **Optional Monthly Municipal Permit Fee Service.** This optional assessment service shall be provided only upon written request by the Municipality. The Municipality shall be invoiced annually **Twenty Dollars (\$20.00)** for each monthly municipal permit fee account administered by the Assessor. Invoicing for this service will be sent in December each year.

D. The compensation due to the Assessor shall be paid in monthly or quarterly installments throughout the 2024, 2025, 2026, and 2027 assessment year(s).

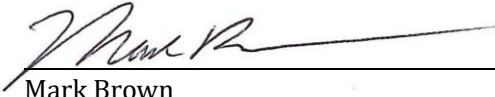
E. Additional compensation that may be due to the Assessor as a result of services that are beyond the scope of this Contract will be invoiced in the month subsequent to the month in which the services were provided.

F. **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



Mark Brown
President
Associated Appraisal Consultants, Inc.

09/06/2023
Date

Authorized Signature
City of Manitowoc

Date

APPENDIX A
REVALUATION ASSESSMENT SERVICES

This Appendix A is now attached to and incorporated into the Contract for Assessment Services made by and between the City of Manitowoc (hereafter "Municipality") and Associated Appraisal Consultants, Inc. (hereafter "Assessor"); is intended to add the following scope of work in said Contract for the revaluation assessment years.

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

1. **SCOPE OF SERVICES.** Assessor shall perform one exterior revaluation for the **2025** assessment year and one interim market update revaluation for the **2027** assessment year of all taxable real estate in the Municipality, pursuant to Wisconsin Statutes 70.05(5).
2. **DURATION.** Assessor shall complete all work on or before October 30th of the year in which a revaluation service(s) is contracted for. If unforeseen circumstances delay the completion of work, an extension will be granted upon mutual consent.
3. **FIELD APPRAISAL.** For the **2025** revaluation assessment year the Assessor shall physically visit and inspect from the exterior all taxable improved properties excluding those assessed as Manufacturing by the Wisconsin Department of Revenue. Assessor shall make a careful inspection of all buildings and improvements located on such properties and shall carefully measure, list, and compute the full market value for all improvements using professionally acceptable appraisal practices. All inspections will be conducted between the hours of 8:00 AM and 7:00 PM, Monday through Friday, Saturday if necessary, excluding legal holidays or Assessor scheduled days off. Assessor and Municipality will work with the building inspector to obtain PDF's of the floor plan or blueprints for all new residential and commercial structures. Exterior photographs shall be taken of all improved properties and placed into the digital property record card.
4. **PUBLIC RELATIONS.** During a revaluation assessment year, Assessor shall carry on a suitable program of public information in a manner dictated by experience to be most effective and productive, and of such nature that will allow the Municipality to actively participate. This program shall typically include a general mailing to all property owners with information regarding the revaluation process before field work begins if conducting onsite inspections. If necessary, the program shall include the furnishing of speakers, holding press conferences and preparing press releases. Assessor agrees to meet with the governing body of the Municipality to discuss areas of work such as public relations, procedures, progress, valuations and concerns.