

CITY COUNCIL MEETING

AGENDA ITEM V



CITY OF FRANKLIN
COUNCIL AGENDA REPORT
City Council Meeting March 2013

From: Elizabeth Dragon– City Manager

Subject: City Council to consider renewal of an 18 month assessing contract with Corcoran Consulting Associates (which includes update to create “values anew”)

Recommending motion:

1. Councilor moves:

“I move that the Franklin City Council authorizes the City Manager to execute the 18month assessing services agreement between the City of Franklin and Corcoran Consulting Associates, Inc. not to exceed the \$85,000.”

2. Mayor asks a second, discussion, and calls the vote.

Discussion: Consistent with the FY 2013 budget proposal, please find attached a contract for assessing services for an 18month period. The contract includes general assessing, cyclical inspection, and update work (July 1, 2012-June 30, 2013). The Update work crosses over fiscal years and so the contract also addresses the remainder of Update work to be done (July 1, 2013-Dec 31, 2013). The USPAP Report required by the Dept of Revenue to provide details on the methodology used for the “values anew process” will be provided to the Dept of Revenue no later than January 30,2014. There are enough funds currently budgeted to cover this contract.

Next fiscal year- beginning July 1, 2013 the city will need to execute a new contract for general assessing duties and cyclical reviews (July 1, 2013-June 30, 2013). These funds will be requested in the FY 2014 budget process.

DRA has reviewed the contract language carried forward from the last contract. However, this contract includes specific language for an update to create “values a new”. At the time of writing this CAR the Department of Revenue had not provided comments. If there are language adjustments that are needed I request the ability to include those changes in the final signed agreement.

Attachments/Exhibits: 1. Proposed Assessing Contract (July 1, 2012-Dec 31 ,2013)

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**Contractual Agreement Between the City of Franklin, NH
and
Corcoran Consulting Associates, Inc.**

Section 1. Functions/Responsibilities:

The City of Franklin agrees to retain Corcoran Consulting Associates, Inc. (Contractor) of Wolfeboro Falls, NH to perform the duties and functions of City Assessor as provided for in this Agreement.

The Assessor shall perform all services and discharge all responsibilities in conformance with the duties of the City Assessor as described in the Franklin City Charter and Franklin Administrative Code, and in a manner consistent with the laws of New Hampshire that come to bear upon the duties of Assessors in the State.

It is expressly understood by both parties that the assessing function and all related activities specified in this Agreement are a joint and collaborative effort between the City and the Contractor. Both the City and the Contractor shall work together in ensuring that such collaborative efforts are cooperative and timely, and that both the City and the Contractor will timely convey to one another all information and developments that may come to bear upon the assessing operations in the City over the course of this Agreement.

Section 2. Term:

The term of this Agreement shall be for a period of eighteen months, from July 1, 2012 through December 31, 2013 (with the sole exception of delivery of the USPAP report: January 30, 2014).

Section 3. Termination/Resignation:

Nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of either party to terminate this Agreement subject to the terminating party giving sixty (60) days written notice to the other party, prior to the effective date of separation.

The City Manager retains the right to dismiss unsuitable personnel employed by the Contractor in connection with the services under this Agreement for any reason. The Assessor shall replace any dismissed employee(s) of the firm with a professional of commensurate qualifications and experience of the dismissed employee.

In the event that any person assigned to the Franklin project is convicted of any act resulting in personal gain, then the City shall have no obligation of prior notice, and may immediately terminate this Agreement.

Section 4. Compensation:

The Assessor shall be compensated as an independent Contractor under this Agreement. As such, the Assessor shall be responsible for providing F.I.C.A., Workers Compensation, Unemployment Compensation & Liability to all company employees assigned to the Franklin project. The Assessor shall file appropriate Certificates of Insurance with the City upon request.

The Assessor shall hold the City harmless from any and all claims arising from the result of the Assessor's noncompliance or insufficient compliance with this term.

Compensation to the Assessor shall be according to the following Rate Schedule:

Director:	\$80.00 per hour
Assessor:	\$70.00 per hour
Field Supervisor:	\$62.50 per hour
Appraiser:	\$55.00 per hour
Senior Data Collector	\$50.00 per hour
Data Collector:	\$45.00 per hour

In addition, travel compensation of \$.55 per mile shall be paid for one-way travel to the site and mileage incurred while on the job.

The total compensation for all assessing/appraisal services referenced in this Agreement shall not exceed:

\$85,000

The Assessor shall submit invoices on a monthly basis according to the foregoing rate schedule. The City shall issue payment no later than fifteen (15) days after receipt of invoices from the previous month's activities.

Section 5. Insurance

A. Workers Compensation - The Contractor shall purchase and maintain such worker's compensation insurance as required by the State of new Hampshire to protect them from claims under worker's compensation acts, and for any claims for damages for personal injury, including death, which may arise from operations under this contract.

B. Professional Liability & General Liability - The Contractor shall purchase and maintain such professional liability and general liability insurance, including malpractice insurance, at a minimum of \$1,000,000 single limit per occurrence and \$2,000,000 in the aggregate, respectively.

C. Indemnification – The Contractor will indemnify the Town from any and all liability, loss, or damage including but not limited to bodily injury, illness, death, or property damage, which the City becomes legally obligated to pay as a result of claims, demands, costs, or judgments against the City arising out of the Contractors actions in performance of the agreed services.

Section 6. Work Schedule/Key Personnel Assignment:

By mutual agreement between the Assessor and the City the following personnel and work schedule is hereby established (all listed personnel are approved by the Department of Revenue Administration for the respective functions to which they are assigned):

Director: Wil Corcoran - will assume all responsibilities and direction of all company employees assigned to the Franklin assessing office. The directors' hours will remain flexible according to the immediate needs of the department, but will follow general patterns of 8 hours per month.

City Assessors: Wil Corcoran will assume the role and responsibilities of City Assessor. J. Roy Smith will serve as Assistant City Assessor. Mr. Smith will provide on-site service, on average of 1.50 days per week during normal working hours throughout the term of the agreement, and more during the 'values anew' program as needed.

Appraisers: Wil Corcoran will assume supervising appraiser functions. Joe Roy Smith, Ron Doyon, ~~Monica Gordon~~ and Susan Henderson will provide residential appraisal assistance as required.

Data Collectors: Ben Lafond, Susan Henderson, Brian Hathorn, and/or Ron Doyon or similarly qualified individuals will assist the Assessor in the collection of data during annual 'pick-up' work or similar data collection activities.

Scope of Work

Section 7: City Assessor's Function:

It is understood by both parties that the hours worked by the personnel cited in this Agreement are sufficient to ensure:

1. Adequate management and maintenance of the following; exemptions, credits, current use, land use change tax (LUCT), timber and gravel yield taxes, and all other statutory assessing obligations.
2. The careful measuring, listing, and valuation of new or newly modified properties as a result of the issuance of permits, filing of inventories, or any other applicable source.
3. Perform field inspections (appraisal review by appraiser or appraiser supervisor) on all properties that have transferred during the contract period, and investigate and verify the circumstances surrounding all sales;
4. Perform field inspections (appraisal review by appraiser or appraiser supervisor) and other studies to review all abatement requests;
5. Meet with taxpayers wishing to discuss their valuations,
6. Meet with the City Manager and/or City Council upon request.
7. Consider all properly filed abatement requests by any taxpayer and after review and research, and provide dispositions to the applicant in writing.
8. Provide support and representation to the City in formal appeals to the BTLA or superior court;
9. Meet and work with State Monitors to ensure the Municipality is meeting all certification requirements of DRA and to maintain a good working relationship.
10. Perform annual assessment to sales ratio studies for the purpose of informing the City Administration of the need for assessment updates to remain compliant with RSA 75:8 - Revised Inventory.

City Responsibilities:

With respect to the support required of the municipality for coordinated activities of the City Assessors and staff, the City will provide the following items:

1. Adequate work space for the Assessor including desks, filing systems, CAMA system, paper supplies, networked printers and access to copy machines at no cost to the Contractor;
2. A full-time qualified and experienced Assessing Technician (must be fully versed in CAMA system usage and tax billing entry protocols, State Laws regarding assessment administration, and full familiarity with all timelines and deadlines with respect to assessing and appeals in NH);
3. The City shall ensure, at City expense, that hardware and software requirements, including systemic and systematic data backups as well as licensing and maintenance of required software's of the Assessor's Office will remain adequate for the conduct of the assessing function.
4. The City Assessing Technician shall forward any and all correspondence directed to the City Assessor immediately upon receipt including, not necessarily limited to:
 - a. Correspondence and/or reports from the Department of Revenue Administration,
 - b. Notices, schedules and correspondence from the Board of Tax & Land Appeals;
 - c. Notices, schedules and correspondence from the Superior Court;
 - d. Internal City memorandums of import to the Assessing Department;
 - e. Complaints from taxpayers;
 - f. Requests for assessment reviews and/or property inspections;
 - g. Incoming sales data from any source.
5. The City Assessing Technician shall be responsible for all input into the CAMA system, Tax Billing system and RealData systems resulting from transfers, field work, and file maintenance from the Assessing staff.
6. The City shall be responsible for the costs and processing of all mailings from the City Assessors Office.

Section 8: Cycled Inspections:

Consistent with the City's program of 5-year continuous cycled inspections, the following activities shall be provided by the Contractor:

1. Complete 'cycled inspections' of no less than 20% of improved properties in the City which will include an attempt to enter and inspect each improved property. Data collectors will utilize existing records, verifying or modifying data as they measure and inspect each property. Collection activities shall be performed in a manner consistent with the DRA Administrative Rules 601.16 and 601.13 in effect as of the signing of this Agreement.

- The City Assessor shall identify those properties scheduled for cycled inspection and inform the Assessing Technician of the identified properties.
 - Each property visited by a data collector will be completely re-measured with all data and property nomenclature verified as correct and/or corrected as found.
 - Upon conducting scheduled 'call-back' inspections, the data collector(s) shall visually review all buildings and conduct interior inspections, verifying or modifying data as they observe during the inspection.
2. It is understood that 20% inspections are inclusive of all inspections performed regardless of the nature or reason of the visitation so that the total inspections provided by the Contractor shall not be less than 20% of the improved parcels in the City over the course of the Contract period.

City Responsibilities:

1. The City Assessing Technician shall receive all collected data records from the City Assessor staff and enter all changed data into the CAMA system.
2. Corrected record cards will be printed, attached to the field card and forwarded to the City Assessor or the designated field supervisor.
3. The City Assessing Technician will identify all properties that received a visit from the data collectors where entry was not gained and will prepare and mail a first class letter, at City expense, requesting that the taxpayer call in to schedule and interior inspection.
4. The City Assessing Technician shall receive calls from taxpayers requesting an appointment for interior inspections and will schedule appointments on forms provided by the City Assessor, and will forward completed schedules to the City Assessor.
5. The City Assessing Technician will provide any follow-up data corrections to the CAMA system received from the data collectors as a result of call-back inspections.

Section 9: Cyclical Revaluation:

2013 has been designated as the City's 'values anew' year by the Department of Revenue Administration (DRA). Pursuant to DRA Rule 601.08, the Contractor shall perform a cyclical revaluation of all properties in the City.

9.1: Replacement Costs

Supervising appraisers shall conduct a thorough analysis of the current costs (as of 4/1/2013) to construct all manner of buildings, outbuildings and improvements for all classes of property. Sources of reference shall include Marshall/Swift Valuation Services and RS-Means Square Foot Costs as well as information gleaned from local building contractors to the extent this local information is available.

9.2: Building Schedules

Based upon the findings determined through the current cost study referenced in 9.1, building schedules resident within the CAMA system shall be modified to reflect these current costs for residential, commercial, industrial and institutional structures within the City.

9.3: Land Studies

The costs for acquiring lands of all nature will be investigated within the City. Sales and/or offerings for land within the City will be investigated. Should such an investigation provide an insufficient number for conclusions, the investigations shall include sales occurring in adjacent municipalities. Sales of commercial and industrial property lands shall also be expanded to include sales occurring in reasonably comparable locations.

9.4: Land Schedules

Based upon the findings of the land studies referenced in 9.3, land schedules resident within the CAMA system will be modified to reflect current land values.

9.5: Depreciation Studies

With new land and building schedules installed within the CAMA system, studies will be performed to determine the extent of physical depreciation occurring to buildings within the City.

9.6 Depreciation Schedules

Based upon the findings of the depreciation studies referenced in 9.5, depreciation tables resident within the CAMA system shall be modified to reflect current market conditions.

9.7 Abstraction Analyses

Once land, building and depreciation schedules are installed within the CAMA system, all properties will be re-priced. As a check against the findings determined through direct studies referenced above, abstraction analyses will be performed to ensure that the new schedules are reflecting market value.

These abstraction analyses will provide the basis for revisiting the modified schedules for possible adjustments. Such analyses could result in the modification of land, building and depreciation tables as well as the introduction or modifications of tables, schedules, algorithms, logarithms, story height adjustments and size curves so that the appraised values are reflective of current market conditions within the City.

9.8 Appraisal Application Manual

Based upon the previously referenced studies and findings, an appraisal manual will be produced as a reference guide to field appraisers. This manual will instruct appraisers in the application of schedules, influence factors to be applied to land and building values as they conduct final field reviews.

9.9: Field Reviews

Qualified appraisers, referencing the appraisal application manual, shall view each property in the field, parcel by parcel, block by block, verifying or modifying noted features, and applying physical, functional and economic depreciation as observed.

9.10 Supervisor Review

The appraisal supervisor and/or supervising staff shall review incoming appraisal work and review for consistency of appraisal guidelines provided. The supervising appraiser shall turn over the completed field appraisals to the Assessing Technician for encoding into the CAMA system.

9.11 Data Entry and Final Review

The City Assessing Technician shall key any changed data into the CAMA system and the supervising appraiser will price the file. At this time extended and stratified ratio studies will be performed. Based upon these reviews and final studies, modifications to groups or areas of properties may be modified as required.

9.11: Notices

An electronic list of properties and their respective appraised values will be generated by the supervising appraiser. The City Assessing Technician, using the electronic list provided, generate notices of impending assessments to all taxpayers, and facilitate mailings (at City expense). The notice shall advise the taxpayers of the availability of appraisers to meet with them to discuss their new assessment.

9.12: Informal Hearings

Using schedules provided by the Contractor, the City Assessing Technician shall receive phone calls from taxpayers wishing to speak to a staff appraiser, and schedule the appointments. The City Assessing Technician shall keep the supervising appraiser informed of meeting schedules. The appraisal staff will meet with any scheduled taxpayers and record concerns raised, answer questions and provide advice or assistance as required.

9.13: Final Reviews and Turnover

The supervising appraiser will review all informal hearing sheets and take appropriate actions as required. Once all concerns have been addressed, the CAMA file will be finalized and converted into 2013 assessments in preparation of the MS1 report.

9.14 USPAP Report

The contractor shall produce a USPAP compliant report which will convey the valuation program in detail.

The timeline for 'values anew' program will be as follows:

Activity	Begin	End
Cost Analysis	April 1, 2013	June 1, 2013
Land Analysis	April 1, 2013	June 1, 2013
Depreciation Analysis	July 1, 2013	July 31, 2011
Market Analyses	July 1, 2013	July 31, 2011
Table Installations	July 27, 2013	July 31, 2013
Impact Studies	August 3, 2013	August 7, 2013
Finalize File	August 10, 2013	August 14, 2013
Develop/Mail Notices	August 17, 2013	August 21, 2013
Informal Hearings	August 27, 2013	September 9, 2013
Follow-up	September 10, 2013	September 18, 2013
USPAP Report	November 25, 2013	January 30, 2014

This Agreement shall take effect on July 1, 2012.

Section 10. Signatories:

DRA Review:

Dept of Revenue Administration

Date

For The City:

Elizabeth Dragon, City Manager

Date

For the Contractor:

Wil Corcoran, Principal Consultant

Date

Witness: _____

Date / /2013