

# 2020 Assessing Department Budget - Discussion Document

## Introduction

The Assessing Department directs and manages the valuation and classification of all real property in the City, consistent with Minnesota Statutes and acceptable assessment practices with the goal of excellence in accuracy, transparency, and efficiency through the following initiatives:

- ✓ Physically inspecting all properties in the city.
- ✓ Setting values for all properties in the city on an annual basis.
- ✓ Responding to inquiries from members of the public about property values, taxes, and the property tax system.

## PBB Inventory & Costing Estimate

Program	hrs/yr	%
Inquiries and assistance	300	14%
New construction review	80	4%
Parcel records maintenance	940	45%
Parcel viewing	360	17%
Sales analysis	240	17%
Special programs administration	120	6%
Training	40	2%
<b>Total</b>	<b>2,080</b>	<b>100%</b>



The following includes some of the activities within each program element noted in the PBB estimate table above:

**Inquiries and assistance:** Answer questions from the general public, private appraisers, realtors, and/or City employees regarding ownership, property characteristics, assessment laws, property classification and the valuation process (both verbally and in report form) and develop tax estimates.

**New construction review:** Review building permits, inspect new construction to establish valuations for tax purposes.

**Parcel records maintenance:** Record annual valuation changes, review classifications, electronically transmit information to CAMA system and proofread records for accuracy.

**Parcel viewing:** View, physically inspect, measure and value parcels of property in accordance with a five year viewing plan and as otherwise necessary.

**Sales analysis:** Analyze, compare, and maintain current sales data on all classes of property for support of the assessment, prepare and analyze sales ratio reports and neighborhood trends and annually adjust valuations accordingly to assure a uniform and equalized assessment.

**Special programs administration:** send out, collect, review, and process applications for various special programs, especially the homestead program.

**Training:** Attend training to obtain continuing education hours required to maintain licensure, to enhance existing knowledge and acquire new.

Over the last two budget cycles, we have had a discussion about the staffing needs of the Assessing Department. The Department currently has two full-time positions—City Assessor and Assessing & Records Technician—which has been the case for at least the last 40 years. The City Assessor position duties are all assessing related. The Assessing & Records Technician position duties were modified as part of the compensation and classification study several years ago to include additional duties in the areas of special assessment searches, record retention, and elections.

Over that same 40 year period, the City of Alexandria has experienced significant growth, especially with the implementation of the Orderly Annexation Agreement with Alexandria Township, beginning in 2003. The city had 4,363 unique tax parcels in assessment year 2002. Annexation and natural growth increased that number to 4,818 for assessment year 2003 (Phase I annexation), 5,338 for 2006 (Phase II), 6,084 for 2009 (Phase III), and 6,647 for 2012 (Phase IV). As of the most current assessment year, 2018, there are 6,762 parcels in the city.

The Assessing Department has kept pace with the additional workload related to this increase in parcels due to several factors:

- Some of the annexation parcels—particularly in Phase II—have been vacant land, which do not require the same amount of assessing resources;
- New technology, including improvements in the computer system used to manage parcel data and using iPads in the field; and
- Improvements in processes used to manage parcel records, most notably eliminating paper records in favor of electronic record storage and maintenance.

As the number of parcels continues to grow and the Minnesota property tax law continues to add programs and complexity, however, it is clear that the Assessing Department needs to consider additional staff for the continued efficient completion of department programs. Discussion of that topic is focused on a part-time position for the immediate future, with the likely need for another full-time position in the next five years.