REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

Tracking Number: 14

Date of Request: August 27, 2008

Date Request Received: August 28, 2008

Board Meeting Date Requested: September 2, 2008

Board Meeting Date Assigned: September 2, 2008

Short Title: A Resolution To Authorize The Pender County Manager To Negotiate A Contract With Assessment Solutions, Inc. For The 2011 Revaluation In An Amount Not-To-Exceed $15.00 Per Parcel.

Background: The County is required by G.S. 105-286 to complete a Reappraisal by January 1, 2011. The Pender Board of County Commissioners approved the Request For Propsals from revaluation contractors on August 4, 2008 for the BOCC's consideration. The proposals have been received and evaluated by the Pender County Tax Assessor. It is the humble recommendation of the Tax Assessor that the Pender County Board of Commissioners approve a contract with Assessment Solutions, Inc. The Tax Assessor recomends that the County choose Option B in the Proposal submitted by Assessment Solutions, Inc. This will require the Tax Assessor's Office to utilize two staff Appraisers non-exclusively to assist the Contractor in completing the Revaluation. The Tax Assessor's Office believes this option will net significant savings to the County.

Specific Action Requested: The Pender Board of County Commissioners is requested to authorize Rick Benton, the Pender County Manager, to finalize negotiations for a contract with Assessment Solutions, Inc. in an amount not-to-exceed $15.00 per parcel. This approval would expedite the commencement of the 2011 Revaluation. The Tax Assessor believes immediate commencement is warranted to allow sufficient time to complete the Revaluation before January 1, 2011.

Requested by:	Coby S. Heath
Department:	Tax Office
Title:	Tax Assessor
Contact Phone:	910-259-1256
Contact Fax:	259-1482

Request Status:

- ☒ Request is proceeding to Board of Commissioners
- ☐ More information is needed – see attached
- ☐ Request on hold – no further information needed
- ☐ Other:

(Administrative Use Only)

CONTRACT TYPE

- ☐ Renewal
- ☐ Revision
- ☐ For Service(s)
- ☐ For Equipment
- ☐ Intergovernmental – County as Grantee
  - ☐ Federal Grantor
  - ☐ State Grantor
  - ☐ Grantor
- ☐ County as Grantor
  - ☐ County Funds
  - ☐ Other Funds:

PURCHASING
Date Rec'd:
Budgeted Item: ☐ Yes ☐ No
☐ Reviewed and Approved
☐ Comments on Reverse
Date Sent:
Signed:

ATTORNEY
Date Rec'd:
☐ Reviewed and Approved
☐ Legal Problem(s)
☐ Comments on Reverse
Date Sent:
Signed:

FINANCE
Date Rec'd
Sufficient Funds ☐ Available ☐ Not Available
☐ Budget Amendment Necessary
☐ Budgeted Amendment is Attached
☐ Comments on Reverse
Date Sent:
Signed:

CLERK
Signature(s) Required:
☐ Board Chairman/County Manager
☐ Other:
Date Rec'd
Approved by Board: ☐ Yes ☐ No
At meeting on

MANAGER'S RECOMMENDATION:

Respectfully Recommend Approval.

RB
Initials

NOW, THEREFORE, BE IT RESOLVED, by the Pender County Board of County Commissioners that

the Board authorizes Rick Benton, the Pender County Manager, to negotiate a contract with Assessment Solutions, Inc. for the 2011 Revaluation in an amount not-to-exceed $15.00 per parcel.

AMENDMENTS:

MOVED_____ **SECONDED**_____

APPROVED_____ **DENIED**_____ **UNANIMOUS**_____

YEA VOTES:

Williams___ Tate ___ Blanchard ___ Brown ___ Rivenbark ___

_____ 09/02/08
J. David Williams, Jr., Chairman **DATE**

_____ 09/02/08
ATTEST **DATE**

2011 REVALUATION PROPOSALS BY CONTRACTORS

Contractor/Bidder (in alphabetical order)	Turn-key Bid For 47,000 Parcels	Price For Photos	Total Turn-Key Cost Per Parcel With Photos	Total Cost Per Parcel	Option: Use 2 County Staff Appraisers Nonexclusively	Total Optional Cost Per Parcel With Photos	Unlimited Time for Appeals	Indicated Willingness To Negotiate	Location of Home Office	Primary Market Area	Recent Eastern NC County Revaluations 2006 to Present
Assessment Solutions, Inc.	$886,000	$2.00	$940,000	$20.00	$705,000	$15.00	Yes	Yes	Garner, NC Johnston County	Eastern NC	Bladen, Franklin, Martin, Wilson, Yancey
Pearson Appraisal Service, Inc.	$1,222,000	$2.75	$1,351,250	$28.75	$1,034,000	$22.00	Yes	Yes	Richmond, Va.	National	Alleghany, Camden, Chowan, Duplin, Jones, Pasquotank, Perquimans
Tyler Technologies, Inc.	$871,380	No charge	$871,380	$18.54	no written offer	N/A	Limited -40/10/5 days - $600/800/1000	Yes	Dayton, Ohio	National	2003 Johnston Co. only- "trying to get back in Eastern NC market"
Wampler Eanes Appraisal Group	$984,650	$1.50	$1,055,150	$20.95	$869,500	$18.50	One year - $75 per hour plus travel expense	Yes	Dale, Virginia	Virginia/ Western NC	None

Prepared by Coby S. Heath, Pender County Tax Assessor

2011 REVALUATION PROPOSALS BY CONTRACTORS

Contractor/Bidder (in alphabetical order)	Doing Busines s	Size of Company	Office Space Needed by Contractor	NC Appraisal Board Certified	Local Appraisal Staff	Knowledge of Southeast NC Market	Timing for Company	Knowledge & Ability To Technology	Knowledge of Pender's PAAS CAMA Software	Training to Pender Co. Staff Offered	Mobile Computer Hardware Provided
Assessment Solutions, Inc.	7 years	Small	No	All	All	Good	Good	Good	Good	Yes	Yes (transfers to County after project)
Pearson Appraisal Service, Inc.	27 years	Large	Yes	None	Some	Average	Good	Average	Good	No	Not listed in proposal
Tyler Technologies, Inc.	70 years	Large	Yes	None	No (no experience in NC)	Average	Average	Average	No experience	No	Yes (contractor retains)
Wampler Eanes Appraisal Group	9 years	Moderate	Yes	2 Appraisers	No (limited experience in NC)	Very Limited	Average	Average	Good	No	Not listed in proposal

2011 REVALUATION PROPOSALS BY CONTRACTORS

Contractor/Bidder (in alphabetical order)	Overall Reputation	Comments:						
Assessment Solutions, Inc.	Good	Knowledgeable staff, known for high quality work						
Pearson Appraisal Service, Inc.	Average	Known for high volume, low quality work						
Tyler Technologies, Inc.	Fair-to-Average	Not known for high quality work - in 2003 Johnston County work was inferior						
Wampler Eanes Appraisal Group	Unknown - Limited work in NC	Work quality unknown as volume of work in NC has been limited						

Prepared by Coby S. Heath, Pender County Tax Assessor

Legend to Revaluation Proposals Spreadsheet

The purpose of this legend is to explain and illustrate the significance of the information in each column of the spreadsheet. This information will help the reader understand the analysis of determining the best option for Pender County.

Turn-key Bid For 47,000 Parcels – It is anticipated that Pender County will have no more than 47,000 parcels before January 1, 2011. Listed in this column, is the price that would be paid for a complete revaluation. The Contractor will provide all field appraisers and all personnel to complete the project entirely.

Price For Photos – The price of the front and rear photos are an option for the county and are priced separately. Proposed current photos would be multi-purpose. They would be helpful to the tax office in providing visual information. Many times these photos prevent expensive field trips to verify data. They are also helpful during the appeal process as evidence. These photos are also made available on the County's 911 website to the EMS and the Sheriff's office. Emergency personnel and law enforcement officers can access these photos of the dwellings en route to a call. The photos are used to verify that personnel are at the correct address.

Total Turn-Key Cost Per Parcel With Photos – With 47,000 estimated parcels, this amount is the total cost of a turn-key reappraisal for the Contractor listed.

Total Cost Per Parcel – This is the total cost per parcel for a turn-key contract (Contractors does everything). This is the amount that would be applied to the actual number of parcels as of January 1, 2011 and would be the amount the county would be billed for.

Option: Use 2 County Staff Appraisers Nonexclusively – I believe this is the best buy for Pender County. This is an opportunity to cut the cost of the revaluation and remain under budget. This plan will require that two of our three staff appraisers participate in the field work of the revaluation. Currently our staff members are assigned work for new construction and additions from permits obtained from the Inspections department. The assignments are often miles apart and require traveling time. In the revaluation process, properties are inspected in consecutive order... inspecting one house beside the other. With this method, our appraisers produce a revaluation appraisal and a current year appraisal with one trip. By merging the work assignments, two appraisers will be free to assist with the revaluation.

This method would be a significant opportunity to train our young staff along with experienced appraisers. It would familiarize them with the new methods and techniques of the 2011 revaluation.

Total Optional Cost Per Parcel With Photos - The total cost of a "blended" reappraisal utilizing two county staff appraisers. The per-parcel cost amount for each Contractor is listed.

Unlimited Time for Appeals – The County's request-for-proposal requires that the Contractor have an appraiser present to defend the values during the entire appeal process. This includes all levels of appeals; from the informal conference with the Tax Assessor, to the Board of Equalization and Review, and to the NC Property Tax Commission. Two of the Contractors/bidders limit their participation. Tyler Technologies, Inc.'s limitation may add significant hidden cost to the project. Depending on the number of appeals, the Board of Equalization and Review may hold appeal hearings through the entire summer of 2011. This would far exceed the 10 days allotted by Tyler. The overage cost to the County by Tyler would be $600 per day for informals, $800 per day for the Board of E&R, $1,000 per day for the NC Property Tax Commission.

Indicated Willingness to Negotiate – All of the bidders have verbally indicated to me a willingness to negotiate any custom changes to a contract with the County. With negotiating efforts, the County may be able to get a better value than currently proposed.

Location of Home Office – This is a very important factor in considering any appraiser; whether it is a fee appraisal for a bank or a mass appraisal for a county revaluation. A widely recognized general principle in the appraisal industry is: "the more local the appraiser, the greater the level of competence and quality."

Primary Market Area – This is closely related to the above paragraph. Better quality can be expected from the appraiser's primary market area. More weight of consideration should be given to the Contractor whose work is primarily focused in North Carolina. Tax laws can differ tremendously from state to state. For example, Virginia requires annual revaluations. The probability of statutory compliance should be greater with a Contractor that focuses their work in one state.

Recent Eastern NC County Revaluations 2006 to Present - This is a list of the Eastern NC counties in which the Contractor has worked on since 2006.

Doing Business - This is the age of the revaluation company. Longevity is an asset.

Office Space Needed by Contractor – The Tax Assessor's office can accommodate the office needs of the Contractor. Assessment Solutions, Inc. has indicated that their company will not need office space. Most of their field appraisers permanently reside in Bladen County. They will drive over each day and work from their car and home.

NC Appraisal Board Certified – the minimum state requirement for property tax appraisers in NC is that they be certified by the NC Department of Revenue. NC Appraisal Board Certified appraisers are required to have a much higher lever of training and education. These licensed appraisers may perform appraisals for lenders, attorneys, mortgage brokers, estates and any other job that they have competency in. The NC Appraisal Board certification is a true measure of the quality of the appraisal staff of the Contractor.

Local Appraisal Staff – the area of residency of the appraisal staff of the vendor is as important as the location of the Contractor. Again, the location of the staff members is directly related to the quality of the appraisals that will be performed.

Knowledge of Southeast NC Market – The Southeastern NC market is unique with beach properties and tremendous growth. The Contractor's prior experience and knowledge of this market is very helpful.

Timing for Company – Depending on their size, all appraisal companies have limited capacity. The timing of the County's revaluation is a key indicator to determine if the revaluation company is over-extending their capabilities. This problem will be manifested in the form of a late revaluation and a violation of state tax laws. It appears that Assessment Solutions, Inc and Pearson Appraisals are in nearby counties. They would end their operation in the respective nearby county and began a new operation in Pender using the same personnel. The other two bidders are not close by.

Apparent Knowledge & Efficient Use of Technology – We will be using Mobile PAAS software to collect and calculate values in the field. This software will enable the revaluation vendor to work more swiftly with more productively. The concept encouraged lower bids and there will be a net cost saving for the county. In the interviews and conversations with the bidders, I inquired to determine the technology savvy and abilities of each company. Greater know-how equals better quality and an earlier completion date. The four bidders range from using antiquated methods of data collecting to up-to-date knowledge and use of computer software.

Knowledge of Pender's PAAS CAMA software – Prior knowledge of the use of Keystone PAAS, Pender County's system software, will expedite production with fewer mistakes. All but one vendor has used Keystone products in previous jobs.

Training to Pender Co. Staff Offered – Assessment Solutions, Inc. offered to train the Pender County staff in the methods and techniques of revaluation. Our young staff would be enhanced significantly. This could provide a foundation and option for the Pender staff to choose an in-house method in the next revaluation after 2011. Without this assistance, the Tax Assessor's office would have to provide this training internally. The appraisers will need to know the methods and techniques applied in revaluation to enable them to perform annual appraisal work after the 2011 revaluation has been completed.

Mobile Computer Hardware Provided – Assessment Solutions, Inc will purchase new tablet PCs to be used in the field work. These tablets would be transferred to Pender County after the completion of the project.

Overall Reputation & Comments – The evaluation of the reputations of the bidders is my opinion. The opinion of each Contractor's reputation was formed in part from comments in consultation with other Tax Administrators. They were also derived from my personal experience of working in Tax Offices after two of these Contractors performed revaluations. These opinions also were formed from information provided to me by staff members of the counties I worked for. I worked in Johnston County after the 2003 Tyler Technologies, Inc revaluation and for Pitt County after the 1995 Pearson Appraisal Service, Inc. revaluation. My opinions are limited to my personal experiences.

Rick Benton

From: Coby Heath [heathc@pender-county.com]
Sent: Thursday, August 28, 2008 1:36 PM
To: Rick Benton
Subject: information for BOCC's consideration!

Rick,

The purpose of my letter is to share my concern about the resolution I am proposing on Tuesday about the 2011 Revaluation. I am proposing that the Commissioners approve a contract with Assessment Solutions, Inc. There will be a tremendous amount of information submitted to the Commissioners in a short amount of time in an open public forum. To assist, please let me outline my reasons for this recommendation.

The first issue is choosing the option to use two of our staff appraisers. This will generate a tremendous savings for the County. The savings will be $235,000. Assessment Solutions, Inc. has agreed to help pick up our annual field work which will free up these two appraisers. Assessment Solutions, Inc is a small company compared to some of the conglomerates in this business. They feel comfortable having the additional help. It's a win-win situation for the Contractor and the County.

At the first of the summer, I called and introduced myself to Tim Cain, the owner of Assessment Solutions, Inc. My contact was based on the advice of highly respected Tax Administrators recommending this company. Since that time, I have met with Mr. Cain in person to discuss this project. I was impressed with his company and felt like he was a good fit for Pender County. Please let me outline why I chose Assessment Solutions, Inc.:

- For the option I have chosen, Assessment Solutions, Inc. submitted the ***lowest bid***.
- I anticipate a much ***higher quality*** reappraisal from this company. It is imperative that we get a good product with this revaluation. Given the tremendous growth we've experienced in eight years since the last appraisal, many uninformed taxpayers will be stunned and outraged at their new market value appraisal. Senior citizens on fixed incomes will feel devastated. The Tax Assessor does not need add to this problem with poor quality appraisals. I can think of no other way to say this other than we would have a tee-total mess on our hands if don't get a quality revaluation.
  Each member of Assessment Solutions, Inc.'s staff is a state licensed appraiser with very good experience. That's impressive. Most reval companies sprinkle in a few veteran tax appraisers and then hire local warm bodies without legitimate experience.
- Assessment Solutions, Inc. is a ***local company***. Their office is located in Johnston County, but most of their employees were born and raised in Bladen County. Many still reside there. It is significant in the appraisal business that you have a thorough knowledge of the area you are working in. From my personal experience of appraising real estate for 30 years, I can say without hesitation that an appraiser can do a much better job in his home area. These appraisers grew up going to Pender beaches and traveling throughout County. If you are from Ohio or West Virginia, it is very tough to appraise property when you have a road map in one hand and a clip board in the other. Without knowledge of the area, it all looks alike.
- Assessment Solutions, Inc. has very capable personnel that are technology and ***computer savvy***. We will be using a state-of-art technology with our Mobile PAAS software. Some of the companies were very shy about this technology. Our IT people met with Mr. Cain and we all were impressed by his apparent technological knowledge and capabilities.
- This is a good fit and ***good timing*** for Assessment Solutions, Inc. This company is a small business and only works on two projects at a time. They are currently finishing a revaluation project nearby. If they are contracted by Pender County, they will be working in Pender and Johnston Counties. This is good as additional staff will be a short trip away. They can divert resources easily between these projects. Most reval companies have multiple projects and require air travel to get from one project to the other.
- Assessment Solutions, Inc. has ***offered additional benefits*** to the County that others have not. They will purchase tablet PCs and give them to the County after the project completion. They will train our appraisal staff in their methods and techniques so that the County staff will be prepared to conduct their non-revaluation work after the company is gone. While here they will assist the County's appraisal staff with new construction work so that two staff members can be freed up to work on revaluation.
- Assessment Solution, Inc is a ***best buy and best value*** for Pender County. The price of $15.00 per parcel is very competitive. Below are examples from other counties. Some of these costs are from older bids as they were bid on two years before the revaluation year.

County	Revaluation Year	Cost Per Parcel
Bladen	2007	14.41 (final cost)
Davidson	2010	24.00 (final cost)
Martin	2009	17.36 to 25.00 (bids)
Wilson	2005	15.54 to 23.27 (bids)
Alleghany	2007	24.65 (final cost)
Alexander	2007	19.57 (final cost)

I hope this enlightening toward my analysis and the basis for my recommendation. If I can be of further assistance, please let me know.

Coby