City Assessor

October 8, 2013

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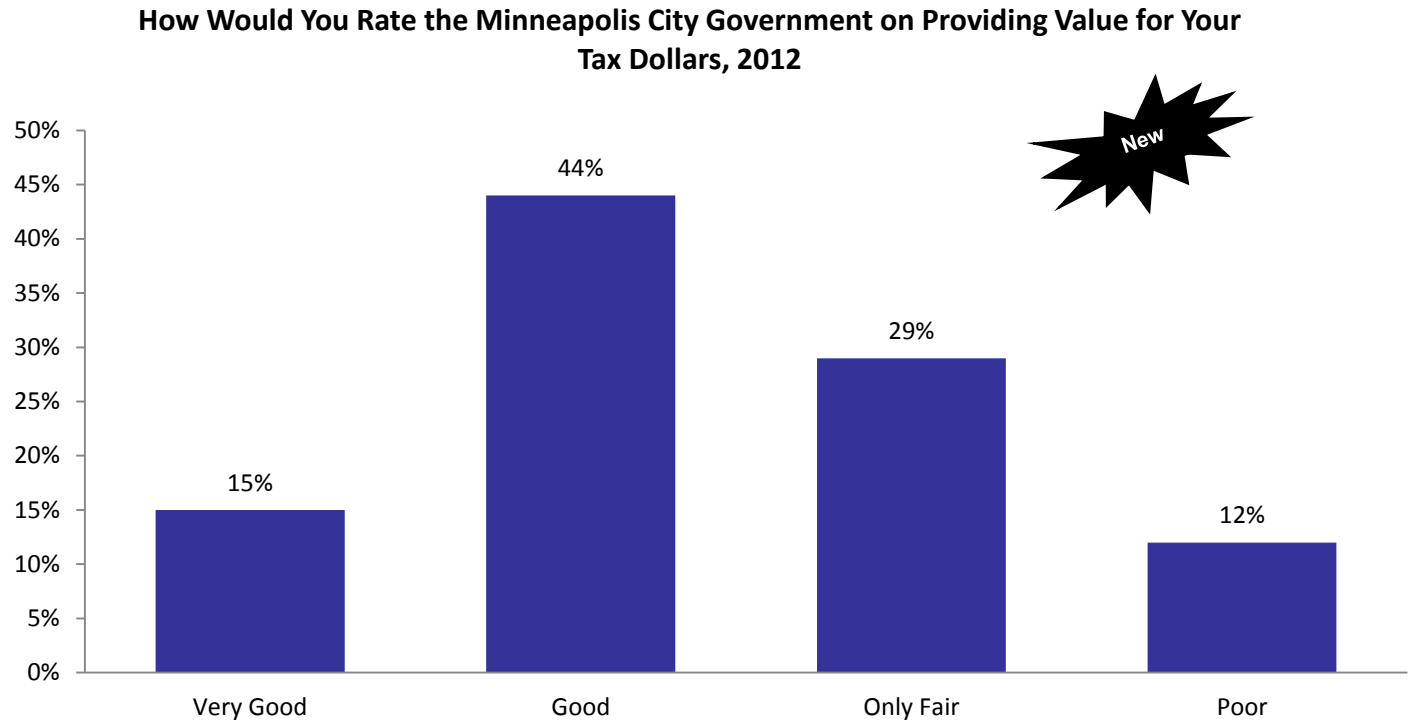


Source: 2012 Resident Survey

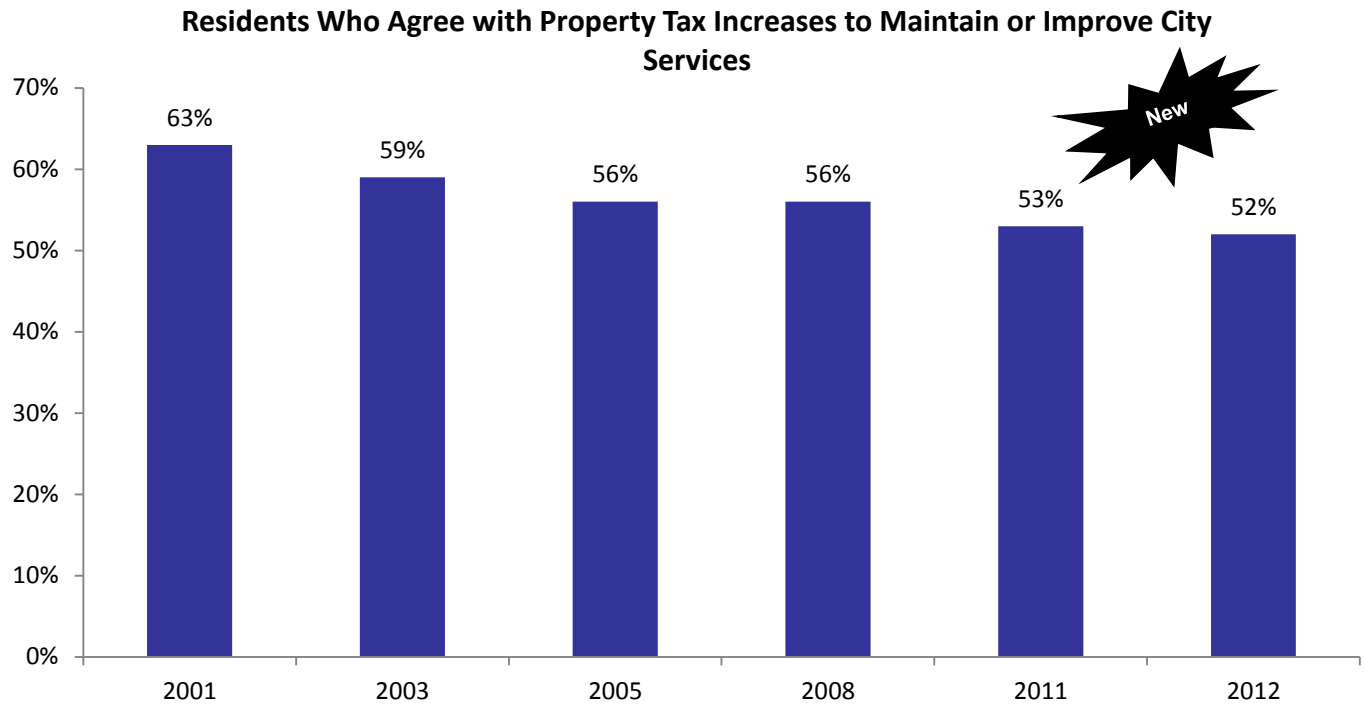
Why is this measure important?

Taxes put out fires, keep our streets safe, provide our children with education, provide our families with health care, ensure our food and water are safe, create legal safeguards for businesses and employees, provide parks – in other words, provide us benefits every hour of the day, every day of the year. Property taxes directly fund these City programs and services which, in turn, can influence the appreciation or depreciation of property values in a neighborhood depending on the efficiency and effectiveness of the services provided. When taxpayers perceive Minneapolis as providing value for their tax dollar, residents and business owners are more likely to stay and drawn to invest and grow in the city.

What will it take to make progress?

Some taxpayers understand and appreciate the relationship between their taxes paid and the services they receive, while others do not. The lack of understanding of the relationship between taxes paid and services received may result in residents choosing "only fair" or "poor" categories. The City Assessors Office (CAO) will develop a short, but impactful, educational statement that will be used consistently with the public to help them understand the relationship between taxes paid and services received.

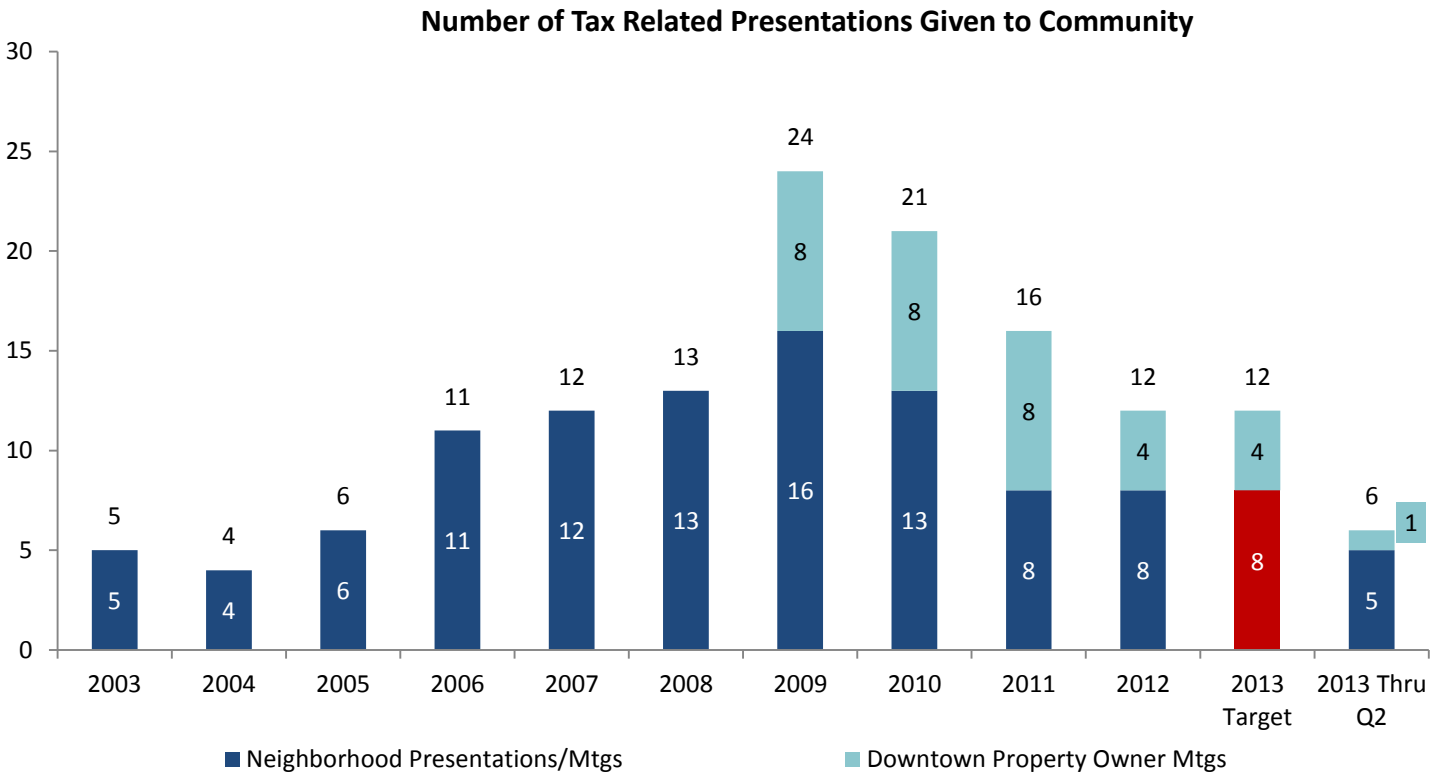
Transparent and Accountable Property Tax System



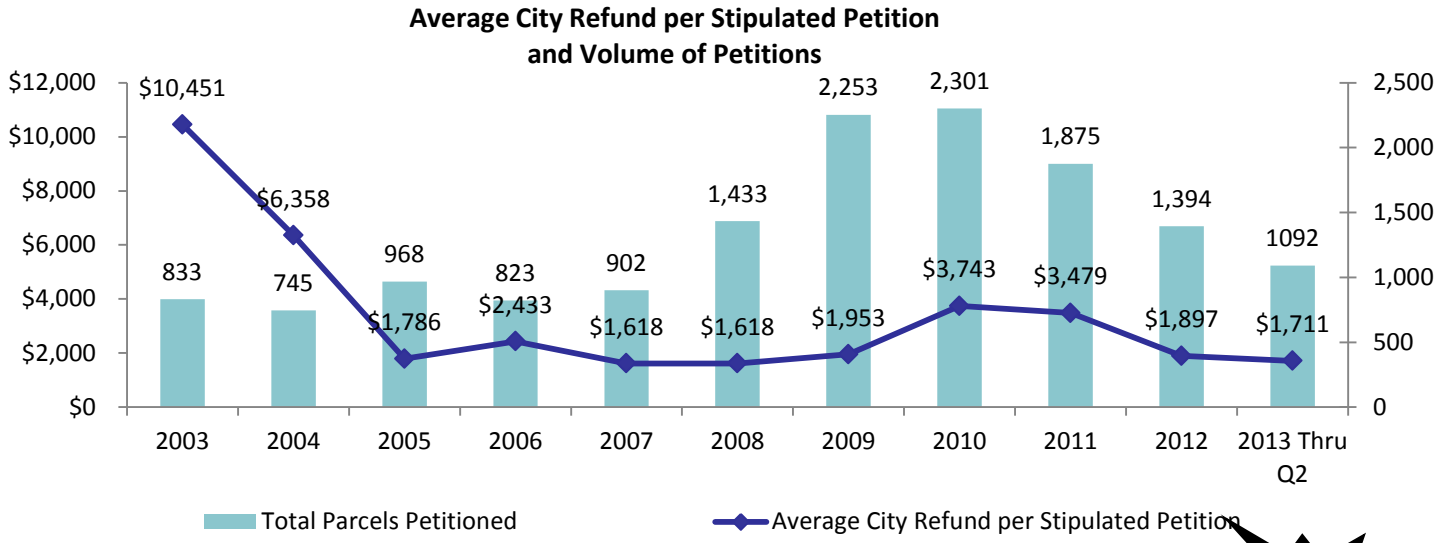
Note: Percent of persons reporting "Agree" or "Strongly Agree"
Source: Resident Surveys

Why is this measure important?
There is a complex relationship between taxes paid and the amount or type of services provided to Minneapolis residents. Tax increases are generally unpopular unless there is at least a partially offsetting benefit to the taxpayer or the community. To that end, residents need to understand the relationship between their tax dollars and the range and depth of city services that are paid for by those dollars.

What will it take to make progress?
Neighborhood meetings are the most effective way to engage and educate residents about the property tax system. The CAO will partner with NCR to identify neighborhood groups throughout Minneapolis (with an emphasis on underserved communities) to give property tax presentations. Presentations will focus on property taxes and the value and benefits City services provide and how that correlates to a growing community and a developing tax base. Additionally, the CAO will ensure that staff are able to guide residents with concerns about this relationship to the appropriate representatives on the City Council.



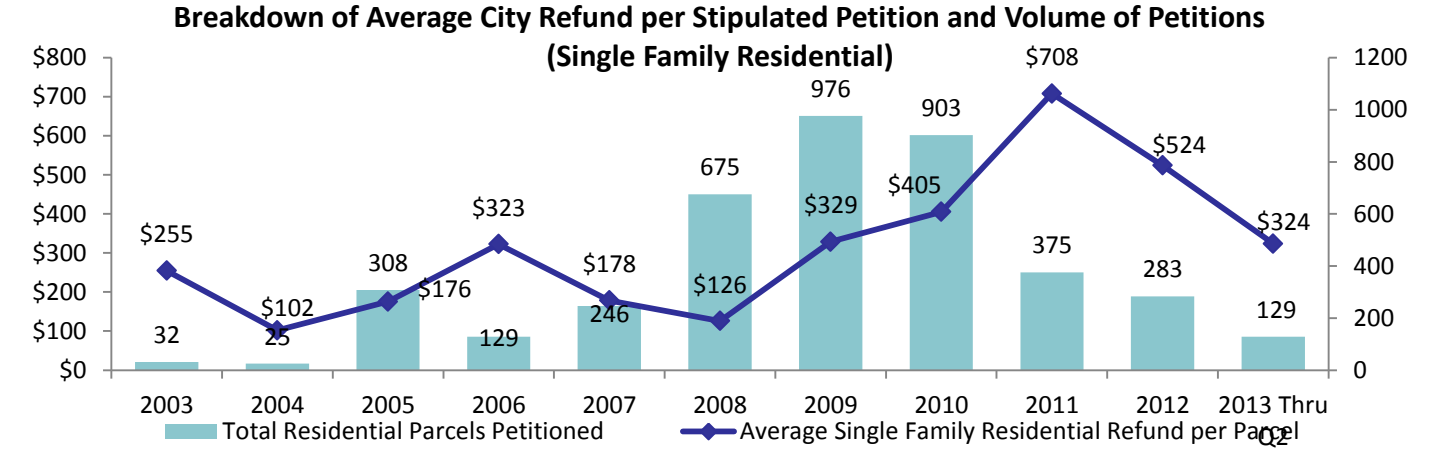
Source: Assessor's office



Note: A stipulated petition results in a changed assessed value

Source: Assessor's Office

New



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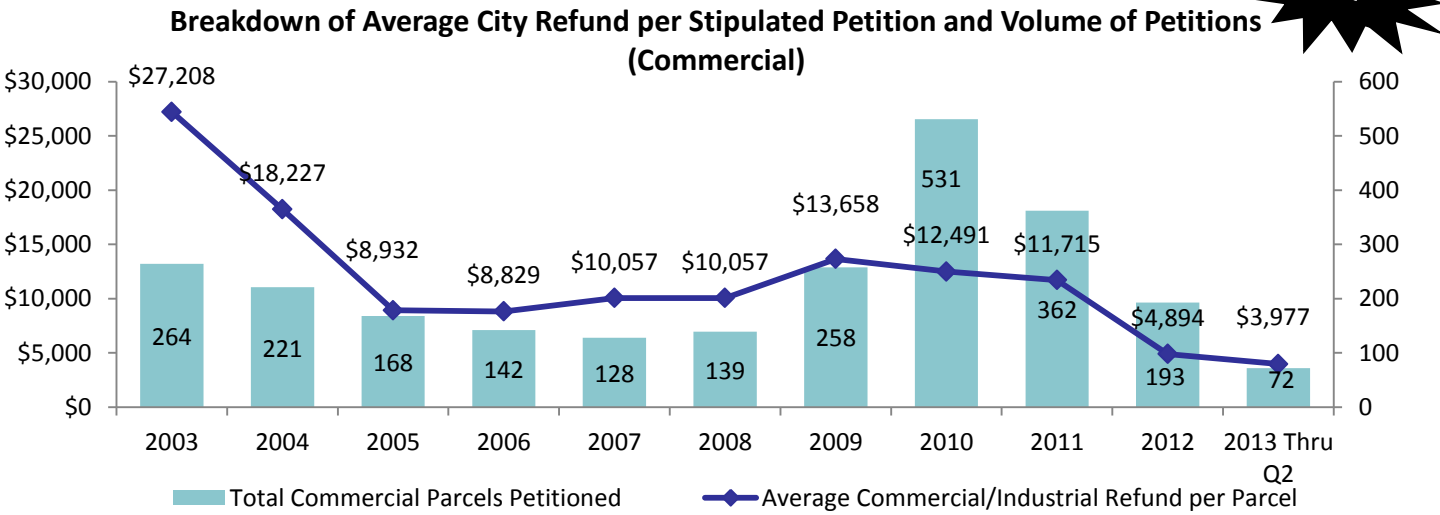

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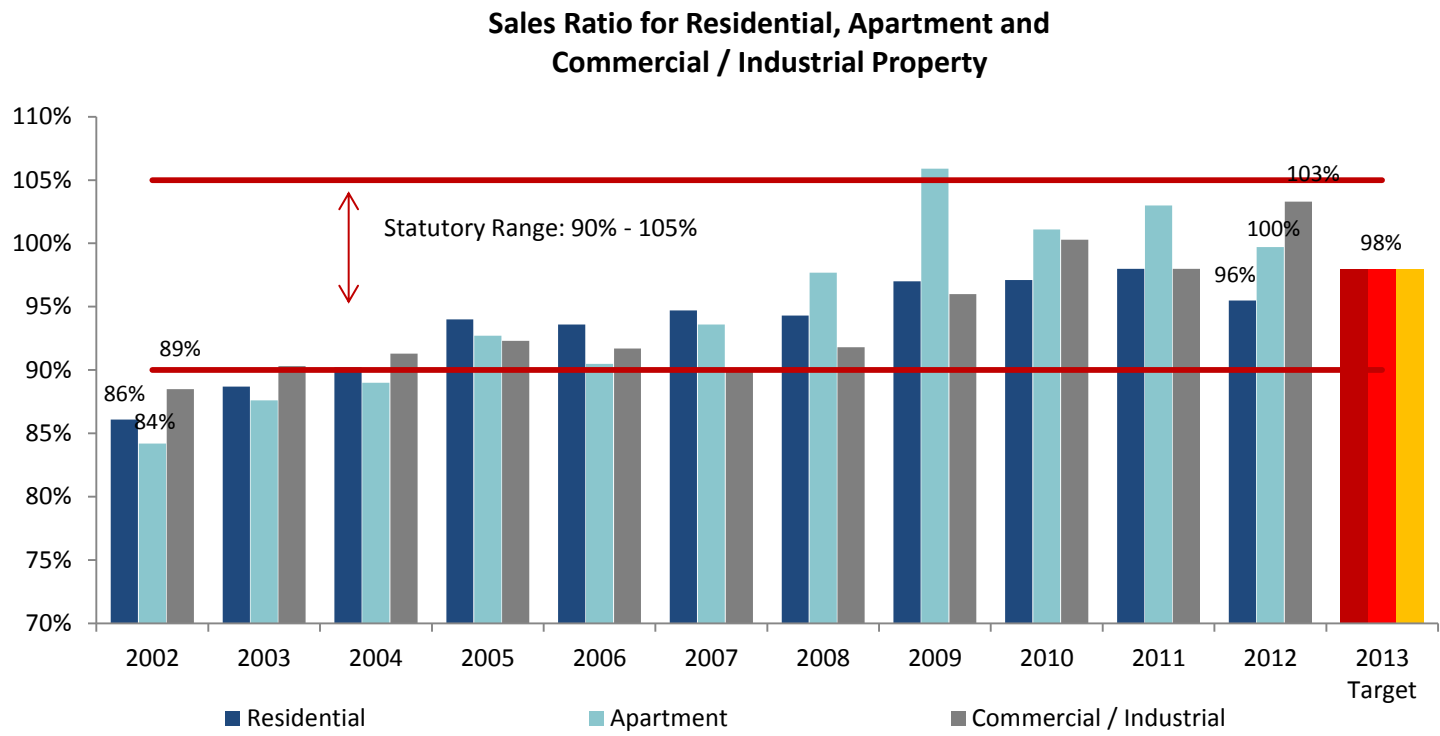
Accurate & Efficient Work



Source: Assessor's Office

Why is this measure important?

The Sales Ratio study is conducted by the Department of Revenue (DOR) to measure and verify assessors' assessment level and if the actions of the assessor's office are correctly mirroring real estate activity in the market. Sales ratios in the 90 to 105 percent range for all three property types indicate a high degree of accuracy and uniformity in the department's valuation practices and results in a fair distribution of property taxes for taxpayers. Ratios outside the 90 to 105 percent range result in significant increases in petitions filed in tax court and an increased workload for staff. Losses in tax court reduces the City's levy collection rate and shifts the tax burden to other property owners.

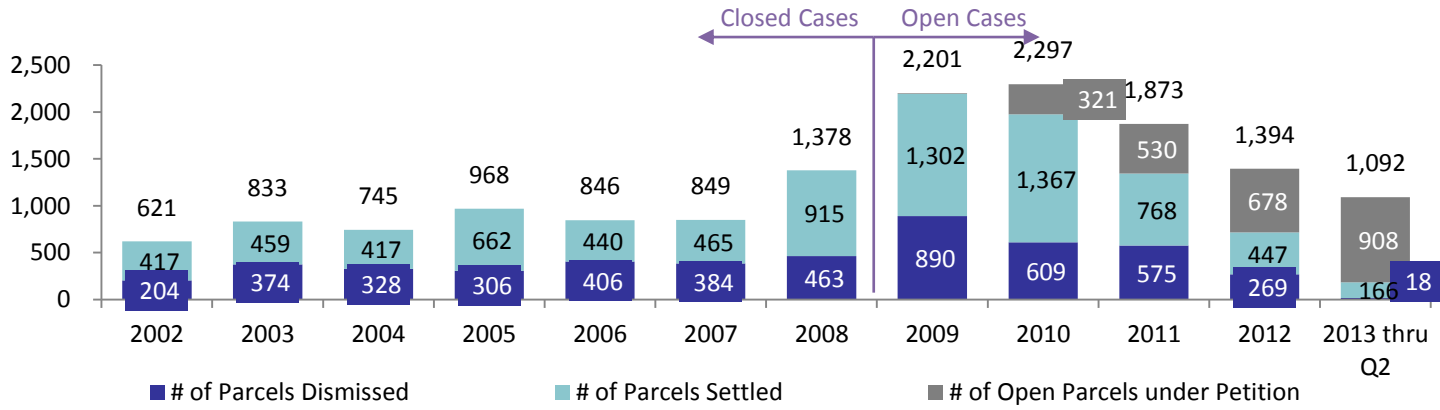
What will it take to make progress?

To ensure and improve the accuracy of our assessments we need to:

- Increase communications with the Minneapolis Board of Realtors and the Appraisal Institute to identify changes in the real estate market sooner and with greater precision;
- Reduce appraisal staff time dedicated to petitions (counter productive given the current tax court trend) and increase staff time inspecting properties, working with brokers and verifying sales data;
- Continue creating and refining Computer Assisted Mass Appraisal (CAMA) models;
- Collect market data from external sources to track neighborhood changes and trends as factors impacting valuations and healthy housing; and
- Hire more appraisal staff with an emphasis on tax court litigation to alleviate the workload demands on staff and vigorously defend property values.

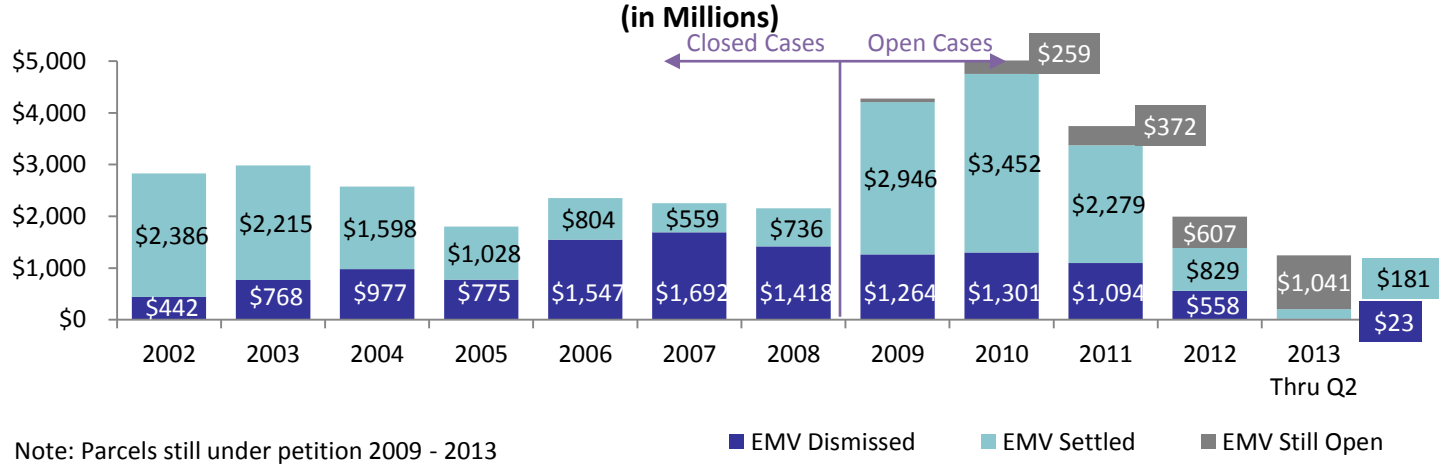
Tax Court Cases and Outcomes												
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 Thru Q2
Number of cases petitioned by year	305	426	380	363	349	321	337	517	636	548	471	328
Number of open cases remaining	-	-	-	-	-			6	31	86	175	255
Number of parcels petitioned	621	833	745	968	864	849	1378	2201	2297	1873	1394	1,092
Number of parcels dismissed	204	374	328	306	406	384	463	890	609	575	269	18
Number of parcels still under petition	-	-	-	-	-	-	-	9	321	530	678	908
Value of outstanding parcels under petition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$64M	$259M	$372M	$607M	$1B

Tax Court Petitions (by Parcel Count)



Note: Parcels still under petition 2009 - 2013
Source: Assessor's Office

Success in Achieving Dismissals, by Estimated Market Value (in Millions)



Note: Parcels still under petition 2009 - 2013
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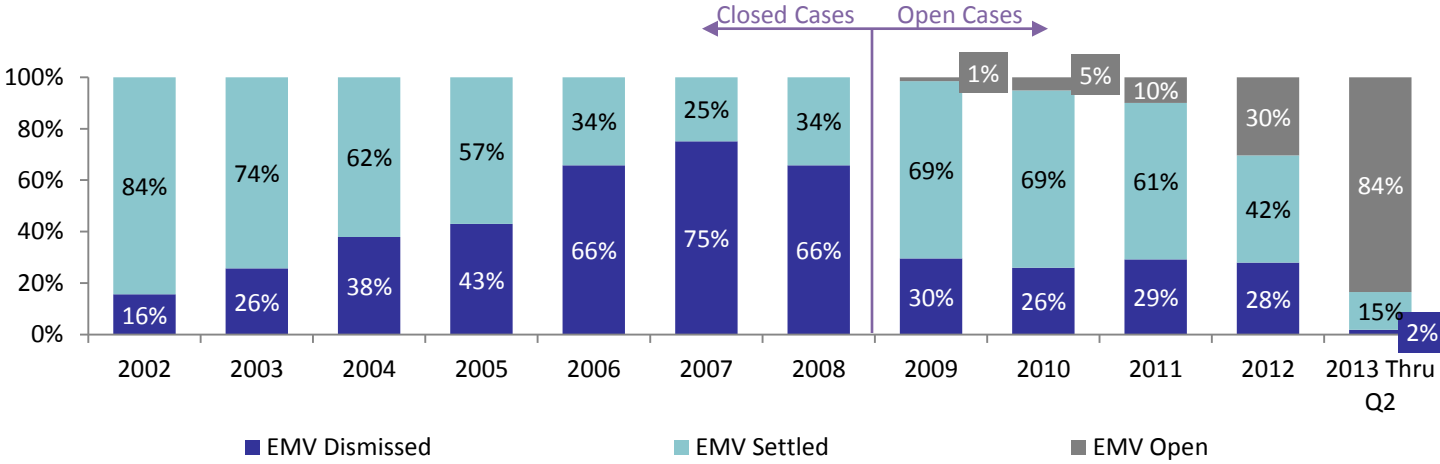
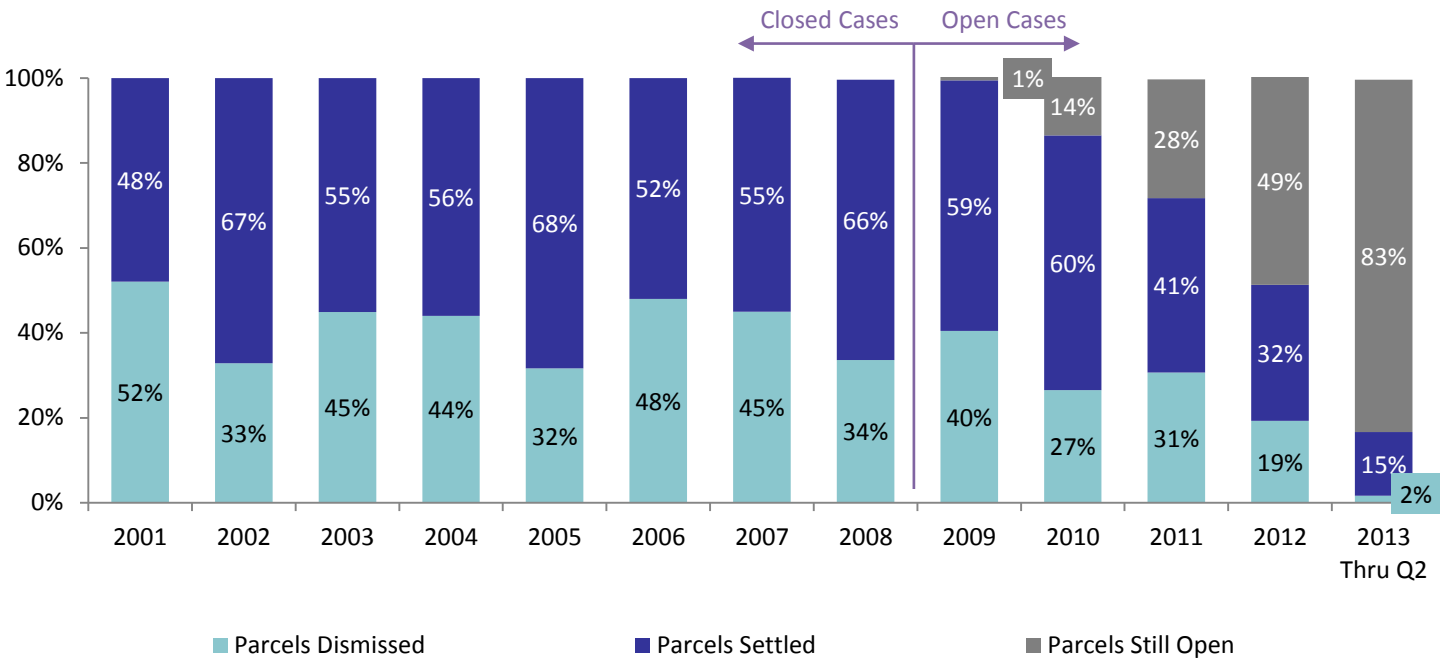
Success in Achieving Dismissals, by Estimated Market Value (%)



Note: Parcels still under petition 2009 - 2013
Source: Assessor's Office

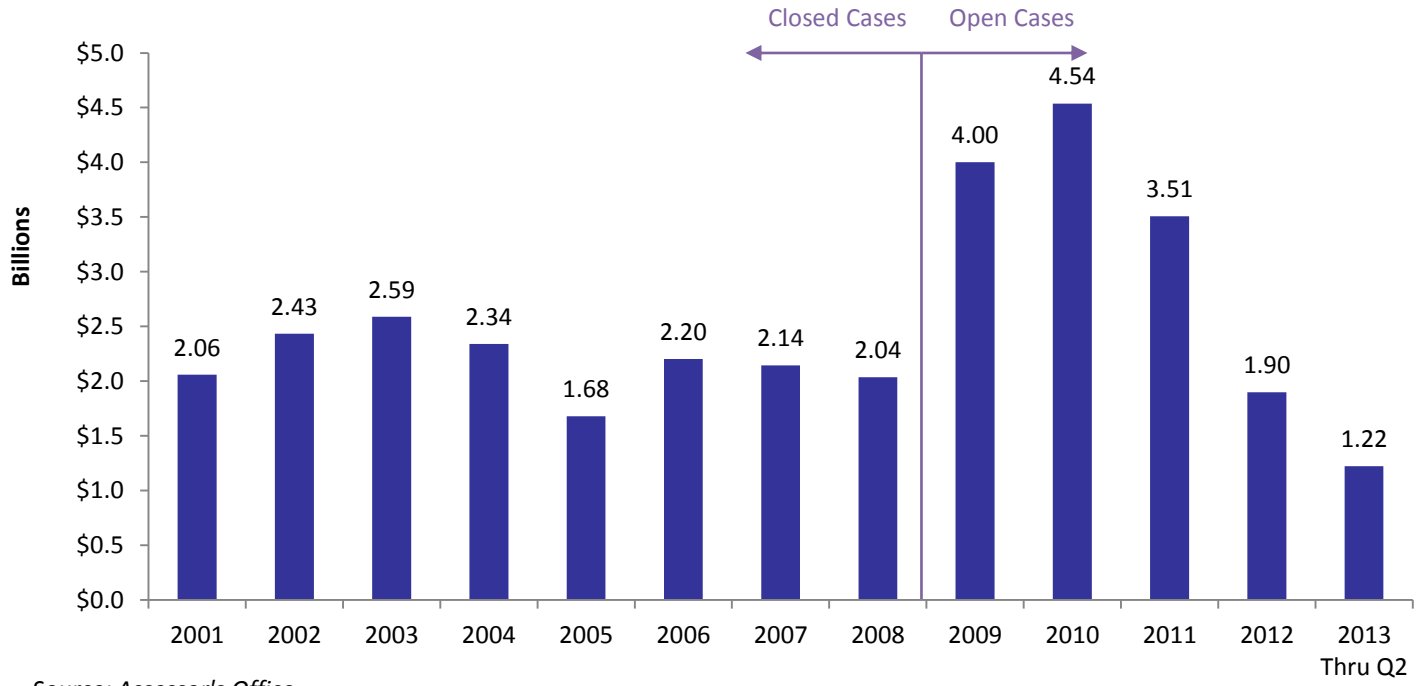
Success in Achieving Dismissals, by Parcel (in Millions $)



Note: Parcels still under petition 2009 - 2013

Source: Assessor's Office

Amount of EMV Retained



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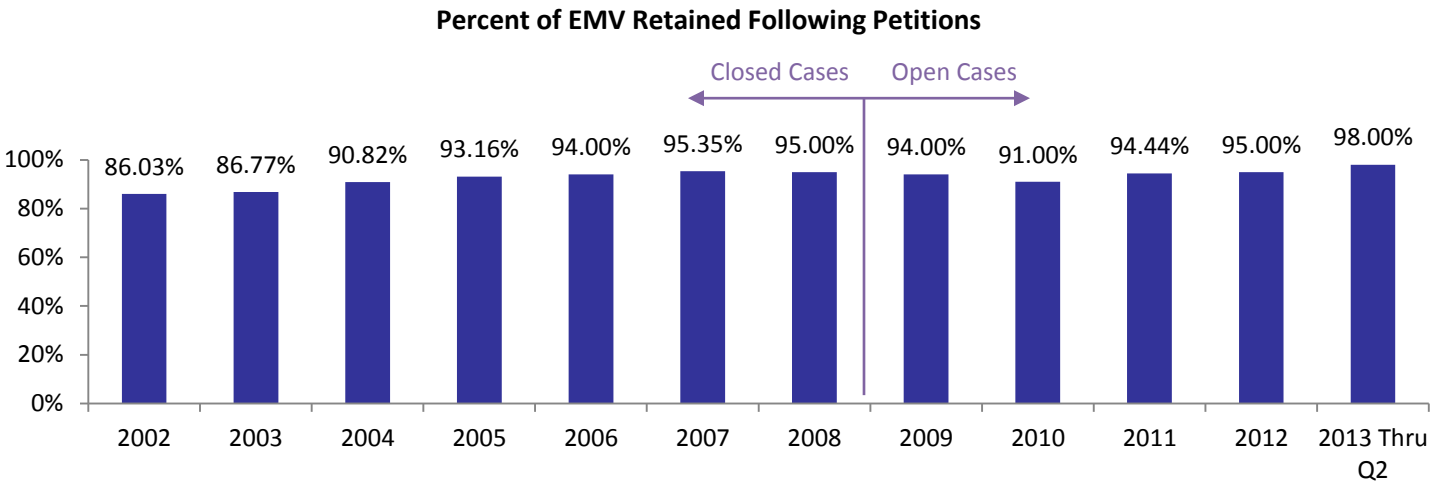

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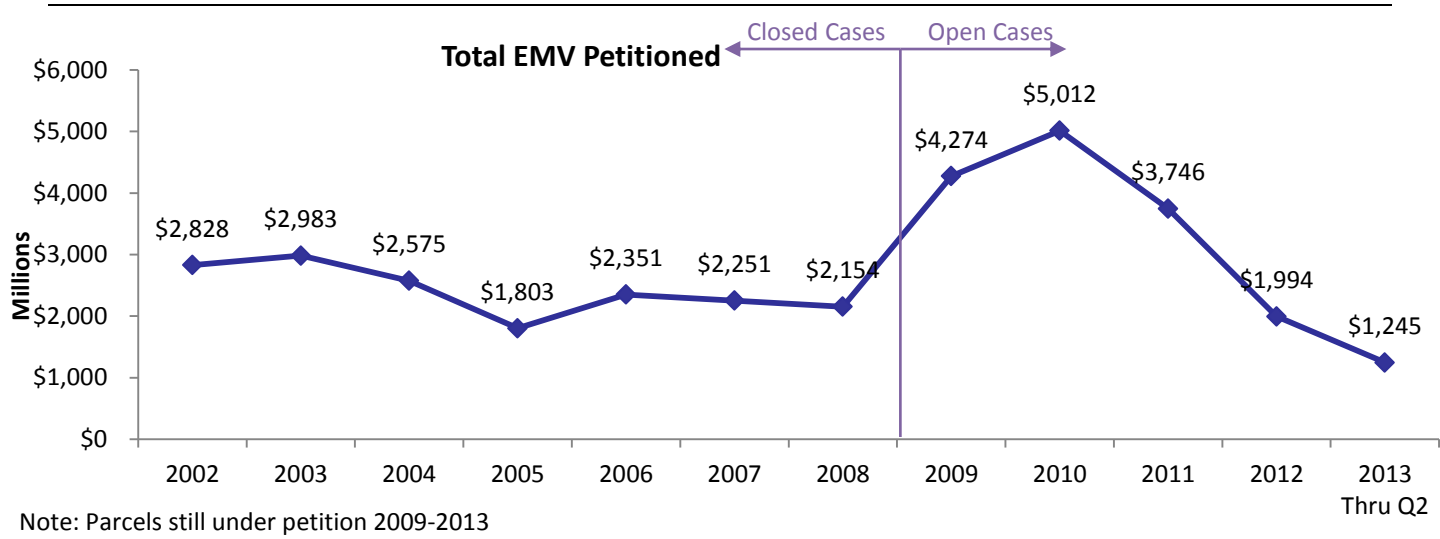

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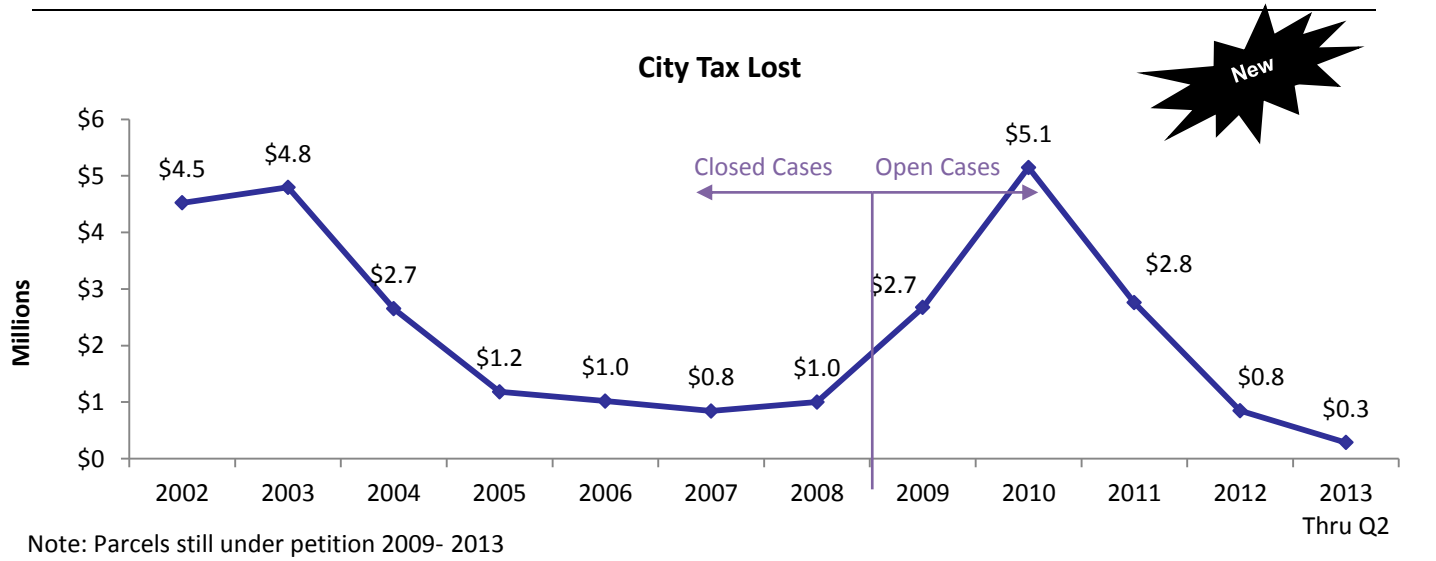

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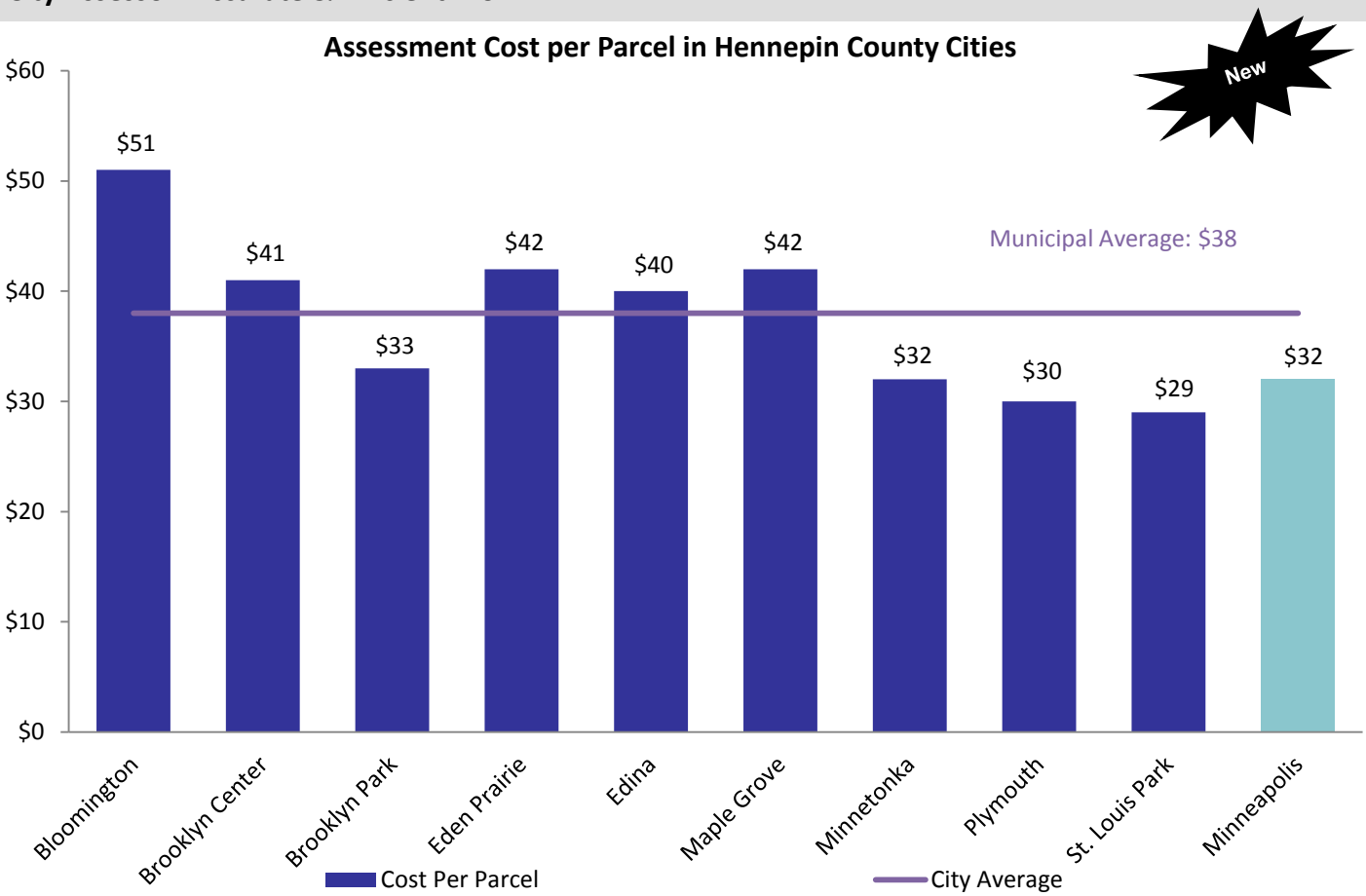
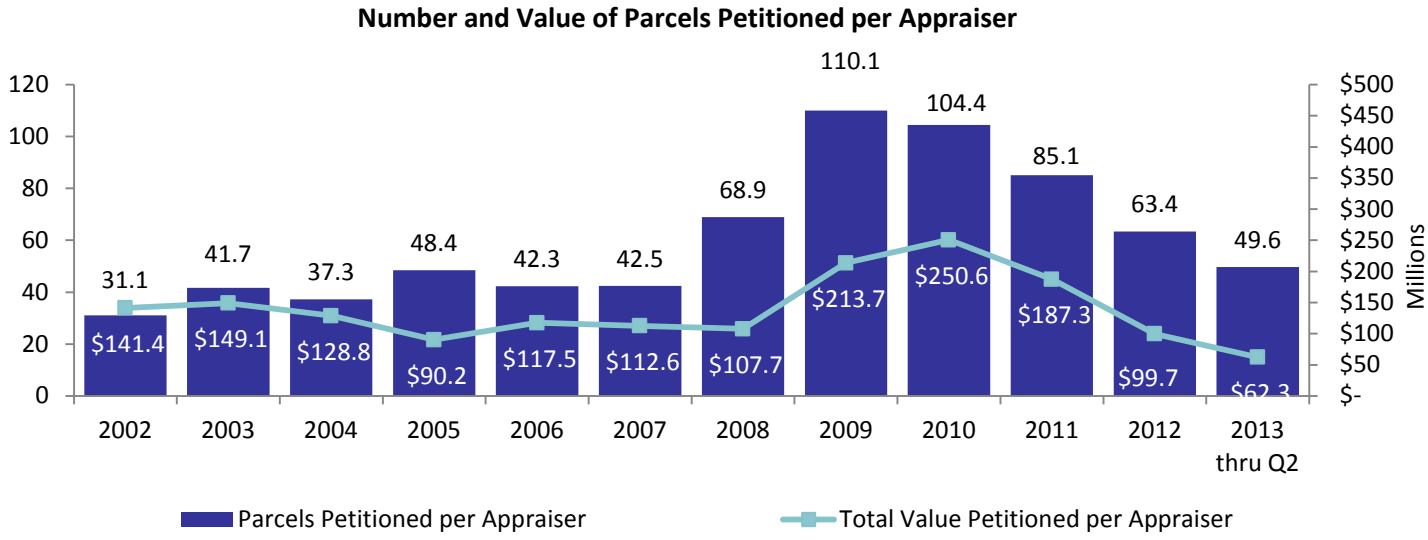


Source: Assessor's Office

Engaged, Trained & High Performing Employees



Source: Assessor's Office

Why is this measure important?

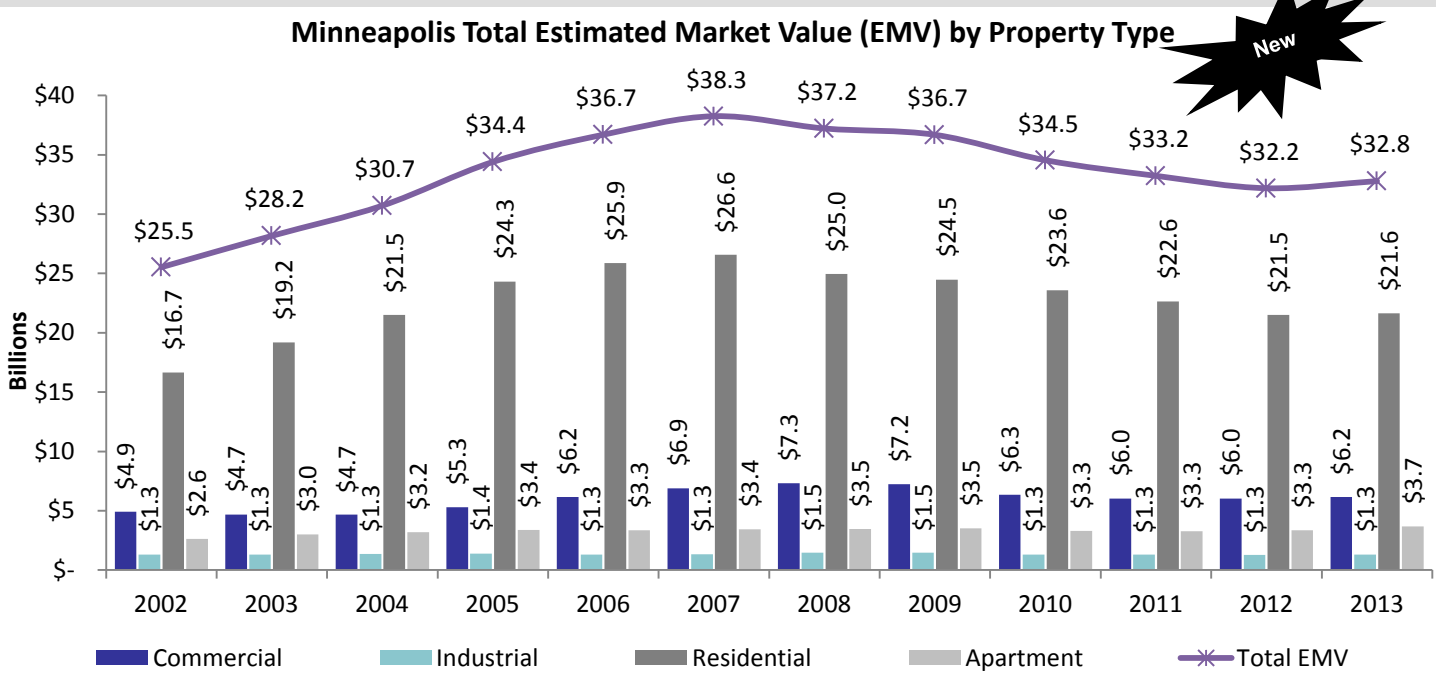
Tracking this measure is important for the department and enterprise business plan and strategic direction. This measure is an early indicator of department work demands. They help define operational and program challenges and exposure to levy loss. Not only does this measure track the number of petitions per appraiser, but it also measures the magnitude and complexity (the total value petitioned) of the real estate under appeal compared to previous years. Collecting the data annually paired with trend projections will drive business planning and resource allocation to maintain the successes and outcomes achieved since 2005.

The goal for this measure is to reduce parcels managed per appraiser and maintain a consistent and predictable average refund per stipulation per appraiser.

What will it take to make progress?

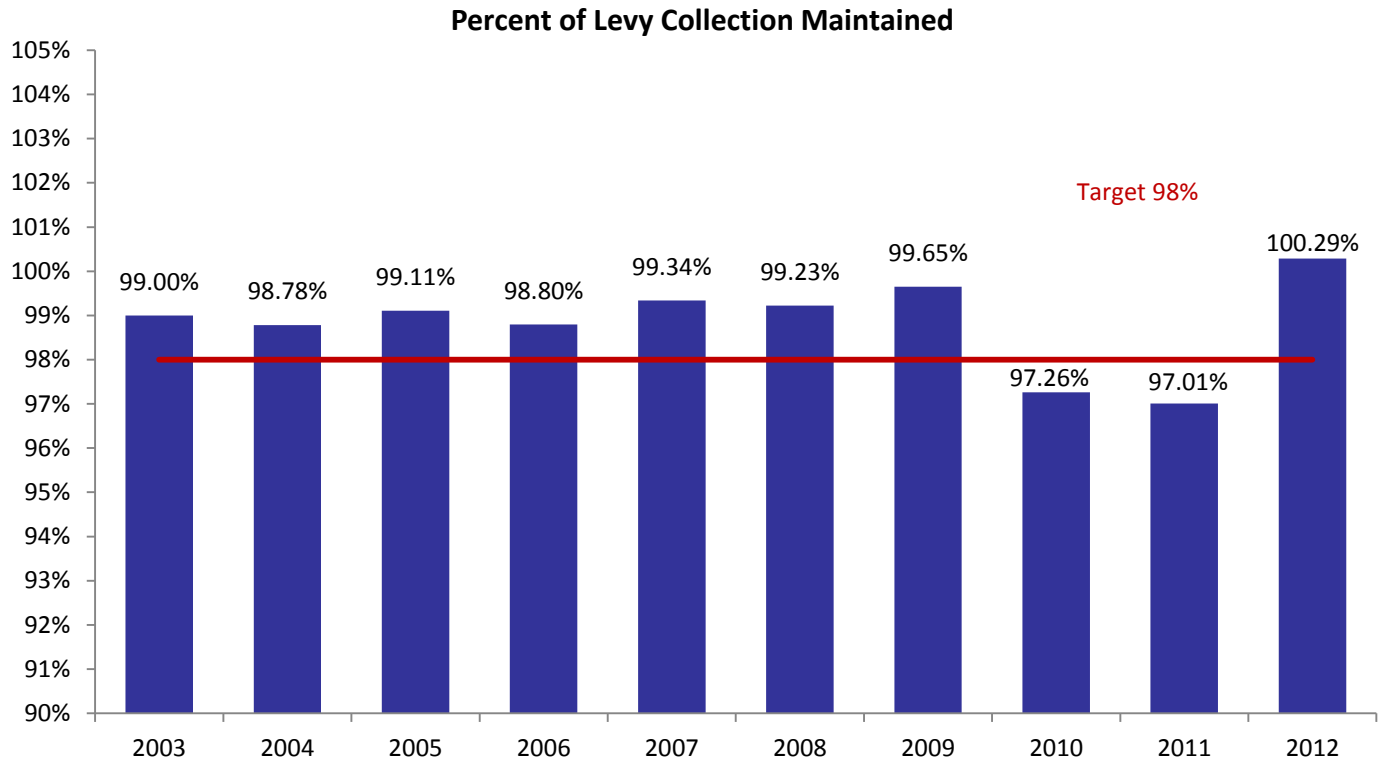
- Continue to evolve the methods we use to monitor the business processes of each assessment cycle.
- Provide consistent and frequent feedback to staff on their performance.
- Continue to make business process improvements and leverage technology to improve efficiency and effectiveness in the original assessment and in defense of the assessment.
- Work with neighboring municipalities to insure fair, accurate and consistent valuation methodologies are used on all real estate and, most importantly, on significant real estate buildings and “big-box” developments to minimize unequal assessment issues.

Appendix



Source: Assessor's Office

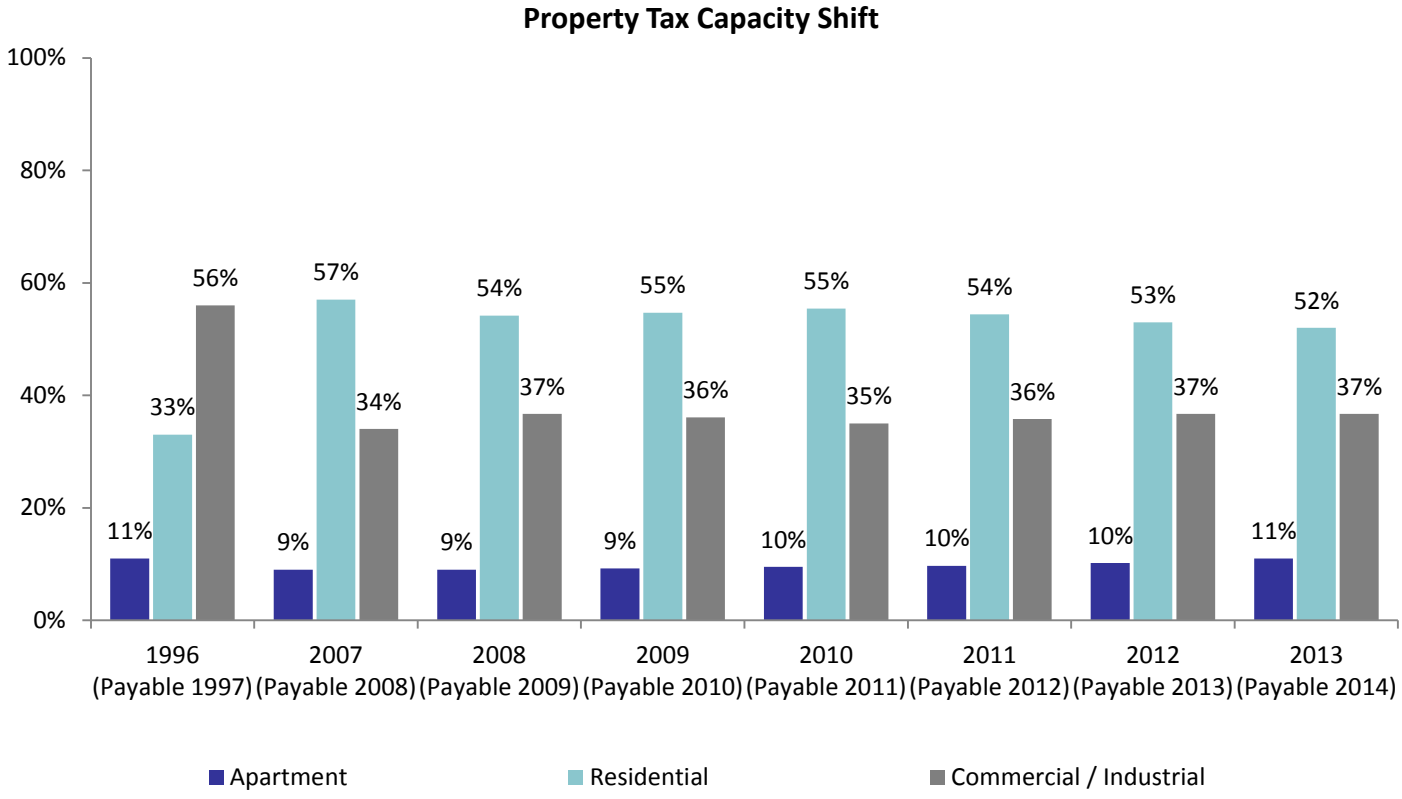
Assessment Year	Commercial	Industrial	Residential	Apartment	Total EMV
2002	4,913,152,000	1,314,199,500	16,664,347,900	2,633,849,100	25,525,548,500
2003	4,688,903,700	1,302,065,200	19,172,856,300	3,005,653,500	28,169,478,700
2004	4,665,147,100	1,347,262,100	21,504,338,600	3,199,757,300	30,716,505,100
2005	5,304,274,900	1,392,094,300	24,309,841,700	3,393,675,300	34,399,886,200
2006	6,164,161,600	1,305,857,500	25,883,768,200	3,341,167,200	36,694,954,500
2007	6,892,689,600	1,341,775,300	26,571,450,500	3,448,334,200	38,254,249,600
2008	7,324,379,000	1,458,507,400	24,963,455,300	3,472,506,900	37,218,848,600
2009	7,240,226,700	1,461,942,400	24,475,219,830	3,509,116,200	36,686,505,130
2010	6,347,326,400	1,307,373,300	23,578,044,100	3,312,499,000	34,545,242,800
2011	6,019,139,000	1,291,643,500	22,645,544,100	3,271,667,600	33,227,994,200
2012	6,036,325,700	1,286,702,700	21,514,704,900	3,345,828,300	32,183,561,600
2013	6,153,869,100	1,309,207,200	21,640,562,400	3,681,341,900	32,784,980,600



Source: Assessor's Office

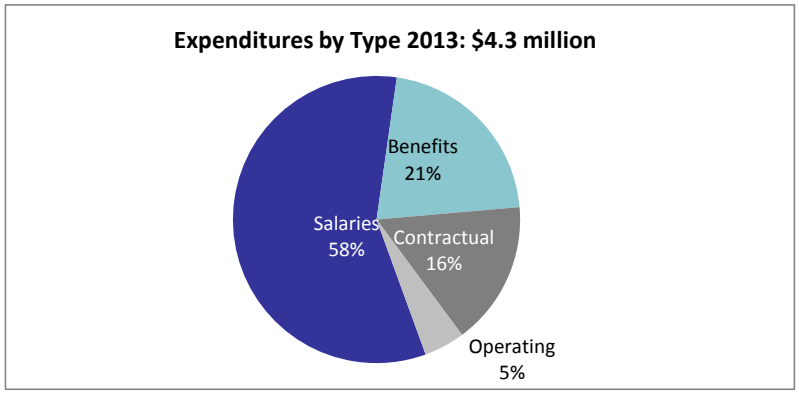
Levy Collections

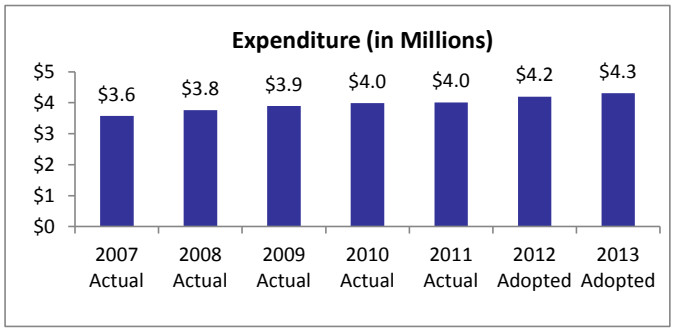
		Collections within the Fiscal Year of the Levy			Total Collections To Date	
Fiscal Year Ended Dec 31	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2002	$ 146,852	$ 144,386	98.32%	$ (102)	$144,284	98.25%
2003	$ 158,819	$ 156,550	98.57%	$ 680	$157,230	99.00%
2004	$ 176,066	$ 173,565	98.58%	$ 359	$173,924	98.78%
2005	$ 190,375	$ 187,271	98.37%	$ 1,408	$188,679	99.11%
2006	$ 205,830	$ 201,794	98.04%	$ 1,562	$203,356	98.80%
2007	$ 222,523	$ 217,841	97.90%	$ 3,212	$221,053	99.34%
2008	$ 240,553	$ 234,736	97.58%	$ 3,956	$238,691	99.23%
2009	$ 245,003	$ 239,060	97.57%	$ 5,088	$244,148	99.65%
2010	$ 264,805	$ 252,586	95.39%	$ 4,973	$257,559	97.26%
2011	$ 277,357	$ 267,097	96.30%	$ 1,967	$269,064	97.01%
2012	$ 279,607	$ 277,424	99.22%	$ 2,982	$280,406	100.29%

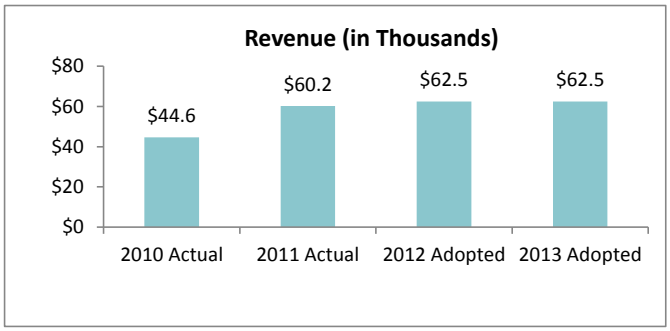


Source: Assessor's Office

Management Dashboard: City Assessor







Loss Prevention Data					
Year	2008	2009	2010	2011	2012
Workers Comp	$29,311	$28,176	$30,339	$31,091	$ 39,549
Liability Claims	$0	$0	$0	$0	$0

Average Sick Days Taken per Employee					
Year	2008	2009	2010	2011	2012
Days	8.8	9.3	8.2	10.5	8.3

Workforce Demographics				
Year end	**12/31/2009**	**12/31/2010**	**12/31/2011**	**12/31/2012**
% Female	33%	33%	33%	30%
% Employee of Color	15%	15%	12%	17%
# of Employees	34	34	33	30

* Workforce Analysis Detail included in notes

Overtime Costs					
Year	2008	2009	2010	2011	2012
Hours	8.3	45.8	7.5	37.5	36.5
Cost	$282	$2,251	$ 379	$1,746	$1,900

Employee Turnover and Savings					
Year end	2008	2009	2010	2011	2012
Turnover	0.00%	8.82%	6.06%	6.06%	12.70%

Positions Vacancies					
Year end	2008	2009	2010	2011	2012
% of Total	5.0%	8.0%	6.0%	6.0%	14.0%

Performance Reviews Past Due in HRIS		
As of	10/7/2013	93%

Retirement Projections											
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number	2	0	0	3	1	0	1	0	0	0	0

Notes:

Average Sick Days taken per Employee

A) Based on the payroll calendar year not the calendar year.
B) Does not include employees who were in a suspended ("S") Pay Status at the end of a given payroll year.
C) Includes employees who are in a paid ("P") Leave of Absence status and an unpaid Leave of Absence status ("L").

Overtime Costs

A) OT amount - Fiscol. Reconciled with CRS and Data ware house queries.
B) Hours - based on HRIS management reports with payroll data

Workforce Demographics

A) Includes employee counts at year's end for 2003 and 2007.
B) Only includes active FT regular employees.

Workforce Analysis Detail

Category of under-utilization: Professional 26 Incumbents Female = 30.8% Avail. = 52.0%

Employee Turnover and Savings

A) Turnover Savings= $Budgeted (personnel) - $Actual (personnel)

Position Vacancies

A) Includes only budgeted positions.

Retirement Projections