

SIoux CITY ASSESSOR BULLETIN

Sioux City Assessor's Office | 620 Douglas St., Sioux City, IA 51101 712-279-6535 | *We Value Sioux City*

SPRING 2010

New Software Boots Up Efficiency

Green screens. Function key commands. COBAL. Batched data. Although it sounds like computer technology from the 1980s, it actually describes one of the reporting systems we've been using in our office since — oh, about the 1980s. But that's set to change soon.

Assessors across Iowa are required to report facts and figures to the Iowa Department of Revenue on a regular basis. This includes information about the number of sales, median sale prices, construction activity and more. While there are mandates about what data to report, there is no requirement as to what kind of system we use to do it. As a result, many assessors have developed their own way of gathering and compiling the data, and often use their own custom-built technology as well.

Our office is one such entity; we've been using a legacy (outdated) system since well

before the arrival of the current assessor. The system has served its purpose, but is increasingly inefficient. For example, when appraisers visit a parcel in Sioux City, they enter property information into a Computer Assisted Mass Appraisal (CAMA) system, which in turn is dumped into another system and then must be checked for errors. In some cases, information must be entered by hand multiple times in both systems. And reports for the Department of Revenue can only be created for one time period and must be hand manipulated to include all the necessary information. This means reporting information for multiple periods requires batching.

It's cumbersome. It wastes valuable time and money. In short, it's time for a change.

NEW APPLICATION SAVES TIME, MONEY

Work is underway on a new application that will greatly increase the efficiency and speed of our reporting. The technology is being developed in-house — versus purchasing an off-the-shelf solution that might not meet all our needs — a move that is saving several thousand dollars. But an even greater advantage will come in the way of time

savings. We estimate the new technology will free up about 3,000 hours of manpower each year. This will allow us to direct resources elsewhere — with a focus on endeavors that will lead to even greater efficiencies and the development of new revenue sources.

Our focus on finding new

sources of revenue isn't about hunting for ways to increase property taxes, but rather to make sure that all property owners are treated fairly in how their parcels are valued. If there are inequities, it is fair to no one. Remember, the assessor doesn't set or collect taxes. Our focus is on determining the market value for property within Sioux City.

We hope to have the software project completed by the middle of 2010. We'll keep you updated, but if you have any questions in the meantime, please don't hesitate to let us know. We want to be your resource for assessments and related issues in Sioux City.



“Front Feet” to “Square Feet” — and why it Matters

In the previous issue of the Sioux City Assessor Bulletin, we wrote about our recent neighborhood revaluation project to ensure our assessments are in line with what’s reflected in the market. To do this we went to all sections of the city and took a careful look around. However, rather than examining each individual house, we looked at neighborhoods as a whole to see if there were things that could affect the valuation of all homes in the area.

For example, there are unusually large or small houses in the midst of some neighborhoods, or some homes that are uniquely constructed compared to others in the vicinity. In theory, these properties would sell for a very different price than those nearby. As such, we wanted to flag these properties in our database so they are excluded from our analysis, calculations of median values and the like. Otherwise, these dwellings could unfairly skew the aggregate valuation of the area, or paint an inaccurate picture of the value of homes in a particular neighborhood.

This project has been completed, and in conjunction we’re now in the process of making a switch to how residential land is measured. Historically, we’ve used a “front foot” methodology. This meant that generally the more property that fronted the street, the greater the value. This concept sometimes make sense for commercial properties — for

example, a store with plenty of frontage facing a busy street would be valued higher than a store sitting on a narrow, deep lot on that same street. But this methodology doesn’t make much sense for residential assessments; in theory two lots of identical square footage could be valued differently if one were wide and narrow, and the other narrow but deep.



A house on a winding street may have frontage on various sides. What’s considered the “front” of a parcel located on a curve?

It can also get complicated: A house on a winding street may have frontage on various sides. What’s considered the “front” of a parcel that is located on a curve?

In order to true up this inequity, and to simplify how we measure land, we’re switching to a “square foot” approach for residential property. That is as straightforward as it sounds — we simply calculate the square feet of the property. Especially in this era of more cul-de-sacs, curved streets and irregular lot lines, we think this switch

is well warranted – and will also be more easily understood by homeowners.

Most property owners will be unaffected by this change. Some people who live on pie shaped or corner lots may notice the new calculation. Many assessors in Iowa continue to use the front-foot method of measurement, but we feel the square-foot approach is the right one for Sioux City.

BUDGET INFORMATION

The city assessor's budget for the fiscal year beginning July 2010 is now set and is smaller compared to previous years. This is primarily due to efficiencies in our operations and the professional development of the staff. The goal is to do the job better and do it cheaper without sacrificing customer service or quality. Savings like those outlined elsewhere in this issue help us keep costs down while workloads continue to expand.

In the past, we've done both interior and exterior property inspections, but the cost is significant...and the benefit is marginal at best.

Our office is run like a business and like any business there is a balance that comes into play between cost and benefit. For instance, typically we have conducted interior inspections as well as exterior inspections. This requires an appointment be made and the homeowner be present. It clearly provides a better understanding of the home's quality and condition, all would agree, but the cost to get this information is significant.

Possibly just as important is the question of how many interior inspections can we realistically do. With the current staff, we could potentially perform 2,000 to 2,500 per year, if we are very efficient. At this rate it would take more than 15 years to do the entire city. The benefit is marginal at best. It would improve the accuracy of our estimate of the property's value for sure, but it is only an estimate in the first place.

Alternatively we could hire more staff, but do the taxpayers want to pay more property taxes that would go toward estimating their property values? We think not.

ROUNDING OF ESTIMATES

Historically we have also estimated the value of a property to the nearest \$100. This gives the impression that there is absolute precision in our valuation estimate, but that's simply not the case. Buyers and sellers typically settle on sales prices that are in increments of \$500 or \$1,000. As such, we will soon begin rounding our estimates of value to the nearest \$500 or \$1,000 as well. When this happens, the presence of a built-in microwave, a custom countertop or similar interior improvement becomes even less meaningful as a determinant of value.

That said, we are not sacrificing quality or doing an inferior job of assessing properties. In fact, the opposite is true, but there are many ways to improve quality and accuracy other than tackling the problem with more money or more manpower. Instead, we will continue to find ways to save money, but in ways that make fiscal sense and that give the property owners confidence that their tax dollars are spent wisely.

Few people want us to hire more staff – owners would wind up paying higher property taxes for the purpose of estimating their property values!

As always, we welcome constructive criticism. If you have thoughts or comments, please contact our office.

Employee Spotlight



CONNIE THORSEON

Title: Chief Deputy Assessor

Job Duties: The chief deputy assessor is the assessor's chief of staff. Connie is responsible for the overall administration of the office. She verifies and administers all exempt

and partially exempt properties. She prepares and files all of the required reports to the Department of Revenue and oversees the coordination and accuracy of the various software programs. She also maintains the budget, accounts payable and the general ledger; supervises payroll and employee benefits; and serves as the acting assessor in the assessor's absence. Connie is indeed very busy!

Background: Joined the assessor's staff as a receptionist in November 1993. Prior to that worked in a family business and helped with her family's farming operation. Has completed various assessment courses to meet the requirements for her current position.

Outside of work: Enjoys spending time with her children and five grandchildren, also gardening, traveling and going to car shows with her husband.



NAN RASMUSSEN

Title: Appraiser III

Job Duties: Nan is the supervising appraiser for all residential properties. She assists the assessor in analyzing market trends and establishing market values.

She defines neighborhoods, conducts market research and inspects property to gather the data required to establish valuations for the following assessment year.

Nan identifies and documents characteristics such as property use, location, quality of construction, etc., and conducts interviews with taxpayers during the protest period and makes corrections in valuations when warranted. Much of the year is spent physically reviewing the city and collecting data. She also coordinates the data gathering and entry for residential new construction and building permits, manages the urban revitalization allowances and assists the data analyst, and the chief appraiser. Nan is also very busy!

Background: Worked in the assessor's office (both city and county) for nearly 17 years. Prior to that Nan was an office manager. She has taken numerous appraisal courses and attended conferences to further her education and experience.

Outside of work: Spends time with family and friends. Likes camping in the summer, and watching her daughter cheer on her high school team during the school year.

QUESTIONS?

**SIoux
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ASSESSOR'S OFFICE

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We hope you've found this issue of *Sioux City Assessor Bulletin* to be informative. We'd like to know what you think. For more information on any of these topics, please contact us. We want to be your resource for property assessment issues.