

MINUTES OF THE REGULAR MEETING OF THE AMES CONFERENCE BOARD

AMES, IOWA

JANUARY 23, 2018

REGULAR MEETING OF THE AMES CONFERENCE BOARD

The Regular Meeting of the Ames Conference Board was called to order by Chairman John Haila at 5:30 p.m. on January 23, 2018. Present from the Ames City Council were Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, David Martin, and Chris Nelson. Story County Board of Supervisors present were Lauris Olson and Rick Sanders. Representing the Ames Community School Board were Luke Deardorff and Gina Perez. Leanne Harter attended on behalf of the Nevada Community School Board. Gilbert Community School District and United Community School District were not represented.

MINUTES OF FEBRUARY 28, 2017: Moved by Sanders, seconded by Corrieri, to approve the Minutes of the February 28, 2017, meeting of the Ames Conference Board.

Vote on Motion: 3-0. Motion declared carried unanimously.

ASSESSOR'S BUDGET PROPOSALS: Ames City Assessor Greg Lynch highlighted information from the City Assessor's 2018/19 Annual Report. Mr. Lynch noted that Bill Whitman has submitted his application to fill one of the two vacancies on the Ames Board of Review. If Mr. Whitman is appointed, there will still be one vacant position on the Board of Review.

Mr. Lynch brought the Board members' attention to Page 3, specifically relating to taxable values. He stated that he had had a meeting with representatives of the Iowa State University Research Park this morning. In summary, there were properties listed as receiving Tax-Increment Financing (TIF) that should not have been. Those numbers have been corrected, and the corrected document had been placed around the dais for the Conference Board members. The overall values increased 11.3%, and the taxable value increased approximately 8%. Those were the largest percentages that had been reported since Mr. Lynch became the City Assessor 12 years ago. According to Mr. Lynch, the sales price for new homes decreased slightly (1.8%). The median sales price decreased 4.6% (from \$365,500 in 2016 to \$348,662 in 2017). The median sales price of existing homes increased 10.8% (from \$195,000 in 2016 to \$216,000 in 2017).

City Assessor Lynch stated that the Assessor's office revalued all single-family residential properties as well as apartments for 1/1/2017, which meant over 18,000 assessment notices were sent. A new model was built by a world-renowned modeler. This new model was employed, which changed the land values. The new model sets the land allocation at 25% of the total value. At the question of Supervisor Sanders, Mr. Lynch clarified that no matter what the land looks like, the land value is always going to be 25% of the total value. Only approximately 3% (of the 18,000 notices, there were 544 protests) of those assessed appealed their assessment to the Board of Review. Fifteen residential cases were filed with the Property Assessment Appeal Board (PAAB). There were nine commercial cases filed with the PAAB, and one with District Court. There is one hearing left to be held on

residential; it will occur on February 20, 2018. According to Mr. Lynch, \$15,000 has been budgeted to have the model updated for January 1, 2019. The modeler, Bob Gloudemans, has agreed to formulate and apply the updated model. An additional \$5,000 has been budgeted for other consulting fees on data processing issues. Mr. Lynch explained that, now that the Office has a database management, they are requesting funding to be put back in the budget for the document management system.

Supervisor Sanders asked how Mr. Lynch arrived at a 4% increase for staff salaries. Mr. Lynch replied that the City Assessor's Office tries to match the percentage of increase that is forecast for City of Ames employees. Upon being questioned by Mr. Sanders, City Manager Steve Schainker stated that City of Ames employees' increases are based on performance; it is unknown what the percentage of increase will be at this time. Mr. Sanders indicated that the County is budgeting a 2% cost-of-living increase. City Manager Schainker noted that 4% might realistically mirror what would be allocated for the City of Ames employees.

Mr. Sanders asked for certain line items to be explained: employee mileage and expenses and equipment and machine purchases. Administrative Assistant Dawn Tank responded to each question.

Supervisor Sanders said he wished to share some of the dangers that he sees coming in the future. He stated that the Ames City Assessor and staff do an excellent job. The reality is that there is a huge growth in the cost of operations. In 2016, the budget increased 16.5% to 2017/18. If the proposed budget is approved, it would go up an additional 23.8% in 2018/19, which means that \$344,000 would be expended of a \$598,000 ending fund balance. That would leave 21%, which would probably allow for three months. On a \$1.2 million budget, the taxpayers will be asked for \$872,000 of it this year. However, next year, taxpayers would have to pay the entire amount, which would mean an increase of 33% for Ames taxpayers. Mr. Sanders warned that a large increase is coming for the Ames taxpayers.

According to Supervisor Sanders, seven cities in Iowa have two assessors; Ames is one of them. He would like to have a higher balance than 21% ending balance. Noting that he brought this same topic up last year as a warning that the day is coming when there will have to be a substantial tax increase. He wants to have a real conversation about the way properties are assessed in all of Story County. Mr. Sanders said he wants to have a candid conversation about having two Assessors. Assessor Lynch said, with the extreme growth in Ames, the recommended budget is needed to enable the City Assessor to do the best job possible.

Mr. Sanders said that the City of Ames "holds all the cards." He commented that, "If the City of Ames decides it is going to have a City Assessor, it is going to have a City Assessor." He suggested, however, that a full conversation occur between Story County and the City of Ames regarding efficiencies there might be if services were to be combined.

Chairperson Mayor Haila pointed out that the total payroll and related expenses actually decreased .8%. He noted expenses that would not be there next year; those equated to nearly \$120,000.

Supervisor Sanders said he was not asking for anything tonight; he just wanted to reintroduce the topic. Mayor Haila said what he was hearing from Mr. Sanders was that, in the next few years, he would like to have a conversation and look at the costs for assessing properties in the County. Mr. Sanders clarified that he would like the next step to be, when this group gets together the next time, to have an agenda item where it talks about the possibility of putting some resources into having a consultant to look at different possibilities for doing assessments in Story County.

Moved by Sanders, seconded by Betcher, to approve the recommendations of the Assessor's Report. Roll Call Vote: 3-0. Motion declared carried unanimously.

Moved by Beatty-Hansen, seconded by Harter, to set February 27, 2018, as the date of public hearing on the proposed FY 2018/19 City Assessor's budget. Roll Call Vote: 3-0. Motion declared carried unanimously.

APPOINTMENT TO BOARD OF REVIEW: Moved by Nelson, seconded by Harter, to adopt RESOLUTION NO. 18-009 approving the appointment of Bill Whitman to the Board of Review. Roll Call Vote: 3-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Supervisor Olson stated that there had been an inquiry from the Auditor's Office to meet with the City Assessor's Office pertaining to process bumps when it comes to property splits. This had been brought up at the Mini Board. Ms. Olson said she was just notifying the City Assessor's staff of the need to meet. Mayor Haila encouraged staff from the City Assessor's Office to contact the Story County Auditor to schedule a meeting.

ADJOURNMENT: Moved by Beatty-Hansen, seconded by Olson, to adjourn the Ames Conference Board meeting at 6:13 p.m. Vote on Motion: 3-0. Motion declared carried unanimously.