



Anoka County

PROPERTY RECORDS & TAXATION DIVISION

Respectful, Innovative, Fiscally Responsible

May 20, 2021

Elizabeth Mursko – City Administrator
City of Columbus
16319 Kettle River Blvd.
Columbus, MN 55025

RE: Assessment Contract Proposal

Dear Ms. Mursko,

On behalf of Anoka County, I would like to thank you for the opportunity to submit the attached proposal for Assessment Services.

Contained within the proposal you will find a letter outlining what Anoka County believes are the benefits of a county contract, brief Assessment Overview as it pertains to the City of Columbus, Sample Contract and Sample Annual Invoice.

Please note, a final contract and invoice will be provided in the event Anoka County is selected. That contract will reflect final details like length of contract.

Upon internal review, I welcome the opportunity to present this proposal in greater detail in hopes of answering any questions the council undoubtedly have.

Sincerely,

Alex Guggenberger, S.A.M.A.
Anoka County Assessor
763-324-1162



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Dear Council Members,

To aid in your decision-making process, below are several factors Anoka County feels are benefits of a County Assessment Contract.

1. Full-time access to qualified assessment staff for residents, business owners, and city staff. This means any issues can be handled quickly and efficiently since we employ multiple staff dedicated solely to work within Anoka County.
2. Knowledgeable and trained staff held to Anoka County Standards. It is more difficult to ensure work is being done appropriately and according to MN Statute when in-house staff are not performing the work.
3. High level of equalization and economies of scale due to the large volume of parcels under contract. This ensures that parcels in each jurisdiction are treated fairly and equitably which leads to higher quality assessments.
4. Increased accountability with various levels of management including; County Assessor, PRT Division Manager, County Administration, as well as County Commissioners. Accountability and the ability to quickly identify and correct assessment shortcomings is limited in other contract situations.
5. Tax Court – Anoka County typically handles and defends tax court petitions in house and in certain circumstances outside professionals are hired. Any additional costs associated with tax court petitions is Anoka County's responsibility when we hold the contract. This is often thousands of additional dollars the city would otherwise be responsible for.
6. Proven track record of high-quality assessments that improve over time. This ensures that residents and business owners are being treated fairly and the various taxing authorities are receiving funding based upon the most accurate values possible.

All these items can and will be addressed in greater detail at the work session meeting in hopes of providing an idea of what its like having a contract with Anoka County.



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Assessment Overview & Proposal Details -City of Columbus-

High-Level Timeline & Major Job Functions:

The assessment calendar is very cyclical in nature running from March to March every year. The goal is to determine the estimated market value as of January 2nd each year. It's the estimated market value that is ultimately used to determine the payable tax each property owner will pay the following year.

Below is a high-level timeline that outlines the major job functions that take place each month along with who is ultimately responsible. This table will be outlined in greater detail at the work session meeting.

Month	Key Date/Job Function	Who's Responsible (County or Local Assessor)
January	January 2 nd – Assessment Date Sales Ratio Analysis & Structure Adjustments Preliminary Change Report & Review	County Assessor Local Assessor (County if County Contract)
February	Finalizing Assessment & Final Change Reports Extract Values for Mailing	Both County & Local Assessor County Assessor
March	Value Notice's Mailed to Owners	County Assessor
April	Informal Reviews based on Notices	Local Assessor (County if County Contract)
May	Local Boards of Appeal/Open Book (Current Asmt) Quintile for Next Assessment Sales Verification	Local Assessor (County if County Contract) Local Assessor (County if County Contract) Local Assessor (County if County Contract)
June	County Board of Appeal Quintile for Next Assessment Sales Verification	County Assessor Local Assessor (County if County Contract) Local Assessor (County if County Contract)
August	Quintile for Next Assessment Sales Verification	Local Assessor (County if County Contract) Local Assessor (County if County Contract)
September	Quintile Completed Sales Verification	Local Assessor (County if County Contract) Local Assessor (County if County Contract)
October	New Construction – Permit Review Final Sales Verification & Clean Up First Round Land Adjustments	Local Assessor (County if County Contract) Local Assessor (County if County Contract) County & Local Assessor
November	New Construction – Permit Review Final Sales Verification Completed Preliminary Final Land Adjustments	Local Assessor (County if County Contract) Local Assessor (County if County Contract) County & Local Assessor
December	Sales Ratio Analysis & Structure Adjustments for all Property Types	County Assessor



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Importance of Quintile & Good Data:

The largest and most critical job function in the table above is referred to as the Quintile. Quintile is derived from the MN Statute that requires assessors to **physically view** one fifth of each city each year. It's this process that aims to ensure each parcel is being treated fairly and equitably from the start of our Mass Appraisal Process.

Mass Appraisal is the process of valuing like-groups of property using the physical characteristics of each parcel to generate its own individual value. It is very much a garbage-in, garbage-out process that requires the most accurate data possible to generate accurate values.

The value of each parcel is then reviewed and revalued each year through our sales ratio process included on the table above. The sales ratio process, its significance, and who is responsible for it will be covered in greater detail at the work session.

The table below contains the Columbus Parcel Counts by property type along with what the standard quintile should look like.

Property Type	Parcel Count	Quintile
Agricultural	162	32
Residential	1759	352
Com/Ind	81	16
Tax Exempt	391	78
Public Utility	15	N/A
Total	2408	478

Considering the time of year and the relative turnover Columbus has experienced in its assessor position, Anoka County's proposal aims to review **ALL** parcels within **two years**, not the normal five required by statute.

Anoka County's tentative plan for Columbus is as follows.

Calendar Year	Assessment Year	Property Type/Count
2021	2022 (Payable 2023)	All Residential & Exempt Parcels - 2,150
2022	2023 (Payable 2024)	All Agricultural, Com/Ind - 243

Given the plan above, Anoka County is proposing a minimum contract term of 23 months. This will allow Anoka County to complete the current Local Assessor's term through the value appeal process in May of 2022 while also allowing an additional year to review outstanding parcels and any clean up issues.

More details and questions regarding the proposal will be outlined at the work session meeting Wednesday however the minimum has been included on the SAMPLE Assessment Contract below.



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Anoka County Contract No. _____

**SAMPLE - JOINT POWERS AGREEMENT
BETWEEN THE CITY OF COLUMBUS AND
COUNTY OF ANOKA FOR ASSESSMENT OF PROPERTY**

THIS AGREEMENT is made and entered into this _____ day of _____, 2021, by and between the City of Columbus, 16319 Kettle River Blvd NE, Columbus, Minnesota 55025, hereinafter referred to as the "Municipality", and the County of Anoka, a political subdivision of the State of Minnesota, 2100 Third Avenue, Anoka, Minnesota 55303, hereinafter referred to as the "County".

WITNESSETH:

WHEREAS, pursuant to Minn. Stat. § 273.072, subd. 1, any county and city, lying wholly or partially within the county and constituting a separate assessment district, may, by agreement entered under Minn. Stat. § 471.59, provide for the assessment of property in the city by the county assessor; and

WHEREAS, pursuant to Minn. Stat. § 273.072, subd. 2, the agreement may provide for the abolition of the office of the city assessor when the assessment of the property within the city is to be made under an agreement by the county assessor; and

WHEREAS, it is the wish of the County to cooperate with the Municipality to provide for a fair and equitable assessment of the property within the Municipality; and

WHEREAS, said work will be carried out in accordance with the provisions of Minn. Stat. § 471.59.

NOW, THEREFORE, in consideration of the mutual covenants and agreements stated herein, the parties agree as follows:

- I. That said Municipality constitutes a separate assessment district which lies wholly within the County and that all property in the geographical boundaries of this district shall be assessed by the County Assessor of the County beginning with the assessment year 2022, provided this Agreement is approved by the Commissioner of Revenue.
- II. Pursuant to Minn. Stat. § 273.072, subd. 2, the office of the City Assessor in the Municipality shall cease to exist on June 30th, 2021, but not before the end of the term of the current City Assessor, if serving for a fixed term, or when an earlier vacancy occurs; provided, however, that upon the termination of this Agreement, the Office of City Assessor shall be automatically reestablished and shall be filled as provided by applicable law or charter in accordance with Minn. Stat. § 273.072.
- III. The term of this Agreement shall be from July 1st, 2021, through assessment services performed in the year 2023, unless earlier terminated as provided herein. Be it understood that Assessment services for 2023 will expire on May 15th, 2024 after all local value appeals have been resolved.



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IV. In consideration of said assessment services, the Municipality shall pay to the County an annual payment as follows:

2022 Assessment services payable on or before August 15, 2021
2023 Assessment services payable on or before May 15, 2022

V. For year 2022 assessment services, the Municipality shall pay the County as follows:

- A. Ten Dollars and 40/100s (\$10.40) for each improved parcel of residential, seasonal recreational residential and agricultural type property;
- B. Four Dollars and 65/100s (\$4.60) for each unimproved parcel of residential, seasonal recreational residential and agricultural type property;
- C. Sixty-Two Dollars and 00/100s (\$62.00) for each improved and unimproved parcel of commercial, industrial and public utility type of property; and
- D. Sixty-Two Dollars and 00/100s (\$62.00) for each improved and unimproved parcel of apartment and mobile home park type property.

The same procedure shall be used, as described above, in the computation of the assessment payments due in 2022, provided, however, that the cost for each type of parcel shall be increased according to the County Assessor's increase in operating costs, cost of living and merit adjustments established by the Anoka County Board of Commissioners for January 1 to December 31 in the year prior to the date of the assessment.

VI. Notwithstanding Section II. above, the County and/or Municipality shall have the right to terminate this Agreement by providing, at a minimum, one year's written notice by certified mail, which notice shall be sent prior to January 2 of any year to terminate assessment services to be performed one year from such date (i.e. to terminate this Agreement for assessment services in the year 2023, the party must provide written notice of termination by not later than January 2, 2022).

VII. COUNTERPARTS

This Joint Powers Agreement may be executed in any number of counterparts, each one of which shall be deemed to be an original, but all such counterparts together shall constitute one and the same instrument.

(remainder of page intentionally blank – signature page immediately follows)



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IN WITNESS WHEREOF, the parties hereto have set their hands on the dates so indicated.

COUNTY OF ANOKA

By: _____
Scott Schulte, Chair
Anoka County Board of Commissioners

Dated: _____

By: _____
Rhonda Sivarajah
County Administrator

Dated: _____

CITY OF COLUMBUS

By: _____
Jesse Preiner
Mayor

Dated: _____

By: _____

Title: _____

Dated: _____

APPROVED AS TO FORM

By: _____
Jason Stover
Assistant County Attorney

Dated: _____

By: _____

Title: _____

Dated: _____



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May 18th, 2021

Elizabeth Mursko – City Administrator
City of Columbus
16319 Kettle River Blvd.
Columbus, MN 55025

RE: Annual Assessment Invoice - SAMPLE

Dear City Council Members,

In accordance with our assessment contract, the following cots have been computed for the 2022, tax payable in 2023 assessment in the City of Columbus.

80	commercial & industrial @ \$62.00 each	=	4,960
0	apartment & manufactured home	=	0
	park parcels @ \$62.00 each		
1645	improved residential parcels @ \$10.40 each	=	17,108
276	unimproved parcels @ \$4.65 each	=	<u>1,283</u>
	TOTAL		\$23,351

Please make the check payable to Anoka County in the amount of \$23,351.

As part of our assessment agreement, our office is open Monday through Friday from 8:00 a.m. to 4:30 p.m. to answer any questions concerning the assessment in the City of Columbus.

Sincerely,

Alex Guggenberger, S.A.M.A.
Anoka County Assessor
763-324-1162