

**AGENDA
CITY OF HARTFORD
FINANCE & PERSONNEL COMMITTEE
CITY HALL COUNCIL CHAMBERS
TUESDAY, OCTOBER 9, 2018
6:45 P.M.**

1. Call to order.
2. Roll call.
3. Public comment period.
4. Discussion and consideration of approving the following license: (bartender) Jamie Matter
5. Discussion and consideration of approving the writing off of uncollectible personal property taxes for the year 2017. (Executive Summary attached)
6. Discussion and consideration of approving a contract with Associated Appraisal Consultants, Inc. (Executive Summary attached)
7. Discussion and consideration of moving investments to Charles Scwhab & Company. (Executive Summary attached)
8. Adjournment.

NOTE: "PERSONS WITH DISABILITIES REQUIRING SPECIAL ACCOMODATIONS FOR ATTENDANCE AT THE MEETING SHOULD CONTACT THE CITY CLERK AT LEAST ONE (1) BUSINESS DAY PRIOR TO THE MEETING."

"MEMBERS OF THE COMMON COUNCIL MAY ATTEND THE ABOVE MEETING, PURSUANT TO STATE EX REL. BADKE V. GREENDALE VILLAGE BOARD, 173 WIS 2D 553, 494 N.W. 2D 408 (1993). SUCH ATTENDANCE MAY BE CONSIDERED A MEETING OF THE COMMON COUNCIL. THIS NOTICE IS GIVEN SO THAT MEMBERS OF THE COMMON COUNCIL MAY ATTEND THE MEETING WITHOUT VIOLATING THE OPEN MEETING LAW."

EXECUTIVE SUMMARY

TITLE

WRITE-OFF OF DELINQUENT PERSONAL PROPERTY TAXES

BACKGROUND

Each year, as part of the year-end process, any personal property taxes that remain unpaid are proposed to be written off. This action does not dismiss the unpaid tax, but recognizes the diminishing likelihood that the amount will be collected in full.

A taxation district (city, village or town) may charge back to other taxing agencies (including a school district) their proportionate share of those personal property taxes which remain unpaid providing the entity meets the following criteria:

- * Taxes are owed by an entity that has ceased operations or
- * Entity has filed a petition for bankruptcy or
- * Taxes are due on personal property that has been removed from the next assessment roll

The city will continue its efforts to collect the delinquent personal property taxes before charging them back to a taxation jurisdiction. Failure to collect on any business still in operation where the the unpaid amount exceeds \$500 will be turned over to the City Attorney for processing.

The attached list includes uncollectible personal property taxes for the year 2017 in full. The names of the debtors are available upon request by contacting the Finance Department.

FISCAL IMPACT

The total write-offs equal \$1,348.98 of which a portion will ultimately be the City's share of the loss. Losses in excess of budgeted amounts are covered by undesignated fund balance in the General Fund.

RECOMMENDATION

Write-off of uncollectible personal property taxes for the year 2017, per the attached list.

Prepared By:  10/3/18
Dawn Timm, Finance Director/Treasurer Date

Authorized By:  10/3/18
Steve Volkert, City Administrator Date

Scheduled: Finance and Personnel 10-09-18
Common Council 10-23-18

**CITY OF HARTFORD, WISCONSIN
GENERAL FUND
SCHEDULE OF DELINQUENT PERSONAL PROPERTY TAXES**

TAXPAYER	AMOUNT	NOTES	Able to Chargeback To Taxing Jurisdictions?
PA 230	993.26	Acct Finalized in Utility Billing 5/13/16	Y
PG 188	234.21	Closed Business	N
PH 390	1.76	Acct Finalized in Utility Billing 6/20/17	Y
PS 415	35.22	Sold as of 12-31-16	Y
PT 110	84.53	Closed Business - Liquor License Expired 6/30/16	Y

Total **1348.98**

Total Amount to Write-Off	1348.98
Total Amount To Chargeback	1114.77
Total Unable To Chargeback	234.21

EXECUTIVE SUMMARY

TITLE: Assessment Services – 2019 - 2021

BACKGROUND:

The City’s current contract for Assessment Services is up as of December 31st, 2018.

The City has been with Accurate Appraisal, LLC for several years.

During my three years, I have observed great variances in values without basis. We have likewise found properties in which the improvement was never included into the overall assessed value. Finally, the level of personal service has fallen since the departure of our most recent representative, Barb Wroboleski.

Finance Department sent out RFP’s for this service for 2019 – 2021. We received just two proposals back (same as in 2016).

The two major firms in Wisconsin are Associated Appraisal Consultants, Inc and Accurate Appraisal, LLC both out of the Fox Valley.


- Associated Appraisal’s proposal was: \$40,000 for Maintenance
- \$105,000 for Interim Market Update
- \$205,000 for Exterior Revaluation
- \$260,000 for Full Revaluation
- Accurate Appraisal’s proposal was: \$26,500 for Maintenance
- \$36,000 for Full Value Program
- \$143,500 for Exterior Revaluation
- \$271,500 for Full Revaluation

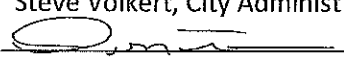
RECOMMENDATION:

Staff recommends the move to Associated Appraisal Consultants, Inc due to the experience we have had with Accurate Appraisal over the last several years believing the increased cost will be justified with a much higher level of service which will result in a greater, more equitable valuation.

FINANCIAL IMPACT:

Total impact for 2019-2021 if staying in a maintenance program would be \$120,000.

PREPARED BY:  DATE: 9/21/18
 Steve Volkert, City Administrator

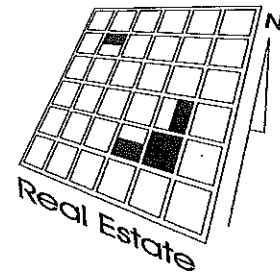
REVIEWED BY:  DATE: 9/21/18
 Dawn Timm, Finance Director

Committee Routing: Personnel & Finance
Common Council

October 9th, 2018
October 9th, 2018

Associated Appraisal Consultants, Inc.

Appleton ■ Hurley ■ Lake Geneva



August 15, 2018

Dawn Timm
Finance Director
City of Hartford

Dear Dawn:

I am pleased to provide the City of Hartford with a proposal for assessment services with our firm. I would like to take this opportunity to share with you some background about Associated Appraisal Consultants, Inc.

Associated Appraisal Consultants, Inc. has been in the mass appraisal business since 1959. Our primary focus is municipal assessment through annual maintenance and revaluation programs. We currently serve many municipalities with a diverse variety of property types, ranging from the mansions of Lake Geneva to the unique properties of Wisconsin Dells as well as Lake Superior communities and everything in between.

Unparalleled service is our strength. While our assessors are in the field, our administrative staff is in the office, Monday through Friday, to assist our clients, property owners, and businesses.

We provide an optional service to our clients to have their municipal assessment records posted on our website. The website offers easy-to-use search criteria and shows land and improvement data, including digital photos of all properties within the municipality. Please visit our website at www.apraz.com and click on "Property Search".

Our image also sets us apart from other assessment firms. When fieldwork begins, your residents can readily identify the Associated Appraisal Consultants team by our fleet of red trucks clearly displaying our company name and logo. In addition, field appraisers wear company clothing and carry photo ID tags and letters of introduction from the Municipality.

Associated Appraisal Consultants, Inc. uses cutting-edge computer aided appraisal software to create modern computerized assessment records. Our records include digital photographs, computerized sketches of buildings, a map indicating location of property, sales data, permitting information and all owner correspondence. We are a fully computerized and networked organization.

This is our business. We are proud of the reputation we have in the industry, from both our clients and state equalization officials. We put our best foot forward with every opportunity.

Please consider working with us. We welcome with great enthusiasm the prospect of working for you!

Respectfully,

A handwritten signature in black ink, appearing to read 'Mark Brown', with a long horizontal line extending to the right.

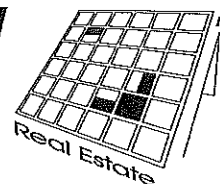
Mark Brown
President

Compensation Proposal Summary for the City of Hartford

Services Performed For:

City of Hartford
 Dawn Timm
 Finance Director
 109 North Main Street
 Hartford, WI 53027

**Associated Appraisal
 Consultants, Inc.**
 Appleton ■ Hurley ■ Lake Geneva



Fee Schedule

The figures below are based on 3 years of professional services. Optional add-on assessment services would be in addition to the price of annual Maintenance.

Contract Proposal	2019 Assessment Year	2020 Assessment Year	2021 Assessment Year
ANNUAL MAINTENANCE	\$40,000	\$40,000	\$40,000
INTERIM MARKET UPDATE	-	+ \$65,000	Optional Add-on Assessment Service
EXTERIOR REVALUATION	-	+ \$165,000	Optional Add-on Assessment Service
FULL REVALUATION	-	+ \$220,000	Optional Add-on Assessment Service

Out-of-Pocket Expenses / Invoice Procedures

MAINTENANCE:

The compensation due the Assessor shall be paid in monthly installments throughout the 2019, 2020 and 2021 Maintenance assessment years. All-inclusive assessment service agreement, the Municipality shall not be billed for postage, mileage, or supplies.

REVALUATION:

Payment shall be made on a monthly basis for services and expenses incurred during a Revaluation year. Monthly invoices shall reflect the percentage of work completed, less 5 percent retained by the Municipality until completion of the revaluation and final adjournment of the Board of Review.

OPTIONAL WEBSITE POSTING:

The Municipality shall have the option to post their assessment data on our website for no additional charge.

Property Records:

This proposal is being provided under the assumption all property records are in a digital format. Digital property records include digital photographs, sketches and property record data compliant with Wisconsin Department of Revenue mandates. In the event the records are not digital, there shall be an additional cost for conversion and or collection of the required property data.

Associated Appraisal Consultants, Inc.
2018 Clients Over \$700,000 in Equalized Value

Municipality	Annual Service	Parcels	Population	Equalized Value
Village of Germantown	Maintenance	8,429	19,749	\$2,577,479,900
City of Neenah	Maintenance	9,642	25,871	\$2,095,284,800
Town of Linn	Maintenance	3,183	2,391	\$1,738,894,300
Village of Waunakee	Maintenance	5,247	12,901	\$1,717,335,100
Village of Richfield	Full Value Maint.	5,872	11,458	\$1,641,680,900
Village of Lake Delton	Maintenance	4,175	2,974	\$1,484,758,700
City of Watertown	Maintenance	2,808	23,864	\$1,394,071,000
Village of Grafton	Maintenance	4,167	11,459	\$1,333,313,600
Village of Sussex	Full Value Maint.	3,387	10,743	\$1,324,729,900
Village of Fox Point	Maintenance	2,664	6,701	\$1,129,369,900
City of Menasha	Maintenance	5,259	17,633	\$1,117,040,500
Village of Deforest	Full Value Maint.	4,212	8,936	\$1,059,843,200
Village of Pewaukee	Maintenance	2,945	8,138	\$975,923,700
City of Port Washington	Maintenance	4,621	11,642	\$974,672,000
City of River Falls	Maintenance	4,659	15,180	\$965,444,900
Town of Liberty Grove	Full Value Maint.	4,627	1,776	\$914,796,900
City of Fort Atkinson	Maintenance	4,600	12,355	\$903,920,400
Town of Mukwonago	Maintenance	3,381	8,020	\$894,793,900
City of Sturgeon Bay	Maintenance	4,619	9,202	\$859,880,300
Village of Mukwonago	Maintenance	3,138	7,629	\$839,258,300
Town of Westport	Maintenance	2,906	4,415	\$812,925,400
Village of Little Chute	Maintenance	3,907	10,778	\$771,569,100
Village of Somers	Maintenance	3,173	9,597	\$770,605,900
Town of East Troy	Maintenance	2,578	4,282	\$764,578,400
Town of Sheboygan	Maintenance	4,022	7,435	\$756,257,700
Town of Dunn	Maintenance	2,956	5,152	\$740,280,100
City of Plymouth	Maintenance	3,167	8,458	\$735,830,400
Town of Gibraltar	Maintenance	3,153	1,018	\$730,117,600
Town of Sevastopol	Maintenance	3,574	2,791	\$716,397,100
City of Monroe	Full Value Maint.	4,213	10,768	\$714,080,200
Village of Cottage Grove	Maintenance	2,530	7,172	\$711,556,100
Village of Williams Bay	Maintenance	2,507	2,594	\$707,391,600

*Complete client list available upon request.

EXECUTIVE SUMMARY

TITLE: CHANGING OF INVESTMENT FIRMS

BACKGROUND:

Prior to my arrival in 2016, the City used Dana Investments and the Local Government Investment Pool (LGIP) for investing their funds. The overall net interest rate was relatively low.

In 2017, we moved many of our investments to be managed by Ehler's Investments to increase our net interest rate. Even with their annual fees of \$25,000, we were achieving a greater net return.

In 2018, we have been approached by Charles Schwab & Company to become our investment broker. What they present is the same level of service, a larger pool of investments which are still equally safe options as dictated under our investment policy, and their fees are nearly \$20,000 less per year.

RECOMMENDATION:

Staff recommends moving our investments to Charles Schwab & Company to maximize our net return on investments.

FINANCIAL IMPACT:

The City is estimated to save an estimated \$19,000+ annually.

PREPARED BY: Steve Volkert DATE: 9/21/18
Steve Volkert, City Administrator
REVIEWED BY: Dawn Timm DATE: 9/21/18
Dawn Timm, Finance Director

Committee Routing: Finance & Personnel
Common Council

October 9th, 2018
October 9th, 2018