
PREPARATION FOR THE REVALUATION: A PRESCRIPTION FOR SUCCESS

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I. INTRODUCTION

A revaluation of all or part of the real property within your jurisdiction will touch almost everyone who resides there. It will draw attention to the Assessor's office like no other act or activity. This paper is written to set forth some thoughts and ideas that an Assessor might consider before entering a revaluation program. A revaluation can either be controversial, upsetting to the jurisdiction, or it can be a guarantee of reappointment or reelection. A reappraisal can be a truly excellent opportunity for improving the quality of equalization and assessment within your jurisdiction, or it can be fraught with unhappy taxpayers, extensive hearings and appeals, and an overall unhappy result.

The key to success in a reappraisal program is a clear understanding that a revaluation is a joint venture between the assessment jurisdiction and the appraisal contractor. The level of involvement of one or more key officials from the jurisdiction, as well as their overall knowledge of the process and expected results, are keys to success in reassessment services.

The selection of the best available contractor or professional appraisal firm requires research, organization, and evaluation. The goal is a "total quality program." That result occurs when the most

competent contractor is engaged for a fair and equitable cost, and that contractor completes a project that will serve the client and the taxpayer's best interest in both performance and cost. It's important this process provide a data base on which valuation and taxation can proceed into the future.

There is not a simple formula or method for selecting the professional appraisal firm. The appraisal firms offer services that are often definable only in the very broadest of terms, such as evaluation, judgment, technical advice, and adherence to time schedules.

The quality of a contractor's performance on future work can, however, be effectively forecasted by examining the contractor's past performance record and discussing the contractor's approach to the project at hand. Effective mass appraisal services require that both the client and the contractor understand the needs, contributions, and expectations of each other. Each must be prepared to invest a great deal of time and effort in communicating ideas and concepts necessary for a successful end product.

The objective of this paper is to discuss the period just before the signing of the contract and deal with those steps necessary for the preparation for a revaluation program, including the establishment of goals and objectives, the evaluation and selection of a contractor, the establishment of standard operating procedures, and other similar steps. This paper is written from the prospective and concept that an outside contractor will be used, but most of these same steps, except for the contractor selection, must be carried out by the Assessor who chooses to carry out his/her own revaluation program.

II. CONSIDER THE BEGINNING AT THE END

Many areas in which you operate have a statutory goal or objective that must be reached in order for a reappraisal to be considered successful. There may be, for example, a specific coefficient of

determination that must be reached or another type of statistical measure that has been established by statute or by administrative rule. It's essential you know what these rules are and that you know how to measure them.

It is also essential that you discuss these standards, by which you will judge the mass appraisal firm, to the contractor during the "honeymoon phase" of the project. Make sure that before anyone embarks upon submission of a proposal for your reappraisal program that they clearly understand the rules of the road and those standards by which you will judge the success of the project.

The IAAO published its new textbook entitled Property Appraisal and Assessment Administration¹ in 1990. In Chapter 18 beginning on page 467 of that textbook there is a discussion of revaluation planning.

This is a good resource and should be read with the Standard on Contracting for Assessment Services². This standard was published in 1986. It contains key information that each Assessor should have prior to he/she undertaking a mass appraisal. The Assessor should also be familiar with the provisions contained in the Standard on Mass Appraisal of Real Property³ published in March 1984. Each of these references will help you set the goals and objectives for your revaluation program.

Once these references are read, it is important to consider your jurisdiction. What type of public relations program will be necessary to inform and educate your taxpaying citizens about the reassessment program? What is the quality of your data base and how much effort do you expect to be expended in gathering additional data? Does your data base contain all the items that you need both now and in the

¹ Eckert, Ph.D., Joseph K., General Editor; Gloude-mans, Robert J.; Almy, Richard R., Senior Technical Editors. *Property Appraisal and Assessment Administration*. International Association of Assessing Officers, 1990.

² International Association of Assessing Officers. *Standard on Contracting for Assessment Services*. International Association of Assessing Officers, 1986.

³ International Association of Assessing Officers. *Standard on Mass Appraisal of Real Property*. International Association of Assessing Officers, 1984.

future? Are you currently using a CAMA system? Does it meet your needs? If you are on a manual based assessment system, have you considered modification of that system to a computer based CAMA system to assist you in carrying out your duties? The beginning of a reassessment period provides you with a wonderful opportunity for examining what you want to accomplish not only in a revaluation program, but also in your assessment functions.

You may well find it helpful to begin to write down a series of goals and objectives and share those goals and objectives with your associates in the assessment function and with other parts of the government of which you are associated.

III. KNOW WHERE YOU ARE

If you, as an assessment official, want to conduct a successful reappraisal program, one of the most important analyses that you can make is where you stand today. What is the quality of your property record card or your property assessment information? What is the quality of your maps? How accurate is the data in your CAMA file? If you expect a reappraisal program, whether conducted by you or by an outside contractor, to be successful, you must have a good understanding of the starting point of the project. What statistical measures are you using to measure the quality of the work product within your files? When was the last time you conducted a self-audit?

IAAO offers a tremendous device (\$35 to members) which has questions that will help you gain some real insights into your operations. Assessment Practices -- Self-Evaluation Guide⁴ was authored by Richard R. Almy, Robert J. Gloudemans, and Garth E. Thimgan, CAE. This guide was published in 1991 and represents a major asset in your revaluation process. This self-evaluation, whether conducted with

⁴ Almy, Richard R.; Gloudemans, Robert J.; Thimgan, Garth E.; *Assessment Practices Self-Evaluation Guide*. International

the IAAO guide, one of our textbooks, or another device, should be one of the first steps in your planning process. It will help you establish a clear understanding or bench mark where you are, and will allow for accurate planning on what you want to achieve. This will go a long way toward helping you establish the goals and objectives necessary for the successful program.

IV. KNOW YOUR TIME FRAME

There is an old saying in the mass appraisal industry that runs "any day lost at the beginning of a project is equivalent to two days at the end of a project." That is certainly true. After every project, whether contractor or internally conducted, you need the time to analyze and evaluate what has been completed. There is a need for quality control; for a statistical sampling of the work product and an evaluation of its quality prior to the time notices are sent to the public. You can then be assured that errors have not crept into the process (or hopefully this quality control activity has been conducted throughout the project), and you need time to conduct the statistical measures referred to in the preceding paragraphs. You also need time for informal hearings, giving taxpayers an opportunity to view their property record cards and discuss those values with the individual or individuals responsible for their development. You need an opportunity to train yourself and your staff in what has happened and why it has happened; and you need time for a successful public relations program. In addition, the predictions made at the beginning of the project relative to number of parcels to be completed per day are usually optimistic. There should be some slack time to make up for bad weather, sickness, or other of the many causes of delay in a revaluation program.

It is essential in planning a revaluation program that you start with your end in mind. Pick your ending date and then provide sufficient time for each step of the program. There are many economically priced project management packages available from either professional contractors or from share ware vendors. Select one of these project management tools and learn to operate it. Maintain an updated project plan at

least once per month throughout the life of the project. During that analysis, continuously recalculate the time required to discover, measure, and list the parcels of property and to review the work product because in these two steps (which are the greatest person intensive) are the greatest opportunity for slippage of time and, therefore, contain the greatest challenge for the contractor or for the Assessor to maintain the projected time frame.

Establish a review once per month with a responsible project person, whether contractor or internal, and review the recalculated project plan. Determine whether sufficient time is available to complete the project, for it is far easier to delay a project six months ahead of its completion and complete it in a thoroughgoing fashion than it is to delay it the day before the project is to be completed.

V. KNOW YOUR BUDGET

Besides clearly understanding your time frame for a reappraisal program, you need to understand your budget. You need to understand clearly from the contractor what method or system of payment he/she is willing to accept, and you need to determine from your local jurisdiction what cash flow is available to pay for reappraisal services. In some jurisdictions there is, of course, a reassessment fund that is established for that very purpose while on others it requires careful planning. It is essential that you work with other elected/appointed officials within your jurisdiction to understand clearly the amount of money available and the cash flow available.

VI. DO NOT BE A STRANGER TO MASS APPRAISERS

Most professional mass appraisers, especially those who have achieved professional designation in IAAO or other recognized professional organizations, are knowledgeable of their field. Most of them are very willing to share that knowledge with you. A reappraisal is not an adversarial relationship, but rather a

partnership or a joint venture, so it is essential to understand the thinking of your joint venture partner relative to data gathering, quality standards, callback procedures, income and expense statements, the three approaches to value, and other similar areas if the program is to be a total success.

A technique that is gaining wider acceptance in the mass appraisal field is to send a request for information to a variety of mass appraisers operating in your area and ask them to come and visit your jurisdiction, making an analysis of your property record cards, maps, the difficulty of conducting a reappraisal program, and a variety of other factors that will influence your overall price. Those factors are then discussed with the Assessor providing an improved knowledge base for the assessment official as well as a better understanding of the tasks to be performed.

Another technique which is quite desirable is the pre-proposal conference. This provides an opportunity for all firms interested in submitting a proposal for the assessment official's consideration to meet with the Assessor to exchange information.

Oftentimes a brief presentation is made by the assessment official to further clarify the specifications which he/she has developed. The floor is then open to questions and each person hears the answers

given by the assessment official. Notes are taken and then submitted to each participant and to any other individual thought to be a potential vendor.

The early involvement of mass appraisal firms in a potential project can substantially aid the project by more clearly defining what tasks are to be performed and the way in which they may well be carried out.

VII. THE REQUEST FOR PROPOSAL

Your request for proposal is an invitation to various reappraisal contractors to submit proposals (or bids) for your consideration. It needs, first and foremost, to have wide circulation with firms who are active within your area and who are conducting reappraisal programs. As officials responsible for spending public monies, it is essential that we conform to all procedures required by your jurisdiction or by your state, and secondly, it's just as important that we "avoid the very appearance of evil." The wider the distribution of your request for proposal to qualified firms, the less possible criticism you are likely to receive after you have chosen a firm.

Keep effective records of the method and manner by which you have sent out your request for proposal. Keep a listing of all those firms to whom you have mailed requests, as well as those who have appeared at your counter and requested material. Make sure you have an accurate mailing list of these people should you need to send additional definitions or modifications to your project after the original request for proposal has been made. Do not be afraid to contact IAAO or fellow Assessors who have knowledge or who have conducted reappraisal programs for names of firms that they would consider or exclude from your proposal list.

Many quality professional appraisal firms have developed a standard request for proposal form. Ask each

of the firms that you contact for a copy of the specifications or request for proposals which they have developed. By reading each of these documents you will find new ideas and thoughts which you want to include in your own request for proposal.

The National Association of Mass Appraisers also has available a standard request for proposal. This document has been developed by selecting the "best of the standards" offered by a wide variety of mass appraisal firms and combining them into one specification set. These documents should provide you with a planning and base tool for change and modification based on the wants, needs, and desires of your assessment unit. It is generally not advisable to simply adopt the specifications of a single organization, but rather to modify those specifications to clearly set forth those things that are important in your view for your own assessment jurisdiction. It is important to further spend a good deal of time with the request for proposal and to clearly understand what you're asking for.

VIII. EVALUATING THE PROPOSAL

There is no magical criteria for evaluating the proposal of reappraisal contractors. They will, in all probability, vary greatly, and it will be a difficult task for you to establish a level playing or level evaluation field. It's essential that sufficient time be provided for this step because if you were confronted with three, four, or more appraisal proposals, you are going to have to spend a substantial amount of time in the evaluation process. This is one of the single most important tasks that you, as an official, will perform.

Key questions that you want to involve include:

1. What is the educational background of the firm's top management and of my proposed project

supervisor?

2. What experiences have these individuals had in carrying out a reappraisal program?
3. What professional designations are held by the firm's principles, and perhaps equally important, by those individuals who will be carrying out the program?
4. What amount of time can you expect the employees assigned to your project to spend on your project, and what is the availability of each of these individuals to you when you have questions or problems?
5. How available are the key persons in the proposed mass appraisal firm to your jurisdiction?
Are they hidden away in some distant holding company, or are they readily available to you?
6. Is the leadership of your appraisal firm professionally qualified to make appraisal decisions?
Are they capable of understanding the appraisal process and making informed decisions?
7. What is the record of this firm in defending the values which they have established?

You need to evaluate the contractor's general experience, stability, and history of performance on projects similar to the ones that you have under consideration. This is the time when networking experiences that you have had at Assessor's meetings, or in other context, are extremely important. Contact other people you know, or even those you don't know, and ask about anyone that you are considering. Make sure you have a thorough understanding of the quality of past performance of the contractor. Assure yourself that the contractor has adequate personnel to carry out the total work load that the contractor now is responsible for.

Evaluate the contractor's approach to the planning, organization, and management of the project. Is the proposal responsive to your request for proposal? Did the proposal include communication procedures, public relations programs, a quality control program, and other similar factors which are a

key to your success?

Evaluate the resources and equipment that are owned by the contractor, including computer expertise, training programs, materials available to you to train your own personnel, and the equipment the contractor proposes to use in the field. It's also important to evaluate the financial stability of the contractor, as well as the reputation and integrity of the contractor within the profession and within the area in which that contractor operates.

It's also important to analyze the attention to detail that the contractor has taken in replying to all aspects for your request for proposal. If the contractor has failed here, it's quite probable that the contractor may well fail you again in the delivery of a final work product.

IX. ASK FOR HELP - EVALUATION

The evaluation of proposals involves a considerable amount of subjective judgment. Reevaluation projects result in large expenditures of public funds. You must be accountable for decisions you make and for the value judgments which you develop. To ensure adequate accountability and to insulate you from some of the criticism that might possibly result, make sure you involve knowledgeable people outside the Assessor's office in the evaluation process. This should certainly include your unit of government's attorney and financial officer, as well as other individuals with expertise in these areas.

Keep accurate records of all correspondence, memos, evaluation sheets, and other similar documents, and make sure you keep them for a substantial period of time. Be consistent in the thoroughness of each contractor's review. Whether you like or dislike the individual you are dealing with, it's essential that you have given each contractor a level playing field upon which to present their proposal.

The key purpose for undertaking an evaluation of this type is to select the most qualified contractor to do the work and to begin to negotiate a contract that is fair and equitable to both parties. It is important to note that the most qualified contractor is not necessarily the largest firm, nor the cheapest firm. Selection should be based on experience and expertise in similar projects and the evaluations which we have described above.

X. SELECTING A CONTRACTOR

The revaluation program normally requires the full time and attention of a professional individual. Most Assessors that I have been acquainted with over the years have a full time, or in many cases more than a full time position in simply keeping up with the day-to-day tasks, duties, and responsibilities of the office. One does not simply slap a sign on the Assessor's door saying, "Back Next Year" to conduct a revaluation in most jurisdictions. Therefore, it is very difficult to conduct a revaluation program internally, unless there is a sufficiently large staff of professional personnel, or unless there is some type of an almost continuous revaluation program being carried out within the jurisdiction.

Many jurisdictions turn to the outside contractor for a revaluation program. It's essential to know who you're contracting with and what you're contracting for.

Contractors are typically profit-making firms who conduct reappraisals within a specific geographic area. Therefore, they have, in many cases, a different set of goals and objectives than you may have. The good or dependable contractor, however, has the same objective you do in many ways. He/she wants to carry out the reappraisal program in a high quality fashion, so they may have your reference and recommendation to other Assessors in the future. At the very minimum, they desire to avoid your

negative comments at Assessors' meetings and gatherings in the future.

There is a line from a song that states, "You've got to know the territory." That is very true in the reassessment business. You simply must know the territory in which you are going to operate. The contractor must be familiar with state laws and local jurisdiction regulations; and they absolutely need to be familiar with your goals and objectives. That same statement is true of you. You need to know the contractors that are operating in your area, and the quality of the work product being currently delivered by the contractor.

The evaluation of a contractor is in many ways just like the evaluation of a potential spouse. The same care and effort should go into the selection of both kinds of commitments. Perhaps one of the principle mistakes that are made by individuals responsible for contractor selection is to evaluate only those individuals with whom the company places you in contact. Typically, most appraisal contractors will have someone responsible for the marketing effort. That same individual will, in all probability, not be responsible for the delivery of the work product to you. It's relatively essential that you get beyond the "sales person" no matter how capable that individual might be and find out who will actually be running your project, at both the operational and management level.

If there's one piece of advice that I might offer based on some 25 odd years of experience, it is that the selection of a project manager for your project is the single most important factor in determining the project success or failure. It is, after all, the individual who is on site who will carry out the project, executing your wishes in the contract as you desire or perhaps creating some of the problems that you will have to live with.

Do not select a contractor without having an opportunity to meet the individual who will be your project manager, and perhaps just as importantly, your regional manager. It's who are the individuals with whom I have contact on this project daily, and if I have a problem, who do I go to? In other words, what is the chain of command and who are the people? It's not sufficient to know that there is a chain of command, but rather it's essential what the chain of command looks like and who comprises it.

XI. PUBLIC RELATIONS - THE KEY TO THE JOB

Gene Lape was a former County Auditor of Hancock County, Ohio, and years later a partner in a mass appraisal firm. Gene always used to say, "If I had to make a choice between a good job and good public relations, I'd always take good public relations. You can fix the job. You can seldom fix your public image." In many ways that quotation is so very true. It is essential that the public know what you're doing, why you were doing it, the steps that are involved in the process, and what is the goal and objective of the process.

We, today, have a more educated and intelligent public than we ever had before. In addition, many jurisdictions are faced by a growing contingent fee tax protestor group, and we're now seeing the publication of more and more books dealing with how to slash your real property taxes or advertisements which suggest 50% to 75% of all assessments are wrong, and if you simply protest, you can straighten out the wayward Assessor who is not much more than a bumbling idiot to begin with, according to the litigator. We, therefore, have a climate today of suspicion about revaluation programs and in fact, about all the activities of the Assessor's office. It is important that we are straight forward and direct in dealing with our taxpayers. If you're going to have a revaluation program, you need to tell your taxpayers exactly what's going to happen. For example, will people be coming around to knock on doors and ask for entry into the properties? If so, what is their schedule?

It is essential that you inform the local public media of what is happening and how it is going to be carried out. I would recommend that you make an inventory of any newspaper (and don't forget the free circulation newspapers that deal with television schedules, shopper's magazines, etc.), radio or television stations that may cover your area. Try to set up a briefing for an interested reporter from each media source and tell them exactly what's going to happen. Show them the information and data in your office. Tell them what you're going to try to do.

During the reappraisal program, make sure that each of the media people have an opportunity to go with a data gatherer during the data gathering phase and also with a reviewer during the review phase. Let them sit in on an informal hearing (after obtaining the permission of the taxpayer) so that these people can become more knowledgeable. I don't believe that most media sources want to do more than report the facts as honestly and directly as they can, but when we fail to provide them with the information, then they'll get it from another source. Ofttimes, the other sources are not quite as informed as we would like.

Your contractor should provide you with a series of news releases, or you should develop them on your own on a frequent basis throughout the reassessment program. This should include information for the electronic and print media. In addition, there needs to be a real effort made to reach out into your community. The local Optimist, Kiwanis, Rotary, League of Women Voters, National Farmers Organization, Farm Bureau, etc. provide a wonderful forum for you and for your chief of the reassessment program to visit and to share your story. Do so on a frequent basis. Take copies of property record cards. Show people what is available in your office. Sell the services that you provide to the community.

XII. SUMMARY

A revaluation can and should be one of the most positive events that occurs in the life of an assessment jurisdiction. It represents an opportunity to gather more data than has ever been available before, to sell the taxpayers on the services provided by the Assessor's office, and to improve the quality of equalization and assessment for each person. If you were to achieve these goals, than it's essential that you clearly understand the magnitude of the task which you are undertaking and the need for your personal involvement in that task.

Earlier in the paper I suggested a very close parallel between the selection of a spouse and the selection of a reappraisal contractor. I suspect that analogy could be stretched to fit once more and to suggest that just as a good marriage is a partnership relationship between two people, so is a high quality reassessment program.

Many, if not most, of these same points are essential even if you are considering carrying out a reassessment program without the use of an outside contractor.