



OFFICE OF  
THE CITY ASSESSOR  
CITY HALL  
400 LA CROSSE STREET  
LA CROSSE WI 54601-3396  
608-789-7525

July 20<sup>th</sup>, 2017

Honorable Mayor Kabat  
Common Council Members  
City of La Crosse

Re: City Assessor's Office: In-house versus Contract

Dear Mayor and Council Members,

In response to the Mayor's recent recommendation to the executive committee that the City Assessor's Office be terminated and its functions contracted out to a private vendor, we'd like to offer some insights.

The increasing need for local governments to do more with less can spawn innovation and increased efficiency. Our office has experienced both. We look forward to further increases in efficiency through new software technology. The temptation to make radical and experimental changes in these tight budgetary conditions should be tempered with thoughtful consideration.

In a letter dated July 5<sup>th</sup>, the Mayor stated to the executive committee that, "*96% of Wisconsin's 1,914 municipalities contract for assessment services.*" Those numbers, without context, distort the state's current assessment landscape. Wisconsin's largest 18 municipalities account for 26% of the State's total property value. Of these 18 municipalities, 90% have in-house assessment offices. La Crosse would be the largest city in the state to have a contract assessor.

There are good reasons that larger municipalities choose to have in-house assessors. A full time in-house assessment office provides value to the taxpayers, other City departments, and various professionals that a contracted assessor would not.

- Larger cities have more complex assessment challenges. 38% of La Crosse's real estate value is commercial. The only city in the state with a higher percentage is Milwaukee.
- An in-house staff is local and vested in the community and act as ambassadors for city government. Often the first representative of City government new residents meet, a local assessor has a unique opportunity to educate the public and instill confidence in our local government. A professional in-house assessment staff builds bridges into the community every day.

- A full time in-house staff doing annual revaluation can maintain consistent assessment levels vs large swings in assessed values every five years.
- Numerous city departments count on an in-house assessment staff for prompt support.
- Home buyers and sellers, realtors, appraisers, insurance agents, and builders rely on a full time in-house staff to make informed decisions and perform their jobs.
- Contract assessors are primarily driven by profit. Spending time with taxpayers, assisting other City departments, and defending assessments cut into that profit. These services are included with an in-house assessment office.
- In any scenario the City will pay for services- either to local residents who live, shop, and pay taxes here, or to people from out of town who spend that money in their own community.

The La Crosse real estate market is unique, diverse and growing while most of the state is not. According to the Wisconsin Taxpayer's Alliance, only 11 counties have recovered from the economic downturn sufficiently to exceed 2008 values. La Crosse County saw the highest increase at 6.9%. With the high percentage of more complex commercial real estate and significant growth, La Crosse is simply not suited for contract assessment.

We have presented the enclosed proposed office budget to the Mayor. By combining with another department, (most likely Planning), not replacing our retiring department head, and moving one clerk position to another department in the City, we believe that La Crosse can maintain a high level of professional local assessment service at a competitive price. Also enclosed are letters from the Madison and Green Bay City Assessors.

Sincerely,



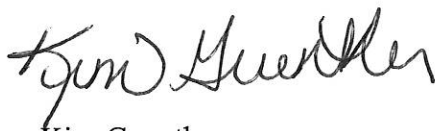
Joshua Benrud



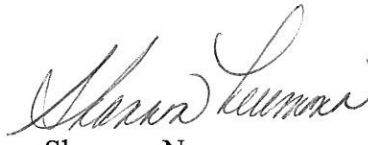
Patrick Burns



Dawn Gale



Kim Guenther



Shannon Neumann



Sheila Rasmussen



Mark Schlafer



Greg Tooke

Enclosure (3)

**2018 PROPOSED BUDGET IF MERGED W/ANOTHER  
DEPARTMENT, NOT FILLING CITY ASSESSOR POSITION  
AFTER RETIREMENT AND MOVING ONE CLERK TO  
ANOTHER DEPARTMENT**

	2016	2017	2018	
<b>ASSESSOR-EXPENSE</b>	<b>REVISED</b>	<b>ADOPTED</b>	<b>PROPOSED</b>	
SALARIES	\$477,756.00	\$481,321.00	\$343,698.00	
OVERTIME	\$48.14			
BNFTS BDGT		\$206,213.00		
HEALTH INS	\$135,926.00		\$101,945.00	
LIFE IND	\$2,121.00		\$1,550.00	
WRS	\$31,321.00		\$22,340.00	
FICA	\$34,372.00		\$24,750.00	
CLTHG ALLW	\$150.00	\$150.00	\$100.00	
TELEPHONE	\$700.00	\$700.00	\$700.00	
TRAINING	\$1,200.00	\$1,200.00	\$1,000.00	
OFFICE SUP	\$1,100.00	\$1,100.00	\$1,000.00	
POSTAGE	\$2,800.00	\$3,000.00	\$3,000.00	
PUBLICATION	\$850.00	\$850.00	\$700.00	
DUES	\$550.00	\$550.00	\$300.00	
TRAVEL	\$1,500.00	\$1,500.00	\$1,200.00	
CAR ALLW/M	\$2,573.00	\$2,550.00	\$2,500.00	
MISC	\$150.00	\$150.00	\$150.00	
PC DEFAULT	\$48.00	\$0.00		
 TOTAL BUDGET	 \$693,165.14	 \$699,284.00	 \$504,933.00	 <b>(30%DECREASE FROM 2017)</b>
 LESS INCOME FROM PROP RECORD MAINT FEE			 (\$96,000.00)	 (3 YEAR AVERAGE)
 <b>NET COST TO CITY:</b>			 <u><u>\$408,933.00</u></u>	
 <b>Net cost/taxable parcel</b>			 <u><u>\$25.50</u></u>	



## Office of the City Assessor

Mark Hanson, City Assessor

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July 18, 2017

Mayor Tim Kabat  
City Hall  
400 La Crosse Street  
La Crosse, WI 54601

Dear Mayor Kabat:

I was surprised to learn that you are considering contracting with a private firm to perform your property assessment work. As President of the Wisconsin Association of Assessing Officers, I am dedicated to promoting professionalism and ensuring public confidence in the work of assessors. I am writing to urge you to consider this decision very carefully, especially given the size of your community. I appreciate you allowing me to take a few moments of your time to share my thoughts with you.

Contracting out is an all-too familiar trend in the assessment profession today, and one that I believe is doing more harm than good to the image of assessors and the quality of assessments. I understand it can look attractive from a financial perspective, but there are many other factors to consider. Performing property assessments in a large community like La Crosse is not project work. It is full-time, year-round work best done by in-house city employees.

You have an excellent staff in place now, one that is doing annual assessments the way they should be done, with annual market updates and a regular schedule of revaluations. Will a contractor continue this process or only do "maintenance", allowing the quality of assessments to decline each year? You have employees who care about their city and are motivated to do a good job. Contractors are motivated by the bottom line. Will you know if they are doing the job they were contracted to do and not cutting corners?

A frequent complaint about contract assessors is the lack of customer service. Their place of business may be far away from the community they're serving, and so their responsiveness to taxpayer concerns is often lacking. Independent workers come and go, which can be inconvenient and disruptive. The quality of work may be uneven. You have less control over contract workers. Your own employees can be closely supervised and managed. They are more stable, making for more consistent assessments. You can depend on having the same workers available day after day.

The chief responsibility of the assessor is to establish a base for the fair and equitable distribution of the property tax. Most property taxpayers know very little about the assessment process. They trust that their elected officials, through their assessor, are providing that fairness. If they lose that trust, it can be very difficult, and expensive, to get back.

I spent many years working in the Property Tax Bureau at the WI Dept. of Revenue (DOR) before becoming the City of Madison assessor. The most difficult assignments I had were those involving investigations of taxpayer petitions for reassessment. These are situations where property owners are so unhappy with their assessments, they petition the State to step in. These situations are very stressful for a community, pitting taxpayers, elected officials and the assessor against each other. And the solutions are very expensive. You never want to have your municipality experience that. All of these investigations involved contract assessors.

Taxpayer petitions are fairly rare, but complaints against assessors have been increasing. I suspect changes over the years at the DOR have something to do with this as well. The Property Tax Bureau is not what it once was. You used to be able to rely on their staff to do field auditing of assessors to make sure they were complying with the law. That is no longer the case. Their staff is about half of what it used to be before they closed the La Crosse and Fond du Lac district offices. You need to be vigilant about what your assessor is doing. No one else is going to do that for you.

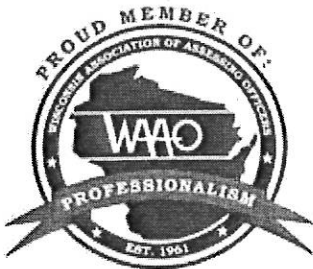
I hope you'll consider what I've had to say. This is a decision that can't be based on cost alone. As with anything, you get what you pay for. I hope you choose to keep the excellent, trusted staff you already have in place.

Thank you for listening. Please feel free to contact me if you wish.

Sincerely,



Mark Hanson, President WAAO  
Assessor - City of Madison  
(608) 266-4545  
[mehanson@cityofmadison.com](mailto:mehanson@cityofmadison.com)





7/17/2017

FROM: Russ Schwandt, City Assessor

A handwritten signature in black ink, appearing to be "RS", is written over the word "Assessor" in the "FROM" line.

TO: Mayor Tim Kabat

RE: Assessor's Office Staffing in La Crosse

It is my understanding that the City is thinking about disbanding the Assessor's office in La Crosse. I strongly urge the City against making that decision. In this day of tight budgets it is all too often an easy move to contract out an office, rather than hire a replacement and continue on as before. On the surface, the move seems to save money, as all contractors will promise great service at reduced prices. Unfortunately, that is just not the case.

The money saved up front by eliminating the office will be eaten up in ways not readily apparent. Contract firms make money by spending as little time as possible litigating cases, whether it is in Board of Review or Circuit Court. They would rather reduce values and settle cases rather than fight them as they should, thereby reducing the City's tax base. There is no incentive for them to have accurate assessed values, in fact if they let the values drop off, they are guaranteed a big payday by way of a mandated revaluation that much sooner!

The other part of disbanding the office that goes against logic is that you are eliminating decades of practical experience within the City. Experience working with property owners, developers, tax reps, attorneys, and city hall staff. A contract firm will not be as easy to contact nor will they be as willing to do special reports and projects for other city departments. They will do exactly what the contract says, nothing more, unless you pay more.....

As a former two-time President of the Wisconsin Association of Assessing Officers, I urge you to reconsider this drastic move as I feel it would be a disservice to the people of La Crosse.