

**MECKLENBURG COUNTY BOARD OF COMMISSIONERS**  
**ACTION IN RESPONSE TO FINDINGS AND RECOMMENDATIONS**  
**ARISING OUT OF THE 2011 REVALUATION REVIEW**  
**AGENDA ITEM #12-0621**

The Pearson's Appraisal Service Incorporated Report on the Review of the Mecklenburg County 2011 Revaluation in full presented on November 20, 2011 is accepted.

**Goals:**

1. Identify and address major issues of inequity in all neighborhoods in the County.
2. Develop a detailed work plan and accelerated timetable for next revaluation.
3. Build a strong culture of customer service within the Assessor's Office
4. Restore trust and confidence in the capacity of the Assessor's Office to undertake fair and accurate countywide revaluations and in the Board of Equalization and Review to fairly and justly review citizen appeals.

**Immediate Board Actions:**

1. Approve amending the Pearson's Appraisal Service contract to engage Pearson's services to identify all other neighborhoods where there are or may be major issues of inequity. This should be prioritized by reviewing pending appeals with the Property Tax Commission, then pending 2012 appeals to the BER, then all other neighborhoods. Estimated cost: \$180,000. Estimated time to complete: 90 days.
2. Direct the County Manager to assign day to day operational oversight of the Assessor's Office to a General Manager, pending the appointment of a new tax assessor by the Board of County Commissioners. Expand the Pearson contract to include the evaluation of the departmental structure of the Assessor's Office and bring forth recommended changes that mirror best practices of like-sized counties.
3. Direct the County Manager to have staff immediately begin reworking neighborhoods where Pearson's has identified major issues using the same priorities as in #1 above. Staff may need to contract for additional resources and/or expertise subject to the Board of County Commissioners approval based on Pearson's guidance. Staff will be directed to rework the neighborhoods under Pearson's guidance, and that Pearson's must review staff recommendations to determine that it meets Pearson's definition of acceptable before being provided to the BER for approval. By doing this, reworking the neighborhoods can begin immediately and concurrent with Pearson's identifying other neighborhoods where there are major issues of inequity.
4. Direct the assigned General Manager, with the advice and assistance of Pearson's to develop and oversee a process to address the minor issues Pearson has identified or will during the

extended period of Pearson's service to the County in a manner that is consistent with Pearson's recommendations. The process developed by the General Manager for addressing minor issues shall be brought to the Board within 60 days for review and approval prior to implementation. Pearson's Appraisal Service shall be asked to provide feedback to the Board on the effectiveness of the minor issue corrective measures recommended by the General Manager prior to Board consideration of approval.

5. Direct the County Manager, in consultation with Pearson's Appraisal Service, to develop a detailed work plan for the next revaluation that would include:

a. Updating property record cards;

b. Developing a strategy to insure that the County does a first rate, highly customized job of assessing property values in complex areas, particularly pre—1980 heterogeneous neighborhoods, including a review and identification of software that is suitable to the size and structure of the county (e.g., by field visits or contracting with appraisers experienced with the types of neighborhoods);

c. Using project management of areas with a high volume of appeals;

d. Developing strategies for quality control of all activities in Assessor's Office;

e. Engaging appraisers and consultants to conduct construction cost and commercial market studies;

f. Evaluating the feasibility of greater use of the income approach to assessing commercial properties;

g. Establishing informal appeal objectives and standards (e.g., face-to-face meetings with property owners, one appraiser working all appeals in a neighborhood, deadlines for notices and managing informal appeals, mandatory explanation to property owners for denial of adjustment);

h. Revising operating procedures for the Board of Equalization and Review, including the roles of Assessor and his staff in interacting with the BER members. Review, develop and implement, where necessary, rules of ethics for BER members and Assessor's Office staff during any periods where the BER is in session; and

i. Developing a projected organization and staffing model, which outlines other resources and associated costs to implement the work plan and maintain ongoing operations of the Assessor's Office.

Note: The detailed work plan, which will include a timetable for each part of the work plan and will be presented to the Board for any revision and/or concurrence. Prior to presentation to the Board, the detailed work plan will be reviewed by Pearson's Appraisal Service for consistency with that firm's recommendations. The plan also will be disseminated to the public for input/feedback. Pearson's review of the plan will be included in the contract amendment

referenced in paragraph #1 above. The detailed work plan is estimated to be developed by June, 2013. The work plan should include for each of 5(a)-5(i) an estimated cost analysis with an estimate of the overall incremental cost of implementing the work plan.

6. Direct staff to develop a timeframe and process for removing all current BER members and appointing new highly skilled and qualified BER members and utilize the CRAC and Pearson's to make recommendations to the BOCC in identifying the most qualified applicants as a part of the BER appointment process. All current BER members will be allowed to apply to serve again, relevant to the new requirements and consideration should be given to geographic expertise and diversity when appointing members to the BER.

7. Direct the Board of Equalization and Review (BER) to implement changes to its process for scheduling hearings that is more convenient to both appellants and Board members. The newly elected Chairman of the Board (BOCC) shall appoint a subcommittee to review current BER policies and practices and recommend to the full Board (BOCC) appropriate and necessary changes that would bring the BER practices and operating procedures more in alignment with the Goals outlined in paragraphs 1-4 above. This sub-committee of the Board (BOCC) shall work in consultation with Pearson's Appraisal Service and county staff per the direction of paragraph 5(h) to develop an appeals hearings process that is customer focused and time efficient, while maintaining the integrity of the process and compliance with the Machinery Act.

Actions addressing the 2011 property revaluation:

8. Direct the County Attorney to consult with the N.C. School of Government, N.C. Department of Revenue, NC Assessor's Association, the City of Charlotte, and all Mecklenburg County towns regarding the legality, implications and consequences of any possible state legislation authorizing retroactive property appraisals back to January 1, 2011 necessary to eliminate inequities identified in the Pearson report that would include issues of resulting taxpayer reimbursement and taxpayer levies, and report his findings back to the Board within 60 days.

**Management Actions (Not requiring Immediate Board Approval):**

The County Manager is directed to develop a customer service improvement plan for the Assessor's Office. The first step shall be to contract with an outside firm to conduct an independent customer service assessment of the Assessor's Office and make findings and recommendations for improvement. The goal of the improvement plan will be to reform and transform the Assessor's Office and make customer service and satisfaction a top priority.

It is estimated that it will take 120 days for the County Manager to contract with the outside firm and develop the action plan. The Manager is directed to prepare for the Board's review and approval an estimate of the cost to taxpayers of both developing and implementing the improvement plan, including the cost of any additional part-time or full-time employees.