

Proposed Scope of Work

Review of tax neighborhoods for accuracy and equity of assessed values

In response to Immediate Board Action #1

Pearson proposes a review of the remaining 1,100+ neighborhoods in Mecklenburg County that have not been reviewed by Pearson staff. In an effort to maintain consistency with the methodologies employed during our initial review of the 2011 revaluation, Pearson proposes reviewing the remainder of neighborhoods in a similar format to the initial 200 neighborhoods. Determinations will be assigned for each tax neighborhood as Acceptable, Major, and Minor.

Upon acceptance of an agreement between Pearson and Mecklenburg County, Pearson will allocate staff to immediately proceed with the review of tax neighborhoods. Following the requests of Mecklenburg County, Pearson will first review neighborhoods with the highest numbers of appeals pending Property Tax Commission for tax year 2011 and Board of Equalization for tax year 2012. Pearson staff will note the volume and frequency of these appeals. Pearson will provide an in depth review of PTC appeals for tax year 2011 as a part of the neighborhood reviews and will make value recommendations for Mecklenburg County. Our work on PTC appeals will include meetings with property owners and field visits as necessary to review the pending appeals.

After completing the review of tax neighborhoods with a large number of pending appeals, Pearson staff will proceed to review tax neighborhoods deemed most likely to contain major issues of inequities or inaccuracies. By reviewing early on the tax neighborhoods likely to have appraisal issues, the goal is to maximize the amount of time and resources available to correct the appraisal issues while still conforming to an anticipated completion date of October 2013. By May of 2013, it is anticipated that Pearson staff will have made a determination for all 1100+ tax neighborhoods.

Pearson staff will primarily review tax neighborhoods from County supplied office space. Neighborhood drive-bys and spot checking of records in the field may be required in certain instances to develop a determination of acceptability of appraisal work.

Pearson staff will utilize Mecklenburg County's Patriot CAMA system to review property information as listed in the 2011 database. Pearson staff will use the CAMA GIS viewer module to assist them with neighborhood determinations. It is anticipated that Pearson staff will require 10 seat licenses for the GIS viewer, to be supplied by Mecklenburg County, to review the neighborhoods in a timely fashion.

Reports will be generated from the CAMA system for each neighborhood reviewed. In keeping with the original review process, these reports will include a Sales Report, an Improvement Report, a Detailed Land Line Report, and an Appeals Report. Pearson staff appraisers will use these reports in conjunction with spot checking individual record cards and the data layer overlays available in the CAMA GIS viewer module.

Pearson staff will continue to use a summary form for each neighborhood reviewed to record pertinent data about the neighborhood as a whole. Neighborhoods deemed to have major issues will include recommendations on the forms formatted in a manner to assist in the County's correction of errors and inequities. All recommendations submitted by Pearson's for County's correction will require a sign-off from Pearson project management.

Rework of neighborhoods identified as having major issues

In response to Immediate Board Action #3

Pearson proposes their project management staff to assist the County with recommendations for corrective actions in neighborhoods identified as having major issues. Pearson management will begin by giving direction to the County to address neighborhoods that have been previously reviewed by Pearson staff.

According to our understanding of "Immediate Board Action #3, Pearson staff will primarily be responsible for direction and oversight of the corrective actions necessary to produce acceptable results. Mecklenburg County tax office staff, or additional consultants, will be responsible for the field visits or parcel-by-parcel corrections and data entry necessary to correct the appraised values. Appeals resulting from the new values will be heard and addressed by Mecklenburg County. Pearson staff can be made available to assist with this task to whatever extent Mecklenburg County believes is necessary.

Our estimates allocate five days of Pearson staff involvement for each neighborhood deemed to have major issues. This 5 day allocation includes formulating the recommendation for fixing the neighborhood and also the review of the completed work after County has reworked the neighborhood based on Pearson recommendations. According to the statistical analysis of the original 2011 revaluation review findings, Mecklenburg County should plan for approximately 300 neighborhoods to require reworks. The B.E.R. will be responsible for approving any new property values as a result of neighborhood reworks.

The cost estimate provided with this proposal does include field reviews for 5,000 parcels to be conducted by Pearson staff. This has been included as a means of Pearson staff establishing a benchmark for appropriate procedures for corrective actions and also to accelerate the corrective process while County staff mobilizes its resources for addressing neighborhoods Pearson's identifies as having major issues moving forward.

Review of work plan for future revaluations

In response to Immediate Board Action #5

Pearson project management will review the revaluation plan once it is developed by Mecklenburg County Tax Office. The estimate included in this proposal allocates 20 days of Pearson time to review the document and note any proposed revisions. Pearson project management can assist in the development of the revaluation work plan if the County so desires. Pearson agrees with BOCC directives that this process should be completed by June of 2013 in order to begin preparations for a future revaluation.

Involvement in Board of Equalization and Review process

In response to Immediate Board Action # 6 and #7

Pearson staff, primarily project management, will be available to assist the County in selection of Board members and in development or review of newly developed Board procedures and structure. Estimates for this phase of the proposal are estimated at 10 work days. The actual number of work days may be greater if the County requests in-depth Pearson involvement in interviews or selection of BER Board members.

Neighborhoods with minor issues

In response to Immediate Board Action # 4

Pearson management will work with County staff to develop effective measures and procedures for addressing minor issues. In most instances of the work already reviewed, the issues that resulted in a minor determination are clearly defined on the neighborhood summary form. Pearson is providing an estimate of 10 days for involvement in this phase of the scope of work. County staff will be responsible for updating property information and values as a result of any minor determinations.

Review of Tax Office organizational structure and practices

In response to Immediate Board Action # 2

Pearson management will review the current structure and practices of the Mecklenburg County Tax Office and provide recommendations on improvements in efficiency, customer service, and organizational structure. This proposal includes an estimate of 20 days for this phase of the project. The actual time spent in this phase will be dependent upon the level of detail of review Mecklenburg County requests. This work will include benchmarking against similar NC counties and providing best practice recommendations.

Cost & Time Estimates

The following is a good faith estimate of cost and time for Pearson staff to complete each phase of the Scope of Work as listed in this proposal. Actual time and expense to complete the scope of work will be used in determining total cost. Billing will be based on \$600/person/day. The per diem rate is inclusive of all expenses such as travel, lodging, and fuel. Mecklenburg County will be responsible for office space, computer hardware, CAMA access, and printing expenses associated with this review.

Phase of Work	Estimated Time	Estimated Cost
Management and P.R.	3 persons - 10 months	\$240,000
Review Remaining 1,100+ Tax Neighborhoods +	7 persons - 6 months	\$504,000
Major Issues- develop recommendations and review County re-work	7 persons - 10 months	\$600,000
2011 PTC Appeals Review	3 persons – 5 months	\$300,000
Assist with Revaluation Work Plan	1 person - 20 days	\$12,000
Assist with B.E.R.	1 person - 10 days	\$6,000
Minor Issues- assist in developing process	1 person - 10 days	\$6,000
Assist in Review of Tax Office Structure and Practices	2 persons - 10 days	\$12,000

Estimates are based on a 10 month timeline ending in October of 2013. Pearson will provide up to 16 staff to Mecklenburg County based on the scope of work as listed in this proposal. Pearson has included 3 full time project managers to oversee the project and handle public relations. The remaining 12-13 personnel assigned will be Pearson staff appraisers. All staff assigned to Mecklenburg County will be certified ad valorem appraisers through the North Carolina Department of Revenue. More or less Pearson personnel can be assigned to Mecklenburg County at a rate of \$600 per person per day.