January 22, 1982

Honorable Chairperson and Members of the
Marquette County Board of Commissioners
Marquette, Michigan

Ladies and Gentlemen:

A meeting of your Executive Committee was duly called and held on
January 22, 1982 and copies of the minutes of that meeting have been
furnished to all members of the Board of Commissioners and a copy of
the minutes is attached hereto and made a part of this report.

Respectfully submitted,

EXECUTIVE COMMITTEE

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Chairperson

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The Executive Committee meeting was duly called and held on January 22, 1982 at 7:00 p.m. in the Courthouse Annex.

Present: Commissioners Cheatham, LaPin, Racine and Villeneuve.

Absent: Commissioner May.

In Attendance: Duane Beard, Controller; Henry Schneider, Equalization Director; Howard Robare, Humboldt-Champion Assessor and Equalization Department staff; Thomas and Margo Murray; Frank Valente, City of Ishpeming; John Matekel, Marquette/Ely/Ewing Townships Assessor; Earl Robinson, Skandia Township Supervisor; Gary Trudgeon, Local Assessor and Equalization Department staff; Don Bode, City of Ishpeming Assessor; Earl Yelle, Sands Township Supervisor/Assessor; William Kerr, Powell Township Assessor; Wes Larson, Neguanee Township Assessor/Supervisor; Ivan Fende, Chocolay Township Supervisor; Mark Maki, Chocolay Township Assessor; Edward Farley, Ishpeming; Orval Charette, Powell Township Board; Karin Rule, West Branch Township Board; Charles Schneider, Ishpeming Township Assessor; David Hamel, Champion Township; Norbert Grant, Republic Township; Taisto Tuominen, Republic Township; Jacki Lykins, Equalization Department staff; James Beaufied, Champion; Emil Aho, Ishpeming; and Paul Bluekamp, Ishpeming City Council.

The meeting was called to order by Chairperson LaPin. The Chair explained that the purpose of the meeting was to review tentative assessment studies prepared by the Equalization Department prior to their submission to the State Tax Commission.

The public comment section was opened. No one present wished to speak.

Commissioner LaPin introduced members of the Committee, the Commission Aide and Equalization Director to those present.

Approval of the agenda was the next order of business. The sequence of various items was changed somewhat. It was moved by Commissioner Cheatham, supported by Commissioner Villeneuve and carried unanimously to approve the agenda as presented.

A communication sent by Henry Schneider to all assessors and supervisors on the "Truth in Assessment" law was read. Mr. Schneider summarized the law for those present. He said under the law a unit's assessment level is its tax base. This law will only impact cities and townships. Counties will levy taxes on county equalized value (CEV) and schools will levy taxes based on stated equalized value (SEV).

In response to a question by Wes Larson, Henry Schneider said his department is within $6,000,000 of what the State Tax Commission's estimated equalized value is for the county. The difference occurs in residential property. Henry Schneider said as a result of concerns of local assessors and the County Board many changes were made to the study program this year. The number of parcels appraised were increased in response to concerns from local units that too few had been used in the past. The parcels appraised were selected randomly. He said his department staff also made more attempts to visit property included in the study this year. When homeowners were not present when county appraisers stopped by they left a call-back card suggesting that the homeowner contact the Department to supply information.
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Under the random sample system it was found that those units which use only one value for determining timber cutover values fared worse than those units that use a more equitable system. Schneider said 1200 appraisals were conducted; 900 of which were on residential properties. They found it is not necessary to gather that much data to obtain accurate figures. He noted he's met regularly with the Executive Committee this past year to review studies. Henry said they have tried to inform units of study results as soon as possible.

Commissioner Racine entered the meeting.

Henry Schneider provided Committee members material on equalization. He read a letter addressed to the Executive Committee which stated, in part, that he recommended a $2,000,000 or .27% increase over last year's residential property value. The Equalization Department's recommended residential value is $725,934,212; the State Tax Commission local staff recommends a 1.7049% increase, or $736,362,318 value, for residential property.

The committee reviewed a recap of residential study recommendations on all units that was prepared by the Equalization Department, as well as a listing of units whose assessed values will be reduced as a result of this year's study; those that will be equalized as assessed; and those recommended for increases up to 20%.

The Committee next reviewed the State Tax Commission's tentative report on Marquette County. The purpose of such a report, according to Schneider, is to provide an early warning of possible defects in the county equalization report. He said the State Tax Commission based their recommendations on sales studies.

The Committee reviewed, with Mr. Schneider, recommended values for each class for each unit within the County. Mr. Schneider said his department worked with the State Tax Commission in determining timber cutover rates. This was because of complaints received from units that Marquette County timber cutover values compared negatively to those of other counties in the Upper Peninsula, and that the State Tax Commission did not spend time in Marquette County in determining timber cutover values.

Commissioner LaPin then opened the meeting to questions from the public. Frank Valente noted personal residential for the City of Ishpeming shows that it is appraised at 5% above its value. Schneider said this will be reduced to make it equitable.

Taisto Tuominen, Republic, remarked on the number of agricultural parcels in Republic Township. Schneider said local units are responsible for placing parcels into the appropriate class. The units decide what parcels will be classified under agricultural. Sometimes property is not always properly classified under its primary use. The Equalization Department assesses property per its proper classification.

Commissioner Racine left the meeting.
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Wes Larson questioned the process used in determining equalized value of some parcels in Negaunee Township. Earl Yelle said there are recommended increases in classes in Sands Township and he felt the assessments were not justifiable. He questioned how the figures were obtained. Commissioner LaPin asked that copies of appraisal cards on Sands Township parcels be forwarded to Earl Yelle.

Earl Robinson questioned figures applied to Skandia Township for residential property and the reason the department reduced its recommendation for residential from a 13% increase over last year to a 10% increase. Schneider said the decrease was due to information that the township had that was not available to the county when they first made their assessments. Commissioner LaPin did not believe homes in Skandia Township that have contaminated water should be used in the study. Schneider said a similar event occurred downstate and the Tax Tribunal determined the contamination did not affect the value of the property.

Norbert Grant, Republic Township, questioned values for timber cutover. This was done on a county wide basis, and values of adjoining counties were also used. Timber cutover is assessed at between $125 to $150 per acre; property with access is valued higher.

Significant discussion on procedures used in determining values; rationale for procedures followed; etc. was held.

Ivan Fende spoke on procedures for assessing property and equity in assessing parcels in various units. He felt the county should use the same system of assessing in all units; either sales studies or appraisal studies. He felt the department should not choose what method they wished to use in which units but should use one method for all. Schneider said he believes both methods provide equitable assessments.

Mark Maki spoke on sales studies vs appraisal studies. He believes use of appraisal studies is advantageous to a unit because the value may fluctuate 5% plus or minus in assessing by this method. Schneider said this same variance also applies to sales studies.

Earl Yelle said property owners appealed assessments for seven parcels in Sands and West Branch Townships and all values were lowered. He said five of those seven parcels were assessed by the Equalization Department.

Frank Valente spoke on commercial values in the City of Ishpeming and on the difference of assessing homes on owner owned property vs leased land.

Commissioner LaPin closed the public section.

A communication from Schneider to Chairperson LaPin asking for authorization to submit studies was read. Commissioner LaPin said he believes questions on Michigamme, Sands, Skandia Townships regarding certain features of their assessments should be reviewed by Schneider. He questioned whether the Committee should ask Chief Civil Counsel to determine whether any violation occurs in using different methods of assessment (sales or appraisal) in assessing different units.
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Schneider noted the State deadline for submission of the studies was January 18. He said he has never had a problem in correcting errors in studies after they were submitted to the State. He said the State Tax Commission may send a strong letter to the county because of the late submission of the studies.

It was moved by Commissioner Cheatham, supported by Commissioner Villeneuve and carried unanimously to request Chief Civil Counsel to determine if any discrimination occurs in using sales methods for some units, and appraisal for others in determining assessed values. Absent from vote: Commissioner Racine.

In response to Commissioner LaPIn's request that all appraisal cards be sent to the appropriate local units, Schneider said there is no problem in forwarding them but it would be difficult to do so in a timely manner because of the volume of cards involved. He said this year his Department asked units to request cards if desired, rather than sending them automatically because of the amount of cards. Duane Beard said the Board may like to consider having a commercial copy service duplicate the cards. Commissioner LaPIn asked that studies not be sent to the State Tax Commission until problems mentioned at the meeting were straightened out.

A resolution from Washtenaw County approving fair and equitable equalization procedures for 1982 in accordance with MCLA 211.27 was read. It was moved by Commissioner Villeneuve, supported by Commissioner Cheatham and carried unanimously to table until the next meeting. Absent from vote: Commissioner Racine.

The committee discussed a request by Don Bode, City of Ishpeming Assessor, to hold a board of review workshop for units of government in the county. Commissioner LaPIn asked Henry Schneider to bring materials to the next Executive Committee meeting on holding such a workshop.

Commissioner Racine reentered the meeting.

Don Bode said the City of Ishpeming was helped during the assessment process by the Equalization Department. He said the department sent units bulletins on new legislation, and kept channels of communication open. He said his unit appreciates the assistance they received from Mr. Waarala of that department. In addition to helping with appraisal studies Mr. Waarala provided information to citizens when studies were taking place. He believes that the prior notice given to property owners on appraisals produced cooperation from the property owners.

It was then moved by Commissioner Villeneuve, supported by Commissioner Racine and carried unanimously to adjourn at 9:15 p.m.

Respectfully submitted,

Karen Chubb, Commission Aide