



Department of Assessing
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Mission Statement: To assess all property in the city in a fair and equitable manner.

Scope of Operations: The Saco City Assessor is responsible for assessing all property in the city in order to determine the value for taxation purposes. In FY04, this included 7500 properties in five classes or types of properties: residential, industrial, commercial, agricultural and “special purpose” properties, such as those owned by utilities. The majority of properties in Saco are residential and agricultural, approx 400 are commercial, and industrial and special purpose number about 50.

Use of Resources: The Assessing Department employs 3 full time and 2 part time employees, who are responsible for a valuation of \$1,576,428,700 at 85%. Neighboring towns of similar demographics, such as Biddeford and Scarborough, employ 4 and 3 people, who are responsible for valuations of \$1,653,000,000 at 80% and \$2,057,600,000 at 70%, respectively.

Of the total city services budget, the Assessing Department utilizes .42% to perform their duties – or a per capita cost to citizens in FY2004 of \$9.33.



Department Service Delivery Goals:

- 1) Each assessment cycle will be at 95% of current market value with a quality rating of less than 10.

Currently, property values in Saco are assessed at approximately 85% of the current or real market value. This is allowed by state law (when a municipality drops to below 70%, they must revalue all property in their town), and it reflects the past inability of assessors offices to annually accurately update values and so has become a defacto method used by municipalities to control property taxes.

A quality rating is issued by the state and is a mathematical calculation of how close a municipality is to 100% of current market value and how much any single given property wavers from the municipality's stated assessment level for all properties. Any rating under 20 is acceptable by state standards.



- 2) Incorporate 2 additional approaches to establishing current market value, one each in the 2005 and 2006 assessment cycles, in order to establish the most accurate value for each property.

*Saco currently employs one standard technique to devise property values, the cost approach -- that is, what it would cost to replace a property plus the land value is calculated for the valuation. An additional standard approach used is to find sales of like properties and compare to a given property, that is the comparable sales approach; this technique is used randomly by the Assessor in order to verify the accuracy of the cost approach as an internal check. The comparable sales approach will be uniformly used in the 2005 assessment cycle and will aid in achieving the goal of **assessing all property at 95% of current market value**. Finally, an income based approach can be used for income generating properties, that is, what a property earns is the basis for establishing its value. This approach will be employed in the 2006 assessment cycle.*

- 3) Contract with outside appraisers to do complete narrative appraisals for all commercial properties.

The majority of properties in Saco are residential and agricultural, and valuing of these properties is done reliably by in house staff. However, when other types of properties need to be appraised, the plan is to hire qualified outsiders in order to ensure these special classes of properties are being accurately valued. This will be done in waves, so that every few years a group of like special properties, such as those the utilities own, will be done together.



The impact of property values and the taxes they generate heavily influence on the city's strategic goal of meeting the city's financial needs to provide services.

Performance Data: The measures used by Assessing to gauge their performance in achieving these goals are as follows:

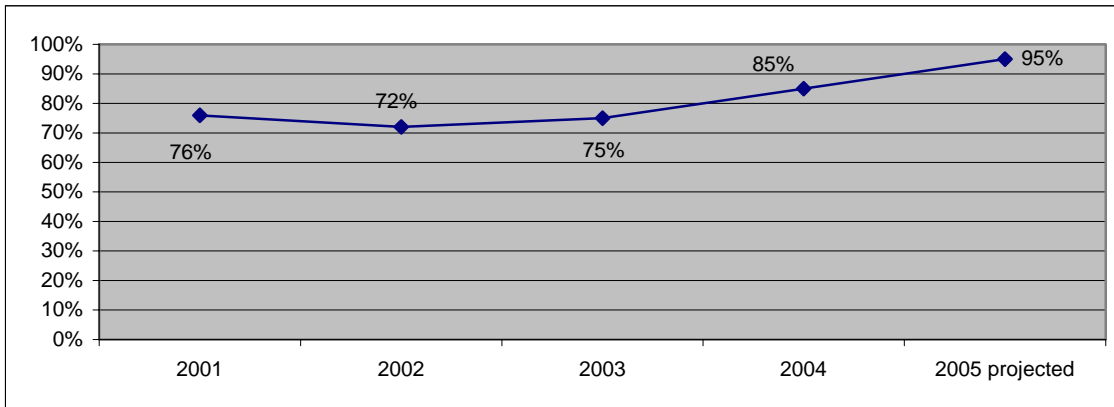
- 1) State Annual Audit Quality Rating: (Service Delivery Goal 1)

State Annual Audit Quality Ratings	
FY 2004	10 estimate (not completed until winter)
FY 2003	12
FY 2002	16
Current - Biddeford	12
Current - Scarborough	12





- 2) Accurately value properties at 95% in the next cycle. (Service Delivery Goal 2) (Future measure.)



In calendar year 2003, when valuations of property started to move closer to 100% of market rate, only 550 inquiries were received about the new valuations. Of those, only 3 appealed their property valuations to the courts and none of those appeals resulted in change. This year, as valuations again were adjusted to approximately 85% of full market rate, only 144 inquiries were received when new valuations were published and only 2 are being appealed, both commercial.

- 3) Change in values for properties that are performed professionally. (Service Delivery Goal 3) (Future measure.)

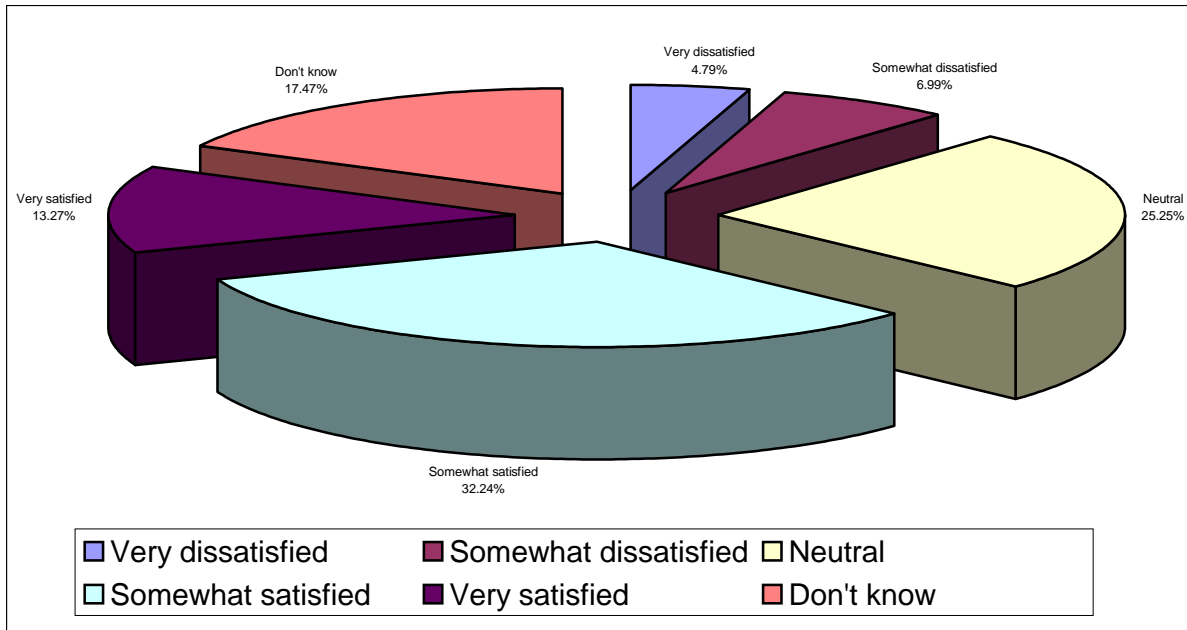
The professionally performed new valuations will either rise over current valuations, which will ensure that these types of properties pay their fair share in the future and that other types of properties do not subsidize them; or these new valuations will fall, which will ensure that these types of properties are not unfairly burdened in the future. The City is planning to have outside professionals perform new valuations on the following properties in the next fiscal year: 2 golf courses, Florida Power and Light, water company, and 2 shopping centers. In 2006, all major apartment projects will be valued; in 2007, all of the downtown and Route One properties will be valued; and in 2008, all of the industrial park commercial properties will be valued.

Citizen Survey: From the citizen perspective, the Assessing Department is seen as one of the less satisfactory areas of the city government, with a mean rating of 3.51 on a scale of 1 to 5 where 1 means “very dissatisfied” and 5 means “very satisfied.” While a mean rating of 3.51 in and of itself is between “neutral” and “somewhat satisfied,” relative to other ratings for the city it is not as positive.





Another way to present the citizen point of view that sheds some light on the rating above is to look at what percent of the respondents fell into each category of response:



This indicates that the mean response of 3.51 is influenced by about 17.47% of the survey respondents that did not have a satisfaction rating (“don’t know”) for the Assessing department. Possible reasons for a large percent response from citizens in the category “don’t know” could be due to responses from renters (10.8% of survey respondents), for whom property values are not directly experienced but only indirectly through rents, and from property owners who are not sure that the property they own is accurately valued, such as those who have no recent experience in the real estate market.

Overall, given the nature of the work performed by the Assessing Department, it seems likely that there is a negative association with Assessing and high property taxes, which is an issue throughout the state, that could also contribute to lower citizen satisfaction with this department. The assessing department is planning to add a “Frequently Asked Questions” section to their web site so that interested citizens can learn how to use the assessing web page; and they are also going to expand their public access data in this site, which currently is available only through a computer at their office. These expanded services will be advertised so as to communicate their availability to the citizens of Saco, with the goal being improved access to information for citizens and to make their website more useful.