

AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission
From: Jeremy Howard, City Manager
Date: May 2, 2024
Regarding: Approve Assessing Contract Amendment – MAC, Inc.

For the Agenda of May 6, 2024

Background. As you recall, the City of Clare hired MAC, Inc. as our Assessor of Record in May of 2023. The RFP and resulting contract were initiated as a multi-year contract which was approved by the City Commission in April of 2023. Now that we have completed the first year of the contract I sat down with the Assessor and some city staff to review how the year went and any changes needed moving forward. MAC, Inc. is requesting a slight modification to its contract. Currently, we are paying \$36,400 for the original services per the contract/bid last year.

After review and further discussion, MAC, Inc. has provided a proposed amendment (*att'd*) to the existing contract (*att'd*) to allow for additional time and duties to be added to our existing contract. The new contract amount for the year starting May 1, 2024, through April 30, 2025, would be \$45,000. This is an increase of \$8,600 for the next year. As you know, there has been a great deal of cleanup needed on our assessing records with the turnover of Assessing staff in the city over the past few years. This additional work and the more complicated Assessing issues I agree do warrant the slight increase in contract amount. MAC, Inc. will continue to offer onsite hours as well as Monday through Friday email and phone service to City Staff and Residents. They also offer the preferred (MAAO) staffing, and they have an MMAO (Level III) assessor who will oversee the city's assessment roll with many years of experience that is hard to find. The city has already seen an increase in taxable value and therefore tax dollars in the last year of over \$50,000 from corrections, omissions, and additions found by MAC which will be a yearly increase to our tax revenue. This increase more than pays for the amendment to the original contracted amount, and I believe we will see further additions/corrections that will result in additional tax revenue in the future.

The City Commission is asked to approve the amendment to the contract with Michigan Assessing Coalition, Inc., authorize the City Manager to sign all necessary and related documents, and authorize the Treasurer/Finance Director to apply all necessary budget amendments.

Issues & Questions Specified. Should the City Commission approve the amendment to the existing Assessing services contract with Michigan Assessing Coalition, Inc.?

Alternatives.

1. Approve amendment to the contract.
2. Do not approve the amendment to the contract.
3. Defer this matter to a subsequently scheduled City Commission meeting.

Financial Impact. The new contract cost to the City will be \$45,000 for the next year of the contract plus any hourly fees for additional services as laid out in the original contract, if needed.

Recommendation. I recommend that the City Commission approve the amendment to the existing contract for Assessing Services with MAC, Inc., authorize the City Manager to sign all necessary and related documents, and authorize the Treasurer/Finance Director to apply all necessary budget amendments by adoption of Resolution 2024-032 (*copy att'd*).

Attachments.

1. Current Assessing Contract and supporting documents.
2. Proposed Contract Amendment.
3. Resolution 2023-022.

PROPOSAL FOR PROFESSIONAL SERVICES

CITY OF CLARE, MICHIGAN

1. Michigan Assessing Coalition, Inc. (hereafter referred to as MAC, Inc) agrees to provide assessment roll maintenance and certification. MAC, Inc. will provide this service in a professional and courteous manner to the public as well as City employees.
2. MAC, Inc has the knowledge and experience to deliver these services in accordance with State of Michigan laws and State Tax Commission Rules.
3. MAC, Inc has experience with BSA software as well as accepted mass appraisal techniques.
4. MAC, Inc has extensive experience with Michigan Tax Tribunal procedures as well as extensive experience with individual valuation procedures and best practices.
5. MAC, Inc agrees to perform all necessary Assessing functions including:
 - a. Response to taxpayer inquiries
 - i. MAC, Inc will be available by phone or email during normal business hours, 5 days per week.
 - b. Entry of property ownership changes along with all required, related documents.
 - c. Maintenance of sale records, Principal Residence status and Transfer of ownership status.
 - d. Review of property information.
 - e. Administration of a mass appraisal process to annually value property.
 - i. Update land tables and Economic Condition Factors annually.
 - f. Process personal property statements and review requested exemptions.
 - g. Assist the Board of Review in March, July and December.
 - h. Submit all required reports to County Equalization and the State of Michigan.
6. MAC, Inc. shall maintain records and processes according to best practices as reviewed by the State of Michigan in their audit of local municipalities.
7. MAC, Inc shall maintain liability insurance, both property and professional.
8. MAC, Inc shall maintain the ability to access the city's database remotely.
9. The City of Clare shall maintain hardware and software as well as a work station at City Hall offices.

10. The length of the contract shall be three (3) years. The contract may be cancelled by either party with a sixty (60) day notice.
11. MAC, Inc shall not transfer the contract to any other party without written permission from the City.
12. MAC, Inc. will provide an average of 4 hours in the City's office per week. The days and times will be determined by mutual agreement between the City and MAC, Inc.
13. The Assessor of Record will be Sharon Frischman, MMAO. Rheyn Williams, MAAO and Erica Dethloff, MCAO will provide the weekly office hours and will help prepare the assessment roll under the direct supervision of Sharon Frischman, MMAO.
14. The City agrees to pay MAC, Inc the following:
 - a. May 1st, 2023 through April, 30th, 2024 - \$35,000, payable monthly.
 - b. May 1st, 2024 through April 30th, 2025 - \$36,400, payable monthly.
 - c. May 1st, 2025 through April 30th, 2026 - \$37,900, payable monthly.
15. Special projects may be billed separately on an hourly rate. Special projects include Full Tribunal Appeals, Special Assessments, etc. The City and MAC, Inc. shall discuss and agree to any billing beyond Assessment Roll maintenance and certification.
16. Special project billing shall be as follows:
 - a. MMAO - \$175 per hour
 - b. MAAO - \$95 per hour
 - c. MCAO - \$75 per hour
 - d. MCAT or Field/Office Technician - \$55 per hour
 - e. All hourly rates will be adjusted annually by the CPI.

Respectfully Submitted



Sharon Frischman, MMAO, AI-GRS
Executive Director
Michigan Assessing Coalition, Inc.

slfrischman@yahoo.com

734 834-6139

Michigan Assessing Coalition, Inc
624 W Ottawa St
Lansing, MI 48933

Who is Michigan Assessing Coalition?

We are the first non-profit company that provides practical professional training to those who are entering the Assessing profession as well as to existing Assessing personnel.

What we offer:

- Assessment roll maintenance and certification
- Assistance during high volume times
- Reappraisal services / data verification
- On-site training / mentoring
- Personal property audits

Who are we?

The organization is led by its Executive Director, Sharon Frischman, MMAO, AI-GRS. Sharon has 35 years of experience in the Assessing field. Sharon has unique experience in the private sector as well, she holds a Certified General Appraisal license as well as the General Review Specialist designation from the Appraisal Institute. Sharon has also taken several Machinery & Equipment appraisal courses through the American Society of Appraisers.

Rheyn Williams, MAAO, has four years of experience as a residential appraiser for the City of Lansing.

Erica Dethloff, MCAO, has six years of experience as a residential appraiser for the City of Lansing.

The Coalition allows us to offer services in a collaborative manner, with a collective experience and body of knowledge.

We are different in that we direct profits back into training for those entering the field as well as our existing staff.



**SHARON FRISCHMAN,
MMAO**

CITY OF LANSING ASSESSOR

EXECUTIVE DIRECTOR, MICHIGAN
ASSESSING COALITION, INC.

OBJECTIVE

To recognize every learning opportunity and share knowledge with others in the Assessing profession as well as the general public.

VITALS

Office: Lansing:
124 W Michigan Ave. 3rd Floor
Lansing, MI 48933

MAC, Inc:
624 W Ottawa St.
Lansing, MI 48933

(734) 834-6139 Mobile

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ABOUT

Sharon is a seasoned property tax and valuation professional. She entered the Property Assessment profession in 1985 as a data collector for Meridian Township. She has built on those humble beginnings to achieve the highest level of Michigan Assessor certification in 2000. After many years working in southeast Michigan, she returned to her hometown of Lansing to become the City Assessor in 2016.

A wide range of experience has given Sharon a unique perspective and understanding of the property tax system as well as the participants in the system. She has worked primarily in the public sector at the local level in both cities and townships. She also has county level experience from working for Wayne County Equalization. Beginning in small jurisdictions and being “chief cook and bottlewasher” was beneficial in understanding all aspects of an Assessing office. It is important when leading a team of professionals in developing an annual assessment roll for a large jurisdiction. Experience operating in the Michigan Tax Tribunal as both the Petitioner’s appraiser or consultant in the private sector as well as the Respondent’s appraiser and consultant in the public sector has been not only a valuable experience, but an interesting one!

Sharon has also obtained a Certified General Appraiser license from the State of Michigan. This license is the highest level of appraiser license and allows her to appraise commercial and industrial property as well as residential in the private sector.

While operating her own company for several years in the private sector, she performed many commercial and industrial assignments as well as complicated residential assignments.

Sharon earned an Associates Degree in Property Tax Administration from Lansing Community College. She went on to earn a bachelor’s degree in Business Leadership from Baker College of Owosso. She has taken numerous courses in valuation, including an intensive study in machinery and equipment valuation from the American Society of Appraisers. Recently, Sharon was awarded the AI-GRS (General Review) designation from the Appraisal Institute.

Amendment to Agreement Between the City of Clare and Michigan Assessing Coalition,
Inc. for Assessing Services

This is the 1st amendment to the agreement that commenced May 1st, 2023. The annual fee shall be \$45,000, payable monthly (\$3,750) by the 8th of the month beginning May 1st, 2024.

M.A.C., Inc will continue to provide the services outlined in the agreement. M.A.C. agrees to provide in-person office hours on Thursdays from 10 am to 2 pm as well as additional days/hours as necessary to provide assistance to the Board of Review, perform site visits, personal property canvas, etc.

M.A.C, Inc. will also provide access to taxpayers via email or phone Monday through Friday, generally.

M.A.C. Inc will also provide administrative services such as updating sale information, current owner, Principal Residence updates, etc. remotely, on a weekly basis.

Many other valuation duties will also be provided remotely.

Sharon Frischman, MMAO, AI-GRS
Executive Director, M.A.C. Inc.

Jeremy Howard
City Manager, City of Clare

Dated: March 17, 2024

City of Clare 2024 Data

Change from 2023

2024 Total Assessed Value Ad Valorem	\$	133,830,299	Up 8.5%
2024 Total Assessed Value Special Acts	\$	2,271,300	Down 11%
2024 Total Txable Value Ad Valorem	\$	110,758,499	Up 8.7%
2024 Total Taxable Value Special Acts	\$	1,883,723	Down 9%
2024 Total Equiv. Taxable Value	\$	111,700,361	
Captured			
L DFA # 1	\$	3,671,637	
L DFA	\$	74,402	
DDA	\$	3,693,637	
Annex	\$	1,072,425	

Top Ten Taxpayers	Total Taxable Vallue	% of Total
Consumers Energy	\$ 6,273,647	5.62%
Clare 600 Property Holdings	\$ 2,141,400	1.92%
Red Hook Properties	\$ 2,069,998	1.85%
R & R Real Estate	\$ 1,982,760	1.78%
Alro Steel	\$ 1,812,185	1.62%
Bartlett Farms Investment	\$ 1,811,397	1.62%
Hotel Doherty	\$ 1,687,132	1.51%
Renosol Corp	\$ 1,369,770	1.23%
Michigan PB LLC	\$ 1,298,315	1.16%
Gateway Village Lmtd	\$ 1,235,133	1.11%

RESOLUTION 2024-032

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN AMENDMENT TO THE ASSESSING SERVICES CONTRACTUAL AGREEMENT WITH MICHIGAN ASSESSING COALITION, INC. (MAC, INC.)

WHEREAS, City Staff have discussed with MAC, Inc. the increased workload and complexity of the City's Assessing; and

WHEREAS, the city's current contracted Assessing firm has requested to amend the current contract with the City of Clare; and

WHEREAS, the City Staff has reviewed said amendment and determined that the amendment submitted by MAC, Inc. meets the City's current needs and requirements; and

WHEREAS, the City desires to continue a contractual agreement with MAC, Inc. for Assessing Services for the City of Clare; and

WHEREAS, the State of Michigan requires the City of Clare to retain an Assessor of Record for all Assessing activities; and

WHEREAS, the cost for said services as stated in the contract amendment is reasonable and prudent; and

WHEREAS, said services provided by MAC, Inc. have been exemplary and have resulted in corrections and therefore increased tax revenue.

NOW THEREFORE BE IT RESOLVED THAT the City Commission of the City of Clare hereby approves a contract amendment to the original contract between the City of Clare and MAC, Inc. with the said contract amendment to commence on May 1, 2024, and terminate on the original expiration of June 30, 2026, unless renewed before that date.

BE IT FURTHER RESOLVED THAT the Mayor and City Commission of the City of Clare hereby formally authorize the City Manager to sign all necessary and related documents and authorize the City Treasurer to apply all necessary budget amendments.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 6th day of May 2024.

Diane M. Lyon, City Clerk