



Michael Dahle

Dahle Emprises

220 W Little Island Rd Cathlamet, WA 98612

Main 360-450-0800 * Cell 360-419-6867

Email michael@dahle.biz

December 8, 2022

To: Haines Borough

This report is a follow up to the wrap up email for the Nov/Dec review trip. As stated in the wrap up, a key takeaway from the two weeks in the Haines office is that there is more of a challenge in front of us than I originally hoped.

MARS Software

In regards to the MARS software, I would describe it as a CAIA system rather than a CAMA system. CAIA being a term I am coining to describe a critical distinction in software function. The CAIA in this case would refer to a Computer Assisted Individual Appraisal system as opposed to a Computer Assisted Mass Appraisal system. This has significant implications for the assessment workflows and options in updating values. I have worked up an example to illustrate the difference that we can review on the video call.

Data Records

In regards to the data records, they are not where I had hoped that they would be. Part of that relates to the CAMA (CAIA) system, part of it to limitations of Marshall and Swift Estimator and part of it may relate to choices that we made. This limits the refinements that can be made to the assessed values.

Property Attribute Adjustments

Haines is a small borough so consequently a smaller number of sales and the reality that definitive adjustments for all attributes may be hard to determine, however, in my experience more issues with accuracy and equity of assessments occur if you make no adjustments for attributes that affect market value rather than making the best adjustments that you can determine through market analysis and appraisal judgement.

Staffing Levels

I do have a concern as to the staffing levels. As a comparison, Wahkiakum County in Washington has about 4,500 parcels and has a staff of 4; the assessor, two appraisers and an administrative position. All 4 have plenty of work to do. Each jurisdiction has particular variables that affect efficiencies but one factor that has an impact on production is that we are spread out over a greater geographical area. I raise these concerns so that we can be deliberate in choosing options, we can talk through what can reasonably be achieved and then we can communicate to the public what to expect through the process. It will likely take a number of years to get to where we need to be.

Equalization

A significant challenge is that it appears that different properties have been valued at different points in time and not updated subsequently so we have “baked-in” inequities. Identifying each of these groups, determining the trending needed to bring that group current and then applying that trending will be challenging. We do not have an easy to access extended history that is easy to analyze. MARS only has 4 years of history. I have gotten files for past years from Jila. Hopefully I can successfully merge those, do an analysis of change to value histories and that can provide information useful to the equalization of assessed values.

Based on indications so far, while our assessed values appear to likely be significantly below market, it would appear that before the assessment levels can be adjusted we need to complete the equalization.

Land Values

A critical component that remains is to get a look at how the land values were generated. Donna looked for the land calculation files and did not find them prior to my departure. The land portion of the assessed value is a key element and not being able to see how they have been generated leaves a big unknown still lingering.

Assessment System Future

I would see the following as being essential for the future of Haines Borough’s Assessment system.

- There are some refinements needed in the data collected.
- We need to move to a mass appraisal system either through refinements in MARS or through the use of a valuation module alongside MARS. This would be similar to using Marshall & Swift as we are now except it would be based on mass appraisal techniques and updated values would be updated into MARS through an automated query.
- We should be doing some Public Relations to help the public understand what we do and to encourage the submittal of sales prices.
- Staff training and procedures definition and documentation will play a key role in providing consistency through future years.

Plan For 2023 Assessed Value Generation

Here, again, is a tentative plan for generating 2023 Assessed Values.

- Scott and Donna to continue entering data into M&S, generating improvement values for inspected properties and getting that data entered into MARS.
 - Scott to get new construction inspections and valuations done.
 - Perform an equalization and update respective values. The equalization may be able to use sales analysis but will more likely involve determining the difference between the base rates used at different points in time and applying a factor to bring them all current. It won't be perfect but it will improve things from a uniformity stand point. It is likely that the land portion and the improvement portions require different equalizations so really two separate equalization steps.
 - Perform an analysis using the equalized values.
 - Set/trend land values.
 - Perform an analysis using the equalized values and new land values.
 - Trend/update all improvement values based on the analysis.
 - Do P/R before sending out notices.
 - Send out notices.
 - Deal with appeals and BOE.
- Not listed in the tentative plan but certainly part of the mix would be processing exemptions and other administrative, non-valuation related tasks.

Closing

It will be a challenge to get some equalization done and values updated for the 2023 assessments but I believe that working together we can make some significant strides in the right direction and lay a good foundation for the coming years. The goal for the following year, the 2024 assessed values, would be to have new values generated within a mass appraisal system for all properties and to start on the path of updating and refining the property data.

As mentioned in the wrap up I look forward to doing a video web meeting or an in-person work session to cover some of the options, details and nuances that cannot be captured in this report.

Sincerely,
Michael Dahle