

# ALASKA CAMA COMPANY, LLC

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December 7, 2016

Honorable Mayor Matthew Hunter and Assembly Members  
City and Borough of Sitka  
100 Lincoln St  
Sitka, AK 99835

Subject: Computer Assisted Mass Appraisal (CAMA) program for the City and Borough of Sitka Assessment Department

We are proposing to partner with the City and Borough of Sitka Assessment Department to provide a Computer Assisted Mass Appraisal (CAMA) program. Based on our experience, we saw the need to develop a simple, low cost, efficient, and easy to support Municipal Assessment Records System (MARS) software solution that runs on the off-the-shelf FileMaker database.

## **Our Experience**

The Alaska CAMA Company LLC is an outgrowth of Horan and Company LLC, real estate appraisers who have operated in the region for over 40 years. Our qualified staff have been contract assessors and commercial and residential appraisers. We have seven employees operating out of our fully modern, technically capable office located in Sitka, Alaska. The company is led by Charles Horan, an MAI designated appraiser. We have continuously operated as an appraisal firm covering all of Southeast Alaska, providing specialty land appraisals in interior and coastal Alaska. We are the only commercial appraisal firm in Southeast Alaska. We're one of the few appraisal firms in the state with continuous employment of IT support staff.

Through this experience, we saw the need for and provided an electronic assessment program for the Municipality of Skagway in 2009: the second-generation Municipal Assessment Record System (MARS) solution, implemented for a complete real property valuation in the City of Craig for 2015. This tested CAMA program is the only one of its kind developed in the market by a valuation company. Our involvement in the preparation of well over 80 assessment rolls makes us uniquely qualified to understand the needs of the municipalities, as well as the rules and regulations governing assessed valuations in the state of Alaska and the requirements of mass valuation.

## **The Benefits of the Municipal Assessment Records System (MARS)**

MARS operates on the FileMaker database which is fully compatible with the iPad, enabling huge efficiencies in the field. The entire database can be synchronized from the computer desktop to the iPad and taken to the field. The drop down menus, use of typed comments or Siri and the in-file photographic capabilities instantaneously update the property inventory files. This will save hours of field prep time and many more hours



back in the office not having to transcribe field notes and download, then re-upload photos and graphics.

As a valuation tool MARS enables lump sum values to be recorded in the field and described photographically, saving lots of time. Back at the office, similar properties can be batched together and valued at once. MARS is able to use basic valuation curves developed for land and can accommodate residential and commercial value curves derived from the market. This is more accurate and relies less on costly outside valuation sources and fees. The valuation curves can easily be adjusted to reflect changes in the market, allowing quick updates from year to year. MARS has predefined depreciation options and automatically calculates possessory interests. The association with the Alaska CAMA Company creates collaborative opportunities with other assessors using MARS.

The MARS files are easy to understand and read, and can be shared with the public with minimal staff time. They are easy to compare with other assessments or sales to ensure equity and fairness. The MARS records contain all the information necessary for reporting to the state assessor and to affirm the local assessor's compliance with state statutes. These electronic records are easy to back up and require minimal IT support.

One final consideration. If the CBS chooses MARS it will be a significant benefit for our local economy. Our appraisal firm business for the Sitka market only requires about 1.3 equivalent appraisers. In other words, about four of our employees are paid from income generated from outside of Sitka. Not only has the State Assessor endorsed MARS for communities throughout the state, we have had direct inquiries by several other assessors and appraisers and inquiries for proposals from Haines, Nome, Yakutat, Wrangell, Petersburg, Unalaska, and Cordova for the MARS solution. In this environment of increased pressures for local municipalities to be more fiscally responsive the demand for a simple CAMA system will grow. If this demand is served by a firm in Sitka it should add one more full time equivalent job to our economy. We are one of many companies who choose to locate and stay in Sitka even though our work is region-wide. We appreciate your support.

We know Wendy Lawrence has searched for a complete CAMA solution for years and has found what we have found; that MARS works best for small communities. We are excited to implement it with her here in Sitka. Please call me if you have any questions prior to the workshop on December 13. My cell number is 907-738-1666.

Sincerely,



Charles Horan  
Alaska CAMA Company, LLC

## **The Benefits of a Computer Assisted Mass Appraisal (CAMA) System Such as the Municipal Assessment Record System (MARS)**

The fully automated simple-to-use MARS is not just designed to reduce department staff time but to enable staff to efficiently produce more consistently updated and equitably assessed values in the time allotted. Historically, assessment offices across the state are understaffed. Most small municipalities are often behind in their valuations cycles, which results in inequitable taxation. Beyond staff frustration and low productivity, public inquiries reveal inadequate and partially complete records, and records which cannot easily be compared to confirm equity. This erodes public trust in the system and the municipal administration.

As state revenues diminish, it is becoming more incumbent upon municipalities to be efficient and equitable in their assessment system. The state assessor is charged with confirming that municipalities have an equitable, verifiable system to estimate the full and true value of each taxable property as of January 1 each tax year. MARS benefits municipalities in the following ways:

- Efficient property data collection (iPad-file sync)
- Efficient, lower cost revaluation (automated depreciation and value curves)
- Easy to update and revalue each year (data preserved year to year)
- Lower risk of data loss (backups easily made)
- Easy to enter data and understand record (builds credibility and trust)
- Easy to share property data (saves time and builds trust)
- Easy to compare property values (builds trust and assures equity)
- Complies with state statutes (calculates exemptions and possessory interests)
- Helps local assessor's office pass state audits
- Easy to sort, batch and report data to finance and other departments.
- Minimal IT support requirements
- Partnership with AK CAMA Company offers the assessing department broader Alaska assessment experience.

The table on the following page, The Benefits of MARS, outlines how MARS makes this happen. The time savings are rough estimates only, meant to conceptually demonstrate that you could save an hour or more per parcel per year for revaluation compared to the conventional system. It should result in work being done more efficiently and in a timelier manner, capturing value changes that have escaped due to lag time.

A more difficult to measure but obvious benefit is the trust, goodwill and cooperation created through transparency, the ease of understanding records and the ability to compare assessments with the public. Inevitably other departments will benefit from the MARS information for planning, public works, financing and other municipal functions. MARS backups can be stored more securely and the system will demonstrate compliance with state statutes for audits by the state assessor.

We look forward to creating a partnership with your municipality to implement MARS, a simple cost efficient solution for assessment recordkeeping and valuation documentation.

Charles Horan

Alaska CAMA Company

December 2016



<b>The Benefits of the Municipal Assessment Record System (MARS) - Sitka</b>			
<b>Current System-Paper Files with Parallel Partial Electronic File</b>	<b>MARS – Full Record Including Graphics on the Computer</b>	<b>The Benefits of Efficiencies</b>	<b>Possible Financial Savings</b>
<b>MARS In the Office*</b>			
Requires filing cabinet, folders and a computer. Not easily understood. Difficult to compare files and share with public. Paper not backed up.	All files on computer can be pulled up in batches and compared. Easily shared between staff, public and other departments.	Significant staff time is saved. More time can be dedicated to updating property record information and valuation. Public confidence increases, generating cooperation.	More professional, organized and efficient work is likely to result in greater equity at fair market value.
<b>MARS Updating Property Inventory*</b>			
<b>Step 1 Prep:</b> Pull the paper files, possibly copy materials, bring camera & paper. 20 minutes per parcel.	Sync computer file to iPad: a matter of minutes for entire database.	Save at least 20 minutes per parcel. Easier to handle.	See Step 3 below
<b>Step 2 In Field:</b> Note description of property with pencil & paper, photograph with camera. About 30 minutes per parcel	Open file in iPad, take a photo in the file, describe with drop down menu, type or use Siri for comments. Similar time ~ 30 minutes.	Easier to use on hand held device rather than pencil/paper/camera etc. May not save much time.	Limited – see Step 3 below.
<b>Step 3: Back At Office:</b> Download photos, label and upload into electronic file. Enter field data into electronic file. Estimate 30 minutes per parcel.	Sync iPad to computer file in a matter of minutes for entire database. Cleanup sketches ~ 10 minutes per parcel	Much faster by about 20 minutes. Less chance for transcribing error. More detail can be taken in the field.	Total savings could be about 40 minutes per parcel.
<b>MARS As A Valuation Tool*</b>			
Properties are valued individually using predetermined formulas for land & Marshall Valuation for buildings. This is time consuming at about 40 minutes per parcel. Computer generated Marshall Valuations cost about \$1.25 each with subscription.	MARS has auto calculations for major improvement values and depreciation. MARS accepts appraiser developed valuation curves for batch valuations of hundreds of parcels at one time.	Two fold benefit: 1) Batch valuations save significant time perhaps up to 20 minutes or more per parcel after input data is developed. 2) Fair equity can be achieved quicker by batch-valuing similar properties.	Could be another 20 minute saving per parcel.  The real community benefit would be in the fairness of equitable assessments.

\*Time estimates are generalized for typical property for comparative purposes only. Actual time per parcel can vary significantly depending on the condition of the particular file, complexity of property, location, access issues etc.



Alaska CAMA  
Company LLC



Creating partnerships with Alaska municipalities

## Who are we?

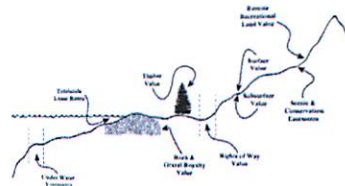


The Alaska CAMA Company LLC is an outgrowth of Horan and company LLC  
Operated in the region for over 40 years

- \* Residential
- \* Commercial
- \* Complex land

Clients include – just to name a few

- \* City & Borough of Juneau Docks & Harbors, CBJ Land Management Department
- \* State of Alaska DNR, Fish & Game, Dept of Transportation & Public Facilities
- \* US Forest Service, Bureau of Indian Affairs, US Park Service, US Fish & Wild Life
- \* Various banks
- \* Corporate and private investors



## Who are we?

### Real property assessment experience

- \* Current contract assessor Skagway since 1975
- \* Current contract assessor Craig since 1988
- \* Contract assessment Ketchikan annexed area 2009 to 2012
- \* Pass contract assessor Haines, Wrangell, Petersburg, Pelican

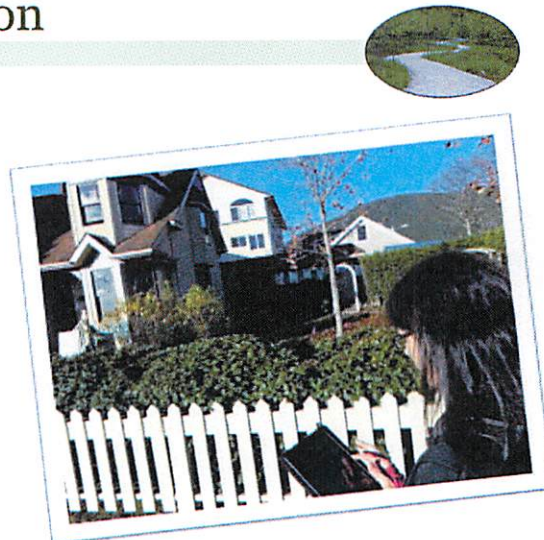
### Develop and use of electronic assessment programs

- \* 2004 develop internal commercial market data base inventory
- \* 2009 developed electronic assessment record (EAR)
- \* 2015 implemented MARS



## MARS - Data Collection

- \* Sync computer file to iPad – easy file prep
- \* Photos taken right into the file
- \* Predefined fields for consistent data entry
- \* Photo & describe lump sum values
- \* Type or Siri for comments
- \* Sync iPad to computer file instantaneously

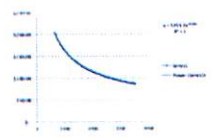


## MARS - A Valuation Tool



- \* Auto calculations for major improvement values and depreciation
- \* Equitable valuations can be achieved quicker
- \* Relies less on outside data
- \* Accepts appraiser valuation curves for batch valuations
- \* Easy to update and revalue each year
- \* Partners with ACC creates collaboration with others assessors/Valuation experts

Account	Functional Account	Name	Class	Quantity	Unit Price	Unit Cost	Unit Value
1000	1000	1000	1000	1000	1000	1000	1000
2000	2000	2000	2000	2000	2000	2000	2000
3000	3000	3000	3000	3000	3000	3000	3000



## MARS - A Reliable Reporter

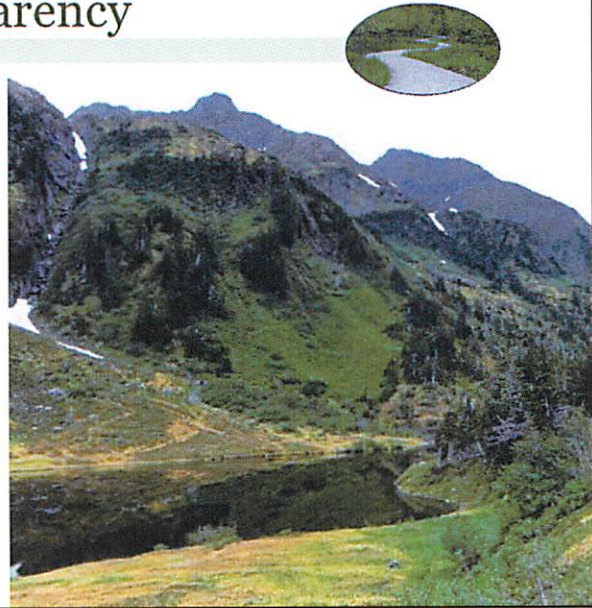


- \* Easy to share property data – saves time
- \* Complies with state assessor requirements and statutes
- \* Providing a more equitable results
- \* Compares assessments – public confidence
- \* Shows ratio of assessments to sales
- \* Easy reporting to financial software
- \* Easy Backups – lowers risk of data lose
- \* Minimal IT support

Account	Functional Account	Name	Class	Quantity	Unit Price	Unit Cost	Unit Value
1000	1000	1000	1000	1000	1000	1000	1000
2000	2000	2000	2000	2000	2000	2000	2000
3000	3000	3000	3000	3000	3000	3000	3000

## MARS Creates Transparency

- \* Results in -
  - \* Credibility
  - \* Trust
  - \* Good will
  - \* Cooperation
  - \* Fairness
  - \* Equitable valuation



## MARS



### **Alaska CAMA Company**

*“Creating partnerships with Alaska municipalities to provide simple, cost effective solutions for assessment record keeping and valuation documentation.”*



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PHONE NUMBER: (907)747-6666 FAX NUMBER: (907)747-7417  
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October 28, 2016

Wendy Lawrence, ACAA III  
Assessing Director  
City and Borough of Sitka  
100 Lincoln Street  
Sitka, Alaska 99835

Dear Ms. Lawrence,

This is our proposal for a basic four year framework with an agreement to use the license for MARS indefinitely. CBS will own all of the data.

Alaska CAMA Company will provide:

1. The **MARS solution**, including making the needed modifications described in Attachment A as Priority 1 items. This includes the sales report, adding additional owners, adjusting print layouts, creating new tax year and sync and the installation of the MARS solution on CBS's server system. Based on ongoing consultation with CBS we will work to develop the Priority 2 items at your direction and as the budget allows.
2. **Import of data** after negotiating with CBS on proper matching of fields. We will begin with Priority 1 items. This does not include a contingency for mismatched information, anomalies, or inaccurately identified files. Within this budget it's anticipated that some sketches and photos may be auto imported. Additional information such as documents, additional photos or building permit history could be added by CBS over time.
3. **Training** will include in-office sessions on how to use MARS and its valuation functions and hands on training with iPad in the field to photograph and describe, and sketch properties. We will provide documentation as needed. CBS staff are expected to become familiar with how FileMaker works and its resources for training. We will assist CBS in getting building sketches in the field. If CBS wishes ACC will also provide quality rating condition, description, and lump sum methodology it has used in the past.

The City and Borough of Sitka will provide:

1. Assistance in matching up existing fields from Access program or excel to MARS.
2. Presentation of its legacy data in a manner suitable for import into the MARS solution.
3. Its own field work including sketches, photos and field building descriptions, unless provided under separate contract.

4. The market data and analysis for valuation formulas and factors. As an additional service, ACC could assist in this.
5. All hardware and software necessary to operate MARS in the office and in the field. ACC could provide temporary use of its iPads, as available.

### **Hardware and Software Installation Supplied by CBS**

CBS will need to supply

- a suitable server to run FileMaker server software version 14 or later
- A suitable sketch program and field device if needed for field sketching. We will provide information on resources to take sketch information in the field which can be transcribed at the office.
- iPads for each concurrent inspector in the field
- FileMaker Server software version 14 or later
- FileMaker Pro 14 or later for each client station and field device.
- 360 works Mirror Sync for syncing portable devices.

### **Estimated Cost**

The basic fix costs for four years includes the license fee administration and maintenance is \$121,000. The variable costs for installation modifying and training on the Mars program for the first two years is \$29,000. This second category includes the work described by priority in Attachment A. We will bill this phase of the service at a cost at our typical hourly rate <sup>1</sup> not to exceed the agreed upon maximums of \$29,000 without CBS's agreement. In general, the Priority 1 items are required to get this year's real property assessment roll completed. The Priority 2 items are important, but could possibly be put off until next year. Our proposal is that we work through the Priority 1 items then continue on to Priority 2 items after consulting with CBS to confirm status and direction of our effort.

We could obviously amend or extend his contract as time goes on if the CBS finds it in their interest to do so. The current cost proposal over the four year term is outlined in the following table

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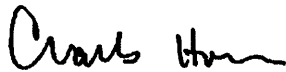
<sup>1</sup> Charles Horan, MAI	\$200
Senior Commercial Appraiser	\$150
Residential Appraiser	\$100
Senior Tech – Henry Robinson	\$100
Administrative Assistants	\$50-\$70

City and Borough of Sitka	Year 1	Year 2	Year 4	Year 4	Totals
License Admin & Maintenance Fee	\$45,000	\$32,000	\$32,000	\$12,000	\$121,000
Variable -Install, Modify & Train	<u>\$15,000</u>	<u>\$14,000</u>		-	\$29,000
Total	\$60,000	\$46,000	\$32,000	\$12,000	\$150,000

The spirit of this agreement is to develop a cooperative partnership to effect the use of MARS for and the 2017 Assessment Roll and beyond. As requested, we will work out professional errors and omissions insurance as required. I've attached a copy of our license agreement for your review, Attachment B.

Please let us know if you need anything else. Thank you once again for considering this simple, effective computer assisted mass appraisal solution.

Sincerely,



Charles Horan, MAI

Alaska CAMA Company, LLC

Attachment A Work Priority

Attachment B Mars License Agreement

# Attachment A May 31, 2016 Proposal

Key: ACC = Alaska CAMA Co      CBS = City & Borough of Sitka

Description	Priority	Comments	Who
<b>Changes Needed to MARS</b>			
<b>Add Personal Property</b>			
Basic Frame	2	Will need about 4 meetings with Wendy	ACC
Reports	2	Will Need city input on what reports will look like?	ACC
Link with MARS	2	This will need more testing to see if it will work.	ACC
Print screens	2	Will Need city input on what print layouts will look like?	ACC
<b>Reports</b>			
Sales Report-Predefined list & display	1	Runs A/S ratio	ACC
State Ratio Study Report	2	State Stats	ACC
<b>Calculations</b>			
Add auto calculation curve	2	Assignable curves	ACC
Export Arc GIS	2	Export script will need list of fields to export	ACC
<b>Sales History - Table - Portal</b>			
Added date listing price comments	2		ACC
<b>Building permit History</b>			
	1		ACC
Additional owners	1	add one additional owner field first & last name	ACC
Adjust all print layouts	1		ACC
Redo Crate New tax year & Sync	1		ACC
Install MARS on Sitka's server/systems	1		Both

Description	Priority	Comments	Who
<b>Data Import</b>			
Import data from Access-after next 3 items dor	1	4135 records Depending on complexity	ACC
Find matching fields	1		ACC
add missing fields	1	Will need to discuss what fields to keep.	Both
Split or combine data	1		Both
Contingency- City address data anomalies			CBS
Import data from Personal property		could be Lots of manual work 100+	CBS
Import Attachments/Documents	2	This assumes records are stored perfectly and then a script coul	ACC
Import Sketches	1	should only need small tweaks to excising script	ACC
Import Documents	2	Nothing really to import mostly just link to folder	ACC
Import Photos	2	Should be able to import about 75% with changes to script	Both
Building permit History	2	will link to property folder on Z drive	ACC

Description	Priority	Comments	Who
<b>Property Inspections Train and Demo</b>			
<b>Demonstrate field input</b>			
Data on iPad	1		ACC
Sketches on surface	1		ACC
Sync tablets to database	1		ACC
<b>Field Manual instructions</b>			
Quality Rating	2		ACC or CBS
condition - effective age	2		ACC or CBS
Lump Sum	2		ACC or CBS
<b>Office Valuation</b>			
Demonstrate how to use MARS valuation proci	1	Brief Intro - written notes	ACC
show how valuation fields work		Charles Wendy	ACC
auto calculation vs over ride			ACC
Develop Valuation curves or formulas			ACC

Description	Priority	Comments	Who
<b>Other Requirements</b>			
<b>Software</b>			
FileMaker Server	1		CBS
FileMaker Client	1		CBS
Mirror Sync	1		CBS
Apex Sketch	1		CBS
<b>Hard Ware</b>			
Server for FileMaker	1		CBS
iPads	1		CBS
Surface	1		CBS