

**MEETING OF THE LOCAL GOVERNMENT COMMISSION ASSESSMENT REFORM
TASK FORCE**

Monday, April 16, 2018

The meeting of the Assessment Reform Task Force was called to order by Senator John H. Eichelberger, Jr., at 10:00 a.m. in Room 461 Main Capitol Building with the following individuals present:

MEMBERS

Senator John H. Eichelberger, Jr., Chairman
Representative Kate Harper (via telephone)
Representative Mary Jo Daley
Radee Skipworth, PA Department of Revenue
Richard Vilello, PA Department of Community and Economic Development
Renee Reynolds, State Tax Equalization Board
Doug Hill, County Commissioners Association of Pennsylvania
Joan Righter Price, Assessors' Association of PA (via telephone)
Charles Hardester, Assessors' Association of PA
Philip H. Klotz, Local Government Commission Executive Director
David A. Greene, Local Government Commission Assistant Director-Legal Counsel
Danette H. Magee, Local Government Commission Research Associate
Karen S. Bear, Local Government Commission Secretary

As the first order of business, the minutes of the September 21, 2017, Local Government Commission (LGC) Assessment Reform Task Force meeting were unanimously approved on a motion by Richard Vilello and a second by Charles Hardester.

Senator Eichelberger welcomed everyone to the meeting and acknowledged Philip Klotz who recognized Steve Howe, Director of the Offices of Tax Assessment and Tax Claim, Dauphin County, and Chair of the Assessors' Association of Pennsylvania (AAP) Contracting Standards Subcommittee, Deb Crawford, Chief Assessor, Tioga County, and incoming president of the AAP, and Josh Zeyn, Assistant Chief Assessor, Tioga County. Mr. Klotz thanked the three guests for their invaluable expertise and the innumerable hours that they have expended to finalize the Model Request for Proposal (RFP) and Contracting Guidelines for County Assessments. LGC staff members Danette Magee, David Greene and Kristopher Gazsi were also commended for their time and efforts in finalizing the Guidelines. Prior to today's meeting, the Guidelines were vetted by Task Force Members Doug Hill and Joan Righter Price, and by appraisal company practitioners Tim Barr of Evaluator Services and Technology, and Paul Miller of Tyler Technologies.

Mr. Howe, on behalf of the Contracting Standards Subcommittee, extended the Subcommittee's sincere thanks to the LGC for their actions in recognizing that the Model RFP and Contracting Standards document is important to counties. He also expressed the Subcommittee's gratitude to the LGC for acknowledging the AAP as a group of experts in assessment practices and countywide reassessment. Mr. Howe stated that the Contracting Standards Subcommittee soon realized that it was no small assignment to develop such a document. The deeper they researched reassessment contracts in other states, the more they realized that no guidelines exist in the Commonwealth of Pennsylvania. Counties faced with contracting for a reassessment relied heavily on services recommended by vendors who

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specialize in countywide reassessment, even though many counties have not experienced reassessment for up to 40+ years. While assessment professionals and county officials are knowledgeable administrators, very few are familiar with the process, procedures and contracting for reassessment services. Mr. Howe stressed that the Subcommittee has produced a comprehensive document that will, at the very least, become a spring board to assist counties in knowing the process and procedure and what questions to ask of vendors.

Ms. Magee started the review of the Guidelines with a brief synopsis as to how the Task Force came to fruition. The neighboring states of Ohio and New Jersey have state-established standards that must be met by firms conducting reassessments. In other neighboring states of Maryland and New York, for example, the state is involved in the supervision of local property tax administration. In an effort to produce Model RFP and Contracting Guidelines for Pennsylvania that was as unbiased as possible towards any one vendor, the Subcommittee began its work using a model RFP/contract that is endorsed by the state of New York. The Subcommittee made administrative and procedural modifications to the New York template to reflect Pennsylvania-specific laws and practices. Guidance was also sought from other Pennsylvania contracts, where necessary. The current revaluation vendors working in Pennsylvania are very dissimilar in size and assessment administration and practices.

The goal of the Guidelines is to assist counties to help ensure that reassessment is conducted appropriately and implemented successfully. The RFP is to serve as the basis for any subsequent contractual agreement between a county and a vendor and incorporated as part of a contract. Great care should be taken by the county in the customization of the RFP so that desired products and services, date of delivery, and consequences where stated service levels and/or delivery dates are not met are precisely and clearly defined. The preparation of an RFP and contract should be done with the guidance of the county solicitor and/or appropriate legal counsel. The manual is composed of three sections: The RFP, Contracting Guidelines and Appendices.

The RFP includes a model RFP with suggestions for customizing a county proposal for products and services from a reassessment vendor. The RFP also includes a sample cover letter to prospective vendors and various tables to assist the county in preparing for and effectuating a countywide reassessment. Within the body of the RFP, certain comments are in bold blue brackets. The comments are intended to offer guidance to those officials working to customize the county's RFP.

The manual contains sample contracting guidelines that would specifically set forth in the body or in an appendix the duties and responsibilities of each of the parties. This can be accomplished by preparing a contract which prioritizes all of the contract documents—the RFP, the contractor's proposal and applicable appendices—and merges them so as to accurately reflect the agreement and understanding of the parties. The contract would become the primary document and the RFP, contractor's proposal and integrated appendices would become subordinate documents.

Various appendices are included at the end of the manual to further guide the county in planning for and monitoring the progress of a countywide reassessment. The appendices also

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include important standards, statutes and “best practices.” The county may include the appendices in the RFP and/or contract, as applicable.

Ms. Magee reviewed Sections 1 through 7 of the document, while focusing primarily on Sections 3 (County Responsibilities) and 4 (Project Requirements/Vendor Responsibilities). Section 3 focuses on a myriad of county obligations during the reassessment process, such as establishing the county project management team, which includes the project administrator (the individual designated by the county who is responsible for the overall project management and analysis and represents the county in all project administration matters) and the county reassessment committee, including but not limited to information technology representative(s), commissioner or designee, director of assessment or chief assessor, county public relations officer, contract monitor (if applicable), GIS/mapping representative, agriculture community representative, business community representative, legal community/bar association representative, and appraiser and/or realtor. This section also details what information the county project management team must provide to the vendor including various documentation including any geographical information system data and/or ariel imagery, if available. It is also recommended in Section 3 that a county consider contracting with an independent third party to monitor and review the services and products provided under the contract. An effective monitor must be thoroughly familiar with the contract, RFP and successful bid and may also have served as consultant in the development of the RFP or selection of the successful bidder. The contract monitor must stay in close contact with the project and review major tasks in a timely manner.

Ms. Magee explained that Section 4 (Project Requirements/Vendor Responsibilities) of the manual contains highly technical information and outlines the duties of the vendor, which include the following:

- Give due consideration to both the staffing requirements and the degree of experience and/or licensure desired of that staff relative to the work that must be performed for a successful completion of this project.
- Complete the Proposed Project Timetable form with start dates and end dates for the project.
- Provide for project status control, which includes the preparation and delivery of specified reports to the county and meetings.
- Conduct an effective comprehensive public information/public relations program in cooperation with the county.
- Establish local staff training requirements for county staff, data collectors, county assessors and appeal board members.
- Oversee conversion requirements of county data into the Computer Appraisal System.
- Apply computer-assisted mass appraisal (CAMA) system requirements.
- Analyze hardware considerations.
- Adhere to data obligations including source code escrows, programming documentation and software licenses.
- Oversee data collection, creation and maintenance of data, and data quality control.
- Give valuation considerations when using the three recognized approaches to value: sales comparison, cost and income.

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- Utilize required statistical studies and objectives.
- Provide property owner notifications and informal review procedures.

Mr. Greene reviewed for the Task Force Members Sections 8 (Payment Schedule and Penalty) and 9 (Contractual Requirements) of the manual. Section 8 emphasizes that, with the exception of per diem rates for work related to vendor staff charges outside of the agreement and any court proceedings, the agreement is a fixed price contract. Proposals submitted without a fixed price should not be accepted. Each proposal shall include a payment schedule that shows deliverable products at easily identifiable stages of the project. Payment shall be made to the vendor according to the agreed upon schedule. The schedule is to adhere to criteria outlined in Section 8. Also, there are suggested remedies for the county if the county project administrator determines that, due to the fault of the vendor, the reassessment project is not progressing as scheduled.

Section 9 addresses items that constitute legal and insurance obligations which should in some form be included in the reassessment contract, particularly subsection 9.5 dealing with insurance requirements. The vendor is to serve in the capacity of an independent contractor during the project and maintain insurance so as to protect itself and the county from any and all claims under the Workers' Compensation Law, and from claims for damage to person or property arising out of and during its operation for the entire pendency of the reassessment project.

Mr. Greene also stated that Section 9 includes Subsection 9.12 on the Pennsylvania Right-to-Know Law (RTKL) and how it applies to the contract. If the county needs the vendor's assistance in any matter arising out of the RTKL related to the contract, it is to notify the vendor in writing. Upon receipt of the notice the vendor shall: (1) provide the county, within ten calendar days after receipt of the written notification, access to and copies of any document or information in the vendor's possession arising out of the contract that the county reasonably believes is requested information and may be a public record under the RKL, and (2) provide such other assistance as the county may reasonably request in order to comply with the RTKL. The county is to reimburse the vendor for any costs associated with complying with the provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable. Subsection 9.12 also addresses other RTKL scenarios that may occur. It was noted that the vendor's duties relating to the RTKL are continuing duties that survive the expiration of the contract and shall continue as long as the vendor has requested information in its possession.

Ms. Magee concluded the presentation by reviewing Section 10 (Project Cost Itemization) and the various appendices that are contained in the manual. Ms. Magee thanked AAP for their outstanding assistance throughout this project.

Senator Eichelberger recommended that Subsection 9.5 (Insurance Requirements) be altered to add that the vendor should consult the county's insurance carrier to determine more accurately the proper amount of liability insurance needed during the reassessment project. Mr. Klotz stated that the Senator's suggestion would be incorporated in the final Model RFP and Contracting Guidelines for County Reassessment Services manual.

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Mr. Hill acknowledged everyone who contributed to the Guidelines and stated that the County Commissioners Association of Pennsylvania (CCAP) is ready to promote the manual upon its completion and believes that it will be received favorably by county commissioners. Mr. Klotz commented that upon the document's completion it will be the property of CCAP and may have to be periodically updated to reflect advances that may occur, especially in the field of technology.

Senator Eichelberger endorsed the manual and suggested that it be presented to the LGC Members for their review. On a motion by Charles Hardester and a second by Renee Reynolds, the Task Force Members unanimously voted to submit the Model RFP and Contracting Guidelines for County Reassessment Services manual to the LGC Members for consideration.

As the last order of business, Senator Eichelberger and Mr. Klotz commended all Task Force participants for the continued progress that has been achieved to date, and recommended that the Assessment Reform Task Force meet again on Monday, June 4, 2018, at 10:00 a.m. At that meeting, the Task Force Members will review a preliminary draft of the Self-Evaluation Tool presented by AAP's Self-Evaluation Tool Subcommittee, chaired by Deb Crawford and Josh Zeyn. The Subcommittee's members have focused on developing a framework of statistical measures that may help guide a county in planning for and determining when a countywide reassessment is warranted.

The meeting adjourned at 10:35 a.m.

Attested: _____
May 31, 2018