

“Good morning, Mr. Chairman and council members.

I would like to start off by saying as an elected official I am very aware of the tough economic times and the need to look out for the taxpayer’s interest, which I have done. I have worked hard to make sure my office stays within our budget, which we have done. I have reduced the Assessor-Treasurer’s office expenses to the point where there is nothing more to reduce, as it should be. I have had the cooperation of Assessor-Treasurer management and staff in eliminating waste from the Assessor-Treasurer’s office.

My staff and I are well aware that we work for the taxpayer and we know that their hurting in these tough financial times. We want them and this Council to know that we will do more on less money than we have done in the past and still give the taxpayers of Pierce County superior service and forthright valuations of property. The citizens of Pierce County have to manage their homes and businesses on limited budgets and county government has to do the same. The Assessor-Treasurer’s office is doing its job on the provided budget and will continue to do. In these tough financial times our employers the taxpayers need our best efforts to provide them good government services with less tax dollars. In these times of challenges, we need to do more just because it is right and stand tall together and remember we are all Americans. At this point, I would like to have you look at the booklet before you where I have answered your written questions and will answer any other questions you might have.”

Pierce County Assessor-Treasurer Dale Washam 2012 Budget Presentation - October 28, 2011 9:00 am

Pierce County Assessor-Treasurer’s responses to the Pierce County Council’s written questions regarding Assessor-Treasurer’s office 2012 budget.

Pierce County Council Question #1:

- 1) Explain how you are planning to implement the \$148,770 in furlough and salary savings.

Pierce County Assessor-Treasurer’s Response to Question #1:

- Cuts to the Assessor-Treasurer’s budget will be absorbed in the following order:
 - Eliminate staffing redundancies. (excessive job classifications tend to increase costs and prevents the most efficient deployment of existing manpower)
 - Increase operational efficiency. (achieved through the cross-training of staff to perform functions in several operational areas and the active adoption of new technologies)
 - Reduce staff. (95% of Assessor-Treasurer’s budget is fixed costs. **(See attachment A)**. Therefore, at a given point payroll is the only fixed cost that can be reduced.

Pierce County Council Question #2:

- 2) Please update Council on your department's progress on physical inspections of properties. When do you anticipate having up-to-date physical inspections on all properties in Pierce County?

Pierce County Assessor-Treasurer's Response to Question #2:

- As the Pierce County Council knows, during the years 2001 through 2008 the Assessor-Treasurer's office failed to perform hundreds of thousands of physical inspections, in violation of RCW 84.41.041. Therefore, when Dale Washam became the Assessor-Treasurer in 2009, he put emphasis on getting every parcel of real property in Pierce County lawfully appraised, so the Pierce County taxpayer/citizen assessment records would have correct characteristics. The full integrity of the Pierce County taxpayer/citizen's assessment records will not be restored until 2013 or at the time when each and every Pierce County real property parcel has had a current physical inspections pursuant to RCW 84.41.041.
- To understand the importance of Lawful physical inspections being completed on each real property parcel see AGLO 1980 **(see attachment B)**, a legal opinion of the Washington State Attorney General regarding the revaluing of real property without conducting the statutorily required physical inspections.
- Other AGO's the council should study are AGO 1995 No. #5 and AGO 1969 No. #15.
- We have made up the 15,316 physical inspections that were falsely reported by the former administration as being completed in 2008 by doing more physical inspections in the subsequent years. **(See attachment C)** For a comparison of the number of physical inspections completed by the former administration, compared to the number of physical inspections completed by the present administration with a reduction in the budget of more than one million dollars, **see attachment D**.

Pierce County Council Question #3:

- 3) Performance Measure #2 states that the department will see efficiencies and quality improvement at every stage of our processes: Explain what efforts have been made to date and what are planned in 2012.

Pierce County Assessor-Treasurer's Response to Question #3:

- Measures underway to further the goals outlined in Performance Measure #2:
 - Eliminate artificial barriers that hinder the efficient deployment of resources, by cross-training staff in multiple operational areas.
 - Continue the development and deployment of custom software tools. These represent the most critical resource available to attain needed improvements.

- Enhance transparency and accountability at every step and every level of the operation.

Pierce County Council Question #4:

- 4) Performance Measure #4 states “We will achieve a minimum 25% increase over 2011 in the number of: “Personal Property and Trended Investment accounts that utilize our new electronic paperless process.” How will this be achieved? What is a “Trended Investment Account”?

Pierce County Assessor-Treasurer’s Response to Question #4:

- A Trended Investment Account is typically a special use property, or one where machinery & equipment constitute a significant portion of the overall value.
- Most large industrial or manufacturing accounts in Pierce County are valued through the trended investment cost method.

RCW 84.04.090 defines “real property” as all land, buildings, structures or improvements, and “...*other fixtures of whatsoever kind thereon,*”
WAC 458-12-010 (3) further defines “real property as “...*including machinery and equipment which become fixtures.*”

Since RCW 84.40.030 demands that all real property “...*be valued at one hundred percent of its true and fair value in money and assessed on the same basis...*” this office has the obligation to appraise these special use properties in a way that reflects the market value not only of the land and buildings, but also the machinery & equipment that qualifies as real property.

Because of these characteristics, this type of accounts do not lend themselves to be valued through one of the three traditional approaches to value routinely used on all other appraisal assignments, i.e. cost, income or market.

The trended investment cost method is basically a modified reproduction cost approach that takes the historic or acquisition cost of the improvement and uses it as its base. The Washington State Department of Revenue annually publishes ‘combined tables’ that trend that base cost into a current market estimate and then depreciates it based on its typical life expectancy, using a declining balance method.

The taxpayer provides this office with a detailed listing of all its assets annually. This listing is then reviewed by our staff for appropriateness and to combine those values to the land and building values for the account’s final assessment as determined by the appraiser.

We developed the electronic filing tool for our personal property in 2009. At that time we tested its functionality and reliability with a small number of accounts. We were fully operational for the 2010 cycle and saw some 1,300 accounts use the service. That number increased by more than 78% this last year. **(See attachment E)**

We will continue to actively promote its use, as it leads to significant savings to our processing costs. As of 2012, all new accounts will be required to file their returns electronically.

We have also developed a similar tool for our trended investment accounts. Our appraisal staff used the new platform for their valuations this year, and we will be inviting the taxpayers to submit their affidavits electronically through this medium for the 2012 valuation.

Pierce County Council Question #5:

- 5) Discuss any major capital purchases or changes in IT Services your department is planning in 2012.

Pierce County Assessor-Treasurer's Response to Question #5:

- Our CAMA software has been completely rewritten into a .NET Framework platform.
- Our current version will no longer be supported and will not be compatible with the new platform.
- Both the ATR and the county's IT departments will have to allocate significant resources to facilitate the migration into the new platform.
- The current tentative schedule for Pierce County from the vendor is unknown.

Pierce County Council Question #6:

- 6) Could you please submit an organizational chart for your department?

Pierce County Assessor-Treasurer's Response to Question #6:

See attachment F.

Video Presentation to County Council