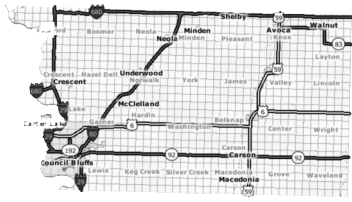


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According to Value



Ad Valorem

Pottawattamie County Assessor News Second Quarter 2009

Notices Sent When Values Change

We continually conduct sales ratio studies (comparing assessments to selling prices) as well as monitor trends in the market. A large part of the responsibility of our appraisal staff is to keep track of improvements or deterioration of real estate, because these affect values. The Assessor's Office is now using this information to prepare and mail the 2009 Real Estate Assessment Rolls.

Residential and commercial property is assessed based on its estimated fair market value—that is, the price at which it would likely sell for on the open market. Assessments for commercial property also factor income and expense information into the equation. Agricultural property is assessed differently, using a Department of Revenue formula that considers land productivity and commodity prices.

In the past in Pottawattamie County, property values have typically changed when we mailed the assessment rolls—many values went up, but some went down, depending

on the situation for each parcel. This year, though the real estate market here is still strong, it's not as robust as it has been, but thankfully it's not like some areas of the country where property values have declined significantly.

Because we only notify property owners in cases where there has been a change in value, one would expect we'd be mailing fewer assessment notices this year than we have in the past. However, we're

actually sending more this time. We estimate we'll send about 5,000 notices, compared to an average of about 2,500 to 3,000 in a normal year. This is because of a special situation regarding buildings on agricultural land.

Many Ag Building Values Decline

Due to a Department of Revenue directive, all assessors across the state are taking a look at agricultural buildings (barns, machine sheds, etc.) in their jurisdiction, and in many cases are lowering or eliminating their value. Many of these buildings are not worth much as a percentage of the land value; sometimes they are in need of great repair or are literally falling down. (Think of all the worn out old barns you often see when driving through the country.)

It doesn't make sense to continue carrying much value on these structures, especially when they don't have a significant impact on the overall value of the parcel. Because of

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this change, however, we will be sending far more agricultural assessment notices than we normally would, which is why the total number of notices this cycle is actually increasing.

Notices Sent When Values Change

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It also appears that the value of agricultural land itself is going up significantly in Pottawattamie County and across Iowa. That's because the productivity formula used to calculate assessments looks at a rolling five-year average of commodity prices. Even though crop prices have dropped recently, the formula still uses data from years when prices were higher.

Remember that the role of an assessor is to estimate property value, not taxes. We don't determine tax rates, set taxes or collect taxes.

Fortunately for property owners (agricultural or otherwise), a significant increase in assessed value doesn't necessarily translate to a significant increase in property taxes. That's because of a state-mandated 4 percent cap in the amount that taxes in any given property class can increase in a year. Also, property taxes are calculated using tax levies, which is a fancy name for the tax rate. Because levies go up or down depending on the budgets set by cities, counties and school boards, it's entirely possible for property taxes to go down even when an assessed value goes up—and vice versa.

While there is a correlation between assessments and property taxes, the relationship is not always direct.

Remember that the role of an assessor is to estimate property value, not taxes. We don't determine tax rates, set taxes or collect taxes. For more information, please contact our office. We will be glad to help.

O'Neill Retires After 35 Years



Janet O'Neill

On April 24, Janet O'Neill will retire after 35 years of service. A native of Council Bluffs, she began her career with the Pottawattamie County Assessor's Office on April 20, 1974. She started as a clerk when the office was located in the old courthouse; her job was entering property values on punch cards. "Everything was done by hand back then," she explains.

Many things have changed over the years. In fact, in those early days, the assessor would not only keep track of property values, but also the value of things like farm machinery, commercial business property (such as computers and desks) and even cows—that's right, cows!

Automation is something else that's changed the nature of the office. It used to take 22 people to do the work that 12 now do. And where real estate agents and others used to descend on the office looking for property information, that's all handled on-line today.

In July 1990, O'Neill became the office manager. Although that's her title, the role is much more specialized than the name implies. In addition to managing the front office employees, she is in charge of mailing assessment rolls each April, abstract maintenance and keeping track of all exemptions, such as homestead, military, urban revitalization, forest reserve, religious, charitable/benevolent and others.

O'Neill will miss the people she has worked with for more than three decades, but at the same time looks forward to the next chapter in her life. She plans to travel to California with her mother to visit a sister who lives there, then spend a lot of quality time with her husband, children and grandchildren. She also plans to exercise more and ride her bike. (She's ridden RAGBRAI nine times and because it starts in Council Bluffs this year, she's thinking of doing it yet again. "Iowa is so beautiful from a bike," she comments.)

To be sure, in retirement, O'Neill won't sit still for long.

Laptops Replace Traditional Data Servers

At the most basic level, the Assessor's Office revolves around data: collecting it, processing it and making it available to staff and to the public.

In the old days, data was kept on paper. Later, punch cards were used. But more than a decade has passed since computers became the primary repository for property information. In 1997, the Pottawattamie County Assessor was the first in Iowa to make property data and photos available on the Internet.

In 2009, our servers responded to an average of 50,000 requests from 5,000 users each day. County businesses, emergency services and individual citizens rely on assessor data being available continuously 24 hours a day. To meet this demand for reliability, two separate servers connect to the Internet through two independent companies—one phone and one cable. The servers have independent battery backup power supplies, and one is also powered by a diesel generator if the building loses electricity. We are in the process of upgrading to technology that does all of this more easily, at a lower cost, and with even greater reliability. The centerpiece of this new initiative is the laptop computer. The benefits of using laptops instead of traditional servers include reduced power consumption, increased reliability and lower costs.

Reduced Power

Laptop computers are designed to run on drastically less power than typical servers. Laptops also generate much less heat, which negates the need for air conditioning and the power it consumes. The reduced electric bill

translates into tons of carbon that is not released into the atmosphere each year.

The overall power reduction also mitigates blown circuit breakers, for example, when someone elsewhere in the building plugs in a heater. It also means that all of our equipment can run on the single outlet that provides diesel generated backup.

Increased Reliability

Our prototype laptop system has demonstrated lower failure rates. One reason is because there are fewer components to fail. And a laptop doesn't need a backup power supply because it has its own battery, which can keep it running for hours compared to minutes for the current servers. A laptop also doesn't need air conditioning, so it doesn't fail when the air conditioning fails.

Lower Costs

Equipment costs are lower because laptops cost less than traditional servers, yet they perform better than our current servers. We also save the cost of battery backup power supplies and special air

conditioning equipment. And we save because we no longer need to boost the capacity of our current wiring and ventilation infrastructure. The cost of running the system is lower because of the lower electric bills, and there is a corresponding reduction of our environmental impact. The cost of maintaining the system is lower because the components do not fail as often, and when they do fail they cost less to replace. Software costs will also be lower as we expand our use of open source software to create an environment that is more stable, easier to upgrade and less expensive to expand in both scale and features.

Bottom Line

These improvements to our data infrastructure aim to provide more useful information services to our staff and to the public as it simultaneously reduces economic and environmental costs. Better information at lower cost will aid not only the property assessment process, but the county's economic development as well.

Important Dates

APRIL 10 (tentative): Assessment notices mail in cases where there has been a change in property value. This is a time-consuming job for our staff, as it involves printing statements, checking them for accuracy, stuffing and sealing envelopes and more. We anticipate mailing about 5,000 statements in all.

APRIL 16 – MAY 5: Property owners who disagree with their assessment may file a protest with the Pottawattamie County Board of Review. Those who protest and are not satisfied with the outcome may then appeal further to either a special Property Assessment Appeal Board, or file a case in District Court. For more information on these options, please contact our office.

JULY 1: Deadline to file homestead and military property tax exemptions. Contact our office for more information.

Pottco's Largest Private Property Complex? Menards.



Exit Interstate 80 at the town of Shelby (exit 34), look south and you'll see the largest private building complex under single ownership in Pottawattamie County. Menards, Inc., recently opened this five-building, 876,000 square foot distribution facility that employs approximately 300 people.

To put that size into perspective: More than 15 football fields (including end zones) would fit under the five roofs. It's got four and a half times more space than the exhibition hall at the Qwest Center, and almost 90 percent of the square footage of the First National Bank Tower in Omaha.

A unique feature of the complex is an alternative energy boiler plant used for heating. Wooden pallets that would otherwise be hauled to the landfill are instead recycled and burned, which saves energy costs for Menards and helps the environment.

The assessed value of the complex is about \$27 million.



Take Note...

Assessor Reappointed. Pottawattamie County Assessor Steve Palm has been reappointed by the Pottawattamie County Conference Board to another six-year term that commences Jan. 1, 2010. (Six-year terms for assessors are standard in Iowa.)

Palm's first appointment as assessor began Jan.1, 2004. He started working in the Pottawattamie County Assessor's Office in 1982.

Spanish Interpretation Now Available. Property owners who speak Spanish are now better served when dealing with our office, as we now have a bilingual employee to assist in these situations. This will also facilitate better conversations between our own employees who are visiting properties and encounter owners who speak only Spanish.

Those needing this assistance should contact our office and ask to speak with Evelyn.

Ad Valorem

Ad Valorem is published quarterly by the Pottawattamie County Assessor's Office and is distributed free upon request. If there are topics you'd like to see covered in future issues, have questions or comments, or would like your name added to the mailing list, please contact our office at (712) 328-5617.