



CITY of NOVI CITY COUNCIL
Agenda Item C
June 3, 2019

SUBJECT: Approval of a three-year agreement between the City of Novi and Tax Management Associates, Inc. for Personal Property Assessment Services at a cost of \$58,300 for the first year.

SUBMITTING DEPARTMENT: Assessing

CITY MANAGER APPROVAL: *PA*

EXPENDITURE REQUIRED	\$58,300 (\$22 PER PARCEL YR 1, APPROX.)
AMOUNT BUDGETED	\$66,000 FY 2019-20 Budget
APPROPRIATION REQUIRED	\$0
LINE ITEM NUMBER	101-209.00-807.000

BACKGROUND INFORMATION:

In June 2016 the City of Novi (City) entered into a three-year contract for professional services with Tax Management Associates, Inc. The contract with TMA has now entered the end of its third year and is up for renewal. As a reminder the City Council had approved \$78,818 in its FY 2016-17 Budget for a full time personal property appraiser. Choosing TMA has saved the City considerably, while continuing to provide the highest quality of professional services to our City's taxpayers.

Similar to the services provided by Equalization, Tax Management Associates, Inc. has proposed to offer what they refer to as Option 1, canvassing of personal property parcels, AND Option 2, process of personal property accounts. Both of these services have been completed in the past and include:

Option 1 – Canvassing of Personal Property Parcels

- Perform physical canvass in the Fall of each year
- Interview property owners during canvass to ensure accuracy
- Update tax roll with identified new businesses

The proposed cost is as follows:

- Year 1 - \$8.00 per number of situs businesses
- Year 2 - \$8.50 per number of situs businesses
- Year 3 - \$9.00 per number of situs businesses

Option 2 – Process of Personal Property Accounts

- Process accounts (Jan 1 – March 1) each year defined
 - Personal property statements processed, including 5278's (EMPP)
 - Accounts estimated by TMA
 - New 5076 (Small Business) exemptions processed by TMA
- Assist City Assessor with personal property appeals at March Board of Review
- All services will be performed out of TMA's Offices