



OFFICE OF COUNTY ASSESSOR
100 JEFFERSON COUNTY PARKWAY GOLDEN, CO 80419-2500

JIM EVERSON
Assessor

April 14, 2009

To the Citizens of Jefferson County:

Today I am releasing the 2008 Annual Report of the Jefferson County Assessor's Office. This report is a compilation of information about the Assessor's Office and its operations during the 2008 calendar year. I hope you find it helpful and informative. Some of the highlights of the report are as follows.

In 2007, the County Budget Department began a practice of billing the Office for shared services, such as computer services and building costs. I have chosen to focus much of the discussion in this report on the internal performance of the Assessor's Office excluding these Interdepartmental expenses.

In 2009 we again cut inflation-adjusted spending compared with 2007 while increasing the number of property schedules we service. As a result, the Office has posted a 12.55% decrease in expenditures during the four years since I took office. At the same time, we improved service to our citizens by making more information available on our web site and restructuring our business personal property classifications. Total expenditures per property schedule per year in 2004 was \$16.06. By 2008, we trimmed this to \$13.72 (inflation adjusted) for a 14.58% decrease in spending per schedule serviced.

2008 actual spending was 16% (\$862,484) less than the Assessor's Office approved 2008 budget. We achieved these results by adopting new methods and procedures that allowed us to lower the amount of employee time needed to do our work and by automating some work processes. Also, through better training and employee utilization, we eliminated the need for consulting services by doing most of this work in house.

Once again in 2008 the credit goes to our employees who have done a great job of finding ways to do more with less. The result is that taxpayers get the same or improved service for a lower cost.

Please feel free to contact me via e-mail at <http://assessor.jeffco.us> or at 303.271.8667 if you would like more information about the Jefferson County Assessor's Office.

Very Truly Yours,

Jim Everson, Jefferson County Assessor

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SUMMARY OF OPERATIONS

General: The Jefferson County Assessor's Office identifies, describes, and values all property located in the County and creates the tax roll by applying mill levies to taxable assessed valuation of property. We do not set tax rates. This is done by each entity that levies property taxes during their budget process. The Assessor also maintains parcel maps showing all real property parcels in the County. Our mission is to efficiently provide quality customer service by being courteous, respectful, and informative while performing our statutory duties in a fair, ethical, accurate, and professional manner. Each year on May 1 the Office creates and mails a Notice of Valuation for each taxable real property schedule in the County. In addition, the Office creates and mails a Notice of Valuation to each business personal property owner in the County on June 15. During 2008, we added 2,905 new property schedules for a year end total of 234,290 property schedules. At year end, we had 200,840 residential real property schedules, 14,788 business personal property or mobile home schedules, 10,152 schedules that were exempt from property taxes and 8,510 commercial property schedules.

For the 2008 tax roll, the total actual value of property in Jefferson County was \$64,827,788,359. The total assessed value was \$7,356,013,420. We had 1,352 parcel maps which we maintained. During the year, 181 taxing entities in the County relied on our office to value property in their district and report those values to them so that they could establish appropriate property tax mill levies for properties within their boundaries. These entities include Jefferson County R-1 Schools, all fire districts, cities and the County. We maintained 693 separate tax districts to apply mill levies from these taxing entities.

Because of the economic downturn, we saw new construction in the County drop from \$810 million in 2007 to \$668 million in 2008, a 21% decrease. We also saw a 13% decline in the number of deeds processed. These allowed us to reallocate resources within the office to addressing some long needed changes in our business personal property system.

Customer Service: The Customer Service Department is charged with servicing customers at the front counter, answering telephone inquiries and correspondence, coordinating protest and appeals hearings and maintaining correspondence and appeals files. During the year this group handled 26,823 calls, serviced 8,894 customers at the front desk, processed 3,948 protests and 1,032 other appeals, and answered 766 pieces of correspondence.

Senior Exemptions and Tax Districts: This Department is responsible for customer service and administration of the Senior/Disabled Veteran Property Tax Exemptions (SPTE) as well as creating and maintaining taxing authority maps and tax districts within the County. In 2008, the department processed 2,379 new SPTE applications, maintained over 24,522 existing STPE properties, and maintained all of the 181 taxing entities and 693 tax districts in the County. In addition this group worked with the Business Personal Property group to implement a new system for categorizing business personal property.

Deeds and Property Description: The Deeds and Property Description Department is responsible for maintaining and updating all parcel maps, creating new parcels from deeds and plats, and maintaining

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an accurate record of the ownership of each parcel. During 2008, 21,660 deeds were processed down from 23,554 in 2007 and 150 plats were mapped and parcels created (173 in 2007).

Personal Property: The Personal Property Department identifies, describes and values all business personal property and mobile homes in the County. In 2008, 14,788 personal property schedules were valued. In addition, the department conducted over 200 audits of businesses throughout the County as part of our Personal Property Audit Plan. In addition, this group worked to develop a new property coding system for business personal property that will enable the Office to, in the near future, accept on-line filing of business personal property declarations.

Residential Real Property: The Residential Department is responsible for maintaining residential property inventory records, documenting new residential construction, and valuing all residential structures (other than multifamily) in the County. In 2008, this group maintained inventory records on 199,364 residential schedules and processed 9,690 building permits.

Commercial Real Property: The Commercial Real Property Department is responsible for maintaining commercial property inventory records, documenting new commercial construction and new commercial parcels, and valuing both commercial land and all commercial structures (including multifamily residential and possessory interests) in the County. In 2008, there were 9,986 multifamily residential and commercial schedules that were serviced by this department. In addition, this department, together with the Mass Appraisal group and the County Information Technology (IT) Department, worked to continue the development of additional functionality for our a new CA commercial valuations system.

Land Valuation: In 2008, this group serviced 12,594 vacant land parcels as well as allocating land values for 2,905 new parcels created during the year. Also, this group developed new models for commercial land values for use in the 2009 reappraisal.

Data Control: The Data Control Department provides data entry, data maintenance and data quality control in one group. The department is charged with assuring the integrity of all property information maintained by the Assessor's Office. In addition, this department creates customized data reports for various other governmental entities and the public on a fee basis. In 2008, this group implemented a new In House Correction (IHC)/Master Record Change tracking system outside of the Assessor/Treasurer main system to track and streamline the process of splits and combinations of properties

Mass Appraisal: The Mass Appraisal Department is charged with maintaining, upgrading and calibrating the Office's CAMA system that is used by the appraisal staff to value all property in the County. This group also maintains and upgrades the Geographic Information System (GIS) that the office uses to create and maintain all parcel maps for the County. In 2008, this group was instrumental developing enhancements to the new CA commercial valuation system. Also, this group headed a project to replace our existing parcel mapping software with a new state-of-the-art parcel editing and mapping system.

External Reporting: The External Reporting Department is responsible for reporting value information to taxing entities, the State of Colorado and the general public as well as processing the

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TD-1000 Real Property Transfer Declaration forms completed at each real estate closing. In 2008, this group published the annual Abstract of Assessment and prepared Certification of Value letters for each of the taxing entities in the County.

Executive and Administrative: This group includes the elected Assessor, Deputy Assessor and Administrative Services. The executive group is responsible for overall management of the Office. The administration group provides administrative services for the Office. In 2008, the administration group managed the conversion to a paperless calendar, payroll and benefits system and development of a comprehensive position description and analysis matrix for the County-wide compensation study.

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FINANCIAL RESULTS

The Assessor's Office, while instrumental in the generation of property tax revenue for all taxing entities in the County, is not a primary producer of revenue. Therefore, revenues generated are somewhat incidental to the mission of the office. Almost all of the expenditures of the Office are funded from the County General Fund.

Current Year: A summary of the revenues and expenses of the Assessor's Office for 2008 are as follows (see Appendix 3 for detailed report):

| | |
|--|--------------------|
| 2008 Revenues from the sale of data and maps, fees, and other sources: | \$106,678 |
| 2008 Expenditures: | |
| Salaries and Benefits | \$3,369,423 |
| Supplies, including postage and printing | \$126,177 |
| Capital Projects and Other Services | \$112,186 |
| Interdepartmental Charges | \$923,855 |
| 2008 Total Expenditures | \$4,531,642 |
| 2008 Expenditure Budget | \$5,394,126 |
| 2008 Actual Expenditure Amount Under Budget | (\$832,484) |
| 2008 Percent Under Budget | 16% |

Management Discussion: In 2007, the County Budget Department implemented a new method of accounting for expenditures which allocated costs for certain shared services (computer services, building rent and maintenance and others) to the Assessor's Office. The impact of this accounting change in 2007 was to increase reported total expenditures by \$1,546,839 over what they would have been without the change. This resulted in a 2,198.43% increase in interdepartmental charges for 2007.

In 2008, total interdepartmental charges were cut 42% in 2008 largely due to decreased use of the Information Technology Department to make improvements to the Assessor computer systems. In 2008, we began the process of purchasing a new, more efficient, Assessor/Treasurer computer system from an outside vendor in consort with 3 other Metro area counties with a January 2011 go live date. Therefore, upgrades to the old system were not viewed as good investments.

When adjusted for inflation to 2004 constant dollars using the Denver Boulder Consumer Price Index (CPI), total expenditures in 2008 were \$105,072 less than in 2007 or a 3.17% decrease in inflation adjusted spending. (see Appendix 1 for the full 2004-2008 expenditure and percent change analysis).

Over the 4 year period from 2004 to 2008 inflation adjusted expenditures excluding Interdepartmental charges were reduced by \$461,106 or 12.55%. During the same period, the total number of schedules serviced by the Office increased by 5,408 schedules. From 2004 to 2008 the CPI increased by 12.25%.

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In 2008, total salary and benefits increased 1.33% (\$44,214) over 2007 and the median salary increase for employees was 1.95%, both less than the 3.91% CPI inflation rate. We accomplished this by foregoing pay increases, lowering overtime, and moving one employee to reduced schedule. In 2009, 34% of the employees received no salary increase, another 19% received less than a 2% increase. Total salary and benefits for 2008 includes a one-time incentive payment to employees based upon fuel costs that was paid to employees in December 2008. This incentive was paid to all benefits eligible employees, except the elected Assessor, based on the number of days they were present in the office at a rate of \$4.98 per day to offset rising fuel costs. The total expenditure of \$55,424.83 for this incentive was funded from the 2007 budget savings carry forward and will not recur in 2009.

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PERFORMANCE MEASURES

The Assessor's Office has developed a group of performance measures which are used to evaluate the performance of the Office. Results were as follows:

| | 2005 | 2006 | 2007 | 2008 |
|--|---------------|---------------|---------------|-------------|
| Performance Measures | | | | |
| Number of deeds and plats processed. | 27,045 | 25,431 | 23,757 | 21,810 |
| Percentage of protests that result in CBOE appeal. | 18.80% | 17.68% | 13.42% | 14.64% |
| Weighted combined COD. | 6.77 | 7.25 | 8.04 | 7.64 |
| Inflation adjusted annual office expenditures per schedule | \$15.21* | \$14.42* | \$14.24* | \$13.72* |
| Demand Indicator | | | | |
| Total actual value of new construction in the County. | \$776,000,000 | \$723,000,000 | \$810,000,000 | 668,000,000 |
| * Excluding Interdepartmental charges | | | | |

The **number of deeds and plats processed** indicates the amount of real estate related activities in the County. It also shows directly how much work was performed by the Property Description Department during a given year. It also gives an indication of the amount of work the appraisal staff will have to do to verify sales and value newly platted properties. If this number is growing, additional resources will be needed and the reverse is true if it is getting smaller. In 2008, the number of deeds and plats processed dropped by 2,896 or 13% versus 2007. This continues a downward trend since 2002. This resulted in not filling one employee to reduced schedule status.

The **percentage of protests that result in County Board of Equalization (CBOE) appeal** measures how well the Office is doing in resolving protests at the Assessor's Office level. From May 1 through June 1 of every year, property owners are afforded the opportunity to protest or appeal to the Assessor the value the Assessor determines for their property in the May 1 Notice of Valuation. We encourage owners to visit the office as this is the best environment in which to resolve valuation concerns. In August of each year the Assessor sends a Notice of Determination to each owner who protested stating whether or not the value of their property will be adjusted based upon their appeal and if so, by how much. At this point the owner may appeal to the CBOE if they are not satisfied with the result. In 2008, the percentage of protests that resulted in CBOE appeals increased from 13.42% to 14.67%. This increased percentage is typical in a non revaluation year where values remain the same as in the prior year because fewer owners appeal their values and thus, the absolute number of appeals that continue to the next level has a more dramatic effect on the percentage.

The **weighted combined Coefficient of Dispersion (COD)** is a measure of how well the Office is doing at valuing all the properties in the County on an equalized basis. In the annual audit of the Assessor's Office conducted for the Colorado Legislative Council, the values that are set by the Assessor's Office are tested for compliance with minimum acceptable COD standards set by the State

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Board of Equalization. COD measures the uniformity of the assessment values set by the Office. The lower the COD the more uniform the assessment and the more likely it is that all property owners are being treated equally. In 2008, combined weighted COD was 13% lower than it was in 2007 which is favorable.

Inflation adjusted annual office expenditures per schedule measures the overall dollar cost efficiency of the office in performing its duties. Since this figure is stated in constant 2004 dollars the effects of inflation are eliminated and the true cost per unit is measured. In 2008, total expenditures per active property schedule serviced were reduced by 3.66%. Since 2004 inflation adjusted expenditures per schedule has decreased by 14.58%.

The Demand Indicator of **total actual value of new construction in the County** is included as an indicator of the level of effort that is required in appraising properties in the County. Generally, there is not as much work involved in maintaining the inventory of existing buildings that have been well documented and inventoried over time as there is in creating an entirely new schedule for a new building. Thus, if the amount of new construction increases, the amount of appraisal resources needed will also increase. Increases in new construction also indicate that more property schedules and parcels will be forthcoming. In 2008, total new construction declined significantly due to the economic downturn. However, the fact that Jefferson County is a mature county, with fewer locations for new construction due to declining availability of developable land, would lead one to believe that this figure will trend lower over time.

OBSERVATIONS AND 2009 GOALS

In 2008, real property in Jefferson County was not revalued and we kept values at the June 30, 2006 level of value. Revaluation of real property occurs every two years, the next in 2009. Because of this, there will be much additional work required of the Office in 2009. Also, revaluation years typically result in a greater number of appeals and thus increased demand on staff to handle these appeals. Appeals in 2009 are expected to be very high due to the state of the economy and the fact that the values owners will receive must be based on a June 30, 2008 appraisal date which was before some the more dramatic declines in real estate values. An additional \$35,000 has been budgeted in 2009 for overtime in anticipation of increased appeals.

In 2009, the major goal of the office will be to assure that the 2009 revaluation is accomplished and the property owners affected are properly served by the Office. Also, we intend to finalize our computer software solution for the future so that it can be implemented in 2010 and ready to go for the 2011 reappraisal. In 2009 we will also install and implement a new parcel maintenance software program that was purchased using 2007 budget savings carry forwards.

We will continue in 2009 to provide the best possible customer service and at the same time find ways to do so in an efficient cost-effective manner. This is the best way we know to assure the taxpaying public that they are getting real value from their Jefferson County Assessor's Office.

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Jefferson County Assessor's Office Expenditures 2004-2008
Adjusted for Inflation to 2004 Dollars
Jim Everson, Jefferson County Assessor

| | 2004 | 2005 in 2004\$ | %Change yr/yr | 2006 in 2004\$ | %Change yr/yr | 2007 in 2004\$* | %Change yr/yr* | 2008 in 2004\$* | %Change yr/yr* |
|--|--------------------|--------------------|------------------|--------------------|------------------|--------------------|-------------------|--------------------|-------------------|
| FTE | 60 | 57 | (5.00) | 57 | 0.00 | 57 | 0.00 | 57 | 0.00 |
| Salaries and Benefits | \$3,334,022 | \$3,213,761 | (3.61) | \$3,084,557 | (4.02) | \$3,078,279 | (0.20) | \$3,001,819 | (2.48) |
| Supplies | \$222,583 | \$147,413 | (33.77) | \$158,645 | 7.62 | \$142,295 | (10.31) | \$112,411 | (21.00) |
| Services & Capital Projects | \$118,678 | \$138,857 | 17.00 | \$96,662 | (30.39) | \$98,675 | 2.08 | \$99,947 | 1.29 |
| TTL Cap. Projects and Other Expense | \$341,261 | \$286,270 | (16.11) | \$255,307 | (10.82) | \$240,970 | (5.62) | \$212,358 | (11.87) |
| TTL Expenditures excluding Interdepartmental | \$3,675,283 | \$3,500,031 | (4.77) | \$3,339,863 | (4.58) | \$3,319,248 | (0.62) | \$3,214,177 | (3.17) |
| Total compounded % increase (decrease) since 2004 of Expenditures Excluding Interdepartmental | | | | | | | | | (12.55) |
| Interdepartmental | \$77,015 | \$68,768 | (10.71) | \$65,601 | (4.60) | \$1,475,691 | 2,149.49 | \$823,063 | (44.23) |
| Total Expenditures | \$3,752,298 | \$3,568,799 | (4.89) | \$3,405,464 | (4.58) | \$4,794,940 | 40.80 | \$4,037,239 | (15.80) |
| Number of Schedules | 228,882 | 230,077 | 0.52 | 231,569 | 0.65 | 233,093 | 0.66 | 234,290 | 0.51 |
| Increase (decrease) No. of Schedules | | 1,195 | | 1,492 | | 1,524 | | 1,197 | |
| \$ per Schedule Processed excluding interdepartmental | 16.06 | 15.21 | (5.26) | 14.42 | (5.19) | 14.24 | (1.27) | 13.72 | (3.66) |
| Total % increase (decrease) in \$ per schedule since 2004 excluding interdepartmental | | | | | | | | | (14.58) |
| CPI Denver-Boulder | 187.0 | 190.9 | 2.10 | 197.7 | 3.56 | 202.0 | 2.18 | 209.9 | 3.91 |
| Total Compounded % CPI increase since 2004 | | | | | | | | | 12.25 |

* New budget system adopted that includes Interdepartmental charges for IT, Facilities and other shared services

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Appendix 1 page 2

Jefferson County Assessor's Office Expenditures 2004-2008
Not Adjusted for Inflation
Jim Everson, Jefferson County Assessor

| | 2004 | 2005 | %Change yr/yr | 2006 | %Change yr/yr | 2007* | %Change yr/yr* | 2008* | %Change yr/yr* |
|--|--------------------|--------------------|------------------|--------------------|------------------|--------------------|-------------------|--------------------|-------------------|
| FTE | 60 | 57 | (5.00) | 57 | 0.00 | 57 | 0.00 | 57 | 0.00 |
| Salaries and Benefits | \$3,334,022 | \$3,280,788 | (1.60) | \$3,261,044 | (0.60) | \$3,325,209 | 1.97 | \$3,369,423 | 1.33 |
| Supplies | \$222,583 | \$150,488 | (32.39) | \$167,722 | 11.45 | \$153,710 | (8.35) | \$126,177 | (17.91) |
| Services & Capital Projects | \$118,678 | \$141,753 | 19.44 | \$102,193 | (27.91) | \$106,590 | 4.30 | \$112,186 | 5.25 |
| TTL Cap. Projects and Other Expense | \$341,261 | \$292,241 | (14.36) | \$269,914 | (7.64) | \$260,300 | (3.56) | \$238,363 | (8.43) |
| TTL Expenditures excluding Interdepartmental | \$3,675,283 | \$3,573,028 | (2.78) | \$3,530,959 | (1.18) | \$3,585,508 | 1.54 | \$3,607,786 | 0.62 |
| Total compounded % increase (decrease) since 2004 of Expenditures excluding interdepartmental | | | | | | | | | (1.84) |
| Interdepartmental | \$77,015 | \$70,202 | (8.85) | \$69,355 | (1.21) | \$1,594,066 | 2,198.43 | \$923,855 | (42.04) |
| Total Expenditures | \$3,752,298 | \$3,643,230 | (2.91) | \$3,600,313 | (1.18) | \$5,179,575 | 43.86 | \$4,531,642 | (12.51) |
| Number of Schedules | 228,882 | 230,077 | 0.52 | 231,569 | 0.65 | 233,093 | 0.66 | 234,290 | 0.51 |
| Increase (decrease) No. of Schedules | | 1,195 | | 1,492 | | 1,524 | | 1,197 | |
| \$ per Schedule Processed excluding interdepartmental | 16.06 | 15.53 | (3.29) | 15.25 | (1.81) | 15.38 | 0.88 | 15.40 | 0.11 |
| Total % increase (decrease) in \$ per schedule since 2004 excluding interdepartmental | | | | | | | | | (4.12) |
| CPI Denver-Boulder | | | | | | | | | |
| | 187.0 | 190.9 | 2.10 | 197.7 | 3.56 | 202.0 | 2.18 | 209.9 | 3.91 |
| Total Compounded % CPI increase since 2004 | | | | | | | | | 12.25 |

* New budget system adopted that includes Interdepartmental charges for IT, Facilities and other shared services