

AGENDA DOCUMENTATION

TITLE: Implementation of 4-39-5 NMSA 1978, Amended 2015, an Incentive for Obtaining Greater Appraiser Qualification Levels.

RECOMMENDED ACTION:

Option 1: I move that the County Council direct staff to prepare a resolution that implements 4-39-5 NMSA 1978, amended 2015, Incentive Payments for Obtaining Greater Appraiser Qualification Levels.

Option 2: I move that the County Council direct staff to prepare a resolution that implements 4-39-5 NMSA 1978, amended 2015, Incentive Payments for Obtaining Greater Appraiser Qualification Levels with the additional certification pay levels as follows:

Appraiser I:	For Appraiser 1 certificate:	\$ _____
Appraiser II:	For Appraiser 2 certificate:	\$ _____
Appraiser III:	For Appraiser 3 certificate:	\$ _____
Appraiser IV:	For Appraiser 4 certificate:	\$ _____

COUNTY ASSESSOR’S RECOMMENDATION:

The County Assessor recommends that the County Council approve Option 1. As an alternative, however, the County Council may approve other levels of certification pay as permitted by New Mexico Statute.

BODY:

Background

Certification pay for obtaining greater appraiser qualification levels within the County Assessor’s Office was considered during the County Council’s FY2017 budget hearings. Because the county compensation study, completed in November 2015, did not provide data regarding certification pay, as well as other vague or conflicting historical data, the Council directed the County Manager to work with the County Assessor to obtain more information regarding certification pay, specifically related to programs implemented by other New Mexico counties.

The County Assessor, Ken Milder, and Deputy County Assessor, Joaquin Valdez, met with over half of the NM County Assessors, either in face to face interviews or via teleconference. These personal interviews resulted in much more detailed data than what was garnered through previous open records request. Electronic-based information was also requested and received from other County Assessors. Requested information included job descriptions so that actual job duties could be compared, not just job titles, which vary county to county. (Data collected by the County Assessor’s Office was shared with the Los Alamos County Human Resources Department. HR shared its data with the County Assessor’s Office.)

The findings from these interviews and additional data showed that most NM counties have implemented the latest certification pay statute. Although the specific method of implementation varied, there was a preponderance of counties showing the payment as a separate line item on paystubs.

During the 2015 county orientation for newly elected officials, the current County Assessor had asked whether or not certified employees in the Assessor's Office were receiving the certification pay. He was told "yes," it is included in their base salary. Some months later, during implementation of the County's new Compensation Plan, it was discovered that the pay might not have been included. Review of both historical documents and current research show that, indeed, certification has not been paid, contrary to what was believed by both the employees and County Assessor. Staff feel that they have been misled.

Notwithstanding the question of whether or not employees received certification pay pursuant to statute and formal action by previous County Councils, a question was raised regarding whether or not current employee salaries were already high enough, relative to other counties, to render as moot the certification pay question. This question, however, raised other questions regarding the relative salaries of **all** county employees. That is, when taken as a group, are Los Alamos County base salaries greater than other NM county salaries and are County Assessor staff salaries out of line with salaries of other Los Alamos County staff? Again, the 2015 Compensation Study could not adequately answer this question because it included a small, pre-selected subset of job positions.

Because of questions raised by the County's Human Resources Department, the County Assessor's Office expanded its research to include a broader range of county job positions. Its findings indicate that Los Alamos County salaries are higher, often much higher, than that paid by other counties. The highest salaries, from 40% to 50% in some cases, are weighted toward upper management but even janitors are paid at significantly higher levels compared to other counties. So, when looking at the total picture, County Assessor Office staff salaries are **neither** high **nor** out of line with other Los Alamos County job positions. Furthermore, the data further verifies that certification pay has not been provided.

Moving Forward:

Los Alamos County has granted certification or incentive pay to other employees for years; firefighters for example. Unlike those other incentive programs, the ability to grant appraiser certification pay is established in New Mexico law. In 2015, the NM Legislature, knowing the importance of having highly qualified, professional staff, and the importance of what that means to the schools, higher education, livestock board, and all taxing entities that rely on property taxes, passed a bill that more than doubled the appraiser incentive pay. A majority of NM counties have passed resolutions to increase the appraiser incentive pay to the new levels specified in 4-39-5 NMSA 2015. (Updated citation.) Furthermore, certification payments are a legally permitted expenditure from the Property Valuation Fund (PVF) so payments do not need to burden the General Fund. (Every property taxing entity pays 1% of its property tax revenue into the PVF. In Los Alamos County, this includes the state, public schools, and UNM-LA, not only the county. All of these entities benefit from having a qualified assessing staff.)

Los Alamos County needs to correct and clarify the current certification pay issue. This can be done through a two-step process. Firstly, as done in most NM counties, approve a resolution implementing 4-39-5 NMSA 2015. Secondly, the County Assessor will propose modifications to the Office's job descriptions to further clarify required and preferred job qualifications.

Fiscal Impact:

Certification payments are a legally allowable expense from the Property Valuation Fund (PVF). PVF revenue is derive from 1% of property taxes imposed by taxing entities. (PVF expenditures are used for *reappraisal* purposes. This includes training and certification. It *excludes*, mass appraisal, administration, recordkeeping, etc.)