

BOARD OF REVIEW
MEETING MINUTES
AUGUST 3, 2017
VILLAGE HALL BOARD ROOM

Call To Order:

The 2017 Board of Review was called to order at 9:02 a.m. by Village Clerk Goeckner.

Roll Call

Present: Chairperson Miller, Members: Niggemeier, Schneider, Shadid and Leukert. Also present: Clerk Goeckner and Deputy Clerk Strebe

Approval of Minutes: MOTION (Schneider/Shadid) to approve minutes of June 30, 2015, July 12, 2016 and May 30, 2017, carried.

Review Procedures: Clerk Goeckner presented Board of Review procedures.

Policies Related to Testimony and Waiver of Hearings: Clerk Goeckner noted packet included policies related to hearing waivers.

Review Roll: Clerk Goeckner passed 2017 Village of Germantown Assessment Roll books to Board of Review members for review.

Omitted Personal Property-Seven Marine N118 W19328 Bunsen Dr., Germantown GTNVPS000111:

Assessor, Associated Appraisal, Mark Brown presented. Statue allows for assessments to go back two years; omitted personal property account from 2015 and 2016 roll; assessed value amounts \$201,800 and \$257,300 respectively. Business owner notified in November 2016 of omission. 2016 tax bill was issued and paid. Business owner discovered it; due to move to new location. Formality to acknowledge the omission.

MOTION (Shadid/Schneider) to accept the omitted property for the roll. Roll call vote, all ayes, carried.

Hear Objections:

Paul W. and Joy M. Hammond, N113 W20982 Schiller Dr., Germantown – GTNV 194-970
2017 Land Value Assessment - \$75,600, Improvement Value Assessment - \$395,900, Total Assessed Value - \$471,500.

Homeowner, Paul W. Hammond and Assessor, Mark Brown were sworn in.

Chairperson Miller, read objection form questions and Homeowner Hammond responses. Homeowner supplied handouts, entered as exhibits, and presented testimony. Property owner, Hammond, refers to exhibit 1, stating inequitable tax burden being placed on family due to \$34,200 assessment increase over 2016 assessment, despite no improvements made, based in part on prior Assessor's error. Property Owner Hammond views assessment as misaligned when compared to 21 other homes. Ten comparables used by Assessor Brown, listed on spreadsheet, do not support increase in assessment; homeowner's property exceeds average comparables by average of \$83,000 or 21%; homeowner's property exceeds next highest comp by 8%; only 2 of 10 Assessor comparables were increased in 2017. Home purchased three houses south of Property Owner's, sold in July 2017 for \$9,000 more than homeowner's purchased theirs' for in October 2016 but has assessed value

\$71,400 less than Property Owner's. Systemic issues, Germantown assessment potentially globally misaligned; possibility of future entire Village reassessment, until then, responsibility for alignment of assessed values for Germantown should not reside on its citizens and a small group of homeowners should not shoulder the tax burden well in excess of assessed value to comparable homes years in advance of potential revaluation. Maintaining 2016 assessed value, Property Owner's is still at top of 21 comparables used, but would eliminate inequitable tax burden to Homeowner.

Chairperson, Miller asked if Board had questions for Property Owner. Assessor, Mark Brown asked Homeowner Hammond to state purchase price in 2016; Mr. Hammond noted a purchase price of \$500,000. Assessor asked how Mr. Hammond knew property was for sale; Mr. Hammond stated it was listed for sale, purchased through realtor. Assessor asked how long it was on market; Mr. Hammond was unsure. Assessor asked if Mr. Hammond knew the sellers; Mr. Hammond stated "no". Assessor asked if appraisal was done; Mr. Hammond noted it was done in conjunction with purchase at instruction of realtor. Assessor asked if Mr. Hammond, in his analysis, looked at other assessment values as establishment of what market value should be; Mr. Hammond noted values provided are assessments. Assessor asked if sales of properties were provided to Board; Mr. Hammond responded, "no". Assessor asked if 8% difference Homeowner stated in presentation was in assessed value; Homeowner stated, "correct". Assessor asked if \$437,300 amount noted on objection form is what Homeowner feels is fair market value; Homeowner responded that it the taxable amount.

Member Niggemeier asked if Homeowner met with assessor to resolve issue; Mr. Hammond noted they did. Member Niggemeier asked if pictures provided in exhibit 2 were used for comparables; Mr. Hammond indicated exhibit 2 pictures were provided by Assessor, Mr. Brown and were used as part of presentation. Member Niggemeier asked to confirm purchase was arm's length sale; Mr. Hammond stated "correct". Member Niggemeier asked if bought home in October 2016 for \$500,000; Mr. Hammond indicated it was. Member Niggemeier noted January 1, 2017 assessed value was \$471,500, 2016 was assessed at 437,300, asked Assessor reason for assessment change. Assessor Brown indicated correction to record as result of review of record due to sale. Member Niggemeier asked Mr. Hammond if amount noted on objection form of \$437,300 is the value of property on January 1, 2017; Mr. Hammond indicated taxable value. Member Niggemeier stated, essentially you are saying, in two months' time, your assessed property value went down \$63,000? Mr. Hammond responded statements made are relative to comparable homes.

Chairperson Miller called Assessor Brown to present testimony; Assessor provided Board Members copy of property record card and information used in presentation. 2017 maintenance year for assessment roll; majority of changes made to properties based on physical changes, permits, new construction, etc.; no corrections for market conditions based on sales. Based on analysis of 2016 sales compared to assessed value, ratio study done, which provides idea of where assessment level is in Community. Based on ratio study, 266 sales, difference between assessment and sales price was about 96%, median ratio was 95.95%, typically properties sold for more than assessed value by about 6%. Determine current market value of property, compare to level of assessment, to ensure fair treatment. Properties are being assessed at about 96% of market value; example noted on page #2 of exhibit. Property record card notes description and details of case property. Wisconsin Property Assessment manual relative to arms-length sales; Statutes and Case Law require Assessors to assess property at market value, best indicator is recent arms-length sale. In

absence of that, comparable property sales are looked at; if not available, other information, such as cost approach, income approach, or appraisal provided for financing. Assessments are not always at 100%, allowable under Statutes. Reasonable variance of 10% allowed; assessments are at 96%, is within that reasonable variance. Subject property is at 94% of the \$500,000 sale price; Village at 96%. Reasonable assessment of market value. Other comparable sales reviewed; adjustments made to sale properties in relation to subject property when using sales comparison approach, adjusting for differences, that impart the value of the property; analyze to determine adjustments that need to be made. Document showing comparables and adjustment for differences reviewed and market values adjusted out. Information sheets from MLS service indicating subject property listed for sale at \$509,900 for 90 days prior to purchase; pictures of home included. Change in assessment after sales reviewed, correction made to qualitative component, was listed as 'C' grade home for quality rating, "C" grade indicates standard quality; characteristics considered, raised to "C+", caused increase in assessment value.

Questions from Board: Member Leukert asked when assessing for current year, how far back do you look at sales? Assessor noted current assessment year is as of January 1, 2017, always one year behind. For sales purposes, go back to most recent first, not all properties have comparable sales within last year, will look at other years; use properties that will give best indication of value. Subject sale of October 2016 of \$500,000 was controlling factor of opinion, based on market value.

Chairperson Miller asked Property Owner Hammond if outdoor patio furniture, listed on MLS sheet, was included in sale price; Mr. Hammond noted it was a separate transaction. Chairperson Miller asked Assessor why using 2015 sales when have appreciating market and 2017 sales? Assessor responded that assessment date is January 1, 2017 so cannot use 2017 sales; had two sales in 2016 that were similar and two 2015 sales, which offer good indication. Not able to evaluate if 2017 sales market is appreciating until 2018. Chairperson Miller also asked if comparables had inground pools; Assessor stated "no, adjusted up for pool". Subject property sale set most weight in determining value. Chairperson Miller noted subject property has private well and conventional septic, most comparables used have city sewer and water; Assessor Brown confirmed, noting no other comparables. Listings provided by Homeowner were assessed values not sales.

Member Leukert stated based on Statute 70.32, to assess market value, using the 6% difference, are we looking at what comparables are based on the \$500,000 sale price? Assessor Brown noted that is how to determine if it is uniform and equitable, determine fair market value and look at what other properties are being assessed at, based on ratio study done every year. Member Leukert questioned, if looking at this and Homeowner's comparables, really can't use that as basis because those houses haven't sold in a while. Assessor Brown noted comparables presented by Homeowner don't take into consideration differences in land values, size, age, style, amenities etc., just raw analysis of assessment data. Based on sale properties provided to Property Owner, all sold in 2016, all had differences in sale price and assessment. Provided a ratio study of 11 properties, actual median difference was 100%, average was 97.5%. Variations between assessed value and sale price; allowed and corrected in revaluation year.

Attorney Sajdak noted sale price of subject property was \$500,000, assessed is less than that, Markesan Hierarchy states sale is best indicator of its value, how is it that assessed value isn't set at \$500,000? Assessor Brown stated not making market corrections to

assessment this year, not adjusting everything in Village to current market conditions. Would not be fair and equitable, so rate study done to set assessed value; current level of assessment 96% of sale; it was a correction of the record and not correction of sale. Attorney Sajdak, as it relates to comparable properties, was anything done different for this property than you did for other properties? Assessor Brown stated "no". Approximately 90 properties of 266 sales used for ratio study, found to have discrepancies on records; corrections were made. Subject property not treated differently than others as part of property maintenance. Attorney Sajdak asked how decided correction of subject record was warranted; Assessor Brown stated when analyzing and reviewing sale of property, viewed property on 5/17/11, updated exterior information, reviewing sketch, checking measurements, took pictures. Property owner not home; sales questionnaire sent to buyer and seller. Because inside inspection could not be done, used pictures from MLS listing; determined quality of grade was not correct; grade corrected and assessment change made.

Member Leukert asked if that process is done for all sales for the year; Assessor Brown note that it is done for all sales as that is what establishes the level of assessment; also obligated by Statutes to provide sales to the Department of Revenue, they utilize the information to establish the Village's equalized value.

Chairperson Miller asked for clarification regarding the 90 sales properties noted to have errors; Assessor Brown stated Mr. Hammond was one of the 90 that had a correction to the assessment.

Member Niggemeier asked why an interior inspection was not done; Assessor Brown noted a door hanger was left when on sight and did not hear back from property owner to schedule appointment; not a refusal situation. Property owner was at open book and information was verified.

Chairperson Miller asked if unable to enter property, do you automatically assume the highest quality finishes? Assessor Brown noted obligation to utilize records available; attempts are made to schedule interior review. Prohibiting Board of Review Hearing for owners utilizing right to refuse interior review, found unconstitutional.

Member Shadid asked for clarification regarding reasons for review of 90 sales; Assessor noted factual differences identified between property and property record.

Mr. Hammond noted he made two calls to Associated Appraisal after hours, leaving messages with no return call; made third call during working hours where reasons/procedures were explained; ample opportunity to discuss assessment and request for interior review. Also requested clarification of relevancy of comparable assessed value presentation and rationale. Assessor Brown noted many variables for assessments, need to establish market value by review of sales, adjust for differences, fair and equitable method of determining assessment value.

Mr. Hammond asked for Assessor's interpretation of homes selling in excess of subject property yet significantly less assessed value. Assessor Brown stated Municipalities are required to have assessment values within 10% of Market Value at least once in a four year period; Germantown is not outside that requirement. Also have uniformity issues, differences between assessment and sale prices that fall outside the norm; addressed during revaluation.

Testimony closed at 10:25 a.m.; Board deliberated in open session.

MOTION (Shadid/Schneider) to uphold Assessor's value of Hammond home. Member Shadid feels case presented by Assessor indicated property owner treated fairly, presented reasoning, done correctly. **Roll call vote, motion carried, 10:25 a.m.**

Attorney Sajdak explained motion and process to property owner.

Clerk Goeckner read information on next objection and request for waiver.

Assessor Brown provided background information and recommendation related to Paradigm, which represents numerous large stores, such as, Menards, Home Depot, Wal Mart, utilizing Dark Store theory – compare assessed properties with sales of former such stores. Assessor's directed that best indication of a thriving, open store, wouldn't be compared to dark, vacant store; some cases have deed restrictions, converted to different use, doesn't follow highest and best use analysis. Assessor Brown noted all appeals by Paradigm this year have requested waiver or done via telephone. Pending legislation to address issue in Statutes; recommend granting waiver.

Attorney Sajdak concurs with waiver recommendation, stating Paradigm is a well known organization, understands Board of Review process, will not follow approach but instead will present cursory brief presentation knowing full well issue will be litigated and will file claim for excessive assessment. Recommendation echoes that of Mr. Brown.

MOTION (Shadid/Schneider), to accept request for waiver of the taxpayer and accordingly set assessment based on Assessor's valuation. Roll call vote, carried.

Chairperson Miller noted no other objections, Board recessed.

Chairperson Miller called meeting back into session at 11:08 a.m.

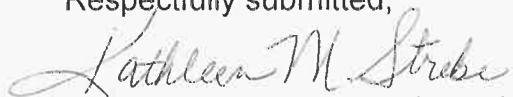
Clerk Goeckner noted completion of Notice of Board of Review determination for Property Owner, Hammond, will be mailed certified on this day to Mr. Hammond. Also noted completion of Summary of Board of Proceedings for the same

Attorney Sajdak noted Board in session for 2 hours, no other objectors presented.

ADJOURNMENT:

MOTION (Shadid/Schneider) to adjourn the meeting sine die at 11:10 a.m., carried.

Respectfully submitted,



Prepared by Deputy Clerk Strebe

On behalf of:

Barbara K. D. Goeckner MMC/WCPC
Village Clerk