MEETING:	**SPECIAL MEETING OF THE VILLAGE BOARD**
DATE & TIME:	**Monday, January 22, 2024 at 7:00 PM**
LOCATION:	**Germantown Village Hall Board Room** **N112 W17001 Mequon Road**

Previously recorded VillageBoard Meeting Videos can be viewed at **https://www.youtube.com/channel/UCOYp0EgELzTCa9X_iCohyhQ**

AGENDA

I. **CALL TO ORDER:** *This meeting has been given public notice in accordance with Section 19.83 and 19.84, Wis. Stats, in such form that will apprise the general public and news media of subject matter that is intended for consideration and action.*

II. **ROLL CALL:**

III. **NEW BUSINESS:**

A. Interim Market Update

B. Administrator 2023 Performance Goals Update. The Village Board May Enter into Closed Session per Wis Statute 19.85(1)(c) Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility, and then may reconvene into open session to take such action as it deems appropriate.

IV. **ADJOURNMENT:**

UPON REASONABLE NOTICE, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the Village Clerk at (262)250-4745 at least 2 days prior to the meeting.

BUSINESS OF THE VILLAGE BOARD

MEETING DATE: January 22, 2024

PLACEMENT: Action Item

ITEM TITLE: Interim Market Update

SUBMITTED BY:

SUMMARY EXPLANATION:

The 2024 assessment year will be the 3rd year out of compliance with sec. 70.05(5), Wis. Stats. The overall level of assessment for 2023 was 77%, indicating assessment values are roughly 23% less than the sale price on average. Associated Appraisal Consultants recommends an interim market update revaluation be conducted at this time to ensure the Village's major classes are adjusted back into compliance. To complete an IMU in FY24, the Board will need to decide by the end of the month to ensure ACC will have enough time and resources to complete the project.

ATTACHMENT:

1. Village of Germantown - Assessment Services Summary - 10-20-2023

RECOMMENDATION:

Approve a contract with AAC for an Interim Market Update for $65,000 allocated from the ARPA Fund.

ACTION BY Committee:

ASSESSMENT SERVICES SUMMARY

Prepared for:

Village of Germantown
Matthew Uselding
Finance Director

ASSOCIATED APPRAISAL CONSULTANTS

Fee Schedule

The figures below are based on the remaining 2 years of our existing professional assessment services contract. Optional add-on assessment services for a revaluation would be in addition to the price of annual maintenance. Prices quoted below are only valid for 60 days after 10/20/2023.

Assessment Services	2024 Assessment Year	2025 Assessment Year
MAINTENANCE	$85,000	$85,000
OPTIONAL ADD-ON REVALUATION ASSESSMENT SERVICES		
FULL INSPECTION REVALUATION	+$375,000 (for each revaluation assessment year)	
EXTERIOR ONLY REVALUATION	+$330,000 (for each revaluation assessment year)	
INTERIOR PRC QUESTIONNAIRE	+$20,000 (optional for each revaluation assessment year)	
***INTERIM MARKET UPDATE**	**+$65,000 (for each revaluation assessment year)**	

Out-of-Pocket Expenses / Invoice Procedures

MAINTENANCE: The compensation due to the Assessor shall continue to be paid in monthly or quarterly installments throughout the 2024, and 2025 assessment year(s). The maintenance contract will continue to be all-inclusive without separate charges for monthly parking permit fee accounts and postage and mailing services.

REVALUATION: Payment shall be made on a monthly basis for services and expenses incurred during a revaluation year. Monthly invoices shall reflect the percentage of work completed, less 5 percent retained by the municipality until completion of the revaluation and final adjournment of the Board of Review.

- The 2023 assessment year will be the 2nd year out of compliance (see attached flow chart) in accordance with sec. 70.05(5), Wis. Stats. The overall level of assessment for 2023 is estimated to be approximately 77% (indicates assessment values are 23% less than sale prices on average) which is a 6% overall difference from the 2022 level of assessment of 85.13%. The municipality will be required to conduct a revaluation prior to or during the 2027 assessment year at the latest to avoid a state ordered reassessment for the 2028 assessment year which will cost 2-3 times the amounts provided above due to Wisconsin Department of Revenue oversight etc. ***AAC recommends an IMU revaluation be conducted at this time to ensure the Village's major classes are adjusted back into compliance.**

- The municipality will not be responsible for postage and mailing services costs during a revaluation year as they have been included in the amounts quoted above.

- For budgeting purposes if the municipality were to conduct one of the revaluation options for the 2024 assessment year the estimated total cost would be as follows:

Maintenance	IMU Revaluation	Mailings	Total
$85,000	+$65,000	Included	= $150,000
Maintenance	Exterior Revaluation	Mailings	Total
$85,000	+$330,000	Included	= $415,000
Maintenance	Full Revaluation	Mailings	Total
$85,000	+$375,000	Included	= $460,000

As identified on the annual assessor requirements chart (see attached) from the Wisconsin Department of Revenue (WIDOR), municipalities/assessors have a few guidelines or recommendations for annual assessment cycles.

Annual Review/Maintenance Option:

This type of assessment service is the minimum requirement for all municipalities. The annual review/maintenance cycle consists of copying the assessment roll from the previous year and updating assessment values taking into consideration the current level of assessment when changes are warranted. Examples of changes include new construction, combining or splitting of parcels, annexations, remodeling, demolition/razing, zoning changes, changes in tax classification, and any other occurrence that might affect market value or the physical attributes of the parcel. These changes may, or may not, result in a change in value; nonetheless each of these requires the Property Record Card (PRC) to be updated.

Full Inspection and Exterior Only Revaluation Options:

These types of assessment cycles are recommended when Property Record Card information is outdated or inaccurate, assessment uniformity and equity is poor, a full inspection or exterior only revaluation has not been conducted in 10 years and or a reassessment is required per Wis. Stats. 70.75. The last onsite revaluation for the Village occurred during the 2019 assessment year. **An onsite revaluation is not necessary at this time and so AAC recommends that only an IMU revaluation be conducted.**

Positives

- Typically, a lesser cost for annual maintenance between revaluation years.
- Municipality can budget additional funds yearly towards a full or exterior revaluation.
- The real estate market dictates when to complete a revaluation.
- Each parcel is visited during the same assessment cycle/year thus ensuring equitable record collection and verification of the property record card.
- The municipality could pick up additional new construction or building improvements done without a permit which would increase the net new construction values and have a potential impact to your levy limit.
- Corrects inequities amongst individual property assessments and between classes of properties i.e.: residential, commercial, sum of 5,5m, 6 & G7 etc.
- Brings all major classes of property within 10 percent of full value in the same assessment year as required under state law, sec 70.05(5), Wis. Stats.

Negatives

- The municipality will experience a spike in cost due to services for revaluation work if every parcel were needed to be visited during one calendar year.
- Additional time spent on Open Book, Board of Review or other appeals due to larger swings in assessment value changes since the last revaluation.
- Slower reaction to market corrections/changes than more annual market updates through a full value maintenance program or interim market updates.
- Reactive approach rather than a proactive approach to real estate market changes.

Associated Appraisal has many municipalities that plan and budget for a full inspection or exterior only revaluation on different cycles (every 2, 4, 6, 10 years etc.) regardless of market conditions. Planned revaluation schedules allow them to stay in compliance with both WIDOR recommendations and Wis. Stats. 70.05(05). They see a great benefit of visiting each property during one calendar year or on a cyclical basis (some cases 20% or 25% visited per year) thus having all assessment parcel reviewed onsite regularly. Capturing PRC changes that may affect assessments is worth the additional scope of work and relating cost. In addition, by visiting each property during the same year they ensure that the records and values are looked at equitably and updated under the same market conditions.

Interim Market Update Revaluation:

This option works best when the property record card information is deemed reliable and a full inspection or exterior only revaluation has been completed within the last five (5) years and the overall assessment level shows an unacceptable degree of variance in some neighborhoods, property types or classes. This would be an option for the municipality if an onsite inspection revaluation had taken place within the past 5 to 10 years otherwise property record card information and building pictures would be outdated. **AAC recommends an IMU revaluation be conducted at this time to ensure the Village's major classes are adjusted back into compliance pursuant to Wis. Stat. 70.05(5).**

Positives

- Cost. This method is much less costly for the municipality than the full inspection or exterior only revaluation options as there would not be as many field inspections except in cases such as a parcel sale, building permit or a property owner requested a review which is common practice during a typical annual maintenance assessment year.
- The computer aided mass appraisal (CAMA) model would be reviewed and adjustments/calibrations would be made to all taxable parcels when deemed necessary to ensure all tax payers are assessed fairly and equitably.
- Corrects inequities between individual property assessments and between classes of properties i.e.: Residential, Commercial, Sum of 5,5m, 6 & G7 etc.
- Brings all major classes of property within 10 percent of full market value in the same year as required under state law (sec 70.05(5), Wis. Stats.)

Negatives

- This may delay onsite inspections of every parcel more frequently, which would create less reliable assessment property record data and or assessment values.
- It only works if the data being used for assessments is accurate and up to date.
- There would not be field inspections on every parcel, so changes made without a permit would not be captured.
- May lead to higher attendance at Open Book and or assessment value changes at Open Book due to corrections/updates to property records that were unknown due to lack of recent onsite inspections.

ANNUAL ASSESSOR REQUIREMENTS BY ASSESSMENT TYPE

	Full Revaluations	Exterior Revaluation	Interim Market Update	Annual Review/Maintenance
Appropriate when	PRC is outdated or inaccurate, *or* assessment uniformity is poor *or* full revaluation hasn't been done in 10 years *or* assessment uniformity is poor *or* reassessment is required per statute 70.75.	Most PRC information can be verified by exterior inspection *and* full revaluation completed within past 6-9 years	PRC is deemed reliable *and* full revaluation completed within past 5 years *and* assessment level shows unacceptable degree of variance in some neighborhoods or classes	PRC is deemed reliable *and* revaluation was completed within past 5 years *and* assessment level during previous assessment year is within acceptable parameters
Real Property affected	All Property	All Property	Changes identified in column D PLUS Analysis of problem strata Identified from pervious assessment year	Annexed properties Change in exemption status Demolitions & fire damage New construction Change in classification Parcels with ongoing construction Change in legal description Change in zoning
Land Study	On-site Inspection	On-site Inspection	As necessary	As necessary
Inspect Exterior	All Buildings	All Buildings If no changes, may use digital imaging technology to supplement field re-inspections with a computer-assisted office review.	Buildings w/changes	Buildings w/changes
Inspect Interior	All Buildings	Buildings w/changes	Buildings w/changes	Buildings w/changes
Building Measurements	Measure all buildings	Measure or verify as needed	Measure or verify as needed	Measure or verify as needed
Photos	All primary buildings	As necessary	As necessary	As necessary
Sketch	All primary buildings	As necessary	As necessary	As necessary
Analyze neighborhoods, property types, trends	Required	Required	Required. Results determine whether assessment is full value or aggregate assessment level	Optional
Property Record Card (PRC)	Create new	Update/create new as needed	Update/create new as needed	Update/create new as needed
Review classifications	Required	Required	Required	Required
Validate usability of sales	Required	Required	Required	Required
Verify sales attributes (Ch 7 and 9)	Required	Required	Required	Required
Parcels to be valued	All Parcels	All Parcels	Parcels with changes	Parcels with changes
Review / revalue properties	All Parcels	All Parcels	Parcels with changes	Parcels with changes
Assessment level	Full Value	Full Value	Aggregate assessment level or full value as appropriate	Aggregate Assessment
Mail Notice of Change in Asmt	Only if assessment changes	Only if assessment changes	Only if assessment changes	Only if assessment changes
Personal property assessment	Required	Required	Required	Required
Add omitted property to roll (70.44)	Required	Required	Required	Required
Correct errors in roll (70.43)	Required	Required	Required	Required
Hold open book / attend BOR (minimum 7 days between open book and BOR (70.47))	Required	Required	Required	Required

A change in color across a row indicates a change in the level of task work required compared to the preceding assessment type

Full Value Law
Wisconsin Statute §70.05
Village of Germantown, Washington County

Assessment Year		Action
2022, **2023**, 2024, 2025 (4 Years out of compliance)	(1st) **Non-Compliance** Notice to Municipality	Wisconsin Department of Revenue will monitor the level of assessment for the municipality during the next assessment year.
2026 (5 Years out of Compliance)	(2nd) **FINAL** Notice to Municipality	Wisconsin Department of Revenue will order a state supervised revaluation for the next assessment year if still out of compliance.
2027 (6 Years out of Compliance)	A revaluation is **Ordered** by the Wisconsin Department of Revenue	Wisconsin Department of Revenue orders a complete revaluation if the municipality is still out of compliance. It will become a stated mandated reassessment the following year without action during the 2027 assessment year.
2028 (State Ordered Reassessment)	A revaluation **MUST** be completed and Supervised by the Wisconsin Department of Revenue	A complete reassessment will be conducted and supervised by the Wisconsin Department of Revenue (all costs will be billed to the municipality).

ASSOCIATED APPRAISAL CONSULTANTS

Call Us
920-749-1995

Email Us
PRQ.apraz@gmail.com

Location
PO Box 440
Greenville, WI 54942

Property Record Questionnaire

This questionnaire is necessary to assist the assessor's office in determining the attributes and condition of your property for assessment purposes. Please complete this form and provide any supporting documents to help determine your property's estimated fair market value. Download this form onto your computer; enter the requested information below, save a filled copy, and return the completed form including any supporting documents to the Assessor's office by mail, email to PRQ.apraz@gmail.com, or fax to 920-731-1995.

Property Information:

Municipality: _____

Parcel Number: _____

Property Address: _____

I. Provide the following information on your dwelling as of January 1st.

Save Form

	Bedroom(s)	Full Bath(s)	Half Bath(s)	Fireplace(s)
Quantity				

DWELLING – any building or portion of a building designed or occupied in whole or in part as a place of residence.

BEDROOMS – Refers to the total number of separate rooms designed to be used as bedrooms. If a room was designed to be a bedroom but is being utilized for some other purpose, such as a den, it must be included in this count.

FULL BATHS – Refers to the number of three-fixture bathrooms which include a sink, toilet and bathtub or shower stall.

HALF BATHS – Refers to the number of two-fixture bathrooms including only a sink and toilet.

II. Check the option below that BEST describes the condition rating of each dwelling component.

	Excellent	Good	Average	Fair	Poor
Mechanical System (HVAC, Electrical and Plumbing)	◯	◯	◯	◯	◯
Kitchen	◯	◯	◯	◯	◯
Bathroom(s)	◯	◯	◯	◯	◯
Interior	◯	◯	◯	◯	◯
Exterior (Roof, Siding & Windows)	◯	◯	◯	◯	◯

EXCELLENT – Brand new or like new condition; very attractive and or highly desirable.

GOOD – Well maintained, only minor deterioration visible; slightly less attractive and desirable.

AVERAGE – Normal wear and tear is apparent; average attractiveness and desirability.

FAIR – Noticeable deterioration but still usable; rather unattractive and undesirable.

POOR – Definite deterioration is obvious; undesirable and barely usable.

(Over)

III. Check the option below that BEST describes the overall condition of your dwelling:

	Excellent	Good	Average	Fair	Poor
Overall Dwelling	◯	◯	◯	◯	◯

EXCELLENT – Brand new or like new condition; very attractive and or highly desirable.

GOOD – Well maintained, only minor deterioration visible; slightly less attractive and desirable.

AVERAGE – Normal wear and tear is apparent; average attractiveness and desirability.

FAIR – Noticeable deterioration but still usable; rather unattractive and undesirable.

POOR – Definite deterioration is obvious; undesirable and barely usable.

IV. BASEMENT FINISH: should have a minimum of <u>two</u> of the following items present to be considered finished: *<u>Finished walls</u>, <u>Finished flooring</u>, <u>Finished ceiling</u>*.

FINISHED BASEMENT AREA: check the percentage of your basement that has finished area; for example, if your basement is 1,500 sq. ft. and 750 sq. ft. are finished, your dwelling has 50% finished basement area.

0% ☐ 25% ☐ 50% ☐ 75% ☐ 90% ☐ 100% ☐ Other % ☐

Does the finished basement area have a walkout door or egress window(s)? YES ☐ NO ☐

Provide any other relevant information regarding your dwelling that we should take into consideration. _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Property Owner: _____ Date: _____

Phone Number: _____ Email: _____

I hereby affirm that the information provided is true and accurate to the best of my knowledge.

Thank you in advance for taking the time to fill out the questionnaire. If you have any questions or need assistance in completing this form please call 920-749-1995.