



CITY OF WAUWATOSA  
MEMORIAL CIVIC CENTER  
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**COMMITTEE OF THE WHOLE**  
**Tuesday, June 6, 2006 – 6:45 p.m.**

PRESENT: Alds. Ewerdt, Grimm, Hanson (7:20 p.m.), Herzog, Krol, Maher, Meaux, Purins (7:22 p.m.), Stepaniak (6:48 p.m.), Sullivan (7:22 p.m.), Treis (7:10 p.m.), Becker, Birschel, Didier, Donegan -15

EXCUSED: Ald. Krill

ALSO

PRESENT: Ms. Isleb, Assessor; Mr. Lenski, Deputy Assessor; Mr. Tuff, Appraiser III

Ald. Becker in the Chair

**Property Revaluation Process.** Beginning her presentation with the quote from the state constitution, “taxation should be uniform,” Ms. Isleb distributed property folders for each council member’s own property. She explained that the council members represent the ‘taxation’ part of the equation, while the assessor is charged with assuring uniformity of that taxation across the tax base.

Ms. Isleb reviewed the contents of the folders. The property card is kept on every property in the city and property owners are encouraged to view their records for accuracy. Before information was posted on the website, data mailers seeking verification of property information were sent out to property owners. The property folder also contains a GIS map of the property location, a digital photograph of the building, and a comparables sheet. Staff worked for two years to digitally photograph every home. Photographs and actual ownership information do not appear on the website, however, per Council policy. The first column of the comparables sheet (which is from the 2002 revaluation) lists the subject property; the next columns show information on comparable properties sold within a pre-determined time frame that were used to help determine the subject property’s value.

Ms. Isleb noted that for the current revaluation, sales that occurred in 2003, 2004, and 2005 will be used. Sales that occurred after January 1, 2006 cannot be used to set calculations. About 2,500 sales will be used to revalue residential properties. Comparable sales are time-adjusted where necessary. Nearly all residential properties are evaluated based on sales, whereas commercial properties take sales, cost, and income approach into consideration. The inflationary rate is indicated by properties that sell more than once during this 3-year period.

All assessments are as of January 1st of each year. If a house burns down on January 2nd, it is still valued based on what was there on January 1st. If a property is under construction as of January 1st, valuation is based upon status of completion on that date.

The sales verification questionnaire in the folder is sent to all buyers in an effort to determine whether a buyer's property should be taken out of the sales file for use in comparisons. The questionnaire attempts to learn whether a sale was valid. An invalid sale, for example, occurred when a neighbor paid far more for the house next door than it was worth just so he could be rid of the neighbor. For obvious reasons, this property would not be suitable for use as a comparable property.

Also included in the folder is a 'request for property review' form. Property owners may request an inspection of their property based upon information they provide to the assessor's office. Many factors can affect a property's assessment between revaluations. Ms. Isleb encouraged Council members to distribute copies of this form to constituents who may be interested in an evaluation.

Ms. Isleb noted that the website has proven to be a valuable tool for the Assessor's office, such that it is possible to reduce a clerical position to half-time effective July 1st. All of the appraisers on staff are certified by the Department of Revenue and must maintain this certification through on-going training. She herself is also a real estate broker as well as a certified appraiser. Copies of their business cards are also included in the folders. Her staff is instructed to set values with the idea of having to defend them before the Board of Review, and during the Board of Review, as if the issue were going to circuit court. She encouraged Council members to feel free to speak to any of the appraiser on staff; they have many years of combined experience. All have experience with city-wide revaluations.

The Assessor's office values all but manufacturing property; that is handled by the Department of Revenue due to the unique nature of these properties and the specialized knowledge required for proper valuation.

Ms. Isleb clarified that it is not the duty of the assessor to 'keep the tax base going' to meet the needs of the city. The assessor's responsibility is to reflect market values of properties. If a segment of the market falls on hard times, the values will be adjusted to reflect that reality. The issue of growth of the tax base is up to the Common Council. The growth of Wauwatosa's tax base (\$4.9 billion dollars full value) has been slow. In any given year, it is difficult to come up with more than 1% growth. A new office building, for example, will not change the tax base very much. Wauwatosa is an older city that can't annex more land. The issue facing it, then, is redevelopment.

The 2002 revaluation went very well; 300 cases were handled informally by staff during the 'open book' meetings. Only 33 cases were heard by the Board of Review. In contrast, the 1994 revaluation saw over 1,000 informal hearings (meetings with staff) and more than 300 Board of Review cases. Being able to utilize the website in 2002 to disseminate information to property owners was very helpful. People want to be able to see what their friends' and neighbors' assessments are and the website makes it easy for them to do so. Staff has also made a great effort to meet with various groups to discuss revaluation.

State law requires a city to be at 90% or more of market value once during a four-year period. The law was originally imposed because some cities never performed revaluations. As 2002 was the last city-wide revaluation, Wauwatosa is due for another. If not for the revaluation this year, the city's valuations would likely be at 72% of fair market value. While the city is capable of performing annual revaluations, the cost in terms of additional staffing and postage makes that unlikely at present. After the 2006 revaluation, the city properties will be at 100% of fair market value; the ratio declines primarily due to inflation.

Also included in the folder were two copies of property tax bills for each council member dated January 1, 2006, showing estimated fair market values for land and improvements with the assessment ratio at 78.53% and at 72% for comparative purposes. It is estimated that residential rates will go up between 43% and 45%. This does *not* mean taxes will be going up by the same rate. It means the tax base has gone up by 43-45%.

Ms. Isleb also provided a chart showing Wauwatosa's effective tax rates from 1959 to 2005. During the period 1959 – 1986, the city did not perform any real revaluations. As evidenced by the chart, tax rates drop after revaluations because the base over which taxes are applied has expanded.

Ms. Isleb explained that the Board of Review is comprised of citizens appointed by the mayor and confirmed by the common council. Wauwatosa has been fortunate for many years to have very qualified individuals serving on the Board. The Clerk's office does the actual scheduling of hearings before the Board and provides an informational brochure to those appealing their valuation so they know what is expected of them at the hearing.

After the revaluation is complete this year, the office next intends to turn its attention to property tax exemptions. Eighty percent of the tax-exempt properties in Wauwatosa pre-date Ms. Isleb's tenure. Case law has changed over the years; the reason for the comprehensive review is to determine whether or not some properties' exempt status may have changed as a result.

Ms. Isleb stated that the revaluation notices are expected to be mailed on July 14th. Values have increased as much in the last four years as they did in the eight years previous to the 2002 revaluation. The website will be active with the new figures by Monday, July 18th. Informal meetings with assessor office staff will then be conducted for about two weeks. She urged council members to direct any constituent phone calls they receive to the assessor's office for handling, since they have the necessary data to address questions. She cautioned council members against getting drawn into discussions about actual values.

Efforts will be made to provide council members with their revaluation notices in advance of July 14th so that they have an opportunity to schedule their own 'open book' meetings with staff and see what these meetings are like. If a recent appraisal has been done on a property, staff can take that information into consideration during the informal meeting. Property owners who are dissatisfied with the outcome of the informal meeting may file an objection form with the Clerk's office. There are certain guidelines that must be followed when filing an appeal before the Board of Review. Though empowered to do so, the Board is generally disinclined to waive deadline requirements except for very good cause. The Department of Revenue has a handbook available to property owners on-line that details the assessment appeal process.

The next Board of Review meeting is scheduled for August 16th at 9 a.m. Objection forms, or notices of *intent* to file, are to be submitted to the Clerk's office by 9 a.m. on August 14th.

Ald. Maher expressed interest in revisiting the concept of biennial revaluations.

The meeting adjourned at 7:30 p.m.

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Carla A. Ledesma, City Clerk