

MINUTES OF BOARD OF REVIEW
May 20, 2010

I. Call to Order, Roll Call

The meeting of the Village Board of Review of the Village of Slinger was called to order by Administrator Murphy at 300 Slinger Road, Slinger, WI, at 12:00 p.m. on Thursday, May 20, 2010 with the following members present: President Brandt, Administrator Murphy, and Trustee Foerster. Also present were Village Assessor Michael Grota of Grota Appraisals and Deputy Clerk Wilber.

II. Election of Chair and Clerk

Motion Brandt/Foerster to appoint Administrator Murphy as Chairperson of the Board of Review and to appoint Deputy Clerk Wilber as Clerk of the Board of Review; carried.

III. Verify Member Training Affidavit

Deputy Clerk Wilber informed the Board that Administrator Murphy and Deputy Clerk Wilber had obtained Board of Review training within the past two years as required under WI Stat 70.46(4). She stated that the training affidavit had been filed with the Department of Revenue on March 15, 2010.

IV. Receive 2010 Assessment Roll and Signed Affidavit from Village Assessor

Deputy Clerk Wilber informed the Board that the 2010 Assessment Roll had been received from Assessor Grota. Assessor Grota submitted his signed Assessor's Affidavit and Deputy Clerk Wilber accepted it for inclusion in the Board of Review record.

V. Examine the 2010 Assessment Roll

Deputy Clerk Wilber informed the Board that the Clerk's preliminary review had been conducted prior to this meeting and she had found no errors, omissions or duplications. She stated that Assessor Grota's staff had answered all questions resulting from the preliminary review. The Board then conducted a brief review of the Assessment Roll.

Assessor Grota provided the changes that had been made to the Assessment Roll since the Open Book session held on April 28, 2010 and Deputy Clerk Wilber accepted them for addition to the Assessment Roll.

VI. Hear Waiver of 48-Hour Notice of Intent to File Objection Requests - None

VII. Receive Objection Forms Not Previously Filed (first two hours only unless waived)

Administrator Murphy stated that no objection forms had been received at this time that had not been filed prior to this meeting. She explained that the Board is required to consider this type of objection form if they are submitted within the first two hours of the hearing and so this item will be discussed again at 2:00 p.m. should any objection forms be brought in between now and that time.

VIII. Hear Objections to Property Assessments and Take Action as Necessary

A. Tax Key #V5-0224-00A 103/105 Cedar Creek Road

Tax Key #V5-0314-00A 105 Cedar Creek Road

Tax Key #V5-0315 105 Cedar Creek Road

Little Switzerland, Inc – Jay Herte, Agent

Deputy Clerk Wilber stated that the first hearing was for three parcels and asked the Board if the parcels should be introduced separately or all at one time. Administrator Murphy asked Mr. Herte and Assessor Grota for their opinions on how the properties should be handled.

Assessor Grota stated the parcels are similar in nature and could be discussed as a group.

Mr. Herte stated he agreed with this and had no objection to the parcels being introduced at the same time. Deputy Clerk Wilber introduced the first hearing for tax keys #V5-0224-00A, #V5-0314-00A, and #V5-0315 located at 103 and 105 Cedar Creek Road. She swore in all witnesses to this hearing, which were Jay Herte as agent for Little Switzerland, Inc and Assessor Grota.

Administrator Murphy gave a brief overview of the procedure that would be used for this hearing and explained to Mr. Herte that under state law, the Board is required to uphold the assessor's valuation as correct unless the taxpayer provides testimony showing the valuation to be incorrect. She stated the burden of proof is on the taxpayer and Mr. Herte stated he understood that. Administrator Murphy stated Mr. Herte could begin with his testimony.

Mr. Herte stated it was his opinion that all three parcels should be valued at \$20,000 per acre instead of the \$27,000 per acre valuation made on parcels #V5-0314-00A and #V5-0315 and the valuation of over \$56,000 per acre on parcel #V5-0224-00A. He stated he had spoken with several realtors and they had recommended a sale price of \$20,000 per acre. Mr. Herte further stated that the only party that has expressed any interest in the properties had discussed a purchase price of \$14,000 per acre.

Mr. Herte stated that the buildings located on the property are basically tear-downs with no positive value and could possibly be a reduction to the value. He stated that the downturn in the economy has ruined the market and he did not feel that the valuation placed on these properties reflected that accurately.

Assessor Grota asked Mr. Herte if the property is presently for sale. Mr. Herte stated it is not listed however anything is for sale and he would definitely welcome a reasonable offer. He stated the eventual goal is to sell the property. Assessor Grota asked if the buildings had any useful value. Mr. Herte stated the only use they could have is perhaps for storage and there is presently a vehicle stored in one of the sheds.

Assessor Grota provided the factors he considered in calculating the value of the subject properties. He stated that parcel #V5-0224-00A had a much higher value per acre than the two larger properties because it was a stand-alone lot that used to have a house on it. He stated the parcel is already established as a house site and lot sales in the area support the value placed on it, although he agreed it would make sense to combine the lot with the other parcels for sale and development purposes. Assessor Grota stated that the value of the lodge had been reduced from its previous valuation, but could be considered to be of even lesser value if a change of use is made.

Assessor Grota gave several examples of sales of comparable properties in the Village and stated that the price per acre for commercial properties ranged from \$31,893 for a sale made in May 2008 to \$232,955 for a sale transacted in November 2008. He stated there were no recent sales of large parcels for residential purposes and the most current took place in April and May of 2006, with sale prices of \$49,958 and \$49,200 per acre. Assessor Grota stated that he took into account the fact that those sales took place before the market downturn and the property values were nearly half the level of those earlier sales. Assessor Grota stated that more recent sales in the Village of Jackson could be considered to be comparable and supported the valuation of these properties.

Mr. Herte asked Assessor Grota why the properties are assessed as residential and commercial when the zoning and prior use of most of the land was recreational. Assessor Grota explained that the original zoning of the property would not be changed until an actual sale is made and a rezoning is requested. He stated that for assessment purposes, the properties' best and highest use has to be considered and in this case it would be residential and commercial.

President Brandt asked if the properties' extreme slopes had been taken into consideration during the valuation process. Assessor Grota stated that parcels #V5-0314-00A and #V5-0315 had been given a discount of 35% for their topography and an additional, smaller discount for the economic climate.

In summary, Mr. Herte stated he considered all three parcels to be part of one property and it was his opinion that the smaller lot, #V5-0224-00A, should be valued closer to the other parcels instead of looked at as a stand-alone parcel. He stated the comparable sales offered by Assessor Grota were fairly old and he did not consider the assessments to be realistic in view of the total lack of a market in this economy.

Board members discussed the parcels and stated they did not believe that Mr. Herte had provided adequate proof that the values should be less than the assessments.

Motion Brandt/Foerster to determine that the taxpayer has not presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to affirm the Assessor's valuation of \$56,500 for parcel #V5-0224-00A. A vote was taken on the motion with the following result: Yea's: Murphy, Brandt, Foerster; Nay's: none. The motion was passed.

Motion Brandt/Foerster to determine that the taxpayer has not presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to affirm the Assessor's valuation of \$491,800 for parcel #V5-0314-00A. A vote was taken on the motion with the following result: Yea's: Murphy, Brandt, Foerster; Nay's: none. The motion was passed.

Motion Brandt/Foerster to determine that the taxpayer has not presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to affirm the Assessor's valuation of \$1,281,700 for parcel #V5-0315. A vote was taken on the motion with the following result: Yea's: Murphy, Brandt, Foerster; Nay's: none. The motion was passed.

Assessor Grota provided Mr. Herte with the Notices of Board of Review Determinations and further appeal procedures information.

B. Tax Key #V5-0360-00J 360 Kettle Moraine Drive N, Mario Balistreri

Deputy Clerk Wilber introduced the next hearing for tax key parcel #V5-0360-00J at 360 Kettle Moraine Drive N and swore in all witnesses to this hearing, which were property owner Mario Balistreri and Assessor Grota. After reviewing the objection form provided by Mr. Balistreri, Assessor Grota asked for a specific valuation since Mr. Balistreri had listed a range of \$245,000 to \$258,000. Mr. Balistreri stated it was his opinion the property should be valued at \$255,000.

Mr. Balistreri stated he purchased the property unfinished for \$170,000 in November 2008 as a foreclosure. He stated he felt the assessor's valuation was too high in view of its location along a main highway. Mr. Balistreri stated he had obtained three appraisals on the property and they came in at \$250,000, \$251,000 and \$261,000. Mr. Balistreri stated he could provide two of the appraisals for evidence, but he had not purchased the third one.

Mr. Balistreri stated he had spoken with Kevin from Assessor Grota's office and was told that the materials he used in finishing the house were of higher quality than in many other constructions. He explained that he is a builder and could verify that the materials he used were standard for the industry. He stated there were some items such as granite countertops, but he was able to get those items at a discount.

Assessor Grota reviewed the items that were considered in calculating the value of this property. He discussed the comparable properties listed and explained how they supported his valuation. Assessor Grota reviewed the appraisals presented and stated it was his opinion that the adjustments made to address differences in lot and building sizes were fairly low.

Mr. Balistreri stated that his home does not have air conditioning, as listed on the assessment summary. Assessor Grota examined his photographs of the subject property and confirmed that there did not appear to be a condenser unit on the property. He stated there may have been an a-coil in the basement for future air conditioning installation, and Mr. Balistreri stated that was correct. Assessor Grota informed the Board that the air conditioning would account for \$1,900 of the property's value.

Motion Brandt/Foerster to determine that the taxpayer has presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to reduce the property valuation for parcel #V5-0360-00J by \$1,900 to \$271,400 . A vote was taken on the motion with the following result: Yea's: Murphy, Brandt, Foerster; Nay's: none. The motion was passed.

Assessor Grota provided Mr. Balistreri with the Notice of Board of Review Determination and further appeal procedures information.

**C. Tax Key #V5-0595-00Z, 3970 Lovers Lane
John Bohn Construction – John Bohn, Agent**

Deputy Clerk Wilber introduced the next hearing for tax key parcel #V5-0595-00Z at 3970 Lovers Lane and swore in all witnesses to this hearing, which were John Bohn representing John Bohn Construction and Assessor Grota.

Mr. Bohn informed the Board it was his opinion that the property should only be valued at \$250,000 due to the lack of comparable sales in this depressed market. He provided information on two raw land sales of property located in the Town of Hartford and stated he felt those transactions were more comparable. Mr. Bohn stated that the housing market is abysmal now and he did not feel that was adequately reflected in the assessment.

Assessor Grota stated the market for this type of parcel was very slow right now, but it was his opinion that his calculation of the property's value took that into consideration sufficiently. He discussed two sales of similar properties in the Village that took place in April and May 2006 for \$49,000 and nearly \$50,000 per acre and stated that his valuation of \$17,432 per acre was an adequate reduction in view of market conditions. He stated that even though a realty market may be depressed, that does not affect the inherent value of a property as much as many people believe.

Assessor Grota stated he would not consider the two sales transactions provided from the Town of Hartford to be comparable to the subject property. He stated that both of the other properties were active farmland with no access to municipal infrastructure.

Mr. Bohn asked Assessor Grota whether having an agricultural designation on the property would affect its assessment. Assessor Grota explained that property designated as agricultural is assessed at a much lower value set by the state each year. He stated there are specific criteria for properties falling under this designation and there is a penalty applied once the property is sold and converted to other uses.

Motion Brandt/Foerster to determine that the taxpayer has not presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to affirm the Assessor's valuation of \$435,800 for parcel #V5-0595-00Z. A vote was taken on the motion with the following result: Yea's: Murphy, Brandt, Foerster; Nay's: none. The motion was passed.

Assessor Grota provided Mr. Bohn with the Notice of Board of Review Determination and further appeal procedures information.

At this time, Administrator Murphy notified all present that the first two hours of the Board of Review meeting had passed and asked if anyone wished to request a waiver of the 48-hour notice requirement. It was confirmed that all parties present had already submitted their objection forms.

D. Tax Key #V5-0611-303-002 498 Glacier Pass, Joy Brand

Deputy Clerk Wilber introduced the next hearing for tax key parcel #V5-0611-303-002 at 498 Glacier Pass and swore in all witnesses for this hearing, which were property owner Joy Brand and Assessor Grota.

Ms. Brand informed the Board that her opinion was that her property should be valued at \$165,000 based on a recent appraisal and in view of comparable properties in the area that had sold for much less than the assessed value of her property. Ms. Brand listed 6 recent sales in the neighborhood and stated that although one or two may have been foreclosure transactions, all of them were priced much lower than her property.

Ms. Brandt provided a copy of the appraisal that had been conducted for her property listing the value at \$165,000. She stated that she had made very effort to arrange for the appraiser to appear before the Board for this hearing, however she was told it was not necessary and the appraiser refused to comply.

Assessor Grota discussed the factors that had been used to calculate the value of the subject property. He explained that the 6 comparable properties he presented were used to test the validity of his assessment and had not been used to form the assessment. Assessor Grota stated that 3 of the 6 sales presented by Ms. Brand were foreclosure sales and could not be considered arms length transactions.

Assessor Grota noted that one of the properties he selected as a comparable was also on Ms.Brand's list. He stated that this property at 1119 Glacier Pass was the closest in comparability to Ms. Brand's property and also had the lowest value of all the comparables he had used. Assessor Grota stated he could not explain why that property had such a low purchase price but it was the only sale that did not entirely support his valuation.

Assessor Grota presented a handout from the Department of Revenue that contained several questions and answers concerning the current housing market and its effect on property values. He stated it has been 25 years since we've had a declining housing market and it can be seen that the rise in foreclosures has had an impact on prices, but sales price and property values are not always exact matches.

Ms. Brand stated she did not believe that the three comparables from the Farmstead Creek subdivision used by Assessor Grota were valid comparisons because the development is much newer than her neighborhood and the construction is generally of higher quality.

Board members reviewed all testimony provided and stated that the recent sale at 1119 Glacier Pass was cause for concern since it was the property that was most similar to the subject property.

Motion Foerster/Brandt to determine that the taxpayer has presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to modify the property valuation for parcel #V5-0303-002 to \$188,900. A vote was taken on the motion with the following result: Yea's: Murphy, Brandt, Foerster; Nay's: none. The motion was passed.

Assessor Grota provided Ms. Brand with the Notice of Board of Review Determination and further appeal procedures information.

E. Tax Key #V5-0313-007 114 Charolais Drive, Diann Wagner

Deputy Clerk Wilber introduced the next hearing for tax key parcel #V5-0313-007 at 114 Charolais Drive and swore in all witnesses for this hearing, which were Property Owner Diann Wagner and Assessor Grota. Administrator Murphy asked Ms. Wagner to provide a specific dollar amount for what she considered to be the fair value of her property. Ms. Wagner stated the only thing she was disputing was the value of the land, which she felt should be \$97,200 instead of the \$111,500 assessed amount. It was agreed that this would make Ms. Wagner's valuation of the total property \$402,300.

Administrator Murphy explained the Board of Review process to Ms. Wagner and stated that under state law, the Board is required to uphold the assessor's valuation as correct unless the taxpayer provides testimony showing the valuation to be incorrect. She stated that in this process, the burden of proof is on the taxpayer.

Ms. Wagner informed the Board that the reason she objected to the assessed value of her land was that a very similar parcel located just three houses down from hers in the same subdivision was valued at \$97,200 and she felt the two lots should be assessed at the same level. Ms. Wagner stated the other property, located at 815 Charolais Drive, was actually a little larger than her lot so she did not understand why hers was valued so much higher.

Assessor Grota discussed the calculations used to assess the subject property. He stated that the other parcel named by Ms. Wagner was listed as only a quarter wooded while Ms. Wagner's property is half wooded. He stated that was the main difference between the two lots and would account for the difference in valuation.

Ms. Wagner stated she believed that both lots had the same amount of wooded area, but she did not have any photographs to confirm this. Assessor Grota attempted to locate an aerial photograph of the two properties but did not find one in his records.

Motion Brandt/Foerster to determine that the taxpayer has not presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to affirm the Assessor's valuation of \$416,600 for parcel #V5-0313-007. A vote was taken on the motion with the following result: Yea's: Murphy, Brandt, Foerster; Nay's: none. The motion was passed.

Assessor Grota provided Ms. Wagner with the Notice of Board of Review Determination and further appeal procedures information.

F. Tax Key #V5-0611-303-001 496 Glacier Pass, Ruth & David Brand

Deputy Clerk introduced the next hearing for tax key parcel #V5-0611-303-001 at 496 Glacier Pass and swore in all witnesses for this hearing, which were property owners David and Ruth Brand and Assessor Grota.

Ms. Brand informed the Board that they did not agree with the assessor's valuation of \$195,400 for their property and their opinion was that the value should be set at \$175,000.

Ms. Brand read a prepared statement and provided 4 properties that they considered comparable to theirs. Three of the properties had lower assessments than their property, while the fourth property was assessed higher but sold for only \$173,900.

Assessor Grota discussed the process used to reach the assessed value for the subject property and reviewed the comparable units that supported the assessment. He pointed out that all six properties had sold recently, either in late 2008 or 2009.

Ms. Brand stated that the properties used for comparison were all much newer than their home and she did not feel that the adjustments made for this were sufficient. She also stated that the properties selected were not in comparable neighborhoods.

Board members asked if the configuration of the building, which is a side-by-side duplex that is 2-story on one side and 1-story on the other, would affect the assessment value. Assessor Grota stated that this type of layout would be considered a matter of taste and would not necessarily affect the valuation. Board members reviewed the comparable properties presented by both parties.

Motion Foerster/Brandt to determine that the taxpayer has presented sufficient evidence to rebut the presumption of correctness granted by law to the Assessor and to modify the property valuation for parcel #V5-0303-001 to \$189,900. A vote was taken on the motion with the following result: Yea's: Murphy, Brandt, Foerster; Nay's: none. The motion was passed.

Assessor Grota provided Mr. and Ms. Brand with the Notice of Board of Review Determination and further appeal procedures information.

IX. Adjournment

Prior to adjournment, Assessor Grota informed the Board that he had been contacted by Bob Reynolds, Superintendent of the Slinger School District, regarding two school-owned properties that had been added to the tax roll during this assessment period. Assessor Grota explained that according to Department of Revenue regulations, vacant land that is not being used for exempt activity does not qualify for tax-exempt status simply based on ownership.

Assessor Grota stated that Superintendent Reynolds informed him that the house located on one of the properties has actually been turned over to the Slinger Fire Department for practice purposes. He stated that this would eliminate the value of the structure since the School District does not have control of the building and its use would be considered exempt. Assessor Grota stated this would also lower the value of the property by \$26,000.

Motion Brandt/Foerster to adjust the assessment of tax key parcel #V5-0672-00Z to reduce the value of improvements by \$10,800 and the value of land by \$26,000 for a total modified assessment of \$45,000. A vote was taken on the motion with the following result: Yea's: Murphy, Brandt, Foerster; Nay's: none. The motion was passed.

Motion Brandt/Foerster at 3:16 p.m. to adjourn the Board of Review sine die; carried unanimously.

Maureen A. Murphy, Village Administrator

Minutes submitted by Margaret Wilber, Deputy Clerk