MINUTES OF THE SPECIAL COMMON COUNCIL MEETING HELD AT THE GREENFIELD CITY HALL ON TUESDAY, AUGUST 1, 2023

A. Call to Order & Roll Call

The meeting was called to order by Mayor Neitzke at 6:00 PM.
Present: Alderpersons Andrew Drzewiecki, Karl Kastner, Pamela Akers, Bruce Bailey
Excused: Shirley Saryan
Also present: Jennifer Goergen, City Clerk; Timothy Pruitt, City Attorney; Tim Lemmers, Manager of Information Technology; Tim Sowinski, Deputy Comptroller; Julie Foley, Human Resources Director.

B. New Business

1. Discussion and decision to approve Memorandum of Understanding between the City of Greenfield and Village of Bayside to establish an Emergency Management 911 Dispatch Services Backup Center (T. Lemmers)

   Tim Lemmers, the manager of IT, spoke about the contract, which provides a location for emergency dispatching, helps reduce costs, and allows us to receive grants from the state.

   Motion by Alderperson Kastner, seconded by Alderperson Bailey to approve.

   Under discussion, Mayor Neitzke and Mr. Lemmers discussed that Bayside was designated by the state for Milwaukee County and had almost identical systems.

   On a roll call vote, motion carried unanimously.

2. Common Council to go into closed session pursuant to Wis Stat. sec. 19.85(1)(c) & (e) & (f); Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility; Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session; Considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations

   a. Discuss current vacancies in the Greenfield Health Department and possible intermunicipal agreement as to the same

      Motion by Alderperson Bailey, seconded by Alderperson Drzewiecki to go into closed session at 6:05 PM. On a roll call vote, motion carried unanimously.

3. Adjourn closed session and reconvene into open session and take any action (if any) on matter discussed in closed session

   Motion by Alderperson Bailey, seconded by Alderperson Drzewiecki to close the public hearing at 7:32 PM. Motion carried unanimously.

   Mayor Neitzke said to proceed as directed and that formal action isn't required.

4. Discussion and possible action regarding process and current status of 2023 full property tax assessment revaluation

   Now present: Les Ahrens, City Assessor; Mike Smigielski, Assessor; Dwight Frame, Lead Commercial Assessor.

   The Council took a recess at 7:33 PM. They reconvened at 7:42 PM.

   Mayor Neitzke spoke about the tax rate, its breakdown, and the assessment.

Mr. Ahrens and Mayor Neitzke discussed the Board of Review and the number of residents that reached out. Mr. Ahrens explained the process of the reevaluation: they run through the property's recording with each upset party, if the residents have additional information, the Letters of Determination, and they compare the percentage of the individual increase to the average increase. He talked about the findings of this revaluation, the sale price percentage averages, the last reevaluation in 2009, the statutes, and state requirements.

Mayor Neitzke responded about being out of compliance with the state, the housing bubble and COVID, interest rates, and the assessment schedule.

Alderperson Bailey and Mr. Ahrens discussed the reasons why the reassessment is happening now. Mayor Neitzke explained the value percentages and the reasons for them.

Mr. Ahrens explained that the state doesn't require it by time but by the value percentages, the length of time other municipalities wait, that apartments with more than four units are considered commercial and less than four are classified as residential, rent prices, the 2013 level of assessment comparison, the 2023 level of assessment comparison, COVID effects, the commercial and residential percentage breakdown, the decline of office space, net new construction, and that the value of commercial apartments is based on income and expenses, which have all increased.

Mr. Frame spoke about the ages of the different apartment sales, and most were older. Mr. Ahrens spoke about how an older apartment gets valued after a new owner comes in and renovates it, the need for building permits for the improvements, annual inspections, reviewing the MLS sale listings for differences in the property record, how value needed to be added or subtracted from the remodels, and how that would affect the assessed value.

Alderperson Kastner asked if waiting a year would even out the differentiation between the market classes. Mr. Ahrens answered that there may be more disparity if we wait. The data that was obtained was from January 2023, so it was sales from 2021 through 2022. He spoke about housing trends for 2023, with a rise in residential single-family homes and condos appreciating and commercial being pretty flat; therefore, there may be a bigger shift of burden next year on residential single-family homes and condos.

Alderperson Akers asked about the vacancy rate. Mayor Neitzke said that before COVID, there wasn't a commercial vacancy that he was aware of except for the Spring Mall, and now there are more. There isn’t a report on the vacancy rate.

Mr. Ahrens said that the shift is happening everywhere in Southeast Wisconsin and named examples of other cities' percentages.

Alderperson Akers and Mayor Neitzke discussed development shifting to multifamily units instead of single-family residences, the price per apartment unit when it is built and when a building is sold, and the dynamic is shifting to people renting because houses are expensive.

Alderperson Bailey asked about the assessment affecting the school and other taxing districts, and Mayor Neitzke said that it doesn't. The City and school districts collect the same amount of taxes. The budget stays the same, but the burden falls on the residential side instead of the commercial side.

Mayor Neitzke spoke about the Greenfield School District's referendum and said that if the housing market drops more than 10%, another reevaluation would happen.

Alderperson Akers spoke about how there would be less disposable income. Mayor Neitzke spoke about macroeconomics and gave the example that if big box stores and restaurants closed, the shift would go to residents.

Alderperson Kastner said that he thinks commercial value will catch up.

Mayor Neitzke and the Council talked about the City of Milwaukee Sales Tax.

The City Attorney, Timothy Pruitt, asked if the packet provided to the Council from the City Assessor would be put on the City's website, and Mr. Ahrens said that it could be placed on the website.

Mayor Neitzke said that taxpayers are paying more of the burden everywhere, and it doesn't matter who the alderperson is. He talked about how he didn't want to experience the housing market crash of 2008 again. He didn't want to waste the money that took the City years to save to complete a reevaluation. If there is a correction, then we should invest enough funds to cover the cost of doing another reevaluation to make sure the burden is spread evenly, he said.

Alderperson Kastner asked if this reevaluation could be paused so that homeowners could anticipate the shift in taxes and apply it the following year. Mr. Ahrens replied that it would give the property owner a chance to save, but a commercial owner might be counting on the tax reduction. It will be very hard for his team to undo all the reevaluation work that has been completed thus far. The process would all have to be redone, and an addendum would need to be added to the contract as it would require significant additional funds. Alderperson Kastner asked if we could change it and apply it in 2024 and keep all the data the same, using sample points throughout the City, and then make a decision. Mayor Neitzke asked if the assessor could freeze everything that had been completed thus far and have it not take effect until 2024. Mr. Ahrens responded that there's nothing that he's aware of since he still has to report new construction, demolition, and annexation. The annual assessment work would still need to be performed, and there's no way to undo the reevaluation figures that have been applied to every home. He explained the lengthy process it would take to start fresh. The initial reports have been sent to the State of Wisconsin, and it would affect the value of net new construction. It would be tough for planning and budgeting, and he had concerns about public relations challenges. Notices would need to be sent again, resulting in more questions, and Open Book and Board of Review would still need to be held anyway. If the reevaluation is done next year, it would need sales from this year, and there could be more disproportion, where the assessed value of residential properties would be even greater. There would be another charge for an additional revaluation next year since they would need to redo it for 2023. Mayor Neitzke said that it would give them enough time to save, but they would need to save even more because it could be higher.

Alderperson Drzewiecki said that it could put the City at risk because commercial property owners who were expecting that discount would show up at the Board of Review.

Mr. Ahrens talked about the Board of Review's timeframe, the processes following Open Book, and the Board of Review's expectations.

The Council discussed a letter to be sent to property owners.

Alderperson Bailey made a motion to send out a letter in the next two weeks explaining the process and telling people in a specific manner, with the specific example, that it is a likely scenario that a property assessed at $250,000 last year is now assessed at $350,000 and is going to be projected to be worth this amount.

Mayor Neitzke talked about who to send the letters to and the letter's contents.

Alderperson Bailey changed his motion to send a letter to inform residents to expect a major increase in their property taxes because of the assessments. With explanations, there will be two paragraphs saying that we have been reassessed; the last reassessment was in 2009. Mayor Neitzke suggested that the agenda wording be: Discussion and decision to approve communication to Greenfield taxpayers be placed on the next Finance meeting and then the next Common Council agenda.

Motion died due to no second.

Motion by Alderperson Akers, seconded by Alderperson Bailey to discuss a communication with City taxpayers with regards to the implications of the reevaluation that should be placed on the next Finance and Human Resources to be a Committee of the Whole, where all alderpersons are present, and then added to the next Common Council agenda.

The Council and Mr. Smigielski discussed where the phone calls would go as a result of the mailing, his point of view that a letter is adding fuel to the fire, examples of commercial property declining, and residential trends.

Tim Sowinski, the Deputy Comptroller, asked if there would be an option to not send a letter, and the Council responded that yes, it's an option as well.

Motion carried unanimously.

Mayor Neitzke and Mr. Sowinski discussed net new construction numbers, raising the levy, budgets, library and Police Department costs and revenues, and shared revenue.

C. Adjourn

Motion by Alderperson Bailey, seconded by Alderperson Akers to adjourn at 9:17 PM. Motion carried unanimously.

Jennifer Goergen, City Clerk

Minutes transcribed by Trina Kaminski, Administrative Assistant
Distributed: 8/4/2023