

## Item 23-0925: Property Revaluation Overview

### Common Council

Wed, Aug 02, 2023, 7:00PM

#### Mayor Jake Woodford 12:09

Perhaps fittingly, we're going to talk about the revenue side a little bit tonight and a specific aspect of that, which is we are in the process of revaluation, a citywide revaluation. And while we have not even sent the notices out to property owners in the city yet, I wanted to make sure that we start this conversation early and that we get a comprehensive overview of the process from our city assessor just so that we can get that conversation started, because this is a complicated process, and one that is sure to generate conversation in the community. So, with that, I'd like to turn it over to our city assessor Matt Tooke. Welcome, Matt.

#### Matthew Tooke (City Assessor) 12:54

All right. Thank you, everybody. My name is Matthew Tooke. You can hear me okay, hopefully. I've been the—I was named the city assessor about a year ago. And I've been with the Office for 17 years, and I've been doing assessment work for the past 20. This is the sixth revaluation that I've been a part of. And I think the thing that makes this different is that we all know what's kind of what's happening in the real estate market.

#### Matthew Tooke (City Assessor) 13:22

And so, whenever you say the word "revaluation", it can kind of get people a little bit anxious, a little bit wondering what that's going to mean to the average person. So, my hope today is that we can kind of walk through some of those things, and maybe kind of all relieve our stress a little bit, walk through some simple examples of what this will mean, and talk a little bit about some of the resources that we have in place to help taxpayers.

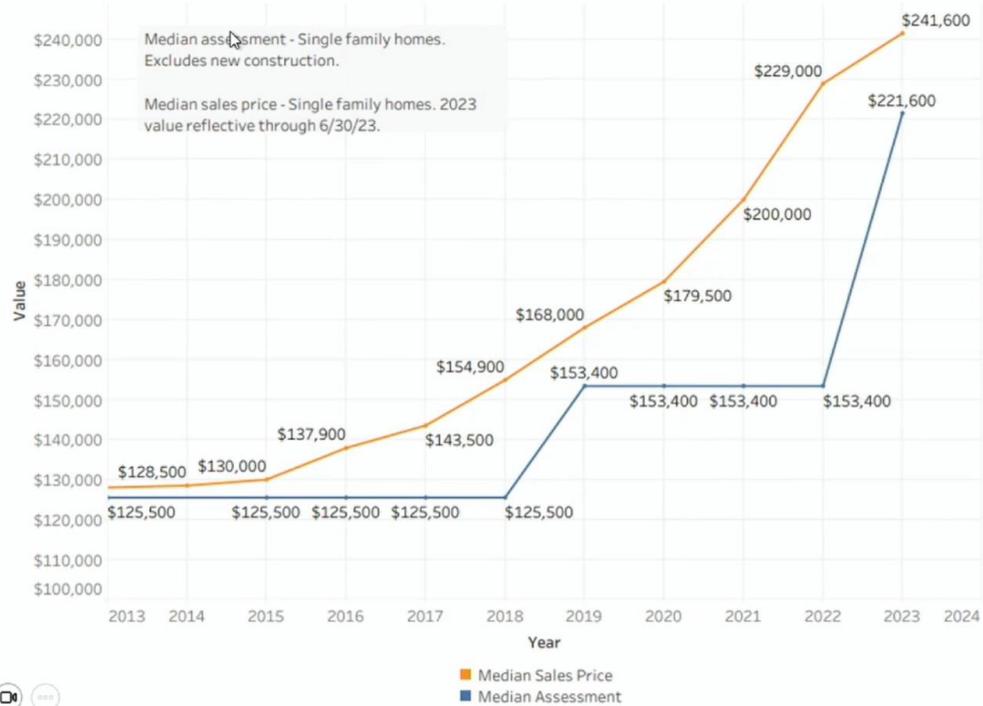
#### Matthew Tooke (City Assessor) 13:53

And so, it—you know, the tax bill is the biggest bill that a property owner pays. And so, we need to be cognizant of this. And when we start throwing around numbers like 30% increases in assessments, it's concerning to folks. And so, I think this will go a long way to educating you, because one thing when I speak to my colleagues around the state is that they're not seeing a lot of assessment appeals when they're doing revaluations, but they're getting a lot of questions, which is very natural. And so, we all need to be able to—you'll be taking phone calls—to be able to field some of these concerns.

#### Matthew Tooke (City Assessor) 14:39

So, let's take a look a little bit at what we're seeing. As we walk through our neighborhoods, we walk our dogs and take our kids out, we're seeing these high sale prices and high listings in our neighborhoods. And if you look at this simple little graph that I have here, the bottom line in blue represents where our assessments are and where they have been historically over the last 10 years. The increases represent revaluations that we've done in the past, the last one being in 2019. And you can see the trend line of where the median assessment—rather the median sale price is of a single-family home, and that's represented in orange. So, we're continually trying to chase the market trends or trying to interpret the market trends that are happening in our community.

City of Appleton 10-Year Comparison of Assessments to Market Value



**Matthew Tooke (City Assessor) 15:41**

So, the question becomes why are we doing a revaluation? What problem is this actually solving? And we're going to, we have—there's two basic answers to that. The first one is not very satisfying, but it is the truth. It's the state law.

**Matthew Tooke (City Assessor) 15:59**

So according to Wisconsin state law 70.05, it requires each municipality to assess all property within 10% of market value at least one time in a five-year period. And what you're looking at on this boring chart here I've highlighted, this is essentially my report card, if you want to look at it that way. If you look at the bottom, in the year 2018 if you go over to the right column that says "major class municipal compliance status", we had fallen below that 10% of market value in '18. So, we did a revaluation in '19, and brought ourselves back into compliance. However, in the years '21 and '22, as you can see, our assessments fell to 87% of market value down to 78% last year in 2022.

Wisconsin state law 70.05(5) requires each municipality to assess all property within 10% of full value once in a five-year period.

DATE: 02/08/2023 Wisconsin Department of Revenue Final Major Class Comparison EQMCC701FWI Page 30 of 32

EQ ADMIN AREA 81 Green Bay 81 Green Bay 81 Green Bay  
 COUNTY 44 Outagamie County 70 Winnebago County 08 Calumet County  
 CITY 201 Appleton 201 Appleton 201 Appleton

Year	Property Class	Municipal Assessed Value	DOR Base Value	% of DOR Base Value	Ratio (%)	Major Class Municipal Compliance Status	Type Of Notice Issued
2022	Residential	4,236,751,400	5,397,758,600	74.07	78.49	NO	
	Commercial	1,478,051,400	1,801,401,700	24.72	82.05	NO	
	Agricultural	187,900	213,000	0.00	88.22		
	Sum Of 5, 5M, 6, 7	1,403,300	1,465,700	0.02	95.74		
	Personal	71,056,800	86,654,700	1.19	82.00		
	<b>Total</b>	<b>5,787,450,800</b>	<b>7,287,493,700</b>	<b>100.00</b>	<b>79.42</b>	<b>NO</b>	
2021	Residential	4,189,585,800	4,795,474,200	73.97	87.37	NO	
	Commercial	1,435,313,700	1,598,185,600	24.65	89.81	NO	
	Agricultural	202,000	216,100	0.00	93.48		
	Sum Of 5, 5M, 6, 7	1,407,900	1,402,000	0.02	100.42		
	Personal	78,195,300	87,860,000	1.36	89.00		
	<b>Total</b>	<b>5,704,704,700</b>	<b>6,483,137,900</b>	<b>100.00</b>	<b>87.99</b>	<b>NO</b>	
2020	Residential	4,147,501,800	4,350,702,900	72.45	95.33	YES	
	Commercial	1,413,640,200	1,563,942,900	26.04	90.39	YES	
	Agricultural	200,100	208,200	0.00	96.11		
	Sum Of 5, 5M, 6, 7	1,757,500	1,654,000	0.03	106.26		
	Personal	84,102,400	88,528,900	1.47	95.00		
	<b>Total</b>	<b>5,647,202,000</b>	<b>6,005,036,900</b>	<b>100.00</b>	<b>94.04</b>	<b>YES</b>	
2019	Residential	4,120,205,000	4,159,912,100	73.48	99.05	YES	
	Commercial	1,378,721,300	1,421,247,600	25.10	97.01	YES	
	Agricultural	210,400	206,200	0.00	102.04		
	Sum Of 5, 5M, 6, 7	1,798,700	1,704,000	0.03	105.56		
	Personal	78,492,400	78,492,400	1.39	100.00		
	<b>Total</b>	<b>5,579,427,800</b>	<b>5,661,562,300</b>	<b>100.00</b>	<b>98.55</b>	<b>YES</b>	
2018	Residential	3,444,164,600	3,835,016,400	72.96	89.81	NO	
	Commercial	1,350,465,600	1,337,332,300	25.44	100.98	YES	
	Agricultural	191,400	203,800	0.00	93.92		
	Sum Of 5, 5M, 6, 7	1,758,400	1,391,100	0.03	126.40		
	Personal	77,349,900	82,287,100	1.57	94.00		
	<b>Total</b>	<b>4,873,929,900</b>	<b>5,256,230,700</b>	<b>100.00</b>	<b>92.73</b>	<b>NO</b>	



**Matthew Tooke (City Assessor) 16:59**

And so, we're doing a revaluation not only because they're required, but we're—there is an important problem that we're actually addressing and it's the fairness and equity in property tax distribution.

**Matthew Tooke (City Assessor) 17:17**

And so, I'm going to walk you through. I always appreciate a real simple example. So, I'd like to walk you through a fictitious town that we call Lawsburg. It has a population of four, it has a total assessed value of a quarter million dollars. And the tax rate is \$20, meaning you pay about \$20 per \$1000 of assessment. And since there's only one road in Lawsburg, the total budget is only \$15,000.

**Matthew Tooke (City Assessor) 17:50**

So, the assessor begins to look at these properties, and he discovers that there's a problem. The first home is 40% below market value, which turns out to be the average. The second is in worse shape. It's actually 50.5% below market value. So, this one is actually, because of being in a perhaps a different style or a different neighborhood, the demand for this type of house is stronger, and therefore it is much farther below market value. The third is 41%. And then the one on the far right is actually 35% below market value.

**Matthew Tooke (City Assessor) 18:37**

So, if you think about it in this terms, the home on the right is actually closer to market value in terms of its assessment, and it's been paying too much. This one in the second place is the assessment is far below market value; they haven't been paying their fair share. And so, we get down to the next line where it says after revaluation, everybody's paying their fair share.



**Matthew Tooke (City Assessor) 19:06**

Now if you look at the grid there, the total assessed value of the entire town went up significantly 40%. It's at over a million dollars. But importantly, that tax rate—if you can see that up there at small—it's \$14.29 per \$1000. So, you're starting with a higher assessment, but you're taxing it at a lower rate. The town budget is still \$15,000.

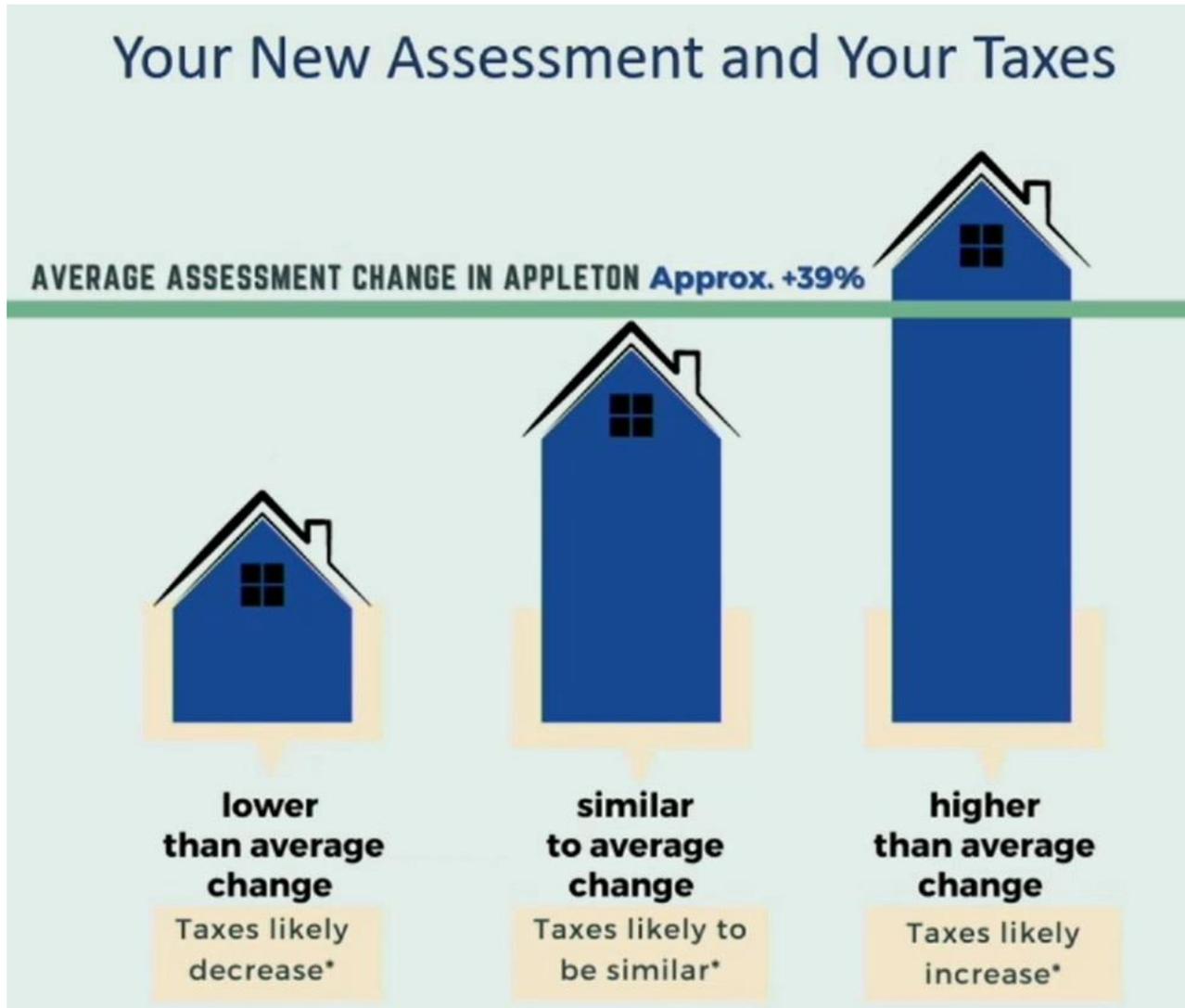
**Matthew Tooke (City Assessor) 19:36**

And let's take a look at what happened to each one of these individual homes on the bottom line. The first one went up 40%. That was the average. The tax bill is exactly the same. The mill rate adjusted and went down 40%. The second one which was very low in comparison the tax bill went up \$200 to adjust for the fact that it was too low. The second—or the third rather paid about the same, and the fourth had an increase in assessment of \$35,000—er of 35%, and yet actually saw a decrease in their tax bill. So, just a little bit of a basic lesson about how these property tax assessments work and what we're trying to actually solve here.



**Matthew Tooke (City Assessor) 20:32**

Again, I like things simple. You can make things as difficult as you want or you can look at it simply. If, after revaluation you're at about the average change, which in our community is going to be about 39%, your tax bill, you can expect it to be similar to what it has been in the past. If it is a lower increase than the average of 39%, you may have a decrease. If it is higher, you may pay more.



**Matthew Tooke (City Assessor) 21:04**

Important thing to note is that this does not take into consideration changes in the budget. So, if a new budget is passed with higher spending, that will also pay in—play into this equation, and very important to note so that people aren't misled in this process.

**Matthew Tooke (City Assessor) 21:26**

So, let's say we are the person on the right-hand side, and we went up 45%. We want to understand how is this going to impact my taxes. We have a wonderful tool here, and I have to thank the IT department and the mayor and everyone that helped kind of get this together. But it's a tax calculator. And it's pretty simple tool. It's on our

website. And it allows you to simply put in your assessment from last year. So, you were at \$150,000 in this example. You went up about 40%. Now your assessment is at \$210,000.

**Mayor Jake Woodford** 22:21

And it looks like we're not projecting. I don't know if it—I'm gonna toggle over. There you go.

**Matthew Tooke (City Assessor)** 22:27

There we go.

**Mayor Jake Woodford** 22:27

Thank you.

**Matthew Tooke (City Assessor)** 22:31

All right. So, you put in last year's assessment, this year's assessment, you select the county and school district you live, and then you hit submit. It provides an estimate of how this revaluation is going to impact you.

2022 Tax Bill - BEFORE with 2022 assessment:	\$3,022.57
2022 Tax Bill - AFTER with new assessment:	\$3,083.87
Change in taxes paid:	\$61.30

**Matthew Tooke (City Assessor)** 22:48

If there's one thing that I've found is people choose to live in this community for a reason they enjoy it. Many of them do not mind paying the taxes, it's just that they want to make sure they're A. paying their fair share. And if the taxes are increasing, they want the ability to plan, which is very reasonable. And this tool provides people with the ability to do so.

**Matthew Tooke (City Assessor)** 23:15

And I will note as well, that—this is very important, again, that this does not predict or calculate budget increases. So, this is simply looking at the impact of what the revaluation did to your value. And if there are questions on that we can talk about that a little bit more.

**Mayor Jake Woodford 23:40**

I think also just to note that does—that this does not take into account changes in other lines on the property tax bill. So, School District, tax levy, Technical College, etc.

**Matthew Tooke (City Assessor) 23:53**

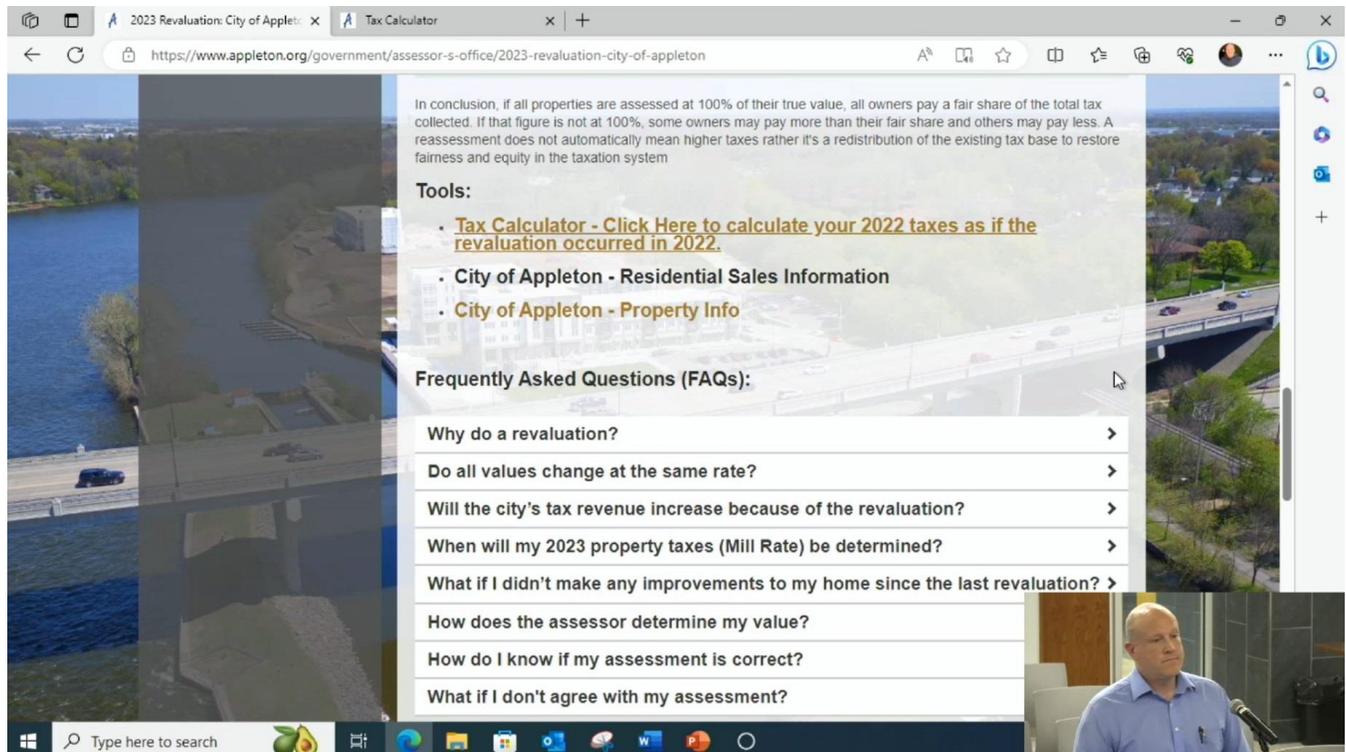
Correct. Yep. So, all of that we'll know more about this fall when the budgets start to get passed. And we see what happens there.

**Matthew Tooke (City Assessor) 24:03**

So, some of the other things that we provided for people on the website, in an effort to be very transparent, we're going to put all of the sales that we've used to set these numbers in a downloadable, searchable format in Excel so that if you live on Adams Street and you want to see what has sold in the last year and a half, all of those sales will be provided to you. The other feature that we have here is the city of Appleton property information. It gives the taxpayer the ability to see what the assessor has collected in terms of data on their property.

**Matthew Tooke (City Assessor) 24:47**

And we'll take a look at that site quick. If I type in a parcel number, I can see what the assessor is basing my value on—what square footage, what they have for bedroom and bath counts, what they say about the garage, what the taxes and the assessment information was the previous year. Did they get the square footage of the house right? So, in an effort to be transparent, we have all of the information that we've used to set the values available to people.



**Matthew Tooke (City Assessor) 25:36**

So just again, Appleton is not unique. A lot of communities are in the same boat. For instance, Green Bay did a revaluation in 2022. They saw 39% increase. Neenah is currently doing a revaluation. They're doing a 33% increase. Oshkosh is planning to do one next year and looking at similar increases. So, I feel—I know that the main thing that we'll have to remember is we're going to get a lot of additional questions and inquiries, and so we have to be ready and prepared to do that. And that was sort of the idea behind the email that I sent out yesterday.

**Matthew Tooke (City Assessor) 26:23**

And the information that we're putting out on the website is to funnel people into the answers to give them something concrete. It is difficult when you get a letter in the mail, and you don't know what that means. And so, I think with everything we put together, we have a great plan. And I'm really confident. We are going to send out our notices at the end of the month.

**Matthew Tooke (City Assessor) 26:50**

On our webpage, we have free—frequently asked questions. The biggest one is probably "What if I don't agree with my assessment?" and we will take a little bit of look at that. We do have a period called open book. So, this is the opportunity for the property owners to test our values to say, "You know, I have these sales in my neighborhood. Why am I this versus another value?" And so, during that time, we can really sit down and have kind of an informal discussion with folks, and they can bring information. We can talk through that a little bit.

**Matthew Tooke (City Assessor) 27:29**

And then the formal appeal is called Board of Review, and that will be held October 4. We are committed, as well, to reaching all of our communities. So we have our frequently asked questions available in English, Spanish, and Hmong. And I think you know, with that, I will kind of open it up if there are questions and give people a little bit of an opportunity if there's something that you'd like to hear a little bit more about.



**Mayor Jake Woodford 28:00**

Any questions from the Council? All right, Alder Alfheim.

**Aldersperson Kristin Alfheim (District 11) 28:05**

Thank you. Thank you for the presentation as well as the clear explanation. It's great for us. We're going to have to do a fun job out there. Two questions. One, if as an alder we are on the board of review, and we are getting calls from our constituents, is there a specific practice that we should utilize? And then secondly, on the main page of the city, can we have the button right there instead of them searching through property and x x x? So as soon as they get to the main page, they're gonna say, How did my taxes changed? Go to that thing that you showed us/

**Matthew Tooke (City Assessor) 28:41**

Correct. Yes, very good point. I did talk with the IT department a little bit today, and we are going to get that on the front page so that folks are funneled right into it and it's easy to find. In terms of constituents that you're dealing with, if you know them personally, you may have to recuse yourself. But if it is somebody that you didn't know, and you can be, you know, nonpartisan on it, then I think you can hear that case. Just my opinion.

**Aldersperson Kristin Alfheim (District 11) 29:13**

Thank you.

**Mayor Jake Woodford 29:15**

Alder Siebers.

**Aldersperson William Siebers (District 1) 29:16**

Thank you, Your Honor. You talked about comparables in the neighborhood. But your comparables aren't always necessarily in the neighborhood, are they? You know, I'm thinking in terms of definitely in the older neigh—yep, yeah, older neighborhoods, you know, the houses are, are much different from each other. So, are comparables outside the neighborhood?

**Matthew Tooke (City Assessor) 29:43**

Yes. So luckily, one of the things that's happening is we have a plethora of sales. So, we are finding for the most part sales in people's neighborhoods, but there are always unique homes, maybe a character home in the central part of the city, and we may have to look—venture outside of the neighborhood, depending on how unique it is. So, we have assessment neighborhoods that we find similar, but then we have clusters of neighborhoods that also same—share other similar characteristics. So, we may have to venture outside, depending on how unique the home is, and if it's very unique, we may have to look citywide.

**Aldersperson William Siebers (District 1) 30:28**

Okay. Appreciate that. Thank you.

**Mayor Jake Woodford 30:31**

Yep. Alder Hayden.

**Aldersperson Patrick Hayden (District 7) 30:34**

Thank you, Your Honor. Um, one term that's pretty popular my district is "revenue neutral valuations". And it seems like from the example that you kind of gave us that if we don't raise how much money we're spending, this is a revenue neutral revaluation. Is that true? Would I be able to go and pitch it to my constituents that,

assuming we do our job well, and we don't raise what we're—spend more than we're kind of taking in that this will be a revenue neutral value—revaluation?

**Matthew Tooke (City Assessor) 31:04**

Yeah, actually, I'm really glad that you brought that up. Give me a little chance to reiterate. A revaluation truly is revenue neutral. It redistributes who pays what portion of the total tax bill. Some will pay a little bit bigger slice of the pie. Some will pay a little bit smaller. And it's really a redistribution according to new values. So, in and of itself, a revaluation is completely revenue neutral. So, people ask me well, again, why you doing it, and it is to restore fairness and equity in the property tax distribution.

**Mayor Jake Woodford 31:50**

I think it's important, though, to be clear with our constituents and with the community that, again, if your property—if the value of your property increased at a higher rate than that 39% average, you are likely to pay more on your property tax bill. And that's before the city budget and then the other budget line items or the other tax bill line items hit. So, I think it's very important that we're clear with the community so that we're setting realistic expectations about what this process will mean.

**Mayor Jake Woodford 32:21**

Again, 39% is the average. So there certainly will be properties that have appreciated at a rate greater than that 39%. So, there will be many properties in the city—property owners in the city, those of us who own homes in the city—who are likely to see a higher rate as a result or a higher bill as a result. Go ahead, Alder Meltzer.

**Alderson Vered Meltzer (District 2) 32:48**

Thank you. So, we're talking about appreciation right. Now, what about depreciation? Could you just kind of speak to that a bit?

**Matthew Tooke (City Assessor) 32:57**

Sure.

**Alderson Vered Meltzer (District 2) 32:58**

Thank you.

**Matthew Tooke (City Assessor) 32:59**

Well, it is kind of interesting. Everything is very cyclical. When we did a revaluation in 2010, we saw depreciation, so we were actually lowering values. And again, in 2014, we lowered values. So, what that simply means is the demand for housing had lessened at that time. And there was a lot of different reasons for that. But then the current market that we're in, even though interest rates have gone up, we're still seeing a high demand, particularly for affordable homes, and apartments, and rentals, and all sorts of things. So, we are currently truly in a market of appreciation right now.

**Mayor Jake Woodford 33:51**

Other questions, comments from the Council? Alder Fenton.

**Alderson Denise Fenton (District 6) 33:58**

Thank you, Your Honor. I'd just like to reiterate our gratitude as a Council for this very detailed preparation. It—the last time that we reassessed we didn't have quite this much detail. So, I appreciate it, and I think it makes all of our jobs a lot easier. It might not make paying the tax bill easier for those of us who are on the upper end, but it will make it easier to explain.

**Matthew Tooke (City Assessor)** 34:26

Wonderful, thank you.

**Alderson Denise Fenton (District 6)** 34:27

Thank you.

**Mayor Jake Woodford** 34:29

All right. As always, as questions come up or you want to talk more about what's going on with revaluation or if you have constituent question you're not sure how to answer, please be in touch with Assessor Tooke or be in touch with my office. We'd be happy to help make that connection. Communication is critical in this process so that when those letters go out at the end of August and people get that note that says "Congratulations, your house appreciated 45%" that does not mean that your tax bill is going up 45%, but it but it does signal there's going to likely be an increase.

**Mayor Jake Woodford** 35:06

So, we want to make sure that we're communicating early and often and actively with all of our constituents in the community so that folks understand what's going on and what the implications are. And, again, just to echo Alder Fenton's sentiments, thank you for your leadership, Matt, really appreciate it.

**Matthew Tooke (City Assessor)** 35:22

You bet. Okay. Thank you everyone.

**Mayor Jake Woodford** 35:23

All right. Thank you.