



CITY OF NEW BERLIN
COMMITTEE OF THE WHOLE MEETING
Tuesday, March 8, 2022
6:00 PM
Zoom Meeting
<https://us02web.zoom.us/j/81462105590>

The Council has satisfied the requirements as directed by the Common Council on June 22, 2021 and Ordinance No. 2651 to hold this meeting via electronic means. The full text of this ordinance and the minutes from the above mentioned meeting can be viewed at www.newberlin.org

Any comments that the public wishes to make may be communicated to the city via email at citizencomments@newberlin.org and will be forwarded to the Mayor and City Council. Interested parties may also participate by:

- Downloading the ZOOM app located at <https://zoom.us/> and utilize this unique ID to join: 814 6210 5590
- Following this direct link to the meeting: <https://us02web.zoom.us/j/81462105590>
- Find your local number: <https://us02web.zoom.us/j/81462105590>

AGENDA

CALL MEETING TO ORDER

ROLL CALL; DECLARATION OF QUORUM; PUBLIC NOTICE

APPROVAL OF MINUTES

February 8, 2022 Committee of the Whole Meeting Minutes

February 22, 2022 Committee of the Whole Meeting Minutes

UTILITIES & FINANCE

Approval of March 9, 2022 claims for Water Utility in the amount \$331,547.87, Sewer Utility claims in the amount of \$16,447.67, General City claims in the amount of \$543,024.38. Tax overpayment checks totaling \$141,380.90 were also generated.

LICENSES & PERMITS

Operator (Bartender) license applications for the licensing period ending June 30, 2023 per the list as presented.

MISCELLANEOUS

Update from City Assessor Tim Kosteretz

ADJOURN

PLEASE NOTE:

- ✓ It is possible that action will be taken on any of the items on the agenda and that the agenda may be discussed in any order. It is also possible that members of and possibly a quorum of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.
- ✓ Also, 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, contact City Clerk Georgia Stanford (262) 786-8610.



City of New Berlin

City of New Berlin ▪ 3805 S. Casper Drive ▪ New Berlin, Wisconsin 53151-0921 ▪ (262)786-8610 ▪ www.newberlin.org

ITEM INFORMATION COVER SHEET

ITEM:

February 8, 2022 Committee of the Whole Meeting Minutes

ATTACHMENTS:

1. 2/8/22 COW MINUTES

DEPARTMENT:

CLERK'S DEPARTMENT

ITEM INTRODUCED AT:

COMMITTEE OF THE WHOLE, 2/22/22 MEETING

FURTHER REVIEW/ACTION REQUIRED?:

YES, COMMON COUNCIL – CONSENT AGENDA, 2/22/22 MEETING



NEW OPERATOR (BARTENDER) LICENSE APPLICANTS

Council Meeting Date: March 8, 2022

The below individuals hereby make application to the Common Council of the City of New Berlin for an Operator's (Bartender) License to serve fermented malt beverages and intoxicating liquors subject to Wisconsin Statutes and City of New Berlin Ordinances for the period ending June 30, 2023.

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Applicant's Name		Invited	Place of Employment as Operator	Applying for License
1.	Lydia Heczko		Mary's Caddyshack	Operator's 2 Year
2.	Nathan Johnson		Varsity Club	Operator's 2 Year
3.	Tyler T. Savignac		n/a	Operator's 2 Year
4.	Shalissa F. Klosky		Speedway	Operator's 2 Year



CITY ASSESSOR'S OFFICE 2022 UPDATE



Mission

- ▶ **Produce** fair & equitable property assessments
- ▶ **Defend** the tax-base
 - ▶ Request for Review - of property record and assessment
 - ▶ Appeals - Board of Review; Circuit Court; Tax Appeals Commission
- ▶ **Administer** assessment, property tax exemption & classification statutes
- ▶ **Document & Report** overall assessment performance
- ▶ **Provide** excellent service to the public & public officials
- ▶ **Support** peer agencies
 - ▶ Department of Revenue - Div. of State and Local Finance
 - ▶ Waukesha County - Property Lister's office
 - ▶ New Berlin - Development, Planning, GIS, Engineering, Inspection, Finance, Emergency Management

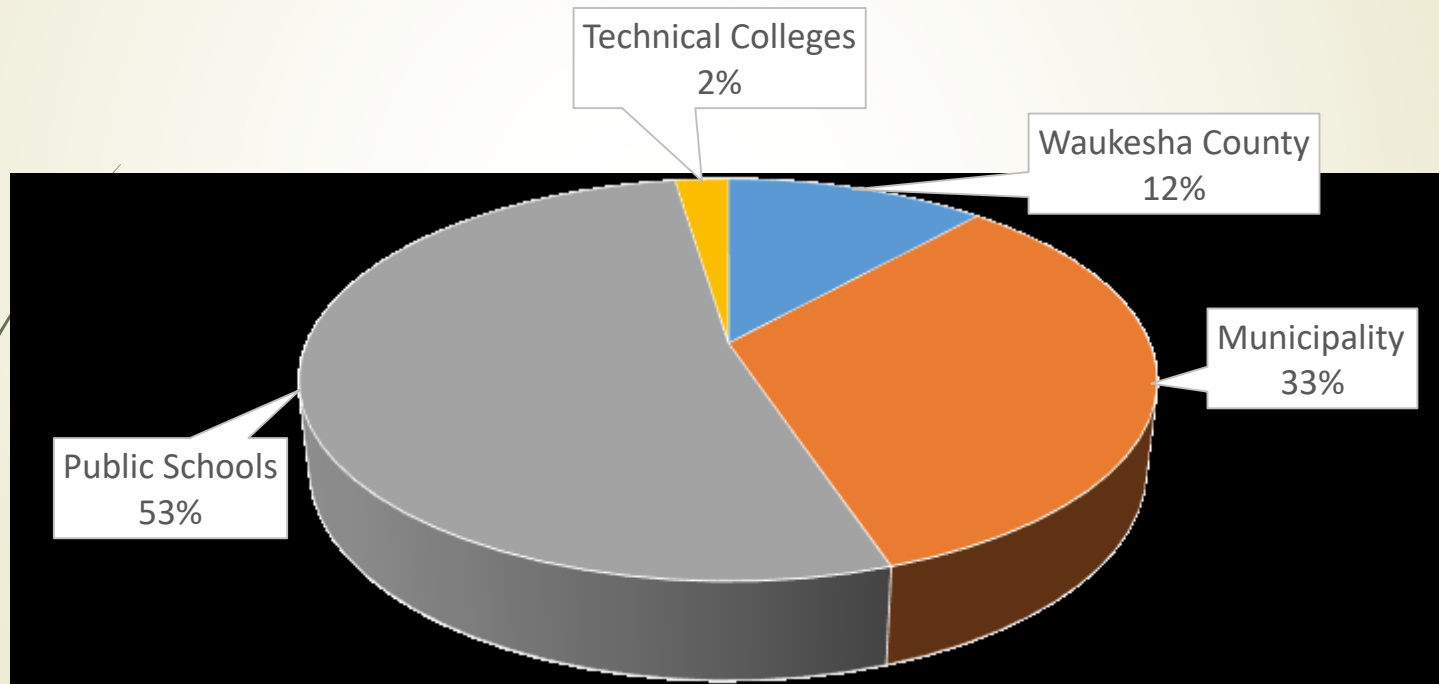


Why we Assess Property

- 
- ▶ Property Tax is the most stable revenue source compared to fees, sales or income tax
 - ▶ Assessments allocate taxes fairly between commercial & residential property and among neighbors.

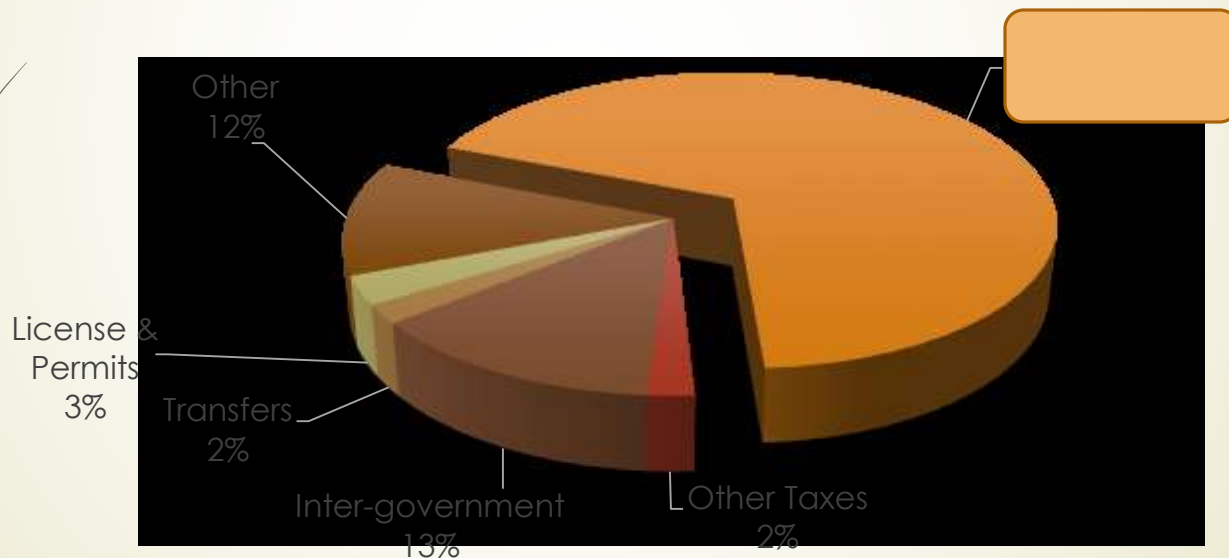
The Tax Levy supports

City, Schools, County, Tech Colleges (using 2021 data)



Tax Levy results in almost 70% of annual revenues - 2020

Revenue Sources





How We Assess Property



- **Record** property ownership & use updates
- **View**, sketch & photograph assessable property
- **Describe** wear & tear, utility & market influence factors
- **Estimate** market impact of physical changes to property
- **Identify** market trends as they affect supply & demand
- **Evaluate** market factors to identify non-market sales
- **Design & calibrate** mass appraisal valuation model

Total Equalized Value

\$6,270,870,100 (+ 7%)

Net New Construction = 1.23 %

City or Village	2021 % Eq. County Value	2021 Equalized Value	2021 DOR Economic Change	2021 NNC	2020 NNC	2019 NNC	2018 NNC
Brookfield	12.26%	8,192,033,600	6%	2.05%	2.39%	1.46%	1.23%
/Waukesha	11.33%	7,762,818,900	9%	.81%	1.18%	1.01%	0.86%
New Berlin	9.59%	6,270,870,100	7%	1.23%	1.12%	1.28%	1.10%
Men. Falls	8.97%	6,150,246,600	9%	2.53%	2.08%	1.76%	2.39%
Pewaukee	5.76%	3,741,123,300	6%	.86%	1.40%	1.66%	2.22%
Muskego	5.52%	3,695,735,500	6%	1.92%	1.68%	1.05%	2.05%
All other Waukesha County Communities are below 5% of Equalized							

New Berlin – 2021

Total Equalized Value \$6,270,870,100 (+ 7%)

Commercial Class = 24% of tax-base

City or Village	MFG	2021 Equalized Commercial	% of Total	April 1, 2020 Pop	Per Capita EQV
Brookfield	37	2,444,666,381	33%	41,464	58,959
Waukesha	139	2,448,502,942	37%	71,158	34,409
New Berlin	107	1,593,458,083	30%	40,451	39,392
Menomonee Falls	152	1,929,349,614	39%	38,527	50,078
Pewaukee	55	1,258,303,293	35%	15,914	79,069
Muskego	31	434,536,600	12%	25,032	17,359

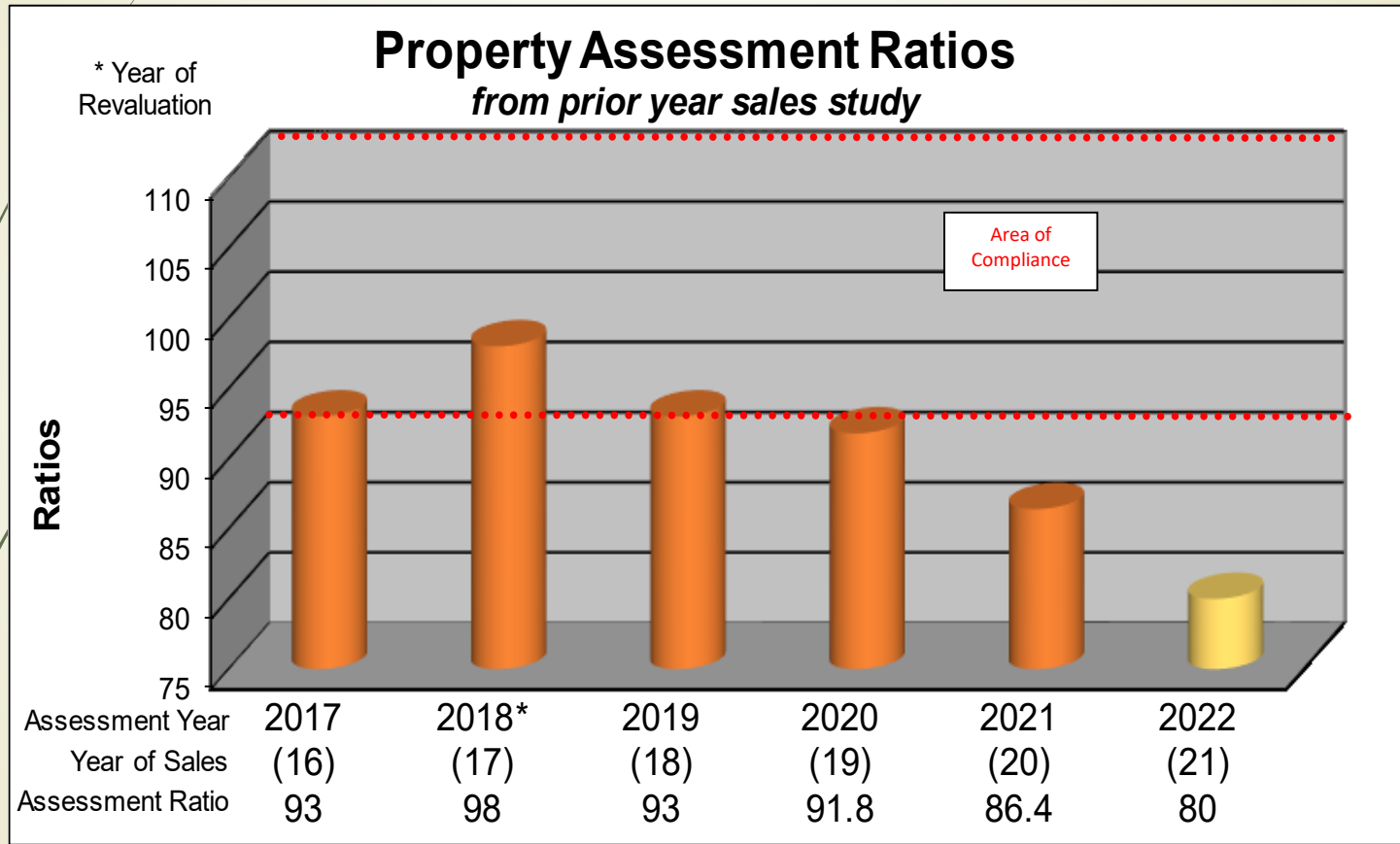


2021 Assessment Roll Activity

Maintenance year

- ▶ **Land records recorded – 9,293**
 - ▶ 1,323 - Conveyance Documents Investigated
 - ▶ 146 Miscellaneous recordings reviewed
 - ▶ 486 Non-market sales identified
 - ▶ 691 Market sales verified
- ▶ **Property records reviewed or physically inspected**
 - ▶ 691 Real estate sales
 - ▶ 1,727 Building permits
 - ▶ 878 Assessment changes made
- ▶ **Appeals**
 - ▶ 42 Open Book reviews over 10 days
 - ▶ 5 Commercial & 4 Residential Value changes
 - ▶ Zero Board of Review hearings
 - ▶ Walmart appeals at Circuit Court
 - ▶ 2018, 2019, 2020 & 2021*

Assessment Level Trend



2022 Projected ratio = 80%
From 2021 sales ratio study



Assessment Performance

Residential Coefficient of Dispersion

Sales-Year	COD
2017	7.80%
2018 revaluation	6.81%
2019	7.75%
2020	8.95%
2021	13.81%

The COD measures how close the sale price of each property was to our assessment.

05 – 10	Excellent
11 – 15	Good
16 – 20	Fair
21 – 30	Poor

Equalized Value Changes by Class

Classification	% +/-	2021 Equalized
Residential	8%	\$4,633,052,500
Commercial	8%	\$1,288,255,300
Farm Improvements	9%	\$16,159,700
Forest	-8%	\$5,106,200
Undeveloped	3%	\$1,633,800
Agricultural	1%	\$567,400
Manufacturing PP	-13%	\$18,434,000
Manufacturing RE	-2%	\$228,251,000
Personal Property	-11%	\$79,410,200
Total	7%	\$6,270,870,100

TID #3 - Growth

New Berlin - Class A Industrial

2020 Full Base Value	2020 Full Value	% Change	2021 Increment	2021 Full Value
729,000	24,938,900	50%	12,420,400	37,359,300



ECM
Industries



Amazon

TID #4 - Growth

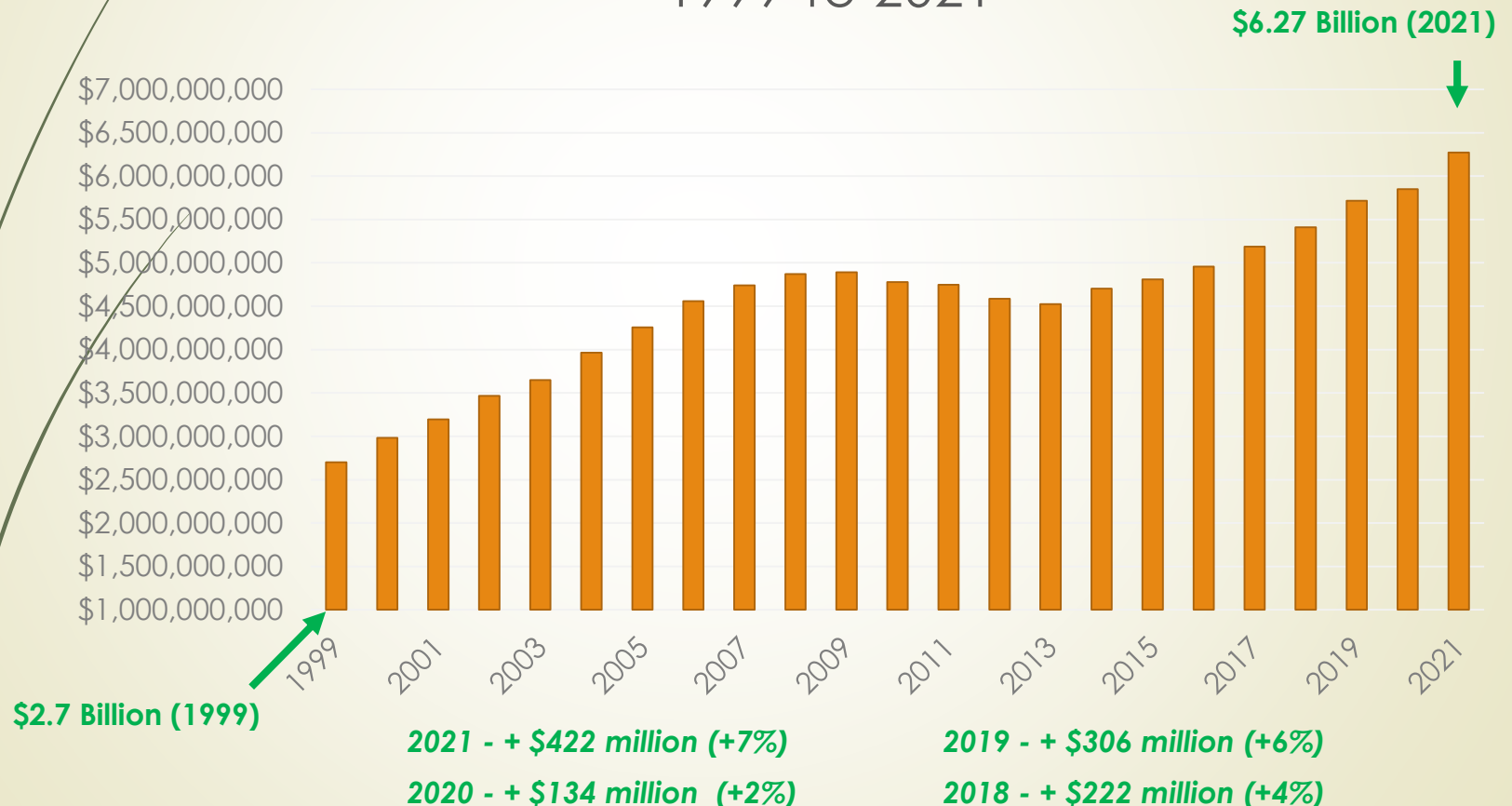
New Berlin – Mid Class Hotel

2020 Full Base Value	2020 Full Value	% Change	2021 Increment	2021 Full Value
13,234,500	13,234,500	5%	709,600	13,944,100



Equalized Values Over Time

1999 to 2021



Equalized Value Ranking

2021 Rank	Municipality	2021 Equalized Value	% Change	2020 Equalized Value	2020 Rank
1	Milwaukee	35,331,228,900	12.3%	31,452,246,300	2
2	Madison	32,940,368,400	-0.3%	33,036,794,000	1
3	Kenosha	8,308,462,100	9.0%	7,621,873,500	4
4	Brookfield	8,192,033,600	6.2%	7,713,940,200	3
5	Green Bay	8,051,247,100	8.8%	7,399,206,300	5
6	Waukesha	7,762,818,900	9.1%	7,117,690,000	6
7	Wauwatosa	7,545,981,900	9.9%	6,863,838,600	7
8	Appleton	6,688,360,800	7.9%	6,200,311,200	8
9	Eau Claire	6,487,588,600	10.2%	5,885,065,600	9
10	New Berlin	6,270,870,100	7.2%	5,849,283,800	10
11	Menom. Falls	6,150,246,600	9.4%	5,621,021,400	11
12	Janesville	6,069,240,100	8.5%	5,591,259,700	12
13	Mequon	5,403,150,300	3.3%	5,232,431,000	13
14	Franklin	4,887,373,400	6.5%	4,587,752,500	14
15	Pleasant Prairie	4,854,697,900	13.1%	4,293,777,600	18
16	Oshkosh	4,821,112,500	8.1%	4,460,244,100	15
17	West Allis	4,780,905,200	10.6%	4,324,118,600	17
18	La Crosse	4,672,574,900	7.9%	4,331,406,700	16
19	Oak Creek	4,618,317,600	9.5%	4,215,753,700	19
20	Middleton	4,263,315,100	4.6%	4,077,208,800	20
21	Racine	4,252,000,400	6.9%	3,977,875,700	21

Average = 8%



Current Real Estate Market Overview



New Berlin Single Family Market as of end of Summer market 2021

- ▶ Average Marketing Metrics:
 - ▶ List to Sale Ratio = 103%
 - ▶ Marketing-time - 4 days
 - ▶ (2020 - 6 days)
- ▶ Absorption – 22 Days
 - ▶ (2020 – 30 days)



New Berlin Single Family Market as of end of Summer market 2021

- ▶ Volume:
 - ▶ Sales – down 15%
 - ▶ Listings – down 22%

 - ▶ Pricing
 - ▶ Average List Price
 - ▶ \$334,950 up 4.7%

 - ▶ Average Sale Price
 - ▶ \$340,950 up 10%
- 



New Berlin Single Family Market - Current

- ▶ Mortgage Rates
 - ▶ 30-year fixed – 4.23%
 - ▶ Up 50% on the year
- ▶ 16 Lots for sale currently
 - ▶ 12 – Randomly situated
 - ▶ 100,000 – 475,000
 - ▶ 3 - Upland Ridge
 - ▶ ~\$210,000
 - ▶ 1- Kohler Ridge
 - ▶ ~\$142,900

Looking Forward 2022

Residential Market Uncertainty

▶ Residential Market Prospective

Current robust market conditions may extend or expand in 2022 with rising interest rates, and continued long-term diminished supply as buyers and sellers hop into the market to beat rising rates.

Improving
unemployment

Improving job-
growth numbers

Historically low
interest rates



Lagging
consumer
confidence

Global &
domestic supply
chain problems

Patterns of local,
regional and
global conflict

It is difficult to predict how 2022 will unfold.

Looking Forward 2022

Commercial Market Uncertainty

➤ Commercial Market Prospective

The commercial market will continue to experience instability. Although New Berlin has a relatively stable mix of commercial property types that ride out economic instability well with minimal areas of market risk overall.

Investment Property of
all types selling well

Lagging consumer
confidence

Industrial & Multi-
family property has
been at a premium



Evolving
Workplace Models

Historically low
interest rates

Degrading global &
domestic production &
distribution trends

It is difficult to predict how 2022 will unfold.

Assessor's Office

Current Status

Data Conversion and Mass Appraisal Modeling projects

2022 will be a maintenance year so assessment changes will be limited to remodeling & new construction in newly platted or legacy neighborhoods.

In consultation with the Supervisor of Equalization at the Department of Revenue, it has been recommended that we complete our data perfection process prior to developing the new mass-appraisal valuation model

Therefore, we are advised to delay the next citywide revaluation until 2024.

- ▶ *Data Conversion 2020 - 2021*
 - ▶ *Mainframe legacy Tyler-mass appraisal system to SQL-server Market Drive (used by 68% of jurisdictions in the State)*
 - ▶ *Data conversion successful*
 - ▶ *Data perfection still in process*

- ▶ *Mass Appraisal Model Development 2022 - 2023*
 - ▶ *Three stages - Design, specification & calibration*
 - ▶ *Valuation and testing*

Assessor's Office

*Public Relations Plan
for the upcoming citywide revaluation
~In conjunction with the Clerk's office~*

Setting

- ▶ Historic property value increases since 2020 and the necessity of the a delay in performing the next citywide revaluation
 - ▶ Property values will be taxed at assessment levels well-below current market values for 2022 and 2023.
 - ▶ The assessment ratio that appears on tax bills will be much lower than normal and may reach below 80% of full market value before the Revaluation is complete.
 - ▶ The Supervisor of Equalization at the Department of Revenue has indicated that our plan to perform a delayed 2024 revaluation is permissible within the regulatory compliance framework when approved by his office.

Public Relations Plan - 2023

- ▶ Tax bill inserts & quarterly articles and reminders & website features (Community Relations)
 - ▶ Unusual historic nature of recent market activity
 - ▶ Low pre-surge property assessments
 - ▶ Likelihood of large increases to most property assessments
 - ▶ Reminder that when all assessments increase at the same time, the tax-rate decreases proportionally, when the tax levy remains stable.

Assessor's Office

Five Year Plan

2020 - 2025

2022 will be a maintenance year so assessment changes will be limited to remodeling & new construction in newly platted or legacy neighborhoods.

In consultation with the Supervisor of Equalization at the Department of Revenue, we have decided to hold the next revaluation in 2024.

Assessment Year	Time Frame	Action Plan	Level of Assessment
2020	June 2019 - May 2020	DATA CONVERSION (MAPPING + VALIDATION)	91%
2021	June 2020 - May 2021	POST-CONVERSION DATA PERFECTION	86%
2022	June 2021 - May 2022	REVALUATION DATA PERFECTION & MODEL SPECIFICATION	~ 80%
2023	June 2022 - May 2023	REVALUATION MODEL CALIBRATION, TESTING & VALUATION	~ 77%
2024	June 2023 - May 2024	FIRST REVALUATION YEAR PER DOR	100%
2025	June 2024 - May 2025	FIRST MAINTENANCE YEAR POST REVALUATION	~ 98%



*Thank you for
your support
of our mission*