

**BIG LAKE CITY COUNCIL  
BOARD OF APPEAL AND EQUALIZATION MEETING MINUTES  
APRIL 8, 2009**

**1) CALL TO ORDER**

Mayor Lori Kampa called the meeting to order at 5:00 p.m.

**2) ROLL CALL**

Council Members present: Dick Backlund, Raeanne Danielowski, Chuck Heitz, Lori Kampa, and Duane Langsdorf. Also present: City Administrator Scott Johnson, Finance Director Corey Boyer, Police Chief Sean Rifenberick (arrived at 5:35 p.m.), City Clerk Gina Wolbeck, Sherburne County Assessor Gerald Kritzeck and Assessor's Office staff.

**3) ADOPT PROPOSED AGENDA**

Council Member Heitz motioned to adopt the proposed Agenda as presented. Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

**4) BUSINESS**

**4A) Board of Review**

Gerald Kritzeck addressed Council with the 2009 Board of Review requirements. Kritzeck reviewed the standards used when figuring increases and/or decreases in valuations. Kritzeck noted that State law mandates the assessor to value property at market value and classify it according to its use as of January 2<sup>nd</sup> of the assessment year. The timeline of the assessment allows for an appeals process and the compilation of tax capacities which are then reported to the Auditor/Treasurer and used to calculate taxes for the following year. The current 2009 Notification of Valuation and Classification statement reflects market values determined as of the January 2, 2009 assessment date which uses statistical data compiled from actual real property sales occurring from October 1, 2007 through September 30, 2008. The residential real estate market is being influenced by extreme economic factors, including foreclosures that have not been seen in recent history. The County's valuation is a snapshot in time, and during periods in which real estate prices are rapidly changing, mass appraisal assessment values will often lag from what is occurring in the current marketplace. This is true whether the market is appreciating or declining in value, and they are seeing this to a great degree within the current market study only six months after it has been completed. It is very important that values of similar properties are

equalized with one another so that even in challenging markets, valuations of similar properties will be treated fairly in the taxation process. The current market study included analysis of all qualified arm's length, and open market sales. Kritzeck identified that they reassessed 645 parcels for the 2009 tax year. Kritzeck explained that the building schedule for the 2009 assessment year was lowered by 15% with the exception of a few developments. Kritzeck also noted that 10% of the property owners contacted refused entry or failed to respond and that those properties of homeowners who failed to respond were increased by an additional 50% of the current building value. Council Member Heitz questioned Kritzeck on discussions held at the 2008 Board of Appeal meeting when the Assessor noted that if sales went over a certain percentage, then bank and foreclosure sales would be considered. Kritzeck apologized to the Council for the misinformation and noted that a Regional Department of Revenue representative had misinformed County staff to that regard and that the Department of Revenue stands firm on not allowing comparables for foreclosure, short, or bank sales as they do not represent true market value.

Mayor Kampa invited residents to approach the podium to discuss their grievances regarding the valuation on their properties.

1. **(65-459-0150); Gary and Shari Snyder**, 130 Euclid Court

Gary Snyder addressed the Board to formally appeal his Arbitrary Reassessment and the County Assessor's requirement for entrance into the home. Carla Abrahamson clarified that Mr. Snyder has received an Arbitrary Re-Assessment because he refused entry to County staff to conduct a valuation inspection. Kritzeck discussed the shared responsibility of both the Assessor's Office and the tax payer in relation to conducting reassessments every 5 years and noted that if the property owner refuses entry, an Arbitrary Reassessment is placed on the property. The County policy is to reassess at a 50% increase until the property owner allows an inspection and a physical assessment can be completed. Kritzeck also informed Council that State law prohibits the Board from adjusting the valuation until the Assessor is allowed onto the property.

Council Member Langsdorf motioned to approve "No Action" for the property located at 130 Euclid Court based upon Arbitrary Reassessment information provided by the Sherburne County Assessor. Seconded by Council Member Heitz, unanimous ayes, motion carried.

2. **(65-519-0115); Daniel Myers**, 1673 Grace Drive

Daniel Myers addressed the Board to contest the valuation of his property and stated that the \$255,300 valuation is grossly over inflated according to his lender and neighboring properties. Abrahamson reviewed the timeframe of this assessment period and informed the Board that she recently reassessed the home and felt it appropriate that the property receive the same 15% decrease that most of the City received. Myers disagreed with the

County that he purchased the property as a foreclosure. Discussion was held relating to legislative changes that are necessary to fix valuation issues. County staff also noted that they do not base values on “asking prices” of homes.

Council Member Heitz motioned to reduce the Land Estimated Market Value for the property located at 1673 Grace Drive by 10% (from \$82,200 to \$74,000) with no change to the structure valuation. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

**3. (65-546-0060); Lloyd Drilling and Gary Gniffke from LGL, Inc., Big Lake Marketplace 3<sup>rd</sup> Addition**

Lloyd Drilling and Gary Gniffke from LGL, Inc. addressed the Board with their concern that their Estimated Market Value (EMV) went from \$1,361,000 to \$1,906,700. Drilling and Gniffke noted that they would like to see the EMV at the more realistic value of \$1,300,000. Kritzeck reviewed the recent seven year plat law changes that require that the property be at full market value. Kritzeck also noted that the commercial values were reduced by 20% this year. Gniffke and Drilling discussed the possibility of turning the zoning back to agriculture and renting the land out for the same purpose. The Assessor’s staff offered to conduct a site inspection to see if this is a feasible concept.

Council Member Langsdorf motioned to reduce the Land Estimated Market Value for the commercial property identified as parcel no. 65-546-0060 from \$1,906,700 to \$1,500,000. Seconded by Council Member Heitz, unanimous ayes, motion carried.

**4. (65-518-0165); Nathan Anderson, 5385 Highland Trail**

Nathan Anderson addressed Council with his concern of the Estimated Market Value the County has placed on his residential property. Anderson purchased the property as a Short Sale on September 30, 2008 for \$166,000. The 2009 EMV is \$211,300. Anderson noted that he feels the EMV should be set no more than \$180,000.

Council Member Heitz motioned to reduce the Land Estimated Market Value for the property located at 5385 Highland Trail by 10% (from \$67,200 to \$60,500) and the structure Estimated Market Value by 3% (from \$144,100 to \$139,800). Seconded by Council Member Langsdorf, unanimous ayes, motion carried.

**5. (65-443-0916); Tom Short, 1481 Powell Street North**

Tom Short addressed Council to question why the County reclassified his residential property to non-homestead. Abrahamson reviewed discussions held with Short which resulted in the reclassification. Abrahamson informed Council that the homestead classification has been restored, and that the assessor’s office has been allowed onto the property so the arbitrary reassessment can be adjusted.

Council Member Langsdorf motioned to approve an Estimated Market Value reassessment for parcel no. 65-443-0916 from \$213,900 to \$143,000. Seconded by Council Member Backlund, unanimous ayes, motion carried.

6. **(65-426-0350); Janean Horton**, 249 Crescent Street

Janean Horton presented pictures of her property to Council and appealed the 2009 Estimated Market Value placed on her property. Kritzeck informed Council that this property has an arbitrary assessment placed on it due to the property owner refusing the County entry to do a reassessment after an addition was constructed. Kritzeck also discussed changes to the Limited Market Value Law and indicated that the property is now at Full Market Value. Council asked Horton to set an appointment with the Assessor's Office to conduct a reassessment of her property. Horton indicated that she would allow the Assessor's staff to conduct the reassessment.

Council Member Langsdorf motioned to approve "No Action" for the property located at 249 Crescent Street based upon Arbitrary Reassessment information provided by the Sherburne County Assessor. Seconded by Council Member Heitz, unanimous ayes, motion carried.

7. **(65-515-0512); Kelli Posthumus from Timberland Homes**, 450 Shannon Street  
Kelli Posthumus representing Timberland Homes addressed Council with her appeal of two vacant land properties in the Wright's Crossing Development. Posthumus explained that the parcels have been on the market for 15 months and that they had expected a reduction in valuation this year. Assessor's staff noted that there is insufficient sales information to justify a reduction and that the plat is almost built out.

Council Member Langsdorf motioned to reduce the Vacant Land Estimated Market Value for parcel no. 65-515-0512 by 10% (from \$50,200 to \$45,200). Seconded by Council Member Danielowski, unanimous ayes, motion carried.

Council Member Langsdorf motioned to reduce the Vacant Land Estimated Market Value for parcel no. 65-515-0450 by 10% (from \$50,200 to \$45,200). Seconded by Council Member Heitz, unanimous ayes, motion carried.

Mayor Kampa and Council Member Heitz excused themselves from the Board of Appeal and Equalization Hearing at 7:07 p.m. to attend the Metropolitan Council Public Hearing for the Northstar Fare Rates.

8. **(65-548-0220); Michael Kehn**, 20799 Pacific Street

Michael Kehn addressed Council to appeal the Estimated Market Value placed on his newly purchased home that he paid \$246,000 for in the Hidden Rivers Development. Kehn indicated that he has an appraisal on the property in the amount of \$250,000. The

EMV for 2008 was \$337,800 and was lowered to \$296,400 in 2009. Kritzeck informed Council that the property was a New Construction Foreclosure and that the builder went bankrupt.

Council Member Langsdorf motioned to reduce the Land Estimated Market Value for the property located at 20799 Pacific Street by 10% (from \$87,400 to \$78,700) and the structure Estimated Market Value by 3% (from \$209,000 to \$202,700). Seconded by Council Member Danielowski, unanimous ayes, motion carried.

9. **(65-113-4305); Mark and Pam Lindula**, 971 Nicollet Avenue

Pam and Mark Lindula addressed Council with their appeal of the Estimated Market Value placed on their property located at 971 Nicollet Avenue. Pam Lindula expressed her concern that the County is choosing not to include foreclosures or short sales in their valuation calculations. Kritzeck informed Council that this property has had an arbitrary reassessment for 2004 and again for 2009 due to the property owners refusing the County entry to conduct an assessment inspection. The Lindulas stated their concern with how the County Assessor's Office handles complaints from residents. Kritzeck reviewed their policies and procedures when dealing with resident complaints and issues. Council asked the Lindulas to set an appointment with the Assessor's Office to conduct a reassessment of their property. The Lindulas indicated that they would consider allowing an inspection, but that they still do not agree with how the County Assessor's Office operates.

Council Member Langsdorf motioned to approve "No Action" for the property located at 971 Nicollet Avenue based upon Arbitrary Reassessment information provided by the Sherburne County Assessor. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

10. **(65-548-0520); Bradley Paumen from Paumen Properties**, Developer for Hidden River Estates

Bradley Paumen addressed the Council to discuss the values placed on residential properties. Paumen stated that he feels the vacant lots in this development should have been lowered more than the 10% reduction that they received. Paumen noted that he understands the difficult position the Council is in when law dictates how valuations are calculated. Paumen did not make a formal appeal of the properties.

Council Member Langsdorf motioned to approve "No Action" for the Estimated Market Values on the vacant parcels located in the Hidden Rivers Development based upon no official appeal being submitted by the property owner. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

11. **(65-537-0308); Gary Meyer**, 20349 Junegrass Drive

Gary Meyer submitted a written appeal of the Estimated Market Value on his residential property located at 20349 Junegrass Drive. Meyer indicated that he would present his appeal at the County Board of Appeal and Equalization Hearing in June.

Council Member Backlund motioned to approve “No Action” for the Estimated Market Value on the residential property located at 20349 Junegrass Drive. Seconded by Council Member Danielowski, unanimous ayes, motion carried.

Mark Klein (65-443-0130), 164 Hiawatha Avenue – Signed in on the attendance sheet at the Board of Appeal and Equalization Hearing, but did not stay to present an official appeal of his Estimated Market Value. No written appeal was officially received by the Board. No action taken.

Assessor’s staff reviewed a written appeal of a Commercial property identified as parcel numbers 65-420-0040 and 65-420-0035. The County Assessor’s Office offered to conduct an inspection of the parcel prior to the County Board of Appeal Hearing. The property will have an opportunity to appeal those findings at that hearing if needed.

Council Member Danielowski motioned to approve “No Action” for the property identified as parcel no. 65-420-0040 and parcel no. 65-420-0035. Seconded by Council Member Baclund, unanimous ayes, motion carried.

The Assessor’s staff also reviewed residential property valuation changes to the 2009 Assessment for arbitrary reassessment properties that have been reevaluated after the Notices of Valuation and Classification were mailed out. The Assessor’s Office is proposing an Estimated Market Value for Parcel #65-498-0306 in the amount of \$169,900, an Estimated Market Value for Parcel #65-495-0360 in the amount of \$180,500, an Estimated Market Value for Parcel #65-434-0230 in the amount of \$196,100, an Estimated Market Value for Parcel #65-412-0175 in the amount of \$122,000, an Estimated Market Value for Parcel #65-430-0230 in the amount of \$152,200, an Estimated Market Value for Parcel #65-449-0310 in the amount of \$221,100, an Estimated Market Value for Parcel #65-483-0140 in the amount of \$165,700, an Estimated Market Value for Parcel #65-511-0408 in the amount of \$205,700, and an Estimated Market Value for Parcel #65-491-0240 in the amount of \$174,600.

Council Member Danielowski motioned to approve assessment valuation changes to the residential parcels identified as discussed. Seconded by Council Member Backlund, unanimous ayes, motion carried.

**5) ADJOURN**

Council Member Danielowski motioned to adjourn at 8:00 p.m. Seconded by Council Member Backlund, unanimous ayes, motion carried.

          Gina Wolbeck            
Clerk

Date Approved By Council   04/22/09