BIG LAKE CITY COUNCIL
BOARD OF APPEAL AND EQUALIZATION MEETING MINUTES

APRIL 9, 2008

1) CALL TO ORDER

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

2) ROLL CALL

Council Members present: Dick Backlund, Chuck Heitz, Lori Kampa, and Patricia May. Council Member absent: Mayor Don Orrock. Also present: City Administrator Scott Johnson, Finance Director Corey Boyer, Police Chief Sean Rifenberick, Police Officer Sam Olson, City Clerk Gina Wolbeck, City Engineer Bradley DeWolf from Bolton and Menk, Inc., 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 May, unanimous ayes, motion carried.

4) BUSINESS
4A) Board of Review

Gerald Kritzeck addressed Council with the 2008 Board of Review requirements. Mr. Kritzeck reviewed the standards used when figuring increases and/or decreases in valuations, and informed Council that they reassessed 622 parcels for the 2008 tax year. Mr. Kritzeck explained that the estimated market value of properties with no lake influence were reduced by 5%, and properties with lake frontage/access/view were unchanged from 2007. Mr. 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. John Cullen reviewed commercial properties and cell tower leases in the City and explained how these types of facilities are assessed. Council questioned the Assessor on if foreclosed properties are affecting their valuation calculations this year. Mr. Kritzeck explained that the MN Department of Revenue recommends that foreclosed property sales not be used as comparables unless a community has at least 30% in foreclosure sales between October 1st through September 30th of a given year, which is the sales assessment period as defined by State Statute.

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

1. <u>Erv Danielowski</u> (65-449-0205); 981 Nicollet Avenue – Addressed the Board to state his concern with the valuation of his property. Mr. Danielowski did not file a formal contest to his valuation. No action was taken by Council.

2. <u>Melba Grandlund</u> (65-429-0765); 3424 – 18th Avenue So. Mpls. – Addressed the Board to contest the valuation on her property due to her inability to sell her property for the last two years even at the Estimated Market Value.

Council Member Heitz motioned to change the Estimated Market Value for the property located at 137 Park Avenue West from $166,500 to $150,000. Seconded by Council Member May , unanimous ayes, motion carried.

4. <u>Victoria O'Gara</u> (65-521-0110); 201 Montana Avenue – Addressed the Board to contest the valuation on her property and presented Council with a recent certified appraisal that was done on the property. Carla Abrahamson offered to conduct a re-assessment of the property to ensure a fair valuation and that the resident has the right to contest the re-assessed amount at the County Board of Appeals in June.

Council Member Heitz motioned to approve "No Action" for the property located at 201 Montana Avenue. Seconded by Council Member May, unanimous ayes, motion carried.

5. <u>Carol Oveson</u> (65-433-0450); 160 Edgewater Place – Addressed the Board to contest the valuation on her lakeshore residential property and felt that the assessor should have considered a greater decrease in the 2008 valuations. Ms. Oveson also stated the importance for residents to contact their legislatures to inform them of the need for assessment reform. Ms. Abrahamson noted that lakeshore property valuations are set at only 85% and that they should really be closer to 90%.

Council Member Heitz motioned to reaffirm the valuation set by the Sherburne County Assessor for the property located at 160 Edgewater Place. Seconded by Council Member May, unanimous ayes, motion carried.

6. <u>Allan Kilmer</u> (65-439-0535); 751 Brom Lane – Addressed the Board to contest the valuation of his property. Carla Abrahamson offered to conduct a re-assessment of the property to ensure a fair valuation and that the resident has the right to contest the re-assessed amount at the County Board of Appeals in June.

Council Member May motioned to approve "No Action" for the property located at 751 Brom Lane. Seconded by Council Member Backlund, unanimous ayes, motion carried.

7. <u>John Donovan</u> (65-526-0320); 903 Independence Drive – Addressed the Board to contest the valuation of his townhome property and that the $177,500 assessed value far exceeds his appraised value of $150,000 and recent sales in his area. Ms. Abrahamson informed the Board that the recent sales were foreclosed properties and cannot be used as comparables. Mr. Donovan disagreed with Ms. Abrahamson's statement that the sales were foreclosures. The Assessor's staff provided documentation that three of the four sales were foreclosed properties. Mr. Donovan apologized to the Board for his assumption that the sales were not foreclosures.

Council Member Heitz motioned to change the Estimated Market Value for the property located at 903 Independence Drive from $177,500 to $150,000. Seconded by Council Member May , unanimous ayes, motion carried.

8. <u>Pete Ahrens</u> (65-560-0110); 19624 – 166th Street – Addressed the Board to contest the classification and valuation of his property. The Board explained to the Assessor's staff that the City and the Township both agreed to allow Mr. Ahrens to keep his approximately six acres of land zoned agricultural when his property was split out to make way for the Great River Energy industrial project. Mr. Ahrens noted that he currently farms 40 acres and that his property is definitely used for an agricultural purpose. Assessor's staff explained that they would need copies of Mr. Ahrens Schedule "F" and lease agreement and that the County will confirm with the FSA if Mr. Ahrens is the agricultural operator on specific parcels to confirm if the use is agricultural. The Board also directed City staff to forward agreements the City and Township have with Mr. Ahrens related to zoning of the parcel. Assessor's staff indicated that upon review of the required documents, the County will make a determination on the classification of the parcel and Mr. Ahrens will have the right to contest the re-assessed classification at the County Board of Appeals in June.

Council Member May motioned to approve "No Action" for the property located at 19624 – 166th Street. Seconded by Council Member Heitz, unanimous ayes, motion carried.

9. <u>Anthony Thompson</u> (65-019-4400); 130 Eagle Lake Road South– Addressed the Board to contest the valuation of the property located behind his residential property. Mr. Thompson explained that his residential property previously had an Arbitrary Re-Assessment which has been corrected, but that the property located behind him still has an Arbitrary Re-Assessment.

Council Member Backlund motioned to change the valuation for the property identified as 65-019-4400 from $19,500 to $15,000. Seconded by Council Member Heitz, unanimous ayes, motion carried.

Council Member May motioned to recess the Board of Review Hearing at 7:04 p.m. until after the Regular Council Meeting scheduled at 7:00 p.m. is opened and recessed. Seconded by Council Member Backlund, unanimous ayes, motion carried.

Council Member May motioned to reconvene the Board of Review Hearing at 7:05 p.m. Seconded by Council Member Heitz, unanimous ayes, motion carried.

10. James Lake (65-496-0104); 21467 CR 73 – Addressed the Board to contest the valuation of his property and provided the Board with information on the 7.2% average decrease in property values in the area. The Board discussed the County's proposed 5% decrease in valuations and felt that it would not be fair to give Mr. Lake a 7.2% decrease when the rest of the City would only receive 5%.

Council Member Heitz motioned to reaffirm the valuation set by the Sherburne County Assessor for the property located at 21467 CR 73. Seconded by Council Member Backlund, unanimous ayes, motion carried.

11. Robert McDowall (65-558-0010); 181 Hiawatha Avenue – Addressed the Board to contest the valuation of his property that lies between Mitchell Lake and Hiawatha Avenue. Upon further investigation by the Assessor's staff, they felt that lowering the valuation on this parcel to $4,900 is justified.

Council Member Heitz motioned to change the valuation for the property identified as Parcel No. 65-558-0010 to $4,900. Seconded by Council Member May, unanimous ayes, motion carried.

12. Ronald Gray (65-479-0115); 1121 Manitou Street – Addressed the Board to contest the 26% increase in valuation on his property. Acting Mayor Kampa clarified with Mr. Gray that he has received an Arbitrary Re-Assessment because he did not respond to the County for an inspection of his property. Mr. Kritzeck informed Council that the Board may not adjust the value until the Assessor is allowed onto the property. Mr. Gray expressed that he does not want Ms. Abrahamson or Mr. Kritzeck on his property. Assessor's staff Dave Selbitschka and Greg Olson along with the Big Lake Police Chief will attend a re-assessment inspection at Mr. Gray's property on Thursday, April 10th at 2:00 p.m. Mr. Gray has the right to contest the re-assessed amount at the County Board of Appeals Hearing on June 17th.

Council Member May motioned to approve "No Action" for the property located at 1121 Manitou Street. Seconded by Council Member Heitz, unanimous ayes, motion carried.

13. <u>Daniel Cleland</u> (65-479-0120); 1119 Manitou Street – Addressed the Board to contest the valuation on his property. Assessors staff clarified that Mr. Cleland has received an Arbitrary Re-Assessment because he did not respond to the County for an inspection of his property. Mr. Cleland apologized to the Assessor's staff for not being available for the inspection and offered to schedule an appointment for a re-assessment of the property. Mr. Cleland will have the right to contest the re-assessed amount at the County Board of Appeals Hearing on June 17th.

Council Member Heitz motioned to approve "No Action" for the property located at 1119 Manitou Street. Seconded by Council Member May, unanimous ayes, motion carried.

Assessor's staff reviewed an Agricultural property located north of Hwy 10 on the west end of Big Lake that they are recommending a change for to the 2008 Assessment. The Assessor's Office is proposing an Estimated Market Value for Parcel #65-123-1201 in the amount of $451,600 due to the property owner supplying a copy of the 2008 Farm Agreement which states that the renter will continue to rent and farm the parcel for the crop year 2008.

Council Member May motioned to approve assessment valuation changes to the agricultural parcel identified as discussed. Seconded by Council Member Backlund, unanimous ayes, motion carried.

Assessor's staff reviewed a Commercial property located at 450 Jefferson Blvd that they are recommending a change for to the 2008 Assessment. The Assessor's Office is proposing an Estimated Market Value for Parcel #65-410-0020 in the amount of $ 320,700 due to the vacancies at the site and the property owners supplied current income and expense data.

Council Member Heitz motioned to approve assessment valuation changes to the commercial parcel identified as discussed. Seconded by Council Member May, unanimous ayes, motion carried.

Assessor's staff also reviewed residential property valuation changes to the 2008 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 #65-468-0315 in the amount of $186,800, an Estimated Market Value for Parcel #65-425-0104 in the amount of $160,100, an Estimated Market Value for Parcel #65-468-0305 in the amount of $194,100, an Estimated

Market Value for Parcel #65-493-0608 in the amount of $190,170, an Estimated Market Value for Parcel #65-423-0115 in the amount of $207,000, an Estimated Market Value for Parcel #65-493-0328 in the amount of $194,300, an Estimated Market Value for Parcel #65-414-0144 in the amount of $144,400, an Estimated Market Value for Parcel #65-425-0107 in the amount of $175,600, an Estimated Market Value for Parcel #65-475-0514 in the amount of $222,600, an Estimated Market Value for Parcel #65-541-0108 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0110 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0112 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0114 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0202 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0204 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0206 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0208 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0212 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0214 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0216 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0218 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0222 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0304 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0310 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0312 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0328 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0402 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0404 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0406 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0410 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0412 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0414 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0416 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0420 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0504 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0506 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0508 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0510 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0518 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0520 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0522 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0604 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0606 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0608 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0610 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0614 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0616 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0620 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0622 in the amount of $56,100, an Estimated Market

Value for Parcel #65-541-0624 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0630 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0632 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0634 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0636 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0638 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0640 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0644 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0648 in the amount of $56,100, an Estimated Market Value for Parcel #65-541-0650 in the amount of $56,100, and an Estimated Market Value for Parcel #65-541-0651 in the amount of $56,100.

Council Member Heitz 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 May motioned to adjourn at 7:48 p.m. Seconded by Council Member Heitz, unanimous ayes, motion carried.

Gina Wolbeck
Clerk

Date Approved By Council 04/23/08