

The 2019 Board of Equalization meeting was held on April 16, 2019 at 9:00 a.m. at Southside Town hall. The following members were present: Chairperson Tim Hable, Supervisors John Reynolds & Jim Hallstrom & Clerk/Treasurer Carmen Merrill. Also, present: Chase Philippi and Wally Peterson, township assessors and Keith Triplett of the Wright County Assessor's office.

Chairman Hallstrom called the meeting to order and turned it over to the township assessors.

Chase Philippi opened the meeting by reading the statement regarding Local Board of Appeal and Equalization:

- The purpose of this Local Board of Appeal and Equalization is to review the 2019 assessment for taxes due and payable in 2020. The board does not have the authority to open any prior year's assessment for taxes due and payable in 2019.
- The local board does not have the authority to grant an exemption or to order property to be removed from the tax rolls.
- A quorum must be present and at least one of the members must be "Training Certified" under Minnesota statutes, section 274.014.
- Minnesota State law requires the assessor to value property at 100% of market value; however, the Statutes allow the Assessor to be within a range of 90 to 105 percent of market value.
- The sales ratio study period is from October 1, 2017 thru September 30, 2018. The sales data gathered from this study period is used to appraise property as of the January 2, 2019 assessment date.
- There were 1,9858 residential and seasonal recreational properties used in the county wide sales ratio study with a time adjusted median sales ratio of 88.59%. The non-time adjusted county-wide sales ratio was 93.09%. There was a county-wide 5.68% increase on this type of property.
- There were 24 commercial and industrial properties used in the county-wide sales ratio study. There was a county-wide 2.80% increase on this type of property.
- The formula for calculating Green Acre and Rural Preserve taxable value is statutorily determined by the Department of Revenue as required by legislative changes that took place in 2008. Green acres went down 1.5% and Rural Preserve went up seven tenths of one percent for the 2109 Assessment.
- A percentage of change reports indicate that the county-wide agricultural estimated market value was increased by 2.40% for the 2019 Assessment.
- The current assessment meets or exceeds standards for uniform assessment in all jurisdictions established by the International Association of Assessment Officers.

Summary of the Southside Township 2019 Assessment:

- During this year's study, we had 34 qualified sales used in the sales ratio study with a sales ratio of 93.57%.
- Our state time adjusted median sales ratio following all changes for market condition and equalization for the 2019 assessment is now 95.01%. This was a result of a 6% increase of total township residential value.
- Agricultural property valuations are the result of 32 sales used in the AG sales ratio study, with a median sales ratio of 97.80%. The only changes on the Market side were an increase of \$400 and \$600 in Tillable and between \$200 and \$700 per acre on Pasture and Woods value.
- The Green Acre/Rural Preserve taxable values and county factors are statutorily calculated and controlled by the Minnesota Commissioner of Revenue.
- Since the beginning of the new sales study on 10/1/2018 there have been 9 qualified sales. The qualified sales will be used for the 2020 assessment, and our current sales ratio would be approximately 93.05%.
- There was a total of 14 permits for new construction of dwellings for 2018. 2019 New home permit/carryovers to date (4/1/2019) is 2.
- Total value of new construction of 2018 was \$4,476,500.

Kevin & Laurie Miller, 217-000-142100-13659 100th St NW and 13594 100th St NW, were present to ask for a reduction in their property value. They own the land that the Wright County Flea market is held on with their home being located across 100th ST NW. Laurie stated the property valuation went up 18%. They did have an improvement to their home site property of a concrete slab and pool which accounts for approximately \$10,000 increased value. Wally had visited their property prior to the meeting and made an adjustment to the value for an unfinished attic space. Laurie also stated several of the buildings on the flea market site are not owned by the Millers. The area of the flea market is classified as commercial. They have plans to remove one or two buildings they do own due to condition. They will notify Wally once they have removed them. Wally reported the value is currently at \$615,100 but he recommends a reduction to \$552,800, a reduction of \$62,300.

Supervisor Reynolds made a motion to reduce the value from 615,100 to \$552,800 as recommended by Assessor. Supervisor Hable seconded the motion. Motion carried.

The Miller's will get a list of all the building on the site and give to Wally. Wally also stated the

2020 assessment will contain 5 classifications due to a new classification for the paintball area. Ronald Smith, 217-000-091206, 10825 Pittman Ave NW, was present to request a reduction to the value of his property. His property is 4.46 acres with a land value of \$86,800 and a 1636 sq ft house valued at \$247,100. Chase and Wally had visited the property on 04/15/2019. They found the out building was not totally finished inside, a 8'x22' area is insulated but not finished. Wally recommends a decrease in total value from \$333,900 to \$322,600.

Supervisor Reynolds made a motion to decrease the value from \$333,900 to \$322,600 as recommended by the assessor. Supervisor Hable seconded the motion. Motion carried.

Stephanie Lind, 217-034-004010, 15867 80th St NW, was present to request a change in the value of her property. It is currently valued at \$636,900 for land and \$592,300 for the home. Chase stated he has a \$7,700 value on the property for the Northridge shared area. Stephanie stated she does not believe they are part of the Northridge property owners. Chase suggested Stephanie review her abstract. If she is not part of the Northridge property owners, she should contact him, and he will reduce the value. Chase and Wally visited the site on 04/15/2019 and remeasured the entire house and guest house. The finished basement area was off by 8 sq. ft. The screen porch was devalued since it is not accessible from the inside of the home. They deleted a patio but added a deck. The storage shed is unfinished on the interior. Landscaping value was lowered. They recommend a reduction of the land to \$621,900 and the home to \$582,700 for a total value of \$1,204,600, a change of \$24,600. Supervisor Reynolds made a motion to reduce the value as recommended by the assessor. Supervisor Hable seconded the motion. Motion carried. Stephanie stated she was unaware of how much the gravel pit on 80th St and Pittman would affect her. She hears the trucks all day and there is so much dust she isn't able to keep her windows open. Chase stated he hasn't seen a decrease in property values due to the pit but he will be aware and watch for changes in the market in that area.

Greg Gerulis, 217-000-343302, 14860 62nd St NW, was present to request a reduction in the value of his property. He purchased the property for \$349,000 in May of 2017. At the time the property was part of an estate and had been empty for several months. It was not useable due to mold and damage. He took the property down to the studs and rebuilt it including major landscaping and a new garage. The property is valued at \$642,000. On January 2, 2019 the home was in perfect shape. Since then the basement has flooded and the property will need to be gutted to the studs again. Greg stated the property is once again unusable. He would like to see the value reduced. Chase stated the value is based on the condition of the property on January 2, 2019. At that time the property was usable. It had a new kitchen, flooring, new floor plan, basement completely finished. The previous value before improvements completed was \$410,000 which was a shell of a cabin and the land. Current value is \$642,000. Chase provided the comparable he used for the valuation of the property. He had 4 good properties to use. He feels it is truly accurate. While he is sympathetic to Greg's current situation, he cannot change

the value based on current condition. He is willing to work with Greg to apply for local option disaster abatement. The county can approve the abatement, but the assessor and township cannot. Greg will need to prove the damage with insurance records and Service Master bills. Chairman Hallstrom stated he remembers this property from a on site review when Greg was requesting a variance for the new garage. The property is not recognizable. The property and land were in bad shape. Chase recommends no change to value based on property condition on 01/02/2019. Supervisor Reynolds made a motion to reduce the property value by \$22,000. The motion died for lack of a second. Chairman Hallstrom made a motion for no change to the valuation of \$642,000 as recommended by assessor. Supervisor Hable seconded the motion. Motion carried.

John Zelko, 217-065-001010, 15600 112th St NW, was present to request a reduction in the value of his property. He purchased the property in October 2018 for \$347,000. The current value is \$290,300. This increased from \$254,000 in 2018. His taxes for 2018 were \$2,380. 2019 taxes are \$2,782. The value of property went up 35% in 2 years. He owns 2.97 acres of land but only 1 acre is useable. Wally has reviewed the property but was unable to do an interior review. John was willing to meet with Wally at the property for the review. Until the review is done the assessor recommends no change. Supervisor Reynolds made a motion for no change as recommended with a second by Supervisor Hable. Motion carried.

Chase received a request from the owners of Jessica Marx Trust property, 217-028-000112, 217-028-000111 & 217-029-003010, 16070 62nd St NW, for a review of their property. The 000111 property has the cabin, the 000112 has a boathouse and the 003010 is across the road from the lake with a pole shed. Chase and Wally visited the property. The property age was listed as 1980 but the records Chase reviewed showed the home was built on the property between 1951 and 1953 with a remodel in 1980. The property was also listed as a 2 bedroom when it is actually a 1 bedroom. The property is seasonal with a space heater. Cedar shake shingles need to be replaced. The grade of the property was reduced from 6 to 5.5. Changed 2 bedroom to 1 bedroom. A bunk house was added but the boathouse was downgraded from good to fair. The shoreline was measured again. Chase recommends the value of the 217-028- 000111 property be reduced from \$354,700 to \$336,900. He recommends the value of the 217-028-000112 property be reduced from \$97,900 to \$87,600 for a total reduction of \$28,100. The value of the property with the pole shed should remain the same. Supervisor Hable made a motion to approve the reduction in value from \$354,700 to \$336,900 for 217-028-000111, reduce the value from \$97,900 to \$87,600 for 217-028-000112, and no change to 217-029-003010, for a total reduction of \$28,100. Supervisor Hallstrom seconded the motion. Motion carried.

Bruce Nystrom, 217-030-000050, 13083 79th St NW, contacted Wally to ask for a reduction in his property value. His back lot is flooded and decreases the value of his property. Wally

reviewed the property including interior. He made changes to the home for an area that is an enclosed porch not a finished portion of the home. He made a slight adjustment to the land from \$266,100 to \$249,500. He suggests a total property reduction of \$16,600 due to the water drainage issue and 3 season enclosed porch. Supervisor Hable made a motion to reduce the property value from \$266,100 to \$249,500 for a total reduction of \$16,600 as recommended by the assessor. Supervisor Reynolds seconded the motion. Motion carried.

Springdale Resortominium, 217-000-142101 & 217-000-113400, sent a letter requesting a reclassification of their property from commercial to seasonal recreational. He stated the Springdale owners are a community of permanent owners in 8 small seasonal cabins that share cost. Their water is shut off 6-7 months of the year. Unlike the resort properties there is no private business ownership or profit associated with lot or cabin sales, leases or rent. The only source of income is from the 8 owners which is adjusted as necessary to cover the costs. The Board and Assessors reviewed the state classification definition from the State of MN Department of Revenue for both non-commercial seasonal residential recreational and seasonal residential recreational - commercial. It was determined Springdale met the classification for seasonal residential recreational. Supervisor Reynolds made a motion to change the classification for Springdale Resortominium, 217-000-142101& 217-000-113400, from 232 Commercial to 151 Seasonal Recreational. Supervisor Hable seconded the motion. Motion carried.

The following property owners sent letters requesting a property value reduction but were out of town and unable to have assessor's do a full interior inspection prior to the meeting. They are asking for a no change recommendation so the properties can be reviewed at the county level.

Patrick & Leanne Liebsch	217-017-000170	13488 77TH ST NW
Arlen & Lynn Diercks	217-026-000080	15912 70TH ST NW
Paul H Ringer Living Trust	217-000-343303	14926 62ND ST NW
Paul H & Carolyn L Ringer	217-000-343305	
Bruce & Carole Gertgen	217-000-274301	14305 71ST ST NW
Robert A & Shawn D McMenemy	217-022-000040	15178 64TH ST NW

Supervisor Hallstrom made a motion for no change to the above referenced properties due to a need for a full interior inspection. Supervisor Reynolds seconded the motion. Motion carried.

There were no other requests for reviews. The meeting was adjourned at 11:45 a.m.