

**Minutes of the  
Board of Appeal and Equalization  
Harris Township  
Thursday, May 6, 2010  
9:00am**

Pursuant to due notice and call thereof, a Local Board of Appeals and Equalization was conducted on Monday, May 6, 2010 at 9:00am at the Harris Town Hall, with following officers of the board present: Supervisors Larry Key, Gary Rosato, Dennis Kortekaas, Treasurer John Jokela and Clerk Michele Smith. Absent: none.

Also in attendance were Itasca County Assessor Brian Connors, Harris Township County Assessor Jim Pagel, County Appraisers Kelly Witted and Beth Ann Mackie, and Administrative Assistant, Vicki Dable. There were approximately 7 Harris Township residents also present.

**1. Opening Comments**

Chairman Kortekaas explained that this meeting was to review the 2010 classifications and valuations of Harris Township property, used to calculate taxes payable in 2011. Any person feeling aggrieved could discuss their complaint with the Assessors and the Board. The meeting was to be kept orderly and anyone becoming loud or out of order would be asked to leave. The complaints would be reviewed in the order they appeared on the sign-in list. It was noted that Supervisors Key, Rosato, and Kortekaas had all completed the Board of Appeal and Equalization training and certification prior to today's meeting

**2. Introduction of County Assessors**

Brian Connors introduced himself as the Itasca County Assessor, Jim Pagel as Harris Township's Assessor, Vicki Dable, as their Administrative Assistant, and Amber Randall & Beth Ann Mackie as the County Appraisers. He also made mention that the Harris Town Board would need to make a motion to approve any changes or corrections to assessed values.

In order for a person to appear before the county board of appeals, that person needs to attend the township local board of appeals with their name and parcel identification in the minutes of the meeting.

The board will have two choices at end of today's meeting – to adjourn, or to recess if more information is needed. If recessed, the date for a second meeting date must be set within 20 days. At that time, they would then finalize any issues and adjourn.

For clarification, it was noted that only 2 things could be changed at today's meeting:

- The classification for 2010 (like homestead vs. non homestead, business/residential, etc.) that will affect taxable payable in 2011.
- The valuation amount that is shown on the yellow form from the county.  
(This was NOT a meeting to discuss taxes – but rather the property valuations and classifications.)

Connors commented that overall market values were reviewed. The median sales ratio for Itasca County was around 95% for 2009. Some areas had values go up a bit, while others went downward, but overall there were no net county wide changes made to land value.

Pagel commented on sales in Harris Township: He did not see many changes made; those that were made, were individual. In a handout entitled "*Harris 2010 Assessment Board of Appeal and Equalization-Sales Study for 10/1/08 to 9/30/09*", sales in were broke out three ways: Harris all, Harris off lake, and Pokegama (all) lake sales. Each had a 2009 sales ratio of apx 94-95%. The state's Department of Revenue requires that the sales ration be between 90 and 105%, so no overall changes were needed in

Harris Township. Pagel noted that if the aggregate sales ratio not in that range, the state will make the correction for the county / township, and mandate a certain increase/decrease on buildings and land

3. **Consider property owners complaints and answer questions about their assessments.**

a.

<b>Taxpayer name(s): Leonard Hedman</b>	<b>Parcel number (s):</b> 19-497- 0110, 0120, and 0130
<b>Address:</b> Lakeview Trail / Hwy 169	<b>Classification:</b>
<p><b>Nature of grievance:</b>  Hedman and Pagel met previously, to discuss issues as outlined in his letter dated May 5, 2010 (a copy will be attached to these minutes). Of these three lots, two abut the highway (169) , and one is primarily swamp. Hedman would like land value of these three lots reduced as these are a part of a minor subdivision and the only 3 out of 9 that have not sold. He has not had one offer, nor had anyone seriously look at them.</p>	
<p><b>Action taken:</b>  After meeting with Hedman, Pagel made the following recommendation: (Headman agreed with these):</p> <p><u>Lot 1</u> – 0110 : Recommend a 15% reduction, as this lot abuts highway 169 and has a noise factor. The starting value is 44,230 and with the reduction, the ending value would be \$37,900.</p> <p><u>Lot 2</u> - 0120: Recommend a 15% reduction, as this lot abuts highway 169 and has a noise factor. The starting value is \$45,300, and with the reduction the ending value would be \$38,900.</p> <p><u>Lot 3:</u> 0130: Recommend a 50% reduction, as the lot is primarily swamp with very few choices for building. The starting value is \$48,400, with the reduction; the ending value would be \$25,300. (This does not come out to exactly 50%, due to the small parcel size and the computer system converting the value to square footage; the rounding of cents/foot make up the difference.)</p> <p><b><i>Supervisor Key made a motion to reduce the 2010 assessed value of lot 3, (parcel # 19-497- 0130) by 50% as recommended by Assessor Pagel. Supervisor Rosato seconded the motion, and upon roll call, motion carried.</i></b></p> <p><b><i>Supervisor Rosato then made a motion to allow the 15% reduction for lots 1 and 2, (parcel 19-497- 0110 and 0120) as recommended by Assessor Pagel. Supervisor Key seconded the motion, and upon roll call, motion carried.</i></b></p>	

b.

<b>Taxpayer name(s): Ken Forst</b>	<b>Parcel number (s):</b> 19-006-1140
<b>Address:</b> Pokegama Lake / Mishawaka Road	<b>Classification:</b>
<p><b>Nature of grievance:</b>  Forst bought 6.067 acres per his abstract, and per a survey that was done shortly before he purchased the property. However, his tax statement shows that he only has apx 3 acres now (2.89 ), and the figures on his statement vary a bit every year. However, nothing's ever been sold, or changed. Where did his other 3 acres go?</p> <p>Also, his taxes increased 15% from last year to this year, with no improvements. This equates to an increase of \$15,000 in value when market value has been so low. Why?</p> <p>Forst feels his EMV is too high at \$393,800 – the land is valued at \$93,400 and the buildings (house/garage) are valued at \$300,400. The 200 feet of lakeshore he has is poor (and rated as such by county). The home was built in 2001 &amp; rated a bit above average. It's 1650 sq feet, 3 bedrooms, and no</p>	

central air, but 2 wall air units (not in a window). Connors felt property classified (nothing worse than “poor” lakeshore rating – and it has that).

**Action taken:**

With regards to the acreage difference on Forst’s tax statement, Pagel explained that those are “Auditors acres” and are not what is used to calculate the parcel’s valuation; auditor’s acres do not equal assessed acres. Connor added that the assessors rely on GIS and the county surveyor’s office to determine the land size to value.

It was noted that Forst’s parcel includes road ROW and land that actually goes into the lake (called a meandered lake, by Pagel). And while Forst owns that land, he is *not* assessed for it. The lot size being valued is apx 200’ wide x 600’ long per Connors.

Connors explained that Forst owns whatever is on his abstract (6 acres) but that only a portion of that is valued/taxed: the 2.89 acres that are above water and not covered by the road. And per the county’s computers, this 2.89 acreage is what Forst has been assessed for, from 2006 and forward, despite what his tax statements show.

With regard to the current EMV, which is all that can be dealt with today, Connors reviewed the rating and felt it was in line. With regards to the acreage discrepancy, Connors suggested that Forst come into the county and start with the recorders office as this board cannot deal with the discrepancy with the acreage – only it’s valuation.

***Supervisor Rosato made a motion of no change to Forst’s parcel #19-006-1140. The motion was seconded by Supervisor Key and upon roll call, motion carried.***

Connors reminded Forst that he now has the right to appear before County Board of Appeals if he’d like.

c.

<b>Taxpayer name(s):</b> Jan & Dale Forst (Ken Forst brought on their behalf – they are his parents)	<b>Parcel number (s):</b> 19-455-0050
<b>Address:</b>	<b>Classification:</b>
<b>Nature of grievance:</b> Jan & Dale Forst purchased home last year, for \$229,000; the taxable value is \$258,000. This home was on market for 17 months, and bought at an open market sale. They would like their valued reduced to closer match what they paid for the property.	
<b>Action taken:</b> Connors explained that as auditors, they cannot do “spearing” – which is dropping property value based strictly on sales price. Instead, they need to do comparison studies within the county, using averages/predominant price of like properties. They use the entire marketplace to determine a property’s value.  Connors added that this particular property was a probate sale – likely a part of estate sale. Because of this, it was a “rejected sale”. Pagel explained that this type of sale operates outside typical & normal market conditions. Likely, children now own property of a parent & don’t want to wait around. Instead, they just want to sell, often below market value when it’s “close enough”. These types of sales, however, can affect the market value of “valid sales”, when sellers come down to compete with those probate/foreclosure/sheriff sales.	

**Supervisor Key made a motion for no change in valuation of Jan & Dale Forst's parcel #19-455-0050. The motion was seconded by Supervisor Rosato, and upon roll call, motion passed.**

Connors reminded Forsts that they now have the right to appear before County board of Appeals if they'd like.

d.

<b>Taxpayer name(s):</b> Mike Ives (presented by his son, Burl Ives)	<b>Parcel number (s):</b> 19-016-4112
<b>Address:</b> 31055 Sunny Beach Road	<b>Classification:</b>
<b>Nature of grievance:</b> See Letter from Ives to Local Board of Review, dated May 5. 2010:  Mike states that his lot is sized at 3.21 acres on his tax statement, when the actual size is 2.8 acres per the yellow assessment sheet. This is a difference of 17,860 sq. ft. or .41 acres.  Also, his lot is valued at 326,000, while is neighbor Mr Rutt, parcel 19-016-4109, at 2.51 acres is valued at \$263,000 with water on two sides and a great view – and thus superiour to his.  Overall, Ives feels his property value is over assessed by 75,000. He is asking to reduce it from 654,900 to \$579,500.	
<b>Action taken:</b>  Connors found that of Ive's parcel, 0.16 is not valued, as it is in road ROW; only 3.05 acres are actually valued.  In looking at his neighboring lots, Connors noted that they are narrower and thus have less linear lake shore than Ives. Also, Rutt's property was noted as not comparable to Ives, as it has lot of swamp land.  Connors felt that Ive's property has been valued properly;  <b><i>A motion was made by Supervisor Key for no change to Mike Ive's valuation on parcel 19-016-4112, based on the county assessor's recommendation. A second to the motion was made by Rosato, and upon roll call, motion carried.</i></b>  Connors reminded Ives that he now has the right to appear before County Board of Appeals if he'd like.	

e.

<b>Taxpayer name(s):</b> Burl (Mike Jr.) Ives	<b>Parcel number (s):</b> 19-016-4105
<b>Address:</b> Sunny Beach Road	<b>Classification:</b>
<b>Nature of grievance:</b> His parcel's total EMV is over \$500,000 - 30% too high.  House: Ives purchased is house in 1989; it was a 3 season A-frame cabin/home without insulation, 20x40. It was built in 1971, and he's built three additions. The home is now 2,500 square feet with an attached garage. He does not have a full basement. Burl's home is valued at \$349,000 - just for house.	

Burl's father, Mike Ives, is his neighbor and his home is valued for less at 328,000, but has 2,000 more in square footage. Also, the home next to that, Rutt, has a home that was built in 2005, and twice the square footage as Burl, and it's valued at \$436,000. Again, both neighbor's home have twice the house he does, yet his assessment is more than one, and not that far under the under. Burl feels his home is over assessed.

Burl does have an 40x60 out building – a nice Morton, with shingles and brick, and a concrete floor. However, Rutt has an identical building with heat, plus two additional out buildings.

Lot:

Burl only has 100 feet of non conforming lakeshore (grandfathered in). And it's soft bottom lakeshore, affected by the current from Woodtick. He has 1.4 acres listed on his statement, and it's valued at 242,000 for just the land/lakeshore. Neighboring parcels are all over 2 acres, (an acre more than him), but he's very close to the same value as they have. Burl feels his land is over assessed.

**Action taken:**

Connors reviewed his rating with Burl, and noted that he is applying the same tables/factors to Burl's as the neighbors. However, each lot has different amount of lake shore – which is the major value differential when determining market value. Narrow lots are worth less than wide lot, but only to a point.

Connors recommended that a county appraiser go out to Burl's property with him, to view cracked drywall. It was also discovered that his house is mostly on stilts. Burl agreed, and he and Beth Ann Mackie went to review his home/property.

**11:15am - Key made a motion to recess the Board of Appeals until appraiser Beth Ann Mackie gets back from viewing Burl Ives Proerpty. Motion seconded by Rosato, and passed.**

**11:22am – Kortekaas called the meeting back to order, from recess, upon the return of Beth Ann.**

Item e. continued from above, regarding parcel #19-016-4105 / Burl Ives

Beth Ann Maki returned with Burl Ives after going to view his home. She got a tour of his home, and recommend reducing the rating of the home from a 7 to a 6, due to cracks in the foundation. Good quality inside. Garage lowered to a 6 as well. Doing so, would reduce value of home and garage, from \$591,500 to \$540,900 (apx \$50,000 reduction).

Burl still felt his home is not comparable with his father's house (2000 more sq ft) and Rutts (2,500 more sq ft), especially given the unstable foundation.

**A motion was made by Rosato to change the building class from 7 to 6, for the garage and home of parcel #19-016-4105. Key seconded the motion, and upon roll call, motion carried.**

Burl again questioned the fact that his 100 feet of lake shore is only valued \$20,000 less than his neighbors, who have twice the lake shore he does. However, Connors stated that the value still has to go by comparable sales.

Connors reminded Ives that he now has the right to appear before County Board of Appeals if he'd like.

f.

<b>Taxpayer name(s):</b> Don Klande	<b>Parcel number (s):</b> 19-033-3300
<b>Address:</b> 455 and 67 (border of Wildwood Twp)	<b>Classification:</b>
<b>Nature of grievance:</b>	

This 40 acre parcel is valued at 88,400, or \$2,360/acre. In reviewing the 18 month vacant land sales study provided by the county, other properties seem to sell for much less per acre than this. Why?

**Action taken:**

Connors reviewed his parcel; they are valuing 37.19 acres - the rest is in a road ROW. There is also a small storage shed on the property.

The particular sales Clandy referred to were reviewed. Two were not in the township, and thus were in a different market value. Connors did find one comparable sale for \$73,000, #19-027-2100, but that had a lot of lowland and no road access.

Clandy asked about the neighbors across the road, but Connors explained that those are in a neighboring township and so the tax structure is different. Unfortunately, they can't be compared.

**Supervisor Rosato made a motion to recommend no change to Clandy's assessed value on parcel #19-033-3300. Supervisor Key seconded the motion, and upon roll call, motion carried.**

Connors reminded Clandy that he now has the right to appear before County Board of Appeals if he'd like.

g.

<b>Taxpayer name(s): John Mooty</b>	<b>Parcel number (s): 19-001-4102</b>
<b>Address:</b> Birch Hill Drive	<b>Classification:</b>
<b>Nature of grievance:</b>	
Moody's current EMV \$145,300 for 2010 – land 80,300 / building 85,000. Glen McCloud appraised this property at 130,000 two years ago, and he's now hoping to sell it for 110,000. It's been on the market for 3 years, with only 2 offers.	
Moody feels the assessed value of 145,300 is too high. He felt that \$120,000 was a more reasonable market value.	
<b>Action taken:</b>	
Connors reviewed the property. It was valued the same as last year. This is an "earth home" – so it's hard to assess, due to it's uniqueness.	
Connor took a look at the appraisal from McCloud; It referenced one comparable home sale for 136,000, 8 miles away. The other sales in the appraisal were over 2 years old. Connors suggested board review the appraisal.	
Connors made a recommendation to reduce the value (land and buildings) by 10% for "market negatives" of the property. This would reduce the value to \$130,800, comparable to the two year old assessment.	
<b>Supervisor Key made a motion to reduce Moody's EMV by 10% to parcel #19-001-4102. Rosato seconded the motion in support of the assessor's recommendation. Upon roll call, motion carried. It was noted that this reduction will affect taxes for 2011 – not those currently coming due.</b>	

h.

<b>Taxpayer name(s): Robert Degrio</b>	<b>Parcel number (s): 19-513-0132</b>
<b>Address:</b> Mishawaka Shores	<b>Classification:</b>
<b>Nature of grievance:</b>	
Degrio received his statement after returning home for the summer, and stopped to make appt – but with	

too short of notice. He felt his assessed value is high, as he compared the vaules of other homes in Mishawaka Shores, which all have basements. He does not have a basement, yet his property value is about the same as theirs. His property is valued at 319,400 currently, being reduced to 317,500 in 2010.

Degrio asked if Jim could come to his house, and explain the reasoning to him/his wife.

**Action taken:**

Connor said the sales in Mishawkas shore had been exceptional.

Pagel was last at Degrio's home in 2007; the EMV is below paid for the home (\$333,000). He also confirmed that his value does *not* show a basement – just a crawl space.

The amount of the tax difference may be due to classification (homestead). It was suggest that to affirm this, Degrio should go to the county and check on this.

***Supervisor Rosato made a motion that would allow Degrio to go before the County Board of Appeals, if desired, but that Pagel will review his home/property. Motion seconded by Supervisor Key, and passed.***

There were no appearance by letter for the Local Board of Appeal and Equalization.

***Supervisor Rosato made a motion to adjourn the Township Board of Appeal and Equalization at 11:40am. Motion was seconded by Supervisor Key; meeting adjourned.***

Respectfully submitted,

Michele Smith, Clerk