

**Minutes of the
Board of Appeal and Equalization
Harris Township
Thursday, April 23, 2015
9:00am**

Pursuant to due notice and call thereof, a Local Board of Appeal and Equalization was conducted on Thursday, April 23, 2015 at 9:00am at the Harris Town Hall, with following officers of the board present: Supervisors Dennis Kortekaas, Burl Ives, and Gary Rosato, and Clerk Michele Smith. *Absent: Supervisor Jim Kelley and Treasurer Becky Adams.*

Also in attendance were Bill Hilback Itasca County Assessor, Kelly Whitted -Assessor/Appraiser for Harris Township, and Eric Odden- County Assessor/Appraiser.

There were 8 Harris Township residents in attendance.

Opening Comments

Chairman Rosato introduced the 2015 Local Board of Appeal and Equalization for Harris Township: Supervisors Rosato, Kortekaas, and Ives. He then turned the meeting over to County Assessor Hilback

Opening Comments and introduction of County staff:

Hilback introduced his staff, who were there to help with taxpayer concerns and give onsite property reviews if necessary. The assessor staff was there to represent the County Assessor's Office. He noted that Supervisor Rosato had his current local Board of Appeal and Equalization training and certification, prior to today's meeting. Hilback reminded the board that motions are required for any valuation or classification changes.

Explanation of purpose and process for Local Board of Appeal and Equalization

Connors explained that this meeting was to review the 2015 classifications and assessments/valuations of Harris Township properties that are used to calculate taxes payable in 2016. Any person feeling aggrieved could discuss their complaint with the Board and Assessor. 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 further noted that in order to appear before the *County* Board of Appeal and Equalization, a resident needed to appear before the *Local* Board of Appeal, either in person or via letter. Even if no change is made at the local level, the board will need to make a motion, second, and approve that a resident has the right to appear before the County Board of Appeal.

This is a meeting of the residents; the local board should be addressed with all grievances – not the county Assessor. A reminder was given that this meeting is about property valuations - not about taxes.

Hilback explained that at the end of today, the board would have two choices – 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, Hilback explained that only 2 things could be changed at today's meeting:

- The classification for 2015 (such as homestead vs. non homestead, business vs. residential, etc.) that will affect taxable payable in 2016.
- 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.)

Township change in EMVs is as follows:

2014 EVM: \$369,278,700	2015 EVM: \$371,887,600	Total Change \$2,608,900
Change in Bldg EMV: \$2,435,900	Change in Land EMV: \$173,000	

County wide changes:

Hilback commented that there were no county wide changes made, based on the sales study

Township wide changes:

Witted commented that Harris township was last reassessed in 2012. Witted will go into a portion of Harris this year.

In Harris Township, Kelly Whitted recapped the local sales study packet which was shared with the board and audience (*copy attached*):

- There were 46 land sales in Harris Township, Oct 2013-Sept 2014 sales date.
- Township overall values are required to be 90-105% of median sales for EMV. Some sales are not included – such as tax forfeit, relative sales, bank sales, etc. as they don’t meet the requirements for a good arm lengths sales. Harris’s ratio is 98.7% so it was right where it needs to be. Therefore no township wide changes to assessed values were necessary.
- There are 2 ratings for land values in Harris Twp – one for those near the lake, and one for those more rural properties. Zone 1=rural land (Z10 on charts) and Zone 19 =near lake (Z19 on charts)

Consider property owners complaints and answer questions about their assessments.

With no other comments or questions, the residents were called in order of sign-in (*a copy of the sign in sheet will be attached to these minutes*), to discuss their grievances with the Local Board of Appeal and Equalization. *Any handouts from Kelley Whitted will also be attached to these minutes, for the record*):

1.

<p>Taxpayer name(s): Pete Hengel</p>	<p>Parcel number (s): 3 19-600-0330: 0.31 acres (on point) 19-600-0320: 0.42 acres 19-600-0310: .33 acres</p>
<p>Address: Sunny Beach Addition Road</p>	<p>Classification:</p>
<p>Nature of grievance: Kelley Whitted said she had already adjusted the assessment of Hengel’s EMVs after speaking to Hengel, and so presented that information to the board prior to hearing from Mr. Hengel. She explained she walked the shoreland with Hengel and adjusted her data accordingly.</p> <p>Hengel recently purchased two lots. Changes: Shoreline converted from good to average and poor. One parcel is lagoon like, soft and mushy so adjusted shoreline type. There was more lowland than GIS shows. GIS shows mostly upland, but it’s not - its lowland. And access is limited.</p> <p>Adjustments to Hengel’s EMV were noted in packet for each of the three parcels (see attached): Asked board to affirm changes she made for book keeping purposes, and also hear Hengel’s additional comments.</p> <p>Hengel shared pictures of shore land and lowland that accumulates water. The “point” had been advertised as a good picnic area and a small building area. Later, county said no septic was allowed. Next realtor dropped sale price from \$185,000 to \$85,000 for 2 lots - #0320 and 0330. Affinity Credit Union did an appraisal at 95,000; Hengel bought for 85,000.</p> <p>Hengel would like county appraisal to come down to better agree with private appraisal amount. Lots are unbuildable. And thus not usable except as a buffer. He noted Whitted commented that she is limited in how much she can reduce based on like sales – and so that’s why he’s come to the Local Board of Appeal.</p> <p>Hengel added he has no plans to develop it the land, but wants to protect shoreline. Currently, the 2 lots adjusted value is \$72,900 plus \$89,200 = 162,100 (mostly due to lakeshore value) vs. private appraisal = \$95,000; a difference of \$67,100.</p> <p>Whitted commented that she reviewed the physical land, measured everything and put the data into the computer.</p>	

She had no other market data to justify going lower than she did – based on township sales studies. If she did, it's considered spearing and it's illegal for her to do. Whitted's data is based on township information; private assessors use mass data...so it's different. However, she said the Board can adjust however they want.

Action taken:

Motion by Kortekaas to affirm the revised 2015 county assessment per notice mailed out mailed last Tuesday – April 14th (just within the 10 day required window) as requested by the County for book keeping purposes. Motion seconded by Rosato. Motion passed.

In addition, a motion was made by Supervisor Ives to reduce parcel #19-600-0330 (the one with the point) to \$59,200 (a reduction of \$30,000). Others parcels would remain as adjusted by the county. Upon roll call, Ives and Kortekaas voted in favor of the motion while, while Rosato was opposed. Motion passed. The parcel value was reduced from \$89,200 to \$59,200.

2.

<p>Taxpayer name(s): Vern Reynolds via Meadowbrook's ranch LLC</p>	<p>Parcel number (s): 19-010-4400: Holes 1,2,6,7,10 and driving range 19-011-3304: Split class convention center and golf course holes 19-014-2203: 16, holes and half of 15 19-015-1100: split class maint shop and golf course three holes 19-015-1200: more holes 19-015-1400: split – commercial and rural vacant land due to building.</p>
<p>Address:</p>	<p>Classification:</p>
<p>Nature of grievance: Whitted commented that Mr. Reynolds had contacted her as the irrigation system of the golf course doesn't work, and hadn't since 2012 when it was last appraised. There are also no longer any greens at the golf course – and therefore it doesn't meet the classification for a 'golf course'. However, Whitted didn't have time to go over the land prior to today's meeting. She asked that the board make Reynolds appearance a part of record so it would give the county time to inspect the property prior to the county board of appeal and equalization which will be June 15,2015</p>	
<p>Action taken:</p> <p><i>Supervisor Kortekaas made a motion, seconded by Supervisor Ives, to affirm the current valuation amounts of Vern Reynolds parcels so that Whitted would have time to inspect the property and make changes to present to the Itasca County Board of Appeal and Equalization if desired. Upon roll call, the motion passed by a unanimous vote.</i></p> <p>Many other parcels were listed on the sign in sheet but Reynolds opted not to discuss them. However, to maintain his right to bring to the county board:</p> <p><i>A motion was made by Supervisor Rosato, seconded by Supervisor Kortekaas, to affirm the values of the following parcels owned by Vern Reynolds to maintains his right to appear before the County LBAE:</i> <i>19-015-2100</i> <i>19-010-4100</i> <i>19-010-4101</i> <i>19-010-4301</i></p>	

19-011-2204
19-011-2303
19-011-3105
19-011-3202
19-011-3203
19-011-3207
19-011-3305
19-011-3414
19-015-1300

Upon roll call, motion passed by a unanimous vote.

3.:

Taxpayer name(s): Larry Hauser – for owner Kim Bergeron (Larry’s sister)	Parcel number (s): 19-010-2205
Address: Harris Town Road	Classification:
<p>Nature of grievance: Mr. Hauser came on his sister’s behalf. A Realty Company did a market value analysis and said the property was worth \$3,400/acre. They are being assessed at \$5,000 / acre. Why?</p> <p>Recap of property by assessor’s office:</p> <ul style="list-style-type: none"> • 2/3 is field ; no buildings on property • 10 acres has EMV of \$56,000 total value • The parcel is only in the sister’s name (and that’s her only parcel). Thus, because it’s a standalone parcel there is no ‘contiguous discount’. If the parcel was put in Hauser’s name (as he has a neighboring parcel) – it would reduce the value to either 40% or 25% of single parcel acre amount, per acre value as combined. <p>Assessor referred to schedule of land sales in packet; zone 1 for 5-10 acres is 5,500 for upland. This is based on the sales study – which there is a lag, as its using sales from 10/2013 to 9/2014. Unfortunately, current market has likely changed from a year or two ago.</p>	
<p>Action taken:</p> <p><i>Motion by Rosato for no change; second by Kortekaas; Whitted confirmed that that a representative can appeal to county board of appeal on behalf of the landowner (Kim Bergeron), who lives in Becker. Ives suggested that Hauser may want to get an appraisal before county board. Upon roll call, motion passed by a unanimous vote.</i></p>	

4.:

Taxpayer name(s): Richard (aka Dick) Gunderson	Parcel number (s): 19-015-1301 19-015-4200 19-015-4100 19-015 -1401 19-0152402 19-015-4301 19-015-4401 19-015-3102 19-013-2400 19-013-3100
--	---

	19-013-3200 19-013-1300 19-013-0130 19-013-3400 19-013-4201 19-013-4301 19-013-1400 19-013-4111 19-013-4300
Address: Various –some near golf course, some near Root Road	Classification:
<p>Nature of grievance: Gunderson explained he just received the valuation notices on Monday – which was not 10 days before today’s meeting. And when he went to pay taxes, he thought something was wrong based on the amount due.</p> <p>He bought property in August 15, 2014 and none of the parcels are listed in the sales report; why not?</p> <p>Hilback explained that his purchase was of multiple parcels, but there was one 40 acre parcel that was split. The Department of Revenue kicks those types of purchases out of the study. He could look into more if the board would like him too. (FYI – Gunderson said he purchased these parcels from Vern Reynolds) Discussed that a court ordered sale may also be rejected from sales study; neither Hilback nor Whitted was sure.</p> <p>Issue: All parcels are classified as rural vacant land but Gunderson feels they should be classified as agricultural. Whitted advised to change the classification, Gunderson needs to apply - which he has - and the land needs to be ‘in production’ for profit, for a year. Whitted will then do a site visit. Gunderson said he’s used this land as agriculture the last 5-6years, as he rented from Vern Reynolds and used for crop production. However, Whitted pointed out that the land was not in Gunderson’s name, and that the previous owner did not apply.</p> <p>Issue: When purchased, the land was valued at \$1,500/acre through courts – and included back taxes for apx 4-5 years. This equated to \$1,350/acre before taxes – which is what he paid. Overall, the assessed value ranged from \$2,200-\$2,600/acre based on upland, field, lowland, etc. (ave of \$2,350/acre). The difference results in a lot of money – \$150,000 total difference. Gunderson brought a certified copy of what he paid for the parcels, which was approved by the courts. And the Court wouldn’t rule without other appraisals, which they received and Gunderson’s was right in the middle.</p> <p>Issue: Gunderson asked about the deadline for “Veterans exclusion”. July 1st per Whitted. Explained: This is something new; if disabled, a veteran can apply to have 70-100% exclusion of value on their property and get so much reduced from market value resulting in a lower tax bill.</p>	
<p>Action taken: <i>Motion by Kortekaas, second by Ives, to affirm the current valuations of all Gunderson’s parcels (no change) to allow him to be able to bring is issues to the County Board of Appeal and Equalization. This will also allow Whitted time to walk the land and update the county’s records. Upon roll call, motion passed by a unanimous vote.</i></p>	

5.

Taxpayer name(s): Aletta Frisby	Parcel number (s): 19-024-1303
Address: Hale Lake (near Lucy Lane), at the beginning of road	Classification:

Nature of grievance:

Frisby just bought this parcel for \$180,000 via a short sale; it had been on market a long time for \$189,900. There were 2 different properties combined and owned by same property owner. The EMV was \$219,700 last year.

There were three bidders for her parcel; less was offered but the appraisal was \$180,000 so Affinity couldn't take anything less than that.

Now the value is \$228,700 which is \$40,000 more than what she paid. Why?

Whitted hadn't been in the house, or done a site inspection – so that may affect value, if not accurate. She would need to be invited there to do an inspection. It was not possible today, however, due to time constraints with another meeting today.

Action taken:

Motion by Kortekaas to affirm valuation (no change) to allow Frisby to be able to continue to County Board of Appeal and Equalization. Motion died for lack of a second.

A motion was then made by Supervisor Ives to reduce value to \$204,000 – 50% of the difference between the sold and appraised amounts. Motion seconded by Rosato and upon roll call, motion passed by a unanimous vote.

6.

Taxpayer name(s): Donald Frisby Jr. Trust (Aletta Frisby there on her dad's behalf)	Parcel number (s): 190241304 190241305 190241312 190241313
---	---

Address:	Classification:
-----------------	------------------------

Nature of grievance:

Aletta asked how to best sell the properties as her father is elderly and in a nursing home. She was advised to talk to the County Environmental Services Department about selling separate parcels.

There were no questions about the value, as Aletta said she wasn't familiar with them enough yet.

Action taken:

A motion to affirm values of the parcels above for Donald Frisby Jr. Trust was made by Supervisor Ives, to allow Aletta to approach county LBAE if desired. Second by Supervisor Kortekaas. Motion passed.

7. Appeal/Concern - Assessors recommendation – Lloyd LaPlant PID# 19-212-2203

LaPlant was unable to make the LBAE meeting today and so asked Whitted to present for him; he had just called her last night.

LaPlant switched parcels with his son and he's now seeing a change, where the value increased from 2013 to 2015. Value was \$108,300 in 2013 and is now \$264,600.

The county records showed 100 feet of shoreline and receiving a discount (for a road running through it) but when the data on the land was updated per the GIS technology in 2014, there's actual 314 feet of average shoreline.

LaPlant would like his valuation reviewed by the Harris Town Board or valuation affirmed to give time for the assessor to perform a site visit with Mr. LaPlant on the his parcel.

Motion by Rosato, second by Kortekaas, to affirm the value Lloyd LaPlant's parcel so he can meet with Whitted and preserve his right to attend the county board of appeal and equalization.

8. Appeal/Concern - Assessors recommendation received from assessor Whitted: Garner – 19-545-0140

Whitted performed a site visit on the property and sent out a revised notice. 2014 EMV was \$348,400 and 2015 EMV is \$343,400. During the inspection, she re-measured the basement and buildings, and updated measurement of the shoreline per GIS technology. Deck condition had changed. She also adjusted part of shoreland value (reduction) \$348,400 to \$343,400. The notice was mailed, so this is just to make a part of the record.

Motion by Ives, second by Kortekaas, to affirm the value of parcel # as revised by County. Motion passed.

9. Appeal/Concern - Assessors recommendation received from assessor Whitted: John Lemire – 19-520-0530

Whitted performed a site visit on the seasonal property with a one room cabin on LaPlant Road. She walked the property with the owner and measured buildings. Updated measurements of the shoreline were input. She changed 35 feet to average shoreline per a short bluff. She updated the measurement of the storage building and changed the decks to fair. Overall, the value was reduced from 201,900 in 2014 to 182,480. A request to affirm the value of the revised notice that was mailed out was requested by Whitted.

Motion by Ives, Second by Kortekaas, to affirm the county's valuation as presented. Motion passed.

10. Appeal/Concern – Assessor's Recommendation received from Whitted: Mark Bookey – 19-032-4407

Whitted received a call late last night; Bookey purchased the property and it used to have mobile home on it, but it has been removed. And the septic is nonconforming.

Bookey is requesting the valuation of \$5,000 for the nonconforming septic be removed. Whitted did email Rosann Bray, who said it last compliant in 2008; Bookey purchased in Feb 2015. It has has not been inspected so Whitted doesn't know if it's conforming or not.

Motion by Rosato, second by Ives, to affirm current value of this parcel. Upon roll call, motion passed.

11. Appeal/Concern – Assessor's Recommendation by Whitted: Doug Fulton 19-425-0220 – and 19-425-0221

Doug Fulton bought old Harbor property and asked that he be recognized so that he has the right to appear before the county board of appeal and equalization.

Whitted added that the value of parcels was \$326,014 (for 0220) but that the sale hasn't showed up yet; she wasn't sure if Fulton's name was even on the title yet.

Motion by Ives, second by Kortekaas, that the board recognize Fulton and affirm the values of the property by the county. Motion passed.

12. Appeal/Concern – Assessor's Recommendation: Ken Merwin 19-585-0140

Merwin was at today's meeting and signed in but left before his name was called. Whitted wanted to make sure he was recognized.

Motion by Rosato, second by Kortekaas, to affirm the county's value of Merwin's property. Motion passed.

13. Appeal/Concern – Assessor’s Recommendation: Joanne Micheletti 19-002-2200 – Mornes Road
Joanne Micheletti property was signed in, and a gentleman (John Mornes?) who represented her was here and left.
The value is \$125,097 - same as last year.

Motion by Kortekaas, second by Ives, to affirm the county’s value of Micheletti’s property. Motion passed.

14. Appeal/Concern – Assessor’s Recommendation; Paul and Sunny Hawkinson -19-620-0211 29121 Sunnybeach Rd

Whitted did an assessment but under the 10 day rule. Hawkinsons had a bank appraisal completed Jan 2015, which came in at 355,000.

Whitted performed an interior and exterior site inspection on 4/20/15. After reviewing the property and measuring the shoreline on site and through the GIS system, the following recommendation is being made: 1.) remove value for one fireplace that is not in working condition. 2.) Update basement interior finish from 1200 to 1407 square feet. 3.) Give 5% discount on the house because of a weight bearing issue that needs to be corrected. 4.) Shoreline straight-line adjustment equals 301 front feet; of this 301 feet, 233 feet convert to average shoreline.

Asked board to accept a revised value from \$483,555 to \$458,900.

Motion by Ives, second by Kortekaas to EMV reduction to \$458,900 as recommended by Whitted. Motion passed.

With no other persons to come before the local board of appeal and equalization a motion was made at 12:12 by Supervisor to adjourn today’s meeting. Upon a second from Supervisor Ives, motion passed and meeting adjourned.

Respectfully submitted,

Michele Smith, Clerk