

**EAST BETHEL CITY COUNCIL MEETING  
LOCAL BOARD OF APPEALS AND EQUALIZATION**

April 20, 2016

The East Bethel City Council met on April 20, 2016 at 6:00 p.m. for the Local Board of Appeals and Equalization meeting at City Hall.

MEMBERS PRESENT:      Steve Voss                      Ron Koller                      Tim Harrington  
                                 Brian Mundle                      Tom Ronning

ALSO PRESENT:              Jack Davis, City Administrator  
                                 Ken Tolzmann, City Assessor  
                                 Mary Wells, Assistant to the City Assessor  
                                 Diana Stellmach, Anoka County Chief Deputy Assessor

**1.0**                      The Local Board of Appeals and Equalization meeting was called to order by Mayor Voss  
**Call to Order**              at 6:30 PM.

**2.0**                      **Harrington stated I'll make a motion to adopt tonight's agenda. Mundle stated I'll**  
**Adopt**                      **second.** Voss asked any discussion? All in favor say aye? **All in favor.** Voss asked any  
**Agenda**                      opposed? That motion passes. **Motion passes unanimously.**

**3.0**                      Davis stated Kenneth Tolzmann, City Assessor, will present the 2016 Assessment Report.  
**Assessor's**                      This meeting is held for the purpose of reviewing and correcting assessments. Property  
**Letter and**                      owners who disagree with their 2016 assessment for taxes payable in 2017 may appear at  
**Report**                      the meeting requesting an adjustment to their valuation.

Davis stated at this time, Mr. Tolzmann will present the Assessor's Report and receive comments from property owners after that regarding their valuations.

Tolzmann stated thank you and good evening. I'd like to welcome you to this 2016 East Bethel Board of Appeals and Equalization. My name is Ken Tolzmann, your City Assessor. In addition, I'd like to introduce Mary Wells, my assistant, as well as Diana Stellmach here representing Anoka County.

Tolzmann stated the purpose of this meeting tonight is to hear any evaluation questions surrounding the 2016 assessment, which represents your taxes payable in 2017. This is the first step in establishing next year's property taxes. Once this process is complete, the City will begin working on the new City budget. Then, once the new budget has been established, Truth in Taxation notices will be sent out in November.

Tolzmann stated one of the things I'd like to take a minute to explain is the relationship between your estimated market value and your taxes. The most important thing to know is the only purpose your market value serves is to establish what your fair share of the cost of services will be. The next step is for the City and the County to go through their budgeting process this summer and fall and when that proposed budgets have been established, a Truth in Taxation notice is mailed out in November listing that proposed property tax for next year.

**3.0**                      Tolzmann stated as your City Assessor, I work for the City of East Bethel. It's my priority

to advocate on behalf of the taxpayers of this community while at the same time maintaining a duty to uphold the property tax laws of the State of Minnesota. I'm available during normal business hours and on weekends by appointment. I'm sure a lot of you are wondering just how we come up with these market values. The whole process surrounds getting good information on sales that take place in the community. For this year, we are using sales that took place between October 2014 and September 2015. This is the process Statewide. All these sales are reviewed and determined to be either qualified or unqualified. A qualified sale is one that's not a bank sale, relative sale, foreclosure sale, or any other type of sale that would not be representative of market value. These good sales are then used comparatively with unsold properties to reach these new estimates of value.

Tolzmann stated for this 2016 assessment, there were 149 such sales, which met Department of Revenue criteria for a good sale. Overall, after this assessment was complete, these sales deviated from sale price by only 8% with the average assessed market value for this 2016 assessment being at 93.5% of actual market value as of January 2 of this year.

Tolzmann stated overall, the City's tax base increased this year by nearly 8% to an overall taxable market value of \$907,388,700. As it stands now, looking at the new sales going into next year's assessment, we have 41 qualified sales with an average sales ratio of 95%. This is an indication that the real estate market in the City is continuing to rebound. In my opinion, this upturn in the real estate value in the City is due, in large part, to the continued reduction of the number of bank-owned properties for sale in the City. For this past year, the number of bank owned properties for sale in the City were at 33 as compared to 52 that we saw last year. So, it's getting better.

Tolzmann stated in closing, I'd like to take this opportunity to thank the City of East Bethel for the continued opportunity to serve as your City Assessor. Thank you. Voss stated thank you Ken.

**4.0A  
Open  
Hearing**

Voss asked shall we open the hearing? Davis replied yes. The hearing opened at 6:35 p.m.

Shirley  
Lockwood  
21001  
Kenyan St NE

Voss asked is there a list? Mary Wells stated the first one on the list is Shirley Lockwood.

Shirley Lockwood, 21001 Kenyan Street NE, East Bethel, stated it started back in March of 15 and I know I can't do anything about that one but I did not look at the paper when it came out regarding taxes for this year until I was doing my taxes, getting my income tax paper ready. And, on the bottom of the paper, I saw where it says, 'new improvement value of \$24,400.' We put a \$3,900 deck on our house and I don't know where these numbers come from.

Lockwood stated I called Mr. Tolzmann and I will have to probably go to tax court for that but now on March 17<sup>th</sup>, I received the estimated. My taxes went up this last year \$531.25, 30.6%. And, the estimated market value went from \$150,000 to \$185,400. So now, this year when I got my sheet, I looked at it right away and they went from \$185,400 to \$205,700 for next year. So I called Mr. Tolzmann and he came out on March 24<sup>th</sup> and on the bottom of the page, they still have, where I have 'new improvements of \$24,400.'

Shirley

Lockwood stated I have pictures of the house and like I said, we put a \$3,900 deck on it.

April 20, 2016  
Lockwood  
21001  
Kenyan St NE

East Bethel Local Board of Appeals and Equalization

Page 3 of 14

Now he did file some other papers then and I did get something else so my taxes will go down from next year, or the estimated value or whatever, from \$205,700 and it will be down to \$183,400. But I would like to know where these numbers come from or what happened. If there was a mistake, okay. I mean, but I just don't know.

Voss stated Shirley, I'm a little bit confused. You talked about the \$24,000 improvement. Is that last year and this year? Lockwood stated it's on every paper that I have. It's on all three papers that I have. It was on from 2015 values for payable in 2016 and it says: 'The following values are reflected in your estimated and taxable market value. \$24,400.' So then, I got the one for this year, 2016 to 2017: 'new improvement value \$24,400.' And then he sent the numbers back in and it came back down to, the estimated market value will be \$183,400. But it still says: 'new improvement value \$24,400.' Voss asked is that correct?

Tolzmann stated I show no new improvements for the current assessment. There were new improvements that showed up for last year, but not for this year. Voss stated okay. Tolzmann stated so there's nothing listed here. Lockwood stated it's on there.

Voss stated to me it sounds like it was being assessed twice. Wells stated just let me clarify. When the value notices are sent out, they always show two year's worth of values. This year they showed the pay 17 value as well as last year's. So she's seeing the \$24,400 show up under the same tax year but it's showing up on two notices. But it's for last year.

Lockwood asked so it's not for this year? Wells stated no. Lockwood asked so it's only for one year? Because, what I didn't look at. Wells stated yeah, see this column says 15 pay 16 and that's where it is. And, this column is for 16 pay 17 and it's not there. Voss stated so we got that clarified at least.

Lockwood stated so, and I'm just wondering if it went down from \$205,700 to \$183,400. I'm wondering if that sounds reasonable because. Voss stated so it dropped \$23,000. Is that my math? Lockwood stated it dropped \$3, oh wait, \$2,000. Um, estimated market value in 2016 is \$185,400. Now next year it will be \$183,400. So, \$2,000.

Voss stated but before you said, what was it, in 2015? Lockwood stated in 2015 it was \$150,000 and then it went up to \$185,400 because of this new improvement value on there. But I guess I have to go to tax court for that, right? Because I did not see the paper, I did not read it. So what do I do? Call?

Voss asked well, what's your question first? Let me make sure we understand your question tonight. Lockwood stated I'm wondering how long this, where they got that amount from, the \$24,400. Where did it come from? I have pictures of the house and like I said, we put a \$3,900 deck on.

Ronning asked and this \$24,400 improvement? Lockwood repeated 'new improvement value.' Voss asked Ken, can you comment on that? Tolzmann stated that, I was out to the property, which would have been in 2014. Lockwood stated May 15, uh huh. Tolzmann stated and let me just double check that. And at that time, that was for the five-year re-value. Every five years we go out and take a look at the property. And, let's see, at that time, the grade of the house was adjusted half a grade up and based on what I had saw at the property when I walked around, it looked like it had been in pretty descent shape. When I went back out there this year, Ms. Lockwood took me around and there was, she does have an issue with some woodpeckers that are attacking the wood exterior of her home. So the

Shirley

April 20, 2016  
Lockwood  
21001  
Kenyan St NE

East Bethel Local Board of Appeals and Equalization

Page 4 of 14

adjustment I made was due in large part to the infestation of woodpeckers that there seems to be a problem with there.

Voss stated I think Ms. Lockwood's question, though, is the equity between what she spent on the deck and the \$24,000 improvement last year. Tolzmann explained when I do the revalue, if the increase is in excess of 5%, I show it as a new improvement. That's designed as flag to the homeowner to let them know, you know, that there's been something that's changed on their property. That's a common practice. Voss asked is it fair to say then it's a combination of the deck that was added and overall valuation? Tolzmann stated yeah, it wasn't just the deck. It was the overall change in the physical characteristics of the property.

Lockwood stated I have pictures and it didn't change that much from 2014 until now. Tolzmann stated I did make the adjustment so the issue has been resolved, in my opinion.

Voss stated but in terms of, it's a pretty substantial increase so was she in a zone that was reassessed then? Tolzmann stated that's correct. Voss stated you can explain this much better than I but as I understand it, you take portions of the City every year and do more thorough re-examination. Correct? Tolzmann stated yes, do an onsite examination of the property, that's correct. Voss stated and then her property must have been in that.

Lockwood stated there's other houses out there that look a lot better than ours and their taxes didn't go up like ours and this new improvement stuff.

Ronning stated I guess I'd have a question that if they but a \$3,900 deck in, what would be the basis for the increased property value of \$20,000-some for improvements. Tolzmann stated a lot of times what happens is that there's actually the year build of the house. Let's say it was built in 1960. Typically, a homeowner will keep the property up and when we go out and take a look at it, we look more at the condition of the house and that is referred to as the effective age of the property. So while a house might be built in 1960, it might have an effective year built of 1985. And, I don't have listed what Ms. Lockwood had before but that was the bulk of her increase, just that the property looked in better condition than the last time I was out there. That would have been five years before.

Ronning stated if I didn't misunderstand, you were out there this past year? Or, recent year? Lockwood stated he was out in 2014. That's when it jumped up. And then I had him out here on March 24, I think it was. Then he did re-file something to bring it down to \$183,400 instead of \$205,000 for next year.

Voss stated so your valuation's dropped \$22,000. Is that, that's what I was asking you earlier because I was confused over those numbers. Ronning stated I still don't understand the \$20,000-some versus \$3,900. Lockwood stated I don't either, I just don't.

Voss stated I think what Ken's saying is the deck's a portion of it. Tolzmann stated right. Voss stated let me ask it this way. If she didn't add the deck? Tolzmann stated it still would have shown but not as much. Voss stated it would have been a special assessment, what it's called. Lockwood asked it would have shown 'new improvement value'? Tolzmann stated it would have, um hum. That's the way it's done.

Shirley

Voss stated to me it does sound, I'll call it deceiving, in the term, because if I didn't do

anything and there's a new improvement value, it's, 'Where did I add on? I didn't do anything.'

Ronning asked from your side of things, how do you justify the \$20,000-some with \$3,900 and something? How can you justify it? Voss stated what Ken's saying, the deck was only part of the bigger number. Ronning stated maybe they didn't even wash the windows that year. So, where the rest of it comes from is, it's something people are discouraged with, any of us, all of us. It's kind of a difficult thing to understand as well.

Tolzmann stated it's my job to look at the property, to look at the quality of the house, how well the property is cared for. Those are the things that enter into what the market value of the property is going to be. How well it's cared for. What's the condition of the property? And if it looks in better condition than the last time I was out there, I make a note of that. That's the purpose of me going out there. That's why I go out once every five years, is to update those records. And, when I do that, if the increase is, like I was saying, greater than 5%, I put it on as a new improvement. That's a flag to the homeowner. You know, I wouldn't have to put it on.

Ronning asked does that reflect the sale of homes in the area as well? Tolzmann stated the rates that we use are all tied to what homes are selling for in the area, yes. For this past year, I think... Ronning stated for the area they were that significant? Tolzmann stated yeah those are things we take into account every year. You know, what the sales are. That's what drives these values, are the sales in the community.

Lockwood asked but how come it's only my house then? And no neighbors? Wells stated oh no, you just wait and listen. Lockwood stated I have pictures if anybody wants to look at pictures. And, it did not get this bad from 2014 until now. It was like this.

Ronning stated well, your thoughts about the re-evaluation to the \$183,000, \$185,000? Lockwood stated I guess that's okay, I guess. It did come down. Ronning asked did that correct what your concern is? Or not correct it, does it answer? Voss stated for this tax year. Lockwood stated yeah. Voss stated you've already said for last tax year you have to go to tax court. Is that what I'm hearing? Lockwood stated yeah.

Tolzmann stated for this meeting... Voss stated so this body can't do anything about what happened last year. I think you understand that. Lockwood stated I know. Voss stated I just want to make sure we all understand that too. Lockwood stated I just wanted to know why that 'new improvement value' was on there. Voss stated okay and thank you for bringing that up because I would never have known that either. Lockwood stated because I've never seen it before and nobody I've talked to has had that problem.

Ronning asked did the evaluation you're going to be dealing with is, I mean we can't say it is or isn't, some of it's, has it been adjusted to, I hate to say 'satisfaction' because that's not what's required. Lockwood stated probably not. Voss stated but there's an adjustment that Mr. Tolzmann's made to your valuation. Lockwood stated yes, from \$205,000 to \$183,000. Voss stated okay. Ronning stated it went down \$22,000. I think he put your \$22,000 on mine plus. Voss asked any other questions? Okay, thank you. Ronning stated I don't mean to make light of what you're saying. It's a very serious thing for us all.

April 20, 2016  
Diane  
Jacobson  
20628 East  
Bethel Blvd.

Voss asked Diane, would you rather sit? Diane Jacobson stated I can sit right here.

Diane Jacobson, 20628 East Bethel Boulevard, East Bethel, stated the property is under Robert Jacobson, Trustee. We first got alarmed when I started reading our market estimated value is, for 2016, is \$216,300. When we got our 2016 proposed sales tax in 2015 values of our house, the estimated market was \$158,400. And for 2016, they've jumped up to \$200,700. Why? Voss asked did you get your dates right? It should be 2017 value, right? I just want to make sure.

Diane Jacobson stated okay, our valuation for 2017 is now \$206,800. Bob Jacobson stated its part of our problem because we did miss the tax statement, evaluation from, supposed to be from 2016. Voss stated okay. Bob Jacobson stated it jumped up \$216,000 from \$158,000.

Diane Jacobson stated so in reality, it was like \$68,000 difference. Bob Jacobson stated we got the same thing on the bottom as the one she did. It says, '\$50,000 worth of improvements.' And for next year, we've got another what, \$34,000 in improvements.

Diane Jacobson stated we did put one new rock in the driveway. Bob Jacobson stated I mowed the lawn too. Mundle asked was it a really big rock? Bob Jacobson stated no that big rock's been there for a long time. Diane Jacobson stated and we washed the outside of the house.

Ronning asked what were the two numbers you said for improvements? Diane Jacobson stated one was for \$34,000 and the other one... Bob Jacobson stated this one here is for \$50,000. That's from 2015 to 2016. Diane Jacobson stated that was on 2017 when we're supposed to have done \$34,000 worth of improvement.

Voss stated I think for clarity we should probably focus on the 2017, the most recent one. Diane Jacobson stated okay, that's \$34,000. Voss stated because you're, obviously, concerned with last year's, sounds like you'd have to go to tax court anyway.

Ronning stated I don't think they're precluded from contesting whether it's over valued. Voss stated we can't do anything about it though. They have to go to a different venue. Ronning stated they can contest whether or not it's over valued. They missed last year but that doesn't mean the value is - it can still be over valued.

Diane Jacobson stated and we believe it is. He's been to our house this spring and nothing's changed. Oh, we got a different camper too, maybe, was that it? The newer camper? Tolzmann stated no. Diane Jacobson stated because you said if we added anything new it would. Tolzmann stated the \$34,000 for new improvements was for last year. That was for taxes payable this year.

Diane Jacobson asked but what did we do? Tolzmann stated the property was revalued last year. When we met this spring, you showed me the exterior access to your basement and at that point, we changed your basement from a normal full basement to a crawl space basement. Now for this year.

Diane Jacobson stated you can't go into our basement from the house. You've got to go outside. Bob Jacobson stated and it's been that way since 1978. Diane Jacobson asked so why didn't you catch it sooner than that? You weren't doing your job were you? Tolzmann

Bob and

April 20, 2016  
Diane  
Jacobson  
20628 East  
Bethel Blvd.

East Bethel Local Board of Appeals and Equalization

Page 7 of 14

stated that I can't answer but we got it corrected. Technically, it is a full basement but given the fact that you can't access it from the house, I felt it was more appropriate as a crawl space.

Diane Jacobson asked so that would increase our property tax then? Tolzmann stated no, no. For this year's tax assessment, last year your land value was \$73,600. With the increase in market values that we saw in the City this past year, the land value went to \$89,900. Okay, that accounted for the increase you saw this year. Last year, your value was \$200,700. This year it's \$206,800. Your building value actually went down by about \$9,000 from last year to this year.

Diane Jacobson asked are you seeing that? Bob Jacobson stated no. Tolzmann stated so the majority of your increase was in the land. The house value went down. Diane Jacobson asked in the land? Tolzmann stated correct. Diane Jacobson stated I think we're having the neighbor haul his junk over.

Ronning stated I guess I'd have to ask the question again. What was the market value for the area that's considered? Tolzmann stated the, let's see, they're in zone, let's take a look. Ronning asked, for comparison, have any homes sold in your area? Tolzmann stated they're in Zone 3 with 5+ acres. And what I do is look at all the sales in that particular zone and that's what drives the value of the homes in that zone are those sales. So the land value, like I said went from \$73,000 to \$89,000 and that's just, when we look at overall in the City, market values are up about 10% this past year. The land value went from \$73,000 to \$89,900 and that's reflective of just what the market's done in the past year.

Ronning asked is your, are your records available that would give you what the sales were in that area? What's the high and what's the low? Tolzmann stated we've got a sales ratio but I don't have it with me. But they're all listed. Ronning stated it would be nice to know. Tolzmann stated yeah, I think in the handbook that I supplied the City, I think we saw, did we put those changes in? Well, I'll look it up on my database. Just a minute.

Diane Jacobson asked so in other words, there's nothing that you're going to do for us? We're going to pay the high taxes no matter what? Ronning stated I don't think he's really at a conclusion yet. I can't say 'yes' or 'no' I guess. Tolzmann stated what I'm saying is that there was a percentage increase in that particular zone for this year, which was representative of the change in the market values in the City from last year to this year. Those are equalized by each zone in the City. I think we've got about 7 or 8 zones. They all, in the final analysis, came in at 93.5%. So they're all adjusted accordingly.

Ronning asked would it be correct to say that part of the City, the values are based on the sales with excluding the, what do you call it, Sheriff's sales, mortgage defaults? Tolzmann stated yeah, only good qualified sales we use. No foreclosure sales, no bank sales, relative sales, none of that.

Ronning stated and it may very well be exactly what it's supposed to be. But as far as we're concerned, it's a 'phantom' number. Tolzmann stated well based on the statistics that we've got, with 150 sales, you know it's been quite accurate. I put a high degree of confidence in the values that we've got here.

Bob and

Diane Jacobson stated well then, how come the neighbors across the road from us have a

April 20, 2016  
Diane  
Jacobson  
20628 East  
Bethel Blvd.

fairly new house and can't get theirs sold. Diane Jacobson stated that I can't, it depends on what they're asking for it. We only look at qualified sales. Stuff that sold. We don't look at what people are asking for it or what they're being offered for. Diane Jacobson stated they dropped it four times, the price, and still it's not selling. Tolzmann stated that could be.

Bob Jacobson stated that's beside the issue. The difference between taxes that we're going to pay this year and the taxes we're going to pay next year are not that bad. We should have been here a year ago because I got it down to the taxes around us. Our taxes went up a year ago 26%. Our value went up 26%. The closest one under that is 16%. And, there's actually one of them that went down 19% of the houses just around us.

Voss asked comparable houses with comparable land? I think that's what we're hearing is you've got to compare 'apples-to-apples.' Bob Jacobson stated no, but still. Diane Jacobson stated we have a 1918 house. Voss stated I'm familiar with your house, yeah. Diane Jacobson stated and the rest of them are all brand new. Bob Jacobson stated the one south of us is not. Diane Jacobson stated yeah, the one south of us isn't. And ours is going up and the new ones are going down.

Tolzmann explained their house is depreciated back to an effective year of 1968. So, a newer home would have a much newer, maybe 2005, so there would be much less depreciation taken off for a newer home. That's something that takes the age of the home into account in our system. Voss stated okay.

Diane Jacobson asked so because it depreciates you raise the taxes higher? Tolzmann stated we're talking market values, the way we come up with the market values. Diane Jacobson stated exactly. Tolzmann stated so if your home was newer, what I'm saying is the value would be higher.

Diane Jacobson stated okay, we're not served by any City streets. It's all County so what's the problem? The only way we got the potholes filled in front of our house was last night because of the Town Meeting. Diane Jacobson stated all I can say is that the changes that you saw from last year to this year in your land value affected all the properties in that particular zone. Those were across-the-board.

Diane Jacobson asked so what's our next step to protest all this? Bob Jacobson asked tax court? When's that? Voss asked what is the process Ken? Tolzmann stated for this year's, if they're talking about last year's value, they would have to file in tax court and that would have to be done, I think it's the end of April. But for this year's assessment, as I was saying earlier, the changes that we saw for this year were typical Citywide. You know with the changes of the land values reflecting an increased values Citywide from last year to this year.

Ronning stated going back to the first statement is based on the zone and what the sales are in that zone. Assumedly, there are like homes, some kind of similar homes, it's not a 10-bedroom, 400-bath mansion kind of thing. They don't fit in that same. Tolzmann stated when I met the Jacobsons last, was it early this spring? We did take a look at similar houses around their area and after looking at those, we, those did factor into the value that they're paying on for this year, or excuse, our value for this year. The current assessment as of this year.

April 20, 2016  
Bob and  
Diane  
Jacobson  
20628 East  
Bethel Blvd.

East Bethel Local Board of Appeals and Equalization

Page 9 of 14

Voss stated but if we understand this correctly, it wasn't the structure value that went up. It was the land value. Tolzmann stated correct, the land value went up. Voss stated so it wasn't a factor on what style of house it is. Tolzmann stated right, the house value actually went down about \$8,000 or \$9,000. Voss stated so the valuation on your house went down, which is what your focus has been but the property value went up.

Diane Jacobson asked so how did the property go up? Voss stated it's just demand, right? Tolzmann stated based on the sales in the community.

Ronning stated I'm confused. That's not new. There's a record of what these are but you went after what the concern was, you went and look at some other areas? Tolzmann stated yeah. Ronning asked how did they compare with what the record was? Tolzmann stated they compared rather well, I thought. The characteristics that we have their property listed for fit right in with the other properties that I looked at. Ronning stated I'd still like to see, it would certainly be helpful, I mean I may not ever be doing this again, but for whoever is, if there's a district zone of something, it would be kind of nice to have that. If it's in here, I apologize.

Tolzmann stated I thought in Zone 3, 5-9 acres, there were 9 sales, good sales. Diane Jacobson stated I know but we don't have five acres. Tolzmann stated okay, what is the actual acreage then? Bob Jacobson stated 4.8. Tolzmann stated okay, it's rounded up to 5. Okay, 4.8. Diane Jacobson stated so you put us in a category that bumped us up. Tolzmann stated no, that's the category that you've been assigned to. 4.88 acres, I would call that a 5 acre site.

Bob Jacobson stated I've got to go to tax court. Diane Jacobson asked how do we get into tax court now? Wells stated call the number on the back. Diane Jacobson repeated call the number on the back. Because you guys can't do anything about it. Voss stated last year no. Diane Jacobson asked or for coming up this year? Bob Jacobson stated for this year we're only 2% higher than what we were last year. It was 25% before. Ronning stated yeah, it is the current year. Voss stated your home value went down. Diane Jacobson stated okay, thank you, see you in court.

Ronning stated we're hearing tonight but it seems there's another day? Another evening later? Voss stated not for us. We're not tax court. Ronning stated I thought there was last year. If I'm mistaken, I'm mistaken. Voss stated in December we'll have review of the budget. Davis stated no, this is it.

Ronning stated after the fact or not, I'd like to see what these values are for the different areas and what the basis for them are. Voss stated that's something you can provide to Jack. Tolzmann stated I'll provide Jack with a list of the sales that took place in that Zone. Ronning stated do it please. Tolzmann stated sure.

Warren  
Mesenbring  
244 Elm Road  
Wyoming

Wells stated Warren Mesenbring. Voss stated good evening. If you could state your name and address please.

Warren

Warren Mesenbring, 244 Elm Road, Wyoming, stated so this came in the mail on the 17<sup>th</sup>. I just looked at it briefly and I put on my calendar. It's something that I always thought I should do is to show up and see if I can get my taxes reduced because I have owned commercial buildings. I have a couple in this City and a commercial realtor friend that I have mentored my son, they office together, or they did in one of my buildings and he

reduced the taxes very substantially. Like about \$18,000 on one building, from \$43,000 to like \$25,000. And then, on another one, unfortunately right before we sold it, but it was like from \$140,000 to \$75,000. The first one's in St. Anthony on 88 and C and the second one was on Lowry a block west of Central. So, I know that, you know the way he approaches this, he does comparables, which my son also did. My wife died last year and she had willed the house we had in Minneapolis to the grandchildren. So, my son had done a comparable to come up with a value and the realtor separately did a comparable so they did a price. Too low, it sold in half an hour. But, anyway.

Mesenbring stated so I just thought this is something that I've always wanted to do but just had other things to do all along. So I saw this coming on my calendar and I thought, 'Oh, it's going to go by again this year. I won't be able to do anything about it.' But then I have a mortgage on a property. I live on Elm and this is on Dogwood. It's with Kathryn Sneegeel and R.J. Lenz. It's a mortgage filed at the County. And so my friend and myself were looking through this stuff and their homestead exclusion was like \$17,000 on \$44,000 of estimated market value and mine. Well I can't remember but my assessed value was like \$125,000 and my homestead was \$9,000. So well, I thought I'm going to do this. It's tonight. So I called at 4, I got your voice mail, and you called me back but I was then on the line with the next person on it and I got Emily and she typed up a letter. Because what do I have to do?

Wells explained part of this issue is that his wife passed away last year. Mesenbring stated yeah, in January. Wells stated because they were living in two separate houses, the law would have allowed them only to be at 50% homestead in each location. But now with her passing, he does qualify for full homestead here now. We just need him to reapply for that. Actually, because of the date of her death, we would be able to do that as an abatement and that would be a pay 2016 change. It would qualify as a pay 2016 change.

Ronning stated pardon, what change? 2016? Wells explained because of the, with homestead we will abate one year if the homeowner hasn't filed. And trust me, we do hundreds of them every year because people don't realize they need to file these papers. So because she passed away almost a year ago, or over a year ago actually. Mesenbring stated January 17 of 2015. Wells stated he would have qualified for that homestead for payable 2016 had he filed. And we will go one year back for a homestead. So he has that paperwork and Emily in our office got it all situated and sent it off with me to bring here.

Mesenbring stated it's lying back there. I'll get that sent in. I'm trying to explain the reason. Thanks. That's the reason I ended up here, is mainly because of my son's, the guy that mentored him into real estate to run the commercial building that I own in the City. He got phenomenal tax reductions for me so I thought, well, you know, give this a try and see what happens. Maybe it will end up going up, I have no idea. So that's how I ended up here. And I only started this at 4 this afternoon so I called Ken and then I called and got Emily and Emily gave it to Diana.

Ronning stated there's a couple different market values listed. There's an estimated market value and a taxable market value. The taxable market value is the one that counts, I think. Tolzmann stated that's correct. Ronning asked what are those two numbers for whatever years you have?

house I own. Ronning stated the one you're claiming, I think it applies to your home. Or, does it apply to whatever you have? Wells stated he has several lots with the homes.

Mesenbring stated yeah, I have six lots on my house at 244 Elm and then I own 248 Elm, that's three lots. I own 226 Elm. 232, that's two. I own 226, that's three. And, I own 220, that's four. And I might as well, if I can have my son and especially his friend who does this as a business do comparables for me and then we'll just see what happens. Might go down, might go up. We'll just see. That's my plan. But I'm not prepared to do any more than to state that case with you tonight.

Voss asked so what are you asking this body to do? Mesenbring stated I think there's nothing that I'm prepared more than what I just said. You know, I started this process really because it was on my calendar and my friend and I were looking at this one that I own over on Dogwood. The ratio between their homestead exclusion and mine was way crazy. But now I understand why after talking with Emily. Wells stated it will change.

Mesenbring stated but as long as I'm here, I may as well start the process which I've always wanted to do to see if I can get my taxes reduced on my residential properties the way I have been able to on my commercial properties. That's it. That's all I can say. Voss stated okay. Mesenbring stated so nothing more to say for now. I'm just going to submit paperwork, I guess, based on what I think and I'll probably meet with Mr. Tolzmann and he might say, 'No, your properties look nicer than your assessed value so it's going to go up.' Or he might say, 'Yeah, you're right.' Let's get it where we can. I appreciate Anoka County a lot. I heard once that Anoka County has only the 7<sup>th</sup> highest property taxes in the State. So I appreciate an efficiently run place like that. I think that's really cool. So I'm not here to be a 'hard ass' okay. I'm very easy. It's, hey, might be worth checking. That's all I want to do.

Voss asked can you comment a little bit on process just so everyone here is clear? Tolzmann stated typically in a case like this, if there was some documentation showing there was, that the value isn't correct, that would be more appropriate, in my opinion. The values that we've got out there have been fairly accurate. They're also based on sales of property in the area as well. So, without some evidence, appraisal, something that would indicate the value we've got isn't correct, you know, I would see no reason to change the value just without any evidence to present.

Voss stated I think what Mr. Tolzmann is getting to, is you haven't really made a specific request or a point on showing comparison. You talk about looking at comparisons but do you have anything to present to us? Mesenbring stated I do not but do I have time to do that yet? Voss asked is there time past tonight? Tolzmann stated tonight is the deadline. If he wants to apply to the County, he's certainly welcome to do that being that he's here tonight. Voss stated okay.

Mesenbring stated and that's the June? Tolzmann stated June 13<sup>th</sup> I believe. Voss asked is that what you were going to add? Okay, so your next step if you don't have anything to present. Mesenbring stated no. Voss stated then my suggestion is to talk to the County and be at the County's hearing and then have some material to show that it should be this amount and now what's shown here.

April 20, 2016  
Mesenbring  
244 Elm Road  
Wyoming

no need to go. Voss stated and if they're wrong and it should really be higher, you really don't want to go, right? Mesenbring stated for sure. Yeah, I'd say, 'See you guys.' Voss stated so you know the process now so you know the next step. Mesenbring stated yeah, I'm cool, so that's it. Voss stated unless you have something else.

Mesenbring stated let me think before I go, um, I'll see if my guys can do the comparables. I would say one thing. I think Coon Lake Beach can only be compared with Coon Lake Beach. It seems like a unique place. I've been there since 1982 but maybe that doesn't mean too much. That's it then, thank you. Voss stated it means a lot that you've been there since 1982. Believe me, it does. Thank you. Mundle stated thank you Warren.

Mesenbring asked is this a handout? No? Davis stated no that's there for anybody that needs to read the report. I you'd like a copy of it I can get you one. Mesenbring stated it would just fill up my files. Thank you very much.

Jerry Lancette  
356 196<sup>th</sup>  
Avenue NE

Tolzmann stated I think the next person we have is Jerry Lancette.

Jerry Lancette, 356 196<sup>th</sup> Avenue NE, Cedar, stated I was at the meeting last night and it started out as a question regarding the increased value of my property and I made the appropriate phone calls to the City, the County, and the School District. I get a lot of 'talk' and no real answers that I'm looking for. Voss stated we'll try tonight.

Lancette stated all right. So, basically I thought I had a pretty good handle on it and, you know, I saw an increase in my taxes for calendar year 2016 of 16%. And, the County portion was about 18.5%. I got this booklet from the County and it says that they were able to hold the levy down to 2.4%. I'm going, 'Well, 2.4% versus 18%, how does that work?' I look at the City portion, I'm going, well, I remember seeing City Council meetings in the past where you guys have talked about, you know with the sewer and water now, that the citizens are going to be taxed and, you know, a certain percentage you're going to start seeing that on your tax bill. So I'm looking at that and I'm going, 'Well, that's probably what that is, okay?'

Voss stated Jerry, I don't mean to cut you off but tonight is not a meeting to talk about the taxes or tax levy. It's focused on your market value of your property. Ronning stated I think there is an answer though. Was it 2014 there was a levy of 15-point something? And that's what you're referring to as far as sewer/water costs, essentially. Correct? Davis stated that's correct. Ronning stated and the rest of it is just operating expenses as far as, it isn't going up and up and up because of the sewer and water. You follow me?

Lancette asked what was the percent you said? Davis stated in 2014, the City's levy increase was 15.1%. In the years following, it's been .9 and 1.5. Ronning stated so the 2014 is really where the, we caught up cost on the sewer/water. It's not something that's every year.

Lancette asked so it was a one-time thing and then it's just a minor adjustment every year after that? Ronning stated that was a one-time levy but it doesn't go away. Whatever increases there are, it's increased in costs of running the City. If we're, which isn't really too bad. We're at a 2-3% inflation and we're keeping it under 1-1.5%, if you look at it that way. Do I, am I making any sense?

Jerry Lancette

Lancette stated okay, it just goes against what I think I was told this afternoon. Ronning

asked what was that? Lancette stated well the fact that my property tax went up, okay? When I talked to Ken this afternoon I had like 8 or 9 properties that sold within a radius of my house by 4 or 5 blocks. All within the last year. Some sold at a loss of the asking price, some was \$100 over, maybe \$1,000 over. But there was none that was the market value was \$200,000 because the market was so hot somebody came in and offered \$250,000 for it. So I was questioning that and then I bought up the fact that well, is part of this increase have to do with the sewer and water. Voss stated no. Again, for tonight's discussion we're focusing on market value. We're not focused on the taxes. We're not focused on the levy. Ronning stated as far as the question on, based on sewer and water, that would be no. The short answer is no. Lancette stated okay. All right, thanks.

Felicity and  
Bryan Mahler  
19651  
Rochester  
Street

Tolzmann stated I don't have any more names registered here. But I do have a letter that Jack gave me. It's from Felicity and Bryan Mahler and I will enter that into the record. This property here, I did go out and physically view the property. The owners declined an inspection of the property and when I, in my opinion the property is appropriately valued.

Voss asked what's the address of the property? Tolzmann stated the address is 19651 Rochester Street. Voss stated okay.

Davis stated in relation to that letter, the owners could not be present tonight and asked that be presented so that it could be known that the petition was filed. In that way, they can take it to the Anoka County date on the tax court.

Voss stated okay, so it's not something that we address tonight then. Davis answered correct. Ronning stated their request is accommodated. Davis agreed.

**Close  
Hearing**

Voss asked is there anyone else here tonight for the Board of Equalization Meeting? Okay, we'll move on. From the five that we've seen, two of the actions have stated they're going to go to the County. Well, actually three of them. With the other two, there's no real specific request. Is that clear? So, there's nothing to present to this Board that we need to act on. Correct? Davis stated correct, yes. Voss stated that should bring it to the end.

Shirley  
Lockwood,  
21001  
Kenyan St NE

Shirley Lockwood, 21001 Kenyan Street NE, East Bethel, asked do I need to go to the County if I'm not satisfied with this 2016? I go to the County first? He brought it down from \$205,000 to \$183,000. Voss asked you're not happy with the fact that he brought the value down? She answered I'm just not happy he said there were woodpeckers in my house and that's the only reason that it got bad looking. I have pictures here. It's the whole house. It's original siding, original windows from 1976 when we bought the place. And, it's not just woodpeckers that damaged it this last two years.

Voss stated so if we understand it right, your valuation, the adjusted evaluation is \$183,000. Tolzmann stated that's correct. Lockwood stated for next year. Voss stated and now you want that adjusted down? Lockwood stated adjusted down to I don't know. It probably won't be. Voss stated I'm sorry, Ms. Lockwood, can you come to the microphone again? So, we're here to act on this year's tax year. I think we clarified that. Our understanding is the Assessor has reduced the proposed valuation from roughly \$205,000 to \$183,000. Is that? We're all agreed in that? Lockwood answered yes, that's the estimated market value. Voss asked so are you're concerned with that \$183,000 that it should be lower yet? Lockwood stated I don't know.

Shirley

Ronning stated there were three numbers, I think, you gave. One was a 2014, then a 15,

April 20, 2016  
Lockwood,  
21001  
Kenyan St NE

East Bethel Local Board of Appeals and Equalization

Page 14 of 14

then a 16. Voss stated but we can't do anything about that. Ronning stated I know it but it went from one number to a jumbo number and then it came back down. How does it compare with the first one? Lockwood stated yes. The first one was \$150,000 to \$185,400 and now down to \$183,400. So the \$150,000 to \$185,000 is what I have to go to the tax court with. Right? Voss stated that's the previous year. Lockwood stated because that was, because I forgot to look at this paper when I got it. I put it in the drawer because it said 2016. But I have pictures. Thank you.

Voss stated hearing no one else, do we have a motion to adjourn? There's no action to take. Correct? Davis stated that's correct.

**5.0  
Adjourn**

**Mundle stated I'll make a motion to adjourn at 6:58 p.m. Harrington stated I'll second.** Voss asked any discussion? All in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

Submitted by:  
Carla Wirth  
*TimeSaver Off Site Secretarial, Inc.*