

**EAST BETHEL CITY COUNCIL MEETING**  
**Local Board of Appeals and Equalization**

April 26, 2020

The East Bethel City Council met on April 26, 2021, at 5:30 p.m. for the regular City Council meeting at City Hall, Virtual.

MEMBERS PRESENT:            Steve Voss                      Tim Harrington                Suzanne Erkel  
   Brian Mundle                    Shelly Beck

ALSO PRESENT:                Jack Davis, City Administrator  
   Mark DuCharme, Fire Chief  
   Ken Tolzmann, City Assessor  
   Mary Wells, Assistant to the City Assessor  
   Alex Guggenberger, Anoka County Assessor  
   Ben Hamill, Anoka County Commercial Assessor

**1.0 – Call to Order**

The April 26, 2021, City Council meeting, Local Board of Appeals and Equalization was called to order by Mayor Voss at 5:30 p.m.

**2.0 – Adopt Agenda**

**Harrington stated I'll make a motion to adopt tonight's agenda. Mundle stated I'll second.** Voss asked any discussion? To the motion, **Erkel, Harrington, Mundle, Beck, and Voss – Aye.** That motion passes. **Motion passes unanimously.**

**3.0 – Assessor's Report**

City Assessor Ken Tolzmann welcomed Board Members and residents to the 2021 Board of Appeals and Equalization Meeting. He stated the purpose of the meeting is to hear evaluation appeals for 2021 Assessments, which is the starting point for determining property taxes payable in 2022.

Tolzmann indicated he had reduced the valuations on two properties: Karen Thompson, 22223 Durant, PIN 01-33-23-33-0005 for a reduction from \$394,300 to \$374,900 and also Randy Peterson, 21435 Johnson Street, PIN 08-3323-34-0007 from \$637,200 to \$534,400.

Erkel asked if the countywide adjustment of 15 percent was a decrease or increase. Tolzmann responded that was a decrease.

Erkel asked if Coon Lake was paying 11 percent less taxes. Tolzmann responded the goal was to have everyone paying their fair share and when he looked at the sales at Coon Lake, they came in below what they sold for. In order to put them on the same level as other properties, and value was adjusted so everyone was on the same ratio level. He stated the lots at Coon Lake Beach were cheaper so they would probably be a little less than last year and other areas might be a little more than last year. He noted there would be a six percent increase on the building value, but the land value would be decreased by around 20 percent.

Erkel asked if a home is assessed for more than it can be sold for and the resident didn't appeal the assessment, would they receive a refund or would the new owners just get the new assessment. Tolzmann replied it was important for people to read the blue paper that came with the tax. He stated

he was more than happy to review issues such as this, but he has not seen this happen too many times. He stated with the market the way it was, the chance of someone being over assessed was less than it would have been in previous years.

#### **4.0 – Board of Equalization Hearing**

Voss opened the Board of Equalization Hearing.

#### **4.0 A - Agenda Item: Board of Review and Adjustment Hearing Schedule of Petitioners**

Davis stated there was one resident present tonight who wished to appeal their property value.

**Jerry Potts, 23015 Durant Street, PID: 36-34-23-33-0024**, stated he believed his valuation went up too much. He indicated it went up \$22,200.

Voss asked what the value was last year compared to this year. Potts replied for 2021 it was \$194,300 and now it was \$216,500.

Tolzmann stated Mr. Potts' figures were correct. He indicated he did look at the property and Mr. Potts lost a few trees in his yard, but the loss of the trees did not justify a reduction in the property value. He noted it was a nice property on a wooded lot. Potts noted he lost 15 oak trees in the last few years.

Voss asked if trees come into a valuation. Tolzmann responded in his opinion the loss of the trees opened the property up nicely. He noted there were trees on both sides of him and he did not believe the loss of the trees put the value of his property below what they have it listed at. He stated if he was going to sell the property, he could probably get \$235,000 or \$245,000 for it.

Potts stated they have not done any updates in the last 15 years. Tolzmann stated they had kept up the property nicely and it was a nice home. He indicated this was an 11.4 percent increase.

Voss asked how the increase fit into the homes in the area. Tolzmann responded it fit in the same as the other properties in the area. He noted it was subject to the normal building increases and land changes that was seen in the last year.

Erkel asked if the average increase was 9.8 percent why was Mr. Potts' up 11 percent. Tolzmann responded that was a compilation of market values for over 5,000 parcels. He stated according to the Minneapolis Board of Realtors values went up 16.8 percent overall. He stated that was why they go out and look at the properties to see what the home was like.

Potts indicated he would need to take out additional oak trees that were dying. He noted he had planted the pine trees.

Mundle asked if the reason Mr. Potts was asking for a reduction was due to the loss of trees. Potts responded the basement was unfinished and there was only one bathroom. He did not think it was worth what it was assessed at.

Mundle asked what the total square footage of the home was. Tolzmann responded he showed it was 816 sq. ft. on the one level for 1,600 sq. ft. total.

Mundle asked what year the home was built. Potts replied it was built in 1973.

Erkel asked what Mr. Potts thought the value of his home was. Potts responded he believed last year's estimate was correct.

Voss stated the average value increase across the city was 9.8 percent and Mr. Potts' valuation was a couple of points above that so it was in the neighborhood. He noted everyone's property increased.

Potts asked with the sewer system were they getting enough people on it to pay for it so everyone didn't have to. Voss stated tonight's meeting was the valuation of property and when the budget hearing was held later in the year is when the sewer system could be discussed.

Potts asked if people paid less for the sewer system each year. Davis responded it was probably about the same because the roads in the system and the revenues taken in. He indicated there might be a slight increase.

Potts noted he and his wife were on a fixed income and had no way to get additional income to pay for increased taxes and sewer. He asked once the sewer was paid for, would his taxes go down. Voss responded that was a tax discussion and tonight was a valuation discussion.

Davis asked how much the proposed taxes were going up with the new valuation versus what he was paying now. Potts replied he had not looked at the taxes.

Davis stated Mr. Potts needed to look at the actual taxes as sometimes valuations can go up depending on what comparative sales were around him, but they could even go down. He stated the actual increase or decrease in taxes was what was important and the valuation was a part of the formula. Tolzmann stated it was his opinion that if spending stayed the same from this year to next year, Mr. Potts' increase in valuations wouldn't make any difference.

Potts stated the increase in valuation didn't help him; it was the increase in taxes that made the difference. Voss stated actually it was the valuation that affected him most directly. He noted this was a complex formula.

Mundle stated he did find a property similar to Mr. Potts' property which sold for \$265,000 last November.

Erkel stated her taxes increased \$250 and she knows that is a lot for some people on fixed income and this should be taken into consideration for the residents. Potts stated a lot of people moved to the City a long time ago and now the taxes were getting too expensive to live in the City.

Tolzmann noted Mr. Potts' city taxes went down \$18.00. Voss noted even with the valuation increase it appeared the city taxes went down. He stated as long as the city kept the levy down, the city taxes should not change much.

Potts stated his main issue was the sewer taxes. Voss responded the sewer would be discussed at the budget hearings later in the year.

Voss closed the Board of Equalization hearing.

**Mundle stated I'll make a motion to approve Karen Thompson, 22223 Durant, PIN 01-33-23-33-0005 for a reduction from \$394,300 to \$374,900 and also Randy Peterson, 21435 Johnson Street, PIN 08-3323-34-0007 from \$637,200 to \$534,400. Erkel stated I'll second. Voss asked any discussion? To the motion, Erkel, Harrington, Mundle, Beck, and Voss – Aye. That motion passes. Motion passes unanimously.**

**5.0 - Adjourn**

**Harrington stated I'll make a motion to adjourn the Board of Appeals and Equalization Hearing. Mundle stated I'll second. Voss asked any discussion? To the motion, Erkel, Harrington, Mundle, Beck, and Voss – Aye. That motion passes. Motion passes unanimously.**

Meeting adjourned at 6:07 p.m.

Submitted by:

Kathy Altman

*TimeSaver Off Site Secretarial, Inc.*