

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Judy M. Sersha, Clerk/Treasurer

Steven J. Kniefel, Chairman

Supervisors: Tony Tammaro, James Pernu, Lee Branville, Mike Erjavec

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BOARD OF EQUALIZATION

APRIL 11, 2012

Chairman Kniefel called the Board of Equalization to order at 1:00 PM. Town Board members present were Chairman Kniefel, Supervisor Erjavec and Supervisor Tammaro. Supervisor Pernu was present for a portion of the meeting. Supervisor Branville was absent. Clerk Sersha was also in attendance.

Chairman Kniefel introduced the St. Louis County Assessors in attendance, those being: Bob Wiinanen, Pat Orent, Beth Sokoloski, and Ben Thomas.

Members of the audience in attendance were asked to sign-in on the sign-in sheet and would be called upon in order. Citizens in attendance were: Bruce Williams, Russell Keating, Keith Nelson and his mother, Jean Nelson, Mark Peterson, Rich Sundin and Thomas Brimsek.

Chairman Kniefel asked Pat Orent to make the introductory remarks. Mr. Orent explained to those present that Fayal Township is subject to a complete re-appraisal every five years, and that was completed this past year. The assessors looked for any changes or improvements. Due to the large number of parcels in Fayal, the assessing duties were divided, as follows: Bob Wiinanen- the southern six sections, Pat Orent- Pleasant, Long, Horseshoe Lakes and the north central portion of the township, Beth Sokoloski- north half of Fayal, including all of St. Mary's and Ely Lakes, and Ben Thomas- commercial property.

Mr. Orent stated that even though all the assessors worked independently, they worked as a team to analyze the sales that took place in the township over the past year, and worked to formulate their models to come up with the appropriate valuations. Mr. Orent asked if the board members had any questions.

Supervisor Tammaro asked if a re-finance appraisal by a private appraiser is considered? Mr. Orent stated similar to what has been done in the past, they would review the appraisal. Mr. Orent explained that many times the stipulations for a re-fi have different constraints versus a fair market value appraisal, and they welcome appraisers to take a look at it, but it is ultimately up to the board.

Supervisor Tammaro asked if all comparables were from Fayal Township, or were out of area comps used? Mr. Orent answered no, not for the land and building schedules. They did look to see if the sales in the township made sense as to what is going on regionally.

Chairman Kniefel asked if there were any trends noticed in any of the neighborhoods? Mr. Orent explained due to sales, a big impact was on St. Mary's Lake, which is now being valued at the same as Ely Lake for frontage. The suburban area was overvalued and had a substantial reduction. There has also been no decrease in value over the last year and we are sitting at 89-90% of value.

Members of the audience asked several questions of the assessors.

APPEALS MADE IN PERSON

Bruce Williams, 8048 North Moon Lake Dr. Parcel 340-0010-06010, Record 1- Land value- \$37,400, Buildings- \$309,800, Total \$347,200 and Record 2- Land- \$21,800. Parcel 340-0010-05760- Land \$40,200. Mr. Williams provided a copy of an appraisal he had done recently for his property which shows a lower value than that of the assessors. Mr. Williams also stated the property on 05760 is mostly swamp and unusable. The board asked that the assessors review the appraisal Mr. Williams provided.

Russell Keating, 8283 Peary Road North- Parcel 340-0010-03450- Land- \$29,600, Buildings- \$168,700, Record 2, same parcel number- Land- \$24,000. Parcel 340-0010-03480, Record 1- Land \$28,600, Buildings- \$111,900. Record 2, same parcel number- Land- \$34,600. Parcel 340-0010-03480- Land- \$33,600. Mr. Keating stated his agricultural homestead classification was taken away because he did not sell anything. Mr. Keating stated he purchased heifers, but the calves are not ready for sale until this fall. Mr. Orent stated that proof of income must be provided on Schedule F within one year, and is a policy of MN Revenue. Mr. Orent went on to explain that at anytime this year, before December 15, Mr. Keating may bring in a proof of income statement and his agriculture homestead will be restored, or the town board may take that action. Mr. Keating agreed to provide proof of income to the county assessors before the end of the year. The board took no action.

Jean Nelson together with her son, Keith Nelson appeared before the board.

Jean Nelson- 7249 River Lane- Parcel Code- 340-0010-6780- Record 1- Land- \$26,400, Buildings- \$157,300, Record 2, same parcel number- Land \$16,600

Keith Nelson- 7251 Townline Road East- Parcel Code- 340-0010-06785- Land- \$17,200, Buildings- \$17,000.

Mr. Nelson stated that in 1978 he built a home on a ten acre portion of his parent's property. Mr. Nelson stated he is not here to complain about his assessment or his taxes, and neither is his mother. Mr. Nelson stated that somehow, with a GPS overlay and an overhead picture, they are saying that his home is on his mother's property, and have put the value and the taxes onto her statement, and deducted that amount from his statement. Mr. Nelson stated he has a survey, but does not have a block survey, but when he built on the ten acres, he and his father measured it out from the fence lines, from the red and white posts. Measuring from that, Mr. Nelson stated he is showing that his house is 30 feet onto his property.

Patrick Orent explained that when a discrepancy comes up, he and other staff members start looking to see if there is any other recorded documentation. If none is found, contact is made with the property owner to see if they have any survey that has been completed and not recorded. Mr. Orent stated that when the initial mapping was done on Mr. Nelson's homesite and it became apparent that his home sat on his mother's parcel, he then turned off the parcel layer so the yellow lines could not be seen on the aerial photography. Mr. Orent explained he then hand-scaled the distances from the two known points and re-mapped by hand, Mr. Nelson's parcel. Mr. Orent stated his re-map verified that though there may be some error in the parcel line, it was no more than ten feet. Mr. Orent explained that Fayal Township has very highly accurate control points in that area. Mr. Orent stated that short of being supplied with a survey, we have every belief that the home does sit on Mr. Nelson's mother's property.

There was much more discussion between Mr. Nelson and Mr. Orent on the subject property. The board took no action at this time.

Mark Peterson- 7798 Bodas Road- Parcel Codes 340-10-5090- Land \$81,100, 340-10-5150- Land- \$65,200, 340-10-5100- Land 51,100, 340-10-5030, Record 1- Land \$67,300, Buildings \$93,300, Total- \$160,600 and Record 2- Land- \$16,800.

Mr. Peterson explained in detail each parcel of his property. The quality of the land is very poor and mostly swamp but is considered lakeshore on Pleasant Lake. Mr. Peterson disputed this as lakeshore because it is unusable swamp.

Mr. Orent explained that the property is being graded as poor, but is nonetheless on the lake. The board asked the assessors to review the property and took no action at this time.

Richard Sundich- 3867 Pleasant Drive- Parcel Code- Record 1- Land- \$60,900, Buildings- \$92,900 and Record 2- Land \$1,000.

Mr. Sundich disputed the value of his property, due to poor lakeshore. Mr. Sundich stated he has probably 12 feet where he can access Pleasant Lake, and the rest is swamp. Mr. Orent explained that the property is all valued as poor frontage.

Motion to table the Sundich appeal and revisit, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.

Thomas Brimseck- 7995 Winding Way Drive, Parcel Code- 340-10-3150. Record 1- Land- \$58,100, Buildings- \$81,200. Record 2- Land- \$11,900. Mr. Brimseck disputed the value of his buildings. The board took no action at this time.

WRITTEN APPEALS

Kurt Gitzlaff, 7359 Scout Camp Lane- Parcel Code- 340-10-4670- Land- \$46,500, Building- \$375,200. Mr. Gitzlaff sent a written appeal and a copy of the front page of an appraisal that was completed in January 2011 valuing their home at \$370,000. The appraisal had been presented previously to the assessors in its entirety. Mr. Orent reviewed the appraisal and stated it was a re-finance appraisal, which differs from a market value appraisal. Mr. Orent stated he inspected the interior of the home and found the interior to have more features and baths than what was on the assessors' field card that were not taken into consideration in the original valuation. The attached garage was also not taken into consideration. Mr. Orent stated the bottom line is, the house has been under-assessed.

Motion to make no change to the valuation of the Kurt Gitzlaff property 340-10-4670, made by Supervisor Tamaro, support from Chairman Kniefel. Motion carried unanimously.

Marianne Diggerness Loscheider- 22929 County Road 71, Bovey, MN 55709 Parcel Code- 340-10-6035- Land- \$70,300, Buildings- \$1,600. This property is located on North Moon Lake Drive. Mrs. Loscheider states there is no road access to this property, and is disputing the value due to that fact. Bob Wiinanen stated he discussed this circumstance with Mrs. Loscheider on the telephone. Mr. Wiinanen recommends a 10% reduction because of the access across other property. Total reduction would be \$7,000 to the land value to equalize with other parcels with a similar arrangement.

Motion to reduce the land valuation by \$7,000 on parcel code 340-10-6035, owned by Marianne Diggerness loscheider, per Mr. Wiinanen's recommendation, made by Supervisor Tamaro, support from Chairman Kniefel. Motion carried unanimously.

Brian & Elana Pfeiffer- 4349 Miller Trunk Road, Parcel Code, Record 1- 340-160-30- Land \$110,000, Buildings- \$285,300 and Record 2- Land \$6,900, Buildings- \$16,000. Beth Sokoloski is recommending a reduction in value of \$11,300 to Record 1, due to incorrect bath count and a reduction to Record 2 of \$4,300 due to roof condition and cost to cure.

Motion to reduce the building value of the Brian & Elana Pfeiffer property, parcel code 340-160-30, Record 1 by \$11,300 and reduce the value of Record 2 by \$4,300, per Ms. Sokoloski's recommendation, made by Chairman Kniefel, support from Supervisor Tamaro. Motion carried unanimously.

Motion to reduce the building value of the Brian & Elana Pfeiffer property, parcel code 340-160-30, Record 2 by \$4,300, per Ms. Sokoloski's recommendation, made by Supervisor Tamaro, support from Supervisor Erjavec. Motion carried unanimously.

ASSESSOR RECOMMENDATIONS

Denny & Rebecca Bone, 4163 St. Mary's Court- Parcel Code- 340-172-70, Land- \$93,900, Building- \$264,000. Beth Sokoloski recommended a 2% depreciation factor reduction.

Motion to reduce the building value of the Denny & Rebecca Bone property, parcel code 340-172-70 by \$1,300, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.

Joyce Stanaway, P.O. Box 710914, Santee, CA 92071- Parcel Code 340-10-2000, Land- \$30,000. Pat Orent recommended a reduction in value of \$1,600, due to land quality.

Motion to reduce the value of the Joyce Stanaway property, parcel code 340-10-2000 by \$1,600, made by Supervisor Erjavec, support from Chairman Kniefel. Motion carried unanimously.

Michael Erjavec, 7574 Ely Lake Drive- Parcel Code 340-10-2010- Land \$52,400 and Parcel Code 340-10-2030- Land- \$59,600, Buildings- \$73,300. Pat Orent recommended a reduction value of \$13,600 to 340-10-2010, due to land quality and a reduction in value of \$11,000 to parcel code 340-10-2010, due to land quality.

Motion to refer the Mike Erjavec decision to the reconvened meeting, made by Chairman Kniefel, support from Supervisor Tammaro. Supervisor Erjavec abstained. Motion carried.

Ryan Sterle- 7095 Old Sand Lake Road, Britt, MN 55710- Parcel Code 340-10-2120- Land 23,300 and Parcel Code 340-10-2150, Land- \$31,600. Pat Orent recommended a reduction in value to parcel code 340-10-2120 of \$4,000, due to land quality and a reduction in value to parcel code 340-10-2150 of \$5,600, due to land quality.

Motion to reduce the value of the Ryan Sterle property, parcel code 340-10-2120 by \$4,000, made by Supervisor Tammaro, support from Supervisor Erjavec. Motion carried unanimously.

Motion to reduce the value of the Ryan Sterle property, parcel code 340-10-2150 by \$5,600, made by Supervisor Tammaro, support from Supervisor Erjavec. Motion carried unanimously.

Cameron Jayson, P.O. Box 1203, Virginia, MN 55792, Parcel Code 340-10-220- Land- \$24,700, Buildings- \$382,600. Pat Orent recommended a reduction in value to the buildings of \$4,600, to correct the bath count.

Motion to reduce the value of the Cameron Jayson property, parcel code 340-10-220 by \$4,600, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.

Frank Berthold, 6484 Brackett Road, Eden Prairie, MN 55346- Parcel Code 340-10-3600- Land \$53,200, Buildings \$1,100. Pat Orent recommended a reduction in value of \$11,200 to the land to correct the amount of frontage.

Motion to reduce the value of the Frank Berthold property, parcel code 340-10-220 by \$11,200, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.

ACTIONS TAKEN BY THE TOWN BOARD, APRIL 11, 2012

Motion to table the decision on Bruce William's property 340-10-6010, Records 1 & 2, to allow the assessors to review the appraisal and make a recommendations, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Motion to table the decision on Bruce William's property 340-10-5760, which is a forty acre parcel that is assessed at a higher rate than the neighboring property, to allow the assessor to review the valuation, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Discussion regarding the Russell Keating request for change in classifications, due to his loss of agricultural homestead. The issue was discussed with Mr. Keating and can be resolved by Mr. Keating bringing in a bill of sale to the assessor.

Motion to make no change to the classification of the Russell Keating properties, 340-10-3450, records 1 & 2, 340-10-3480, Records 1 & 2, and 340-10-3440, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Discussion regarding the properties owned by Jean and Keith Nelson. Remedies are available and were discussed with the Nelson's earlier in the meeting.

Motion to make no change to the Jean Nelson property, 340-10-6780, Records 1 & 2 and the Keith Nelson property, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Motion to make no change to the Keith Nelson property, 340-10-6786, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Motion to reduce the valuation of the Mark Peterson property 340-10-5090 by \$15,400 from \$81,100 to \$65,700 based on the assessor's recommendation due to lake front quality and acreage, made by Supervisor Tammaro, support from Chairman Kniefel. Motion carried unanimously.

Motion to make no change to the Mark Peterson property 340-10-5100, made by Chairman Kniefel, support from Supervisor Tamaro. Motion carried unanimously.

Motion to reduce the valuation of the Mark Peterson property 340-10-5030 by \$15,200 from \$66,300 to \$51,100 based on the assessor's recommendation due to lake front tiering, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.

Motion to make no change to the Mark Peterson property 340-10-5030, Records 1 & 2, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously. Motion carried unanimously.

Motion to table the decision on the Richard Sundich property 340-10-5028 Records 1 & 2 and ask the assessors to revisit it, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.

Motion to reduce the valuation of all the building values by \$7,000 on the Thomas Brimsek property 340-10-3150, Records 1 & 2, from \$81,200 to \$74,200, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.

Motion to set a re-convened Board of Equalization meeting on April 17, 2012, 6:30 PM, prior to the Regular Meeting, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.

Chairman Kniefel recessed the Board of Equalization April 11, 2012 meeting at 5:00 PM

RECONVENED BOARD OF EQUALIZATION MEETING APRIL 17, 2012, 6:30 PM

Chairman Kniefel called the meeting to order at 6:30 PM. Present were: Chairman Kniefel, Supervisor Erjavec, Supervisor Branville, Supervisor Pernu, Supervisor Tamaro and Clerk Sersha. St. Louis County Assessors present: Pat Orent, Bob Wiinanen and Beth Sokoloski. Ed Vest was also in attendance to address the board.

Edward & Carolyn Vest- 4153 St. Mary's Court- Parcel Code- 340-172-100, Land- \$117,500, Buildings- \$219,300. Mr. Vest stated that two years ago his values went down, now they are higher than ever before, and now has over a 17% increase on the building value and 14% on the land value. Ms. Sokoloski explained she has an accurate accounting of the property and the only item that was not included was the air exchanger. The interior of the property had been inspected during a prior assessment year, and she had also met previously with Mr. Vest to confirm the property's attributes.

Motion to make no change of valuation to the Edward & Carolyn Vest property, made by Supervisor Tamaro, support from Chairman Kniefel. Motion carried unanimously.

Bruce Williams property- Bob Wiinanen reviewed the appraisal and made recommendations to the board.

Motion to make no change to the valuation of the Bruce Williams property 340-10-6010, Records 1 & 2, made by Chairman Kniefel, support from Supervisor Tamaro. Motion carried unanimously.

Motion to reduce the valuation of the Bruce Williams property 340-10-5730 by \$2,800, from \$27,300 to \$24,500, due to access issues, made by Supervisor Tamaro, support from Supervisor Branville. Motion carried unanimously.

Motion to reduce the valuation of the Bruce Williams property 340-10-5760 by \$11,500, from \$40,200 to \$28,700, due to land quality, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.

Motion to reduce the valuation of the Bruce Williams property 340-10-6020, Record 1, by \$1,300, from \$12,900 to \$11,600, and Record 2, reduce the valuation by \$3,100 from \$31,800 to \$28,700, due to access and land quality, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.

Richard Sundich property- Mr. Orent stated he reviewed the methodology he used on the property and explained to the board how he did it. Mr. Orent recommended no change.

Motion to make no valuation change to the Richard Sundich property 340-10-5028, made by Supervisor Tamaro, support from Chairman Kniefel. Motion carried unanimously.

Michael Erjavec property- The recommendation to lower the valuation due to land quality issues were brought forward by the St. Louis County Assessors, and not Mr. Erjavec.

Motion to refer to the St. Louis County Board of Equalization, the decision on the Mike Erjavec property, due to the fact Mr. Erjavec is on the Fayal Town Board, made by Supervisor Tamaro, support from Supervisor Branville. Supervisor Erjavec abstained. Motion carried.

Chairman Kniefel adjourned the 2012 Board of Equalization meeting at 7:16 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____
Chair

Date: _____

Attest: _____
Clerk