

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Heidi Coldagelli, Clerk/Treasurer

Anthony Tammaro, Chairman

Supervisors: Lee Branville, Dave Ochis, Richard Sather, Patrick Ziegler

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LOCAL BOARD OF APPEAL AND EQUALIZATION

APRIL 10, 2018

The Local Board of Appeal and Equalization Meeting was called to order at 1:00 PM by Chairman Tammaro. Present were: Chairman Tammaro, Supervisor Ochis, Supervisor Ziegler, Clerk/Treasurer Coldagelli & Deputy Clerk/Treasurer Diane Dickson. Supervisor Branville and Supervisor Sather were absent. Chairman Tammaro and Supervisor Ochis are the Board certified members.

St. Louis County Assessors in attendance were Pat Orent, Paul Schoonover, Sarah Simek and Beth Sokoloski.

Paul Schoonover informed the audience and the Board that the changes made for the proposed 2019 taxes in Fayal Township were based upon 2016-2017 sales.

APPEALS MADE IN PERSON

Sharon Crep, Parcel 340-0010-00310, 340-0040-00838 & 340-0040-00770- Mrs. Crep was concerned that the parcel ending in 310 increased in 2017 from \$13,600 to \$21,000. The parcel is 13 acres, has a pipeline crossing through, is mostly swamp and has a small shed. Mr. Schoonover answered adjustments were made due to vacant land sales in the area. Mr. Schoonover questioned the homeowner if the property was deemed unbuildable by the County to which Mrs. Crep was not sure, but it is landlocked. Ms. Sokoloski answered that the value change came from the previous appraisal where the pole building was shifted from a different parcel to the vacant land parcel. In 2016 the value was \$13,600 and now land has increased to \$14,200 and the added value was the pole building that was shifted to the proper parcel based on aerial imagery. Chairman Tammaro asked if the swamp was taken into consideration and does a gasline affect values? Ms. Sokoloski stated the acreage is predominately poor and there are no historical notes on the gasline. Mrs. Crep questioned the 71% increase. Ms. Sokoloski stated the pole building had a \$7,100 value and there was a small shed. Mrs. Crep indicated the shed is an old playhouse that has fallen into disrepair. Mrs. Crep can apply for a tax credit. Chairman Tammaro questioned if Mrs. Crep can combine all of those parcels as one contiguous parcel? It would depend if they are within the same section, but these parcels are valued as one parcel.

Peter and Rebecca Waldorf, Parcel 340-0010-03350, 340-0010-03160- Mr. Waldorf provided a letter and an appraisal to the Board regarding his home. Previous issue has been for last two years the value had an increase of nearly 1000%. Bank appraisal came in at \$314,000 including the two 40-acre parcels. 2019 proposed value is \$399,900 and Mr. Waldorf feels there is too big of a gap. Mr. Waldorf compared his to other properties within Fayal and he is valued higher than some homes on Ely Lake that receive the benefits of city services. Mr. Waldorf does not have a paved road, city sewer or city water. A natural gas line runs through both parcels. Mr. Schoonover indicated the large increases were due to the ongoing construction and when he completed the inspection, there were no discrepancies found. Mr. Schoonover added that regarding appraisals, the County basically does mass appraisals and determines replacement cost new, less depreciation and then modifies for sales. Chairman Tammaro asked if the land was valued as prime? Ms. Sokoloski confirmed that 1/4 of it was considered poor quality. Pat Orent clarified that overhead lines and pipelines are not taken into consideration. Sales over time have not reflected variability between those properties impacted versus those that are not. Chairman Tammaro asked what is the Board's authority on the taxes to reduce? Mr. Orent stated that the Board can only move the total amount of valuation by 1%.

Nick Gianlorenzi, Parcel 340-0087-00190- Mr. Gianlorenzi is disputing tax value. Purchased home in 2014, value has since increased \$44,000 and he has not done \$44,000 worth of value increase. Mr. Schoonover stated that the value may not have been accurately assessed before and he can do an interior inspection before the reconvene meeting. During prior reappraisal an interior inspection was not completed.

Jeremy Waldron, Parcel 340-0042-00560- Purchased his home in October of 2015 and he understood that tax increases would be coming. He reviewed 5 homes to the north of him and 5 to the south. All of the homes values were reduced in 2017 and increased in 2018, except his. His increased in 2016 to \$218,400,

2017 to \$226,649 and 2018 to \$268,505. Mr. Waldron is inquiring why his value has increased \$55,000? Mr. Schoonover clarified that in 2015 the property was purchased for \$279,000 and now the value is \$285,000. Ms. Sokoloski completed a walk-through in 2016 and noted a number of changes. When major changes are done, that changes value as it is no longer considered its original age. Prior was not being valued at true worth. Mr. Schoonover added that the discrepancy between his changes and his neighbor's could be the neighbor's values are incorrect. Mr. Waldron's value for 2017 was adjusted based upon the inspection. For year 2019, the change was strictly based on sales. In the sales book, 15 out of 18 lake homes sold for over the estimated market value.

Gregory Gilness, Parcel 340-0010-00730- Mr. Gilness compared land value to neighbor's on both sides. The lot is a long and narrow. Neighbor's lots are more than double the .41 acres he owns. Mr. Gilness added that Mr. Schoonover made some changes last week, but Mr. Gilness thought the land value was still high. Land value is \$69,900, was remeasured and it is buildable. There is an old summer cabin moved in 1920. Mr. Gilness stated the building was not quite standard and the neighboring properties are far superior. Current value is \$152,000 and recommended adjustments with inspection is an \$8,100 reduction for a value of \$143,900. Mr. Schoonover indicated that although Mr. Gilness has reasonable complaints, the sales book has similar sales with similar acreages, properties and shoreline sold for much higher values. Chairman Tammaro questioned if a cliff down to the lakeshore is taken into consideration of value? Mr. Schoonover stated that there is a shoreline reduction of 10% only if there is a bluff/cliff.

David Walkki, Parcel 340-0086-00010- Mr. Walkki purchased his home in 2017 and his appraisal came in at \$76,000. The market value is currently \$118,400. Mr. Walkki would like to have an interior inspection done.

Paul Prout, Parcel 340-0025-00350- Mr. Prout was questioning his \$20,000 increase when the reappraisal was done last year by the County. Ms. Sokoloski completed the original inspection in 2016. Value did decrease in 2019. Market value in 2018 was \$220,500 and proposed 2019 is \$215,000. Mr. Prout had some confusion between proposed and prior tax years and through discussion, all was cleared up.

APPEALS MADE TO TOWN OF FAYAL

Jerome Pedersen, Parcel 340-0160-00070- Email sent to Clerk Coldagelli regarding land value. Mr. Schoonover contacted Mr. Pedersen and he was not interested in having an interior inspection completed, therefore cannot adjust without an inspection.

Bruce Williams, Parcel 340-0010-06010- Letter sent to Town Board regarding homestead valuation. Interior inspection was completed in 2016. It was recommended to the homeowner to contact the County at the time of receiving the letter, but the County did not receive any contact.

BOARD ACTIONS

Sharon Crep, Parcel 340-0010-00310, 340-0040-00838 & 340-0040-00770- Mrs. Crep was going to complete the tax credit paperwork. Supervisor Ochis questioned if there was difference between a buildable and nonbuildable lot? Ms. Sokoloski stated that if paperwork is provided that a property is nonbuildable, there is a reduction. Mrs. Crep's lot does currently have a building on it.

Motion for no change to the Crep property, made by Supervisor Ochis, support from Supervisor Ziegler. Motion carried unanimously.

Peter and Rebecca Waldorf, Parcel 340-0010-03350, 340-0010-03160- Mr. Schoonover informed the Board that a bank appraisal can be very different from a real estate appraisal. In fairness to the homeowner, Chairman Tammaro would like to review Mr. Waldorf's letter and make a decision at the reconvene. St. Louis County's value is \$394,000 and the bank appraisal \$314,000. The cost approach listed on the appraisal is \$462,000, which is more aligned with what the County does. Would like to table until reconvene.

Nick Gianlorenzi, Parcel 340-0087-00190- Needs to have an interior inspection done and decide at the reconvene.

Jeremy Waldron, Parcel 340-0042-00560- Ms. Sokoloski will contact him and discuss. Will make a determination at the reconvene.

Gregory Gilness, Parcel 340-0010-00730- Recommendation to reduce value by \$8,100. Inspection revealed low basement in cabin and portion of foundation is a crawl space over ground. Subjective conditional problems with interior of the cabin.

Motion to approve the \$8,100 reduction to the Gilness property, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

David Walkki, Parcel 340-0086-00010- Will be making an appointment for interior inspection.

Paul Prout, Parcel 340-0025-00350- Through discussion clarified his questions.

**Motion for no change on the Prout property, made by Supervisor Ziegler, support from Supervisor Ochis.
Motion carried unanimously.**

Brian & Elana Pfeifer, Parcel 340-0160-00030 & 340-0160-00020- Homeowners spoke with Pat Orent and will take their dispute to the County Board Meeting.

**Motion for no change to the Pfeifer property, made by Supervisor Ziegler, support from Supervisor Ochis.
Motion carried unanimously.**

Jerome Pedersen, Parcel 340-0160-00070-

**Motion for no change to the Pedersen property, made by Supervisor Ziegler, support from Supervisor Ochis.
Motion carried unanimously.**

Bruce Williams, Parcel 340-0010-06010-

**Motion for no change to the Williams property, made by Supervisor Ziegler, support from Supervisor Ochis.
Motion carried unanimously.**

Mr. Orent updated the Board regarding the Waldorf property. Mr. Orent discussed several examples of adjustments within Mr. Waldorf's appraisal that are not in line with what is going on in the market. County determines value by replacement cost of the property and then removing the depreciation. Any value changes made to Mr. Waldorf's value by the County was due to sales in the area.

APPEALS MADE TO ST. LOUIS COUNTY ASSESSOR

Laura Hendrickson, Parcel 340-0010-03815- Mr. Schoonover completed an interior inspection. Inspection revealed low ceiling in the basement and detached garage in poor condition. Recommending a \$2,400 reduction in value from \$100,500 to \$98,100.

Motion to approve the \$2,400 reduction to the Hendrickson property, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

David Dean, Parcel 340-0085-00040- Inspection revealed low basement and portion of the foundation is a crawl space over ground. Original value was \$192,900 and recommending a revised change of \$186,300, a reduction of \$6,600.

Motion to approve the \$6,600 reduction to the Dean property, made by Supervisor Ziegler, support from Supervisor Ochis. Anything under 7 feet is considered low basement. Motion carried unanimously.

(Clerk's Note: St. Louis County Assessor, Mr. Schoonover, read the incorrect information for Mr. Dean and recommended information from a parcel belonging to another resident. St. Louis County's recommendation for Mr. Dean was a reduction of \$5,000 after the inspection, reducing the value from \$79,600 to \$74,600. This error was discovered 4/23/2018.)

Jeffrey Torrel, Parcel 340-0115-00060- Inspection revealed discrepancy with garage value for dirt floor and not concrete. Recommend \$2,300 reduction from \$18,700 to \$16,400.

Motion to approve the \$2,300 reduction to the Torrel property, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

Mr. Orent added that the basis for all changes this year were strictly on sales and the difference between the sales price and the market value. Overall, the Township based on 35 sales had a median ratio of 90.72, just barely over threshold. The on-water sales had 18 sales with a median ratio of 89.72. Off-water, there were 7 sales with a median ratio of 94.36. The County tries to maintain 92%-93% and tries to stay away from the 90% ratio because a few sales could drive that figure up and taxpayers could face large increases. Increases on the lakes were 3% in order to keep the ratio in the low 90's.

Paul Stanaway, Parcel 340-0172-00190- Inspection revealed no sauna/bathroom in the sleeper on shore. Compared site to neighbors for storm damage. Site moved to below average. Recommend reduction of \$6,600 from \$192,900 to \$186,300.

Motion to approve the \$6,600 reduction to the Stanaway property, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

The County will need to visit two properties for inspections.

Motion to reconvene the 2018 Local Board of Appeal and Equalization for Tuesday, April 17th at 9:30 AM, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

Chairman Tammaro recessed the meeting at 2:55 PM.

Respectfully submitted,

Heidi M. Coldagelli

Heidi M. Coldagelli
Clerk/Treasurer Town of Fayal

Approved:

Paul F. Tammaro

Chair

Date: 5-1-18

Attest:

Heidi M. Coldagelli

Clerk