

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Heidi Coldagelli, Clerk/Treasurer

Anthony Tammaro, Chairman

Supervisors: Lee Branville, Mark Chad, Richard Sather, Patrick Ziegler

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LOCAL BOARD OF APPEAL AND EQUALIZATION

APRIL 18, 2023

The Local Board of Appeal and Equalization Meeting was called to order at 1:00 PM by Chairman Tammaro. Present were: Chairman Tammaro, Supervisor Branville, Supervisor Ziegler and Clerk Coldagelli. Supervisors Chad and Sather were absent. Chairman Tammaro is the Board certified member.

St. Louis County Assessors in attendance were Nicole Felten and Shaun Hainey. There were 7 appellants that signed in.

Nicole Felten is a residential appraiser for St. Louis County. Ms. Felten read through her letter to the Town Board regarding property sales from October 2021 to September 2022. During the 2023 sales study period, there were 17 improved parcels and 3 land parcel "arm's length" transactions within the Town of Fayal. The Minnesota Department of Revenue requires a median sales ratio that falls between 90%-105%. The overall median ratio prior to changes was 81.8%. Following changes made to five neighborhoods, the sales ratio is now 93%. Value changes were also made throughout the Township for permitted new construction/demolition, owner requests for review and continuing construction projects.

APPEALS IN PERSON

Michael Erjavec, Parcels 340-0010-01960, 340-0010-02700, 340-0010-02010, 340-0010-02710, 340-00010-02030- Mr. Erjavec did not have concerns regarding three of his parcels, but the other five he has concerns with increased values. The parcels have issues with water as well as three of the parcels have a gas line running through them. Discussion regarding a nearby property sale and a comparable sale in the sales book. Mr. Erjavec raised concerns regarding lack of agricultural land sales for comparison. Shaun Hainey explained that agricultural is a classification for a tax discount and the County doesn't differentiate between agricultural and nonagricultural. Mr. Hainey is seeing land values increasing in the area and Mr. Erjavec's property has been graded based upon Beth Sokoloski's prior assessment of the property. Mr. Erjavec did not agree with the land only used in the sales study as it included lake frontage.

Randy Rajala, Parcels 340-0010-02810, 340-0010-02850, 340-0010-03790 & 340-0010-03980- Mr. Rajala was present to represent the Boundary Company. He has a number of parcels in Section 22. Mr. Rajala stated that the core of Section 22 is underwater and has been over assessed. Mr. Rajala referenced a similar sale in the sales book that should be closer to his value and his parcels are wet year round. He would like a review of his parcels and questioned what comparables are used in valuation of his properties? Mr. Hainey explained that valuations are based upon mass appraisals and look at characteristics of the property. By proportion they also look at sales. Chairman Tammaro questioned what would happen if no land sales occur in a given year? If no land sales occur, then values will not change, but St. Louis County will look at the surrounding market for trends. Mr. Hainey also suggested to Mr. Rajala that if he is having an issue with beavers on the property to have the beaver dams removed. Mr. Rajala would like to see the property in Fayal Township comparables, taxes and the value of the assessment.

Bill O'Neal, Parcels 340-0160-00010 & 340-0080-00025- Mr. O'Neal questioned why on his valuation that his property is listed as seasonal nonhomestead. Shaun Hainey clarified that on Mr. O'Neal's property he has more than one home listed on the property and only one home can be homesteaded. Mr. O'Neal questioned if he connected the structures if that would rectify the issue? As long as both structures are actively lived in, it would. Mr. Hainey did caution Mr. O'Neal to first check with St. Louis County Auditor to have an estimated tax calculation completed to see what the tax consequences would be of combining the structures. Homestead Value Exclusion peaks at \$76,000 and then gradually reduces by 9% and phases out at \$413,000. The value of the second structure is not decreasing the homestead credit, but is being taxed at a higher rate. Mr. O'Neal also questioned his other parcel's value because the County has stated the parcel cannot be built on. He would like to combine the lots together. Mr. Hainey explained that when two lots are contiguous the value should remain relatively the same except in rare circumstances. In Mr. O'Neal's case, the Auditor's Office would not allow the lots to be combined together because they are in different plats. The parcel is receiving a 30% reduction due to the issue of not being able to build on the parcel. Suggestion that a variance could be applied for in order to attempt to build a structure.

Eric Stoerh, Parcel 340-0010-05670- Mr. Stoerh questioned the increase to his property when he has not made any improvements to his property. The County will schedule an interior inspection.

Doug Berentson, Parcel 340-0010-06440- Mr. Berentson was present to question the evaluation increase of \$50,642.00 for 2024. The house is forty years old and not completed. Approximately 35 acres has standing water during the year. The County will schedule an interior inspection. Mr. Berentson questioned the removal of some dilapidated structures, but the County has no value assigned to those structures.

Gerald Yourczek, Parcels 340-0010-06080 & 340-0010-06120- Mr. Yourczek questioned the increase to the vacant land parcel that he purchased three years ago. The parcel increased \$5,000.00 in value. Ms. Felten noticed a significant adjustment could be made due to Mr. Yourczek owning both parcels, but on the County record it is not reflected as the same owner. The parcel with the home increased nearly \$30,000.00 with no home improvements. Mr. Hainey explained the Homestead Value Exclusion and the difference between estimated market value and taxable value. The sales book and the rural sales drove the value change. Discussion that a portion of Mr. Yourczek's parcel is considered swamp and other portions are considered seasonably wet. Ms. Felten relayed that land that is graded as poor is approximately \$400.00 per acre and a fair grade is \$1,000.00 per acre. Mr Hainey recommended that St. Louis County can have a former forester review the parcels.

Cathleen Zelinski, Parcel 340-0180-00460- St. Louis County visited Ms. Zelinski's property last year. They are having significant issues with their new construction and have been unsuccessful in having the contractor return to the property to repair. Mr. Hainey suggested that Ms. Zelinski try to file a complaint with the Department of Commerce prior to filing a lawsuit against the contractor.

Dora Skerjance, Parcels 340-0010-01924 & 340-0021-00180- Ms. Skerjance questioned why the value of their lot is so high in comparison to other comparables in Woodlawn Circle. Mr. Hainey reviewed other nearby properties and it was discovered that they are similar in value. Discussion regarding homes valuations and the high prices they are selling for. The sales are hurting those that are not planning to leave their homes. Mr. Hainey recommended approaching Representative Dave Lislegard to discuss property tax law reform.

Rebecca Waldorf, Parcels 340-0010-03350 & 340-0010-03160- The property is already receiving a 10% reduction from all the buildings for the gasoline. The County has visited the property three times in the last five years. Ms. Felten will change the year built to reflect 2012. Ms. Waldorf would like someone to walk the property in the future because the parcel is very wet. Chairman Tammaro recommended that the forester review the property.

WRITTEN APPEALS MADE TO THE TOWN OF FAYAL

Michael Tuomala, Parcel 340-0010-06752- Ms. Felten completed an interior inspection and notated changes for bathroom count, above standard kitchen and minor foundation changes. Recommending a \$6,500.00 reduction.

Motion to approve the reduction of \$6,500.00, made by Supervisor Branville, support from Chairman Tammaro. Motion carried unanimously.

Linda Brown, Parcel 340-0170-00070- The structure has been removed and the County will move the site from average to poor, for a total reduction of \$17,100.00.

Motion to approve a reduction of \$17,100.00, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

Richard Corrigan, Parcel 340-0060-01680- Mr. Corrigan filed for tax court. In those circumstances, the County recommends no change.

Motion to approve the County recommendation of no change, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

Tim Thompson, Parcel 340-0010-03910- Ms. Felten completed an interior inspection and notated some condition issues for a total of a \$5,000.00 decrease.

Motion to reduce Tim Thompson's property by \$5,000.00, made by Supervisor Branville, support from Supervisor Ziegler. Motion carried unanimously.

Katherine Disterhaft, Parcel 340-0085-00046- Ms. Felten will need to get in touch with Ms. Disterhaft for an inspection of the property and review at the reconvene meeting.

Jim Samargia, Parcel 340-0070-00120- Mr. Samargia had questions regarding the valuation as well as an addendum that was received. A garage was missing from the valuation. Ms. Felten will get in touch with Mr.

Samargia and will review at the reconvene.

APPEALS MADE TO ST LOUIS COUNTY

Donald Maki, Parcel 340-0042-00800- Ms. Felten completed an interior inspection and recommended a reduction of \$1,100.00 as playhouses are not considered structures.

Motion to reduce Donald Maki’s property by \$1,100.00, made by Supervisor Branville, support from Supervisor Ziegler. Motion carried unanimously.

BOARD ACTIONS

Michael Erjavec, Parcels 340-0010-01960, 340-0010-02700, 340-0010-02010, 340-0010-02710, 340-00010-02030- Discussion that increases are in line with the sales book.

Motion to approve the County recommendation of no change to all the parcels, made by Supervisor Ziegler, support from Supervisor Branville. Motion carried unanimously.

Randy Rajala, Parcels 340-0010-02810, 340-0010-02850, 340-0010-03790 & 340-0010-03980- Discussion that Patrick Orent will need to review the property and the property is wet. Will review at the reconvene.

Bill O’Neal, Parcels 340-0160-00010 & 340-0080-00025- Mr. O’Neal will need to work with the Auditor’s Office.

Motion for no change to all the parcels, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

Eric Stoerh, Parcel 340-0010-05670- Ms. Felten will contact Mr. Stoerh.

Doug Berentson, Parcel 340-0010-06440- Ms. Felten will contact Mr. Berentson.

Gerald Yourczek, Parcels 340-0010-06080 & 340-0010-06120- Pat Orent will review. Ms. Felten will fix the name on the parcels and at the reconvene provide the reduction.

Cathleen Zelinski, Parcel 340-0180-00460- Ms. Felten will review the property for the condition issues.

Dora Skerjance, Parcel 340-0010-01924 & 340-0021-00180-

Motion of no change, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

Rebecca Waldorf, Parcels 340-0010-03350 & 340-0010-03160- Pat Orent will review.

Discussion regarding reconvene and reviewed the list of appeals. Board of Appeal must reconvene no later than 20 days.

Motion to reconvene May 3rd at 4:00 PM, made by Supervisor Branville, support from Supervisor Ziegler. Motion carried unanimously.

Motion to recess the meeting , made by Supervisor Branville, support from Chairman Tammaro. Motion carried unanimously.

Chairman Tammaro recessed the meeting at 3:17 PM.

Respectfully submitted,

Heidi M. Coldagelli

Heidi M. Coldagelli
Clerk/Treasurer Town of Fayal

Approved: *[Signature]*
Chair

Date: 5-16-23

Attest: *Heidi M. Coldagelli*
Clerk