

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

April 24, 2023

The East Bethel City Council met on April 24, 2023, at 5:30 p.m. for the Local Board of Appeals and Equalization meeting at City Hall.

MEMBERS PRESENT:           Tim Harrington           Brian Mundle           Kevin Lewis  
  Tim Miller                Jim Smith

ALSO PRESENT:             Jack Davis, City Administrator  
   Eric Larson, City Attorney  
   Ken Tolzmann, City Assessor  
   Diana Stellmach, County Assessor  
   Ben Hamill, County Assessor

**1.0 – Call to Order**

The April 24, 2023, City Council meeting, Local Board of Appeals and Equalization was called to order by Mayor Harrington at 5:30 p.m.

**2.0 – Adopt Agenda**

**Mundle stated I'll make a motion to adopt tonight's agenda. Lewis stated I'll second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

**3.0 – Assessor's Report**

City Assessor Ken Tolzmann welcomed Board Members and residents to the 2023 Board of Appeals and Equalization Meeting. He stated the purpose of the meeting was to hear evaluation appeals for 2023 Assessments, which is the starting point for determining property taxes payable in 2024.

Tolzmann indicated he had received approximately a dozen questions from residents regarding their valuations in which all of their questions were answered and they were satisfied with the explanation. He indicated he had four remaining appeals, which will need action by the Board. He indicated if the Board was not able to finalize all appeals at this meeting, the meeting must be reconvened and finalized in not later than 20 days.

**4.0 – Board of Equalization Hearing**

Harrington opened the Board of Equalization Hearing.

Davis stated annually the City Council sitting on the Local Board and the Appeals and Equalization was required to hear resident concerns regarding assessed valuations for properties in the City. He noted the meeting had been set for tonight, April 24 2023 at 5:30pm.

Davis noted the purpose of this hearing was to determine whether the taxable property in the City had been properly valued and classified by the assessor for the 2023 assessment for taxes payable in 2024, and to provide a means for property owners with concerns to request an adjustment to their valuation or tax classification.

Davis stated property owners who believed that the value or classification are not correct, were encouraged to contact the City Assessor to discuss their concerns prior to this meeting. He indicated

if the property owner did not resolve their issues after discussion with the assessor, they could appear before the Local Board of Appeals and Equalization to request an assessment correction.

Davis noted the Board was to review the valuation classification and to make corrections if justified. He stated in most cases an appearance before the Local Board of Appeals and Equalization was required by Statute before an appeal could be taken to the County Board of Appeals. He noted to date four people had indicated that they would appear tonight.

Davis recommended that the City Council acting as the Board of Review and Adjustment conduct the hearing as required by Statute and at the conclusion of the presentation of each Petitioner, either uphold or adjust evaluation based on materials presented by the petitioner and the City Assessor

With respect to Bob DeRoche, Mr. Tolzmann stated he went to Mr. DeRoche's property. He noted the home was built in 1930 and it still had some of the original siding. He indicated he was recommending a reduction of \$21,700 because he showed the house to be in a better condition than it actually was.

**Lewis stated I'll make a motion to approve the reduction of \$21,700 on Mr. DeRoche's property Miller stated I'll second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

Mr. Tolzmann stated Mr. Rengo was in attendance at this meeting and wanted to present information. He noted Mr. Rengo's property was 40 acres, but by the time they take out the roadway on three sides, it was actually 36.5 acres.

Randy Rengo stated they owned 40 acres which was a managed program with the State of Minnesota. He indicated it was a 10-year program and they were working hard to maintain the integrity of wildlife and trees, which was difficult as they had a lot of oak wilt. He noted that has helped in reducing their taxes. He noted when they purchased the property in 1987, they paid \$24,000 and the value has been going up each year. He stated it was now being valued at \$197,000 and he was shocked that it was that high. He noted his concern was that this was too high for wetlands. He acknowledged that there was some high ground that could be built on, but most of it could not be built on.

Mr. Rengo indicated he lived in southern Blaine and his East Bethel property had almost as much as the value of their 1500 square foot home that was built in 1983 and was valued at \$200,000.

Mr. Rengo stated he was grateful that the City had allowed him to put this property into a managed program which helped reduce his taxes. He noted he did not want to put the property up for sale and make big money off of it and maybe that was where the City saw the value of it, but for him the value was in just owning it.

Mr. Rengo requested the City to reduce the valuation. He noted if he were to sell the property, he probably would not get more than \$110,000 or \$120,000 for it.

Mr. Tolzmann stated if they were talking about what the property was worth, the property had road frontage on three sides and he had it valued now with one side. He acknowledged there was a lot of wetland there, but stated there was at least a couple of high ground sites. He stated he saw nothing wrong with the value given the potential of the property. He recommended no action be taken.

Mundle stated there was a ten acre parcel up the road that had a pending sale at \$159,900 and this property was 36.5 acres. Lewis asked if all 10 acres was buildable. Mundle responded that it appeared there was some wetlands on that land also.

Mr. Tolzmann stated wetland were a benefit and they were valued at \$1,000 an acre and what he was seeing in the market was there was probably 50 percent of the buyers out there that would rather have wetland. He indicated he did not see wetlands as a depreciating factor.

**Lewis stated I'll make a motion to approve reducing the estimated market value of Mr. Rengo's property by \$47,800 to \$156,150 value. Smith stated I'll second.** Harrington asked any discussion?

Mr. Tolzmann stated he had a hard time with that property being assessed with 24 acres of wetland being worth \$1,000 and he might have a couple of buildable sites, but he acknowledged the rest of it was wetland.

Mundle stated this was a steep reduction, but ultimately the value of a property depended on what somebody would pay for it and less than a half mile away there was 10 acres being sold for \$160,000.

Lewis asked if that was the actual sale price or was that sale pending. Mundle responded it was pending but pending meant that a contract had come in and they were waiting for it to close. He noted that property was on the market for 13 days. He believed that property should be a good baseline for this property. He recommended a value of \$165,000 to \$170,000 because of the additional acreage and the wetland did have a value.

Harrington agreed with Mundle.

**Lewis stated I'll move to amend the motion to approve reducing the estimated market value of Mr. Rengo's property to \$167,500 value, PIN 25-34-23-41-0001. Harrington stated I'll second.**

Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

Harrington invited Laurie Williams to approach the podium.

Laurie Williams, 246 Dogwood Road, stated she did not know if anyone had seen the inside of the home, but the inside walls were cheap panels with no sheet rock. She stated she was opposing the value as nothing had been updated in the house since it had been built in 1965. She indicated the roof also needed repair; there were holes in the walls; and all of the flooring needed to be replaced. She indicated the bathroom needed to be totally gutted from floor to ceiling. She stated this was not a one-bathroom house, but a  $\frac{3}{4}$  bathroom with a shower in the basement built on a wooden platform, which she had removed.

Ms. Williams stated she had been a licensed realtor and nobody was going to pay \$150,000 for a house in this bad of shape. She indicated she had pictures of the home and its condition if anyone wanted to see them. She also noted the home was only 715 square feet. She indicated she would not be opposing the valuation if the home had been updated, but it had not been.

Lewis asked how big was the lot. Ms. Williams responded it was 100 x 100 on a quarter acre. She stated the garage electricity had also stopped working. She indicated she was disabled six years ago and was on a limited income. She stated she would like to fix all of these things, but right now it was not financially possible.

Harrington asked what kind of a reduction was Ms. Williams requesting. Ms. Williams responded that last year's assessment of \$126,000 would be reasonable considering all of the repairs it needed.

Mr. Tolzmann stated an A-frame home was a tricky design. He noted this showed it was a two bedroom with one and a quarter bath. Ms. Williams responded it did have two bedrooms, but there was no closet in the second bedroom and it was really small with no doors on the bedrooms, but there were doorways.

Mr. Tolzmann acknowledged this was approximately 715 square feet. He noted last year's valuation was \$126,000 and now it was \$150,00 and he believed that was within the margin, but he would not have any objection to the \$126,000.

Ms. William stated that was reasonable considering all of the repairs the home needed.

**Mundle stated I'll make a motion for 246 Dogwood, PIN 36-30-32-03-21-0310 to reduce the valuation from \$150,000 to \$126,000. Lewis stated I'll second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

Mr. Tolzmann noted for Minnesota Built Harris, there was no action needed as they were going to take this to the County. He requested the Board make a motion for no action.

**Mundle stated I'll make a motion no action for property brought to the Board from Minnesota Built Harris, John Henry, owner for addresses 1262 241<sup>st</sup> Street, PIN 29-34-23-31-0004 and for address 21217 Highway 65, PIN 17-33-23-12-0007 and forward this to the County. Lewis stated I'll second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

Lewis stated with respect to his particular situation, he asked if he should go directly to the County on it. Tolzmann replied if he wanted to pursue an appeal, the Board should probably hear it.

Mundle stated they could make a motion for no action and Lewis could bring it to the County.

Larson noted Lewis should recuse himself from the vote. Lewis stated he recused himself from the vote.

**Mundle stated I'll make a motion for no action for 166 Collen Street NE, PIN 25-33-23-44-0041 to be forwarded to the County. Smith stated I'll second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes 4-0-1 (Lewis recused).**

#### 5.0 - Adjourn

**Mundle stated I'll make a motion to adjourn the Board of Appeals and Equalization Hearing. Smith stated I'll second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

Meeting adjourned at 5:53 p.m.

Submitted by:

Kathy Altman

*TimeSaver Off Site Secretarial, Inc.*