

Sandstone City Council Meeting Minutes
April 21, 2020

Board of Appeal & Equalization

CALL TO ORDER: 6:00 p.m. This meeting took place via Zoom video conferencing and teleconferencing.

ROLL CALL: Spartz, Palmer, Gaede, Riley

Members absent: Kester

Staff present: Administrator George

Others present via teleconferencing: Lorri Houtsma and Kim Kylander, Pine County Assessor's Office

Board of Appeal & Equalization

The purpose of the meeting was to hold the annual Board of Appeal & Equalization meeting. All Council Members have taken the required training.

Mayor Spartz asked Assessor Houtsma to explain the process. Houtsma stated that the purpose of tonight's meeting was to hear from property owners about the 2020 assessed valuation of their property, which is used for the 2021 tax payments. She explained that the Assessor conducts a sales study of qualified sales that occurred from October 2018 through September 2019 and compares the sale price to the Assessor's Estimated Market Value. The State requires that the ratio be between 90% and 105%. For residential properties, there were 15 qualifying sales during this period. The sales to EMV ratio was 81.21%. Therefore, the Estimated Market Value on all improved residential property (land and buildings) in the City of Sandstone was increased 12.24%, bringing the ratio up to 93.45%. Houtsma noted that manufactured homes were valued extremely low and, therefore, were increased \$6 per foot. When asked, Houtsma stated that rental properties are treated as non-homestead residential.

The City received a letter from property owner Rob McGown, 602 Court Ave N, stating that he feels his market value is \$20,000 too high. Council Members reviewed the data on Beacon which showed that the 2020 assessed value is \$51,600 (\$42,100 for buildings and \$9,500 for land). Houtsma stated that the garage is valued at \$12,000, leaving the house valued at \$30,100. She stated that she reviewed this property about four years ago. Due to the COVID-19 situation, her staff is not able to review properties right now. She recommended no change in the proposed valuation, stating that she plans to review the property in June and then the property owner could appeal to the County Board at their Board of Appeal and Equalization meeting. **Motion Spartz, second Palmer, not to change the proposed valuation of 602 Court Avenue North. All aye.**

Mayor Spartz asked a hypothetical question: What if the City Council decided that a property was valued too low and made a motion to increase the valuation by \$100,000? Houtsma stated that she would have to take a look at that and determine if that was reasonable. If she disagreed, she would bring the matter to the County Board of Appeal and Equalization meeting for a determination.

For commercial property, Houtsma stated that there were no qualifying sales. The Assessor physically reviews 20% of commercial properties each year so that all properties are reviewed every 5 years. Sandstone has 146 commercial properties. No adjustments were made to commercial property valuations. Council Members discussed with Houtsma two recent sales: Blessed Properties, which purchased the Sandstone Collision Center; and Pam Lewis, who purchased the old mortuary building. Houtsma reviewed

various details of these transactions and stated that there were too few sales during the target period to determine whether the ratio would fall between the required 90% and 105%.

With no further discussion regarding the Board of Appeal and Equalization meeting, Mayor Spartz acknowledged that Council Member Phil Kester passed away yesterday (April 20th). Council Members discussed the vacant Council seat, and directed the City Administrator to check with the three individuals who had previously expressed interest in serving on the Council. The Council will likely set a Special Council Meeting in the near future to fill the vacant seat.

ADJOURN

Motion Palmer, second Riley to adjourn at 6:35 p.m. Motion carried 4-0.

Peter Spartz, Mayor

Kathy George, Administrator