**CITY OF VERNDALE**

**WADENA COUNTY, MINNESOTA**

**BOARD OF REVIEW MEETING MINUTES**

**Wednesday, April 11, 2018**

**3:00 p.m.**

**Verndale City Office**

**101 Brown St. SW**

**MEMBERS PRESENT:** James Ackerson, Raye Ludovissie, and Jim Runyan

**MEMBERS ABSENT:** Ardith Carr, Tara Erckenbrack

**STAFF PRESENT:** Barbara Holmes, City Clerk/Treasurer

**VISITORS PRESENT:** Brian Folden; Deputy Assessor, Lee Brekke; County Assessor, Jesse Fink

Ludovissie opened the meeting.

**Sharma Property:** Ludovissie stated that the Sharma property is a two-story building and the City would like the lower part of the building to be considered Commercial and the top to be Residential. Ludovissie asked if the County could do that. Folden stated yes, they could do that. Folden explained the reasons why the property was classified the way it was and that they had it marked as a recheck in their system for the apartment. Folden explained that the classification on Sharma’s other building was correct. Folden stated they would get the property classified correctly and send a letter stating which part was Commercial. Folden confirmed with Ludovissie that the City wanted the basement and the lower level as Commercial and the upper level as Residential. Ludovissie stated yes.

**Mike Carr Property**: Ludovissie stated that Carr could combine the parcels. Folden stated that that is what they would recommend. Folden stated that by combining the parcels instead of being at $14,000 it would probably drop to a few hundred dollars. The County will make contact with Carr, no changes were made at the meeting.

**Len and Sally Siegler Property**: Folden stated he received a complaint from Siegler on the value of their property. Folden stated that he sent out a field card and invited him to the meeting. Folden stated that Siegler was comparing his property to a property that was half the size of his. Folden stated that he did walk through the property last year and noted that the garage dimensions were wrong so he fixed them, but that increased the footage of the house, increasing the value. Folden stated that Siegler’s value did go up. Folden stated that there was a building increase for the whole city based on sales. No changes were made at the meeting.

Runyan asked what houses sold that drove the value. Folden explained how the City Sales works and showed pages from the Verndale City Sales 10/01/16 – 09/30/17 booklet. Folden

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stated that eCRV- Electronic Certificate of Real Estate Value can be viewed on the MN Department of Revenue site. Folden stated that only one month at a time can be viewed.

**Fink Property**: Holmes stated that Fink has 4 apartments rented out not three. Folden stated that this will bring Fink to an apartment class that is Commercial. Brekke stated that the class would be 205. Folden stated that with the basement finished the value of the property would increase. Fink joined the meeting. Ludovissie asked Fink how many units he was renting out. Fink stated three. Ludovissie stated that Holmes stated there were four. Fink stated that one of the units is his own for his personal stuff. Folden stated that with four units the class would be changed from 201 to 205. There was discussion about where the units in the building are located. Fink stated that there is another egress window he could finish. Folden asked if there was potential for five units then. Fink stated right. Fink stated that he just had an appraisal done on the property. Fink asked how the County can be $70,000 off from the appraisal. Folden stated it depends on what the appraisal was done for. Fink stated that it is for the evaluation of it. Folden explained how the income approach could be used to come up with the value. Fink asked about Uselman’s apartment complex. Folden stated that Uselman’s complex value was estimated at $116,700. Fink stated that his was comparable to Uselman’s last year at $114,700 and now it jumped to $135,900. Folden stated that he did use the income formula on Uselman’s complex. Folden and Brekke discussed at length how the income formula works. Fink compared his apartments to the apartments located on South Lane. Folden stated that those apartments also use the income formula. Folden and Brekke put the numbers from Fink into the income formula to give him the amount that they thought it would be. Folden stated that using the income formula the value of the property would drop to about $113,700. Folden stated that the property would need to be class 205 instead of 201 for that change to take place.

A motion was made by Runyan to change the property class from 201, residential/single unit to 205, 4 units or more, seconded by Ackerson. AIF/MC

Folden stated this will reduce the value by $21,800. There was more discussion about Verndale City Sales.

A motion was made by Ackerson to approve the changes made on 3 parcels, seconded by Runyan. AIF/MC

The meeting was closed at 3:51.

**Submitted by: Attest:**

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Melissa Current, Deputy Clerk Ray Ludovissie, Mayor