**CITY OF VERNDALE**

**WADENA COUNTY, MINNESOTA**

**BOARD OF REVIEW MEETING MINUTES**

**Tuesday April 11, 2023**

**3:00 p.m.**

**Verndale City Office**

**101 Brown St. SW**

**MEMBERS PRESENT:** Ardith Carr, Brad Cottrell, Tara Erckenbrack, Jim Runyan

**MEMBERS ABSENT:** Daryl Jacobson,

**STAFF PRESENT:** Melissa Current, City Clerk/Treasurer

**VISITORS PRESENT:** Lee Brekke, County Assessor; Rhonda Nelson, Kiya Hanson, Lee Tarrell, Shaun Carr, Scott Nundahl, Susie Nundahl, Rodney Bounds, Troy Bounds, Larry Hahn,

The meeting was opened by Mayor Erckenbrack.

Tarrell expressed concern about his taxes going up on his Commercial property. Tarrell expressed concern about businesses being for sale and not being able to sell, but the taxes still rising. Tarrell stated that his research showed that values are actually down 15% not up. Brekke stated that there aren’t very many Commercial sales so he uses the same base rates County wide. Brekke stated that there would be adjustments for this City. A. Carr asked if Brekke could raise the value between 5 and 10% why didn’t he choose 5% since there’s buildings sitting empty. Brekke stated that he didn’t check to see which buildings were vacant he just raised values across the board. Runyan stated that the City couldn’t change their evaluation. Brekke stated that today the City has the power to make changes to both classification and evaluation. Brekke stated that the Board will make a decision and he will send him a letter. Brekke stated that if he isn’t happy with the decision he can appear before the County Board.

T. Bounds expressed concern about the evaluations on several of his properties. T. Bounds confirmed with Brekke what was included in the evaluations. T. Bounds asked if assessors had stopped out to visit properties. Brekke stated that assessors didn’t visit properties unless there was new construction or a review was requested. Brekke explained that he has to use certain ratios along with a median to get the values. Brekke stated that mass appraisals are done, it’s not based on square footage, etc. Brekke stated that there are parameters that he has to meet. Brekke stated that only sales in Verndale were included in his formula. Brekke stated that improvements do not need to be made for the value of the property to go up or down. Runyan asked what percentage houses went up by. Brekke stated 15% give or take; it depends on the house. T. Bounds asked if everyone’s evaluation went up 15%. Brekke stated that he kept the building factor the same for the entire City. Brekke stated that the building schedule (base rate) changed and everyone’s depreciation is different so not everyone will have the same percentage of increase. T. Bounds asked what the percentage range was. Brekke stated that he

didn’t run a report for that. Brekke stated that the Department of Revenue now uses a time adjustment (looking forward) which is included in the evaluation. The evaluation on one of his properties went up 30%.

Page 2

April 11,2023

City of Verndale

Board of Review Meeting Minutes

S. Carr stated that her property went up 31% in value. S. Carr stated that there are two different neighborhoods (70 and 75) in Verndale and there should only be one. S. Carr stated that there has to be a mistake somewhere for percentages to range from 15% to 30%. Brekke stated that the Board cannot exceed 1% of the aggregate in total changes. Brekke stated that if the Board makes changes greater than the 1% then the changes would be voided. The County Board would probably be able to make the changes because they have a larger aggregate.

A. Carr stated that the Board needs to look at all the businesses and make a decision on their values. Brekke stated that County Boards only can order increases or decreases for an entire class of property.

Nundahl’s left the meeting to attend another meeting. Their property will get considered for changes.

R. Bounds had two properties that jumped up in value. R. Bounds asked if his increase in value was out of line. Brekke stated based on his calculations, no, but not everything is perfect and there could be errors that weren’t realized (two area factors versus one).

Hahn stated that his property wasn’t valued correctly; there isn’t insulation in the garage and the shop (10 x12) is heated by a wood stove. Hahn stated that his value increased $39,500. Hahn stated that the area where is house is located was re-zoned as industrial when Custom Builders started up. Brekke stated that they value the property based on use, not how it’s zoned. Hahn stated that when the property was re-zoned there was a stipulation that if their property is destroyed by fire, wind, etc. his property would need to be reconstructed within one year, after that nothing can be built on the property. Hahn asked if Brekke was aware that there were five (5) houses out there that were affected by the re-zoning. Brekke stated that he didn’t think he was. Brekke asked for a zoning map of the City; one was provided. Hahn asked where Brekke found similar sales that had the same zoning to compare his property to. Brekke stated that not being aware of the zoning, he didn’t know. Runyan asked what the percentage increase was. Brekke stated 28%.

Brekke stated that Devin Anderson has called the assessors office and asked for a review; they are recommending a reduction in the value of the property in the amount of $7,700 because of the condition of the roof.

A motion was made by Runyan to approve reducing the property value by $7,700.00 for Parcel #21-320-0410, seconded by Erckenbrack. AIF/MC.

Erckenbrack asked if the meeting could be recessed to investigate errors in calculations. Brekke stated yes, it can be rescheduled. Brekke asked for guidance on what information the Board wanted. The Board asked Brekke to bring the area factors (neighborhoods) and the percentage of increases.

A motion was made by Erckenbrack to rescind the motion to approve the $7,700 reduction in value for Parcel 21-320-0410, seconded by Runyan. AIF/MC.

Page 3

April 11,2023

City of Verndale

Board of Review Meeting Minutes

Brekke stated that the earliest the meeting could reconvene is April 25.

A motion was made by Runyan to recess the meeting until April 25 at 3 pm, seconded by Carr. AIF/MC.

The meeting was recessed at 5:32 pm.

**April 25, 2023**

**Verndale City Office**

**101 Brown St. SW**

**MEMBERS PRESENT:** Ardith Carr, Tara Erckenbrack, Jim Runyan, Daryl Jacobson,

**MEMBERS ABSENT:** Brad Cottrell

**STAFF PRESENT:** Melissa Current, City Clerk/Treasurer

**VISITORS PRESENT:** Lee Brekke, County Assessor; Rhonda Nelson, Kiya Hanson, Shaun Carr, Mike Willis, Brian Hagen

The meeting was reconvened at 3 pm on April 25, 2023.

Brekke gave an overview of what was discussed at the previous meeting. Brekke stated that he will look into having only one neighborhood for Verndale in the future. Brekke wasn’t able to give a reason as to why there are two neighborhoods. Brekke stated that the average percentage change City wide is 25%.

Willis expressed concern about his property value increasing 35%. Willis stated that he felt like he was paying for his pole shed/shop twice because his property jumped up last year too. Willis stated that there must be some kind of error to raise the value that much.

Hagen expressed concern about the value of his commercial property. Hagen stated that there weren’t sales of a like business to compare to his property, so the value wasn’t fair.

A motion was made by Jacobson to decrease the value on Parcel 21-300-0820 by $5,300, Parcel 21-300-0780 by $1,800 and Parcel 21-300-0540 by $1,100, seconded by Carr. AIF/MC.

A motion was made by Runyan to approve a $2,700 reduction in value for Parcel 21-300-1650, Motion Failed, as there was no second.

A motion was made by Runyan to approve a $2,500 reduction in value for Parcel 21-300-0580, seconded by Carr. AIF/MC.

A motion was made by Erckenbrack to approve no change in values for Parcel 21-300-1650, Parcel 21-300-1780 and Parcel 21-390-0020, seconded by Jacobson. AIF/MC.

Page 4

April 11,2023

City of Verndale

Board of Review Meeting Minutes

A motion was made by Carr to approve the recommended $12,000 reduction in value for Parcel 21-300-1560, seconded by Jacobson. AIF/MC.

A motion was made by Jacobson to approve no change in values for Rodney Bounds properties, seconded by Erckenbrack. AIF/MC.

A motion was made by Carr to approve no change in value for Parcel 21-029-2080, seconded by Jacobson. AIF/MC.

A motion was made by Jacobson to approve the recommended reduction of $7,700 in value for Parcel 21-320-0410, seconded by Carr. AIF/MC.

A motion was made by Erckenbrack to approve no change in value for David Desrocher, seconded by Jacobson. AIF/MC.

A motion was made by Erckenbrack to approve no change in value for Parcel 21-310-0760, seconded by Jacobson. AIF/MC.

A motion was made by Jacobson to approve the recommended $4,500 reduction in value for Parcel 21-320-0100, seconded by Runyan. AIF/MC.

A motion was made by Erckenbrack to approve no change in value for Parcel 21-300-1800, seconded by Jacobson. AIF/MC.

A motion was made by Carr to approve no change in value for Parcel 21-019-4026, seconded by Erckenbrack. AIF/MC.

A motion was made by Jacobson to approve no change in value for Parcel 21-370-0020, seconded by Erckenbrack. AIF/MC.

A motion was made by Erckenbrack to approve no change in value for Parcel 21-340-0110, seconded by Carr. AIF/MC.

A motion was made by Carr to approve no change in value for Parcel 21-340-0040, seconded by Jacobson. AIF/MC.

A motion was made by Erckenbrack to approve no change in value for Parcel 21-300-1400, seconded by Jacobson. AIF/MC.

The meeting was adjourned at 5:20 pm.

**Submitted by: Attest:**

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Melissa Current, City Clerk/Treasurer Tara Erckenbrack, Mayor