

MINUTES
MINNETONKA CITY COUNCIL BOARD OF REVIEW
Wednesday, April 28, 2004

1. CALL TO ORDER.

Mayor Anderson called the meeting to order at 6:30 p.m.

2. ROLL CALL.

Councilmembers Bob Ellingson, Jan Callison, Al Thomas, and Karen Anderson were present. Councilmembers Terry Schneider and Tony Wagner were excused. Councilmember Brad Wiersum arrived later.

3. REPORT FROM THE CITY MANAGER.

City Manager John Gunyou had no items to report.

4. APPEALS TO THE BOARD OF REVIEW.

Anderson reported that the appeals had been accepted at the April 14, 2004 meeting. She reviewed the process, and noted that the County Board of Review will meeting on June 14.

Anderson read the list of petitioners and the Advisors' recommendations into the meeting record, and asked that anyone wanting to speak to a particular petition should so signify, and that petition would be pulled for discussion:

	<u>PETITIONER</u>	<u>2003 VALUE</u>	<u>2004 VALUE</u>	<u>ADVISORS' RECOMMENDATION</u>
1.	Sandra Jacobs Anderson 11623 Lone Lake Ridge Minnetonka MN 55343 PID: 35-117-22-12-0049	\$556,200	\$617,200	\$617,200
2.	John Matlock 3515 Meadow Lane Minnetonka MN 55345 PID: 17-117-22-42-0095	\$153,100	\$182,400	\$182,400
3.	Bruce Stillman	\$400,900	\$471,900	N/A

	2404 Sherwood Hills Road Minnetonka MN 55305			
	PID: 11-117-22-13-0036			
4.	Mary McKee 3842 Baker Road Minnetonka MN 55305	\$210,600	\$225,400	\$225,400
	PID: 22-117-22-12-0026			
5.	James & Margaret Johnson 6054 Whited Avenue Minnetonka MN 55345	\$289,400	\$341,700	\$341,700
	PID: 33-117-22-34-0043			
6.	James Frush 14310 Quigley Road Minnetonka MN 55345	\$250,900	\$305,500	\$320,000
	PID: 22-117-22-33-0003			
	This item was pulled for discussion by Mr. Frush.			
7.	Jean Keim 15171 Victor Lane Minnetonka MN 55345	\$196,700	\$216,000	N/A
	PID: 33-117-22-43-0021			
8.	Betty Swanson 13500 Excelsior Blvd. Minnetonka MN 55345	\$192,300	\$296,300	\$225,000
	PID: 27-117-22-13-0009			
9.	William Sempel 19005 Manchester Street Minnetonka MN 55345	\$195,800	\$249,900	N/A
	PID: 31-117-22-32-0017			
10.	Robert Clifford 12908 Shady Dale Road Minnetonka MN 55343	\$238,400	\$367,900	\$360,000

	PID: 22-117-22-44-0010			
11.	Wells Fargo Bank 5120 County Road 101 Minnetonka MN 55345	\$687,200	\$895,000	N/A
	PID: 30-117-22-41-0062			
12.	Alexander & Alexandra Teplitski 2916 Plymouth Road Minnetonka MN 55305	\$216,000	\$224,200	\$224,200
	PID: 15-117-22-11-0021			
13.	Peggy Kaplan & William Carr 5592 Bristol Lane Minnetonka MN 55343	\$777,000	\$855,400	\$855,400
	PID: 35-117-22-21-0047			
	This item was pulled for discussion by Ellingson.			
14.	Theoni Greka & Georgios Giannakis 2561 Abbey Hill Drive Minnetonka MN 55305	\$465,000	\$486,500	CANCELED
	PID: 10-117-22-41-0035			
15.	Thomas Johnson 15001 Tammer Lane Minnetonka MN 55391	\$506,900	\$556,500	\$540,000
	PID: 04-117-22-43-0032			
	This item was pulled for discussion by Johnson.			
16.	Allan & Alanna Stillerman 11509 Cedar Pass Minnetonka MN 55305	\$804,600	\$895,200	\$895,200
	PID: 11-117-22-42-0035			
17.	John Kilkelly	\$249,500	\$290,900	CANCELED

4616 Oxford Place
Minnetonka MN 55345

PID: 29-117-22-12-0024

18.	Robert Sherman 2231 Pine Island Road Minnetonka MN 55305	\$613,000	\$640,000	CANCELED
-----	--	-----------	-----------	----------

PID: 11-117-22-22-0014

PETITIONERS PRESERVING THEIR RIGHT TO APPEAL AT COUNTY BOARD

19.	James R. Oberg 2016 Blackberry Lane Minnetonka MN 55391	\$299,100	\$346,600	N/A
-----	---	-----------	-----------	-----

PID: 08-117-22-11-0042

20.	David D. Dragotis 2226 Oakland Road Minnetonka MN 55305	\$665,900	\$745,200	N/A
-----	---	-----------	-----------	-----

PID: 10-117-22-24-0029

Callison moved, Thomas seconded a motion to affirm the assessors' values for petitions #1, 2, 3, 4 and 5; the advisors' recommended value of \$225,000 for petition #8, the assessors' value for petition #9; the advisors' recommendation of \$360,000 for petition #10, and the assessor's values for petitions #11, 12, 16, 19 and 20, noting that petitions #14, 17, and 18 had canceled. All voted "yes." Motion carried.

Petition No. 6, James Frush:

James Frush, 14310 Quigley Road, noted the following:

- He has owned his property since 1992, and purchased it for less than the assessed value. He believes this brings into question the accuracy of the assessment process.
- It is a conflict of interest for realtors to be advisors because they have an interest in higher home values.
- A mailer from realtor Steve Westmark states that property values are going up 62 percent, while his went up by 94%.
- He considers himself a "whistleblower" because the process is not equitable.
- 50% of MLS listings are reduced from previous listing amounts.

Anderson explained that the assessment system is established by the state and supervised by Hennepin County. The city must abide by the state and county rules for setting market values. She noted that in most cities, the city council just sets the values at the Board of Review, but Minnetonka has advisors who offer an independent opinion on values.

Advisor Tom Selseth said that while Frush's property runs back to Highway 7, it has good curb appeal. The detached, oversized garage is unusual for Minnetonka properties. Selseth noted that in 1991, many properties sold for less than their assessed values. He said that homes are greatly increasing in value, with some neighborhoods seeing greater increases than others. Selseth said that each property owner was asked if they would sell their property for the city's market value, and they all said they would not.

Callison asked about the disposition of county appeals. City Assessor Richard Toy said that the county reduced the values in approximately one in five appeals.

In response to Ellingson's question, Toy said that Frush also appealed his value last year, but no change was recommended.

Ellingson asked Frush if he would sell his property for \$320,000. Frush said that he would sell it for \$500,000.

Callison said that the system is good, and the expertise of the advisors has been important and helpful. She supported their recommendation.

Callison moved, Thomas seconded a motion to accept the advisors' recommendation of \$320,000 for the property at 14310 Quigley Road.

Ellingson expressed concern that the advisors had agreed on a value of \$250,900 for the property last year, and were recommending a big increase for this year.

Anderson and Gunyou noted that other properties in the city have also seen large increases.

Advisor Larry Kriedberg said that he could not comment on last year's value, but said that the \$320,000 value for this year was right on the mark. Kriedberg said that he based that conclusion on his review of additional comparable sales beyond those used by staff.

Thomas also had concerns, but said it was key to make sure this year's value was accurate. He believes that the information provided by staff and the advisors was accurate.

Ellingson still questioned the amount of the increase from 2003 to 2004. Kriedberg responded that the property would currently list for between \$339,000 and \$349,000.

All voted "yes." Motion carried.

Petition #13, Peggy Kaplan & William Carr

Ellingson said that appellants Kaplan and Carr were unable to be at the meeting, but had spoken to him about their values.

Callison moved, Thomas seconded a motion to accept the advisors' recommendation of \$855,400 for the property at 5592 Bristol Lane. All voted "yes." Motion carried.

Petition #15, Thomas Johnson

Thomas Johnson, 15001 Tammer Lane, noted the following:

- He filed his appeal to learn more about the process. He thinks the accurate value of his property is \$500,000.
- He appreciated the advisors visiting his property, but said that he had not seen their comparables or other information.
- He did see staff's comparables, but did not receive information about the factors used for their adjustments. He noted that the property across the street sold in 2003, not 2004, so the value should be adjusted.
- He believed that his analysis took these factors into consideration, and said that the information used by assessing should be publicly available.
- He asked the Board of Review to accept his analysis and establish his value at \$500,000.

Anderson thanked Johnson for his research, and suggested that he consider appealing to the Hennepin County Board of Review.

Callison asked if correcting the date of the sale of the property across the street would make a difference.

Advisor Selseth said that he had spoken with Johnson. He disagreed with Johnson comparing the values of all the houses on his street. Selseth said that the advisors were recommending a decrease in the value due to deferred maintenance items. Selseth said that neighborhoods and values continue to appreciate.

Anderson asked if the information staff uses to establish values is public.

Johnson said that realtors do a market analysis when they propose to sell a home. Staff only provides a few listed facts about the comparables and the value recommendation, without more details.

Gunyou noted that the availability of computer adjustment factors to Johnson was no longer relevant, since both staff and the advisors had subsequently conducted personal appraisals of his home. He suggested that Toy meet with Johnson to answer any questions.

Thomas moved, Callison seconded a motion reduce the value of the property located at 15001 Tammer Lane to \$540,000, from the assessor's recommended \$556,5000 value based on the advisors' recommendation. Wiersum arrived during the discussion of this item, and participated in this vote. All voted "yes." Motion carried.

Anderson thanked the advisors and staff for their help with the Local Board of Review.

6. Adjournment.

Wiersum moved, Callison seconded a motion to adjourn the meeting at 7:37: p.m. All voted "yes." Motion carried.

Respectfully submitted,

Kathleen Magrew
City Clerk