

The Board of Equalization Meeting on April 25, 2017 was called to order at 6:00 pm at Beulah City Hall by Mayor Darrell Bjerke.

Present: Ben Lenzen, Clyde Schulz, Kelsey Timmer, Joel Morgan, Eric Hoffer, Brant Keller

Absent: Kathy Kelsch, Travis Frey

Also Present: City Assessor Ryan Oberg, City Attorney Scott Solem, City Coordinator Russell Duppong, Economic Development Director John Phillips, Colette Schilling, Kate Johnson

Ryan Oberg commented all property was added to Vanguard from building permits. Changes are delineated on the change true and full value supplemental sheet. The County raised the manual level by 5%, but only the structure value was changed. There is always a ratio with the land value and the structure value so it will be something below 5%. Bjerke stated 39 letters went out for increases in property values of \$3,000 and 10%.

Keller questioned the current sales and Oberg commented the increase was consistent with the market. The market has stabilized quite a bit. Oberg explained the process of assessing the condition grade of a property. He explained that depreciation is a multiplier. If older houses are consistently selling at less per square foot than newer houses, the amount of that figure determines the depreciation schedule. For every year there is a reduction multiplier. Lenzen questioned how the depreciation schedule is set up. Oberg stated they would not need to do it manually. When they reassess a jurisdiction, they would look at all the sales for the last five years and determine how much less an older house sells for compared to a new house. The database would have a line for each year and a percentage multiplier is added. So when you get down to a house that is 100 years old, it is worth a small percentage of what a new house would be worth. As the house age gets older, it takes into account the current date and the program figures how old the house is. Duppong questioned the remodel of an older house. Oberg stated the effective age of a house can be changed if the inside of an older house is updated.

Oberg stated the State requires all jurisdictions to have all residential and commercial property assessed at between 90% and 100% of market value. Assessed values have been coming in low compared to market values. The sales ratio study is the differential between what a house sold for and what it is assessed at. The median of all sales would determine the percentage of increase. Hoffer questioned why commercial rates have not been increased. Oberg stated there are so few commercial sales that it's difficult to raise the rates confidently, but commercial values are low in Beulah. Bjerke stated that needs to be looked at. Oberg stated he looks at what the market value could be and compares it to the rest of the county. He commented a factor of increase could be built in each year to bring them up. Lenzen agreed a factor should be built in. Hoffer commented it is unfair to increase residential and not commercial each year. Lenzen questioned if sheds or outbuildings are included in the value. Duppong stated they are included in building permits. Oberg questioned if you buy a house, do you consider the shed as part of the value. If it is a bigger building it would be considered a garage and would increase value.

Lenzen stated it should be consistent. Bjerke commented there has been discussion that all of the properties in Beulah should be reevaluated every few years. Oberg commented on adjustments that will be made to three properties. Adjustments can be addressed and made until the County Board of Equalization meets where they will finalize the values. The State Board of Equalization will then certify the values.

Keller made a motion seconded by Schulz to accept the assessor report of property values with the adjustments to be made. Roll call vote found Lenzen, Schulz, Timmer, Morgan, Hoffer, and Keller in favor.

Schulz made a motion seconded by Lenzen to direct our City Assessor to bring a report of recommendation on commercial property values to Council within six months. Roll call vote found Lenzen, Schulz, Timmer, Morgan, Hoffer, and Keller in favor.

Schulz made a motion seconded by Timmer to close the Board of Equalization meeting. Roll call vote found Lenzen, Schulz, Timmer, Morgan, Hoffer, and Keller in favor.

Meeting adjourned at 6:30 pm.

Darrell R. Bjerke, Mayor

Heather Ferebee, Auditor