

**BOARD OF EQUALIZATION MEETING
CITY OF DICKINSON, NORTH DAKOTA**

MAY 6, 2013

Pursuant to due call and notice, with notice of publication in the Dickinson Press, the Board of Equalization met in compliance with North Dakota State Law. The meeting was held May 6, 2013 commencing at 3:00 P.M., in City Hall located at 99 2nd Street East.

1. CALL TO ORDER

President Dennis W. Johnson called the meeting to order and directed that a copy of the published notice be included as part of the minutes.

2. ROLL CALL

Present were: President Dennis W. Johnson, Commissioners Carson Steiner, Klayton Oltmanns, Gene Jackson and Shirley Dukart; Also present: City Administrator Shawn Kessel, City Assessor Joe Hirschfeld and Dickinson City Attorney Matt Kolling.

3. President Johnson asked Dickinson City Attorney Matt Kolling to give a brief overview of the Board of Equalization. Mr. Kolling explained that the City Commission today is acting as the Board of Equalization which is commanded by the State. The Board can make any corrections to the City Roll if need be. Anyone from the public may make a statement concerning their values but must provide evidence why they feel their value is not correct. He also explained that the True and Full Value of property is the Market Value which means it is the price a property would bring in today's market.

City Assessor Joe Hirschfeld reported the assessment roll has been completed. The properties annexed from the County is still being entered into our system, but none of the properties from the County will change the assessment roll.

4. City Assessor Hirschfeld presented a power point as well as notes for the power point. He explained the market segments between 2008-2013. City Assessor Hirschfeld explained that in 2008 the dollar per square foot shows depreciation in newer and older homes. In 2009-2012 the dollar per square foot is tightening up. For the 2013 valuation we are required to use sales from 2012. The older homes are increasing at higher rates. People are interested in investing more in an older home than putting money towards rent in apartments. Buyers want homes now, even if is an older home at a higher sale

price. All areas are similarly assessed by map area, styles of homes, condition and grade of home.

Commissioner Shirley Dukart asked City Assessor Hirschfeld if all 8,000 some people were able to get ahold of him because when she tried calling him his message box was full. City Assessor Hirschfeld explained that his message box on his phone was full for just a period of time. He did get it fixed so that he was able to get the messages on his phone and he also got the messages that the other employees in the Assessor's Office took for him. He was able to talk to all of the people that left messages for him as well as he visited with all of the people that stopped at the City Assessor's Office in person. He went out and did some field visits if the people wanted him to and he did make three changes.

City Assessor Hirschfeld also explained the valuation process for residential homes. He is required to use 30 sales and the sales are all from 2012. He can go back 3 years if he does not have enough sales for the current year. The commercial sales he used 20 sales from 2012 and 15 sales from 2011.

He also explained that every message that was taken he followed up by calling these people, and people who came in to visit with him he visited with and he also did some field visits. He did make changes on three of the field visits that he did.

Commissioner Gene Jackson asked how often field appraisals are done. City Assessor Hirschfeld reported that by the IAAO guidelines field visits need to be done every 5-7 years. Since he came to this job in 2011 some homes have been looked at but in 2012 there have been 600 new residential constructions that had to be looked at. No older homes have had field appraisals done. He said his goal is to get out and do field appraisals as soon as possible but the new construction is taking all of our time.

President Johnson opened the meeting for public input to voice valuation concerns:

Bobbi Lee Farrier was here to talk about her neighbor's home, Gene Semerad. She said the gutters, siding, everything on his house is falling apart and cannot figure out how we can just do a drive-by and do an appraisal without actually going into the home to look at it. She said the City of Dickinson is pushing the elderly out of their homes and out of Dickinson because they can no longer afford living here.

City Assessor Hirschfeld responded to Bobbi Lee Farrier and said that he told George Semerad, when he was in the office, that he was willing to come and take a look at his property. He asked George to give him a call to set up an appointment. Mr. Semerad never did get back to City Assessor Hirschfeld to have him come look at his house.

Mike Gilge spoke telling the commissioners that he had a 50 year old home, it is under 1,000 square feet and is assessed at \$210,000. He is very upset by this. He said he was on vacation when the notice of increase letters came out and was unable to make an appointment with City Assessor Hirschfeld. He would like City Assessor Hirschfeld to come visit his home.

John Wanner said he has been a Dickinson resident all of his life. He said he has visited with City Assessor Joe Hirschfeld concerning a home he bought in October 2012. He said he purchased it for \$160,500 and now it is valued at \$208,000. He cannot understand why in just a few months the value could be raised so much. He feels if he purchased the home for \$160,500 that is what the value should be. Dickinson City Assessor Hirschfeld said there could be reasons for the increase in value. When you have a recent sale there is a difference between mass appraisal and appraisal of a single property. The characteristics of the home, conditions and improvements, may have changed. Joe said he would be happy to go out and visit his home. Joe said he would give him a call to schedule an appointment.

Olaf Sandvick said he lives behind Dan Porter Motors. When he purchased his property he purchased an acre. He is wondering if there is any way he can subdivide his acre. President Johnson advised him that he would need to speak with the City Planner for information on that process.

Gary Bleth said he is a realtor as well as a certified appraiser. He feels that equalization should not be comparing his home to newly constructed homes. He says new homes cannot be compared otherwise the values are skewed. He is also stating that if the state mandates that we be between 90-100% what is wrong with being at 90% why do we have to be at 92% for residential and 91% for Commercial. He feels too many people are moving out of Dickinson because taxes are too high.

Birdi Privratsky said she has already visited with City Assessor Joe Hirschfeld about her values as well as her neighbors values. She is making a suggestion that when notice of increase letters go out that the increase of value of the home and increase of value on the land is split out so she can see exactly what the values are on each. Also, she was told she could go on the City website and look at her property value as well as her neighbor's property values, but the problem, she feels, is that the 2013 values are not yet on the properties that she is looking at. She was told by City Assessor Hirschfeld that those values will not be public knowledge until after the Board of Equalization meeting. She would suggest that this be changed. She just wants to make sure that she is being treated equally with her neighbors. She would like both of these issues to be looked at because she would like people to be able to be more informed.

Matt Kolling reported that the notice of increase letters are approved by the State Tax Commissioner. This is the same letter that goes out to everyone in the State of North Dakota.

Ray Jilek said he owns two small office buildings. He feels they went up about 112%. He said he came in and visited with City Assessor Hirschfeld and City Assessor Hirschfeld did show him a picture of his buildings. He said the picture looked pretty good of one of his buildings but that was years ago. He said one of the buildings is a Butler steel building with a little bit of brick. He wants to make sure it is not valued as a brick building. City Assessor Hirschfeld did assure him that it is valued as a steel framed building.

President Johnson asked when Vanguard is committed to come to the City of Dickinson and begin appraisals on the commercial property. City Assessor Hirschfeld explained that 70-80% inspections start next summer with the valuation to be completed in 2015. President Johnson said the City does recognize that we need to get some outside professionals to come in because in general all commercial values have been low.

Robert Todd said he did visit with City Assessor Joe Hirschfeld about his property and City Assessor Hirschfeld will be coming out to his property to remeasure his home. Mr. Todd asks two questions of the City Commission. He is wondering if the legislation decided on Property Tax Reduction and also he is wondering if the commissioners determine the mill levy. President Johnson did say that the legislation did pass the Property Tax Reduction bill and then went on to describe the mill levy at length as to who is all involved in determining the mill levy. President Johnson said he is thinking the mills will drop by 20-30% and if that would happen property taxes would be reduced.

Robin Galster is asking if it makes a difference in location as far as values are determined. City Assessor Joe Hirschfeld said that location does make a difference when figuring the values of properties. Mr. Galster said he lives at 792 2nd Avenue SE, right across from Heartland Village. He goes on to explain how Heartland Village has become a dump ground with old trailers, refrigerators, etc. sitting in the lot. He also said there is so much sand from the roads and a pile of dirt and sand that blow into his yard ruining his grass and making his home very dirty with windows with sand in them. Also he has trucks driving past his home constantly and it is very noisy with the trucks hitting their brakes. City Administrator Shawn Kessel explained to Mr. Galster that the City has already visited with Heartland Village and they are private roads in that area. He suggested that the City will have a building inspector go over and take a look at that area. Mayor Dennis Johnson asked that Commissioner Klayton Oltmanns take a look at that area.

N/A

7. ASSESSOR'S REPORT:

Commissioner Shirley Dukart asked City Assessor Joe Hirschfeld if he is going to go out and review the properties of the people that spoke today. City Assessor Hirschfeld talked about the market value and how the goal of the Assessor's Office is to get out and do field reviews of all the properties in Dickinson. He did explain that he will not just go out to these properties unless he is invited to go to these properties. He did say he will give Mr. Wanner a phone call to visit his property.

Commissioner Klayton Oltmanns said he has done some research before this meeting today as well as visited with some individuals that own property in Dickinson. He explained that a home in 1983 was purchased for \$27,000 with taxes being \$600.00 per year and today that same home is valued at \$150,000 with taxes being \$1,329.00 per year. In 2002 a home was purchased for \$98,000 with taxes being \$1,200 and today that same home is valued at \$200,000 with taxes being \$1,600. Taxes have increased about 3% each year. He explains that everyone should expect their home to double in price every ten years.

President Johnson asked that City Assessor Joe Hirschfeld make a phone call to Mr. Gilje as well as Mr. Wanner and if an abatement is warranted then the changes can be made.

City Assessor also had some individuals who wrote him a letter regarding their values. He did visit with them and one property has an obsolescence on his property that is still in effect. All of the individuals who wrote letters were resolved except for one.

MOTION TO ACCEPT BY: Carson Steiner SECONDED BY: Gene Jackson
To accept the Assessor's report as presented. Annexed property from the County into the City of Dickinson is mainly land. Motion to also to pass commercial land.

DISPOSITION: Roll call Vote Aye 4, Nay 1, Absent 0.

Motion declared duly passed.

8. EXEMPTION APPLICATIONS:

A. To approve the Two-Year Residential Exemptions under NDCC 57-02-08 (35) (36)
This does not exempt the land. This is an exemption of the first \$100,000 for two years. City Assessor Hirschfeld reported that there are 210 Two-Year Residential Exemptions for the years 2013-2014.

DISPOSITION: Roll call vote Aye 5, Nay 0, Absent 0.

Motion declared duly passed.

