

MINUTES OF A SPECIAL CITY COUNCIL LOCAL BOARD OF APPEAL & EQUALIZATION MEETING HELD WEDNESDAY, MAY 13, 2009 – 6:00 P.M. – ROCKVILLE CITY HALL

The meeting was called to order by Mayor Jeff Hagen. Roll Call was taken and the following members were found to be present: Mayor Hagen, Councilmembers Bill Becker, John Koerber, Susan Palmer, Jerry Schmitt and Duane Willenbring. Absent: Randy Volkmuth.

Staff members present were: Administrator/Clerk Rena Weber, Randy Lahr and Don Ramler – Stearns County Assessors.

Mayor Hagen announced that the special meeting had been called for the purpose of Board of Review. Randy Lahr explained that property valuation has to be between 90% & 105% of what sales are and explained the sales period ended October 2008. Stearns County does their valuations based on a mass appraisal system.

Randy Lahr also indicated that he did an analysis due to the calls he received which was mostly lake shore property owners. Recently the State of MN got rid of the limited market value cap so it is misleading to look at the taxable market value. People should look at the estimated market value. Questions he received were:

- How many homes for sale on this lake?
- Why did you not reduce my value?

Pleasant Lake – There are 6 properties for sale and not one is listed below what they are valued at right now.

Grand Lake – There are 4 properties (5 with the foreclosure) that are for sale and are not over by 1% of the EMV.

76.42189.0038 – Everett Balko – 11193 Hubert Lane - Mr. Balko was present to question the value of his property. Mr. Balko was given a reduction in 2008 from \$394,500 to \$373,800 due to the excess of 100' of shore line. Mr. Balko has 140.05 feet effective frontage.

Ev Balko presented a market evaluation from 5/3/09 that is based on the current supply and demand of the market. The estimated sale price for his lot is recommended at \$339,900. Mr. Balko would like to get the value lowered to at least \$339,900. There are 10 homes for sale on Grand Lake.

Member Willenbring asked if those 9 homes have the same specifications. Ev Balko stated that they are higher valued homes.

Randy Lahr indicated that the land is valued at \$248,500 & the Building at \$123,900.

EMV \$373,800	2009	2010 \$372,400
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Motion by Member Becker, second by Member Koerber, to leave the current proposed value as is.

AYES: Becker, Hagen, Koerber, Palmer, Schmitt & Willenbring

Motion passed on a 6 to 0 vote.

76.41952.0000 - April Tidd – 25652 Lake Road – Erich Rice was present speaking on behalf of April Tidd. Mr. Rice stated that he is a realtor and has researched properties in the neighborhood such as: 25454 Lake Road, built in 1993, parcel #76.4235.0004, which is similar but is roughly \$500 to \$600 less. The Land valuation is \$197,000 which is also higher than similarly sized lots on Lake Road. This lot is long and narrow. Mr. Rice thinks a stub-in was put in for another sewer hookup. There is 210' of lake frontage.

EMV \$469,600	2009	2010 \$453,500
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Randy Lahr valued the land higher on the 2nd 100' due to stub in. If this is not a buildable lot he would lower the land to \$232,100 which is currently \$281,800.

Motion by Member Becker, second by Member Willenbring, to leave the current proposed value as is.

AYES: Becker, Hagen, Koerber, Palmer, Schmitt & Willenbring

Motion passed on a 6 to 0 vote.

76.42142.0048 – Larry Byzewski – 25809 Burg Street– no show

EMV \$205,900 2009

2010 \$

76.41648/0200 – Michael Lutgen – 21125 Grand Lake Court – Mr. Lutgen stated that he owned his place since 1970 and started over in 2007. He had valuation of \$105,074 and he took out a building permit for \$85,000 so if you add this you get \$214,000. It is not sided, not sheet rocked and the value doubled since he took the permit out. Of the \$85,000 he has spent \$35,000 building it so far.

EMV \$305,700 2009

2010 \$309,400

Randy Lahr reported that the land was valued at \$244,100 and the building at \$65,300 building last year. This year the value is at \$59,500 for the building & \$246,200 for the land. Mr. Lutgen has 106' front feet.

Mr. Lutgen stated that he went to Stearns County Wetland Board but did not get approval to do the turn around in his driveway. He does not rent it and uses it seasonally. He will tear down his garage in order to work with the city. There are two homes on Fowler Drive and the snow plow does not go down Grand Lake Court.

Motion by Member Willenbring, second by Member Becker, to leave the current proposed value as is based on the value of the land and that much acreage.

AYES: Becker, Hagen, Koerber, Palmer, Schmitt & Willenbring

Motion passed on a 6 to 0 vote.

76.41720.0445 – Arcon Development, Inc. – pulled their name

Outlot B

EMV \$639,500 2009

2010 \$

76.41720.0446 – Arcon Development, Inc.-pulled their name

Outlot C

EMV \$111,700 2009

2010 \$

76.41705.0014 – Marie Schmid – 22045 Agate Beach Road – No show

EMV \$497,900 2009

2010 \$

76.42160.0000 – James Libbesmeyer – 25375 Lake Road – Mr. Libbesmeyer reported that he has 300' of Shoreland but only 80' that is usable. The value of the buildings is \$170,200 and the land is at \$263,500. This is two lots with one parcel number. The lake side lot has no electricity, no sewer, is not buildable and variances would be needed. Mr. Libbesmeyer cited other lots such as Stradtman and Roeder who could be comparable. \$325,000 is what he thinks it should be valued at. This is just about 2 acres in size and he feels he has a legitimate concern.

EMV \$454,000 2009

2010 \$433,700

Randy Lahr reported that he valued this at 25% negative adjustment. Randy recalculated the land at 95% for the first 100', 50% next 100' and 25% for the remaining footage because of the cattails.

Motion by Member Koerber, second by Member Palmer, to reduce the value to \$406,400.

AYES: Becker, Hagen, Koerber, Palmer, Schmitt & Willenbring

Motion passed on a 6 to 0 vote.

76.41705.0002 – John Knutson – 21405 Agate Beach Road – Mr. Knutson reported that he has 100' of lakeshore and with the downturn in real estate he thought the value should have a better decrease instead of .05%. If he gets no help he will have to go to the next level.

EMV \$522,600 2009

2010 \$519,300

Randy Lahr reported that he has the value at \$220,600 for the land and \$298,700 for the building.

Mr. Knutson reported that he had re-financed his home in 2007 and an appraisal was done that showed a decrease of 8.1%. Mr. Knutson wants the value reduced accordingly.

Motion by Member Koerber, second by Member Willenbring, to leave the current proposed value as is

AYES: Becker, Hagen, Koerber, Palmer, Schmitt & Willenbring

Motion passed on a 6 to 0 vote.

76.41741.0024 – Mark Lindell – 516 Aspen Court West, Rockville, MN - Mr. Lindell reported that his taxes went up 59.73% in the last four years. He presented a history of the values:

- 2006 \$141,000
- 2007 \$190,000
- 2008 \$197,100
- 2009 \$202,500

EMV \$202,500 2009

2010 \$201,700

Mr. Lindell voiced concern on the quality of the way the house was built. If the council approved a 10% decrease the value would be \$186,500 and he feels this would be fair. The value is higher than what the market would be to sell it. There is 2261 square feet of finished area including the basement.

A review of three area sales was held and it was determined that this was in the middle of the range.

Motion by Member Palmer, second by Member Schmitt, to leave the current proposed value as is

AYES: Becker, Hagen, Koerber, Palmer, Schmitt & Willenbring

Motion passed on a 6 to 0 vote.

LETTERS FROM:

76.42142.0009 – Brian Stradtman – 856 18th Ave N. St. Cloud, MN 56303

Mr. Stradtman appeared at the 4/26/06 Board of Review meeting and the value for 2007 was set at \$79,800. Randy Lahr reported this was 1.54 acres, could be a buildable lot, however it is marginal and he takes into consideration the cattails on the lake shore.

EMV \$110,400 2009

2010 \$110,400

76.42142.0008 - Brian Stradtman – 856 18th Ave N. St. Cloud, MN 56303

Mr. Stradtman appeared at the 4/26/06 Board of Review meeting and the value for 2007 was set at \$117,800. Mr. Stradtman claimed that this was a dump at one time. This site contains 17 acres

John Koerber agreed and reported that it once was a dump, but was cleaned up.

EMV \$162,200 2009

2010 \$152,100

Randy Lahr reported that he visited the site and is making adjustments for the limited use. This is not prime frontage and he probably could not build on this. Only 4 acres are high enough to do anything with and there is very little usable lake frontage.

Motion by Member Palmer, second by Member Schmitt, to leave the current proposed value as is for both parcels 76.42142.0008 and .0009.

AYES: Becker, Hagen, Palmer, Schmitt & Willenbring

NAYS: Koerber

Motion passed on a 5 to 1 vote.

76.42070.014 – Shawn O'Keefe – 11056 Grand Lake Road – Mr. O'Keefe reported that he purchased the Tom Eickhoff property in 2008. Mr. O'Keefe referred to two 50' lots with homes on Hubert Lane that sold for \$220,000 last year.

EMV \$286,700 2009

2010 \$309,400

Randy Lahr reported that some of the interior information may be slightly off. He has this listed as one bathroom not 1 ¾. Randy Lahr has not been through it. There is forced air heat and partial basement finished. This had to be sold by the end of the year so the seller was motivated.

Motion by Member Becker, second by Member Koerber, to leave the current proposed value as is.

AYES: Becker, Hagen, Koerber, Palmer, Schmitt & Willenbring

Motion passed on a 6 to 0 vote.

CLOSE BOARD OF REVIEW – Rena Weber reported that at this time it would be proper to close the Board of Review proceedings.

Motion by Member Willenbring, second by Member Palmer, to close of the Board of Review proceedings.

AYES: Becker, Hagen, Koerber, Palmer, Schmitt & Willenbring

Motion passed on a 6 to 0 vote.

RESOLUTION ACCEPTING REFINANCING OF BONDS – Rena Weber reported that the Public Works Committee met with David Drown last week to consider the refinancing of certain bonds which would net approximately \$70,000 in savings after bond issuance costs.

Member Palmer introduced the following resolution and moved for its adoption:

RESOLUTION NO. 2009-11

**RESOLUTION APPROVING THE ISSUANCE OF
\$1,675,000 G.O. WATER/SEWER REFUNDING BONDS, SERIES 2009A;
COVENANTING AND OBLIGATING THE CITY TO BE BOUND BY AND TO USE
THE PROVISIONS OF MINNESOTA STATUTES, SECTION 446A.086
TO GUARANTEE THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS**

BE IT RESOLVED by the City Council of the City of Rockville, State of Minnesota (herein, the "City"), as follows:

1. The City Council hereby finds and declares that it is necessary and expedient for the City to sell and issue its fully registered general obligation refunding bonds in the total aggregate principal amount of not to exceed \$1,675,000 (herein, the "Bonds"). The proceeds of the Bonds will be used, together with any additional funds of the City which are required for the refinancing of the \$915,000 GO Water Revenue Bonds, Series 2005B, the \$140,800 GO Disposal System Bond of 1997, the \$117,800 GO Disposal System Bond of 1998 and the \$608,500 GO Water Revenue Bond of 2001.
2. The City Council desired to proceed with the sale of the Bonds by direct negotiation and hereby authorizes David Drown Associates, Inc. (herein, "DDA") to negotiate on behalf of the City.
3. The Mayor and the City Administrator are hereby authorized to approve the sale of the Bonds in an aggregate principal amount of not to exceed \$1,675,000 and to execute a bond purchase agreement for the purchase of the Bonds provided the total net present value savings is at least three percent (3.0%) of refunded principal or \$50,000.
4. Upon approval of the sale of the Bonds by the Mayor and the City Administrator, the City Council will take action at its next regularly scheduled meeting thereafter to adopt the necessary approving resolutions as prepared by the City's bond counsel.
5. Minnesota Public Facilities Authority Credit Enhance Program
 - A. Form of Minnesota Public Facilities Authority (the "PFA") Credit Enhancement Program Agreement (the "Agreement"); and
 - B. Application for Participation in the PFA Credit Enhancement Program (the "Application").

1. The Agreement and the Application are authorized and approved in substantially the forms presented to the Council. Submission of the Application to the PFA and payment of related fees are approved. The City hereby covenants and obligates itself to be bound by the provisions of Minnesota Statutes, Section 446A.086, as it may be amended from time to time. The City understands that as a result of its covenant to be bound by the provisions of Minnesota Statutes, Section 446A.086, the provisions of that section shall be binding as long as any Bonds of this issue remain outstanding.
2. The City hereby covenants and obligates itself to notify the Minnesota Public Facilities Authority of a potential default in the payment of principal and interest on the Bonds and to use the provisions of Minnesota Statutes, Section 446A.086 to guarantee payment of the principal and interest on the Bonds when due. The City further covenants to deposit with the Bond Registrar or any successor paying agent three (3) days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the Minnesota Public Facilities Authority that it will be unable to make all or a portion of that payment. The Bond Registrar for the Bonds is authorized and directed to notify the Minnesota Public Facilities Authority if it becomes aware of a potential default in the payment of principal or interest on the Bonds or if, on the day two (2) business days prior to the payment is due on the Bonds, there are insufficient funds to make that payment on deposit with the Bond Registrar.
3. The City further covenants to comply with all procedures now or hereafter established by the Department of Finance and Minnesota Public Facilities Authority pursuant to Minnesota Statutes, Section 446A.086, subdivision 3 and otherwise to take such actions as necessary to comply with that section. The Mayor and City Clerk are authorized to execute any applicable Minnesota Public Facilities Authority forms and to provide for the payment of the City's application fee of \$500 to the Authority, or will reimburse DDA for their payment of the fee on the City's behalf, which fee is required to be submitted with the executed forms.
6. DDA is authorized to prepare an Offering Memorandum related to the sale of the Bonds.
7. If the Mayor and City Administrator have not approved the sale of the bonds and executed the related bond purchase agreement by July 1, 2009 this resolution shall expire.

The motion for the foregoing resolution was duly seconded by Member Becker with the following vote being taken:

***AYES: Becker, Hagen, Koerber, Palmer, Schmitt & Willenbring
Motion passed on a 6 to 0 vote.***

RADIO STATION TOUR – Rena Weber informed the council of an upcoming tour of Andy Hilger's radio station on 5/22 and 5/29 from Byerly's in St. Cloud (2:00 p.m.)

ADJOURNMENT – Motion by Member Becker, second by Member Palmer, to adjourn the meeting at 8:18 p.m. Motion carried unanimously.

**VERENA M. WEBER-CMC
ADMINISTRATOR/CLERK**

**JEFF HAGEN
MAYOR**

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