

Monday, March 11, 2024
CITY OF MINNETONKA BEACH
Hennepin County Assessor Information Session
CITY COUNCIL APPROVED MEETING MINUTES

Roll Call: Mayor Joe Pagano; Council Members: Tracey Breazeale, Chris Dovolis, Jennifer Halverson, Jason Mohr and Treasurer Chris Zinn. Absent:

Staff Present: City Administrator Heidi Honey, City Clerk Jane Burgess, Public Works Superintendent Jason Hilgers

Guests: Michael Smerdon, Hennepin County Assessor

1. Call to Order.

Mayor Pagano called the meeting to order at 5:30p.m.

2. Approve Agenda for March 11, 2024, Special City Council Meeting

The agenda was not approved.

3. Hennepin County Assessor to provide pre-Board of Appeal information to City Council

Hennepin County Assessor of 18 years, Mike Smerdon, presented the appeal process and timeline of the assessment process. He has been the assessor for Minnetonka Beach for the last 3 or 4 years. He stated that the 2025 valuation notices were being mailed to residents at this time.

Smerdon's presentation provided information on:

- * Annual Assessment
- * Summary of property growth
- * The Local Board of Appeal and Equalization process
- * Representative sales of residential properties with photos and property highlights
- * Additional information on the 2024 assessment is available at www.hennepin.us/assessment

Smerdon explained the annual assessment process and stated that he is required to value property as of January 2nd of each year. All market indicators are used to establish the assessment. The main source of data is the Department of Revenue's sales ratio. He reviewed sales from the study period of October 1, 2022, through September 30, 2023, and trended forward to the January 2, 2024 assessment date to ensure all market conditions were considered. Sales occurring after the study period, pending sales, and property listings are also analyzed to ensure an appropriate assessment level for all property types.

In addition to reviewing sales, appraisers are required to view one fifth of the properties in the city. This is referred to as the quintile. The geographic area for the 2024 residential quintile was the on-lake properties on the south side of Crystal Bay. The quintile for the 2025 assessment will be the on-lake properties from Beach Lane around the peninsula to the end of Huntington Point Road W. All building permit data is reviewed annually to determine if any new construction will impact the market value of the property. If the completed work improves the value of the property, an improvement amount is added.

Smerdon provided a summary of the 2024 assessments showing a growth statistic of 1.5% for single family homes in Minnetonka Beach. This is a net figure that considers only market-related changes and does not include new construction. The Total Market Value in Minnetonka Beach for 2024 is \$617,718,100, New Construction is \$8,007,300. The Gross Percent Increase for all property types is 2.8%.

Breazeale asked how the 2.8% Gross Percent Increase for all property types compares to previous years. Smerdon responded that this number is considerably less than the last two years, but he did not have exact information with him. He thought that in 2023 the increase was between 12 and 15% or so, and in 2022 the increase was 15 to 20% or so.

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Smerdon explained the 2023 Annual Housing Market Report for the Twin Cities Metro Area. Median home sale prices were provided from 2019 through 2023. While the median Minnetonka Beach home sale price in 2022 was \$3,150,000, in 2023 it was \$2,100,000 which was a -33.3% change from 2022 but a +29.8% change from 2019.

Smerdon included in his Sales Book presentation charts that included 2024 Static Assessment Growth for single family homes on and off Lake Minnetonka as well as All Lakes within the Lake Minnetonka Cities, and All Lakes, All Cities categories. Minnetonka Beach had 3.7% growth off lake and 1.0% growth on lake for all the above categories. He also included recent home sales in Minnetonka Beach showing their 2024 Estimated Market Value and the Sold Price and date.

Smerdon stated that the Local Board of Appeal and Equalization meeting will be held at the Minnetonka Beach City Hall at 6:00 PM April 15th, 2024. Taxpayers with value or classification concerns from their notice should contact the assessor’s office by calling the number listed on their value notice. Concerns are typically addressed after Smerdon has had a conversation with the homeowner. If additional attention is necessary, he will review the property. If the owner and Smerdon disagree on the valuation, the owner has the right to appeal to The Local Board of Appeal and Equalization (LBAE) on April 15th.

- The board has the authority to increase, decrease, or take no action on individual valuations.
- The LBAE must not reduce the cities aggregate assessment by more than one percent or none of the adjustments will be allowed.
- The board cannot increase or decrease by a percentage to all the assessments in the district by class.
- If the board chooses to reconvene, it must do so within 20 days (from the meeting call to order.)

If the owner is not satisfied with the result from the Local Board of Appeal, they can appeal to the County Board. For the taxpayer to appeal to the County Board they must first appeal to the Local Board either in person or in writing. The County Board of Appeal and Equalization will begin meeting on June 17th, 2024. All requests for appointments at the County Board must be received by May 22nd, 2024. To make an appointment, taxpayers should call 612-348-7050 or email countyvalueappeal@hennepin.us.

Mayor Pagano thanked Smerdon for his detailed presentation and stated that residents will find this information helpful.

Halverson motion, Breazeale second, to adjourn the March 11, 2024, Special City Council meeting. All ayes, the motion carried.

4. The meeting adjourned at 5:55 pm

PUBLIC IN ATTENDANCE – The following people were in attendance: none

Respectfully Submitted,

Jane Burgess, City Clerk