

**Monday, March 13, 2023**  
**CITY OF MINNETONKA BEACH**  
**Hennepin County Assessor Information Session**  
**CITY COUNCIL MEETING MINUTES**

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

**Staff Present:** City Administrator Heidi Honey, City Clerk Jane Burgess

**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 13, 2023, Special City Council Meeting**

**Sharma motion, Halverson second to approve the agenda for the March 13, 2023 Special City Council Meeting. All ayes, the motion carried.**

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

Hennepin County Assessor of 10 years, Mike Smerdon, presented the appeal process and timeline of the assessment process. He stated that the 2024 valuation notices were being mailed to residents at this time.

His information that is included in the packet 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 2023 assessment is available at [www.hennepin.us/assessment](http://www.hennepin.us/assessment)

Smerdon stated that he divides the annual timeline into four parts:

- 1) During the summer months his department conducts their quintile with home visits knocking on doors, walking around houses, measuring, taking pictures, and asking to go through the homes to verify characteristics.
- 2) During the fall months they focus on new construction doing the same thing but also determining how far along they are with the building project. Building permit data is reviewed to determine the impact on the property value he added. If the new construction project including remodels, additions, siding, window replacement projects etc. improved the value of the property, then an improvement amount is added.
- 3) During the winter months they do their analysis and crunch the numbers. They look at home sales, calibrate models and set the assessments. They make sure that the new values are at an acceptable level for the Department of Revenue.
- 4) During the spring months they valuation notices are mailed out. Residents can call Smerdon and appeal their values. Smerdon goes to the home and conducts a mini-appraisal. If residents do not contact Smerdon they still can attend the Local Board of Appeals meeting on April 10<sup>th</sup>. City Council would then decide what those residents' property values should be as a mediator. If residents still dispute their valuation, they can then take their appeal to the county level. Or, finally, they can go directly to the Hennepin County Tax Court.

Smerdon stated that he is required to value property as of January 2<sup>nd</sup> of each year. All market indicators are used to establish the assessment and the main source of data is the Department of Revenue's sales ratio. Sales from this study period of October 1, 2021 through September 30, 2022 are reviewed by the assessor, and trended forward to the January 2, 2023 assessment date to ensure all market conditions are 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. The values are based on sale assessment not set on just one sale, he added. Sales such as buying a home from a parent, foreclosures, tear downs are not included - homes not exposed to the market in a typical way.

He explained that his sales book included in the meeting packet is his review of the 2023 assessment. On average, homes in Minnetonka Beach went up 14.6% in 2023 and the total market value is \$606,087,900 based on 246 parcels. Of that, new construction accounted for \$7,846,300 of that total. The gross percent increase for all property types was 16.3% and the net percent increase for all property types was 14.8%, but does not include the new construction amount. The Lafayette Club value increased by 18.9%. Minnetonka Beach's On Lake 2023 Static Assessment Growth was 13.4% and Off Lake was 17.1%

Sharma asked that given the current economy, and if there are sales activity changes a year from now when Smerdon goes through the assessment process, would he consider a downward valuation. Smerdon stated that absolutely he would as this happened in 2013 when property values dropped after several years of economic issues.

Breazeale asked what the MCAP Sale Price is and Smerdon stated that it stands for Market Conditions Adjusted Price. He used an example that if a home sells in June, and the market is increasing that in January it should be worth more than it sold for and vice versa. stated that homes are selling at listing price in this area at this time, but they are not selling over listing price as they were the last few years. They are getting close to 100% of asking price he stated.

Smerdon explained the Local Board of Appeal process for the April 10<sup>th</sup> meeting.

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

**Sharma motion, Breazeale second, to adjourn the March 13, 2023, Special City Council meeting. All ayes, the motion carried.**

**4. The meeting adjourned at 5:58 pm**

**PUBLIC IN ATTENDANCE** – The following people were in attendance: Nell Mathews

**Respectfully Submitted,**

---

**Jane Burgess, City Clerk**