

## MINUTES OF OPEN BOOK/COUNCIL MEETING

April 19, 2010

The Open Book meeting, formerly known as Board of Review, was duly called to order by Mayor Robert Roesler on Monday, April 19, 2010 at 5:00 p.m. with councilors Jim Poirot, Carroll Behne, Kurt Olson, Brad Ringnell and Robert Roesler in attendance. Absent, none. Also present, City Administrator/EDA Director Jamie Letzring and Deputy Clerk Irene Schlaphoff.

Mayor Roesler introduced Martin County Assessor Dan Whitman and Appraiser Deb Eversman, explaining that Sherburn is one of few communities where home values have risen, a good sign indicating a vital community and an active market.

Earl Johnson inquired about how the valuations translate into taxes and the overall increase in the community. Mr. Whitman explained that valuations increased 13%-25%, depending upon the age of the home, and the increase in valuation is not necessarily equal to the tax increase because of a complex formula that includes county and school taxes. For this reason it is not possible to compare the taxes of one property with another. Mayor Roesler referred to the property tax refund and deferred tax program available to relieve the tax burden on certain properties.

Joyce Bond asked about an increase when no improvements had been made and the valuation had been lowered after the previous viewing. Mr. Whitman stated that her valuation was based on sales of like homes, and older homes have sold at higher prices, resulting in a 20% increase in valuation.

Helen Murphy was present to inquire when valuations are determined (January 2 every year) and asked about partial improvements. Mr. Whitman explained that he was unable to determine her taxes at this time; this will be determined following the Budget and Levy hearings when the property tax levy is set and improvements within the home are completed.

Steve Loos requested a viewing of his home as there had been no improvements. He was informed that size, age, quality and condition are determining factors, rather than the cost of any improvements.

Richard Zehms was present to debate the accuracy of the sales analysis by including repeat sales, bare lot sales and government property sales. Mr. Whitman assured him that this listing reflects a true market with no special circumstance sales in a three-year period, and repeat sales will illustrate what the market is doing. In response to what taxes/valuations will do next year, he explained that the three sales that have taken place this year were at 95% accuracy, but taxes are based on the levy.

Todd Amborn appeared to question how comparable houses are defined. Mr. Whitman explained that because no two houses are exactly the same, valuations are based on a complex formula that takes into consideration heated square feet, raw square feet and a number of adjustments as needed. The law requires mass appraisal and that everyone is treated equally. If all data on a property is correct as identified by a viewing, the property owner must present proof that the valuation is wrong. Mr. Amborn was invited to visit the assessor's office and see how the program works with hard facts and figures.

Mayor Roesler then stated that the Budget and Levy hearing is where the total impact of valuations will be realized, and local government aid reductions will also directly affect the levy. The Open Book Meeting was declared closed at 6:00 p.m. At this time the regular council meeting was called to order.

Motion by Poirot to approve the agenda, second by Olson, carried.

Motion by Poirot to approve the minutes as written and sent to each council member for study, second by Behne, carried.

Consent agenda including payment of bills was declared approved.

City Admin Jamie Letzring informed the council that the preliminary assessments for the N Osborne/West First Street project were excessive and cannot be justified or legally assessed. A printed copy of an updated assessment policy is not yet available from Bolton & Menk, but discussions are being held to adopt a new policy that will take the average of previous years' projects and adjust it periodically. It is anticipated that a policy will be clarified and in place for the assessment hearing.

Estimates for insulating the Community Hall/Theatre attic per Energy Audit recommendations have raised a number of questions regarding additional work needed to complete the job. Further investigation is necessary and resubmission of estimates may be required.

An updated bond schedule was distributed from David Drown Associates using more reserve dollars for the N Osborne/W First Street project. This schedule results in reduced cash reserves and increased bonding costs per dollar; bond counsel will be consulted about selling local bonds. It was agreed that bond costs will increase over the years and many more street repairs will be necessary. The possibility of reducing the N Osborne/W First Street project costs by eliminating sidewalks resulted in a discussion regarding the sidewalk policy and unintended consequences of sidewalk mandates. League of MN Cities Safety & Loss Control has recommended that cities revisit their sidewalk policy in favor of removal for liability reasons. A Special Council Meeting will be held on April 28<sup>th</sup> at 4:30 p.m. to address this issue.

Preliminary cost estimates of including improvements to E Third Street between Lynn Street and Fox Lake Avenue in the N Osborne/W First Street project were received in the amount of \$57,100. Motion by Ringnell to add E Third Street improvements to the N Osborne/W First Street project, second by Olson, carried.

Motion by Ringnell to grant permission to invite an AFLAC representative to speak to city employees about short term disability, dental and life insurance policies, second by Behne, carried.

Mayor Roesler reiterated the importance of establishing a sidewalk policy in the community; Councilor Poirot informed all present that Larry and Serena Johnson are the new Boy Scout leaders.

Minutes of Open Book/Council Meeting

April 19, 2010

Page 3

Admin report:

- MNDOT has met with Public Works Foreman Travis Schuett to obtain the necessary information for repairs to the I-90 street lights; electricians are being contacted, permits are being secured, and Travis will be visiting with the City of Fairmont in order to move forward with these repairs.
- Reminder: Yard & Garden pickup is April 28<sup>th</sup>, City-wide Cleanup (Junk Day) is May 5<sup>th</sup>. This will be the last year for curbside collection of junk. In 2011 a central location will be selected.
- Appliance Day has been scheduled for May 15<sup>th</sup>. Appliance stickers will be available for purchase on May 3<sup>rd</sup>, with a purchase deadline of noon on Thursday, May 13<sup>th</sup>.
- In response to a question regarding current bonds and refinancing options, GO Bond 2002A (Fox Lake Avenue/Ringer Drive) is callable on 12/01/10; GO Bond 2005A (Temperance Lake Ridge) is callable on 12/01/11.

Motion to adjourn by Ringnell, second by Behne, carried. Meeting declared adjourned at 6:57 p.m.

Irene Schlaphoff, Deputy Clerk