

AGENDA
CHAMPLIN CITY COUNCIL
LOCAL BOARD OF APPEAL AND EQUALIZATION
WEDNESDAY, APRIL 21, 2010
CITY COUNCIL CHAMBERS
6:30 P.M.

THIS CITY COUNCIL MEETING WILL BE CABLECAST LIVE ON CABLE CHANNEL 16

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CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

1. ESTABLISH RECONVENE DATE
2. ASSESSOR'S REPORT
3. CONFERENCE WITH RESIDENTS

OTHER BUSINESS

RECESS/ADJOURNMENT

Memo

To: Mayor and City Council
From: June Johnston, Finance Director
CC: Bret Heitkamp, City Administrator
Date: April 14, 2010
Re: 2010 Local Board of Review Procedures

The 2010 Local Board of Review is scheduled for 6:30 p.m. April 21, 2010. The sole purpose of the Local Board of Review is to hear property owner's concerns regarding the current assessment. In order to facilitate a timely and efficient process, the following procedures are recommended:

1. Brief opening statement by the Mayor and set the time/date to reconvene, if necessary.
The Board of Review must reconvene no later than twenty (20) days after the initial meeting. It is recommended that the reconvene of the Board of Review be scheduled for Monday, May 10 at 6:45 p.m. This date and time will depend on the number of people appearing at the initial Board of Review. The reconvene date can be no later than May 10.
2. Hennepin County Assessor's report and explanation of the Board of Review.
3. Hear property owner concerns regarding estimated market value. The City Council directs the Hennepin County Assessor to review the property and present a recommendation regarding the value when the Board of Review reconvenes.
4. Recess

When the Board of Review reconvenes, the procedure would be as follows:

1. Statement by Mayor
2. Recommendations of the Hennepin County Assessor. The Hennepin County Assessor will explain the recommendations and the property owner will be allowed to explain why he/she disagrees with the recommendation. Statements such as "I think the value is too high" are valid, however, factual information supporting the opinion of the value should be provided by the property owner. **Property owners have the option to appeal to the Hennepin County Board of Appeal and Equalization. The meeting begins on Monday, June 14, 2010. All requests for appointments must be received no later than Wednesday, May 26, 2010 by calling 612-348-7050.**

3. Action by the City Council

4. Adjournment

Memo

To: Mayor and City Council
From: June Johnston, Finance Director
CC: Bret Heitkamp, City Administrator
Date: April 14, 2010
Re: Establish Reconvene Date for Board of Review (if necessary)

According to State Statute, the City Council must reconvene the Board of Review no later than twenty (20) days after the recess of the initial Board of Review. It is recommended that the Board of Review reconvene, if needed, on Monday, May 10, 2010 at 6:45 p.m. prior to the regular City Council meeting.

Memo

To: Mayor and City Council
From: June Johnston, Finance Director
CC: Bret Heitkamp, City Administrator
Date: April 14, 2010
Re: Board of Review Terms

The meaning of terms used in describing the assessment is as follows:

- **Mean** – A measure of central tendency of data; a calculated average
- **Median** – The value of the middle item where an odd number of items are arranged (arrayed) according to size or the arithmetic average of the two central items if there are an even number of items. It is a positional average and is not affected by the size of extreme values.
- **Coefficient of Dispersion** – In statistics, the ratio of a measure of absolute dispersion to an appropriate average usually expressed as a percent. It may be computed from either the quartile or mean deviation but is usually expressed as a ratio of the standard deviation to the mean. A measure of relative dispersion. In assessment administration, the median is frequently the “average” for which a coefficient of dispersion is calculated.
- **Index of Regression or Price-Related Differential** – The mean divided by the weighted mean. The statistic has a slight bias upward. Price-related differentials above 1.03 tend to indicate assessment regressivity; price-related differentials below 0.98 tend to indicate assessment progressivity. The price-related differential is a statistical measure of the regressivity or progressivity of the assessment. A regressive assessment indicates the sales ratio of lowered valued properties is greater than higher valued properties.

Memo

To: Mayor and City Council
From: June Johnston, Finance Director
CC: Bret Heitkamp, City Administrator
Date: April 14, 2010
Re: 2009 Board of Review Expectations

There are numerous factors that go into determining the market value of a property – improvements, finished square footage, limited market value and condition of the property are all taken into account. Statistical analysis of all sales made between October 1 and September 30 of the **prior year** (for the 2010 assessment this is October 1, 2008 through September 30, 2009) is completed and comparisons are made to assessed valuations. As a result of this review by the Hennepin County Assessor's Office, the overall change in gross market value for the City of Champlin 2010 assessment is a gross value decrease of -8.2%. This compares to -5.8% in 2009. This downward trend is expected to continue in the foreseeable future.

To date the assessing department has received 60 calls from residents questioning the value of their properties. This compares to 120 calls received in 2009. Residents who are calling are questioning not only why their property values might be increasing, but also why their property values are decreasing. Every year staff receives questions regarding neighboring properties having differing valuations. At this time it is anticipated that there could potentially be one property owner that may attend the Board of Review.

The decrease in the gross market value of property in the City will have an impact on budget discussions for the 2011 operating budget. Market value is used to calculate the tax capacity value of the City over which the levy is spread. Over the years, Champlin has experienced high levels of growth and the new growth has absorbed increases in the tax levy to allow the City's tax rate to maintain decreases or no increase. With declining values, even no increase in the tax levy will equate to an increase in the City tax rate for property owners.