

TUESDAY, JUNE 24, 2014

**APPROVED MINUTES OF THE
COMMITTEE OF THE WHOLE MEETING HELD**

**STATE OF MINNESOTA)
DODGE COUNTY)**

**COUNTY ADMINISTRATION OFFICE
MANTORVILLE, MN**

2014-12 C.O.W.

The Dodge County Commissioners met in Committee of the Whole June 24, 2014, in the Commissioner's Room at the Dodge County Courthouse Annex, Mantorville, MN, at 9:00 a.m. CDT. Clerk Jim Elmquist opened the meeting at 9:00 a.m. CDT.

Meeting Convened

The Clerk acknowledged those present:

Those Present

Members present:	Tim Tjosaas	District #2
	David Erickson	District #4
	Steven Gray	District #5
Members absent:	John Allen	District #1
	Rodney Peterson	District #3
Also present:	Jim Elmquist	County Administrator
	Becky Lubahn	Deputy County Clerk
	Ryan DeCook	Director of Land Records
	Wendy Iverson	Assessment Support Specialist

It was determined that because the Chair and Vice Chair were both absent that Commissioner Erickson would run the Board meeting as Acting Chair.

Acting Chair
Determined

Director of Land Records Ryan DeCook provided the Board with a Department of Revenue State Board summary.

DOR State Board
Summary

The following Minnesota Revenue information was shared:

I. Organization and Staffing

Dodge County currently utilizes computer programs from Affiliated Computer Services to manage its tax system and Vanguard Computer Services for its CAMA appraisal system. The assessment in Dodge County is currently being handled by the Assessor, two Appraisers, an Office Manager, and one Senior Clerk. The County Assessor is Ryan DeCook, who received his Accredited Minnesota Assessor (AMA) on May 20th, 2013, after a successful interview with the State Board of Assessors. The Appraisers are responsible for reviewing the majority of residential and agricultural property. The Assessor is currently responsible for the majority of commercial property. The entire county has been mapped and a quintile plan is now in place. In following a recommendation by the State Board in 2013 Minnesota Revenue identified a neighborhood in Dodge Center that appeared to be causing a problem with the PRD. That neighborhood was reviewed for equalization purposes. One Appraiser is a Certified Minnesota Assessor (CMA) and the other is licensed as a Senior Accredited Minnesota Assessor (SAMA).

Ryan DeCook was hired with the understanding that he would complete his requirements for a SAMA within two years of appointment. Mr. DeCook is scheduled to take his income case study exam in September. The appraisal staff is responsible for the annual valuation and classification of approximately 11,000 to 12,000 parcels of property with a total market value of over \$3 billion. The limited market sample makes analyzing and measuring the market difficult.

DOR State Board
Summary -
Continued

II. **Market Trend Summary**

Based on the last sale period agricultural bare land was the only classification with enough statistical data to warrant an increase in valuation. The EMV for tillable land was increased 5.4%. The agricultural market appears to have peaked in the fall of 2012. Eleven of the nineteen sales in the twelve month agricultural bare land study were from 2012. Sale ability has slowed down and prices are stagnating. The current sales study has five qualified sales from 2013 compared to the eleven in 2012. It appears that the biggest reason for this is farmer's income. Agri News reported that farmer's median income dropped 78% in 2013. Agri News also reported that land prices were up 4.47% in southeast Minnesota based on a University of Minnesota study, which is consistent with the measurement of the market. There is only one qualified sale in the 2014 sales study. After adjustments, the agricultural ratio study meets the IAAO performance standards.

The residential market in Dodge County has been relatively stable but new home construction increasing slightly. The City of Kasson continues to have the most sales ability. It also had the most new homes built in 2013 with 23. The City of Dodge Center built seven new homes which was the second most. There were more new homes built in the rural area than average. The five year average is 16.7 homes and 25 were built last year. The City of West Concord continues to struggle with declining values. A mass adjustment of approximately 2% was applied to the residential properties in West Concord. After applying the adjustments all residential properties are within IAAO performance standards.

A commercial market is difficult to identify in Dodge County. There is little commercial growth or sales ability in the city limits. Two large drainage companies expanded their business in rural areas but that was more of an indication of what the agricultural market was doing in past years. There was a small sales sample but none of the properties were similar and two of the three sales are questionable "arm's-length" transactions. There were not enough sales in the study to accurately measure the market. A quintile plan is now in place and will provide valuable insight into the commercial submarkets that exist in the county.

III. Review of Follow-Up Issues from 2013

DOR State Board
Summary -
Continued

The quintile plan is in place and has been updated to identify the areas subject to re-inspection in each of the next five years.

Insufficient sales in the City of Dodge Center resulted in a PRD/COD not being calculated. At the county level, both the COD and PRD are within guidelines. No further action is required.

IV. State Board of Equalization Orders for 2014

No State Board Orders are recommended for Dodge County.

V. Follow-Up Issues for 2015

Work with Olmsted County on tillable land values in the easternmost tier of seasons of the townships that abut with Olmsted County to bring ag-border values within 10% of each other.

The Agricultural Improved/Unimproved >34.5 acre aggregate PT code 95 ratio is 106.8 in Milton Township on six sales. This ratio exceeds guidelines. Four of the six sales in Milton Township are bare land sales that have a compliant ratio of 99.9%. This leaves only two improved sales that make it difficult to measure whether or not a State Board adjustment is warranted. Due to the limited sales of improved agricultural properties, no State Board order will be recommended, but rather Milton Township total ag will be a follow-up for the 2015 assessment.

Commissioner Gray briefly addressed the accountability of the Department of Revenue and correctly valuing property.

DOR State Board
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Discussion

Assessment Support Specialist Wendy Iverson informed the Board that the Assessor’s Office has standards that they follow when valuing property to ensure that the properties aren’t valued to low or too high.

Commissioner Gray asked Mr. DeCook to elaborate more on the CAMA system that is used in their office for valuing property.

The Director of Land Records reported that the CAMA system is similar to the Kelley Blue Book system in that they enter specific information regarding each property into the system and it calculates the value of the property. Mr. DeCook noted that the human element of entering this information into the system correctly and accurately is a very important step in this process.

The Board discussed what happens if there is a lack of sales in the county and what the Assessor’s Office does to find comparables when valuing property.

Mr. DeCook reported that when there are few sales within a community his office may have to go to surrounding communities with similar properties to determine values.

DOR State Board
Summary
Discussion -
Continued

Commissioner Erickson informed the Board that in the past few years they haven't heard many complaints regarding property values, he attributes this to the changes in the Assessor's Office and how they value property along with the fact that they are willing to explain the valuation process to citizens that have expressed concern with their property valuation.

The Board thanked Mr. DeCook and Ms. Iverson for the information.

The Acting Chair adjourned the meeting at 9:23 a.m. CDT.

Meeting Adjourned

ATTEST:

DAVID ERICKSON
ACTING CHAIR, COUNTY BOARD

BECKY LUBAHN
DEPUTY CLERK

DATED: