

VILLAGE OF GRAFTON

2009 ANNUAL BOARD OF REVIEW MEETING MINUTES

JUNE 4, 2009

The 2009 Board of Review meeting was called to order by Chair Cathy Timm at 5:00 p.m.

Board of Review members present: Cathy Timm, Dawn Dorsha, Matt Zipter, Matt Chalmers and Eugene Lombness

Staff/Officials present: Village Clerk Teri Dylak

Others present: Assessors Pat Matthies and Ernie Matthies, Mass Appraisals, LLC,

Property owner Peter Sheperd was present. He informed the Board, and Village Clerk Teri Dylak concurred, that he handed in property objection forms, for several properties owned by Urban Planning and Development, Dillion Group, LLC, and Riversite Partners LLC, at about 4: 15p.m. today. He also handed in two forms for property not owned by the referenced owners. He indicated that they are not ready to present their objections at this meeting. Assessor Ernie Matthies indicated that he is also not prepared to present testimony on this matter since he has not had the opportunity to review the objection forms.

It was the consensus of the Board of Review that tonight's meeting will be adjourned to a date and time to be determined. Village Clerk Dylak will notify the property owner of the date and time established to hear the assessment objections.

HEAR SWORN TESTIMONY REGARDING THE VALUATIONS OF REAL AND PERSONAL PROPERTY AS CONTAINED IN THE 2009 ASSESSMENT ROLL

Board of Review Chair Cathy Timm reviewed the procedure.

The Assessor briefly reviewed the procedure for the Board or Review. She read the following statement:

- The person filing the objection will be heard first. Once presented the Assessor or Board of Review members may ask questions.
- Next the Assessor will present their case. Once presented the Objector or Board of Review members may ask questions.
- Once the Testimony & Questioning is done the Board will no longer accept anymore testimony from the Objector or Assessor.

- The Board will then deliberate.
- The Board of Review, under state law, is required to uphold the Assessor's valuation of your property as being correct, unless you by your testimony can show the assessor's valuation to be incorrect...in other words the burden of proof is upon you as the taxpayer. Do you understand that? Mr. Sandoval responded yes.

Ernest Sandoval – Sandra Douglas / 257 W Bobolink Court – 10-153-0015-000
 Village Clerk Teri Dylak swore in property owner Ernest Sandoval and Assessors Pat and Ernie Matthies, Mass Appraisals, LLC.

The property assessment for the property at 257 W. Bobolink Court, as indicated in the 2009 Assessment Roll is:

Land:	\$ 95,000
Improvements:	<u>\$208,300</u>
Total Assessment:	\$303,300

Mr. Sandoval stated that he is not prepared to be very formal. He distributed a summary of comparable home sales. Of the three properties, only one was located in the Village of Grafton. Mr. Sandoval summarized the total taxes paid on each of the comparable homes and how they compared to his residence. He also distributed a summary of comparable properties that are currently on the market.

Mr. Sandoval informed the Board that his home is currently on the market for \$295,000, and he has received an offer for 285,000. The offer has not yet been accepted. He stated that he has been in contact with several area realtors and has been told that property values and sales are going down.

An appraisal was completed on the property in May, 2008 with a value estimate of \$315,000. Since then home values have dropped considerably. Mr. Sandoval estimates that the current fair market value of his home is \$285,000.

Assessor Pat Matthies distributed comparables for the property at 257 W. Bobolink Court as well as several summary documents regarding the subject property.

Mrs. Matthies stated that no improvements were made on this residence in 2008. The value of the home has not changed since established 2006. She stated that Mr. Sandoval scheduled an appointment during the Open Book; however, he was unable to attend. He made contact with Mrs. Matthies after the close of Open Book and was informed that he would have to attend the Board of Review if he wanted an adjustment on his assessed valuation.

Mrs. Matthies briefly reviewed the property. She stated that the last sale of the property was the purchase by Mr. Sandoval in 2006, in the amount of \$303,000. The valuation

was adjusted, in 2006, to be close to the sale value of the home. The 2,490 square foot home is in average condition with a B- grade factor. The two-story home was built in 1994, has 4 bedrooms, 2 full baths and 1 half bath.

Mrs. Matthies reviewed the assessment records for the subject property. She also reviewed sales comparables for three other properties in the vicinity of the Sandoval home. She indicated that the comparable homes are of similar quality and with adjustments for year built, bedrooms and minor amenities the comparable average is \$305,800. The Sandoval home valuation is \$303,300.

Chair Timm questioned if Mr. Sandoval is selling his home to relocate or to buy something different. He responded that he is looking to buy a different home.

Mrs. Matthies informed the Board that the assessed value to fair market ratio is anticipated to be at approximately 96 percent. It is necessary to maintain equity throughout the Village of Grafton. If one property is adjusted because of a slow market, than all properties would need to be adjusted to maintain that equity. Likewise, if a property value is increased due to high market condition, all properties would need to be adjusted.

Mrs. Matthies stated that the assessed value of this property is close to the 2008 appraisal and is not over assessed.

Assessor Matthies stated that at the time of the 2006 revaluation the market was high. The current market situation is not just affecting one property but has an impact over the entire community. Assessors must look at equity of property values and the relationship of all property to the market. To lower one property just because the market is lower, does not maintain value across the community.

Mrs. Matthies reminded the Board that taxes are not relevant in this matter, only the property valuation.

Chair Timm stated that member Matt Chalmers has indicated a possible conflict of interest and will be abstaining from discussion and action on this matter.

Board member Eugene Lombness stated that the Board of Review needs to ensure that all assessments are equitable to each other. The Village will most likely be considering a full revaluation in the next few years.

Assessor Ernie Matthies stated that the anticipated assessment ratio will be at 96 percent. He stated that the Department of Revenue studied 2008 sales and found that sales actually were at 99.9 percent of home assessed values.

Mr. Lombness reiterated that all property values need to be equitable.

Mr. Sandoval commented that he was not able to make the Open Book appointment and questioned how many other residents had the same concern he has expressed.

Ernie Matthies responded that the Open Book session was a little busier than normal; however, they took considerable time with each resident showing how their assessment valuations were determined and how they compare with similar properties.

Mrs. Matthies stated that she spoke with six residents and changed two assessments based on appraisal and sale information. She stated that it is unlikely that she would have changed the Sandoval assessment based upon the 2008 appraisal and the comparable property valuations.

Mr. Sandoval stated that he wanted opportunity to present his case to lower his assessment and reduce his property taxes.

At this time, Chair Timm closed open discussion on this matter and stated that no additional testimony would be heard.

The Board members deliberated on this matter.

Board member Dawn Dorsha stated that the Board must maintain equity across the community. She stated that she is aware that the Thornapple Lane sale reference, in the comparables provided by Mr. Sandoval, is due to a relocation and the need for the seller to dispose of the property quickly. Ms. Dorsha also stated that some sales are higher than and some have been lower than the assessed values. The important thing is to maintain equity throughout the Village.

There being no further deliberation on this matter Chair Timm requested action by the Board.

Motion by Eugene Lombness, seconded Dawn Dorsha, to maintain assessment for the property at 257 W. Bobolink Court as established in the 2009 assessment roll:

Land:	\$ 95,000
Improvements:	<u>\$208,300</u>
Total Assessment:	\$303,300

Approved 4-0 by roll call vote (M. Chalmers-abstain).

Chair Timm announced that the assessment for the property at 257 W. Bobolink Court has been sustained at \$303,300. The Board of Review thinks that the assessment is reasonable in light of all relevant evidence that the Board has received.

Village Clerk Teri Dylak provided Mr. Sandoval with the required 2009 Notice of Board of Review Determination.

Member Lombness questioned when new properties are added to the roll if the values are based on the sale price or construction price. Mrs. Matthies responded that they look at new properties from an appraiser view and values of similar properties to determine the valuation.

Mr. Matthies stated that the improvements portion of the assessment is the easiest portion to value, it is the land valuation that is most difficult.

The Board discussed potential dates for the continued Board of Review.

Motion by Dawn Dorsha, seconded by Eugene Lombness, to adjourn the 2009 Board of Review to Thursday, June 18, at 5:00 p.m. Approved unanimously.