

BOARD OF EQUALIZATION

Madison, Nebraska

June 28, 2016

The Board of Equalization of Madison County, Nebraska met at 9:00 A.M.

Advance notice of meeting was published in the Thursday, June 23, 2016 edition of The Norfolk Daily News. A copy of said notice was mailed to each Board member. An affidavit of acknowledgment of receipt of notice of meeting as published was executed. Chairman Ron Schmidt called the meeting to order and notified the public of the location of the information regarding the Open Meeting Act posted in the meeting room.

Present: Commissioners Christian Ohl, Jim Prauner, and Ron Schmidt, County Assessor Jeff Hackerott, and County Clerk Nancy Scheer.

Motion made by Prauner and seconded by Ohl to approve the agenda for the meeting. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

- #3143: Roger and Kimberly Foster, P.O. Box 1128, Madison
Addition to the tax rolls in the amount of \$155.48 for acceleration of 2016 real estate taxes due to removal of a mobile home from the County
- #3144: Jose Conrrodo Mendez, 3207 South 12th Street, Lot 87, Norfolk
Addition to the tax rolls in the amount of \$369.72 for acceleration of 2016 real estate taxes due to removal of a mobile home from the County
- #3145: Robert and Mary Ann Stueckrath, 82766 554½ Avenue, Madison
Deduction from the tax roll in the amount of \$1,491.06 for reduction to 2015 real estate taxes after receipt of letter from Nebraska Department of Revenue approving 100% homestead exemption
- #3146: Matthew Dohmen, 82275 547th Avenue, Humphrey
Addition to the tax rolls in the amount of \$591.60 for correction to the 2015 personal property taxes after submission of the 2016 depreciation worksheet
- #3147: Amen Dairy LLC, c/o Michael Amen, 54681 Half Mile Road, Norfolk
Addition to the tax rolls in the amount of \$2,465.92 for correction to the 2015 personal property taxes after submission of the 2016 depreciation worksheet
- #3148: BVJ Construction LLC, c/o Vidal Aguirre, 4302 Pierce Drive, Norfolk
Addition to the tax rolls in the amount of \$885.80 for correction to the 2015 personal property taxes after submission of the 2016 depreciation worksheet

Motion made by Prauner and seconded by Ohl to approve the tax list corrections as submitted. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

County Assessor Jeff Hackerott presented the following documents that were accepted by the Board as part of the official record for all property valuation protest hearings conducted in 2016:

- 1) Rules and Regulations of the Tax Equalization and Review Commission (TERC)
- 2) Written statement of the basic procedures used to send valuation notices
- 3) Copy of Notice of Valuation Change
- 4) Omitted and Undervalued Property Listing
- 5) Generalized overview of the procedures used in Madison County Assessor's Office to determine value of real property
- 6) Nebraska Assessor's Reference Manual
 - A) Article 15 of Nebraska Statutes, Chapter 77
 - B) Real Property Appraisal Regulations: 44-001 through 44-005
 - C) County Officials Regulations: 49-001 through 49-010
 - D) Real Property Regulations: 40-001, 003, 004, 008, 010, 011, 012 and 013
- 7) I.A.A.O. Textbooks: Property Appraisal and Assessment Administration, Property Assessment Valuation, and Mass Appraisal of Real Property, and IAAO Glossary for Property Appraisal and Assessment
- 8) Tax Equalization and Review Commission General Orders #4 through #8
- 9) Madison County Sales File Record (Residential, Commercial, and Agricultural)
- 10) Copy of Madison County Measures of Central Tendency as required under Nebraska Revised Statute §77-1315(4) (2000 Cum. Supp., as amended by Nebraska Laws L.B. 170 § 6)
- 11) Copy of Property Valuation Protest Form 422
- 12) Nebraska Agricultural Land Valuation Manual
- 13) Map of Madison County Agricultural Market Areas
- 14) Copy of confidential intra-office spreadsheet of adjustments made by location
- 15) Copy of Ag land values spreadsheet – 3 year comparison
- 16) Copy of Ag land values spreadsheet – values by market area
- 17) Soil Survey of Madison County published by US Dept. of Agriculture / Soil Conservation Service
- 18) 2015 Reports and Opinions of the Property Tax Administrator
- 19) Copy of Nebraska Administrative Code, Chapter 1; TERC Enabling Authority
- 20) "Real Property Valuations and Damage Due to Natural Disasters" Notification from P.A.D. dated June 10, 2011
- 21) U.N.L. Department of Agricultural Economics "Financial Outlook for 2015 Production Agriculture in Nebraska" dated April 8, 2015
- 22) U.N.L. Department of Agricultural Economics "2016 Trends in Nebraska Farmland Markets: Farming and Ranching on the Margin" dated March 9, 2016
- 23) U.N.L. Department of Agricultural Economics "2015 Trends in Nebraska Farmland Values and Rental Rates Reflect changes in Agricultural Commodity Prices" dated March 4, 2015
- 24) U.N.L. Department of Agricultural Economics "2014 Nebraska Farmland Values and Rental Rates: dated July 2, 2014
- 25) U.N.L. Department of Agricultural Economics, "Nebraska Farm Real Estate Market Highlights 2011-2012" dated June 2012

- 26) U.N.L. Department of Agricultural Economics, Cornhusker Economics "Land Booms, Bubbles and Busts: Some Beginning Year 2013 Reflections" dated January 16, 2013
- 27) U.N.L. Department of Agricultural Economics, Cornhusker Economics "Agricultural Land Values and Cash Rental Rates Continue to Climb" dated March 20, 2013

Hearings were conducted on property valuation protests as follows:

Protest #2016-1: Duane Divis Drive, Norfolk
Eastern Heights Second Addition Lot 4, Blk 8 (24-24-1)

Chairman Schmidt opened a hearing at 1:18 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was reviewed. County Assessor Jeff Hackerott reported that he inspected the property with the owner on June 24, 2016 and that the properties in this neighborhood were re-appraised in 2014. He said that the 2016 valuation change was a percentage adjustment. He recommended a valuation adjustment based upon his inspection of the property. Chairman Schmidt closed the hearing at 1:22 P.M. Motion was made by Prauner and seconded by Ohl to accept the County Assessor's recommendation for a reduction in the valuation based upon a physical inspection of the property and set the 2016 property valuation at \$193,428. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-2: Frank and Jane Oviedo, 2101 BelAir Road, Norfolk
Bel Air 10th Addition Lot 4, Blk 13

Chairman Schmidt opened a hearing at 1:04 P.M. Frank and Jane Oviedo appeared at the hearing. Mr. Oviedo testified that in 2011 the valuation on his property was \$169,280 and the only change that he made was adding a garage since they moved to this property in 1990. He reported that someone came and measured his house in 2012 and the valuation subsequently increased to \$217,000. He stated that the current valuation is \$324,246, which is an increase of \$150,000 since 1990. He explained that the garage is only 24 foot wide and he can only get one vehicle into it since it sits at an angle. He reported that Randy Clausen built his home approximately 25 years ago. Mr. Oviedo explained that when he built the garage in 2011 he received a document from the City of Norfolk releasing the easement. He reported that a similar home located across the street was valued at \$269,000 and the current value was reduced to \$242,000. He presented information on the sale and valuation of homes in his neighborhood and stated that some of the homes have fireplaces and walkout basements and his home only has a partial basement. He questioned why the valuation on his home increased significantly. County Assessor Jeff Hackerott reported that he reviewed the property with the owner on June 24, 2016. He reported that the home is a brick ranch house located on a cul-de-sac and is very well kept. He stated that Mr. and Mrs. Oviedo are the original owners and the house is one of the bigger ranch style homes in the neighborhood. Mr. Oviedo reported that the medium selling price of homes in the neighborhood is \$260,000. Chairman Schmidt closed the hearing at 1:14 P.M. Motion was made by Prauner and seconded by Ohl to accept the County Assessor's recommendation to set the 2016 property valuation at \$291,583. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-3: Julie Thompson, 2402 Sheridan Drive, Norfolk
Haase's Acres Pt Lots 7 & 8, Blk 4 (16-24-1) (Tract A-Lot Boundary Change-1995)

Chairman Schmidt opened a hearing at 1:23 P.M. Julie Thompson appeared at the hearing and questioned why the valuation of her property increased \$19,446. She explained that nothing has been done to enhance the buildings and the previous owners didn't do anything to the property such as painting or replacing the carpet. She testified that the property only had one owner prior to when she purchased it in August 2015. Chairman Schmidt asked what the purchase price of the property was and Ms. Thompson responded that she paid \$352,000. Commissioner Prauner stated that the valuation of the property should be 92% of the market value and the purchase price is used to set the market value. County Assessor Jeff Hackerott reported that the valuation of the house increased by 9% and this same adjustment was made to all houses located outside of the city limits. He reported that he reviewed the property with the owner on June 24, 2016. He stated that a detached two car garage and shop are located on the property. He reported that the house was built in 1999 and is typical for the age. Commissioner Prauner asked how much land was included and Mr. Hackerott responded that 3.01 acres are included and the lot is deep and narrow. He explained that the parcel has its own well and septic system. He explained that the valuations for rural acreages needed to be adjusted due to the increasing sale prices. Chairman Schmidt closed the hearing at 1:27 P.M. Motion was made by Schmidt and seconded by Ohl to consider the recent purchase price of the property and set the 2016 valuation at \$297,000. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-4: Todd Wolverton, 1100 West Prospect Avenue, Norfolk
Verges Suburban Lots E 14 Ft Lot 7 & All Lot 8, Blk 9

Chairman Schmidt opened a hearing at 2:37 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that the property was inspected in 2014 and that the kitchen is L-shaped and very small. He stated that functional depreciation was removed during the re-evaluation of the property and he recommended adding the functional depreciation and adjusting the valuation for 2016. Chairman Schmidt closed at the hearing at 2:40 P.M. Motion was made by Prauner and seconded by Ohl to accept the County Assessor's recommendation and set the 2016 property valuation at \$92,988. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-5 Duplicate of Protest #2016-4

Protest #2016-6 Kyle Fuchtman, 1000 West Prospect Avenue, Norfolk
Verges Suburban Lots Lots 7 & 8, Blk 10

Chairman Schmidt opened a hearing at 2:42 P.M. No one appeared at the hearing to offer verbal testimony. The letter submitted with the protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property with the owner on June 24, 2016. He stated that the owner paid \$270,000 for the property in 2012. He explained that the house was remodeled a number of years ago and most of the features of the house were left to maintain the home's character. He stated that the house is one of the nicer homes in the neighborhood. Chairman Schmidt closed the hearing at 2:46 P.M. Motion was made by Ohl and seconded by Prauner to accept the County Assessor's recommendation and set the 2016 property valuation at \$268,908. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-7 Thomas Jr. and Toni Skaff
 Bel Air 9th Addition Lot 8, Blk 16

Chairman Schmidt opened at hearing at 1:32 P.M. Thomas and Toni Skaff appeared at the hearing. Thomas Skaff testified that Governor Ricketts is working to enforce a 3% limit on spending. He reported that he noticed a report on the Norfolk City's website that reflected a 4.81% valuation increase in Norfolk which was the first significant increase in six years. He testified that the valuation on his property increased by 26.5%. He stated that the levy is not adjusted on an individual basis to level out the taxes. Commissioner Ohl stated that the County reduced the levy last year; but, most entities do not reduce the levy. County Assessor Jeff Hackerott reported that the valuation in the City of Norfolk has increased the past several years; however, the City has not been as aggressive as the County in reducing the tax levy. Commissioner Prauner asked when the property was purchased and Mrs. Skaff responded that they purchased the home 11 years ago. Commissioner Prauner asked what homes in the neighborhood are selling for and Mr. Hackerott responded that the most recent sale was 2209 Skyline Drive which sold in June 2015 for \$289,500, but the house is a little larger and better quality than the subject home. Chairman Schmidt asked if any updates have been made to the house and Mr. Skaff responded that they added a garage in 2012 and the valuation increased at that time. Mr. Hackerott reported that he reviewed the property with the owners on June 24, 2016 and stated that the house is a 1½ story home, is typical for the neighborhood, and is well maintained. He stated that if the owners would put the house up for sale, they would give someone a very nice deal if they would sell it for less than \$200,000. Mr. Skaff reiterated that his premise is that unless the cost of services has increased, the County can't increase the valuation by 26.5% when the City of Norfolk lists an overall valuation increase in the City of 4.81% and Governor Ricketts is talking about a 3% constraint in spending. He testified that the valuation should be levelized instead of an outrageous increase of 26.5%. He stated that his salary has increased 3% which is slightly over the rate of inflation for the last three or four years. Chairman Schmidt closed the hearing at 1:45 P.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays none. Motion carried.

Protest #2016-8 Mike Taege, 1401 Andrews Drive, Norfolk
 Andrews Regency North Lot 7A

Chairman Schmidt opened a hearing at 2:48 P.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he verified that a correction should be made to the assessment record to reflect that the shingles on the house were changed from wood shake to asphalt. Chairman Schmidt closed the hearing at 2:49 PM. Motion was made by Prauner and seconded by Ohl to accept the County Assessor's recommendation and set the 2016 property valuation at \$233,900. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-9 Brian Herrick, P.O. Box 374, Battle Creek
 Original Town Lots 7 & 8, Blk 25

Chairman Schmidt opened a hearing at 2:50 P.M. no one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he reviewed the property with the owner on June 24, 2016. He said that he verified that there is no basement finish in the house. He stated that the valuation was based upon an estimate because the County had not been inside the house for an inspection. Chairman Schmidt closed the hearing at 2:51 P.M. Motion was made by Schmidt and seconded by Prauner to consider the valuation requested by the owner and set the 2016 property valuation at \$202,202. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-10 Robert and Sandra Shelbourn
 College View Third Addition Lot 3-R, Blk 6

Chairman Schmidt opened a hearing at 2:00 P.M. Robert and Sandra Shelbourn appeared at the hearing. Mr. Shelbourn stated that he would eliminate 2918 Marconnit Circle listed on Exhibit 1 in his packet of information because it shouldn't have been included, but the other 7 sales on his fact sheet should be used. He pointed out that, when he put this together, the sale of 2006 Alaska Avenue should not be included because on the front of the protest information it says that the time frame for residential property is October 1, 2013 to September 30, 2015 and this is an October sale, but he would leave it in because it only makes \$500 difference and it's not worth his time or the Board's time to argue over it. He reported that the building valuation for 2015 went up \$8,315 for a 7% increase on last year's value. He testified that the land and valuation for 2016 went up \$13,381 for an increase of 59%. He stated that using the numbers from the fact sheet would be an increase of \$2,827, which is taking the average down and compensating for the width and type of lot. He said that it would be realistic that the lot valuation should go up \$2,827, which would be a 12.5% increase. Mr. Shelbourn said that it should be noted that this was a spec home and some spec homes are not built like homes people have built; so, they didn't get to spec it. He reported that it was the last home that was built in College View 3rd Addition of the 12 lots running from 16th Street down and all those lots, with the exception of the corner lots, are 77 feet wide and they are narrower and most of them have smaller houses on them with two car garages. He stated that they live at 1804 Alaska Avenue and 1802 Alaska Avenue was being built just ahead of their house by the same contractor and those are the last two lots of the 12 that were sold in this addition. He explained that to build these last two houses, about 4 feet of the hill had to be cut down to get them into this area, which required a retaining wall to be built to hold the dirt back. He stated that the lot is not the pick of the litter lot and it was the last lot. He said that the houses are smaller with two-car garages. He reported that his lot is 77 foot wide which would not hold a 3-car garage. Mr. Shelbourn stated that many of the houses on the comparison list have 3-car garages as listed on the comparison sheet and the lot widths are 95 to 102 feet wide. He said that if anybody knows anything about lots that's what drives up the cost because you have to pay for that concrete on the paving every foot across that lot. He explained that the houses being built in the other area are very nice houses, are more expensive, have bigger lots, and have a lot more evaluation in them. Commissioner Schmidt asked Mr. Shelbourn to clarify which picture was his house. Mr. Shelbourn pointed out the picture of his house and explained that the other picture is a house listed on his comparison sheet for \$57,500 for the lot and the reason he put this picture in his packet is that he would challenge anyone to put this house anywhere close to being on his lot; so, this is why no one would argue that this sale for \$57,500 sale should come off the list. He said that the Assessor's office indicated that 94% is what they are using for the actual evaluation for 2016, which would put the valuation at \$172,500. He said that using the adjusted numbers, which he thinks are accurate numbers, would put the valuation at \$161,000; but, truthfully both of these numbers are higher than market value. He said that if someone would give him a check for the lower number, they could probably make a real estate sale. He said that the house was bought for \$57,000 and the 2016 evaluation would raise the value by 222% and the land was bought for \$8,000 and the 2016 tax evaluation would raise that valuation by 386%.

Mr. Shelbourn stated that using the numbers on the fact sheet of \$25,341, which he thinks is a very fair evaluation of the land, this would still raise the evaluation since he bought it by 317%. He stated that the final thing is that many people are using the square footage instead of width on the lots, and you need to look at the paving per foot across the front because you need to pay for it because depending upon what needs to be done to put water in. He said that he tried to get a number from the City of Norfolk to find out the cost on a lot for the paving and they could not give him a number because they said it depends upon how much grading needs to be done in those areas before the paving is put down, how much storm sewer must be put in, and all those different things are factors as to what the City is going to assess for the lot. He said to take the comparison lots and look at the value of his lot at \$35,903, it is \$903 higher than the best lot on the comparison sheet. He stated that if the Board looks at the numbers, he has shown a fair number. He said that he did not contest the valuation of the house, only the lot valuation. He asked Mr. Hackerott for a clarification where it says miscellaneous improvements, why is the 10 foot deck, the porch, and the driveway being added in as improvements. Mr. Hackerott responded that the word "improvements" is just a generic name. Mr. Shelbourn stated that these are all part of the original construction. Mr. Hackerott explained that the word "improvements" doesn't mean an improvement has been made and that the house is an improvement. Mr. Shelbourn pointed out a picture included with his protest form that showed how they needed to have a retaining wall when they bought it and it also shows the 10 roof that was all part of the regular house, but the porch on the front isn't and was put on since the house was bought. He said that he isn't arguing about the shed, but it seems that this is part of the property, not improvements. Mr. Hackerott explained that anything that is built on the land is an improvement and that "improvement" is just a word. He said that a vacant parcel is called vacant land and any piece of ground that has something built on it is improved land because it has improvements on it. Mr. Shelbourn asked why certain items are picked out of the original purchased property and shows as improvements. He asked why the 10 foot deck with a porch over it is shown as \$2,530 improvement when it was bought with the house. Mr. Hackerott said that this is just the way valuation systems work by showing individual values for a house and a garage. Mr. Shelbourn said that he won't spend a lot of time on this issue because he isn't contesting that, but he isn't quite comfortable with it and it may be something for another hearing. Chairman Schmidt said that he needs to call an end to the testimony because of the time constraint and he asked Mr. Hackerott to make a few comments. County Assessor Jeff Hackerott reported that he reviewed the property with Mr. Shelbourn on June 24, 2016. He stated that Mr. Shelbourn is correct that the slope of the lot is severe and cut out to place a house on that lot and that a stair step retaining wall is located in back of the house. Mr. Shelbourn reported that the picture shows a wooden retaining wall, but that has rotted out, and was replaced with block. Mr. Hackerott reported that the neighbor to the East still has a wooden retaining wall that is falling down and needs to be replaced or it will be laying vertical before long. He said that the lot backs up into a shelterbelt that possibly was an original farmstead. Chairman Schmidt asked if Mr. Shelbourn owns any of the land behind the retaining wall and Mr. Shelbourn responded yes and explained that most of the back yard is up on the top level because it is just a small walk area between the retaining wall and the back of the house. Commissioner Prauner asked how much land is owned behind the retaining wall and Mr. Shelbourn responded that he thinks it is 190 feet. Mr. Shelbourn explained that they got 66 feet more on the back when the farmland behind them was sold and divided into 10 acre acreages. He explained that they approached the sellers about what they wanted to do and the sellers didn't want the old trees that were falling down, so the sellers sold the property reasonably and treated them well. He said that all 12 lots had to do this. Chairman Schmidt closed the hearing at 2:21 P.M. Motion was made by Prauner and seconded by Ohi to accept the County Assessor's recommendation and set the 2016 property valuation at \$155,217. Roll call vote: Ayes, Ohi, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-11 Charles and Elizabeth Orton, 501 East Eisenhower Avenue, Norfolk
Pt NE1/4 24-23-3 146.51 Ac

Chairman Schmidt opened a hearing at 2:24 P.M. Charles and Elizabeth Orton appeared at the hearing. Mrs. Orton reported that the 2016 valuation is \$435,643 and they are requesting a valuation of \$336,440. She explained that the proposed evaluation was determined by using four comparable sales which are included in a packet that she submitted to Board members. She explained that the total of the four comparable properties is \$12,441, which was divided by four to arrive at \$3,110 per acre, multiplied by 146.51 acres, times 71% which is the County rate, to arrive at a value of \$323,535. She said that she didn't change the value from the 2015 requested valuation since there isn't much difference, but adding the fourth comp did change the value a little. She stated that using the Income Capitalization Model showed that the value is not there compared to the assessed value. She said that there is some difference in equity when using a three-year average because the lower quality land is always subsidizing the better land. She said that the only person that is getting the true market price is the person that buys the average land. Mrs. Orton explained that the first comparable borders their farm and the farm sold for an average of price of \$3,030 per acre. She said that this comp is very similar in soil type, but has a few more trees and tree canopy, but there is some value added for the buildings that their property doesn't have because they have bare ground. She stated that comparable number two is located in Pierce County, but the property is similar in soil type and size and the average price is \$3,200 per acre. She reported that the third comparable is located in Pierce County, has a pivot on it, and the soil types are similar with a sale price of \$2,948.75 per acre. She explained that all comps are arms' length sale transactions, even though comparable number one was a 1031 exchange, it was a fair market value because it was two willing people coming together in the market and agreeing on a price. Mrs. Orton testified that the fourth comparable is a property located in Madison County north of Battle Creek and sold in two different parcels, but the average price for the total property was \$3,256 per acre. She explained that they have year lease on the property which ends in 2018 and is \$120 per acre on the farm ground. She reported that she made several calls to different banks, including Elkhorn Valley Bank and Farm Credit Service and was told that the 15 to 20 year ag land interest rate is approximately 5% and in late May and early June 2016 the adjusted inflation rate was 3.83%, so that puts a value on the dry land farm ground of \$3,133 which if multiplied by the 71.89 acres is \$225,242 times 71% for dry ag land is \$159,922. Mrs. Orton explained that they don't disapprove of the grass and pasture land assessed value at \$125,331, so using the Income Capitalization Model, they arrived at a value of \$285,253; but, they are asking for a requested value of \$336,440. She stated that they appreciate that the valuation was decreased from 2015; however, the value has not decreased enough with the proof that they have provided to determine the fair market value. She explained that if the 2016 proposed value of \$435,643 is divided by the number of acres, the approximate value is \$4,100 per acre and it is obvious from the sales that the market doesn't support this amount. Commissioner Prauner asked if the Pierce valuations could be considered and Mr. Hackerott responded that Pierce County valuations are not used to establish valuations in Madison County. Commissioner Prauner stated that property on the South end of the County is still selling very well, but sales in the northern part of the County are slowing down. Mrs. Orton stated that, based on this information, the sales in the South end of the County should not be used to establish values in the northern portion of the County. She requested that the Assessor's office provide them with a list of properties that sold and were used to set both 2015 and 2016 valuations. County Assessor Jeff Hackerott reported that a hearing was held before TERC for appeal of the 2015 property valuation on June 27, 2016 and no determination was made.

He asked if there were provisions in the four-year lease for increases in the lease and Mrs. Orton responded that the only provision was that at the end of four years, the lease would roll automatically to a fifth year at \$120/acre for 75 acres. Chairman Schmidt closed the hearing at 2:33 P.M. Motion was made by Ohl and seconded by Prauner to table a decision on the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-12 Jack Henderson, 1320 Regency Circle South, Norfolk
 Andrews Regency North Lot 4B

Chairman Schmidt opened a hearing at 2:53 P.M. No one appeared at the hearing to offer verbal testimony. County Assessor Jeff Hackerott reported that he confirmed that the owner converted the roofing on the house from shake shingles to asphalt shingles. Chairman Schmidt closed the hearing at 2:54 P.M. Motion was made by Prauner and seconded by Ohl to accept the County Assessor's recommendation and set the 2016 property valuation at \$254,896. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-13 Jordan Hagemeyer, 100 South 6th Street, Battle Creek
 Out Lot 4 Pt Out Lot 4 (80 Ft X 150 Ft)

Chairman Schmidt opened a hearing at 2:53 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was reviewed. County Assessor Jeff Hackerott reported that he reviewed the property with Mrs. Hagemeyer on June 24, 2016. He explained that the house is a ranch style house built in 1964. He reported that the house is well kept, the basement is predominantly finished, two-bedrooms, one and three-quarter bathrooms, original kitchen, and is a typical house for its age. He stated that the house was purchased in December 2014 for \$142,000 and the valuation is representative of the market. Chairman Schmidt closed the hearing at 2:58 A.M. Motion was made by Prauner and seconded by Ohl to make no change to the 2016 property valuation since the valuation appears to be equitable with market prices. Roll call vote: Ayes, Ohl, Prauner and Schmidt. Nays, none. Motion carried.

Protest #2016-14 Francis and Janet Keil, 1113 Longhorn Drive, Norfolk
 Bel Air 10th Addition Lot 10, Blk 18

Chairman Schmidt opened a hearing at 3:00 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property with the owner on June 24, 2016. He stated that the house is a typical ranch-style home and they are the original owners of the home that was built in 1992. He stated that the basement is partially finished and that there are two bedrooms and one bathroom on the main floor. He stated that the basement has three-quarter bathroom, a conforming bedroom with an egress window, and a family room. He said that the house is a typical ranch-style home for the neighborhood and is well kept. Chairman Schmidt closed the hearing at 3:03 P.M. Motion was made by Prauner and seconded by Ohl to accept the County Assessor's recommendation and set the 2016 property valuation at \$192,690. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-15 Carolyn Vahle, 1316 Regency Circle South, Norfolk
 Andrews Regency North Easterly 3 Ft Lot 5a & All Lot 5b (Tract Two - Hamm's Lot Boundary Change)

Chairman Schmidt opened a hearing at 3:09 P.M. Carolyn Vahle appeared at the hearing and testified that the house doesn't have shake shingles. She explained that the value has decreased because wooden shake shingles are more expensive than asphalt shingles. County Assessor Jeff Hackerott confirmed that the town house has asphalt shingles and he recommended that the valuation reflect this change. Mrs. Vahle asked how a determination is made on the amount that the valuation would be reduced and Mr. Hackerott responded that he uses a pricing system to determine value for the various amenities in a house. Chairman Schmidt closed the hearing at 3:12 P.M. Motion was made by Prauner and seconded by Ohl to set the 2016 property valuation at \$241,893. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-16 James and Sandra Baker, 2304 Fairview Drive, Norfolk
 Western Heights Second Platting Lot 3, Blk 8

Chairman Schmidt opened a hearing at 3:21 P.M. No one appeared at the hearing to offer verbal testimony. The written protest form was read. County Assessor Jeff Hackerott reported that he reviewed the property with Mr. Baker on June 24, 2016. He stated that the house is a raised ranch style with a split entryway and is typical for the neighborhood. He reported that a new kitchen was not put into the house in 2008; but, an updated kitchen was completed in 1994. He stated that laminate wood floor has been placed in the kitchen, dining area, and living room on the main floor. He said that there are three bedrooms and full bathroom on the main floor, a family room in the basement, but no bathroom in the basement. Chairman Schmidt closed the hearing at 3:27 P.M. Motion was made by Prauner and seconded by Ohl to accept the County Assessor's recommendation and set the 2016 valuation at \$124,382. Roll call vote: Ayes, Ohl, Prauner and Schmidt. Nays, none. Motion carried.

Protest #2016-17 James and Virgean Hopkins, 1216 Georgia Avenue, Norfolk
 Sunnydell Second Addition Pt Lots 29 & 30 (Tract 2-Oberg Lot Boundary Change-1994)

Chairman Schmidt opened a hearing at 3:31 P.M. No one appeared at the hearing to offer verbal testimony. The letter attached to the protest was read. County Assessor Jeff Hackerott reported that he reviewed the property with Mrs. Hopkins on June 24, 2016. He explained that an addition built onto the house in 2012 is a three season room that is not heated or cooled, but has a basement area underneath it. He reported that Mrs. Hopkins advised him that the City of Norfolk considers the basement under the three season room as garage area because it has dual swinging walk-in doors; however, he doesn't consider it a garage because there is no driveway and it doesn't have an overhead garage door. He said that the doors are actually too narrow to get a vehicle into this area, but a lawnmower or small equipment would easily go through these doors. He reported that the house hasn't had any major renovations, but it has two fireplaces. He explained that the entire west wall of the house is all brick and the fireplace in the basement takes up the entire wall. Chairman Schmidt closed the hearing at 3:35 P.M. Motion was made by Prauner and seconded by Ohl to accept the Assessor's recommendation to set the 2016 property valuation at \$178,989. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

Protest #2016-18

Kevin Kowalski, 1007 Westbrook Drive, Norfolk
Walters' East Knolls Eighth Addition Lot 13, Blk 11

Chairman Schmidt opened the hearing at 3:36 P.M. Kevin Kowalski appeared at the hearing and testified that his property was reassessed in 2014 and the valuation increased substantially at that time and now the value has increased another \$25,000. He stated that no other houses in the neighborhood had valuation increases and one property value decreased. He stated that it is his opinion that the valuation of his house is unequal to his neighbors' valuations. He stated that if the valuations for all the homes in his neighborhood increased, then he wouldn't have much to say. He explained that a neighbor down the block who has a corner lot with the same builder and same comparable property has a valuation of \$210,000, and his valuation is approximately \$24,000 higher, which is unfair. Commissioner Prauner asked what he paid for the house and Mr. Kowalski responded that he purchased the property three years ago for a price of \$265,000. Commissioner Prauner explained that the valuation set by the County must be between 92% and 100% of market value. Mr. Kowalski testified that the house is nine years old and the quality level was set by the county at 35 and has been increased to 40, so he didn't understand why the quality level of the house would increase after nine years. He reported that the house was reassessed two years ago for \$208,818 and this was one year after they purchased the house, so they thought this value was fair and just because the valuation of everyone's home in the neighborhood went up. He stated that comparable properties located across the street are valued at \$233,000. He stated that Otto's house has an in-ground pool and more square footage and the Meikle's house has more square footage, more amenities outside, a bigger lot, so if these homes were listed on the market, they could be sold for \$75,000-\$80,000 more than his home would sell. Mr. Kowalski stated that if the assessed valuation for these two homes is \$233,000, he would sell his home for \$325,000. He said that he is requesting that the valuation of his property be reduced to the 2015 valuation of \$233,556 because in his opinion this is a fair value when compared to the properties he listed. County Assessor Jeff Hackerott reported that in 2015 someone in the neighborhood complained about the valuation of Mr. Kowalski's property. He explained that he reviewed the assessment records and determined that the quality for Mr. Kowalski's home was incorrectly listed on the assessment record and was adjusted to a 40. He said that this adjustment changed the valuation from \$208,818 to \$233,556. He explained that the 2016 valuation is still about \$34,000 lower than the sale price of the property in December 2013. Mr. Kowalski testified that he doesn't understand the difference in his valuation compared to the neighbors who have the same square footage, the same builder, same lot size and an unequal value of his property compared to his neighbors. He stated that he doesn't understand how the quality level of his house could increase after nine years and other houses in the neighborhood have a quality level of 35 when the same builder constructed the houses. He stated that, in his opinion, a nine-year house does not get better on quality when nothing has been done since it was built. Commissioner Prauner asked what steps are used to determine the quality assigned by the County and County Assessor Jeff Hackerott responded that he likes to keep the quality of similar homes all the same; but, obviously there are differences in houses even though they are constructed by the same builder. Mr. Hackerott explained that coffered ceilings, coves in walls, barrel ceilings in entryways are added amenities. Mr. Kowalski stated that his observation is that houses built between 2005 and 2012 rated at a 35 and houses built after 2012 are rated at 40. He stated that the houses owned by Ottos and Meikles are rated at 35 and they have stone veneer siding on the fronts which would qualify them for a rating of 40. He reported that Meikle's house is 3,300 square foot, Otto's home is 3,341 square foot, and his house is 2,900 square foot of finished space, so his house has 500 square foot less for the same value. He said that if his house was as nice as the other two houses, he wouldn't protest the value. He testified that the Brunsing property is a corner lot and valued at \$209,000, Pinkelman house has exact same square footage and is valued at \$195,000, and Rohde property has a corner lot with no finished basement and the value is \$182,190. He reported that his estimate for adding basement finish would increase the value by \$25,000. Commissioner Prauner asked if houses in the neighborhood have recently sold. Mr. Kowalski responded that a house was recently listed for \$350,000 and it was assessed at \$243,000. He said that if the County considers the recent sales, the entire neighborhood needs to be re-assessed. Chairman Schmidt closed the hearing at 3:52 P.M. Motion was made by Ohl and seconded by Prauner to consider the purchase price of the property and make no change to the 2016 property valuation. Roll call vote: Ayes, Ohl, Prauner, and Schmidt. Nays, none. Motion carried.

The Board of Equalization recessed at 4:02 P.M. to Wednesday, July 6, 2016.

County Clerk Nancy Scheer

Board of Equalization Chairman Ron Schmidt