

Monday, April 4, 2022
6:00 p.m.

Brooklyn Park City Hall – A203
And by Telephone or other Electronic Means
5200 85th Avenue North

CITY COUNCIL WORK SESSION – AGENDA #12

Some members of the City Council will participate in the meeting by telephone pursuant to Minnesota Statutes, Section 13D.021 rather than in person at the City Council's regular meeting place at City Hall, 5200 85th Avenue North, Brooklyn Park, Minnesota.

If you need these materials in an alternative format or need reasonable accommodations for a City Council meeting, please provide the City with 72-hours' notice by calling 763-424-8000 or emailing Josie Shardlow at josie.shardlow@brooklynpark.org.
Para asistencia, 763-424-8000; Yog xav tau kev pab, 763-424-8000.

Our Vision: Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.

Our Brooklyn Park 2025 Goals:

• A united and welcoming community, strengthened by our diversity • Beautiful spaces and quality infrastructure make Brooklyn Park a unique destination • A balanced economic environment that empowers businesses and people to thrive • People of all ages have what they need to feel healthy and safe • Partnerships that increase racial and economic equity empower residents and neighborhoods to prosper • Effective and engaging government recognized as a leader

- A. CALL TO ORDER – Mayor Lisa Jacobson**
- B. GENERAL INFORMATION**
- C. DISCUSSION ITEMS/GENERAL ACTION ITEMS – These items will be discussion items but the City Council may act upon them during the course of the meeting.**
 - C.1** PICA (Parents in Community Action) Expansion Discussion
 - C.2** Assessing Valuation Process Overview
 - A.** ASSESSOR'S REPORT
 - C.3** Discuss PERA Appeals
 - C.4** Mayor and Council Member Salary Comparison
 - A.** MAYOR AND COUNCIL MEMBER SALARY COMPARISON DATA (2022)
 - B.** MINNESOTA STATUTE 415.11
 - C.** BROOKLYN PARK CITY CODE 30.01
- D. VERBAL REPORTS AND ANNOUNCEMENTS**
 - D.1 COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS**
 - D.2 CITY MANAGER REPORTS AND ANNOUNCEMENTS**
- E. CLOSED SESSION**
 - E.1** Close the Meeting Pursuant to MS Section 13D.05 Subdivision 3(B) to Discuss the HUD Fair Housing Complaint and Related Items
- F. ADJOURNMENT**

City of Brooklyn Park Council Work Session

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|------------------------|---|--------------------------------|---|
| Meeting Date: | April 4, 2022 | Originating Department: | Administration |
| Agenda Item: | C.1 | Prepared By: | Jay Stroebel, City Manager |
| Agenda Section: | Discussion Items/ General Action Items | Presented By: | Jay Stroebel and Rico Alexander, PICA Exec. Dir. |
| Item: | PICA (Parents in Community Action) Expansion Discussion | | |

Summary:

Since 1993, PICA Head Start (Parents in Community Action) has leased the old city hall building on the northeast corner of Zane and 85th Avenue on the government campus. Per their website, PICA “is the federally designated grantee that operates Head Start programs in Hennepin County. Established in 1969, PICA has provided services to low-income families, pregnant women, infants, toddlers and preschoolers for more than 50 years. PICA helps change the economic trajectory of the families they work with by taking a two-generational approach. Providing education and workforce development to parents is the best start we can offer a child.”

PICA is looking to add two classrooms to the basement of the old city hall facility to address the significant demand for their services in the Brooklyn Park area at PICA’s expense. Relative to this investment is the fact that PICA’s lease with the city is up in the summer of 2023. Additionally, the city is considering potential modifications to the Community Activity Center (CAC) and will soon begin discussions on future fire facility needs. At this time, staff does not perceive any conflicts for PICA’s continued use of the old city hall building relative to the future facility needs for Fire and Recreation and Parks departments.

The purpose of this discussion is to update the Council on PICA’s work, vision for their expansion, and gather initial feedback from the Council of their ongoing support of PICA using the old city hall space beyond the summer of 2023.

For additional information on PICA, you can check out their website - <https://www.picaheadstart.org/>

City of Brooklyn Park Council Work Session

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|------------------------|---|--------------------------------|--|
| Meeting Date: | April 4, 2022 | Originating Department: | Finance |
| Agenda Item: | C.2 | Prepared By: | Tracy Bauer-Anderson, City Assessor |
| Agenda Section: | Discussion Items/ General Action Items | Presented By: | Tracy Bauer-Anderson |
| Item: | Assessing Valuation Process Overview | | |

Summary:

Changes in the real estate market and our 2022 market values will be discussed. State law requires the Assessor to value all property at market value. By state law, under the direction of the Department of Revenue, we must fit into a median value range between 90% and 105% of the sales prices. The presentation will include information from Hennepin County and our office as to what has happened to the real estate market and what changes we have made.

C.2A ASSESSOR'S REPORT

City of Brooklyn Park



2022 Board of Appeal & Equalization

**Monday, April 11, 2022
7:00 p.m.**

Memorandum

DATE: March 31, 2022

TO: Brooklyn Park City Council,
Acting as the Board of Appeal and Equalization

FROM: Tracy Bauer-Anderson, City Assessor

VIA: Jay Stroebel, City Manager

RE: 2022 Board of Appeal and Equalization, Monday, April 11, 7:00 p.m.

Attached for your review is a report on the 2022 Assessment. The report introduces you to value adjustments, statistical measurements of our work, and general information which the assessing staff utilizes to determine values for the annual assessment. This will hopefully make your job, as a member of the Board of Appeal and Equalization, easier to understand.

Market values are based on market activity, which fluctuates with general economic conditions such as interest rates, inflation, supply and demand, and changes in tax laws. By Minnesota State law, as property values change in the marketplace, the changes must be reflected in the assessor's estimated market values.

The system involves the comparison of properties with actual market sales from the same or comparable neighborhoods. All sales information collected by the assessor's office is closely analyzed, and market values are adjusted by comparing properties that sold with properties that have not sold. The comparison provides the basis for the assessor's estimated market value.

The Minnesota Department of Revenue uses ratio studies to measure our assessment level. They mandate the sales period which we use to set our values. The sales period for the January 2, 2022, assessment was October 1, 2020, through September 30, 2021. During this period, we saw an increase in sales over last year in residential property type.

By law, the assessors must set values based upon historical sales, not by predicting the future. The most common concern voiced is, "we cannot sell our home today for the value you have it assessed." Property owners seem to understand the time frame but are concerned that the 2022 assessed value is higher than their recent purchase price in some cases. In 2021, we saw an increase in the median sale price from \$276,300 in January to \$304,850 in December, or an 10.33% increase in the median sale price.

Sales of foreclosed properties are not always considered an open market transaction by the Minnesota Department of Revenue. We investigated each one of these sales and compared them with market transactions and some were qualifying ratios.

The purpose of the Local Board of Appeal and Equalization is to hear property owner's testimony concerning the Assessor's 2022 estimated market value or property classification based on documentation provided. This may be done in four ways:

1. In writing
2. Conferencing into Virtual Meeting
3. In person (when the option is available)
4. By property owner's representative

The Board will reconvene within 20 days. Our reconvene date is set for Monday, April 25, 2022. An extension request can be made to the Department of Revenue, if the number of petitions is sizable. Decisions on all appeals will be made at that time based on staff reports and information submitted by the property owner.

NOTE: Before the reconvened meeting, the Board will receive an Assessor's Recommendation for each property contested. The Department of Revenue recommends that the Assessor reads each parcel separately, the Board votes, and then the next property is read. Please see the last page of the Appendices for more information. Also, any value change that is agreed to by the property owner and the assessor within ten days of the initial Board meeting must be voted on by the Board. If we have any of these cases, we will bring them to the Local Board of Appeal and Equalization meeting for action by the Board.

The Certification Form from the Department of Revenue asks the following question:

Did the LBAE make changes to parcels owned by a member of the board, the spouse, parent, son or daughter of a board member, or property in which a board member has a financial or other interest in the property? If yes, please list the parcel numbers of the properties that were changed on the back of this form.

Board members have a right to contest their value the same as any other citizen. However, I suggest the Board should recommend "no change" and have the County decide the value or classification to avoid the appearance of a conflict of interest.

I invite you to read the information and then call me at 763-493-8341 with your questions or comments.

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PURPOSE AND RESPONSIBILITIES

The Board of Appeal and Equalization is an appeal procedure. A property owner may contest the estimated market value and classification of their property by appearing before the Board. As a member of the Board of Appeal and Equalization, the City Council can change values in accordance with State Law. State Statute reads:

“All property shall be valued at its market value.” It further states that “In estimating and determining such value, the Assessor shall not adopt a lower or different standard of value because the same is to serve as a basis for taxation.”

The statute says all property shall be valued at market value, not may be valued at market value. This means only market factors shall affect the assessed value.

The responsibilities of the Board of Appeal and Equalization, according to Minnesota State Statute, are:

- It is necessary that a majority of the members be in attendance in order to have a quorum. At least one of the members present must have attended an Appeals and Equalization Course Training sponsored by the Department of Revenue within the last four years. Council members West-Hafner, Parks and Morson have met this requirement.
- The Board shall see that all taxable property is properly valued and classified.
- If property has been omitted from the tax rolls, it may be added by the Board.
- The Board cannot give a class of property an increase or a decrease. They may only increase or decrease individual properties.
- As the Board makes reductions to individual properties, the amount of the reduction cannot exceed 1% of the aggregate assessment. For the 2022 assessment 1% would be \$104,737,907.
- The Board must hear cases for the current assessment only.
- If the Board finds a case of under valuation, the Board may raise the valuation of a property, but it must first notify the owner.
- The Board must complete and adjourn within twenty days from the time it convened.
- While State Law allows an individual to refuse entry into their property, no value reduction can be made by the Board until the assessor has inspected.
- The Board cannot exempt property.

DEFINITION OF MARKET VALUE

The Minnesota statutory definition of market value is:

“Market Value” means the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale or an auction sale, if it is determined by the assessor that the price from the auction sale represents an arm’s length transaction. The price obtained at a forced sale shall not be considered. (M.S §272.03, Subd.8)

“It is up to the assessor to form an opinion of the market value even when there is no market or sales to aid in fixing values. Where there have been no actual sales for a long period of time, there is no way of determining values except by the judgment and opinion of people acquainted with the land, their adaptability for use, and the circumstances of the surrounding community.” (State v. Fritch, 175 MN, 478, 221 N.W. 725)

Professional appraiser/assessor organizations have developed their own definitions of market value, which may be more detailed than the statutory definition. The International Association of Assessing Officers defines market value in the following manner:

Market Value is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arm’s length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

Other professional organizations have defined market value in approximately the same terms. The definitions generally imply the consummation of a sale as of a specific date under the following conditions:

1. The buyer and seller are typically motivated.
2. Both parties are well informed or well advised and each is acting in what is considered to be their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash or its equivalent.
5. Financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
6. The price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.

Market value is the price that would tend to prevail under typical competitive open market conditions.

ASSESSING STAFF

| | | |
|---|---|--|
| Tracy Bauer-Anderson, SAMA Certified Residential Appraiser | City Assessor 22 Years' Appraisal Experience | Administration Appraisal Review Comm/Ind/Apart Appraisal Tax Court Defense Green Acres/Exempt Assessment Sales Verification |
| Christian Huskey, CMA | Appraiser II 4.5 Years' Appraisal Experience | Comm/Ind/Apart Appraisal Sales Verification Tax Court Defense |
| Jake Packer, AMA | Appraiser II 7 Years' Appraisal Experience | Comm/Ind/Apt Appraisal Sales Verification Tax Court Defense |
| Scott Schutz, SAMA | Appraiser I 24 Years' Appraisal Experience | Residential Appraisal Ratio Studies/Foreclosures Disaster Abatements Sales Verification |
| Chris Joelson, CMA | Appraiser I 3 Years' Appraisal Experience | Residential Appraisal Ratio Studies/Foreclosure Disaster Abatements Sales Verification |
| Shirley Olson, CMA | Program Assistant III 25 Years' Experience | Divisions Abatements Homesteads Cert. of Real Estate Value Green Acres/ Exemptions Records Management/Clerk/Typist |
| Laurie Goodman | Program Assistant III 10 Years' Experience | Homesteads Abatements Records Management/Clerk/Typist Veterans Exemption |

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Professional Appraisal Designations awarded by the State Board of Assessors

SAMA - Senior Accredited Minnesota Assessor

AMA – Accredited Minnesota Assessor

CMAS – Certified Minnesota Assessor Specialist Income Qualified

CMA - Certified Minnesota Assessor

Professional License awarded by the State Commerce Department

Certified Residential Appraiser

Certified General Appraiser

INTRODUCTION TO THE 2022 ASSESSMENT

Values continue to increase for properties located in Brooklyn Park. The Department of Revenue requires that 20 percent of the city be physically inspected each year. Updates to files along with changes due to permits, new construction and market factors affect value changes. The following is the preliminary percentage change in valuation of certain property types and does not include new construction.

| <u>PROPERTY TYPE</u> | <u>VALUE PERCENT CHANGE</u> |
|----------------------|-----------------------------|
| Single Family | 18.0% |
| Condominiums | 17.4% |
| Townhomes | 16.8% |
| Apartments | 6.6% |
| Agricultural | 51.4% |
| Commercial | 2.9% |
| Industrial | 20.4% |
| Total Change | 18.5% |

Valuation notices were mailed on March 8, 2022, to all Brooklyn Park property owners.

Our residential quintile area this past year focused on the central quintile of the City for residential properties.

The value changes in the quintile, along with the remainder of the City, were due to changes that occurred in sales throughout the City. New construction value for the 2022 assessment equaled \$170,808,200.

Apartments saw an increase in value of 6.6 percent, values increased on all complexes and senior buildings. Most of our apartment inventory is older with smaller units. Rents have increased and vacancies continue to be low. Each condominium and townhome project are considered its own neighborhood. Based on the sales, townhomes saw an overall increase of 16.8 percent, while condo values increased 17.4 percent overall. Commercial values in the city increased 2.9 percent and industrial values saw an increase of 20.4 percent, respectively.

One valuation rate was not used for all areas of the city. Great care has been taken to establish individual residential neighborhoods within the city. We have also segregated our sales information as to the type of property. For example: Split levels, split entries, two stories, ramblers, etcetera. We have analyzed the sale prices of each type of property in the individual neighborhoods and adjusted the valuations to reflect the sales. The Assessor does not create value; we only measure its movements.

Appraisers who work in the ad valorem tax system must be licensed by the State of Minnesota. This includes class work to obtain the license and continued education and training to keep the license.

Training cannot tell us how to find the “perfect” value of a property, but training can consistently produce the same estimate of value for identical properties by different assessors. That, after all, is a working definition of equalization.

The following pages contain information that will assist you and make your function as a member of the Board of Appeal and Equalization a more productive one.

RATIO STUDY TERMINOLOGY

Sales Ratio: (Assessment Level)

The ratio derived by dividing a property's sale price into the Assessor's estimated market value.

Sales Ratio Analysis:

Study of the relationship between the Assessor's values, sales prices and the deviations resulting from differences between the two. The purpose of such an analysis is to determine the efficiency, equity, quality and fairness of assessing activities of a particular neighborhood or jurisdiction.

Coefficient of Dispersion: (Assessment Accuracy)

In statistics, the measure of absolute dispersion to an appropriate average. A measure of relative dispersion. Sometimes referred to as an "index of assessment inequality". Under 10 percent is in the excellent range for residential properties.

Price Related Differential: (Assessment Difference)

A statistic used to measure the assessment differences that may exist between higher priced properties vs. lower priced properties; 100 points is ideal. According to the International Association of Assessing Officers standards, price related differentials should fall between 98 and 103.

2022 ASSESSMENT STATISTICS

| | <u>Assessment Year</u> | |
|---|------------------------|------------------|
| | <u>2021</u> | <u>2022</u> |
| Total City Parcel Count | 24,777 | 24,793 |
| Total Parcel Count per Appraiser in Brooklyn Park | 4,955 | 4959 |
| Total Estimated Market Value | \$8,836,011,200 | \$10,473,790,700 |
| Valuation Growth vs. preceding year | 5.3% | 18.5% |
| New Construction Value | \$76,917,200 | \$170,808,200 |
| Total Building Permits for Assessment Period | 2,941 | 1762 |
| Brooklyn Park Median Market Value Traditional Calendar Year 2020 & 2021 | \$272,600 | \$320,400 |
| Single Family Residential Sales Study Time Adjusted | | |
| Median Sales Ratio | 95.2% | 95.23% |
| Co-efficient of Dispersion | 4.9% | 6.23% |
| Price Related Differential | 100.2 | 101 |

2022 SALES RATIO STUDY

Equalization is accomplished through ratio studies. These studies compare the assessed value to the actual sales price for properties that have sold during the study period. This comparison gives us ratio indicators that are recognized by the County and the State Commissioner of Revenue. The ratio indicators must reach acceptable levels of performance (90 percent to 105 percent) or they will trigger “corrective” action for general across-the-board adjustments by the County Assessor or the Commissioner of Revenue. These general corrections are essentially a “shotgun blast” type correction that affect the adequate and inadequate values alike and although they correct equalization across jurisdictional lines, they do just the opposite within a jurisdiction by increasing inequity.

The 2021 sales study recently completed by our staff and Hennepin County, places our overall time adjusted residential median ratio at 95.23 percent. County wide information overall time adjusted residential median ratio was 95 percent. Some of the cities within the county have a median ratio closer to 100 percent. We want to be the leader in most other areas; however, in equalization ratio studies we certainly do not want to be at or near the top.

Our coefficient of dispersion in this year’s study is 6.23. (anything under 10 is considered excellent). This measurement has come down due to the reduction of foreclosures; this demonstrates our ability to administer fair and equalized valuations.

Our price related differential is 101. This shows our ability to treat higher priced homes as equally as the lower priced homes. If the differential is less than 100, it shows higher priced homes are valued higher. If it is over 100, lower priced homes are valued higher. A price related differential between 98 and 103 is considered good.

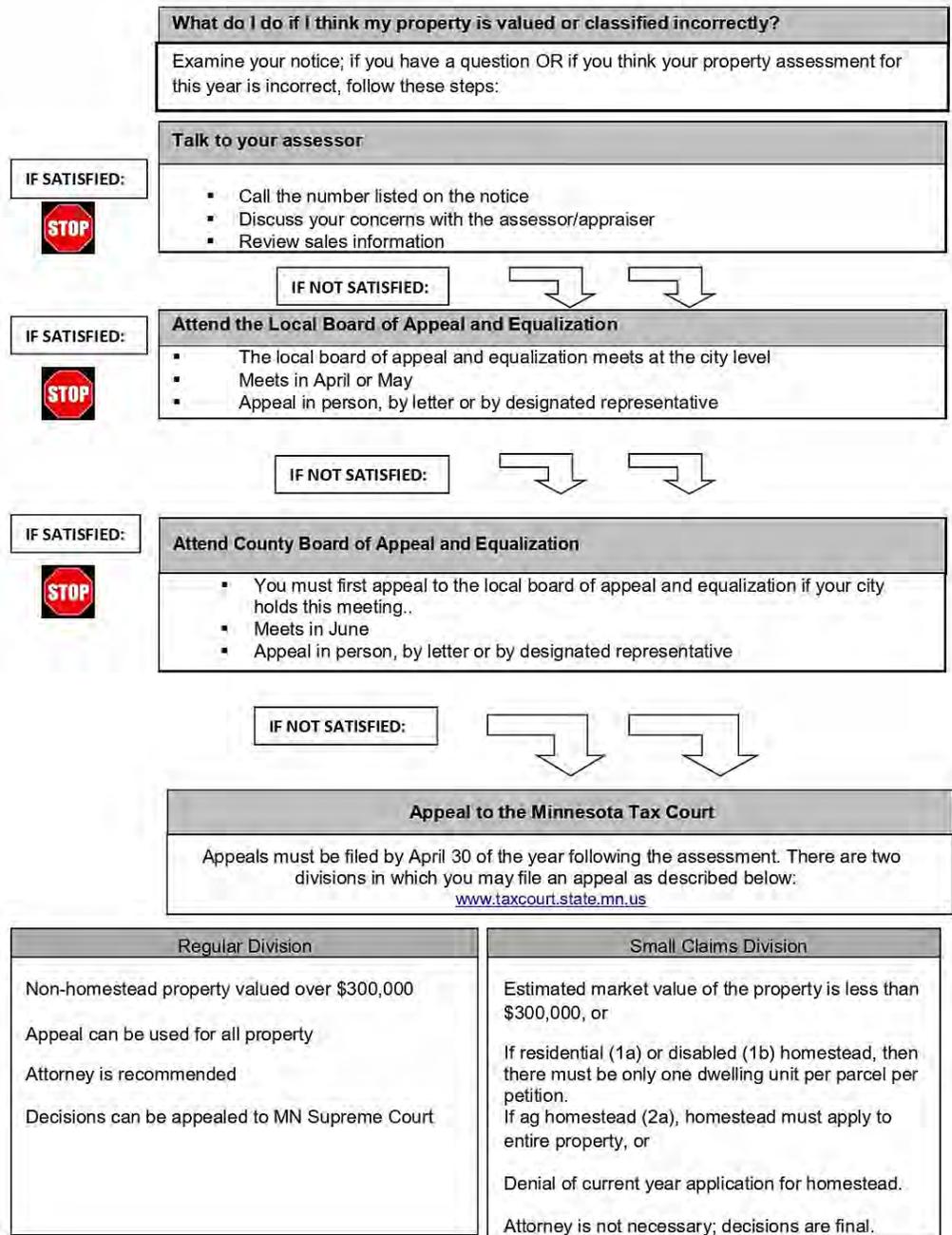
BOARD OF APPEAL AND EQUALIZATION PROCEDURES

- Each property owner appearing will complete the property appeal form and give it to the Assessing staff. Those attending the meeting virtually, have been asked to fill out an appeal form and email it to Assessing@BrooklynPark.org Assessing staff then adds further reference information, logs the appeal, and brings it to the Board.
- Written appeals will be read into the meeting record.
- The Board will direct the Assessor to re-inspect, through virtual or physical guidelines and review each petitioned property.
- The Assessor then re-inspects, through virtual or physical guidelines and review each property under appeal. The owner is notified, and the Assessor makes a corresponding recommendation to the Board. The Board will reconvene within 20 days (April 25th) and all decisions will be finalized at that time.
- The Board then compares the information presented by the Assessor to the information presented by the property owner and decides whether a change is indicated for the market value of each property.
- At the local board and reconvene meetings the DOR recommends that the Assessor reads each parcel separately, the board votes, seconds it and then the next property is read.
 - The key is that for each appeal, we make an action to raise, lower, or make no change.
 - It is acceptable for the Assessor to read into the record, the 10-day changes individually and for the Board to make a single action. There is also no objection to appeals, where the taxpayer agrees with our recommendation, being treated similarly with a single motion.
 - What cannot happen is for there to be an appearance that the Board is not considering each appeal separately in the appeal process.

Appendices

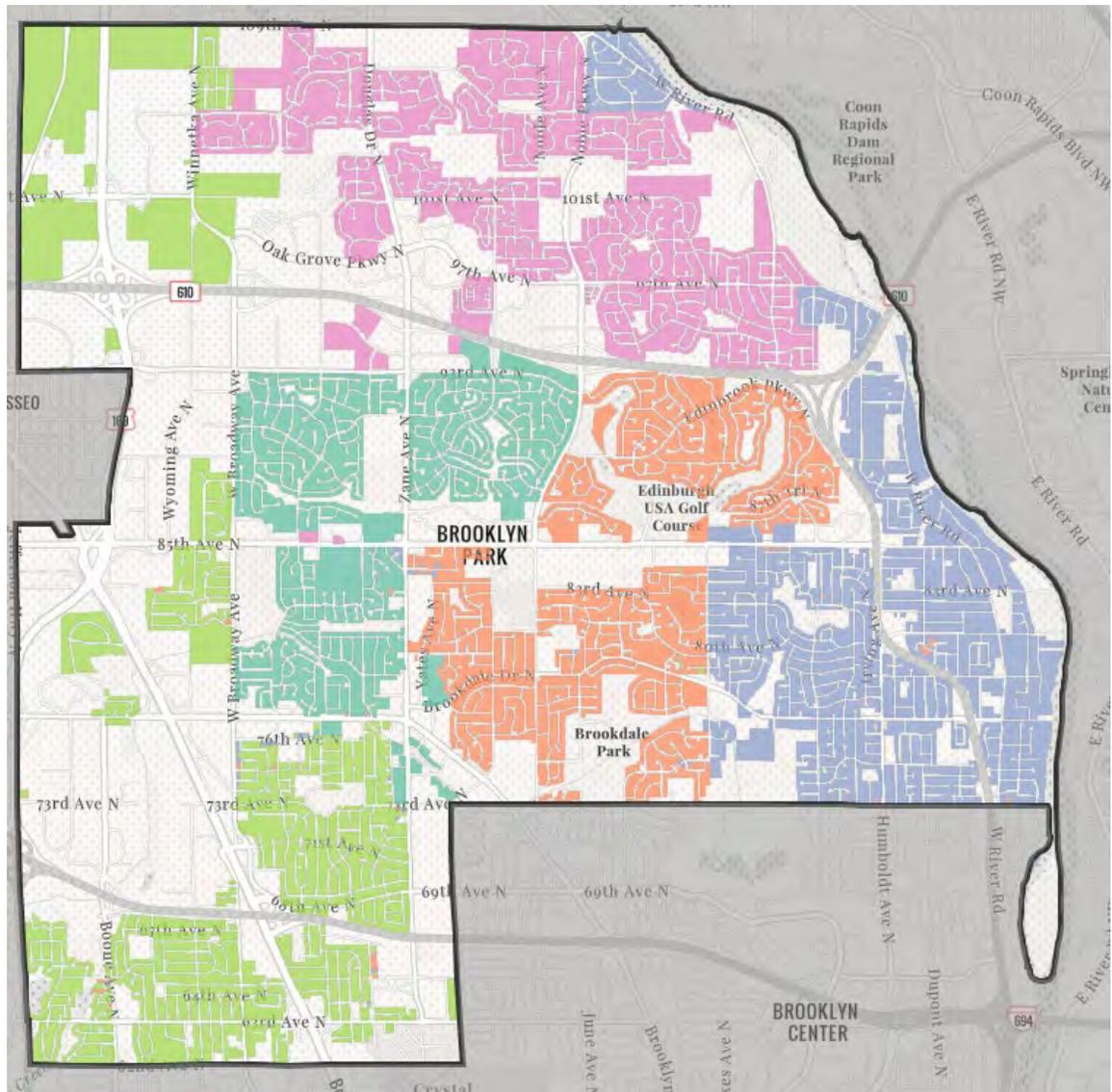
Market Value Appeal System

The following chart shows the process that a property owner may use to appeal their valuation or classification. Property owners are provided with a description of this process on their valuation notices and on the back of their tax statement.



2022 Assessment Residential Quintile Map

Property in Brooklyn Park is divided into five different review areas. Each area is identified by a different color on the map. The central area in orange was reviewed in 2021.



CITY OF BROOKLYN PARK

Property Appeal Form

Welcome to the Brooklyn Park Board of Appeal & Equalization

The purpose of the Board of Appeal and Equalization is to establish the market value and classification of property as of January 2, 2022. This function does not include consideration of prior year valuations; nor does it include any appeal of the amount of property taxes.

The market value is the most probable price expressed in terms of money that a property would bring if sold in the open market in an arm's length transaction between a willing seller and a willing buyer. Similar properties in your neighborhood that recently sold were considered when establishing the most probable sale price of your property.

You are responsible for presenting evidence to the Board of Appeal and Equalization as to why the valuation or classification for your property established by the City Assessor is not accurate as of January 2, 2022. Please complete the reverse side of this form and return the form to the City's staff. You will also be required to schedule an appointment for your property to be inspected at this time.

You will be asked to present your case to the board. We ask that you limit your presentation to 5 minutes to allow other citizens equal opportunity.

Frequently Asked Questions About Estimated Market Values

1. Why has my value changed?

Property values are based on market values, which fluctuate with general economic conditions such as interest rates, inflation rates, supply and demand, and changes in tax laws. By Minnesota state law, as property values change in the marketplace, those changes must be reflected in the assessor's estimated market values.

2. How does the assessor determine the estimated market value?

The City of Brooklyn Park Assessor's office uses a mass appraisal process for estimated market values. This system involves the comparison of thousands of properties with actual market sales from the same neighborhoods. All sales information collected by the assessor's office is closely analyzed. The assessor's office adjusts market values by comparing properties that sold with properties that have not sold. This sales comparison provides the basis for the assessor's estimated market value.

3. Does the estimated market value change at the same rate on all properties?

No, it does not. There are differences between individual properties and between neighborhoods. In one area the sales may indicate a large increase in value each year. In another neighborhood there may be very little or no change in value. Different types of property within the same neighborhood may show different value changes. There are numerous factors to be considered in each property, which will cause value changes to differ. Some of the factors that can affect value are location, condition, size, quality, number of baths, basement finish, garages, and many others.

4. Can my estimated market value change even if the assessor has not been inside my property?

Yes. The assessor keeps records on the physical characteristics of each property in the city. Even though the assessor may have been unable to go through your property, the estimated market value will still be reviewed based on existing records and sales of similar properties.

5. What will happen to my estimated market value if I improve my property?

Generally, improvements made can increase the market value of a property which will increase the assessor's estimated market value. The following are typical improvements that will increase the estimated market value of your property:

- Added rooms or garages
- Substantial modernization of kitchens or baths
- Central air conditioning
- Fireplaces
- Extensive remodeling

6. *Will my estimated market value go up if I repair my property?*

Good maintenance will help retain the market value of your property. Generally, your estimated market value will not be increased for individual minor repairs such as those that follow. However, a combination of several of these items could result in an increase in your estimated market value.

- Replacing a water heater
- Repairing or replacing roofs
- Repairing porches or steps
- Painting or redecorating
- Replacing plumbing or electrical fixtures



7. *What can I do if I think the estimated market value is too high?*

You have the right to appeal the estimated market value. The methods of appeal are detailed on the back page of “Your Estimated Market Value Notice.”

Re: Board Voting Procedures

The Department of Revenue has discussed a request for approving a list of changes presented to a Local Board of Appeal. Our wish is to make the Local Board of Appeal as efficient and as accurate as possible. These proceedings must be transparent and publically accountable in order to promote public confidence in the process. With those goals in mind, we would find the following process acceptable.

- Each PIN# for which a change is recommended must be verbally read into the minutes at the meeting
- The recommended change for each parcel (amount of value\classification) must be verbally read into the minutes at the meeting
- There must be opportunity for discussion of each recommended change
- A motion approving/denying all those recommendations with which the board agrees may be made and voted upon
- Each parcel or group of parcels included in each recommendation must be recorded in the Local Board of Appeal Record form individually

The Board must be aware of all the changes they voting on. As long as this is achieved, we would find a single motion, following the guidelines outlined above for multiple recommendations acceptable.

MINNESOTA · REVENUE

Gary Amundson, PTCO 2

Property Tax Division

Phone: 218-575-3183

Cell: 651-260-8252

Fax: 218-575-3183

Email: gary.amundson@state.mn.us

Website: www.revenue.state.mn.us



City of Brooklyn Park Council Work Session

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|------------------------|---|--------------------------------|----------------------------------|
| Meeting Date: | April 4, 2022 | Originating Department: | Administration |
| Agenda Item: | C.3 | Prepared By: | Mike Freske, Employment Attorney |
| Agenda Section: | Discussion Items/ General Action Items | Presented By: | Mike Freske |
| Item: | Discuss PERA Appeals | | |

Summary:

The City has seen a significant increase recently in officers and firefighters who are no longer able to perform their job and are awarded PERA Duty Disability. With this determination, pursuant to Minn. Stat. §299A.465, the City is responsible for continued health insurance coverage for the former employee until they reach age 65. The City is responsible for the employer portion of the premium. The City does have the right to appeal these determinations. A final decision would be made by a Minnesota Administrative Law Judge regarding these continued health insurance benefits.

Since the beginning of 2021, there have been nine former employees who have been awarded PERA Duty Disability. For reference, from 2017 to the end of 2020, there were two such claims. There are three additional possible claims of which we are aware for employees who have not yet been awarded PERA Duty Disability. Out of the nine former employees who were awarded PERA Duty Disability, seven have an open appeal. Two were settled, including one that was recently discussed and approved by Council. Six of the nine employees who have been awarded Duty Disability have claims that are based solely on PTSD. Two are physical injuries and one is a combination of PTSD with a physical injury.

The purpose of this discussion is, for the most part, to make the Council aware of this situation. There may be future settlements that will need approval. This also has an impact on the Benefits Fund.

This is not an issue that has only affected Brooklyn Park. Other cities have had the same increase in these types of claims. The League of Minnesota Cities has been involved in new legislation to address the issues that have recently come to light around these PTSD claims. There was a second hearing on March 29 at the legislature. The links below provide more details on this possible legislation.

<https://www.lmc.org/news-publications/news/all/public-safety-ptsd-bill/>
<https://www.lmc.org/news-publications/news/all/public-safety-ptsd-duty-disability-update/>

City of Brooklyn Park Council Work Session

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|------------------------|--|--------------------------------|--|
| Meeting Date: | April 4, 2022 | Originating Department: | Administration |
| Agenda Item: | C.4 | Prepared By: | Wokie Freeman-Gbogba, Assistant City Manager |
| Agenda Section: | Discussion Items/ General Action Items | Presented By: | Jay Stroebel, City Manager and Wokie Freeman-Gbogba |
| Item: | Mayor and Council Member Salary Comparison | | |

Summary:

Multiple Council Members have asked for a comparison of Council compensation relative to other cities in the Twin Cities metropolitan area and State of Minnesota. The last adjustment to Brooklyn Park Mayor and City Council salaries took effect January 1, 2020. The current City Code language regarding current Mayor and Council Member pay is attached.

Attached is a comparison of compensation, including both salary and other non-salary compensation based on a survey of cities from League of Minnesota Cities Human Resources Contact Group. If the Council elects to adjust their compensation, attached is the applicable Minnesota Statute 415.11. The City Charter requires any Council salary change to be done by a change in ordinance.

CITY CHARTER SECTION 2.08 SALARIES (Amended by Ordinance #2009-1098 Effect. 7/30/09)

The Mayor and members of the Council shall receive such compensation for their services as may be prescribed by ordinance enacted by a simple majority vote of all the members of this Council. The City Manager and all subordinate officers and employees of the city shall receive such salaries or wages as may be fixed by the Council.

Ahead of the previous adjustment, the Council had a discussion at their Work Session in March 2018 regarding the compensation of the Mayor and Council Members related to other communities. The Council asked the Charter Commission to consider reviewing cities of similar sizes for Council compensation and provide a recommendation whether the Council's compensation should be adjusted.

The Charter Commission researched the issue and recommended the following:

- A **2% salary adjustment** for 2019 and a **2% salary adjustment** in 2020 for the Mayor and Council Members
- The Council act on the adjustment prior to November
- The City Manager review the salaries every two years and put a review provision in the city code under Section 30.01, Salary of Mayor and Council Members

Primary Issues/Alternatives to Consider:

If the Council wants to adjust the salary for the Mayor and Council, the change needs to be approved prior to the next municipal election, which is scheduled for November 8, 2022.

Minnesota Statute 415.11, Subd. 2 states that, "No change in salary shall take effect until after the next succeeding municipal election." Amending the City Code of Ordinances would adjust the salary amounts for the next sitting City Council.

The present salary for the Mayor is \$17,796 a year (\$1,483 monthly) and the present salary for each Council Member is \$11,856 a year (\$988 monthly).

Attachments:

- C.4A MAYOR AND COUNCIL MEMBER SALARY COMPARISON DATA (2022)
- C.4B MINNESOTA STATUTE 415.11
- C.4C BROOKLYN PARK CITY CODE 30.01

Mayor and Council Member Salary Comparison Data (2022)

| Organization | Population | Number of Full Time Employees | Total Budget | Number of Council Members | Council Member Annual Base | Mayor Annual Base Salary | Medical |
|------------------|------------|-------------------------------|-----------------|---------------------------|----------------------------|--------------------------|---------------------------|
| Apple Valley | 52,361 | 202 | \$34,029,360 | 4 | \$ 9,132 | \$ 12,756 | Offered - Same Benefits |
| Blaine | 62,066 | 183 | \$35,976,800 | 6 | \$ 10,500 | \$ 14,313 | Not Offered |
| Bloomington | 84,701 | 618 | \$190,549,193 | 6 | \$ 12,396 | \$ 26,400 | Offered - Same Benefits |
| Brooklyn Park | 86,478 | 384 | \$121,500,000 | 6 | \$ 11,856 | \$ 17,796 | N/A |
| Burnsville | 61,693 | 266 | \$100,568,108 | 4 | \$ 12,000 | \$ 15,600 | Offered - Same Benefits |
| Coon Rapids | 62,359 | 351 | \$78,466,766 | 6 | \$ 10,500 | \$ 14,000 | Not Offered |
| Eden Prairie | 64,400 | 277 | \$73,494,140 | 4 | \$ 11,672 | \$ 15,077 | N/A |
| Edina | 53,268 | 691 | \$120,599,879 | 4 | \$ 11,825 | \$ 14,864 | N/A |
| Lakeville | 60,965 | 190 | \$129,383,672 | 4 | \$ 10,000 | \$ 15,000 | Not Offered |
| Maple Grove | 69,249 | 243 | \$42,898,000 | 4 | \$ 13,500 | \$ 15,500 | Offered - Unique Benefits |
| Minneapolis (FT) | 422,331 | 3,250 | \$1,700,000,000 | 13 | \$ 107,692 | \$ 138,051 | Offered - Same Benefits |
| Minnetonka | 51,669 | 233 | \$85,297,586 | 6 | \$ 11,000 | \$ 15,000 | N/A |
| Plymouth | 79,450 | 252 | \$99,090,160 | 6 | \$ 11,469 | \$ 15,830 | N/A |
| St. Paul (FT) | 300,851 | 3,027 | \$612,000,000 | 7 | \$ 63,003 | \$ 126,006 | Offered - Same Benefits |
| Woodbury | 78,920 | 273 | \$100,222,347 | 4 | \$ 11,380 | \$ 14,947 | Offered - Unique Benefits |

\$25 Meeting Fee

415.11 SECOND TO FOURTH CLASS CITIES; GOVERNING BODY SALARIES.

Subdivision 1. **Set by ordinance.** Notwithstanding the provisions of any general or special law, charter, or ordinance, the governing body of any statutory or home rule charter city of the second, third or fourth class may by ordinance fix their own salaries as members of such governing body, and the salary of the chief elected executive officer of such city, in such amount as they deem reasonable.

Subd. 2. **After next election.** No change in salary shall take effect until after the next succeeding municipal election.

Subd. 3. **Temporary reductions.** Notwithstanding subdivision 2 or a charter provision to the contrary, the governing body may enact an ordinance to take effect before the next succeeding municipal election that reduces the salaries of the members of the governing body. The ordinance shall be in effect for 12 months, unless another period of time is specified in the ordinance, after which the salary of the members reverts to the salary in effect immediately before the ordinance was enacted.

History: *Ex1967 c 42 s 1,2; 1976 c 44 s 34; 2009 c 152 s 17*

GENERAL PROVISIONS**§ 30.01 SALARY OF MAYOR AND COUNCIL MEMBERS.**

(A) The monthly salary of each Council member shall be \$950 per month until January 1, 2019, at which time it shall be \$969 per month until January 1, 2020, at which time it shall be \$988 per month, and the monthly salary for the Mayor shall be \$1425 per month until January 1, 2019, at which time it shall be \$1454 per month until January 1, 2020, at which time it shall be \$1483 per month.

(B) The salary schedule referred to in division (A) of this section is established on the basis that the offices of Mayor and Council member in this city are part-time positions. The Mayor and/or Council members are sometimes required to attend municipal functions or to take time from their regular employment to perform services beneficial to the city. Additional compensation is paid to the Mayor or Council members in those cases subject to the following conditions:

(1) The activity and number of days for which a Council member is to be engaged must be approved by the City Council prior to member's participation.

(2) The Mayor and Council member will be paid \$50 per day as supplemental compensation for each day approved and for which the member is in attendance at the approved activity.

(C) The City Manager shall biennially prepare a compensation report that contains an analysis of the compensation paid to elected officials of the Minneapolis-St. Paul area metropolitan cities similar to the City of Brooklyn Park. The report shall be provided to the City Council for review.

('72 Code, § 115:00) (Am. Ord. 1996-817, passed 5-13-96; Am. Ord. 1998-880, passed 5-11-98; Am. Ord. 2000-923, passed 4-10-00; Am. Ord. 2002-976, passed 6-10-02; Am. Ord. 2006-1054, passed 1-23-06; Am. Ord. 2018-1233, passed 7-9-18)

City of Brooklyn Park Request for Council Action

| | | | |
|------------------------|--|--------------------------------|---------------------------|
| Agenda Item: | E.1 | Meeting Date: | April 4, 2022 |
| Agenda Section: | Closed Session | Originating Department: | Administration |
| Resolution: | N/A | Prepared By: | Devin Montero, City Clerk |
| Ordinance: | N/A | | |
| Attachments: | N/A | | |
| Item: | Close the Meeting Pursuant to MS Section 13D.05 Subdivision 3(B) to Discuss the HUD Fair Housing Complaint and Related Items | | |

City Manager's Proposed Action:

MOTION _____, SECOND _____, TO CLOSE THE MEETING PURSUANT TO MINNESOTA STATUTES, 13D.05 SUBDIVISION 3(B) TO DISCUSS THE HUD FAIR HOUSING COMPLAINT AND RELATED ITEMS.

Overview:

In September of 2014, the City Council approved a resolution that authorized the City to file a U.S. Department of Housing and Urban Development (HUD) Fair Housing Complaint and the complaint was filed with HUD in November 2014.

Primary Issues/Alternatives to Consider: N/A

Budgetary/Fiscal Issues: N/A

Attachments: N/A