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## THE CITY AND BOROUGH OF JUNEAU, ALASKA BOARD OF EQUALIZATION

Training Session

April 26, 2012

**I. CALL TO ORDER:** The Board of Equalization meeting of the City and Borough of Juneau, held in the Assembly Chambers of the Municipal Building, was called to order at 5:05 p.m. by Chair Ed Kalwara.

### **II. ROLL CALL**

Members Present: Chairman Ed Kalwara, Karen Lawfer, David Epstein, Zachary Worrell, John Gaguine, Bruce Weyhrauch, and Michael Boyer

Members Absent: None.

Staff Present: John Hartle, City Attorney; Beth McEwen, Deputy Municipal Clerk; Craig Duncan, Finance Director; Robin Potter, City Assessor; and Assessor Staff  
Members: Benjamin Singleton, John Sahnaw, Donna Walker, Dora Prince, Mary Grant

### **III. ELECTION OF OFFICERS**

Mr. John Gaguine nominated Ed Kalwara to serve as Chair. Mr. John Gaguine nominated Mike Boyer to serve as Vice-Chair. The slate of officers passed by unanimous vote.

### **IV. PROCEDURES**

Before training session began Ms. Lawfer stated for the record that she will be appealing her own assessment and she wanted to be sure that was disclosed to the board. Mr. Worrell also said the he too would be appealing his assessment.

Mr. Hartle mentioned that would be a “conflict of interest” issue that they should call and discuss with him. They would obviously not sit on the panel that hears their own appeal and they have the right to appeal.

City Attorney John Hartle then went over in detail his memo in the packet. He explained the rules of the board of equalization including topics related to being a quasi-judicial body, the burden of proof being on the property owner and the method and types of motions needed (in the affirmative) when the board makes its decisions. He also explained the property owner’s rights and the due process requirements that the government needs to meet in cases such as these. He stressed the importance of the appellants receiving copies of all the same documents that the board will receive and he stressed the need for them to have all these materials at the earliest possible time and at the minimum a few days before the hearing.

# Draft

He explained the process and encouraged the board members to ask questions so that a proper record can be made. He stated that decisions made by the board can be appealed all the way to the State Supreme Court and that has happened many times in this state.

Mr. Hartle asked for questions from members.

Ms. Lawfer asked about the process people go through for the senior citizen tax exemptions. Ms. Potter explained the process they use. There is a deadline for those exemption applications to be filed. Any applications that are filed after the deadline and then appealed go through the Assembly and not the Board of Equalization. Mr. Duncan explained that what comes to the BOE are late filed appeals that are dealing with property valuation and not the senior citizen programs.

Mr. Duncan also explained that while there are nine seats on the BOE, the members sit as three-person panels when they hear appeals. He also explained that when a three-person panel meets, they will select one of the three to serve as the chair for that particular hearing. The idea is to try to provide flexibility for the panels to operate with the most efficiency.

Discussion took place regarding the wording in the Code [15.05.185] that speaks to the assignment of members by the chair to the panels. Mr. Gaguine shared that the way the panels are made up doesn't quite follow the method outlined in the ordinance. He suggested that the wording of the ordinance be amended to follow the practice as it has been done the past few years. Mr. Hartle thanked him for pointing that out. He said that this year's make up of the board has more members than we have had in the past and that they may wish to look at changing that portion of the code once this year's BOE hearings are completed.

Mr. Hartle completed the training based upon those topics set out in his memo.

Discussion took place regarding valuation methods and the broad authority and discretion the Assessor uses in deciding among recognized valuation methods. The property owner must prove, based on facts, that the property is the subject of unequal, excessive, improper, or undervaluation. Board members and the City Attorney discussed the valuation methods they will be looking at when considering the appeals. Ms. Potter also gave examples of methods used and those not allowed to be used, such as the "chasing sales" method which is to place the assessed value at the price amount that a property is sold for. She explained that is considered highly unethical and wrong and assessors are forbidden from using that method.

Mr. Hartle explained that the discussion was combining two different concepts. The first concept is that of the methodology that the assessor can use in determining the assessments. The second is the application of that method to a particular property and reaching a value which is unequal, excessive, improper, or undervalued. The board decides based on fact and not merely differences of opinion and the burden of proof still is on the appellant.

# Draft

Mr. Hartle and Ms. Potter gave an overview of the slideshow provided by State Assessor Steve Van Sant. Ms. Potter referred the members to the International Association of Assessing Officers website at [www.IAAO.org](http://www.IAAO.org). They oversee and set the standards for Assessing Officers not only for the United States but also globally. They have adopted standards of practice and guidelines that the Assessors all pledge to adhere to. This is to promote continuity on how things are handled and to ensure fairness and equity. She went on to give an overview of the approaches to value and the differences between appraisals vs. assessments.

Additional discussion took place regarding the overall process: the filings of appeals, the anticipated numbers that might come before the board, and the timelines under which the appeals will be taking place. Ms. Potter did express her concern with the perceptions and misunderstandings that she has been hearing in the community that the assessments went up at the same time the City's budget is being considered and that since the city is in needs of funds, the assessments are coming in higher to offset those costs. She said she considers that offensive. Mr. Duncan and Ms. Potter explained that the actual assessing process is laid out in state law and that the assessor is bound by state law to assess at full value. Ms. Potter said that she works for the property owners in the borough that she didn't create that market out there and it is the market that dictates what they do.

Mr. Epstein asked for additional clarification on the conflict of interest code and to what extent the conflict exists – he said he understands that it is clear when a board member is appeal their own property but he isn't quite so sure to what degree it extends with relation to co-workers, in-laws, etc...

Mr. Hartle directed him to CBJ Code 01.45 Conflict of Interest Code. Municipal officer may not take or withhold official action on anything that you have a personal or financial interest. Both are defined. There is a continuum of those things and personal interest is a more nebulous reference and that it also includes relatives to a certain degree. Mr. Hartle said his first suggestion would be for the member to call him prior to the meeting for advice as there is some legal protection if they should follow the advice of the attorney.

The board then discussed the tentative hearing dates and which board members would be available or unavailable for those dates. It was determined that Thursdays were the best day of the week to hold the hearings. The proposed dates and members available to serve are listed below:

**B.O.E. #1: May 17, 5pm to be held in the Assembly Chambers  
Panel Members: Bruce Weyhrauch, David Epstein, Karen Lawfer,  
(Zach Worrell - tentative yes)**

**B.O.E. #2: May 31, 5pm to be held in the City Hall Conference Room #224  
Panel Members: Ed Kalwara, Bruce Weyhrauch (tent.), John Gaguine  
(maybe), Karen Lawfer (in town and available)**

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*B.O.E. #2 (alternate date): June 7, 5pm to be held in the Assembly Chambers  
Panel Members: Ed Kalwara, Bruce Weyhrauch (tent.), David Epstein*

**B.O.E. #3: June 21, (Both the Chambers and Rm 224 are in use by other groups at 5pm, the B.O.E. would need to begin at 7pm in the Chambers.  
Panel Members: Ed Kalwara, Michael Boyer, Zach Worrell**

*B.O.E. #3 (alternate date): June 28, 5pm; City Hall Conference Room #224  
Panel Members: John Gaguine, Karen Lawfer, Zach Worrell*

IV. ADJOURNMENT – The meeting adjourned at 6:10 p.m.

Submitted by Beth McEwen, Deputy Municipal Clerk