

**BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA**

WEDNESDAY

9:00 A.M.

JANUARY 21, 2015

PRESENT:

James Covert, Chairman
James Brown, Member
Philip Horan, Member
James Ainsworth, Member
Eugenia Larmore, Alternate Member

Nancy Parent, County Clerk
Leslie Admirand, Deputy District Attorney

ABSENT:

Benjamin Green, Member

The Board of Equalization convened at 9:05 a.m. in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Chairman Covert called the meeting to order, the Clerk called the roll and the Board conducted the following business:

15-003E PUBLIC COMMENTS

Agenda Subject: “Comment heard under this item will be limited to three (3) minutes per person and may pertain to matters on and off the Board agenda. Comments were to be made to the Board as a whole.”

Josh Wilson, Chief Deputy Assessor, introduced the new County Assessor, Michael E. Clark.

15-004E AGENDA ITEM 3 – OATH OF OFFICE

Agenda Subject: “Clerk to administer oath of office to new or reappointed Board members.”

Nancy Parent, County Clerk, administered the oath of office to Member James Ainsworth and Alternate Member Eugenia Larmore.

15-005E AGENDA ITEM 4 – ELECTION OF VICE-CHAIRMAN

Agenda Subject: “Possible election of a vice-chairman for the 2013 Washoe County Board of Equalization.”

Chairman Covert nominated Philip Horan as Vice Chairman. There were no additional nominations or objections.

On motion by Chairman Covert, seconded by Member Ainsworth, which motion duly carried, it was ordered that Member Horan be elected as the Vice Chairman.

15-006E AGENDA ITEM 5 – SWEARING IN

Agenda Subject: “County Clerk to Administer Oath to Appraisal Staff.”

Nancy Parent, County Clerk, swore in the following appraisal staff: Craig Anacker, Mike Bozman, Mike Churchfield, Michael Clark, Steve Clement, Cori Burke, Stacy Ettinger, Michael Gonzales, Wendy Jackins, Ken Johns, Peter Kinne, Linda Lambert, Rigo Lopez, Paul Oliphint, Teresa Olson, Tracy Sanders, Chris Sarman, Ron Sauer, Jana Spoor, Dona Stafford, Mark Stafford, Ginny Sutherland, John Thompson, Jane Tung, Gail Vice, and Josh Wilson.

ORIENTATION AND TRAINING

15-007E AGENDA ITEM 6A

Agenda Subject: “Washoe County Assessor’s Office presentation and overview of assessment process for the 2015/2016 fiscal year.”

Josh Wilson, Chief Deputy Assessor, went through his PowerPoint presentation, which was placed on file with the Clerk. He highlighted the many functions within the Assessor’s Office. He noted there were 172,292 total parcels within Washoe County and 30,738 personal property accounts. He said during the 1981 tax shift, the Nevada Legislature enacted a modified cost approach for Assessors to value property. Page 5 of the presentation referred to Nevada Revised Statute (NRS) 361.227, which governed how all Assessors within Nevada were required to value property. He stated Assessors were responsible for determining the full cash value of vacant land and improved land; also, any improvements made to the land. NRS 361.227(5) stated the computed taxable value of any property must not exceed its full cash value. He informed the Board if a person felt the taxable value exceeded full cash value of their property they could present comparative sales, a summation of the estimated full cash value of the land and capitalization of the fair economic income for consideration. Mr. Wilson stated if the evidence provided before the hearing warranted a reduction, the Assessor and Appellant would come to an agreement as set forth in a stipulation for the Board to approve. He further explained the Board would be comparing the computed taxable value against comparable sales,

and if necessary, would apply any additional obsolescence to make sure the taxable value did not exceed market value.

Mr. Wilson noted an annual reappraisal was conducted of all the land in the County, which was based on review of market data. Once that was completed, and if necessary, the base lots would be adjusted. The improvements were valued using the *Marshall & Swift* cost tables and then depreciated 1.5 percent per year. He noted the Assessor's Office implemented their new computer system last year and were able to calculate the improvement value for the entire County in a matter of hours. Once the taxable value was calculated, it was measured to determine if market value was exceeded, and if so, obsolescence would be applied. A map was provided to the Board showing the market area delineation of the County.

Mr. Wilson next reviewed the trends regarding assessed value over time. He noted they saw about a 6 percent increase in the total assessed value of the County. He illustrated the roller coaster affect the real estate market experienced over the last 13 years. In 2006 they saw a peak in values at nearly \$395,000 and then the decline started in 2008 where the median selling price dropped from \$310,000 to \$255,000. He said the median selling price for 2014 was above the 2007 values, but below the 2004 values. He noted they were starting to see the appreciation stabilize, which he felt was good for the real estate market.

Mr. Wilson next went over the current number of appeals submitted for 2015. He said it was the lightest in about 10 years with 123 for real property, five personal property and four exemptions.

Member Horan said there had been issues regarding *Marshall & Swift* in prior years and he wondered if the costing affected anyone this year. Mr. Wilson noted that when the Assessor's Office loaded the new *Marshall & Swift* cost tables, there was an increase. He thought it was more understandable now in an increasing market with an increase in demand, rather than when there was a collapsing real estate market with less demand. He reiterated that whether or not anyone agreed with the Manual, it was the subscribed cost manual for all Assessors in the State to use. Member Horan asked if we were in a neutral area now regarding the 3 percent cap rate. Mr. Wilson stated the majority of the County was re-based around 2012 and since then the abatements had increased. He reported the commercial cap was identical to the residential cap at 3 percent this year. He noted in the 2015/16 tax billing session, the majority of property would be benefiting from the tax cap by receiving some abatement.

15-008E AGENDA ITEM 6B

Agenda Subject: "Washoe County Clerk's Office presentation and overview by Washoe County Clerk's Office of statutory responsibilities as Clerk of the Board and administrative and clerical practices."

Nancy Parent, County Clerk, introduced her staff to the Board including Brian Takemoto, Technical Services, who helped in the office. She went through her handout which included a spreadsheet for the Board delineating what duties were being performed and by which department. The handout was placed on file with the Clerk. She discussed the timeframe from

when the Assessment Notices were sent out to when the appeals were due to be filed and heard. She noted the Clerk's Office was the independent record keeper, would attend the hearings, record the meetings, mark and distribute evidence, and send out the notices of decisions within 10 days of the hearing. She said the Appellants could appeal to the State Board of Equalization if they were not satisfied with the outcome of the County hearing.

Ms. Parent stated the County had a website people could visit to get information regarding what the Board did, who the Board members were and a section for frequently asked questions (FAQs). She requested the Board review the printout of the web pages in the handout and let her know of any information they might want changed. She discussed scheduling for February and noticing the Appellants of their upcoming hearings. Previously, the Board had instructed a 10-day notice timeframe. She thought the Board could hear all the appeals in six or seven days and allow the last week of February for any continuances. Chairman Covert said it would be best to schedule the hearing dates sequentially. After further discussion, it was determined to set the hearing dates for February 11th, 12th, 13th, 17th, 18th and 19th and leave the 25th, 26th and 27th available for reschedules.

Ms. Parent suggested the Board continue with previous practice by keeping the withdrawals and continuances at the beginning of each agenda. She requested guidance regarding petitions filed after the deadline date. Leslie Admirand, Legal Counsel, suggested the Board take action on that issue under Agenda Item 7.

Ms. Parent informed the Board they would be provided with individual laptops and the hearing backup documentation would be on thumb drives. She noted the suggested language for motions was included in their handout today.

15-009E AGENDA ITEM 6C

Agenda Subject: "Washoe County District Attorney's Office discussion of Nevada Open Meeting Law, Ethics in Government Law and State Board of Equalization Guidelines."

Leslie Admirand, Legal Counsel, introduced Jennifer Gustafson who would be sitting as legal counsel in her absence. Ms. Admirand went through her PowerPoint presentation, which was placed on file with the Clerk. She highlighted the Open Meeting Law (OML) requirements, the five pillars of the OML, what constituted a quorum, methods of holding meetings, prohibited communications, social functions as defined by Nevada Revised Statutes (NRS), voting and actions, materials available to the public, minutes, violations, corrective actions, enforcement, Ethics in Government, conflicts of interest, recusal and Ethics Acknowledgement.

Ms. Admirand stated if the Board found themselves to be in a conflict of interest, the main rule under the OML was to disclose that conflict. The disclosure had to happen at the time the matter was called. She explained the definition of a conflict may be that a member accepted a gift or a loan, had a pecuniary or economic interest in the matter, a commitment with a person in a private capacity such as a member of their household, a relative or an employer, or a person they had a business relationship with. Ms. Admirand stated the Board member did not

necessarily have to recuse, but definitely had to disclose a conflict. She said NRS 281A.500 required public officers to file a form with the Ethics Commission acknowledging review of the Ethical Standards. She suggested the Board review the Government Ethics statutes and the Ethics Manual which contained the acknowledgement for filing.

Ms. Admirand stated she received a request from the Nevada Department of Taxation to have the Board review hearing procedures from the 2015/16 County Board Manual. She provided an electronic link to the Manual for the Board, but she wanted to highlight a few of the guidelines. She went over pages 4 through 7 which contained information that would help the Board establish the record with the findings of fact and conclusions of law. She said there were examples of how to determine valuations and what questions might be helpful to ask. She explained there were specific do's and don'ts in the decision making process and she asked the Board to take a look at those provisions.

Chairman Covert stated there were no dumb questions and he encouraged the members to ask questions if they did not understand something.

Member Horan asked what should be done if they could not remember if they signed the disclosure document. Ms. Admirand informed the Board she would check to see if there was a copy of the disclosure on file, and if not, she would provide the members with a copy to sign.

15-010E AGENDA ITEM 7 – 2015 HEARINGS

Agenda Subject: “Discussion and possible adoption of Rules and Procedures to be used by the Board for hearings during the 2015 Board of Equalization meetings.”

Nancy Parent, County Clerk, stated the Board needed to discuss and determine how to handle petitions received after the deadline. Leslie Admirand, Legal Counsel, stated January 15th was the deadline to file petitions, which was a jurisdictional question for the Board. She explained the Board had no jurisdiction to hear petitions postmarked or received after the deadline. Therefore, she advised those late petitions should not be scheduled on an agenda and she directed the Assessor's Office to provide those late petitions to her. She said the District Attorney's Office would advise the Appellant the County Board of Equalization (CBOE) had no jurisdiction to hear the appeal at this level.

Member Horan asked if there were any avenues available to an Appellant to challenge whether an appeal was filed on time or not. Ms. Admirand said the Appellant may have an avenue with the State Board of Equalization, but the Nevada Revised Statute clearly stripped this Board of any ability for relief because there was no authority to hear it.

On motion by Member Horan, seconded by Member Ainsworth, which motion duly carried, it was ordered that petitions postmarked or received after the January 15, 2015 deadline would be forwarded to Legal Counsel for processing and not placed on the CBOE's agendas.

15-011E BOARD MEMBER COMMENTS

There were no Board member comments.

15-012E PUBLIC COMMENTS

Agenda Subject: “Comment heard under this item will be limited to three (3) minutes per person and may pertain to matters on and off the Board agenda. Comments were to be made to the Board as a whole.”

Cathy Brandhorst talked about issues concerning herself and her home.

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10:12 a.m. There being no further hearings or business to come before the Board, on motion by Member Horan, seconded by Member Ainsworth, which motion duly carried, the meeting was adjourned.

JAMES COVERT, Chairman
Washoe County Board of Equalization

ATTEST:

NANCY PARENT, County Clerk
and Clerk of the Washoe County
Board of Equalization

*Minutes prepared by
Jaime Deller, Deputy Clerk*