

**Haines Borough
Board of Equalization
May 23, 2005
MINUTES**

Draft

1. **CALL TO ORDER/PLEDGE TO FLAG**: Mayor Mike **CASE** called the meeting to order at 6:35 p.m. in the Assembly Chambers of the Municipal Building and led the pledge to the flag.
2. **ROLL CALL Present**: Mayor Mike **CASE**, Assembly Members Scott **ROSSMAN**, Jerry **LAPP**, and Debra **SCHNABEL**. **Absent**: Stephanie **SCOTT**, Norm **SMITH**, and Herb **VANCLEVE**.

Staff Present: Julie **COZZI**/Borough Clerk, Scott **HANSEN**/Planning & Zone Tech II, Wayne **HAERER**/Contract Assessor, and Michael **DAHLE**/Contract Assessment Assistant.

Appellants and Visitors Present: Susan **JOHNSTON** and Gregg **RICHMOND**.

3. **OVERVIEW AND OATHS**

HAERER gave a brief overview of the order of business and summarized the purpose and function of the Board of Equalization. The Clerk administered oaths to each of the Assembly Members so that they could function as the Board of Equalization. Additionally, the Clerk administered an oath to those that would testify. The board members determined that Mayor **CASE** would chair the session.

HAERER informed the Board that six appeals listed on the agenda were withdrawn prior to the BOE but after the agendas were printed: 05-03 (Weerasinghe), 05-04 (Morrison), 05-05 (Morrison), 05-06 (Bussey), 05-12 (Bretthauer), and 05-15 (Kochu Cove).

4. **LATE FILED APPEALS**

HAERER explained that the Board of Equalization must determine whether or not to accept the appeals that were received after the deadline. **SCHNABEL** said she understands that the Board may entertain a waiver of a late appeal if an emergency existed that caused the late filing. She saw no explanations in the packet and asked **HAERER** if the assessor received any explanatory documentation. **HAERER** said no explanations were received from the late filers.

M/S **ROSSMAN/LAPP** Motion to deny the late filed appeals since they were all postmarked after the deadline.

The motion carried unanimously.

JOHNSTON asked for a change to the agenda to move her appeal from the last item to the first since she is the only appellant present. The Board had no objection and it was so ordered.

5. ASSESSMENT APPEALS

A. APPEAL No.05-16 - Johnston

JOHNSTON said in 2001, previous assessor Karen Harvey did a reassessment that more than doubled the amount. It was assessed at that time at \$218K which seemed high but she reluctantly accepted it. Now, the additional \$100K increase in assessment this year seems outlandish and too big of a jump in a single year. She understands that the assessors have formulas and reasons, but Haines is a depressed area. She added that she has a one-bedroom, one-bathroom house on six acres with a separate efficiency apartment. She does not believe the new assessment is a realistic fair market value and does not match the actual real estate listings in the area.

HAERER deferred response to **DAHLE** since he performed the actual reassessment on the Johnston property. **DAHLE** first distributed to the Board a chart of "2004 Assessment to Sales Ratios." He said he did not make a site inspection at the time of assessment. **HANSEN** did inspect the site on 5/19/05 in response to the appeal. Subsequent to that inspection, the assessor is recommending an assessment value reduction to \$302K. The Karen Harvey valuation concluded that the property was 73% complete at that time. This year, the property was determined to be 97.5% complete. A significant part of the increase is due to that percentage change. **HAERER** confirmed that his recommendation is to reduce the Johnston property valuation to \$302K. He added that all land in the Haines Borough has been reassessed for 2005.

The mayor called a brief recess at 7:06 p.m.

The meeting reconvened at 7:09 p.m.

CASE asked **HAERER** if the Board can do a good job of judging the appeals without having had more opportunity to study the appeal documentation. **HAERER** said the documentation must be provided as evidence in the event any of the appeals go to court. However, the Board should have no preconceived ideas since it is not a political group but a quasi-judicial one. **CASE** asked the Board members if they believe they can make informed decisions in this session, and they all stated that they can.

JOHNSTON said she does not agree with the square footage given for her home and wondered if some of the outbuildings were included in the total. **DAHLE** assured the Board that all separate buildings were considered out-buildings and not included in the home's square footage.

ROSSMAN asked if the Small Tracts neighborhood property values were considered. **SCHNABEL** said she believes the formula does not add up to reality, because Small Tracts is less desirable to purchase in because there is no borough water-sewer service and fewer viewpoints. **DAHLE** said the assessment team looked at the overall market and the sub-markets (neighborhoods) within that. He said the Johnston property includes a very large deck that has a high value. "People do look at a property in its totality." **SCHNABEL** asked if others in that area have been reassessed. **HAERER** said he does not know. He added that generally the properties assessed were those newly constructed, properties sitting at percent-complete and other structures that were found to be egregiously under-assessed. **SCHNABEL** said she believes the extras seem to be excessively valued. She expressed surprise at the valuation of the land. **CASE** noted that **JOHNSTON** did not challenge the land valuation in her appeal, so the Board may not take action on that point. **JOHNSTON** said she would like \$218,617 to be the assessed value. **HAERER** told the Board that they may select their own assessment amount provided they have just cause for it. The motion must refer to one or more of the three areas **JOHNSTON** checked off on her appeal application. **ROSSMAN** said he agrees that the assessment is unequal at this point, but the reason is that the Johnston's are the first of that area's properties to be reassessed.

M/S **SCHNABEL/LAPP** Motion to uphold the appellant's assertion that the property value is excessive especially in relation to the extras (outbuildings, deck, etc.), and to accept the assessor's valuation of the living area and the land; the valuation of the extras should be adjusted to 75% of the assessor's value bringing the total property valuation down to \$281,556.

The motion carried unanimously in a roll call vote.

The mayor called a brief recess at 8:14pm.

B. APPEAL No.05-01: - Seright

HAERER said extensive research has been done and there have been many conversations with the property owners. The Serights believe the value is excessive and that the assessment was improperly done. **HAERER** added that it is a

unique, pristine, showcase property. It is for sale and is actively listed on the Seright's website for \$1.66 million. **DAHLE** has been onsite remeasuring and reassessing on all of the structures.

M/S **SCNABEL/LAPP** Motion to uphold the assessor's valuation of the Seright property in the amount of \$993,750.

The motion carried unanimously in a roll call vote.

C. APPEAL No.05-02 - Buxton

The property owner believes the valuation is excessive. **HAERER** recommended a reduction in assessed value from \$186,300 to \$184,000.

M/S **LAPP/SCHNABEL** Motion to approve the assessor's recommended valuation of \$184,000 for the Buxton property.

ROSSMAN said he is concerned that non-view, non-waterfront properties are being valued as high as other properties. **HAERER** explained that only the land valuation is affected by location, not the buildings. **SCHNABEL** expressed concern regarding the valuation of extras like decks but is in favor of the motion since the appeal application is incomplete---the appellant did not provide a different assessment amount.

The motion carried unanimously in a roll call vote.

The mayor called a brief recess at 8:14 p.m.

The meeting reconvened at 8:16 p.m.

D. APPEAL No.05-07 - Jackson/LaCourse

The property owners believe the building assessment is too high but do not dispute the land valuation. **DAHLE** said the valuation was based on a 4/01/05 site visit. At the inspection, the percentage of completeness was noted on each of two buildings. The beach house was determined to be at 70%. **LAPP** asked if the assessors look to see if a foundation exists. **DAHLE** responded that if a condition exists that would have a negative impact or if repair is needed, it is noted.

M/S **LAPP/ROSSMAN** Motion to accept the property owner's estimated value of the buildings.

SCHNABEL urged the Board to look more to making a functional depreciation using a different completion percent as opposed to just accepting the owner's valuation.

M/S **SCHNABEL/LAPP** Motion to amend to accept a total assessed value of \$268,025 based on the appellant's estimate of work to be done (the functional percentage on the beach house to be reduced to \$132,725).

The motion carried unanimously in a roll call vote.

E. APPEAL No.05-08 - Ballard

HAERER recommended an adjusted valuation of \$109,270.

M/S **LAPP/ROSSMAN** Motion to accept the assessor's adjusted valuation and assess the property at \$109,270.

The motion carried unanimously in a roll call vote.

F. APPEAL No.05-09 - Beasley

M/S **LAPP/ROSSMAN** Motion to uphold the assessor's valuation of \$62,782.

The motion carried unanimously in a roll call vote.

G. APPEAL No.05-10 - Sundberg

DAHLE noted that the property owners are asking for an amount that would be a reduction of the 2002 assessment. The property has been reinspected and determined to be 100% complete. The property is located within the Letnikof Subdivision.

M/S **LAPP/ROSSMAN** Motion to uphold the assessor's valuation of \$326,400.

The motion carried unanimously in a roll call vote.

H. APPEAL No.05-11 - Suchy

HAERER recommended an adjusted valuation based on the property owner's request.

M/S **LAPP/ROSSMAN** Motion to accept the assessor's adjusted valuation and assess the property at \$35,000.

The motion carried unanimously in a roll call vote.

I. APPEAL No.05-13 - Heinz

M/S **LAPP/** Motion to uphold the assessor's valuation. The motion died for lack of a second.

ROSSMAN argued that this property is in the same general area as the Sundberg property and should be valued at the same amount per square foot.

M/S **ROSSMAN/LAPP** Motion to reduce the valuation to \$102 per square foot making the total value \$262,312.

SCHNABEL said the Sundberg property is not actually in the same subdivision and is not the same type of home. "It is a square box house as opposed to a craft home." She agreed that the assessed value seems to be excessive for the size of the house, but did not agree with **ROSSMAN's** motion to value it at the same square footage amount.

The motion carried unanimously in a roll call vote.

J. APPEAL No.05-14 - Weaver

The property owner believes the valuation is excessive.

M/S **LAPP/ROSSMAN** Motion to uphold the assessor's valuation.

DAHLE said Weaver raises 4 comparables, but the assessor after review did not find a basis for changing the assessment. In fact, at least one of the comparables appears to be undervalued and has been marked for review. **SCHNABEL** agreed that the comparables seem to be undervalued. **LAPP** said a log cabin is more expensive to build than frame construction and has a higher replacement cost. **SCHNABEL** said there are 5 cabins on the lake that are identical or very similar, and it would have been helpful to have those values to consider. The property owners had the responsibility to demonstrate truly comparable properties to make their case for excessive assessment. **HAERER** said a log building depends upon many things---the way the logs are cut, cured, and put together.

The motion carried 2-1 in a roll call vote with **ROSSMAN** opposed.

6. ADJOURNMENT - 9:37pm

Mike Case, Borough mayor

ATTEST:

Julie Cozzi, Borough Clerk