

**BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA**

FRIDAY

8:30 A.M.

FEBRUARY 23, 2007

PRESENT:

**Patricia McAlinden, Vice Chairman**

**James Covert, Member**

**John Krolick, Member**

**Gary Schmidt, Member**

**Philip Horan, Alternate Member**

**Nancy Parent, Chief Deputy Clerk**

**John Bartlett, Legal Counsel**

**Josh Wilson, Assessor**

The Board met in the Washoe County Administration Complex, Health Department Conference Room B, 1001 E. 9th Street, Reno, Nevada. Vice Chairman McAlinden called the meeting to order, the Clerk called the roll and the Board conducted the following business:

Vice Chairman McAlinden called the meeting to order. She then called for a recess pending the arrival of legal counsel.

**8:32 a.m.** The Board recessed.

**8:50 a.m.** The Board reconvened with all members and legal counsel present.

Vice Chairman McAlinden explained the Board would discuss preliminary matters including two Board members who owned property in the Incline Village area and the validity of the Class Action Appeal submitted by the "Incline Village League to Save Our Assets."

John Bartlett, Legal Counsel, replied if Board members were property owners in the Incline Village area and included, as potential parties in the class action petition, if granted, they could receive a significant financial impact. He said there would be a personal aspect resulting in a conflict. Mr. Bartlett said because of an ethical issue the Board members should recuse themselves for consideration and disclose that they were property owners in the affected area.

Member Horan disclosed he was a property owner in Incline Village; however, he stated he was an unknowing participant in the class action suit. He acknowledged since he was a property owner it may give the impression that he could personally benefit from the case. Member Horan stated he would exclude himself and his property from the class action lawsuit on receiving any adjustment ruled for Incline Village or Crystal Bay.

Member Krolick disclosed he was a property owner in Incline Village. He said excluding himself from the class action suit would be appropriate, but he did not see how owning property in Incline Village would affect his ability to make a judgment. He said it would be appropriate to withdraw his properties from the class action suit.

Member Covert believed this constituted a gross conflict of interest since both Board members were named within the petition. He said they must recuse themselves to make any vote on this petition legal. Member Covert requested legal counsel review the decision made by the Board on February 21, 2007 based on the same issue with the exception the Board members were not property owners named in that decision. He insisted the two Board members recuse themselves from the class action petition.

Member Schmidt said it was inappropriate for Board members to make demands upon other Board members. He stated based on the testimony of the two Board members in question they would both be non-willing participants of the class action appeal, and he believed their property interest was fairly incidental. Member Schmidt felt the decision should be left to the two Board members.

Member Horan reiterated he would remove his property from any action ruled on for Incline Village or Crystal Bay.

Mr. Bartlett explained the training for Board members identified guidelines on how a member should approach a conflict issue. He said each member reviewed the guidelines and were able to decide if there was a conflict. Mr. Bartlett stated ethics was as much of an issue as is the appearance of an impropriety as to whether one existed or not.

A discussion ensued where the Board members addressed their opinions, concerns and procedural matters for a possible class action appeal. Members Horan and Krolick both reiterated their decisions on being recused if the class action petition was heard.

Maryanne Ingemanson spoke on her knowledge of ethics. She said anyone doing business in any community did not have to recuse him or herself because they lived or had acquaintances in that community.

**07-19E            CLASS ACTION PETITION**

Sue Ellen Fulstone, Representative for the Incline Village League Class Action appeal, distributed Exhibit A, letter withdrawing the 946 petitioners heard on February 21, 2007, and Exhibit B, letter to withdraw the Class Action petition.

Vice Chairman McAlinden noted the Board had received letters from several persons listed in the class action appeal who had responded to hearing notices received from the Clerk's Office.

Ms. Fulstone explained the Village League filed the class action suit on behalf of all residential real property owners in the Incline Village/Crystal Bay area based on the unconstitutional methods used by the Assessor's Office and to challenge the 15 percent factor increase. She stated the County noticed all residents of real property of the class action hearing date. Ms. Fulstone said she received calls from residents who supported the petition and had filed letters in support. She explained it was the decision of the Board of the Village League to withdraw the petition rather than fight procedural issues. She suggested the Board hear from any resident who arrived at the hearing and wished to speak.

In response to Vice Chairman McAlinden, John Bartlett, Legal Counsel, replied any residents wishing to speak could do so under public comment.

On motion by Member Covert, seconded by Member Schmidt, which motion duly carried, with Members Horan and Krolick abstaining, Vice Chairman McAlinden ordered that the withdrawal of the class action petition, filed by the Village League to Save Our Assets, be accepted.

#### **BOARD MEMBER COMMENTS**

Member Schmidt stated he was opposed to the way alternates were chosen for the Board of Equalization by the County Commission and the order in which they would be called to serve if needed.

John Bartlett, Legal Counsel, explained the Board of County Commissioners chose the method of calling on alternates to serve during their February 20, 2007 meeting.

Member Schmidt stated he requested, during a previous meeting, to agendize a hearing to consider overall equalization for Incline Village and the County. He recollected that the County Clerk was directed to place this on the February 28, 2007 agenda. He said the Clerk did not properly agendize this and under the Open Meeting Law the time had passed to do so.

Vice Chairman McAlinden commented she did not recall specific direction for the Clerk.

Nancy Parent, Chief Deputy Clerk, stated she did not recall specific direction. She explained the Clerk's Office worked directly with the Chairman to prepare the agenda for a meeting. She remarked the audiotape of that meeting would be reviewed for clarification.

Member Schmidt requested discussion of the omission at a future meeting. Vice Chairman McAlinden stated the request was noted.

Member Krolick stated he recalled a discussion pertaining to Member Schmidt's comments and suggested listening to the audiotape for clarification.

Member Horan said he appreciated the courtesy and professionalism from the other Board members and staff while he sat on the Board as an alternate.

### **PUBLIC COMMENT**

Vincent Ames commented on his properties in Incline Village. He said he received a judgment by the Board in the past that his properties could not be adjusted since they were governed low income. He explained he spoke to the County Assessor to get that issue resolved. Mr. Ames said there were some rental properties in the County not being taxed because they were low income and not on the tax roll. He explained the common interest community in Incline Village was changed to a condominium association, but tagged low income by the Tahoe Regional Planning Agency (TRPA). He believed it was conditioned down in value because of being noted as low income. He did not think it was fair for some properties to be tagged as low income and others not.

Edward Leutheuser stated he submitted a petition in January 2007 to be reviewed; however, was on vacation and just learned of this hearing. He said he was not prepared; however, stated the 15 percent increase in land values was unrealistic.

Lucinda Blair commented she was not aware of the class action appeal until she received a hearing notice. She asked if there was any other recourse of action. Vice Chairman McAlinden explained petitions needed to be received by January 16, 2007 for this tax year and suggested she could file next year.

John Pecharich thanked the Incline Village League for taking on the County Assessor and real estate increases and taxes.

Jason Guinasso remarked on a comment made by the Board, "what's the harm." He explained there were two principle harms; monetary and unconstitutional, and the issues that went with those. He said people who were charged with the responsibility to make sure that constitutional harms were rectified should do so. Mr. Guinasso said it was not appropriate to say there were no harms or that it would be dismissive of the actual harm inflicted on the taxpayer in Incline Village. He said the Board needed to think of the impact their decisions had.

Gary Schmidt spoke on his numerous appeals to the County Board of Equalization (BOE) and the State BOE in the past. He spoke on the reputation of the BOE and how he believed his actions reflected a fair and objective Board.

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**10:30 a.m.** There being no further hearings or business to come before the Board, the Board adjourned.

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**PAT MCALINDEN**, Vice Chairman  
Washoe County Board of Equalization

ATTEST:

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**AMY HARVEY**, County Clerk  
and Clerk of the Washoe County  
Board of Equalization

*Minutes prepared by  
Stacy Gonzales  
Deputy Clerk*