

**BOARD OF EQUALIZATION MINUTES  
GILA COUNTY, ARIZONA**

Date: September 20, 2011

**TOMMIE C. MARTIN**  
Chairman

**JOHN F. NELSON**  
Clerk of the Board

**SHIRLEY L. DAWSON**  
Vice-Chairman

By: Marian Sheppard  
Chief Deputy Clerk

**MICHAEL A. PASTOR**  
Member

Gila County Courthouse  
Globe, Arizona

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PRESENT: Tommie C. Martin (via ITV), Chairman; Shirley Dawson, Vice-Chairman; Michael A. Pastor, Member; Dale Hom, Assessor; Hazel Dillon, Chief Deputy Assessor; Larry Huffer, Chief Appraiser; Bryan Chambers, Chief Deputy County Attorney; and Marian Sheppard, Chief Deputy Clerk.

**Item 1 – Call to Order**

The Gila County Board of Equalization met at 2:13 p.m. this date in the Board of Supervisors hearing room. Chairman Martin asked Vice-Chairman Dawson to chair these hearings as she was in Globe with the petitioners and Chairman Martin was in Payson.

**Item 2 – REGULAR AGENDA ITEMS:**

**A. 2:00 P.M. - Information/Discussion/Action regarding two Petitions for Review of Real Property Valuation for tax year 2012 submitted for Assessor’s tax parcel numbers 301-59-055 and 301-59-058, which are owned by Thomas Stedronsky. (Larry Huffer)**

(Note to the Reader: Mr. Stedronsky presented information for items A and B at the same time, so there was one discussion for both agenda items.)

**B. Information/Discussion/Action regarding a Petition for Review of Taxpayer Notice of claim for tax years 2007 through 2011 submitted for Assessor’s tax parcel numbers 301-59-055 which is owned by Thomas Stedronsky, and 301-59-056 which is owned by M&I Bank.**

Chairman Dawson called on Mr. Stedronsky, the petitioner, to present his case. Mr. Stedronsky provided several handouts. The first handout was a map and a history of parcels -055, -056 and -058, which are located in Strawberry Creek Foothills. Mr. Stedronsky stated, “Petitions for -055 and -058, I’m wishing to

drop that discussion today. Recent events overshadow that here...I want a one-point case." Chairman Dawson asked Mr. Stedronsky to confirm that he was dropping his appeals on parcels -055 and -058 and he replied, "That is correct. What I will say this afternoon I hope will lead to a decision that will affect all the properties. All of them will be discussed because they address the same problems." Mr. Stedronsky then read aloud a letter he received from the Gila County Assessor's Office in regard to parcel -055 for tax year 2012 that was unsigned and undated, which states, "*Per Planning and Zoning this is an approved subdivision; Gila County has returned the money to the Developer based on the Developer's need to make draws for the development of the road; a statement was recorded last week stating there would be no building permits until the road was brought up to County standards. There was never an illegal sale of these lots; all sales were between a willing buyer and a willing seller.*" Mr. Stedronsky requested that the County provide written proof that this was an approved subdivision. He then addressed an Affidavit of Notice of Gila County Subdivision Code Violation filed and recorded by the Gila County Community Development Division, which states that certain lots within Strawberry Creek Foothills (that area is also known as Strawberry Ridge Estates) located in Strawberry, Arizona was subdivided by Strawberry Ridge Estates, LLC and that the subdivider was in violation of the Gila County Subdivision Regulations in that the street known as Tomahawk Trail has not been completed in accordance with Gila County Street Standards and, therefore, in accordance with 300.09 of the Gila County Subdivision Regulations. Mr. Stedronsky stated that the Tax Officer disputes his claim based on that office's lack of knowledge that Tomahawk Trail was not completed in accordance with Gila County Street Standards until 2011. He stated, "The County is one entity and I submit proof that several departments were aware that Tomahawk Trail had several hazards. During this time I requested everything in writing from Community Development on its stance on the ability to permit. Three times I requested of Bob Gould and finally he sent me a letter, which is Exhibit 4, dated June 15, 2011. Gila County violated the assurance of the set-aside funds, which leads into what the Assessor stated that there was never an illegal sale of the lots..." He then advised that according to Arizona Revised Statutes §42-16251 and §42-16252, if there was a mistake in the use or improvements of the land, letters should have been mailed to all land owners and because of this reason he requested a refund on parcel -055. He stated, "I'm requesting the Assessor to prove to me that a permitable, buildable property as lot -058 is, carries the same value as an unbuildable property as -055 is."

Larry Huffer, Chief Appraiser, acknowledged that this subdivision (Strawberry Ridge Estates) has been troubled with the roadways and that his office took a look at this issue since the Affidavit (Notice of Gila County Subdivision Code Violation) was recorded. To determine the current value of the lots within Strawberry Ridge Estates; For a comparison to lot -055, two lots were sold in the Strawberry Hills Subdivision. He advised that Strawberry Creek Foothills

was recorded on Plat 572 in March of 1980 when the subdivision was created and signed off by one of the Board of Supervisors at that time. He stated that the Public Report issued in late 2006 gives permission to transfer the lots from developer (Strawberry Ridge Estates L.L.C.) to lot purchasers. He stated that lot 39 of Strawberry Creek Foothills sold for \$40,000 in July 2011, and lot 7 sold for \$14,500, which equates to about \$25,000 to \$26,000 per acre. He stated that there were not any more subsequent sales of lots in Strawberry Ridge Estates. Mr. Huffer stated, "We took a look at the sale values per acre of these two lots and came up with a value as if the roads were installed properly. If the property (lot -055) had no road issues, the current market value would be near \$16,000. Using the factor which takes off 90%, the value comes out to \$1,580..." Mr. Huffer then read aloud A.R.S. § 42-16256(A) as previously mentioned by Mr. Stedronsky. He advised Mr. Stedronsky that per statutory requirement, the current owner of lot -056 would have to file a Notice of Claim and Mr. Stedronsky is not the current owner. Mr. Huffer advised that the estimate on lot -055 is \$3,518.42 for tax years 2008, 2009 and 2010. He added that there would be a correction for tax year 2011. He then proceeded to address lot -058. He stated, "Since -058 doesn't have a code violation, the estimate of value is \$19,192 based on these two sales. They are very comparable properties and are good comps. We were very fortunate to even find comps in that subdivision (Strawberry Creek Foothills)."

Mr. Stedronsky had two issues with Mr. Huffer's statement. He stated, "I understand with ownership and applying for refunds. My opinion is Gila County was negligent in knowing and mailing solutions to this; therefore, I was the owner at the time these problems were in existence and it's not fair to exclude -056 just based on negligence...When I say 'refund', I wrote it as a credit to be applied to future years because I don't know the proceedings." Mr. Huffer replied, "That is up to the County Treasurer." Bryan Chambers, Chief Deputy County Attorney, stated, "The statute is what it says. The Board of Equalization (BOE) can make a determination one way or the other and, if you (Mr. Stedronsky) disagree, you have the ability to appeal. It may not be something you can completely resolve today. If the BOE votes accordingly, you have the ability to appeal later on." Chairman Dawson questioned Mr. Stedronsky on lot -056. He replied that property went into foreclosure with M&I Bank. She stated, "The fact remains, you do not own it." She then asked Mr. Stedronsky the length of time he owned lot -056 and he replied, "February 2007 until December 23, 2010. I will wait for a decision on -056." Mr. Chambers stated, "The BOE will make a decision today." Mr. Stedronsky then referred to the history of the taxes on parcels -055, -056 and -058. He said that on the Monday after the Thanksgiving holiday in 2007, Assessor Dale Hom was kind enough to see him without an appointment. Mr. Stedronsky stated to Mr. Hom, "I tried to tell you lot -058 was nowhere near the values you were asking." According to Mr. Stedronsky, Mr. Hom said, "You don't understand; you are the middle class. You have to pay these types of taxes for the poor people...You can go to Superior Court, but it's a waste of time and money." Mr.

Stedronsky stated, "I did go to Superior (Court)(for the record, it was actually Arizona Tax Court). Mr. Huffer attended and at that time I did get a slight reduction. When I introduced lot -058 as a comparison to -055 and -056, I was told Tomahawk Road was separate in Gila County from taxation. You can respond after why is it Tomahawk one day is separate and taxed at a different level? That is another thing I found unjust." Mr. Hom stated, "I don't remember the 2007 meeting. I surely would not have said the first part of what you said. I don't know if you have it in writing or recorded or however you want to verse that, but I know I would not have said that to you or any other taxpayer. You might have talked to someone else in my office and you have told me later." Hazel Dillon, Chief Deputy Assessor, stated, "I was also there the day you came in. All we had at the front counter was a pleasant conversation. That, in my opinion, is extremely rude and I don't remember that at all. We had a very pleasant conversation." Chairman Dawson stated, "I feel really bad about this 'he said, you said'. There is no proof except we each know the character of Mr. Hom and that is terribly out of character for him and wouldn't find it with keeping his standards and core beliefs of people. Being from a minority, I don't believe he would be talking about classes of people."

Mr. Stedronsky then stated to Mr. Huffer, "In 2000, you said it was separate. You were going to respond." Mr. Huffer replied, "The portion of Strawberry Creek Foothills in which the code violation happened is called Strawberry Ridge Estates. The tax year 2007 values were based on the original 4 tax parcels that made up the portion of Strawberry Foothills that is also known as Strawberry Ridge Estates. For tax year 2008 the land values were based on the developer's asking prices. Tax year 2009 land values were determined by 6 lots that sold within the subdivision (Strawberry Ridge Estates). Subsequently over the years the market turned and we based values on the general downturn in the market." Mr. Stedronsky stated, "This would be separate; therefore, did the sales of lots on Tomahawk have an impact on the Assessor's values of the lots below Strawberry Ridge Estates? And what were the asking prices on the lots below Strawberry Ridge Estates?" Mr. Huffer replied, "As for the asking prices I don't know, but actual valuations of the lots we did not change. If we took these sales, (of Strawberry Ridge Estates) and subjected the parcels below it (below Strawberry Ridge Estates) the land values would have been much higher. I never look at taxes; we look at values strictly."

Chairman Dawson then asked for any questions or comments from the Board. Supervisor Martin asked Mr. Chambers whether the Board could refund money on the lot that Mr. Stedronsky does not currently own. Mr. Chambers replied, "My opinion, based upon the statute is 'no.' The statute allows you to refund if he is the current owner. There is some case law that basically says that the Board can't compensate a moral debt. In other words, there was some rationale he paid taxes on that parcel for some years. Assuming the valuation was wrong for those years, he overpaid his taxes. Case law doesn't allow the Board of Supervisors to pay something that should have been. I don't believe

you have authority to refund something unless you have some statutory authority.” The Board then entered into a discussion with Mr. Huffer regarding the values of the subject parcels. Mr. Huffer replied, “On -058, there is 2012 Petition for Review of Real Property Valuation and we recommend reducing the value to \$19,182.” Chairman Dawson asked Mr. Huffer to review the information for parcels -055, -056 and -058 and to provide a recommendation for each.

With regard to parcel number 301-59-055, Supervisor Martin stated, “I move that we follow the advice of the Assessor with an estimated refund of \$3,518.42 for tax years 8, 9 and 10 (2008, 2009 and 2010) barring any fees, penalties or interest.” The motion was seconded by Supervisor Pastor and the vote passed unanimously by the Board. (For the record, the written decision of the Board of Equalization that was mailed to Mr. Stedronsky after this hearing states as follows: *Decision for 301-59-055: 301-59-055 The Full Cash Value has been adjusted for tax years 2008, 2009, 2010, and current year 2011 based on the Affidavit recorded on July 6, 2001 in Fee #2011-007523 titled: Notice of Gila County Subdivision Code Violation.*)

Chairman Dawson then asked for a motion on parcel number 301-59-056. Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously denied Mr. Stedronsky’s appeal (Petition for Review of Notice of Claim) on parcel number 301-59-056 based on the Arizona Revised Statutes as he is not the owner of said property. [For the record, the written decision of the Board of Equalization that was mailed to Mr. Stedronsky after this hearing states as follows: *Decision for 301-59-056: Only a current owner of a property may file a Notice of Claim. As of June 23, 2011, the postmark date that your Notice of Claim was filed, you were not the owner of the property. Based on Arizona Revised Statute 42-16256: Section A: In the case of real or personal property, correction of errors under this article (Title 42, Chapter 16, Article 6) is limited to the period during which the current owner of record held title to the property, if the owner is a purchaser in good faith and without notice of any error that could have caused proceedings to be initiated to correct the tax roll when the owner purchased the property.*]

Upon motion by Supervisor Pastor, seconded by Supervisor Martin, the Board unanimously agreed with the Assessor’s decision to reduce the full cash value of parcel number 301-59-058 to \$19,182 for tax year 2012.

Chairman Dawson next addressed agenda item C, an appeal submitted by Dina R. Galasinni, who, with Gregory Larson own parcel number 301-59-051.

**C. 2:45 P.M. - Information/Discussion/Action regarding a Petition for Review of Taxpayer Notice of Claim for tax years 2008 through 2010 submitted for Assessor’s tax parcel number 301-59-051, which is owned by Gregory Larson and Dina Galassini**

Ms. Galasinni stated, "I'm here today in essence to either settle for payment or a refund regarding the same kind of situation that Mr. Stedronsky had...There are two parts to my presentation, which are somewhat intertwined...There are different departments of an agency such as Gila County. You may or may not be aware that August 7, 2007, was a public report deadline for road infrastructure. It is the date in which the infrastructure was not approved and the County was well aware and should have notified the property owners back then...There was continued gross negligence on the County's part. February 23, 2007, there was an assurance of subdivision improvements and actually approved by the Board of Supervisors. The purchase was a legal sale until Gila County's gross negligence began. Gila County agreed to approve the subdivision assurance of improvements with set-aside funds. Here are the recorded documents for your records. The Gila County Board of Supervisors had \$716,000 in a fund. When that was recorded, that balance only reflected \$580,000. It appears the County allowed the set-aside fund to be utilized as a draw fund, like a draw fund, instead of abiding by fund terms and conditions. Normally counties keep a check prior to the two-year period when the bond is in place. They go and inspect the road right before the bond ends and tells the developer to 'fix this', put a violation on it or whatever. It's two parts: part of the set-aside fund and a violation of Gila County Subdivision Regulations dated in the year 2002..." Ms. Galasinni then read aloud various sections of the County's Subdivision Regulations. She continued, "We were highly taken advantage of in my opinion. We like our lot, but we didn't buy that lot with any stipulation of the risk of burden of maintaining a mile long asphalt road. You pay \$143,000 for a lot and then realize after you have to take care of a mile long road." Ms. Galasinni again referred to other sections of Gila County's Subdivision Regulations. She stated that the County failed to require the subdivision to provide for maintenance and/or repair of improvements in the course of the construction, which she believes is gross negligence and that it is unacceptable to her as a tax-paying property owner. She also believes the County was always aware there was never a final approval of the road infrastructure. She then asked Mr. Huffer his opinion of the value of her property over the past 3-4 years and the current value until the roads are approved.

Mr. Huffer stated, "Looking at those 2 sales and attributing a value per acre and take 90% off, it comes to \$2,100." Chairman Dawson asked Ms. Galasinni, "Did you provide us with what you feel the full cash value should be?" Ms. Galasinni replied, "The full cash value based on taxes we paid in 2007 is \$433 and is calculated as such. Larry, can you please tell me?" Mr. Huffer replied, "We looked at the taxes you stated to me and worked it backwards. Four original parcels make up the new part of Strawberry Creek Foothills (Strawberry Ridge Estates). Looking at its current value based on the 2 lots that sold in Strawberry Creek Foothills, it's \$2,100. We wanted to be equitable with Mr. Stedronsky and yourself; it is actually less than you

requested. The estimated refund would be for tax years 8, 9 and 10 (2008, 2009 and 2010) of \$5,408.31. The reason it's higher than Mr. Stedronsky is because the size of the parcel is 2/10 of an acre larger. More than likely we will keep the value the same at \$2,100 until something gets done to the road." Ms. Galasinni replied, "I want to thank you. We always suspected, but didn't really understand. Recently we hired an attorney to help us understand and we were shocked at everything that was going on. I don't mind paying taxes if this was an approved subdivision, but we got highly taken advantage and I'm happy you recognized it."

Chairman Dawson asked for a motion at this time. Supervisor Martin made a motion to accept the Assessor's current estimate of \$2,100 for tax parcel number 301-59-051 and provide an estimated refund of \$5,408.31 for tax years 2008, 2009 and 2010 barring any other penalties, interest or fees. The motion was seconded by Supervisor Pastor and unanimously approved by the Board.

Chairman Dawson, on behalf of the Board of Supervisors, thanked Mr. Hom and his staff for their efforts. There being no further business to come before the Board of Equalization, Chairman Dawson adjourned the meeting at 3:20 p.m.

**APPROVED:**

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Shirley L. Dawson, Acting Chairman

**ATTEST:**

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Marian Sheppard, Chief Deputy Clerk