

Minutes of the Special meeting of the Daggett County Commission, Thursday, August 14, 2013. Commissioners Steglich and Perry were present and Commissioner Blanchard was excused. Vicky McKee, County Clerk, was present as board secretary. The meeting was called to order at 6:00 P.M. by Chairman Steglich.

Also present were: Butch & Pam Johns, Lesa Asay-County Assessor, Mike Musselman, Jim & Sheila Williams, Dennis & Eyvonne Long, Craig Collett, Lamar & Joan Sayer, Brian Raymond and Tina Bennington.

Mr. Steglich addressed those present and provided the rules that those wishing to make public comments will need to follow due to HB77 and stated that the purpose of the meeting was to obtain public comments regarding the proposed tax increase and approval of Resolution #13-18.

Motion by Mrs. Perry to recess the regular meeting and go into the Public Hearing scheduled at 6:00 P.M. Seconded by Mr. Steglich, all in favor.

Mr. Steglich addressed the reasoning behind the proposed tax increase: The Commission feel that the tax increase was inevitable and Daggett County is not the only county in the State of Utah doing this. Most of the cities, towns and counties are raising taxes due to sequestration and the issue of the loss of the Dutch John money has compounded the issue for Daggett County. It is not mismanagement of funds as the current commissioners and past commissioners have done a good job of managing the funds. The county is looking at about a \$500,000.00 deficit which is about 1/6 of the county revenues. They have been looking at making some adjustments that are appropriate for this year. The Commission is hoping that land sales and water lease will prevent more layoffs in the county next year. There are currently 74 full time employees which is 26 less employees than in 2006. There was one employee laid off this year, salaries and wages have been adjusted and insurance reimbursement has been cut in half. Since 89% of the county is Federal and State owned, Daggett County receives a PILT payment which has been extended for one year but we are not sure if that will be continued. The next thing will be to cut services. The county lost \$100,000.00 of SRS funds this year and unless the Federal Government does something soon things will probably get worse. The commission is cutting where they can cut without impacting as much as possible and still take care of the business of the county.

Mrs. Perry stated that she had done a comparison between the 2013 and the 2006 Budgets and the current General Fund budget is only \$70,000.00 more than 2006 Budget. The 2005 and 2007 General Fund Budgets were higher than the current budget.

Butch Johns stated that he is from Rock Spring, WY and owns a home in Dutch John. He is opposed to the tax increase. He lives in Dutch John on holidays and weekends and is working on their home in the hopes of retiring there. Tax increases are hard to swallow and he questions what will happen next year and in future years. A tax increase will make it hard on the local businesses in the county and can stymie any growth. The county cannot spend more than what is coming in. Mr. Steglich stated that the tax rate is as high as it can go as the rate is at its ceiling and upon receiving the water lease he will petition the Commission to lower the tax rate.

Eyvonne Long was present and provided the following comments: She questioned why all the entities take turns with tax increases instead of doing them all at once. Last year the Town of Manila increased their rate by 119% and this year the county is increasing theirs by 129%+. She questions why some taxes are decreasing and others increasing. The market value on their property increased \$40,000.00 this year from last year. They live on a fixed income and there are a lot of others in the community that live on a fixed income and this is a huge burden. Those residents have to learn to live within their income-if they do not have it they cannot spend it and the county should do the same. The county needs to tax everyone accordingly and not show favoritism. Everyone that owes taxes should be required to pay those taxes in a timely manner and if not paid they should be required to make monthly payments. There are approximately 300 people that live in the Town of Manila that pay taxes on 100% of their market value because they are secondary residents. Full time residents pay taxes on 55% of their market value. She questions what would happen if the secondary residents sold out and primary residents purchased that property the county would have a big problem then. There are no amenities for the taxes to compensate the taxes. At the tax hearing held last year it was shown that Daggett County had the highest tax rate in the State of Utah and Mr. Steglich questioned where. After the meeting, Mrs. Long stated that she had been given paperwork regarding this and found out later that the comparison given was not for the State of Utah but other states. Daggett County paid 100% of the insurance for the full

time Daggett County employees and pays a portion for employees that do not take the insurance. Mrs. Long stated that she knows that there are public hearings and the public is asked to provide comments but does it do any good. Mr. Steglich commented that the Commission had gone through statewide tax records and Daggett County does not have the highest tax rate in the State. The following three counties in the State of Utah have a higher tax rate than Daggett County: Emery, Millard and Piute. There are also a lot of counties that have a lot of different taxes that Daggett County does not have. Mr. Steglich stated that the county does not pay 100% of the county's insurance. Insurance will probably be impacted in the budget next year and the reimbursement was cut in ½ this year. The Commission does listen to what the public says to them. Mrs. Perry explained the process of levying taxes as provided to her by Mrs. Pallesen, County Auditor.

Lamar Sayer stated that Daggett County is what is called a receiving county and the State code requires that the county levies a rate of at least .0003 for the Local Assessing & Collecting in order to qualify for the State Wide Assessing & Collecting portion. Daggett County's rate has been higher than that over the last couple of years. For the tax increase, when the county came up with the amount of funds needed, the part associated with the revenue of the assessing and collecting levy was removed from the general fund and put there. Part of the increase in A&C was required because of the Assessing & Collecting levy and part from the county's choice to raise that. He provided information regarding the online tax rate program that the State of Utah created. The 119% is the increase in Assessing & Collecting but that does not translate to a 119% of the taxes. The tax increase is the total of the bottom line of all various tax rates which is around 17%.

Mike Musselman was present and provided the following comments: He is extremely opposed to the tax increase. He is frustrated with the issues in Dutch John and they should incorporate and be the same as Manila. Daggett County is a small community with minimal crime. He feels that upon a deputy retiring, they should not be replaced. The SO budget is an extreme cost to the county tax payers. He does not like to see the jail, the new building or the new vehicles and having to pay for them. Mr. Steglich stated that the Commission did cut the SO in a large way and probably will be cut more next year. Sheriff Jorgensen and himself have been lobbying and hope to add \$75,000.00 in revenues to the budget due to an increase in county inmate reimbursement from the State or \$150,000 for 2014. They are hoping with this the jail will be able to pay for itself and retain the 17 or 18 jobs that the jail provides. Mr. Steglich explained the jail/sheriff budgets and the matter of the amount of crime in the county. Mr. Musselman expressed his concerns with the amount of funds spent on Economic Development. Mr. Steglich addressed the matter of the need for Economic Development in the county and that there is not a dollar for dollar return with Economic Development. The county has gone backwards because there are people that have kept Economic Development out of the county. Every time an idea is brought into Dutch John the people fight that idea. Mrs. Perry stated that the Economic Development budget was cut by 1/3%. Mr. Musselman stated that in the private sector if a business is not profitable they do not exist but the county keeps coming back to the residents for more money.

Mrs. Perry read the letter as sent by Brent Stewart regarding his opposition to the proposed tax increase and the reasoning for this. Mrs. Asay, County Assessor, addressed the method used for evaluating property and improvements. She stated that there is a sales ratio study done each year where the state comes and checks the value that Mrs. Asay has put on property. She has to be within 90% to 110% of market value and if not the State will factor to get to that percentage. Mr. Steglich addressed the concerns as expressed regarding Green Belt. He stated that providing a green belt exemption is state law and if Mr. Stewart wants it changed he needs to go to the capital. Mr. Steglich does not support taking that exemption away from the producers.

Craig Collett was present and provided the following comments: He appreciates the difficulties and knows it is not easy. He is glad to hear that the Commission is doing their homework and is glad to see how close the current budget is to the one in 2006. It was clarified that Daggett County employees pay 3% of their health insurance premium and Mr. Collett stated that his employees pay 25% of their premiums. One of the best ways to encourage economic growth is to keep the current businesses expanding. The last four to five years have been difficult and property taxes can stifle any growth. This proposed tax increase will mean one less employee or less improvements in his business. He does not believe that the county can afford any full time commissioners as

Daggett County is a small county and this is putting a big burden on the tax payers. Public hearings are a formality but it bothers him that Mr. Blanchard was not present in order to hear the comments made today to make an educated decision. A tax increase is a tough thing and it does have an effect on residents which in turn affects businesses. He does realize that there have been cuts in the State and Federal funds and law enforcement which leaves it up to the county to take up the slack.

Tina Bennington was present and provided the following comments: She is one that has been behind in taxes and appreciates the county working with her. She appreciates Mr. Stewart's letter and how he has tried to make his place look good as she also tries to make her place look good and does not know what affect this might have on their property taxes. She has been in the county here for 19 years and on the Economic Development Board and found it very disappointing that many businesses were afraid to bring in more businesses – she is not afraid of competition. She does not want to see taxes go up and is hoping that the Commission is doing everything they can to cut costs and she believes that they are. She believes a lot in Economic Development and hates to see it cut as it is very hard to bring businesses into the county. She questioned why the taxes/value of her property went up this year and Mrs. Asay explained that the Town of Manila was in a reappraisal area this year. All property in the county has to be reappraised every five years. She explained how the reappraisal process works and how she comes up with the market value which is what the property would sale for. Businesses were revalued in 2011 so the value on Mr. Stewart's property should have stayed the same for 2012 and 2013. She believes that things are being done to keep the costs down as much as possible and that the Commission is doing a good job and wishes that Commissioner Blanchard would have been present.

Mr. Sayer stated that Mrs. Asay by state law has to be within 90 to 110% and she is on the bottom half and fights to keep the values as low as possible so she does not get factored. The new growth for Daggett County was \$4M which is not very high.

Mr. Steglich stated that the Commission will allow for 15 minutes for conversation and end the meeting at 7:30 P.M.

Mike Mussleman stated that he tries to take pride in his place and he pays a lot for water. He suggests that those that do not keep their place nice should be taxed higher and those that do should get a break and should try to get a grant for secondary water for citizens. Mr. Steglich stated that Sheep Creek Canal Company is piping their water system with federal money. He had petitioned the Sheep Creek Canal board to include in the piping system for a secondary water system and the county had the water. The Commission cannot get things accomplished without the residents working together. It is not the right of the Commission to dictate how a resident landscapes their property.

Mr. Sayer stated that this year the total value for Daggett County was between 260 to 270M and with the reappraisal this year there was only \$1M in the Town of Manila.

Sheila Williams stated that the water problems as mentioned are nothing as they should try being without water day in and day out and still pay the bill. She stated that she works in this building and she has concerns with people that are being paid a full time salary and are never here. There are people that are paid to do a certain job and never do it. She comes to work and does a full day's work as she does not want to stiff any of the taxpayers. She has pride in her work and is always willing to help out. She does not take any false wages and there is way too much of it going on in this county from everybody.

Jim Williams stated that he has a question on the numbers. When the meeting was opened the current budget was stated as being at a 2006 level for the General Fund. He questioned why not include all the budgets as it makes it sound better to just use the General Fund Budget and questioned what the revenue was for that year. Mrs. Perry stated that the revenue in 2006 was \$2,817,876.00 and the estimated revenue for 2013 is \$2,500,559.00. He then questioned where has the revenue been lost and Mr. Steglich replied that was from PILT and SRS funds. Mr. Steglich stated that if there had been full time commissioners 15 years ago, the county would have been down the road further. He stated that the full budget is less than in 2006 because the Sheriff is operating with four less deputies and the Sheriff is filling two positions (Sheriff & Jail Commander). Mr. Williams then stated that we all have a budget and the Commission has to cut and those cuts hurt. Mr. Steglich stated that they have a balanced budget for this year and there is money in the fund balance that is not used every year but can support the county for a minimum of one year or in case of an emergency.

Mr. Steglich stated that the Commission appreciates the comments that have been made this evening and thanked those for attending.

Motion by Mrs. Perry to adjourn the Public Hearing and go back into the regular session at 7:35 P.M. Seconded by Mr. Steglich, all in favor.

Motion by Mrs. Perry to approve to adopt Resolution #13-18, A RESOLUTION ADOPTING FINAL TAX RATES AND BUDGETS and to raise the taxes as advertised. Seconded by Mr. Steglich, all in favor. Mr. Steglich reported that Commissioner Blanchard supported this 100%. Both Commissioners Steglich and Perry stated that upon being able to turn the situation around, they supported reducing the tax rate again. The County Auditor's office had provided an Open Invoice Report in the amount of \$6,540.45. Upon review and discussion, motion by Mrs. Perry to approve the Open Invoice Report as provided. Seconded by Mr. Steglich, all in favor.

With no further business the meeting adjourned at 7:40 P.M.

/s/ Vicky McKee

/s/ Jerry Steglich

/s/ Karen Perry