

Minutes of the regular meeting of the Daggett County Commission, Tuesday, May 13, 2014. All members were present. Vicky McKee, County Clerk, was present as board secretary. The meeting was called to order at 9:00 A.M. by Mrs. Perry, Board Chair.

Also present were: Buddy Rogers, Tammy Twitchell, Gayle Wernsing, Cameron Potter, Daphne Slagowski, Carol Holmes, Brian Raymond-Economic Development, Cindy Keller-Deputy Auditor/Recorder and Jack Lytle.

There was no one present with old business nor citizens comments.

The minutes of the May 6, 2014 meeting were provided by the County Clerk's office for review and approval. Mr. Steglich questioned the amount of the Open Invoice report from that meeting and it was determined that the amount as listed was correct. Upon review and discussion, motion by Mr. Steglich to approve the minutes as presented. Seconded by Mr. Blanchard, all in favor.

The Open Invoice Report was provided by the County Auditor's office for review and approval in the amount of \$51,893.39. A revised report which was presented which included the Credit Card amounts for James Olsen, Brian Raymond and Jerry Steglich. The Open Invoice Report was reviewed and discussed. Mrs. McKee addressed the concern from the District Court with the invoice from the Law Office of Court Klekas in the amount of \$130.32. Mr. Lund addressed the issue of the billing from Attorney Klekas and based on his information the matter is the county's responsibility. Mr. Steglich addressed the amount of the billings to the county for the Dutch John utility billings and was advised that each of those accounts is billed to the county monthly. Mr. Blanchard questioned the billing for the white wood and stain coded to the Capital Improvement Fund and Mrs. Perry stated that was for the benches that the inmates are building and Mrs. Pallesen had coded the invoice to that number. Mr. Blanchard expressed his concern with the price paid for the purchase for the ambulance for aspirin and ibuprofen from Moore Medical and Mrs. Twitchell stated that there are only minimal locations to obtain individually wrapped meds. Mr. Steglich questioned the invoice from Union Telephone which contains two invoices for the camera broadband as the county does not have service for the camera as of yet and they should not be billing the county. Mr. Steglich will contact Union Telephone regarding this. Motion by Mr. Steglich to approve the Open Invoice Report with the exception of the invoice from the Law Firm of Court J. Klekas II in the amount of \$130.32. Seconded by Mr. Blanchard, all in favor.

There was no correspondence provided to the Commission for the meeting.

Cameron Potter and Daphne Slagowski were present representing the High School Rodeo Club. They thanked the Commission for their sponsorship and presented a participation plaque to the county.

The following business license applications were presented for review and approval by the County Clerk's office: American Towers, William Birmingham, Boyd's Coffee, DishNet Satellite Broadband, KW Construction, Clark Sabey and T&A Specialized Electronics. With no questions or concerns, motion by Mr. Blanchard to approve the business license applications as submitted. Seconded by Mr. Steglich, all in favor.

Tammy Twitchell was present representing the Town of Manila Planning & Zoning Board. Brandon Tinker has submitted a request for a business license to the Town of Manila and upon further checking it was determined that the location of the

business was actually ½ in the town and ½ in the county. The Town of Manila is requesting that the Commission consider granting a waiver on the requirement for Brandon Tinker to obtain a business license in the county. Upon review, motion by Mr. Steglich to waive the business license for Brandon Tinker as requested. Seconded by Mr. Blanchard, all in favor.

The Commission received the following recommendation from the Planning & Zoning Board: Travis and Shannon Pearce have submitted a request to the Planning & Zoning Board to amend the Flaming Gorge Acres Subdivision by combining their lots. The recommendation from the Planning & Zoning Board was for approval of amending the Flaming Gorge Lake Meadows Subdivision plat by combining lots 163 through 167 and lots 168 through 172 and creating two (2) lots containing .55 acres. Motion by Mr. Blanchard to approve the recommendation by the Planning & Zoning Board and to approve for the scheduling of a Public Hearing to be held on Tuesday, May 20, 2014 at 10:00 A.M. Seconded by Mr. Steglich, all in favor.

Motion by Mr. Steglich to go into the Redevelopment Agency portion of the meeting at 9:20 A.M. (In & Out). Seconded by Mr. Blanchard, all in favor.

Mr. Blanchard stated that he has had two property owners on guide row request to purchase the property that their trailer sits on and to be provided the subsidy based on their income that Mr. Mangum had worked under. He made a recommendation to the board that there was consideration of the possibility of doing this and to work through the issues and requirements. The matter was reviewed and discussed. Buddy Rogers questioned if one of the requirements had been that a permanent structure be installed on the lot and was told that had been one of Mr. Mangum's requirements. Mr. Steglich stated that one concern was how does this fit into the master plan as the county had wanted that area cleaned up and the trailers gotten rid of. Mr. Raymond stated that the last incentive had included to build a stick building but it might be wise to adjust that incentive and allow something other than that and through the RDA it can be adjusted to accomplish what the county wants. Mr. Rogers stated that the incentive could allow a manufactured home but on a permanent foundation. Mr. Blanchard stated that since those building a home can live in a camp trailer for one year, he had considered this as an option for those building a home. Mrs. Perry stated that she feels this is a good idea and an option could be for them to live there for the cost of their utilities while building and to move the trailer off. Time frame for completion of the project was reviewed and discussed. Mr. Steglich would like to see an official proposal as to how it can be laid out and for Mr. Blanchard to work with Mr. Raymond and Mr. Lund and others on getting this submitted. The matter was reviewed and discussed.

Motion by Mr. Steglich to recess the meeting until the 10:00 A.M. for the Public Hearing. Seconded by Mr. Blanchard, all in favor.

The regular meeting reconvened at 10:00 A.M. with those listed as present still in attendance. Motion by Mr. Steglich to adjourn the regular meeting and go into the Public Hearing scheduled for 10:00 A.M. to obtain comments regarding the 2014 Budget Opening, 2014 Budget Adjustments and Amending Daggett County Ordinance #13-23 Affixing Salaries of the Elected Official and Statutory Offices of Daggett County. Seconded by Mr. Blanchard, all in favor. Mr. Steglich stated that the reason for a full time Commission was to get people to run for Commissioner with a full time desire to serve the county and be committed to it; to put the needed time into it for development of

the county and to get revenues into the county. Those running for Commissioner in the past and present are wanting to mold the position to suit them and he does not think it is fair to the citizens to be paid a full time wage when no one wants to have a full time Commissioner. Mr. Blanchard stated that the public does not feel that the Commission position is a full time position. The issue of the hours spent for a part-time and full time Commissioner was discussed. Mr. Steglich recommended to take the position back to a part time position per say. Mr. Blanchard stated that he has a different view of this and he is in support of taking the wages back to part time but he will not be cutting his time. The Commissioners coming in will put as much time in as they feel they need to and can. He took the job knowing he was going to put the time into the position and will continue to put the time in. Mrs. Perry stated that the county writes letters, pays UAC and she feels that there are too many meetings and sometimes it is pointless and a waste of money. The county needs to get people here and see what the county's issues are. She is all for cutting the Commission wages and still doing the work that needs to be done. The destination for the funds from the Commission decrease in wages was reviewed and discussed. Mr. Blanchard addressed the matter of the fund balance in the Economic Development Fund being covered by the General Fund Balance which was reviewed and discussed. The salary amount for the Commission in comparison with comparable counties was reviewed and discussed. The Public Hearing was opened for Public Comments.

Gayle Wernsing stated that when Dutch John is incorporated, it will relieve some of the responsibilities that the Commission currently has. Jack Lytle addressed some comments: He has never considered the position of Commissioner as less than a full time job and he would support it going to more of a part time pay recognizing it is a full time job. With regards to the use of the money savings, he suggested looking at both the program part and people part of the budget when making that determination. He expressed his concern with the funding for the weed program as it has not been functioning in the past and Mr. Blanchard provided an update on the great improvements to the Weed Program. Mr. Lund stated that Mr. Lytle's comment was to remind the Commission when considering what to do with the money it should not just be for the employees but to remember programs as well. Mr. Steglich explained that they were looking at the matter of transferring money from one fund to another and Mr. Steglich explained the matter of the State of Utah requiring each county to have a fund balance or an amount in reserve in the General Fund that is equal to the amount of property taxes for one year. The matter of the fund balances was discussed and the Commission explained the budgeting process to those present. It was determined that with Mrs. Pallesen being absent from the meeting, the Commission could hold the public hearing but not approve either of the resolutions. Mr. Lytle questioned what other changes the Commission was anticipating with the budget opening and Mr. Steglich explained that they were looking at transferring money that had been budgeted in 2013 from the Capital Improvement Fund into a Daggett County RDA Fund and combine the two RDA Funds (Fund 21 and Fund 25). They were also going to move \$40,000.00 to be used for mountain biking as a match on a State Grant for trail development and signage. The Commission provided information regarding the mountain biking program and various grants that have been researched. Mr. Steglich stated that there are a lot of people interested in Daggett County and at a recent conference Daggett County was the focus. The matter of the Forest

Service budget restrictions and their plans of closing campgrounds were discussed as to the affect on the county. Mr. Rogers questioned if there was anything that the county can do to deal with the Forest Service closing campgrounds. The Commission provided information to those present regarding the Rob Bishop Land Exchange and the areas in the county that will be affected. Mr. Rogers recommended for the county to keep the SITLA land in Clay Basin with the findings from the new drillings that has been done. Mr. Steglich addressed the concern with the Sage Grouse being declared as endangered and the affect it could have on SITLA lands. Mr. Lytle stated that does not necessarily mean there would be a concern but any federal ownership will make it more cumbersome. The matter of federal lands and a possible exchange was discussed. Mr. Steglich reported that there is a public meeting at the Salt Lake County Library at 7:00 P.M. Wednesday night for a debate regarding ownership of the federal lands. Mr. Lytle stated that dealing with SUWA he knows that they will never be your friend unless you give them what they want. Mr. Steglich reported that there is a meeting scheduled for June 10, 2014 with Grand Canyon Trust, SUWA and the Utah Wilderness Society which will include a tour of proposed wilderness sites. With nothing further, motion by Mr. Steglich to go back into the regular session at 11:00 A.M. Seconded by Mr. Blanchard, all in favor.

Motion by Mr. Steglich to table the matter of approval of Resolution #14-10, Revised Ordinance Establishing 2014 Salaries and Resolution #14-11, Revised 2014 Budget until next week. Seconded by Mr. Blanchard, all in favor.

Christine Richman, GSBS-Richman Consulting, was present to provide the Feasibility Study Report for the proposed Dutch John Incorporation to those present at the meeting. She stated that she was here to provide the basic overview and answer questions regarding the final report. The bottom line is that the analysis based on the statutory requirements for a financial feasibility study prior to incorporation of a town in the State of Utah shows that given the assumptions made; it is viable to incorporate the Town of Dutch John under the conditions that were assumed in the analysis. The revenue assumptions is that there will not be a new property tax, the Town of Dutch John will collect the Local Option 1% Sales Tax, will also impose an additional 1.1% Resort Community Sales Tax and the business license revenue. The expenditure assumptions are required to be for a very specific expenditure category and those categories are as follows: 1. Culinary Water-there is currently a Dutch John Water System and the analysis assumes that the water system will be operated by the Town of Dutch John. 2. Secondary Water System-there is not currently a secondary water system in Dutch John. 3. Sewer-there is currently a Dutch John Sewer System and it will be operated by the Town of Dutch John. 4. Law Enforcement-is currently provided by Daggett County Sheriff's Office. Law enforcement was looked at in several different ways but the final assumption was that law enforcement would be looked at the same way as it is for the Town of Manila. The Sheriff's Office will enforce all state and local ordinances but will not enforce any ordinances imposed by the Town of Dutch John. Law Enforcement costs for Dutch John will be funded by local taxes and the town's portion of Liquor Control funds. The analysis reflects a 5% surplus over five years. Based on other conversations, Ms. Richman also provided a cost in appendix if Dutch John paid the county for law enforcement services both populations based and acreage based which reflects a 19% deficit reflected by population and 3% surplus by acreage. 5. Fire Protection- this is

currently handled through the Daggett County Volunteer Fire Department with the current operating costs to Daggett County for the volunteer fire department being \$7,550.00. Daggett County and the Town of Manila are currently discussing a Fire District. Fire protection is calculated at the population basis so that assumes that Dutch John will pay a portion for the fire protection. 6. Roads & Public Works- Road costs in Dutch John are captured in Fund 29 which was taken directly and averaged. Some expenditures for various buildings in Dutch John did not come over but the costs did include equipment maintenance at \$10,000.00. There was nothing included for equipment as that is a capital outlay costs not an operating cost. 7. Garbage Collection- currently provided by contract and should continue. 8. Weed Eradication- weed spraying and lawn care actual costs are provided. 9. Government Offices- assumed that the annual budget would be \$78,400.00 which includes one employee and the overall operating costs. This is partially based on expenses in Fund 29 and comparing that cost to what it costs other comparable towns to operate. This reflects \$537.00 per person costs for government. Upon adding all the assumed revenues and subtracting the assumed expenditures there is an almost \$13,000.00 surplus of revenue in the first year growing to almost \$18,000.00 in year five. The statute requires to call out the impact on households of any new taxes that might be imposed upon incorporation. There is no new property taxes assumed, there is a transfer of the county's 1% local tax to Dutch John. The only new tax is the Resort Community Tax which is 1.1%. It is difficult to calculate how the impact would be on the households from this. The total revenue to come into the Town of Dutch John with the Resort Community Tax is \$47,000.00 or \$824.00 per household. Ms. Richman requested any questions regarding the assumptions in the study. Mr. Steglich voiced his concern with the assumptions for all of the hidden costs. Mr. Blanchard stated that he has real concern with the figures as in Fund 29 it is costing the county \$118,000.00 this year versus the \$78,000.00 that is shown in the study. Ms. Richman explained that the employee situation remains the same (one employee in Fund 29 and one in maintenance) and the expenses for employees are spread in all the expenditure categories. The matter of imposing a property tax at a later date or finding additional revenues was reviewed and discussed. Mr. Steglich questioned if there is an incorporation and the town fails what happens and Ms. Richman provided options of finding additional revenue. The matter of imposing a property tax at a later date or finding additional revenues was reviewed and discussed. They could decide they did not want to be a town anymore. Mr. Steglich questioned how often does Ms. Richman see the property taxes go up and Ms. Richman stated that most communities wanting to incorporate choose to impose a property tax. Mr. Steglich thanked Ms. Richman and stated that she had done a very good job on the project. Mr. Rogers questioned if the statute shows that if the Town of Dutch John ends up with a surplus can the county come back and request money back. Ms. Richman explained that if the value of property in Dutch John goes up the county will benefit from that. The county will no longer receive the 1% sales tax only the ¼ % county sales tax. Mr. Blanchard stated that the area for incorporation has been drawn but the ownership has not nor has the ownership of the equipment been determined. Mr. Rogers questioned if the incorporation of Dutch John would have happened ten years ago should not the federal funds have been factored into this study and the matter was left unanswered. Mrs. Perry stated that the document goes by percentages and she feels that it would have been divided for administrative costs.

Ms. Wernsing stated that she had understood that incorporating Dutch John would mean all the property went to Dutch John. Ms. Richman explained that incorporation does not mean that the ownership automatically changes from the county. Ms. Richman explained the code stated that upon a financial feasibility study showing there is a 10% surplus or more that would need to be reported to the Lt. Governor and would not be able to hold an election. This is to keep from there being a revenue grab. She is not required to report a short fall. Ms. Richman requested to have a projector for the Public Hearing on Friday evening. Motion by Mr. Steglich to approve the petition for Dutch John Incorporation. Seconded by Mr. Blanchard all in favor.

With no further business, the meeting was adjourned at 12:10 P.M.

/s/ Vicky McKee

/s/ Karen Perry

/s/ Jerry Steglich

/s/ Warren Blanchard