

MINUTES of the work session of the Uintah County Commission held **June 10, 2024** in the large Commission Conference Room of the Uintah County Building at 152 East 100 North, Vernal, Utah. Meeting commenced at 9:01 a.m.

PARTICIPANTS: Commissioners Sonja Norton, John Laursen and Brad Horrocks.

ATTENDANCE: Mike Wilkins, Ken Campbell, Willis LeFevre, Steve Evans, Anna Billings, Dan Dilsaver, Cindy Dilsaver, Dan Mortensen, Chris Laris, Danette Brooks, JC Brewer, Tammie Mecham, Barbara Simper, Zeke Atwood, Bunnie Smouse, Brian Gorum, Travis Campbell, Jon Stearmer, Deanna Nyberg, Matt Cazier, Becky Richards, Wendi Long, Brenda McDonald, Ryan Mattson, Jess Hermann, Crystal Clark, Jo Gardner, and Louise Thompson.

Minutes recorded by Tai Duncan.

WELCOME: Commissioner Laursen welcomed everyone to the meeting.

1. UTAH INDIGENT DEFENSE COMMISSION TITLE IV-E CONTRACT – Becky Richards, Public Defense

This is the renewal of an agreement between the County and the Utah Indigent Defense Commission. The contract is for legal representation of parents with children in foster care. This has been used in the past to implement help with social workers and evaluation costs. The agreement is for five years, running July 1, 2024 – June 30, 2029. The County will be reimbursed for 50% of allowable administrative costs as per Title IV-E restrictions. There is a special calculator that determines the amount via the penetration rate.

2. REQUEST TO AMEND UNTAH COUNTY RIGHTS-OF-WAY: unnamed dedicated rights-of-way: Bryan Rhoades – T2S R2E Sec 18: vacate alley ways on the north and east side of property at 9671 E Highway 40, Gusher – Deanna Nyberg, Community Development

Commissioner Laursen noted this item has been stricken from the agenda. Matt Cazier, Community Development noted the item must be on the agenda tomorrow as it has been a duly published public hearing.

3. ORDINANCE #06-10-2024 O1: Class D Road Vacation: Bryan Rhoades – T2S R2E Sec 18: vacate alley ways on the north and east side of property at 9671 E Highway 40, Gusher – Deanna Nyberg, Community Development

This has also been stricken from the agenda. Jon Stearmer, Deputy County Attorney, noted the Commission could place the two items on tomorrow's agenda. They are not complicated they just have not had the time to prepare the map. The public hearing will have to be held tomorrow. Commissioner Laursen agreed to place them on tomorrow's agenda.

4. ACCEPTANCE OF THE ROAD WITHIN THE HYDE AWAY LANE SUBDIVISION – Matt Cazier, Community Development

This subdivision is off 1500 W and south of 1500 N. The road is 1290 N. The plat has been approved and recorded. They have received confirmation from the Road Department and Fire Marshall that they have taken care of everything and it is ready for acceptance. Not all of the sidewalk is in, they will be adding it as they build. There is a bond in place for that. The affidavit accepting the road would be recorded. Matt responded to the question regarding any concerns. There was a drainage concern where the road ties into 1500 W but that has been rectified and has been approved.

Commissioner Norton noted the public is welcome to ask any questions throughout the work session meeting, that is its purpose.

Matt also noted the Boundary Commission appointment needs to be on the agenda tomorrow.

5. 2024 CERTIFIED TAX RATE DISCUSSION – Mike Wilkins, Clerk-Auditor

The taxes are tracked in three categories: Real or locally assessed, personal property, and centrally assessed. Locally assessed values increased from \$2,500,727,743 in 2023 to \$2,857,849,474 in 2024. This increase is due to reappraisal and new growth. Centrally assessed values changed from \$2,762,014,274 in 2023 to \$2,801,387,729 in 2024. There is no new growth as the change in code doesn't go into effect until next year. Once that change takes place, the State will average the three prior years and compare to the current value to determine any new growth. Had that gone into effect this year, we would see an increase of around \$500,000 in new revenue. The proposed tax rate value, total values less the tax rate adjustments, would be \$5,641,223,327.

The certified tax rate last year was 0.001490 and the certified rate this year is 0.001385. This is the first year, in more than 30, that Mike has seen locally assessed values higher than centrally assessed. The power plant doesn't contribute as much value as it used to. Commissioner Horrocks wants the values reviewed and questioned what procedure needs to happen to do so. Commissioner Norton noted there has been discussion about holding the State Tax Commission accountable and we need to have the hard discussions with the legislators. Jon noted while the power plant is a big player, the biggest hit comes from the refunds ordered by State Tax Commission for appeals. There are discrepancies on how they are evaluating values of centrally assessed and mistakes are being made. These issues come to the local taxing entities to pay for, the Tax Commission is not held accountable. If local appeals were happening all the time, we would have cause for concern. There are appeals and the Assessor works them out. The County has refunded tens of millions in value over the last seven years. These industries and companies have powerful lobbyists; therefore, the laws are pro industry and adversely effecting the local governments and districts. There should be a balance. There was discussion regarding Utah being a non-disclosure state. When a centrally assessed property is sold, they do not have to disclose the amount. We are also a self-reporting state. This is an issue that does not have an absolute solution. The Tax Commission needs to support the values they have put on centrally assessed properties unless the owners have support of another value that can't be disputed. Property taxes paid by citizens does not all go to the County, only about 25% does. The rest is disbursed to other taxing entities within the County such as the School District and Mosquito Abatement, among many others. When the Tax Commission folds on a centrally assessed appeal, this costs all the taxing entities. Considering the amount of oil and gas industry in our area, there is no reason our locally assessed value should be higher than centrally assessed. When the centrally assessed values decrease, the burden of taxes falls more heavily on the locally assessed. Commissioner Horrocks would like the Tax Commission to hire more qualified individuals. Jon agreed but noted the State cannot pay what the private sector can. They can hire quality individuals and train them well and then the private sector offers more money and steals them away. This happens in attorney offices across the state as well. There are many pieces to this problem and we have to start hitting harder with meetings with the Representatives and Senators – our voices must be heard.

Commissioner Norton asked Barbara Simper, Assessor, to take a moment to explain centrally assessed. Barbara noted centrally assessed properties are industry and businesses that cross county lines such as oil and gas. Simplot is one of many centrally assessed companies. The State collects the data and sends the value to the County to collect the tax. Locally assessed properties are assessed by appraisers here in the County. These include commercial, homes, land, etc. Telecom was changed two years ago and goes through a different system. The nondisclosure issue really is a problem. The State doesn't get the sale information for these centrally assessed properties so the value assessed is not as accurate as it could be. They often provide proof of a much lower value than it sells for. Any push in legislature to change this fails. Any hearing regarding disagreement for value, centrally assessed and locally, requires both sides to provide proof of the value they determined. Uintah County is the second largest centrally assessed County in the state; Salt Lake County is first because of Kennecott Copper.

As requested, Mike noted last year's revenue due to taxes was \$7.7 million. With the adoption of the certified tax rate, we will receive \$85,398 in new growth. The proposed allocation would be an additional \$50,000 to TriCounty Health. Tort Liability and Flood Control will not need any additional contribution

from the new growth. The proposed would allocate the remaining new growth to the Library. Mike recommended adoption of the certified tax rate of 0.001385. This would result in revenue of: \$5,437,000 for General Operations; \$1,441,000 for the Library; \$33,900 for Flood Control; \$400,600 for Tort Liability; and \$500,000 for Health with a grand total of \$7,812,500. He also recommends the certified rate of 0.000449 be adopted for Assessing and Collecting; a revenue of \$2,558,407. Tort Liability pays the liability insurance for when the County receives a suit. It is not enough but it is recommended to collect at the maximum allowable rate. Indemnity insurance is extremely expensive. This is why the changes to contracts at the Conference Center and Western Park are being made.

Commissioner Horrocks asked Commissioner Laursen if TriCounty Health was still putting \$200,000 a year in savings. Commissioner Laursen did not know but would look into it. The collection for Health is a per capita share. Commissioner Horrocks noted he felt the dollar amount being charged to the citizens was too high if money is going into savings. Commissioner Laursen did note the buildings are aging and require additional upkeep as well as the dental clinic. He also noted the \$7 million looks good but any centrally assessed refunds come out of that revenue. Wendi Long, Treasurer, added the most recent refund was \$600,000. These have to wait until the taxes come in in November. There is another large refund in the works and will be one of the biggest refunds to date. Mike also added there was a large refund several years ago but they had agreed to allow the County seven years to pay it back. It would have been detrimental to the other districts to pay in one year. If a company will not agree to spreading out the payment, the County may be required to do a judgment levy. For example, if a \$3 million refund is required, the other districts may have to pay in rather than just see a decrease to their disbursements. Instead, Mike would recommend a judgment levy be assessed. This would mean the company receiving the refund would also have to pay into that judgment levy; essentially paying themselves a portion of their refund.

Commissioner Norton stated it is important to note the rate changes so the County can collect the same amount of taxes as the previous year plus the new growth. The fluctuating rate allows the collection of the same revenue regardless of the value. If we do not collect the certified tax rate, we reduce the amount of revenue, ongoing. We cannot collect more revenue than the previous year, excluding new growth. Five years ago, the revenue was close to \$13 million. The certified tax rate was not adopted so the revenue decreased to \$7 million. We can no longer collect more than that without truth in taxation. Ryan Mattson, IT, added there are 233 centrally assessed companies and that value is \$2.8 billion. There are 20,000 locally assessed that result in a value of \$2.8 billion. Commissioner Laursen also added it is difficult to know when a centrally assessed refund may be required and that makes budgeting even more difficult.

6. COUNTY FORM OF GOVERNMENT DISCUSSION

It has been brought to the attention of the Commission that there are individuals who want to change the form of government. Anna Billings clarified they are not seeking a change at this time, they want a study done to determine what may be the best form of government for our county.

Dan Dilsaver took a moment to explain. The State Code allows for five options for County Government; such as four or five part-time council members and a County Manager. There are several reasons to review, such as better representation. It may also take stress off the Commissioners removing the administrative side allowing them more time to work on the executive side of things. A study is necessary to determine what form of Government may work best; a change may not be beneficial. They are not trying to run anyone out of office they understand this may take years to process. They want to keep it a positive informational experience. There are other counties with different forms and it will be important to learn from their experiences. We know what we have now, what are the other options. Commissioner Horrocks asked what the study would bring about. Dan responded the County would vote to form a committee of five with a secretary and an attorney to gather information. They would create an optional plan for the Commission to review within a year for placing on the ballot for a vote. It will take a little money and a lot of time. He knows of many who would volunteer their time to gather data and survey community members. The County will need to provide a place for the committee to meet and a secretary.

Commissioner Laursen has reached out to other counties and their studies cost around \$100,000 to complete. Dan noted that is more expensive than he considered. Inflation does not help. Anna asked if those other counties offered more detail about what the funds were used for. Commissioner Laursen understood they used an external firm that had no bias. That does increase the cost but also removes the bias. Dan would be happy to volunteer and knew of others who would volunteer as well. He also said if he felt it would not be a positive option to change, he would not approve it. Commissioner Norton wants to learn from the past as well and would like to see the information obtained when this was considered previously. She also wants to hear from the public before any money is spent. Dan agreed that would be a good idea.

Jon Steamer noted there are two ways to initiate the study; the County Commission can drive or the citizens can. The information would be the same at the end of the study. From the Attorney's office perspective, the County is his client. He does not see any upside to spending taxpayer dollars on this study. "Uintah County" is not a positive term within our County and hasn't been statewide for the past six years. The public has every right to review another form of government, and he encouraged them to do so if they felt it necessary, but it should be driven by the public. They can do the study and present it to the voters. The Attorney's office has no legal opinion regarding the form of government. He does not see any political or goodwill upside for the County, his client, to take on the responsibility of conducting the study.

Tammie Mecham, citizen, expressed concern. Commissioner Horrocks has complained for months about the increase of taxes and money wasting. Including not rewarding current employees for merits of service. Yet this proposal of a new form of government could increase expenses with a manager and additional board members. She disagrees with the County conducting the study, it would be a waste of money. She also noted there are many companies, including Strata, who reward their employees. Joe Gardner argued that he did not receive a service award at Strata. She noted it is not always monetary.

Dan asked for clarification that this will not be addressed on the agenda tomorrow for a vote. Commissioner Laursen responded that is correct. They will consider it and let them know. Commissioner Norton wants to do another public meeting before they decide. Dan noted it is a process and they want to follow it. Commissioner Laursen expressed appreciation for the attendance today; it is the purpose of the work session.

7. CLOSED SESSION for the purpose of discussing pending or imminent litigation

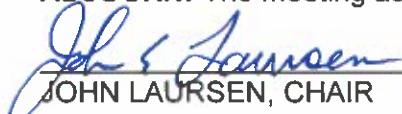
At 9:48 am Commissioner Norton moved to go into Closed Session for the purpose of discussing pending or imminent litigation and for the purpose of discussing the purchase, exchange, or lease of real property when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the public body from completing the transaction on the best possible terms, in the small conference room and when discussion is complete, adjourn and reconvene Commission meeting in order to adjourn. Commissioner Horrocks seconded. Motion passed unanimously.

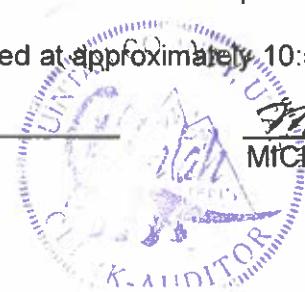
Closed Session began at 10:02 am with Barbara Simper, Wendi Long, Mike Wilkins, Brenda McDonald and Jon Steamer present.

8. CLOSED SESSION for the purpose of discussing the purchase, exchange, or lease of real property when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the public body from completing the transaction on the best possible terms

Closed Session began at 10:24 am with Travis Campbell and Matt Cazier joining.

ADJOURN: The meeting adjourned at approximately 10:51 am


JOHN LAURSEN, CHAIR




MICHAEL W. WILKINS, CLERK – AUDITOR