PUBLIC HEARING ON THE FY2027 PROPERTY TAX INCREASE
WEDNESDAY,AUGUST 12th, 2026 AT 6:30 P.M.
CASTLE VALLEY COMMUNITY CENTER - 2 CASTLE VALLEY DRIVE
****This hearing was a hybrid meeting held electronically by Zoom and also in person at the anchor site of the Town Building.**

Council Members Present: Mayor Duncan, Council Members Gibson, Hill and O'Brien.
Council Present on Zoom: None
Absent: CM Holland
Present at the anchor site: Dorje Honer, Colleen Thompson, Egmont Honer, Ron Drake, George Holling, Don Montioya Ruth and Dennis Brown, Bill and Wendy Gustin, Greg Haliday and Norman Llewellyns.
Others Present on Zoom: Dave Frey.

Public Hearing on the FY 2027 Property Tax Increase

M Duncan called the Hearing to Order and Buck called role at 6:30 PM.
M Duncan read the following to the audience:
an increase to its property tax rate from .000864 to .001193 to generate an additional $75,000. The following information is intended to provide decision makers and the public with an explanation of how the Town's operations would be affected if the proposed property tax increase is adopted.

Town of Castle Valleys Current Property Tax Rate	.000864
Town of Castle Valleys Current Property tax income	$134850
Proposed Revenue with Tax Change	$209,850
New Property Tax Revenue to Castle Valley	$73,666

Estimated Increase to the Town of Castle Valley's Property Tax Revenue 54.04%

M Duncan opened the Hearing for Open Public Comments:
George Holling you propose to raise taxes you already had a substantial increase last year because evaluation went up that is a win fall, now you seek another 50%.
First thing you list a median home price at $500 K there isn't a house in Castle Valley that sells for that more like between $850-K-1.5 million the median here is probably closer to $950 K that increase that you publish is going to be much large for every property in the Valley, that is a little deceptive we need to do that before we do any homestead exemptions.
Now you seek to double taxes revenue from 2021 meanwhile property values have about doubled. My main concern is Castle Valley Drive is going to be due for major repair and replacement in the near future and you are probably going raise taxes again because you don't have the revenue to support that. Meantime we are wasting tens of thousands of dollars on bias water studies and test wells that will benefit only a few and probably no one here in the Valley because they are not scientifically based. We are doing extensive road repairs on dirt road like the one that lead to the Upper eighties and that has a limited short life that only benefit only a few residents we need to remember people buy these lots at a discount and then they expect the same service other parts of the Valley have .
When you live in Castle Valley, one thing that I strongly feel about, we are a rural community, we are not a city, we don't have blacktop roads everywhere, so you need to consider four-wheel drive as a must. We had that in Salt Lake County when I was president of a homeowners association. That is what we told people, it rains, it washes, and you-you can't drive your normal road car, your minivan or whatever Teslas, whatever they are, through those roads. You need a rugged vehicle .And people who want to live in this community must be aware that some services are simply not economically feasible in, except it or don't move here, that simple. In any case, I don't see any foreseeable end to the town's need for additional revenue, especially the road maintenance. Many of the old residents that live here on a

Fixed income, and they simply can't afford these continued increases, both from the county and the town, it is a big burden that we need to be aware of. And therefore, I consider that, unacceptable. The town sort of brought that upon themselves when they took over the road maintenance from the county. It was about the dumbest thing that was ever done, but some of the people in charge at the time and so on here had a vested interest they thought they could do better than the county and we get punished for it now. I think we need a look at the road maintenance, rather than increase taxes, bring our costs down. I noticed the Lazaris Lane has been regraded and regraveled, partially regraveled a few times personally I don't think it is necessary because you reach our driveway and it is muddy and non-drivable, as ever. So I think we need to strike a balance that everyone needs to live with, and maybe rather than just increasing the taxes, look at what we can do maintenance-wise, what is necessary and what is not. You know, having a town, as you, everyone here knows my opinion, I love the people I am dealing with, they are great people, but what is in it for me? You know, I pay all these taxes and what additional services do I get, other than a couple of notaries a year, probably not much. So the whole effectiveness of being a town needs to be evaluated. Can we do that? And if so, we need to do a long-term plan and not just a one-time tax increase. What do we offer people? And there are some things that we would, offer, protection against overbuilding, but that can be achieved in other ways if you wanted to. And if we had no property taxes, Castle Valley taxes, the average owner of an $850,000 home would save $440 a year before and $640 a year after the proposed tax increases. And the county, we already pay for maintenance, so I personally see, don't see a lot unless we reinvent the town, and maybe that is doable, but absence of that. One final closing point, and I know I am probably over my three minutes. In 2026, South Hadley, Massachusetts, proposed a property tax for a hike of fifty percent, that would have been phased in over several years, not over one, and the voters rejected it by sixty-five to thirty-two and four percent. The largest increase is Utah, is in Draper, twenty-five percent increases for the 2026/27 year. So Castle Valley stands out in that request. Maybe we need to look at services phasing it over several years, but a one-year tax increase of that magnitude is a bit of a burden on the community.
Mayor Duncan Thank you, George, Don, would you like to go next?
Don Montoya Has the town looked at alternative funding sources? Rather than a tax increase if so, what is the feasibility of that?
Mayor Duncan: Like what alternatives? We definitely have been using grants this past two years to do a lot of projects that we have done. Unfortunately, to do anything, if you don't have money in the bank, the grant wouldn't have even existed for us if we couldn't have paid for it and then been reimbursed. So if we don't have capital projects money in the bank, you can't even use those resources.
CM Hill we received over $500,000 for the Culver project
Don Montoya: So grants are another source.
Mayor Duncan they can be, but if you don't have money to pay up front the grants are all based on reimbursement.
Don Montoya: Not necessarily. What about restructuring the tax income Draper was mentioned, for example Draper has an absentee owner tax, which means if you are a resident of Draper and you are not the property owner, then that is looked at taxing differently. So it is an occupancy tax so second homeowners in Draper, that second home is taxed fifty percent higher.
Mayor Duncan It is the same in the entire state.
George Holling: Well, actually, I think you get a discount for living here.
Mayor Duncan: Right. You are paying a hundred percent of your tax if you are second home owner, and if you are full-time residents, we get a discount.
Don Montoya: A second home owner here and it is not the primary residence of the owner they are taxed the same or differently?
Mayor Duncan they are taxed at 100%.
CM Hill That is not true, if it is a rental property and if it is someone's primary residence, it is taxed as a primary residence. So it is taxed different than if it was a nightly rental, which we don't have, but in Moab nightly rentals are taxed at a way higher rate than,
Don Montoya: right, an occupancy tax.
CM Hill: W Here second homeowners are charged at the full rate, so If, if you live here and you are, you are taxed on your residence, the value of your home, you are only taxed on half of that value. If you don't live here, and it is not your primary residence, you are taxed on a hundred percent of the value of your home.
Don Montoya: Why not a hundred and fifty percent?
Mayor Duncan: that would be a question for the state. Yeah.
Don Montoya: Well, I don't know using Draper as an example. My, my son lives in Draper, h He has a neighbor that the house is a rental. The tax on that rental is fifty percent more than it would be if that was a primary residence. It is not a primary residence, it is a rental.

Mayor Duncan: The municipality gets its tax rate. So, when, when the taxes went up last year, because everybody was assessed value went up, we didn't get any more money than prior years. So, let me give you that example in 2025, our actual property tax revenue was $132,398.44. Our, amended budget for 2026, our property tax revenue for the year was a whopping increase of like two grand, one hundred and thirty-four thousand eight hundred and fifty dollars. So we didn't have a windfall from that assessment.
George Holling Well, you should be, you should be assessed on payment.
Mayor Duncan that is not the way it works.
Don Montoya: I am saying is that, that there are other municipalities, Boulder, where I lived previously. If you aren't a primary resident living in that home, regardless of whether it is a short term or long term rent, that is taxed higher than what a single property owner would be paying. Do we have that structure here?
Mayor Duncan: Hundred percent versus fifty percent.
Don Montoya: No, hundred and fifty percent. That would be a whole state thing. You would have to have the whole legislature change it is not a municipal decision. That is that is not something that we even have any, any control over.
Colleen Thompson: I have spent kind of hours going into how property taxes work, how they are calculated and even because of that assessment a year or two ago, everybody's tax here went up, that money didn't go to the town, it went toward lowering the rate for other parts of the county. It is a very counterintuitive the way the taxes work, and there are some resources explaining this that I would be happy to put on our website to help people understand it. But also, if you look at your tax statement, the town's portion of what you are paying is less than ten percent. So a fifty percent increase of that, fifty percent sounds- It is scary, but it is fifty percent of such a small number compared to the schools, library and the fire department get.
George Holling: Oh, Schools that is for a different meeting.
Colleen Thompson: I don't have any kids at school, but anyway, so is very counterintuitive and it kind of, it feels backwards the way they figure the percentage and the amounts, and then the, the amount of revenue through the whole county is kind of spread out among the county. So ours went up, somebody else's went down. When I got my tax statement recently, it said some other part of the county got reassessed and so your tax amount might go down because of that, while mine didn't, it went up. But anyway I checked and apparently that is how it is done nationwide,
George Holling: They are supposed to take the whole county value as a whole and then proportionally allocate to do the assessment. So that is correct. Maybe we need that new subdivision they are trying to build with a ten million dollar homes.
Colleen Thompson: The point is, we didn't get a windfall in the town because of that increase.
George Holling I would complain you should have.
Colleen Thompson You submit your budget whether you are the library or the fire department or a town or whatever, you submit your budget, and then the county decides if you get all the money you asked for. And we haven't had an increase for like ten years, eleven years.
Mayor Duncan: Eleven years ago, when we did ask for an increase, it was specifically for water study and the culvert replacement. And if we wouldn't have done that then and started putting money every year into the capital funds, we wouldn't have been able to do that and it took that long. The other problem is that the culvert project happened at the same time that we would have been chip sealing Castle Valley Drive which is very due.
****At this point in the Public Hearing discussion left the topic of Property taxes and went sideways into complaints about the guard rail on Castle Valley drive irrelevant to this Hearing.**
Mayor Duncan: We need to move back to the budget and our tax increase. Thank you. I will take more open public comments about the budget.
Bill Gustin, 100 West Pace I appreciate the open town hall here just to talk about it. Recognizing last year's windfall didn't really materialize. It is a question, the hardship and the potential for deferral that I do think there is some serious conversation around we all took the hit but didn't receive any of the benefit; there may be further legislation or representation that needs to take place for Castle Valley. I am curious also the amount of property, and the improvement of property over the past decade has been substantial in the valley and I don't think we are compensated basically for the changes in the valley, it seems like we should be receiving a, a better deal from the County on these increases. I know we all know that, I think we all know that, and I think we actually need to have legal representation to try to get that. Ten years ago, if people weren't here for the past decade, they probably still think there is still open land, but take a look, there are properties everywhere here, and we actually need better services and roads and everything. So at this a point, I think, yes, we got, I believe the correct term is screwed. I would say that as a group, I think you could have a relatively good pitchfork and torches conversation with the county regarding that.

Knowing that the, the answer to my first question here, there wasn't a sudden increase in revenue; probably my comment here really is a question of the three to five year projection? Of what is going to happen, I can see us being here next August having the same conversation. I think we are actually behind, we are not reaping the benefits of what should be have coming, be coming back from the county. So it would be interesting just in terms of the KPIs, what is the standard we are going to hold? What is the correct amount of property tax for our valley through twenty thirty-two? I don't know if we know that. Actually, you guys keep a very nice budget. I didn't get a chance to print it off , and bring it along, but, it would be interesting to project out the next few years because I don't think your current increase is actually, going to satisfy the required needs for the valley over the next five years, and the community takes the hardship and the County takes all the money. So, I do think that there is a legal battle in the next five years to say we need our share back, because if you are going to improve taxes, I came from California know how it works, but I am used to taxes, I get it, but I also had roads and schools and lights, and by golly, if we didn't get down to the last penny, we were raising Cain to get our money, out of the county and the state to make that happen. So I think my primary concern, yes, I'd love the property tax increase to not happen, that is for sure, but the reality is, if I am gonna pay the tax, by golly, this valley actually needs to get what they deserve out of it, and I think that would be where I'd stake my flag for the next five years. We gotta get roads and guardrails. The idea is, if we are gonna be paying more, we get more, and I don't think the past increase, and I guess it was eleven years since the last time we had the increase time to, torch and pitchfork this thing because we are not getting what we need out of the county and the state to support this valley as it is today.

George Holling: We need a post office here.

Bill Gustin: Conceptually, I get the reality of taxes, but, I don't think we are getting our due, for the increase that these, these folks, especially the fixed income folks, they didn't move out here to suddenly pay three, four times the taxes. So I see that happening over the next 5 years.

Wendy Gustin we had the reassessment then it was assessed at one value and then a year or two later it is doubled. We are still living in a 5^{th} wheel and what got me is that they re-assessed the value for way more the math doesn't even work. So they tax us they increase it, but then you don't get the same amount of the increase. That doesn't make any sense, right?

Mayor Duncan Not unless we ask for it, which is what we have to do

Buck the County Council would rather spend money on the Arches shuttle.

George Holling: get three of our commissioners on the county board, that would dramatically change,

Buck Or at least have residents go to the meetings.

Mayor Duncan: And remember, November vote.

Bill Gustin: Yes, that is my ten cents. I know the tax increase is real, but I just don't think we are getting our fair share. Happy to have a separate meeting on how to figure that out.

Mayor Duncan:. Anyone other than Colleen that haven't gone yet? Anyone online have public comment that hasn't spoken?

Dave Frey: Hi, everybody. Yeah, my comment is pretty simple. I am looking at my last Property Tax valuation and tax changes notice that we just all got recently from the, from, Gabriel at the, Grand County, auditor. It seems pretty simple to me I do understand everybody's issues, and, wanting these different things, and the last, gentleman- that mentioned how we are not getting our share out of the big price tag that the county puts on their dollar amount. I totally agree with that. I am looking at my tax bill and it says the increase is two hundred and thirteen dollars and forty-one cents. That is how much my taxes are gonna go up for the increase to Castle Valley. Am I reading that right? We have two properties here so we are gonna have to pay, some extra money. I am totally okay with giving Castle Valley two hundred and fourteen, two hundred and thirteen dollars and forty-one cents for each property. I understand that the bills are big, but the portion that goes to us, to our town, is small, and I think Tory really explained it pretty well .So two hundred and thirteen dollars and forty-one cents is all the tax increase on my properties, our properties for better the roads and to continue making the town, better. That is my two cents.

Mayor Duncan: Thank you, Dave.

Ruth Brown Dennis and I agree with Dave. I mean- obviously we can afford the increase. We think that it is necessary, the town needs the money. I think it would be great to get more from the county, you know, if we can figure that out. But we need the money, we need the money for our roads, we need it for all the other activities that we are doing. We love living here and it is cheaper than where we came from, so we are up for going for the extra tax. We support it.

Mayor Duncan: Thank you, Ruth.
Colleen Thompson: I just wanted to say that somebody said vote. When we had the new assessment a couple years ago, a lot of us filed a protest and I don't know how many people attended the Zoom meeting when they had the hearing for that, it was very unsatisfactory . The assessor apparently has nobody running against her, so I would keep that in mind. The assessor was invited to come and talk to us out here and refused to come or send a representative. Tricia Hedin came and did her best. The other thing was that the hearing appeal committee is the county commissioners, and they all said they were not qualified to sit in judgment on this stuff. We have no idea how it works. So we all just go along with what the assessor. So I would pressure the county commissioners to do something, change the system, get a different assessor, and do something. They contract out the assessments, they said, and they have for years to the same outfit. There are a lot of unequal assessments I put in my appeal that they didn't care, so that would be an angle to use.
George Holling: Well, along those lines, the properties the next to the town, are still significantly lower, but for no apparent reason.
Colleen Thompson: Because that is County and they didn't reassess that area.
George Holling: Well, they did this year, and they are still lower. So someone needs to take a look at that. That is probably the biggest thing, just because you are on the other side of the town border. No offense, but I don't think the town adds that much value to anything for the difference.
Mayor Duncan: the people across the creek are in the county, and they receive no road service whatsoever. We didn't receive road service from the county on our side roads ever. For the Town or the POA the county has never done road service on the side roads here. So if you think that is what the County is gonna do if we get to get rid of the town and go back to the county, that is not what is gonna happen.
George Holling Well, what I am talking about right now is the properties on the other side of the town boundary should be comparable in value. There is no reason why they aren't.
Mayor Duncan and I are not sure why they aren't because I have seen them on the market for the same.
George Holling Yeah. Well, they are. But if you look at the assessed value, I looked them up this year.
Colleen Thompson: Yeah. They should be assessed higher, because they don't have as many limitations on what they can do with their property as properties in the town.
Ruth Brown. I know, our, our house decreased in value, but our property went up, but we can't do anything more with our property. I mean, our land, I mean, you can't build another house or anything. So, I mean, they are just kind of weird, the assessment.
CM Hill People are dropping four hundred thousand for a bare lot.
M Duncan They did approve appeals for people twenty twenty-four. They did approve of appeals for the people who had flooding, our appeal on a portion of our property that floods was approved. The next two years it wasn't and just like yours. Why not? And it is still the same flooded piece of property.
Colleen Thompson: Yeah, makes no sense. Yeah. So, so talk to your commissioners about the assessment.
Mayor Duncan I do appreciate the discussion about long-term plan for where, where this goes, because I do think, and Tory and I have talked about a Capital Projects plan, at least for this coming couple of years before she retires from her position as the treasurer here, so keep that in mind too.
CM Hill see you all later.
Mayor Duncan I don't agree with having a continuous need for increases out here. I am more on board with riding my cow if I have to, I am more of a four wheel drive person. There are certainly people here and there is an expectation here now from a lot of people that aren't going to be able to do that. We realistically do that. We have state road funds coming in for every mile of road that we have. So we can't just tell people, oh sorry, you're just gonna have to walk.
George Holling But that's only Castle Valley Drive, right?
Mayor Duncan No, it's all of our roads. You get more for the paved surfaces than you do for the gravel surfaces, but it's is for all 17 miles of roads that we have.

Bill Gustin Just a random question are there alternate sources of income, but does direct funding opportunity for Castle Valley, do we have to raise the property tax or do you have Funding that 100% stayed within Castle Valley. Would that be appropriate?

Mayor Duncan I would find it difficult uh to rely on donors as a long-term plan.

Bill Gustin For a single budget project?

Mayor Duncan Yes, we could probably do that.

Bill Gustin I would entertain the possibility that within scope of what would be reasonable for the uh our neighbors there may be a certain criteria or limit like a single time capital improvement for the valley where we don't give it to the county and we keep it all within the town and see if we could raise the funds ourselves to do it.

Mayor Duncan just as like a fundraiser.

Bill Gustin a ten billion dollar project that's not gonna happen, but if it's $150,000 to improve something there might be enough of us to say we want to do it.

Mayor Duncan right now we have to get Castle Valley Drive done. We probably don't have the time it would take to rally a fundraiser to come up with that kind of money. I do think with what we discussed with this year's Increase for that project.

CM Hill I am not really ready to say right now I will be willing to talk about that at our next meeting. Jocelyn and I have been working on the actual budget and it's been a little difficult just because of all of the funding and everything.
So I I'd be more than happy to discuss that next week.

Mayor Duncan Okay. So we're probably somewhat close to being ready for castle valley drive with this year's increase and then maybe I feel like we could then discuss a better way forward. We never have we never we're never gonna not have a need for some capital projects. A safety account ready for a problem there is always gonna be a need.

CM Hill well, this is a step forward in being able to do that. It took us almost ten years to save up what we had in our capital funds and because of our grants that helped with the culvert project, we still do have some money in the capital road funds it's looking like we may be able to do that next fall.

CM O'Brien and what is the figure that NRCS put in

Mayor Duncan five hundred thousand dollars.

CM O'Brien So a fair amount of outside money. Yes,

Mayor Duncan I pulled budgets from 2008-2023 after that were kind of weird off years because of projects. And the amounts that we were putting in every year just to make these things happen or between five and forty grand whatever we could basically every year to make these things happen. So it is kind of strapping things together, which is not a great long term solution.

Bill Gustin I just have a question, do we actually service any debt in the town?

Mayor Duncan we do have debt this Building and the Road Shed. We're getting pretty low on that. We're almost paid off on most of our debt.

CM Hill And they're very minimal one payment is seven thousand a year and the other payments 8,000 a year.

Mayor Duncan and now that we own our road equipment and not leasing, some of those things have gone away.

Buck So I just wanted to say something that Dorje always brings up the average of what property tax income we were getting was $130,000-$134,000 for the last ten years that doesn't buy today what it did then. And that is our main problem everything costs so much more now and yet we're still trying to make this place run on what we were getting years ago. I think everything costs more. And hiring people to do anything people don't work for ten, fifteen, twelve, twenty dollars an hour anymore.

Mayor Duncan Yeah. Like what was our last chip seal a hundred fifty thousand now it will be two hundred and fifty . If you go back and it's on our finances page of the website Colleen got on there today and put all of these budgets on there for me because I wanted them. Thank you. What we were paying for a road department in 2008 was like great you know, we were paying people ten fifteen thousand dollars a year to do everything. No one can afford to have a job like that now.

Wendy Gustin. Was it full time back then? Was it still part time?

Mayor Duncan, I think none of these jobs have ever been a full time.

Colleen Thompson We don't have any full time positions .

Mayor Duncan I think in 2012 when I was first on the council, we had r roads manager was also our operator was on a salary. I think it was like 14,000 a year or something he was probably making like two fifty an hour.
He was working a lot and I think that kind of got us spoiled and the reality hit after he retired.

Ruth Brown what's the next steps.

Mayor Duncan we will be discussing and taking action on this budget at our regular town council meeting next Wednesday, August 19th.
George Holling Oh, we all know it's gonna happen.
CM O'Brien so it is really important to get our capital funds back up, not only for the road we just basically took everything out to fix the culvert. And thank goodness we found some outside money with the grant.
CM Hill You can all thank Jocelyn for that $500,000 because she worked her butt off for that money.
Wendy Gustin I thought that was it's in its own account that you had been saving up, I thought that was its own nest egg for that last year you have been saving all this time for that project.
Mayor Duncan for the culvert.
Wendy Gustin I thought that was our Capital Road's project money.
Mayor Duncan that was one of the projects in that the capital funds are used for. We took all that money out. But thanks for the grant we still have some in there.
George Holling That's one really stupid question we were talking about commissioners earlier. How come Castle Valley doesn't get their own commissioner?
CM O'Brien Trisha Haden is our area representative she has rural areas this area and kind of the southern part of Spanish Valley that's in Grand County. So she's kind of the rural representative. And if you have concerns she is really approachable. She'll listen to your concerns.
George Holling I'm just saying we provide all these taxes here in the Spanish Valley. We should have our own County representation .
Mayor Duncan well Greg Halliday was on there for four years, he was the guy I was talking about that was a supervisor working for the town.
Everyone nominated George.
Mayor Duncan All right. Well if f there are no more comments I will go ahead and uh adjourn this public hearing at seven seventeen PM. Thank you all for coming. Appreciate it. .

ADJOURNMENT
M Duncan adjourned the Meeting at 7:17 PM

Approved: **Attested:**

Jazmine Duncan, Mayor **Jocelyn Buck, Town Clerk**