

Minutes of the regular meeting of the Daggett County Commission/Redevelopment Agency Board held on **Tuesday, November 28, 2017** in the Commissioner Chambers at the Daggett County Courthouse. Commissioners Jack Lytle, Clyde Slaugh and Randy Asay were present. Attorney Neil Lund, Sheriff Erik Bailey, Auditor/Recorder Keri Pallesen, Assessor Lesa Asay, Justice Court Judge Charlene Hartmann, and Clerk/Treasurer Brian Raymond were also present. The meeting was called to order at 9:10 a.m. by Commissioner Lytle.

Also present: Jerry Steglich, Butch Johns, Sergeant Travis Dupaix, District Ranger Rowdy Muir of USFS, Karinda Henry, Brandy Grace of UAC, Brad Schofield, Sean Hughes, James Olsen, Shiloh Dupaix, Bryan Smith, Jerilynn Smith, Deputy Ken Rasmussen, IT/GIS Director Kym Slagowski, and Katie Larsen

**Old Business:** None discussed.

**Citizen Comments:** None presented.

**Approve Minutes:** No minutes available for review.

**The Open Invoice Register was presented for review and approval:** The open invoice register of \$31,698.24 was presented by the Auditor/Recorder's Office for review and approval. Commissioner Lytle inquired about the 4-H Club, Lucerne Valley, and Cow Country Rodeo payout 2014-2017. Mr. Lytle stated that he does not understand how the county pays more years than just the one. Auditor/Recorder Keri Pallesen stated that the Cow Country Rodeo recommended to the commission to payout their note. Mrs. Pallesen stated that she was waiting for the 4-H Club to provide a W-9, so it was paid out later. Commissioner Slaugh made the motion to approve the invoice register in the amount of \$31,698.24 and Commissioner Asay seconded the motion. All were in favor and the motion carried.

**Correspondence:** Commissioner Lytle said that Dutch John Mayor Buddy Rogers sent him an email regarding that deal on the electric. There were no comments made, and there was no further discussion.

**Commission Calendar Review:** Commissioner Asay said he has a meeting tomorrow, November 29, 2017, and also Thursday, November 30, 2017 in Roosevelt, Utah. Commissioner Lytle stated that he will not be able to attend the UBAOG meetings. Commissioner Lytle will contact Laurie Brummond and let her know. The next budget meeting is on Friday, December 1, 2017 from 9:00 a.m. to Noon, and there may be a conference call the same day at 11:00 a.m. The schedule for the budget meeting was discussed. Commissioner Lytle said he will not be present for the commission meeting on December 5, 2017, but will be available by phone, if needed. Attorney Niel Lund asked the commission if they received the email from Rod Smith regarding the conference call on December 1, 2017 at 11:00 a.m. Mr. Lytle answered that they did and they will make necessary arrangement. There is a CIB meeting on December 7, 2017, and a SCIC meeting on December 8, 2017.

**Correspondence (Cont'd):** Auditor/Recorder Keri Pallesen asked the commission to address the email from Dutch John Mayor Buddy Rogers. Attorney Niel Lund answered and stated that the email was just a request for a chance to meet telephonically with Commissioner Mickelsen of the Bureau of Reclamation. Mr. Mickelsen met with the Town of Dutch John and wanted to offer the same opportunity to meet with the Daggett County Commission. Commissioner Lytle stated that he

was unaware of the meeting between Dutch John and the BOR. There was some speculation regarding how and where the meeting took place.

**Old Business (Cont'd):** Commissioner Lytle then directed the conversation to an invoice from Sterling Codifiers for \$6,000.00. Mr. Lund stated that he needs to look up the old contract. Mr. Lund stated that he knows the contract was updated in 2014, but he did not know that nothing has been paid since that time.

**Weekly Budget Review:** Commissioner Lytle said there is nothing new to note other than the county's cash flow is in serious trouble. In terms of the weekly budget review, cash flow, and current spending, Commissioner Lytle asked if he needs to meet with Clerk/Treasurer Brian Raymond about particular measures that need to be done to make things work. Mr. Lytle asked if everybody had time this afternoon to meet. Mr. Lytle stated to Mr. Raymond that if he needs anything from the commission or anything that the commission needs to address, to please let him know.

### **Policy and Legislation Items from the Posted Agenda:**

**Discussion And Consideration Of Businesses Licenses for Vivint, Inc. and Smart Home Pros, Inc.:** Commissioner Slaugh made the motion to approve the business licenses for Vivint, Inc. and Smart Home Pros, Inc. Both are transient businesses and both have paid the late fee as well. Commissioner Asay seconded the motion. All were in favor and the motion carried.

**Discussion And Consideration Of Cemetery Rules And Regulations:** Clerk/Treasurer Brian Raymond made the recommendation of inviting Lesa Asay and/or Karinda Henry to join the discussion.

**Budget Meeting Overview:** While waiting for Mrs. Henry to join the meeting, Commissioner Lytle requested to give an overview of the budget meeting that took place yesterday, November 27, 2017. In particular, the meeting with Sheriff Erik Bailey was discussed. Mr. Lytle stated that he wouldn't mind having more discussion regarding wages, even with other departments. Mr. Lytle apologized for not being in attendance for yesterday's meeting, and he would like to see the numbers and lay it out a little bit.

**Discussion And Consideration Of Cemetery Rules And Regulations (Cont'd):** Ms. Henry arrived and explained the changes to the cemetery rules and regulations. Most of the changes are in regards to the fees. Single plots went up to \$250.00/each, four adjoining lots went up to \$500.00, and six adjoining lots went up to \$700.00. For non-residents, each lot is now \$500.00. Residents of Washam, WY asked if they could be considered residents, and the board approved. The definition of residency was discussed. The fees for open/close are now a flat fee, instead of being based on whether the decedent was a resident or not. Graves are \$200.00 and cremations are \$75.00. Item No. 7 was stricken from the rules and regulations, and there was some further discussion. She also said the cemetery board is looking at forming a special service district. Part of the problem that the board is facing is that some of the graves are over 100 years old and there's nobody to bill for maintenance upkeep. There was some discussion regarding donations. Commissioner Lytle and Commissioner Slaugh didn't have any problem with the current changes. Mr. Lytle stated that he appreciates the cemetery board's hard work. The changes will be in effect as soon as the commission gives their approval. Mr. Lytle asked if there was a reason as to why this is not part of the codification process. Attorney Niel Lund stated that rules and regulations for the cemetery are not

county ordinances. Mr. Lund also stated that a special service district for the cemeteries is a good idea, and stated that a cemetery is one of the things specifically listed as a reason for a special service district. There was some further discussion regarding Washam, WY residents and the special service district. Commissioner Asay motioned to approve the cemeteries owned and operated by Daggett County, which are specifically the Dutch John and Manila cemeteries with the changes in the fee schedule. Commissioner Slaugh seconded the motion. All were in favor and the motion carried.

**Discussion And Consideration Of Dutch John Position Statement And A Potential Dutch John Agreement:** Commissioner Asay said he talked with Dutch John Mayor Buddy Rogers yesterday by phone to discuss the stuff they are in agreement with. According to Mr. Asay, Mayor Rogers said that there are people in Dutch John that are willing to take over the management of the airport. Mr. Asay expressed to Mr. Rogers that it will be good to have somebody that has the knowledge of managing an airport, but is unsure of whether or not Daggett County wants to turn it over to Dutch John. Mr. Asay would like to see it as an entity between so that the airport benefits both Dutch John and Daggett County. Mr. Asay also stated that Dutch John is working on the fire department and getting it set up. After the budget meeting with the Sheriff's Department that took place yesterday, November 27, 2017, Mr. Asay told Mayor Rogers that it would be well for him to connect with Sergeant Travis Dupaix, and also advised him that there are a lot of grants that could benefit Dutch John if they owned the fire department. Mr. Asay also said that he told Mayor Rogers that Daggett County would like to turn over the buildings to Dutch John as soon as possible so they can start being responsible for the utilities. If Dutch John took over the utilities, that would save Daggett County around \$2,000.00 a month. Commissioner Lytle asked if there are any dates to work towards. Commissioner Asay stated that Mayor Rogers wants to speak to the town council first, and Mr. Asay suggested waiting until after their meeting with Mr. Mickelsen. December 11, 2017 was discussed as a tentative date, but nothing was officially set. Mr. Asay knows that the town of Dutch John is working on getting the bond for the water/sewer plant transferred. Commissioner Lytle asked Clerk/Treasurer Brian Raymond if he could check the calendar for December 11, 2017 and hold the commission chambers for a possible meeting. One last thing that Mr. Asay stated was that he got the feeling that there was some contention with the one of the members of the town council. The other members seem to want to move forward.

Motion was made by Commissioner Slaugh to recess from 9:40 a.m. to 10:00 a.m. Commissioner Asay seconded the motion. All were in favor and the motion carried. The motion to go back into regular session at 10:04 a.m. was made by Commissioner Slaugh and seconded by Commissioner Asay.

**District Ranger Rowdy Muir of the U.S. Forest Service was present to update the Commission on the Forest Plan Revision:** District Ranger Rowdy Muir addressed the commission on a couple of items. One is in regards to a public meeting for the forest plan revision. In one of the public meetings, the USFS gave attendees a list of sensitive species that were being assessed. After that portion of the forest plan revision has come about, the regional forester has added big horn sheep to the sensitive species list. According to Mr. Muir, there has been some debate and his office is expecting an official letter from the regional forester. That letter will come out and will address the list of sensitive species. Mr. Muir's concern is that it appeared like it was a strategy on his part, that his office was withholding species not listed until they got through with the forest plan revision, and then added the big horn sheep. He is worried about public perception. During the forest service's leadership team meeting, Mr. Muir addressed this with the team and stated that the information needs to be distributed to cooperating agencies right of way. Then, the forest service needs to be able to allow the public to comment on those new listings. To summarize, Mr. Muir is waiting to receive the

letter. He then stated that the forest plan revision and assessment part is always open for comments. Specifically, he wants to come back out with that letter addressing the fact that there are sensitive species that have been added after the fact. Mr. Muir discussed how the letter comes down as direction from above. Mr. Muir spoke of big horn sheep because that can have an impact on permittees and other individuals that might have heartburn with big horn sheep. The management of big horn sheep was discussed. Mr. Muir stated that his point to the commission and the rest of the public is that the forest service is not hiding this. This has come out and the regional forester has the authority to add to that list. He discussed the possibility of another public meeting. The second item to discuss is a letter that pertains to sage grouse. Mr. Muir stated that the direction his office received is that in 2018 that any permittees that had critical sage grouse habitats in their allotments in 2018 will receive an amendment to their allotment to their management plan and to their permit. This is because of what is going on at the Department of the Interior (DOI), specifically the BLM. According to Mr. Muir, there are 17 litigations going on right now. He stated that the forest service has decided to back off and are not going to get a letter that directs them to do permit amendments in 2018. Commissioner Lytle asked if there is any more activity on the timber sale along Highway 44. Mr. Muir answered and stated that it is done. It is open to fire wood. Commissioner Asay asked Mr. Muir to talk a little bit about the idea of what can be done at the jail. Mr. Asay stated that he liked what Mr. Muir presented and he wants the rest of the commission to be part of it. Mr. Muir stated that Commissioner Karen Perry approached him some time ago about the opportunity of bringing in a satellite college, particularly Utah State. This conversation took place before there was a building available, and now that the jail is open. He stated that this provides an opportunity for an extension of a university to come to Manila. He also discussed the possibility of the forest service partnering with said university (specifically Utah State) and their forestry and natural resource education departments. The forest service could provide on the ground training experience for those students. Mr. Muir stated that it would be ideal for the forest service because of their lack of workers. He believes that it will be a great opportunity to put students to work. Mr. Muir stated that he doesn't know what it takes, but believes that there are universities or natural resource programs that are looking to put extensions out. Mr. Muir stated that the forest service would be in favor of some kind of partnership with a natural resource program. He believes that it is an opportunity that is worth pursuing. Commissioner Lytle asked Mr. Muir if there have been any other changes to the forest plan revision personnel. The collaboration position is now vacant because somebody has moved up to team lead. Mr. Muir stated that they are trying to outreach or detail someone into that position. Other than that, there are not any personnel changes. For the commission's information the Forest Service Supervisor has had a family emergency and so he is in and out. There is a rotation as to who is acting for his position and there was some further discussion. This emergency will make it hard for anybody to get a hold of him, and Mr. Muir wanted them to know of his whereabouts. Commissioner Asay asked about the sale of the houses on Ashley Way. Mr. Muir said the houses have all been sold, but there has been a little mix-up with the recording of the land. There was not an actual Mylar plat that was presented to the town for signature, so the county has not recorded the individual lots yet until the regional office brings the plat. Mr. Muir stated that he thought it was a decent sale, and it goes to show that there is still interest in this area.

**Discussion And Consideration Of Employee Benefit Package With Employees And Spouses:** Commissioner Lytle asked the audience if the understands what the county is looking at. He asked if there were any questions. According to Mr. Lytle, UAC is trying to put a pool together that, in the long run, will hopefully provide the services that employees need and at the same time save the county some money. If everything goes as they are planning, it would be a self-funded pool through UAC. This will give Daggett County the opportunity to be involved at the early stages. Daggett County is not big enough to be self-funded. What the county is trying to figure out is what

will be the best for both the employees and the county. There will be a change in what it costs, whether the county stays with the current insurance or whether the county switches. He provided some more information. Brandy Grace of UAC arrived and Commissioner Lytle introduced her. Ms. Grace addressed the audience and gave them a little of her history. During her time as the president of UAC in 2014, one of the things that was talked about was how smaller counties struggle to provide all of the demands for employment related laws and compliance issues. During her time with UAC she encouraged UAC to create a position that could be used for counties to contract for those resources and services where there's not a dedicated HR Director. That's how Ms. Grace came to work for the association, and she is now the director of operations. She gave a little history of how the self-funded pool came to be. She stated that a self-funded pool provides an opportunity for rural counties with low numbers to come together and pool their resources. She explained the structure of the employee benefits pool, and discussed licensures. UAC does not intend to handle everything in house, because they are a small staff, so they chose to contract with a brokerage firm. They partner with GBS Benefits to service all of the background stuff such as compliance, and they have an attorney on staff as a resource. Any county that uses the program has a whole plethora of opportunities and resources that are available to them, and GBS Benefits offers far more. Moving forward, Ms. Grace stated that eight different carriers were researched, and ultimately PEHP was chosen as the health insurance carrier for a lot of reasons. The structure of the plan will be such that not every county has to have the same plans. Each individual county will be individually rated based on utilization. Every county will get the benefit of having larger numbers at the table for negotiating administrative costs and contracts with providers and carriers. Commissioner Lytle asked Ms. Grace how far the self-funded pool has gone since UAC. She answered and said that the concept is still there and they are still moving forward, but what has happened is in order to start the program every county has to have a reserve build. Daggett County's is \$40,000.00 and that money needs to be held aside to pay claims until they start to build money in the pool. It doesn't necessarily need to be paid out, but PEHP would require a letter of guarantee stating that the monies are available should claims exceed the money that is in the pool. UAC estimates that in three years that the plan will have developed its own reserves and the reserve build will no longer be required. This is one issue that is holding counties back from joining. Ms. Grace stated that UAC is running out of time to get everything finalized for 2018. In the meantime, Ms. Grace is working with Zions Bank to look at some funding opportunities where UAC may be able to borrow the money for the reserve build instead of requiring individual counties to guarantee those funds. Because there are counties interested in moving forward, an option is to have UAC as the broker and to move those counties to the LGRP of PEHP. It is a step towards being self-funded. She explained the benefits and disadvantages between a LGRP and a self-funded pool. The option on the table right now is not the full self-funded pool, but to become part of a LGRP with UAC as the broker. Mr. Lytle stated that one of the things Daggett County is being faced with now is the county has less than 50 employees. Deputy Auditor/Recorder Katie Larsen inquired about PEHP providers. She understood that the providers were pretty much the same as Select Health. According to Mrs. Larsen, she was told that it was harder to find PEHP providers. Ms. Grace answered her question and stated that it depends on which network you choose. She discussed both the summit network and the advantage network. Mrs. Larsen asked about those employees that live in Wyoming. Ms. Grace stated that she will make a phone call to PEHP regarding their contracts with providers in Wyoming. Sheriff Erik Bailey joined the conversation and stated that PEHP is notoriously horrible not only in state trust lands, but getting referrals when you switch. He provided some more explanation. Ms. Grace stated that she has not heard that and shared a couple of personal stories about her experiences with PEHP. Commissioner Lytle commented and said that PEHP is a very good provider for ER visits. IT/GIS Director stated that she has had some not so good experiences with PEHP out of state. Mrs. Larsen

inquired about the increase for this year. The increase for Select Health is 15.4%, and Auditor/Recorder Keri Pallesen the employees are going to have to pass along some of those costs. She stated that's why Brandy Grace was invited to present her insurance so that the employees can choose. Commissioner Lytle asked if there is an increase with PEHP, and it was answered that there is a 5.7% increase, but there are slight differences. The deductibles are the same (\$2,000.00 single/\$4,000.00 family), the out of pocket amount for PEHP is \$4,000.00 single/\$8,000.00 family. PEHP would pay the 80% between those two. One question Mrs. Pallesen has is for those who have current claims. For example, Select Health is used for an employee to have surgery, but the follow-up care switches to PEHP. Ms. Grace answered and said that it would depend on what kind of surgery it is, because some surgeries include all of the follow-up care. The claim date depends on the carrier. It is pretty clear which provider will be responsible. It is on a case by case basis, depending on the circumstances. The matter of fact is the date of the surgery, according to Ms. Grace. Networks were then discussed, and if an employee goes out of network it can cause billing problems. Both networks will be available, and employees get to choose one or the other. This allows employees to have options, but employees do need to realize that whatever network they choose at the beginning of the year is the network they need to go to. Employees can change networks yearly. Mrs. Slagowski asked how much the increase would be on a family for one year. It was calculated and answered by Mrs. Pallesen for a family on our current plan it goes from \$1,573.40 to \$1,815.70 for Select Health per month. Gallagher Benefits still has Daggett County grandfathered in as a large employer, but only for one year. Commissioner Lytle asked for a rough estimate of the difference between large employer and small employer. Mrs. Pallesen stated and said that when Daggett County becomes listed as a small employer then the deductible and out of pocket costs change dramatically, and is estimated to be up to three times what we are paying now. According to Mrs. Pallesen, Gallagher Benefits grandfathered Daggett County in as a large employer on the condition that the jail would be up and running again. Mrs. Larsen stated that if Daggett County doesn't use all of their reserves, or whatnot, the county can choose to put more money into the employee's health savings account (HSA). Mrs. Slagowski asked if the county was putting the same amount into HSAs as they have done in past years, and Commissioner Lytle stated that they have not talked about it yet. Currently Daggett County contributes \$1,200.00 for family and \$600.00 for single into an employee's HSA. Mrs. Slagowski asked for clarification and stated that "self-funded" means that all of our insurance premiums are going into an account. As individuals use it for doctor bills, it comes out of that pool. She then stated that if somebody has a major need, there might not be anything left in the pool. Ms. Grace concurred but then explained that that's why UAC is collaborating with multiple counties and that's why the reserve build is required. The reserve build covers those overages, but UAC also has re-insurance in place which provides protection for liability. According to Ms. Grace, re-insurance has to be purchased also and the more people that are in the pool, the lower the cost of the re-insurance is. She then stated that the only thing UAC has done in structuring the plan early on is that they have asked for a three year commitment from counties. Ms. Grace provided some explanation as to why they are asking for the commitment. The idea is to collectively being able to do more. She clarified and stated that if Daggett County chooses to do the LGRP this year, they are not bound by the three year commitment. It will be re-evaluated next year, because the self-funded pool is not happening this year. That's why UAC decided to go with the LGRP in an effort to move in the direction of a self-funded pool because it's basically the same carrier, the insurance concept is the same, and PEHP will be the one long-term that will be managing it. It's partially a self-funded pool because if county's run well, there will be opportunities for some rebates, but not as much as they would get with the self-funded. In reality, Mrs. Pallesen stated that Daggett County will probably have to move to PEHP unless they wanted to choose some small employer options. Personally, Mrs. Pallesen doesn't want to see large out of pocket costs. Sean Hughes asked if a lot of cities and counties already have PEHP, and it was stated that there are. Mr. Hughes stated

that he has had PEHP and had no problems. Commissioner Slauch stated that he uses it all of the time and has never had any problems. Commissioner Lytle shared some of his thoughts, and stated that he does not feel comfortable about making a decision without the input of employees. Ms. Grace added that if there's concern over PEHP; know that UAC staff is there to address any questions or concerns. Also the President of UAC serves on the PEHP appeals board. Commissioner Lytle asked Sheriff Bailey to explain his interactions with PEHP. Sheriff Bailey stated that he had problems with maintaining the same doctors and had problems with maintenance medications. He realizes that he is a small voice in all of this. He said that PEHP has been a nightmare, and he was happy to see that Daggett County was on Select Health when he transferred up here. Mr. Lytle asked those employees that have multiple years in with the county to share their stories and James Olsen stated that every insurance company is a nightmare to deal with in one way or another. He provided some further explanation of his experiences. Mrs. Pallesen asked about employee navigator and wanted to know if that needs to be transitioned as well. Ms. Grace responded that because of the time frame UAC is up against now, it could be a problem. One solution would be to have UAC come out for a day and help with all of the paperwork. Employee navigator can then be used next year. The three year commitment was brought up again and Ms. Grace stated that once the pool is up and running, reserves are built up, and costs can be controlled, then UAC will ask for a commitment. Other insurances were discussed. UAC chose Dental Select for dental insurance and are providing life insurance and vision insurance, as well. Commissioner Lytle and Ms. Grace conversed about what was discussed at the UAC convention and what the different counties' plans are. Mr. Lytle asked what Daggett County's employee number is, and Mrs. Larsen stated that there are about 30 full-time (including elected officials) and 11 part-time and temporary employees for a total of about 41. Commissioner Lytle would like to see the opportunity to have somebody on the board from one of the really small counties. He believes that it will bring some perspective to the board. Ms. Grace stated that she would guarantee Daggett County a seat. Ideally a representative from Daggett County can represent all of the small counties and a bordering county into another state so that they can deal with some of the issues that come up. The greatest benefit of the whole thing is that employees can have a plan designed that best meets their needs. This is a unique opportunity for Daggett County to have a voice in the governances of the pool. Even though UAC is identified as the broker, it's the members that will drive the plan. Commissioner Asay spoke up and stated that he agrees with Mr. Olsen in that all insurances are bad to deal with, especially the way the country is running with healthcare being the biggest problem. Mr. Olsen stated that it sounds better for the county to make the switch, and it sounds like a step in the right direction. It was asked how many of the full-time employees are participating in Daggett County insurance. Mrs. Larsen stated that there are about 18 employees in participation. One question that Mrs. Pallesen had is that right now the county offers three plans, and she was wondering how many plans PEHP will offer. Ms. Grace stated that for Daggett County's size, she doesn't know how many plans they would offer. She knows that if it is under ten then the plan only allows one, so she knows that the county can offer multiple, but she doesn't know exactly how many. She stated that she believes there are at least two options, and there was some further discussion. Because of the timing issue, Mr. Lytle asked if it were possible if the commission could make their decision today. He asked the audience if there are any big issues that need to be discussed first. Mrs. Slagowski spoke up and stated that they had issues with out of network providers, but other than that, PEHP hasn't been any harder than working with Select Health. She shared some other thoughts, as well, but said that she is thankful that she has insurance. Mrs. Larsen gave a little synopsis of the HR meeting at UAC that she attended, and Commissioner Asay joined in. There were comments made by some of the employees in attendance. Mr. Lytle stated that from his perspective, he would like to commit to looking at it to see what it would be. He stated that if the commission makes to move to approve UAC, there is still time in the budgeting process to at least figure out a way to consider it, or

how it could fit in. Mrs. Pallesen posed a question to employees and asked if they would rather have more money put into your HSA or request the county put the money into covering the increase in premiums. Justice Court Judge Charlene Hartmann stated that because of her situation, if her premiums go up, she'll be paying the county. Bryan Smith stated that what it boils down to is that our current situation is not working. If the UAC program works out the way Ms. Grace says it's going to, then maybe it will help control the increases. Mrs. Larsen feels like because we are such a small county, we don't get the help that we need. She feels that we are not getting the customer service we deserve. Commissioner Lytle spoke about the importance of stability and whatnot, and stated that the long term picture is what's important. He feels it is important for Daggett County to have a say in it and with being in a big group there are no issues with how many employees we have. Commissioner Lytle stated that in this balancing act, he does not see anything better. \*\*Audio was lost for an unknown amount of time. \*\* Questions were asked about the brokerage fee, and whether or not the county needs to put this out for bid. Attorney Niel Lund thought we were okay as the commission received by UAC would be less than \$50,000.00 which is the threshold to require an RFP. UAC would be the broker of record and then contract with GBS to provide additional services for compliance with benefits and HR information. Commissioner Asay motioned to move forward with UAC as the broker and begin to work towards being part of the UAC/PEHP pool. Commissioner Slauch seconded the motion. All were in favor and the motion carried. Commissioner Asay said that he feels good that UAC is not in this for our money, but are trying to help out the counties. Brandy Grace said that Cache and Morgan have signed up and they are happy to have us be a part of this program as it grows.

The meeting was recessed at 11:44 a.m.

Commissioner Lytle asked what Attorney Niel Lund's expectations are with Smith, Hartvigsen, PLLC. He was wondering if it were to challenge the points that have already been made, and maybe the commission bought off on. Attorney Niel Lund stated no. Mr. Lytle stated that there is an outstanding bill with Smith, Hartvigsen, PLLC and the commission needs to pay attention to those. Mr. Lund stated that if Commissioner Mickelsen's intent was to understand Daggett County's perspective on the water right that we own, then Mr. Lund doesn't think anybody could give a better perspective of what our water right is or should be than Mr. Hartvigsen. According to Mr. Lund, Mr. Hartvigsen has been dealing with this issue for years and he can explain it better. Commissioner Slauch agreed to have him there, even though it costs. Speaking of costs, Mr. Lund brought up Sterling Codifiers and stated that he forwarded the commission some emails. Mr. Lund asked Sterling Codifiers, because of the current circumstances, if they would be willing to break up the bill and let Daggett County make payments. Sterling Codifiers response was that they are open to any type of payment option. Mr. Lund asked the commission if they were ok with him doing that, because that is not really his function. It was discussed to see if Daggett County could defer payment until the first of the next fiscal year. Mr. Lytle asked Clerk/Treasurer Brian Raymond how it affects the county's cash. Mr. Raymond responded and stated that by December 10, 2017 the county will have its first infusion of this year's taxes. Between now and then, the county is overdrawn by about \$300,000.00, according to Mr. Raymond. There was some further discussion about monies available, and Commissioner Lytle asked Mr. Raymond to clarify the amount that Daggett County is in the hole. Mr. Raymond stated that it is a pretty significant amount. Mr. Lytle asked Mr. Raymond what his plan of attack is. Mr. Raymond responded and said that he plans to fill the hole with tax money. Mr. Lytle then asked if the commission was allowing the county to overdraw by approving the vouchers through this date with payroll. There are two to three more payrolls until the end of the year. Mr. Lytle asked how the county can stop overdrawing. Mr. Raymond stated that if they can wait for December 10, 2017, then the county will not be overdrawn. In years past, the general fund



did not have the cushion it does now, so the county had to borrow money. Commissioner Lytle asked if that's what needs to be done now. Commissioner Asay asked if the county is legally required to borrow money. Mr. Asay's feeling is that we are doing something illegal. Mr. Raymond stated that he needs to do more research. Brandy Grace of UAC was asked to join the conversation to provide some advice to Daggett County. She agreed. Cash flow is the issue, and Mr. Lytle stated to her that the county is about \$300,000.00 in the hole on Fund 10. Ms. Grace asked if there are other funds with money in them, and the general fund is the only one upside down. The answer is yes. Mr. Lytle then stated that on December 10, 2017 things should change as property tax revenue starts coming in. He asked if Daggett County is legally responsible. Ms. Grace knows the situation and has the answer. She stated that during her time in Millard County, they had plenty of money in their tax reserve and their capital account, and if the general fund became depleted on paper, then they would just carry on with their business. On the back side of things, the Treasurer would move money around to cover the checks that needed to be written. Legally, the budget should be opened to show that the Treasurer is transferring from one fund to another in order to cover that. She provided some further explanation. She asked if our account is showing over-budget until the money comes in. Mr. Raymond stated that it's not the budget, but the cash that's upside down. Mr. Raymond stated that the Zions checking account for Fund 10 (General Fund) is showing \$202,000.00 in the hole, and Fund 12 (Jail Fund) is \$358,000.00 in the hole. Fund 11 (B Road Fund) has \$98,000.00 positive, Fund 13 (Forest Service Roads Fund), has \$197,000.00 positive, Fund 23 (TRT Fund) is \$139,000.00 positive, Fund 25 (RDA Fund) is \$380,000.00 positive, Fund 28 (Dutch John Enterprise Fund) is \$325,000.00 positive, Fund 34 (Rural Hospital Tax Fund) is \$536,000.00 positive. In taking all the negative and positives and putting them together there is 1.2 million dollars in Zions Bank. Mr. Raymond stated that in Daggett County's PTIF accounts, there's another 1.4 million dollars. He stated that he could transfer some out of PTIF into the general fund. Ms. Grace asked Mr. Raymond if he was going to show that Daggett County is going to operate on that transfer, then when the revenue comes in on December 10, 2017 then you show the transfer back. She stated, if that's the case, then the budget would need to be re-opened and there would need to be a hearing. Ms. Grace stated that they are easy hearings because the county is not expending any more money, it's just that the Treasurer is taking money from this fund to that fund to be in compliance with the money management act and state auditor's office. Ms. Grace stated that she has done all of this before. It was disclosed by Mr. Lytle that he was told by Auditor/Recorder Keri Pallesen to expect the state auditors within the next six months. Mr. Lund asked if there is a point where the county is required to borrow funds to cover expenses. Ms. Grace stated that if there wasn't anywhere for the county to pull from or if the funds were restricted, then the county could think about getting a tax anticipation note. According to Mr. Raymond, Daggett County has done that before. Ms. Grace said that during a meeting with public finance at Zions Bank, they mentioned that they have not done one for several years, but the program still exists. She stated that UAC is considering doing some version of that for getting the insurance reserves built up. She stated that they are short term and low interest notes and that it's the cheapest, best funding there is for building an insurance reserve. Mr. Raymond asked if UAC was going to borrow the money as a whole, or if it were up to the individual counties to borrow to put into the pool. Ms. Grace stated that she was looking at the possibility of UAC handling it all so that it would be easier for the counties, but she doesn't know if it's possible, and there was some further discussion. Options for Daggett County getting a tax anticipation note for insurance reserves were then discussed. Different scenarios were discussed. Mr. Raymond asked what happens if Daggett County has a catastrophic year, and Ms. Grace stated that they are mitigated to some extent. She stated UAC negotiated for a very low re-insurance threshold because they needed to protect the pool. So, once the pool is up and there is some stability and some funding, then UAC will look to increase their re-insurance because they can get it for even cheaper. Ideally, the re-insurance would be upwards of \$400,000.00-\$500,000.00. There was some discussion regarding the negative aspects

of a self-funded pool and how catastrophic events can crash the pool. Ms. Grace stated that re-insurance is what they have in place to protect against that. Problems in other Utah counties were discussed. On another note, Commissioner Asay asked Mr. Lund if the traffic codification was done. Mr. Asay stated that he did not see it on the agenda. Mr. Lund answered and stated that the traffic stuff is included within the code under Title 5. Essentially all Title 5 shows that Daggett County hereby adopts and incorporates all of the state traffic codes. Deputies are going to have to cite to the county code that incorporates the state code, and Mr. Lund is not sure how that is going to work with the courts system. That's more of an administrative function. Mr. Asay stated that way the county gets paid instead of the state. There was some discussion of the nuts and bolts because of Spillman and the courts system.

The meeting was adjourned by acclimation at 12:14 p.m.

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/s/ Brian Raymond

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/s/ Jack Lytle

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/s/ Clyde Slauch

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/s/ Randy Asay