



**GRAND COUNTY COUNCIL
and BUDGET ADVISORY BOARD
JOINT WORKSHOP**

**Grand County Council Chambers
125 East Center Street, Moab, Utah**

Tuesday, October 15, 2019

The Budget Advisory Board met on the above date in the Grand County Council Chambers. The joint workshop with the Grand County Council was called to order by Budget Advisory Board Chair Chris Baird at 9:03 a.m. without a quorum present from the Budget Advisory Board and with a quorum present from the County Council. In attendance from the Budget Advisory Board at the call to order were Chris Baird (Budget Officer and Clerk/Auditor), Evan Clapper (Council Member), and Jaylyn Hawks (Council Member). Chris Kauffman (County Treasurer and Budget Advisory Board Secretary) arrived after the call to order. Absent was Zach Wojcieszek (Citizen) and Elaine Gizler (Moab Area Travel Council Executive Director). Also attending was Ruth Dillon, County Council Administrator, to take minutes and County Attorney Christina Sloan.

In attendance from the County Council at the call to order were Chairperson Evan Clapper and Council Members Greg Halliday, Jaylyn Hawks, Mary McGann, and Terry Morse. Absent were Council Members Rory Paxman and Curtis Wells.

Chris Kauffman (County Treasurer and Budget Advisory Board Secretary) arrived at 9:04 a.m., allowing for a quorum of the Budget Advisory Board.

Workshop on Grand County's general operations and library operations property tax budgets for 2020

Chairperson Baird referred to the written narrative provided that illustrated projected deficits in the 2020 budget thus far in the budgeting process. The document was titled "Grand County Intent to Raise Property Taxes – Narrative and Discussion Points – 2020 Budget." Budget Advisory Board Chairperson Baird stated that, as a caveat, the numbers are constantly changing as supervisors are continuing to work on their budgets.

Chairperson Baird provided Caselle Advantage on-screen and later a spreadsheet titled "Tax increase calculator 2019 – CB edit." He stated that the figure of -\$1,117,205 (in the red) shows current budgeted expense over revenue without a COLA, position requests, or capital projects – in order to show a baseline budget that would maintain the status quo.

Chairperson Baird illustrated that the Library budget is projected at this time to be -\$278,746 (in the red).

Chris Kauffman provided a draft letter to each Board Member (Budget Advisory Board Members as well as County Council Members) showing that it is addressed from the County Council to Grand County Property Taxpayers.

Chairperson Baird reported that the \$208,000 request from the Moab Valley Fire Protection District is included in the General Fund figure of -\$1,117,205 (in the red). Chairperson Baird reported his understanding that the Fire District will not pursue an annexation nor go through in Truth In Taxation this year, but possibly next year. Council Member Halliday reported that the District Commissioners were willing to lower their request for funding. Council Member McGann reported that the District has a budget surplus. Chairperson Baird reminded Board Members that it is the County's job to provide fire protection outside of fire protection districts, and that it is not the District's responsibility to annex.

Council Member Halliday reported that Castle Valley Fire Protection District is considering expanding their district to places they already respond to for fire protection. Further, he stated that Moab Valley Fire Protection District is considering taking on Thompson Fire District. Council Member Halliday reported that Moab Fire District

Commissioners are willing to reduce their request to \$100,000. Chairperson Baird reminded Board Members that health, safety, and welfare is the highest priority, and that fire protection obviously comes under health, safety, and welfare of inhabitants.

Chairperson Baird pointed out that each operational budget before salary and benefits is usually fairly small. He stated that the only way to rectify the budget deficit without a revenue increase is to eliminate employee positions. Evan Clapper inquired as to whether there was any interest in eliminating employee positions. Jaylyn Hawks inquired about early retirement as an option. County Council Administrator Dillon stated that several Department Heads will be retiring in the next one to three years. Chairperson Baird responded that Utah Retirement Systems (URS) has requirements that must be met in order to retire, and thus early retirement may not be an option. Chairperson Baird reported that upwards of 15 full-time positions would have to be eliminated in order to balance the budget.

Chairperson Baird reminded Board Members that the intention of the workshop is to determine figures to fill in the blanks of the motion on the draft agenda summary in order to prepare for the regular Council meeting later today:

Chairperson Baird explained that the COLA is an adjustment in salary to offset inflation so that the purchasing power of the paycheck is maintained year to year and so that, over time, County salaries do not fall below market averages for reasons of staying competitive. He reported that the current national inflation rate is at 1.7%. There was discussion regarding Grand County's inflation rate as being higher than the 1.7% national average and the fact that last year's COLA national average was over 3%, yet the Grand County authorized COLA was only 2%.

Chris Kauffman explained the tax burden in relation to the value of the whole.

Pie charts of budgets of the property taxes were provided on-screen that included:

- Total Budget School District portion
- Grand County General Operations
- Grand County Assessing & Collecting (A&C) plus Library Bond
- Library Operations
- General Obligation (GO) Bond for the Courthouse Remodel
- Cemetery District
- Moab Valley Fire Protection District
- Moab Mosquito Abatement District (MMAD)
- Castle Valley Town and Fire District

Chairperson Baird explained that not all taxing districts apply to every property owner, thus the total tax burden is reduced accordingly.

Terry Morse reported that the MMAD approved an \$80,000 increase in property tax. Chairperson Baird reported that the District plans for a three-year payback of the loan from the County for this past summer's emergency funding.

Chairperson Baird reported that the average residential home is valued at \$242,000, yet a property owner is not taxed on the full amount for residential. He provided projected property tax increases for MMAD at \$7.93 per year for residential property and \$14.41 for commercial property.

County Attorney Christina Sloan encouraged providing a COLA each year. She reported that the Pay for Performance program is potentially being revamped, and research is being sought on what other counties do, which could include deleting the exemplary program. Council Administrator Dillon stated that the County COLA has historically matched the Moab City COLA. She also said that she has a strong opinion in favor of the exemplary program.

Chairperson Baird reported that projected merit increases are included in the 2020 budget. Jaylyn Hawks indicated an interest in knowing the cost of the merit programs.

Chairperson Baird requested a straw poll for providing a 1.7% COLA to county employees:

In favor: Jaylyn Hawks, Evan Clapper, Mary McGann, Terry Morse, and Chris Baird

Against: Greg Halliday

No opinion: Chris Kauffman

Capital Projects:

Chairperson Baird provided Caselle Advantage on-screen showing the General Fund. He explained that there is \$214,000 in Capital Projects fund balance beginning in 2020 without sending more funds there.

Chairperson Baird showed the Capital Projects Fund on screen with over \$821,000 in requests thus far:

Weed truck \$42,000
Weed Truck Bed \$4,278
Weed Trailer \$1,946
Grand Center Sound \$6,500
Maintenance, HVAC \$50,000
Maintenance, Mix Valve \$20,000
Maintenance, Snow Plow \$6,000
Museum Roof \$100,000
Grand Center Roof \$20,000
Radio Replacement \$400,000
Verizon Communication San Juan \$106,000
OSTA Well Match \$10,000
OSTA bathroom \$9,000
Pavilion Padding \$5,600
Bleacher Repair \$5,500
Arena Dirt \$6,000
OSTA Panels $466 \times 18 = \$8,388$
OSTA Scoreboard* $10,200 \times 2 = \$20,400$

Chairperson Baird explained that the Council will certify the tax rate in June 2020 to nail down what the property tax will be at that point. He explained that it can be decreased from what is advertised for Truth In Taxation, but that it cannot increase.

Evan Clapper stated that postponing capital projects increases the costs. He recommended sending \$500,000 to the Capital Fund balance in addition to the \$214,000 current balance.

Chairperson Baird reviewed Jail and Sheriff Office budgets for capital equipment at \$45,000 for the Sheriff's Office. Chairperson Baird reported that the County never approves all the capital requests, even in better financial years.

Regarding the radio replacement and Verizon communication equipment with San Juan County, Chairperson Baird stated that he is working to see what portion could be covered by grants.

Chairperson Baird requested a straw poll for capital projects to add \$500,000 to the Fund Balance:

In favor: Evan Clapper, Jaylyn Hawks, Greg Halliday, Mary McGann, and Terry Morse

Chris Kauffman reminded Board Members that the property tax is ongoing every year into the future. Chairperson Baird stated that each year there are capital project costs of at least \$500,000. He estimated that \$400,000 may be an annual average request for capital projects. Council Administrator Dillon reported from the IT Director that half of Verizon may be a CIB request. There was discussion about erring on the high side.

Jaylyn Hawks questioned whether it is legally possible to fund OSTA through TRT promotional funds. Chairperson Baird stated that TRT mitigation funds can be used, and that the Travel Council will take on OSTA's advertising budget of \$1,000 in 2020.

Council Administrator Dillon provided updates regarding 1) the museum roof and 2) the status of the Weed truck and bed as to leasing versus purchase.

Chairperson Baird requested a straw poll for new position requests. First he provided on-screen the Position Requests spreadsheet and reviewed the 2019 Needs Assessment for positions that were called out for 2019 as follow:

Long-range planner \$96,000 for salaries and benefits

Assistant Council Administrator - Council Administrator Dillon suggested reclassifying the Council Office Coordinator position and/or putting the position on hold for a difference of over \$51,000. She explained that the Needs Assessment calls out that the Council Administrator and Assistant Council Administrator should share roughly equally in terms of supervision of direct reports, roughly seven each.

Council Administrator overlap for Administrator in Training

Human Resources Assistant

Sheriff part-time social media (6 in total)

2 Patrol Deputy

1 Patrol Sergeant

2 more Corrections Deputies I - for Jail – Chairperson Baird remarked that this could help alleviate a current safety issue

1 Corrections Sergeant

Deputy Attorney (reclassified from Paralegal if the employee vacates for a different county job) \$26,000 – It was stated that this is outside the Needs Assessment.

Deputy Attorney reclassification to Chief Deputy Attorney \$10,000

OSTA Maintenance Worker

OSTA Assistant Director – Operations/Administration (Business Development) reclassification from Grade 4 to Grade 7 – There was discussion as to whether it is possible to help pay for the costs from the Travel Council budget for the promotional portion of the position at an estimated \$6,200 noting that hours would have to be tracked for promotional work done.

IT Technician (entry level), part-time

Chairperson Baird remarked that State inmates bring in \$150,000 in revenue that offsets the General Fund.

Chairperson Baird reported that a total new hire cost would be \$929,000, not including the part-time entry level IT Technician position. Council Administrator Dillon reported that the County does now have a full time GIS Specialist.

There was agreement to pull out the positions for long range planner as well as two sergeants for the Sheriff's Office and the Jail.

Sheriff White expressed his priority to have two Corrections Officers per shift in the Jail. He reported that Homeland Security provided a contract recently to be signed by November 18, 2019 stating that the Sheriff's Office must provide no less than a 5-minute response and 730 hours of response time per year to meet Essential Air Service requirements. Sheriff White explained that Officers are currently paid at the time-and-a-half rate to go to the airport randomly.

By consensus, two Corrections Officers (for the Jail) and two Patrol Officers to be dedicated to the airport stayed in the spreadsheet as viable position requests.

Sheriff White requested a part-time position for a Public Information Officer at \$40,000 Grade 6, reporting that the position is not in the Needs Assessment. There was discussion as to whether it could be a countywide position.

The Sheriff's Office capital equipment needs were discussed as follow:

\$30,000 in computer upgrades

Outfit of two new vehicles: \$25,000 per vehicle x 2 = \$50,000

Radio change between the dual bands for 800 and VHF – Sheriff White reported that he is looking at a leasing program of 3 to 5 years instead of a half-million dollar cash outlay.

Matt Cenicerros, IT Director, reported that the Needs Assessment calls out two full-time staff in his department and the fact that he is still short an IT assistant. He explained that additionally a part-time position should be added in 2024 per the Needs Assessment. Matt stated that he is willing to have an entry level part time IT Technician at

approximately \$19.51 per hour, Grade 7. Council Administrator Dillon stated that the department has needed a full-time IT Technician for several years.

Chairperson Baird illustrated that the new budget figure is \$663,442 in position requests, as follow:
Reclassification of Council Office Coordinator to Assistant Council Administrator
Administrator training overlap
Human Resources Assistant
Part-time Social Media in Sheriff's Office and Emergency Management, noting that this requires special training
2 Patrol Officers
2 Corrections Officers
(No sergeants)
Reclassification of 2 positions in the County Attorney's Office
OSTA Maintenance Worker
Reclassification to OSTA Operations Assistant Director
Part time IT Technician

There was consensus to add these costs to the 2020 budget.

At 11:10 a.m. a recess was called to order lunch.

At 11:18 a.m. there was a return from recess and the workshop was called back to order.

Caselle Advantage was provided on-screen.

There was discussion about the potential USU-Moab property acquisition and corresponding debt. Greg Halliday suggested selling County-owned property. Chairperson Baird stated that if the County sells property, the proceeds must go into capital projects. Chairperson Baird stated that if the County sent \$1.8 million to capital projects for the proposed down payment from the General Fund balance, due possibly by the end of 2020 or some time in 2021, the county would be drawing the Fund Balance down very low. He reported that the County closed 2018 with close to \$4.2 million in the Fund Balance of the General Fund. He stated that the County will have about \$3.4 million at the beginning of 2020 if \$1.8 million were to be drawn out. Council Administrator Dillon stated that the administration building is on the CIB (Community Impact Fund Board) list for potential funding. Chairperson Baird stated that other options would involve building but at higher costs. He stated that the Needs Assessment calls out for new space. He raised the question as to whether to budget for an organizational analysis so that if new space is built, the space matches the organizational needs. There was discussion on how much would be required for a down payment of the USU-Moab property and how much would be required in debt payment. Chairperson Baird stated that the down payment could be part grant with CIB, along with a loan of \$2 million, using sales tax as security. He stated that the down payment would not be part of property tax noticing, but would still have to be budgeted. Chairperson Baird stated that retirement of the courthouse GO bond will occur in the next few years and will reduce the property tax levy in the interim; he explained that the levy collects approximately \$190,000 per year.

Chairperson Baird inquired as to whether a property tax increase should take place this next year, or further into the future. Mary McGann and Terry Morse responded initially with "into the future." Chris Kauffman offered a second option and stated that the school district has the opposite strategy of frequent, smaller increases each year. Chairperson Baird stated that the school district's tax rate stays similar each year, and that the school district is capitalizing on the increased assessed values. Terry Morse suggested utilizing the \$190,000 that will be retired soon toward the debt payment if the USU-Moab property is purchased for space expansion.

It was **agreed** to use \$160,000 as a placeholder debt payment for space to carry \$2 million at a projected 2.4% interest for 20 years. Chairperson Baird noted that there will also be closing costs stating that if a purchase is not closed during 2020, the funds could go toward down payment or toward a reserve for debt payment. He stated that the longer term issue is to sell property, given that the Grand County property located in northern San Juan County is growing in value.

Chairperson Baird provided Caselle Advantage on-screen for Library Fund.

Christina Sloan had left and called back in. It was **agreed** to reduce \$36,000 out of the Contract Deputy line item in

the County Attorney budget in exchange for the requested position reclassifications.

There was a brief break to gather lunch.

Chairperson Baird stated that, based on the preliminary Library budget, there is almost \$279,000 in shortfall not including a COLA for Library employees. Carrie Valdes, Library Director, spoke to the fundamental question of salaries and benefits. She stated that she is not requesting new positions. She said that Fund Balance is basically an emergency fund, and that there is no money being budgeted into the Library Capital Project account. It was determined that a 1.7% COLA would bring a \$290,400 increase.

It was determined that the Library tax increase would be \$20.50 for residential based on a market rate for an average home at \$242,000, and \$37.28 per year for commercial.

Board Members reviewed the change in the pie chart showing that the school district is now representing a little more than 50% of the tax bill with Grand County being closer to 30%.

Chairperson Baird reviewed contributions to other agencies:

MVFPD: \$208,000 request

Straw poll for providing a \$100,000 contribution to MVFD:

In favor: Jaylyn Hawks, Evan Clapper, Greg Halliday, and Mary McGann.

Against: Terry Morse

No opinion: Chris Kauffman

It was **agreed** to reduce the MVFD request to \$100,000.

Chairperson Baird reported that Seekhaven requested \$5,000 more than last year for a total of \$15,000. There was discussion about leaving it the same as last year, as well as discussion about compromising to \$12,500.

Chairperson Baird requested a straw poll for a \$12,500 contribution:

In favor: Jaylyn Hawks, Evan Clapper, Chris Baird, Mary McGann, possibly others for a majority.

Chairperson Baird reported that the Humane Society requested a slight increase for fostering dogs, and discounted spay and neuter at \$12,000 with a historical contribution of \$10,000. He stated that the Budget Advisory Board could revise this.

Chairperson Baird reported on contributions to CNHA for MIC Improvements, stating that CNHA is requesting \$18,000 for new carpet in the County-owned building. He stated that the budget is typically \$10,000 for building issues. It was **agreed** to keep it at \$18,000 for now.

Chairperson Baird summarized:

-\$1,007,000 bottom line of General Fund projected for 2020 (deficit, in the red)

-\$131,500 1.7% COLA

-\$500,000 Capital Projects

-\$627,500 New Position Requests

-\$160,000 Capital Debt

Then subtract \$240,000 for expected budget contingency, and \$75,000 in expected new growth.

Total - \$2,111,000

Based on \$242,000 average market value:

\$149.05 annual increase for residential

\$271.00 annual increase for commercial

Chris Kauffman mentioned advertising/noticing the maximum which does nothing to the actual budget, stating however that there could be political blowback.

There was discussion about potentially raising taxes in smaller increments.

Chairperson Baird provided Caselle Advantage Library Expenses on-screen.

Terry Morse suggested a tax increase once and then revisit it in two or three years.

For the notice it was agreed:

\$2,111,000 - property tax budget increase amount for Grand County General Operations

\$275,400 - property tax budget increase amount for Grand County Library Operations

Board Members reviewed the draft letter addressed to Grand County Property Taxpayers from the Grand County Council. There was a request for the word "potential" to be in bold. There was discussion of the order of the bullet points 1 through 4 with **agreement** to move bullet point 3 to first place, followed by bullet point 4, then 2, then 1. Council Administrator Dillon noted that touting that cuts were made to the EMS Special Service District (SSD), Canyonlands Healthcare SSD, and Solid Waste SSD sounds as if the County does not care about these districts. Board Members **agreed** to reword the paragraph more generally to "County contributions to special service districts have been cut by approximately \$430,000 in order to reduce the tax increase."

Adjournment

The meeting was adjourned by Budget Advisor Board Chairperson Baird at 12:40 p.m.

ATTEST:



Chris Baird – Clerk/Auditor

APPROVE:



Evan Clapper – Council Chair