

MINUTES OF BOARD OF COUNTY COMMISSION
BUDGET HEARING 2011
MILLARD COUNTY THE 7th DAY OF DECEMBER 2010
AT THE COURTHOUSE, FILLMORE, UTAH

PRESENT: Daron P. Smith..... Chairperson
Bart A. Whatcott..... Commissioner
Craig Greathouse..... Commissioner

Richard Waddingham..... County Attorney
Marki Rowley..... Deputy County Clerk
Brandy Grace..... County Auditor

ALSO PRESENT:

Linda Beard, Recreation; Max Wood, Recreation Director; Klint Penney, East Millard Maintenance; Forrest Roper, Sheriff’s Office; Pat Manis, County Assessor; Chris Carling, County Weed Board; Bonnie Gehre, County Auditor’s Office; Sheri Dearden, County Treasurer’s Office; James Withers, Commissioner Elect; Connie Hansen County Recorder; Citizens: Miriam Waddingham, Mark Cowley, James K. Slavens, Brady Nielson, Brandon Bartholomew, Dale P. Bond, Patrick Bond, and Victor Monroe, Chronicle Progress: Dean Draper, and Don & Elli Fuller

PURSUANT TO AN AGENDA WHICH HERETOFORE HAD BEEN PROVIDED TO each member of the governing body, posted at the principal office of the Millard County Commission, posted on the Utah Public Notice Website, and provided to the Millard County Chronicle Progress, a newspaper of general circulation within Millard County, as required by law, the following proceedings were had:

Everyone stood and said the Pledge of Allegiance to the Flag.

Commissioner Whatcott made a motion to enter into the budget hearing to take public comment about the 2011 proposed budget.

Commissioner Greathouse SECONDED the motion. The voting was unanimous and the motion carried.

Commissioner Smith called the meeting to order at 7:00 p.m. and welcomed everyone to the budget hearing. He briefly summarized the meeting’s agenda. He then turned the time over to Auditor Brandy Grace for comments.

Auditor Grace covered information relative to the adoption of the budget. The tentative budget was adopted on October 19, 2010. Public notices were run in the Chronicle Progress on

October 27, and November 3, announcing that the budget had been adopted and was available for inspection at the county office building in Delta as well as at the Auditor's office.

Spreadsheets handed out summarized the comparison of the 2010 budget the county is currently operating on, and the 2011 budget. Auditor Grace said that the 2011 budget on the summary does not match the numbers that are on the adopted tentative budget. Since adopting the tentative budget the commission has continued to make changes to the budget through meetings with the department heads.

Auditor Grace said that the first line item of the printout of the general fund shows property tax and has been increased by \$300,000. She clarified that the increase is in anticipation of new growth that would come from centrally assessed properties. There is not an increase anticipated in current property taxes.

A 2% Cost of living adjustment is being considered for county employees and has been included in the budget.

Auditor Grace explained the changes in the benefits to the county employees.

Auditor Grace explained that all of the recreation expenses have been moved out of the general fund and have been moved into a newly created fund, Fund 15. This will account for all recreation activity. There has been discussion that recreation will also include the contract for bookmobile and television. Some may not consider these items recreation items but according to government accounting they are considered recreational.

There will be additional changes made to the budget after tonight. The final adoption of the budget will take place at the commission meeting held on December 21, 2010.

Commissioner Smith explained a few of the other budgeted items and fund balances, namely; Mineral Release Money, PILT Money, Special Projects ie; CERT and Task Force, Capital Projects, Land Fill Fund, Ambulance Fund, Revolving Fund Balance, Unemployment Trust, Transient Room Tax (TRT) etc. He also explained the two major projects that are being proposed for 2011; a new ambulance building and a new public health building in Fillmore with the inclusion of grants the county anticipates receiving.

Commissioner Whatcott read a letter submitted by Tony Cowley (See attachment)

Jim Slavens asked if there was any consideration in cutting the practice of paying for the private office and private secretary for the county attorney. He said that he has looked at every county equal size and greater and not one county does that.

Attorney Waddingham asked if Mr. Slavens followed Salt Lake District Attorney's race. Mr. Slavens responded, no. Attorney Waddingham continued in saying that one of the pivotal issues in that particular race was whether or not they should continue to rent the office space for their prosecutors or to build new offices. Therefore, Millard County is not the only county that does that.

Commissioner Smith said that it is in the proposed budget to proceed as they did last year for

renting space and a secretary contract. The commission discusses this every year and looks at the need for the county. He personally believes that there is a need to have the office in Delta.

Mr. Slavens asked why they do not use existing county offices to meet. Commissioner Smith said that the idea has come up in the past to maybe build on to the office in Delta to provide space which is something the commission is considering right now.

Mr. Slavens said that he doesn't see why they would have to build. It is an expenditure that the county needs to cut. He gave examples of surrounding counties budgets and compared them to Millard County's budget. He said he wants to know why the commissioners are not paying attention to these things. He said we are living in an economy that we need to cut back what we are offering and what our enjoyments are, and he thinks that is one of the things we can live without.

Mr. Slavens said that if you compare the counties and compare the populations, Millard County's budget for the Attorney's Office is out of control.

Attorney Waddingham said that you need to take a lot of things into account that other counties are not doing. Millard County has had an additional court that other counties do not. He doesn't think a lot of the counties have the same critical issues facing Millard County. He said that last year he cut the Attorney's budget voluntarily by about \$15,000 and voluntarily cut it again this year.

Mr. Slavens gave examples of other counties populations and how many secretaries they have working for them.

Commissioner Smith said that the commission tries to evaluate the need of the county and service to provide. They always compare the county with other counties, and look at the need of our county and the value they are trying to provide. There are a lot of different ways each county does things. On the face value of comparing this is difficult but the county takes the time to do this for the value of the citizens.

Mr. Slavens asked what the county has done to follow up on the values and in comparing those values.

Commissioner Smith said that they evaluate what the other counties have done. They go through the process every year and evaluate every department. They feel that they are providing a great value and they continue to review it all the time.

Vic Monroe said that he appreciates what the commission does on behalf of the county. He is concerned about the increase of property taxes and the spiraling down of income. He said that the county needs to check this some way. He glanced over the summary of the budget and noticed that there is about a \$2,000,000 budget for recreation. This seems like a lot. He agrees that recreation is good but you can only pay so much.

Mr. Monroe questioned if there were some new horse barns built in Delta and for what purpose.

Commissioner Greathouse said that four times a year people come in and rent those stalls. Commissioner Whatcott said that in the past they would get a large group of cutters and there were not enough stalls to accommodate them. So they upgraded the stalls in hopes of getting the best revenue.

Mr. Monroe said that he questions if the upgrade is paying its way. He said he heard all his life "if you build it they will come" but he doesn't believe that. He said that we as a county cannot

keep building this type of stuff for play.

Commissioner Whatcott said that he will get a printout of the revenues for Mr. Monroe to review.

Mr. Monroe said that a year ago Auditor Grace gave him a breakdown and he said that the revenue is not justifying the expenditures and we cannot keep building these kinds of things.

Commissioner Greathouse said that when they have the two or four day usage they are also using the RV's, motels and restaurants so there is money coming into the county for these events.

Brandon Bartholomew said that at the end of October one of the promises that was stated in the paper was cutting back on travel for the assessor's office. In looking at the budget he noticed that travel is the highest it has ever been since 2007 in that office.

Another promise was that the chief deputy in the assessor's office would not be replaced when she retired but the budget shows a \$14,000 increase. He said that he knows that the county is getting a new computer system, but the county is a "Class 4 County" and is in the rotation for receiving the new system within three years. He feels that the county could have waited the three years for its turn in the rotation.

Commissioner Smith introduced the elected officials who were in attendance.

Assessor Manis explained that they use two vehicles for travel and one of the vehicles is very old and will need to be replaced. They are saving a lot of time and money with the new GIS system.

The \$14,000 increase had nothing to do with the new computer system. It is for a new mass-appraisal system that has been funded largely through taxes collected locally but the state is collecting the funds and is paying for that.

Assessor Manis also explained the additional \$14,000 which comes from the assessor's office having to reappraise parcels every 5 years and being behind on the commercial properties. With the amount of parcels and ground that they are behind on they were going to add \$50,000 to the budget for three years to pay for someone to come in and do those appraisals. After doing research they found that they would not have to hire someone to do that for them. They are going to hire someone who is familiar with the system to teach them how to use it and they will do their own commercial appraisals.

Assessor Manis said they are not replacing the chief deputy but rather hiring someone to help with temporary data input to get the system cleaned up from the old to the new. This position will be for a one year period.

Commissioner Smith said that the county is combining the East and West Justice courts into one court and only having one judge do court in both Fillmore and Delta.

Commissioner Smith explained that the Weed Department's budget has been increased from \$50,000 to \$90,000 because of the need of some new equipment.

Last year the Weed Board was separated from the Road Board and is functioning and running very well.

Mark Cowley said last year the commission made a great effort in reducing the budget, but he sees that it is up again this year. The problem he sees is that they are going to have continued declining income from the centrally assessed property due to the decreasing value.

Meadow Town Council has been faced with the same problem. They have had reduced income on money that has been kept, interest has been reduced and taxes have been reduced, but they have managed to stay within a budget without increasing taxes. He thinks that the county should do the same thing.

He says when you don't have the extra money you need to cut back. He said that he sees good projects on the budget but if the money is not there you need to cut back.

Mr. Cowley asked Commissioner Smith if the tax revenue from IPP had gone up or decreased this year.

Commissioner Smith said that he thinks it decreased a little this year. They signed a new agreement with IPP for four years on a certain value and the county feels like this is a good option. They depreciate a lot slower and get to add 80% back in any new construction and 50% on any major improvements. Next year the county will receive some added value because IPP has upgraded its converter station and lines.

Mr. Cowley said that they have increased their value by doing many upgrades. Commissioner Smith said that the county negotiated with IPP and got the best deal they could possibly get.

Commissioner Smith said that in regards to UNEV and some of the comments regarding the centrally assessed value which keeps depreciating, this has been the case in the past but as the county looks forward to the next couple of years. There is potential for some growth in centrally assessed values.

The Milford Wind Farm Phase I has been completed and the county will receive some value from that as well as from Phase II and from UNEV Pipeline when it is completed.

They budget a bit more in revenue using as a conservative estimate of about half of what the value will be for next year. It gives the flexibility in budgeting, allowing them to be able to lower it if needed.

The county has not increased its tax rate the last few years and has received the same amount of money. Some of the other taxing entities in the county have increased their tax rate. The county, being the collecting agent for all the other entities, makes it look like the County's tax rate has gone up. When looking at the budget you will see that the county has actually decreased Fund 10 by \$81,000 from last year.

It is tough when you look at all the funds and you see an increase. He knows that it is tough to pay the taxes, but they feel like within the next couple of years they will be getting some added value from some of the centrally assessed property. When they set the tax rate in June, they will have the opportunity to evaluate where we sit at that point.

Klint Penney, East Millard Recreation Supervisor, said that the citizens may not be aware of some of the grant programs that the county applies for. Right now Mr. Penney is working with the Energy Conservation Grant to replace the lighting, heating and air conditioning. The county

received a \$126,000 grant which will save the county money in the future for energy consumption.

A few years back they installed a variable frequency drive that runs the outside air handler. Doing this has cut the maintenance utility budget over \$25,000 a year. He wanted to make sure the public was aware of those grants which the county applies for.

Commissioner Whatcott said that Mr. Penney is a good asset to the county. During weekly meetings he has with recreation and maintenance, Mr. Penney is always finding ways to save the county money.

Commissioner Whatcott also addressed the comments submitted by Mr. Tony Cowley. He said that last year he went through the budget very closely and tried to find places where they could cut the budget. He cut some people last year which was a tough decision to make. In the recreation department he had someone step down from the job and saved roughly \$66,000 by doing this. They are looking at doing similar cuts this year.

Commissioner Whatcott said that Mr. Wood has done a great job for the county as well. Since he asked Mr. Wood to take over running the swimming pool, the attendance and the revenue has increased at the pool. Commissioner Whatcott read those increases and compared them to last year. He said there is not a downside to this. He said that as County Commissioners they will continue to cut where they can.

Commissioner Whatcott said they will continue to manage the county the best way they can. This year there are some expenses in the budget but its money that is already there. Millard County is a very well run county and is operating on its own money without having to borrow money to stay running.

Commissioner Whatcott said that recreation will never operate in the black but it is a benefit to us as a county. If they cut back recreation programs there is a high probability of juvenile delinquency. They provide these programs to build character and instill a desire in citizens young and old. He will continue to keep cutting where he can. He is dedicated to provide good quality of recreation to the citizens. He discussed the golf course, the swimming pool and the Good Sam's Club.

He also commented on the job performances of Jer'E Brinkerhoff and Tresa Cranney.

Commissioner Whatcott encouraged everyone to use the facilities and to give ideas to the recreation department if they have any. He talked briefly about economic development and what revenue it can bring to the county.

Dale Bond talked about the Good Sam's Club and said that over half of the attendees went golfing and will come back next year making this a permanent route. He said that the attendance has doubled and maybe even tripled with the boys that have been playing golf at school and this has helped with kids staying out of trouble.

In Mr. Bond's opinion the golf course covers about half of its expenses. He said that a lot

of businesses come out to play golf as a company. He feels that the golf course is doing very well for itself.

Mr. Mark Cowley said that he is looking at the budget and is seeing an expenditure of excess amounts for the recreation department but not as much for the library. Commissioner Smith responded that both of the cities fund the expense for a library. The fund on the county budget is only for the bookmobile contract.

Patrick Bond said that the school district took over half of his taxes to the school and the kids are out 42 days for budget reduction days. He said that it is absurd to him that the children are not going to school to learn. What are they going to do if there is not recreation. He is upset that he paid half of his taxes to the school and he doesn't think that they do their job.

Commissioner Whatcott said that if you take kids and put them into a recreation program you will help to draw down obesity and will help develop leaders, self confidence and a drive that will help them succeed in life.

Commissioner Whatcott said that recreation does more than cost money. It builds young men and women. He has done research and has found that kids that are actively engaged in recreation programs are less likely to get into trouble or do drugs.

Commissioner Smith said that with the Capital Budget they are proposing to build a public health building in Fillmore because there is inadequate space at the current building. The estimated cost for the public health building is going to be about \$280,000 which will mostly be funded by a grant which they are hoping to receive.

Commissioner Whatcott gave examples as to how small the public health building is. He said that he has looked at surrounding public health buildings and Fillmore has the smallest public health building. He talked to Russ Anderson from Six County Public Health who will help write the grants to help pay for a large portion of the funding to secure the new building. He is aggressively going out for a better health building.

Brady Nielsen appreciates what the commission does for the communities. He said that he is here to say we do want recreation. He also appreciates the opportunities that his three kids have had due to recreation. He said that recreation builds character. He is grateful for those facilities and programs that are in place.

Chris Carling, Millard County Weed Board, said the county is mandated by the state to have a weed board. The Weed Board's budget was increased by \$40,000 and still is the third lowest in the state. They contracted with BLM and by doing so were able to get an additional \$40,000 to buy new equipment. He thanked the commissioners for their support.

Mr. Slavens asked if the commission would explain the interplay between the commissioners and the elected officials on preparing the budget. Who actually approves the budget and how do they come to a determination on the budget with an office as an elected official.

Commissioner Smith said that the commissioners and the budget officer go over the budget and then the budget officer would send out a request form to each department and elected official with a deadline for them to get it back to the budget officer. They would then compile the tentative budget. They go through it and talk about it and invite the department heads and elected officials back to discuss it several times. They would meet to finalize the budget presented today at a commission meeting. The commission approves the budget and is responsible for the budget.

Commissioner Smith said that the boards that are created by statute also have to propose a budget to the commission and its up the commission to adopt the budget that they present.

Brandon Bartholomew said he appreciates the commission because he knows how hard they work on the budget. He said that one of the questions asked at the delegate race was, how do we hold the elected officials responsible for the promises that they make. He said that was a really good question and a lot of the candidates could not answer it.

Mr. Bartholomew said that one of the promises made by Assessor Manis was the he would save the county over \$100,000 in the assessor's office. Then there is an increase of \$14,000.

The GIS was going to save a lot of money in travel expenses but according to the budget it went up \$11,000. He can see where they can save money in that office.

Commissioner Smith said that the commission does not look at the promises made by each elected official, but they do look at the budget and try to determine the best value for the county.

Mr. Bartholomew said that he was going to save the county over \$60,000 by not eliminating a job but combing two jobs.

Assessor Manis said that the campaign promise was over a period of four years. It was going to cost \$150,000 to reappraise commercial areas. They are investing \$15,000 this year to be trained on how to do that. That is a net savings of \$135,000 over the next four years.

A lot of the programs they are implementing that will save time over the next three years are going to cost some money up front to implement.

The data that was in the current system was incorrect and has to be cleaned up before it can be transferred to the new system. They are going to have to hire temporary help this year which is going to take all of the deputy assessor's salary to do and then over the next few years they should not be using that money.

He said this is a process that will save money over a four year period. Commercial evaluation will save about \$135,000 over the next three years. This year they will have to use temporary help which will be phased out over time.

Vic Monroe thinks that the county needs to be a little more prudent on what it does.

Jim Slavens said that he knows that the commissioners put in much more time than they get paid for and he really appreciates it.

Commissioner Smith said that he appreciates the people who came to the public hearing tonight. The comments given at the budget hearing always helps the commission make better decisions. The commissioners are available anytime for input.

Auditor Grace said that the latest numbers will be available at her office and she and her staff are willing to interpret those reports at anytime.

WHERE UPON THE MEETING ADJOURNED

Commissioner Whatcott made a motion to adjourn the meeting.

Commissioner Greathouse SECONDED the motion. The voting was unanimous and the meeting adjourned at 8:32 p.m..

Attest: _____

Approved: _____

December 4, 2010
Meadow, Utah

To the Honorable County Commissioners

Millard County Commissioners
50 South Main
Fillmore, Utah

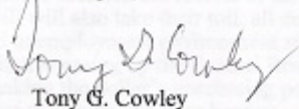
Attn.: Chairperson

Dear Honorable County Commissioners:

I was planning to attend the annual Millard County Budget hearing scheduled for December 7, but unfortunately, I will be out of town for reasons beyond my control.

I was wondering if you would be so kind as to recite my enclosed letter at the hearing in my behalf since I will not be there to address my comments in person?

Thank you,



Tony G. Cowley

Meadow, Utah

December 4, 2010

To the Honorable County Commissioners:

As we approach the end of the year again and time to review the 2011 Millard County budget, I see a disturbing trend continuing. According to an article published in the November 3rd Progress, the tentative county budget for the new fiscal year calls for an increase in spending over \$337,000.00 from 2010 while projected revenues are expected to be about \$89,000.00 less. Does this tell us something?

The big question is, how long can this trend continue, and how much longer can Millard County residents bear their property tax burden? Each year, the centrally-assessed entities in the county such as IPP and others continue to depreciate in value and hence they will bear less and less of the property tax burden. The cash cows are drying up, so to speak. This means that the average homeowner/landowner will shoulder an ever-increasing percentage of the property tax bill. Although circuit breakers exist to help out low-income property owners, this merely shifts the tax burden to others, which is nothing more than another wealth redistribution program.

At the county level, all of this is going on when suddenly we are now being asked to bond for many millions more to build new schools and facilities for Delta and Fillmore. This will add significantly to our property taxes far into the future.

In terms of income taxes, we can only be certain that taxes at the State and Federal level will be increasing, especially if congress fails to extend the Bush-era tax cuts now being debated. Taxes on capital gains, dividends, interest, savings, not to mention the revival of the death tax, and new taxes levied to finance the new Health Care Bill will also take their toll, all during a time when we are experiencing the poorest economic and unemployment environment since the 1930s. With the recent announcement of more quantitative easing by the Federal Reserve, the rise in the silent tax of inflation is certain to increase, making the dollar's purchasing power less. Thousands of people across the nation have lost their jobs and their homes.

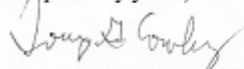
To the point, we are being taxed to death, with no hope in sight as far as I can see. In my opinion, there could be cuts across all departments in Millard County. In my opinion, the areas where the most obvious cuts could be made are in the Sheriff's Department and expenditures on recreational facilities. No one expects such cuts to be painless, but nevertheless, if we don't, eventually, nature will follow its course. We are a county of roughly only 13,000 people, mostly with low incomes, the aged, and many below the poverty zone. Surely, we would all like to have more than we can justify or afford. If the centrally-assessed entities in Millard County continue to depreciate 3-5% per year, then the Millard County budget needs to be reduced accordingly.

Most individuals as well as businesses look at property taxes before deciding where to locate. If Millard County is trying to attract new businesses and industries as they claim to be, then excessive property tax is a poor incentive. We cannot tax our way to prosperity.

I noted with interest that the budget information was printed in the Progress in the same issue that the election results were posted. Perhaps the tentative budget should have been published BEFORE the election.

In closing, my opinion is that if we cannot gain control of spending at the local level, we don't have a chance to throttle back at the State or Federal level, and we will continue to slide into the abyss of insolvency, and continue the ruinous policies that are plaguing our country today.

Respectfully yours,



Tony G. Cowley, Meadow, Utah