

MINUTES OF BOARD OF COUNTY COMMISSIONERS
MILLARD COUNTY THE 6th DAY OF JULY 2021
AT THE COURTHOUSE, FILLMORE, UTAH

PRESENT: Dean Draper.....Chairperson
Bill Wright..... Commissioner
Evelyn Warnick..... Commissioner

Marki Rowley..... County Clerk
Jamie Hair..... Deputy Clerk
Denton Peterson..... Deputy Attorney

EXCUSED: Pat Finlinson..... County Attorney

ALSO PRESENT: Sheri Dearden..... County Treasurer
Bonnie Smith..... County Auditor
Sierra Dickens..... County Recorder
Pat Manis..... County Assessor
Adam Richins..... County Planner
Richard Jacobson..... County Sheriff
Brooks Jackson..... West Recreation Supervisor
Kalan Taylor..... USU Extension
Derrin R. Owens..... Utah State Senate
Mike Holt, Dennis Alldredge, and Kevin Orton..... Fillmore City
Kate Werrett..... Lewis Young Robertson, and Burningham
Terry Messersmith..... TNT Land & Holdings
Hayden Ballard..... PLPCO
Laurie Mathews..... Signature Real Estate
Devan Shields..... Sunrise Engineering
Nick Carter..... State Bank of Southern Utah
Jon Haderlie..... Larson Certified Public Accountants
Matt Ward..... Chronicle Progress

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, Utah, as required by law, the following proceedings were had:

PUBLIC WAS WELCOMED

The meeting began at 10:00 a.m. after a brief welcome by Commissioner Wright to the

public and Commission members.

OPENING STATEMENTS

Commissioner Wright excused Commissioner Draper who briefly stepped from the room and asked if anyone had an opening statement to give. Commissioner Warnick said the invocation. Everyone stood and said the Pledge of Allegiance to the Flag.

APPROVAL OF THE MINUTES OF JUNE 15, 2021

The proposed minutes of a regular County Commission meeting held June 15, 2021 were presented for consideration and approval. Commissioner Wright made a motion to approve the minutes of June 15, 2021, as corrected.

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

FOLLOW UP ACTION ITEMS FROM JUNE 15, 2021

There were none.

INTERIM SUCCESSORS

Interim Successors were presented for the following:

- Golf Course
- IT Department
- East Recreation Department
- Justice Court Office
- Delta Office
- West Maintenance Department
- Planning Department

DISCUSSION AND POSSIBLE APPROVAL OF A BUSINESS LICENSE FOR CHATTER BOXES LLC, OWNER - COURTNEY EDRINGTON

A business license application was presented for Chatter Boxes LLC, Owner - Courtney Edrington, a speech, language, and feeding therapy business. After review of the application and finding all signatures in order, Commissioner Wright made a motion to approve a business license for Chatter Boxes LLC, Owner - Courtney Edrington.

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

DISCUSSION AND POSSIBLE APPROVAL OF A CREDIT CARD FOR THE DELTA OFFICE

MANAGER

Commissioner Draper said that Angi Meinhardt has been hired as the new Office Manager of the Delta Office and will need a purchasing card. Auditor Smith said that she will find out what the limit was for the previous manager.

Later, Auditor Smith said that the prior office manager had a card with a limit of \$1,500.00.

Commissioner Warnick made a motion to approve a credit card for Angi Meinhardt with a limit of \$1,500.00.

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

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 21-07-06, A RESOLUTION OF THE MILLARD COUNTY COMMISSION AUTHORIZING THE FILING OF CROSS-APPEALS TO 2021 APPEALS FILED BY TAXPAYERS SUBJECT TO CENTRAL ASSESSMENT

Commissioner Draper explained that businesses with operations in multiple counties have their tax appraisals done by the State. He said that these businesses have the option to appeal their tax appraisals to the State Tax Commission, and if they appeal, the County can then file a cross appeal to challenge the business's appeal. He said that a resolution is needed in order to file a cross appeal. Commissioner Draper said that Intermountain Power Project, Union Pacific, and Verizon are some of the businesses that are centrally assessed.

Commissioner Draper read the resolution into the minutes.

Commissioner Wright made a motion to approve Resolution 21-07-06, a resolution of the Board of County Commissioners of Millard County, Utah, authorizing the filing of cross-appeals to 2021 appeals filed by taxpayers subject to central assessment.

Commissioner Warnick SECONDED the motion. Clerk Rowley called for a roll call vote. Commissioner Warnick voted YES. Commissioner Wright voted YES. Commissioner Draper voted YES. The voting was unanimous and the motion carried.

DISCUSSION AND POSSIBLE DECISION ON CONCESSION AND BUILDING RENTAL AT THE GUNNISON BEND RESERVOIR - BROOKS JACKSON

Brooks Jackson, West Millard Recreation Supervisor, said that he received two proposals from individuals who would like to rent the concessions at the Gunnison Bend Reservoir. He said it was last rented six years ago at a rate of \$75.00/month. He said that the building doesn't have any equipment so renters would not be able to cook inside.

Supervisor Jackson said that a close comparison is the concessions stand at the ballfields and the rent is \$800.00 per year. He said that the concession stand at the ballfields has included equipment for cooking which is why it has a higher rent.

A brief discussion was had on the process of choosing a renter and future bids.

Commissioner Wright made a motion to allow the West Recreation Supervisor to review the potential renters and make a decision on who to rent it to.

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

LEGISLATIVE UPDATE - SENATOR DERRIN OWENS

Senator Derrin R. Owens said that he is here to update the Commission on the special legislative session which discussed the American Rescue Plan Act (ARPA). He said that most of the funds were not allocated because the guidelines and restrictions aren't yet known. He said that they hope to have more information by the next special session in November. He said that the legislature is also awaiting the redistricting numbers and committees have been set up to canvas each region in the state before the special session in November.

Senator Owens said that the State received approximately \$2,700,000,000.00 in ARPA funds and many of the funds are tagged for sewer and water projects. He said that it is likely that those funds will be disbursed through the Five and Six Counties Organizations because they have existing application programs in place.

Commissioner Warnick asked about deadlines to apply for sewer and water funding. Senator Owens said that he would guess that the information on how and when to apply will be available after the regular legislative session in 2022.

Senator Owens said that the purpose for the special session in November is to go over redistricting, but other issues may be brought up.

Senator Owens said that he has been placed on the Public Utilities Interim Committee and will be meeting with representatives of the Intermountain Power Project this week. He asked the Commission if there was guidance that the Commission would give before he met with them. He said that in the future, these companies may see more reluctance from the Utah State Legislature due to the contracts the company has made with other states.

Commissioner Wright said that it would be prudent for Senator Owens to acquaint himself with some of the County's past grievances which sound similar to the State's.

The Commission thanked Senator Owens for coming.

DISCUSSION AND POSSIBLE ACTION REGARDING A CRA ON THE NORTH END OF FILLMORE - FILLMORE CITY

Commissioner Draper said that with the consent of the other two commissioners, he will open this item up for comment from others in attendance after each Commissioner gives their individual comments.

Commissioner Draper said that the Commission has been doing a lot of research. He cited portions of section 17C-3-103 of the Utah State Code and said that the code is just one of many things that the Commission has to look into before making decisions like this. He said that the County Treasurer, County Auditor, County Assessor, and the County's Economic Development Directors have helped review the provided information. Commissioner Draper said that each elected official has taken an oath to protect the County and so they have taken a hard look at this situation.

Commissioner Draper said that it is important to remember that Millard County is operating

on a deficit budget this year and borrowed \$1,000,000.00 from Capital to fund the 2021 budget. He said that in the past, 78% of the County's budget came from centrally assessed properties, but now it is down to 58% which shifts the tax burden to regular property tax payers. He said that the current budget situation needs to be taken into account as future budgets are considered.

Commissioner Draper said that the revised proposal didn't address the changes that the Commission wanted to see such as the length of the CRA or the participation percentage rates. He said that the proposal over estimated the TRT tax rates and cited the occupancy rate and the difference between RV rentals and motel rates.

Commissioner Draper said that based on the revised numbers, net revenues are estimated at \$1,841,142.00 for Millard County, \$391,705.00 for the Millard School District, \$1,168,742.00 for Fillmore City, and \$8,457.00 for the Fire District. He said that the net revenues from TRT taxes improved significantly, but only if the motel and RV park are built. He said that TRT funds have restrictions in place for their use thus the majority of the revenue would not be available for general fund use and example of which is increased funding for the Sheriff's Office.

Commissioner Draper said that decisions like this greatly impact future budgets and although he understands that this is underdeveloped land and they are proposing an increase in tax revenue, it is not a great investment for the County. He said from an investment standpoint each \$1.00 contributed by the County would see a return of \$2.94. The School District's return would be \$0.33, Fillmore City's would be \$8.02 and the Fire District's would be \$0.15.

Commissioner Draper said that when the cheese plant was brought in, the CDA length was seven years. He said that 20 years for this CRA seems very long.

Commissioner Draper said that they have also looked at Fillmore City's financial situation and found that there is roughly \$2,900,000.00 in their sewer fund, and \$13,000,000.00 in the electric fund. He said that Fillmore City has approximately \$14,362,000.00 in available funds that does not have any restrictions on them and asked why Fillmore City can't pay for the sewer line under the freeway. He said that the estimated cost for putting a sewer line under the freeway is between \$1,200,000.00 and \$1,500,000.00. Commissioner Draper cited section 10-6-135.5 of Utah State Code that states, "Subject to the requirements of this section, a city may transfer money in an enterprise fund to another fund to pay for a good, service, project, venture, or other purpose that is not directly related to the goods or services provided by the enterprise for which the enterprise fund was created."

Commissioner Draper said that Fillmore City is in a better financial situation than the County and that there is a misconception that the County is financially well off. He listed several avenues available to the City to request funding.

Commissioner Draper said that he would like to see representatives from the County, School Board, Fire District and Fillmore City meet to discuss and negotiate possible terms. He said that some of the changes that the Commission would like to see are more steps and percentages based on a hotel and RV park being built within 5 years. He said that he would love to see the County cooperate on this endeavor, but it needs to benefit the County in more ways than TRT taxes.

Commissioner Warnick said that she is not opposed to growth, but their position is to fight for the County and this isn't a good investment for the County as it is right now.

Commissioner Wright asked about the TRT restrictions. Treasurer Dearden explained that TRT dollars are restricted and can only be used for promoting tourism activities and mitigation.

Commissioner Wright said that the revised numbers came in with higher projections, but

didn't change what he was concerned about. He said that he wants to see more equal compensation. Commissioner Wright said that Fillmore City has the potential to tap into some resources to help fund this project and asked if they had looked into any of those options.

Kate Werret, Lewis Young Roberston and Burmingham, said that the vacancy rate Commissioner Draper cited included the year 2020 where vacancy rates were very high due to the pandemic and those numbers should go back to the 65% standard rate of vacancy. She said that the County is currently receiving \$3,439.00 of property taxes from the 60 acres of parcels and if this CRA is constructed the County will be receiving approximately \$45,000.00 annually at the end of the 20 year period. Ms. Werrett said that this won't decrease the base amount that the County will receive in property tax and will add 25% of whatever the additional property tax value becomes. She said that the project is going to bring sewer infrastructure to the area which will allow future growth to occur. She said that they have heard from other developers who are also interested in building in this area.

Terry Messersmith. TNT Land & Holdings, said that he has been involved in the Fillmore area for about 15 years and they are looking into an acquisition of 50 acres just south of the proposed CRA. He said that they have a mixed-use development in the works just south of the Carl's Junior. Mr. Messersmith said that he would like to see this project work for everybody and a 20 year duration is a little long. He said that he wants to put their hat in the ring on this project as well.

Mayor Holt said that the past development areas that they have done have been based on a 20 year payoff. He said that there is an incentive for the developer to pay it off earlier.

Ms. Werrit said that a 20 year timeline is fairly standard.

Commissioner Wright said that he doesn't think that all available resources have been looked into.

Kevin Orton, Fillmore City, said that the fund amounts that Commissioner Draper quoted earlier are correct; however, the City's sewer ponds are at capacity and those sewer funds need to go toward that project to accommodate any future growth. He said that current funds won't cover the sewer project. He said that their electric fund will be used to complete a loop project. He said that the City has several potential projects that need to be addressed.

A discussion was had on the quoted administrative fees and what changes the County would like to see in the proposal.

Terry Messersmith suggested that they schedule a dialog work session with all involved entities to discuss the proposal in further detail.

Commissioner Wright said that a commission meeting isn't the right venue to be able to discuss all of this in detail.

Commissioner Wright made a motion to assign a commissioner to attend CRA work meetings as a representative of the County.

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

PUBLIC INPUT

Senator Owens said that he has enjoyed watching the democratic process in action and appreciates the Commission's work.

OTHER BUSINESS

Commissioner Warnick said that a small child drowned in the Delta Area and a barrel racing benefit has been organized to help the family. She said that the organizers have asked that the fee be waived for use of the Delta horse arena for this event.

Commissioner Warnick make a motion to waive the use fee for the Delta horse arena for the barrel racing benefit.

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

2021 INDEPENDENT AUDIT PRESENTATION

Auditor Smith said that the independent audit was filed with the State before the deadline and introduced Mr. Jon Haderlie with Larson Certified Public Accountants. Mr. Haderlie went through the 2021 Independent Audit Report and said that there were no findings.

Commissioner Wright asked about possible penalties if funds received from federal acts are spent inappropriately. Mr. Haderlie gave some examples of entities who had to pay funds back and said that may not always be required. He said that it is best practice to have a plan regarding how the funds will be spent, proper documentation, and conflict of interest statements signed by the Commissioners and key management.

DISCUSSION AND POSSIBLE APPOINTMENTS TO VARIOUS COUNTY BOARDS

Commissioner Draper said that the Great Basin Heritage Area has advertised openings for their board and Carl Camp and Nicole Henrie were the only two who expressed interest.

Commissioner Wright made a motion to appoint Carl Camp and Nicole Henrie to the Great Basin Heritage Area Board.

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

POSSIBLE APPROVAL OF APPLICATION(S) FOR SETTLEMENT OR DEFERRAL OF DELINQUENT PROPERTY TAX

Treasurer Dearden presented an application for Lora L. Smith - Parcel D-1025; Account #0046350 and gave a brief history of her account which includes past exemptions and abatements.

Commissioner Draper said that he would like to abate this account by 100%.

Treasurer Dearden briefly explained the circuit breaker program.

Commissioner Wright made a motion to abate Lora L. Smith - Parcel D-1025; Account #0046350 by 100% including interest and penalties.

Commissioner Warnick SECONDED the motion. The voting was unanimous and the

motion carried.

DISCUSSIONS FROM EACH COMMISSIONER, COUNTY ATTORNEY, ELECTED OFFICIAL AND SECRETARY

Commissioner Warnick said that the Delta Rodeo went very well and more signs were purchased and put in place. She said it was well attended and many have complemented the arena changes.

Commissioner Warnick said that the Miss Millard Pageant is this Saturday July 10, 2021 at 7:00 p.m. at Millard High School.

Commissioner Wright asked about scholarships for participants and funds put toward this program.

Treasurer Dearden said that she is assisting the program this year and scholarships are offered to the winners. She said that they look for service opportunities and attend events like the fair and the Miss Utah Pageant.

Commissioner Warnick said that the budget for the Miss Millard Program is approximately \$15,000.00 and they have an option of earning an additional \$3,000.00 through fundraisers.

AUDITOR REPORT

Auditor Smith said that the County has not yet accepted any funds from the American Rescue Plan Act (ARPA) and that the final rules and guidance are anticipated by the end of July.

Auditor Smith explained that the County participated in a compliance audit with URS and there was originally a finding regarding a post retired employees check. She said that she was able to prove that the County was doing these checks and will just change where they run those searches.

Auditor Smith said that there were three recommendations listed on the URS Compliance Audit and the County needs an action plan on these items.

- 1 - Include the post retired employees check on the software report.
- 2 - Public Safety job descriptions need to be submitted and approved by the URS Public Safety Board.
- 3 - Employee separation timelines and timely notices. Employees need to be terminated after they have not worked for a certain amount of days.

Auditor Smith gave the following reports:

AP Check Registers:

6/18 - \$136,159.79
6/25 - \$497,264.52
6/25 - \$ 25,535.70 Zions Bank draft
6/30 - \$16,614.07

7/02 - \$199,331.67

Payroll Liabilities

6/18/21 Payroll - \$426,149.19

POSSIBLE BOARD OF EQUALIZATION (BOE) DISCUSSION AND/OR ACTION

There were none.

POSSIBLE REVIEW OF COUNTY POLICIES AND CONTRACTS

Clerk Rowley said that the County will be contracting with Hinckley, Oak City, Lynndyl, Kanosh, Meadow and Scipio for their municipal elections. She said that only two of those municipalities will have primary elections.

POSSIBLE CLOSED MEETING PURSUANT TO UTAH CODE ANNOTATED SECTION 52-4-204 & 205

Commissioner Warnick made a motion to go into a closed executive session for the purpose of discussing pending and/or threatened litigation.

Commissioner Wright SECONDED the motion. All three commissioners voted unanimously and the motion carried. Present in the closed session were Commissioner Wright, Commissioner Warnick, Commissioner Draper, Attorney Peterson, Planner Richins, Assessor Manis, Auditor Smith, Treasurer Dearden, and Sheriff Jacobson.

After the closed executive session the regular meeting reconvened at 1:15 p.m.

WHERE UPON THE MEETING ADJOURNED

Commissioner Draper adjourned the meeting at 1:16 p.m.

Attest: _____

Approved: _____