

**MINUTES
OF THE
LA PAZ COUNTY BOARD OF SUPERVISORS
Monday, August 3, 2015, 2:00 p.m.
Special Meeting**

Chairman Irwin called the August 3, 2015, special meeting of the La Paz County Board of Supervisors to order at 2:00 p.m. Elected Officials and Department Heads present were: Chairman Irwin, Supervisor Wilson, Supervisor Clapperton, County Administrator/Clerk of the Board Field, Deputy County Attorney Buckelew, Public Defender Field, Superior Court Clerk Spielman, Grant Administrator/Resource Coordinator Taft, Elections Director Scholl, Health Director Shontz, Assessor Schuler, Facilities Maintenance Supervisor Harder, School Superintendent Price, Recorder Baker; and Deputy Clerk of the Board Green.

Public Hearing regarding: a) Fiscal Year 2015/2016 La Paz County Budget

County Administrator Field stated that, after the worksession on Thursday, July 30, 2015, he had met with several departments to discuss changes. He stated that figures for the budget cannot go over the amount that was approved in the Tentative Budget in the amount of \$33,464,472; however, he was able to “shave off” approximately \$500,000 off the General Fund. He felt the revenue figures reflect more accurately what they would be.

He discussed at length the various funds; noted that there would be an amendment to the previous year’s budget; and added that he would be discussing with the Board the possibility of making both the Parks and the Landfill designated as “Enterprise Funds”.

He stated the budget “envisions a levy of \$4.757 million; tax rate of 2.358, noting that the lighting districts are included in the budget since they are controlled by the Board.

He discussed at length the various schedules and expenditures, noting that it would be very difficult to run the County if it did not receive the various special funds and funds from outside entities that flow back into the County’s General Funds through the “flexibility language” associated with them. He highlighted the status and types of funding that flow through the different departments.

He added that Schedule G was a new schedule that highlighted expenditures relating to employees.

Chairman Irwin opened the public hearing and asked if anyone wished to comment on the Fiscal Year 2015/2016 La Paz County Budget.

There being no comments, Chairman Irwin closed the public hearing.

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Public Hearing regarding: b) Proposed Tax Levies

County Administrator Field stated that the proposed tax levies were not complete. He stated he had a copy of the schools levies; however, they continue to change. He hoped to receive more complete information by the close of the day and to be finalized by August 17, 2015.

He noted that the School Superintendent had notified him concerning an issue with one of the school districts, adding that a statement had been made at the Board's regular meeting at Call to the Public on the matter.

He stated that the final approval will involve the Property Tax Oversight Commission (PTOC) and the Department of Revenue relating to that particular issue.

He requested that staff make copies of the most current proposed school tax levies and to distribute them the Board. He suggested resuming discussion when the copies were received.

Chairman Irwin stated that the Board would go on to the next item for discussion until such time the copies were received.

Chairman Irwin recessed the Board of Supervisors and convened the Jail District Board of Directors at 2:12 p.m.

Public Hearing regarding the Fiscal Year 2015/2016 La Paz County Jail District Budget

County Administrator Field stated that the Jail District Budget had not changed since the Tentative Budget, and reviewed each item in the Schedule of Revenues.

He stated the Sheriff's office will be strongly pursuing contracts to house federal prisoners, which will greatly help the Jail budget. He added the Board will address these issues with the state as a group effort on this important budget. He further added that it is not possible to cut back on fixed costs, and the solution would be to obtain more inmates and increase revenues.

Chairman Irwin opened the public hearing and asked if anyone wished to comment on the La Paz County Jail District Budget.

There being no comment, Chairman Irwin closed the public hearing.

Discussion and possible action to Adopt Resolution No. JD2015-01, adopting the Fiscal Year 2015/2016 La Paz County Jail District Budget

County Administrator Field stated that the only comment he had regarding the Jail District Budget from the Tentative Budget was to adjust the total revenues to \$3,486,000, subtracting \$500 from the "interest& other income" line item.

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Supervisor Wilson explained that the Jail District was currently at a negative fund balance and he felt putting the \$500 interest entry, a negative figure, into the Jail District budget would be “ludicrous”.

SUPERVISOR WILSON MOVED to adopt Resolution No. JD2015-01, adopting the Fiscal Year 2015/2016 La Paz County Jail District Budget. Motion seconded by Supervisor Clapperton, passed unanimously.

Chairman Irwin recessed the Jail District Board of Directors and reconvened the Board of Supervisors at 2:27 p.m.

Discussion and possible action to Adopt Resolution No. 2015-12, adopting the Fiscal Year 2015/2016 La Paz County Budget

SUPERVISOR WILSON MOVED to adopt Resolution No. 2015-12, adopting the Fiscal Year 2015/2016 La Paz County Budget in the amount of \$33,317,169. Motion seconded by Chairman Wilson, passed unanimously.

Public Hearing regarding: b) Proposed Tax Levies

County Administrator Field stated that the packet received from the School Superintendent’s office indicated revisions on the Wenden School District levy; and represents the reduction of assessed valuations that have been occurring over the past years resulting in the district assessing an amount that exceeds an amount allowable by Property Tax Oversight Commission (PTOC).

He added the School Superintendent recommended the County set the levy as suggested by the PTOC.

County Administrator Field stated that it was still two weeks until the deadline for setting the levies.

Supervisor Wilson expressed that the tax levy recommendation to the Wenden School District by the PTOC represented the maximum statutory tax rate allowed.

County Administrator Field affirmed that the levy amount recommended by the POTC was the statutory limit. He added that the Wenden School District has their own legal counsel and are communicating with the Department of Education.

He stated that after the budgets and worksheets submitted by the various districts are reviewed, they will receive a memorandum; and the levies adopted will be provided to the Department of Revenue as well as the Property Tax Oversight Commission.

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He was not sure whether the schools received a penalty for exceeding the statutory limitations on levies; as it does for the Counties.

Supervisor King compared the property tax rate for the County from last year noting a .0717 increase, and asked what amount that translated into.

County Administrator Field answered that the .0717 figure represented \$7.17 on a house valued at \$100,000.

School Superintendent Price stated that a meeting was held with the Wenden School District, with County Administrator Field and Chairman Irwin in attendance. She stated that the Wenden School has had a negative cash balance for over the two years allowed by statute.

She stated that all the schools are struggling, and statute's solution for the situation is to allow the County to fund them; however, the County is not in a position to fund the Wenden School District. She stated the assessed valuations are not keeping pace with the rest of the state, nor up to the amounts budgeted. She added their levy has been capped by PTOC at 5.7822%; whereas, the tax rate requested was over 6%.

She added her staff has been communicating often with the State and has received indication that if the tax levy for the Wenden School District is set at the rate they requested for the higher amount, the County could be required to adjust the tax bills to the proper amount and resend them; which would be an additional expense to the County.

School Superintendent Price stated that there is no place for the school district to go if there were no contingency fund or some investment pool in which the County could support them. She explained that small schools have what is called a "small school adjustment", which provides elementary schools with fewer than 125 students the ability "to add an unlimited amount to their budget to bring them up to their budget capacity that the Department of Education sets for them". She stated the Department of Education does not take into account that rates are capped by the PTOC, and seem to be unaware of this situation; however, they are becoming aware and she expects that legislation will follow.

She explained that although schools with over 125 students must go to the voters to "override" their budgets; it could only be for an additional 15%. She reiterated that schools with fewer than 125 students can make a "small school adjustment" for any amount they wish. She stated the Wenden School District has asked for a \$487,000 adjustment this year, and has asked up to as much as \$800,000 in the past.

County Administrator Field received from the staff the latest submission, just received, of the schools and special districts tax levies.

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School Superintendent Price discussed at length the levy budgets, primary assessed valuations, and primary tax rates for each of the school districts.

A brief discussion ensued on the complicated formulas that are used to determine funding and that constantly change.

County Administrator Field stated that all the information attained for the special districts, including special lighting districts, will be compiled for a final version. It was also noted that the Parker Fire District information had not yet been received.

Chairman Irwin opened the public hearing and asked if anyone wished to comment on the proposed tax levies.

Chief Deputy School Superintendent Rohde, stated that Salome, Wenden, Bouse, and Bicentennial School Districts all have a “small school adjustment”, allowing an unlimited adjustment override without voter approval; which translate into a “pure tax” increase for the taxpayer; however, none of the other small school districts are in the situation that the Wenden school is in. She added that, after analyzing the actual revenue numbers for the last five years, the Wenden school has finished in the negative, and is more than 5% of their revenue control limit. She felt there is something more happening in Wenden than would be considered “normal”, and that is another reason the Superintendent’s office is recommending to follow the PTOC’s set tax rate. She added that there is more to this situation than “just a small school being unfairly treated”.

County Administrator added that he understands that the PTOC will probably conduct a hearing on the matter.

Chief Deputy School Superintendent Rohde confirmed that there would be a hearing, occurring on August 11, 2015, at 2:30 p.m.; and again thereafter, if needed.

Supervisor Clapperton asked Chief Deputy School Superintendent Rohde what she felt were the contributing factors of the Wenden situation and to rural schools.

Chief Deputy School Superintendent Rohde expressed that she had been trying to determine what the gaps were regarding the funding of small schools, and she felt problems arose when a state agency “unreasonably” allows unlimited budget capacities to smaller schools, and then “pushes” that responsibility to the County level. She added that in more populous areas this situation would not commonly arise because there would be more students per school and these rules would not apply. She stated that La Paz County has three schools in less than a ten-mile radius; each with a \$1 million budget.

Supervisor Wilson asked how the PTOC could limit the Wenden School to a number when the small schools have unlimited override ability.

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Chief Deputy School Superintendent Rohde expressed that all small schools have the ability to override and use the same formula for levies. She felt the PTOC turned their attention to the Wenden School to get things under control. She did not understand why changes were not simply made to statute regarding the override ability.

County Administrator Field asked why the PTOC did not get involved earlier.

Chief Deputy School Superintendent Rohde answered that they found that the Wenden School had been “under their radar” of the PTOC for the past three years. She stated that it was not until this year, with the new School Superintendent, when it was researched and statute found regarding exceeding the revenue control limit, thus finding the Wenden school non-compliant with the statute.

County Administrator Field stated that no doubt there will be more discussion on this matter; however, the levies will be completed and approved by the statutory deadline on August 17, 2015.

There being no further comments, Chairman Irwin closed the public hearing.

Call to the Public

There were no comments.

Adjournment

Chairman Irwin adjourned the meeting at 3:10 p.m.

APPROVED:

_____/s/_____
Holly Irwin, Chairman

ATTEST:

_____/s/_____
Dan Field, Clerk of the Board