

Abbreviated Minutes: Complete Set Of Minutes Are On File In The Clerk's Office

Madison County		
Commissioners Meeting Minutes		
		
JULY 11, 2016	9:00 A.M.	COMMISSIONERS' ROOM
ATTENDEES	Commissioners: Chairman Jon Weber, Kimber Ricks and Todd Smith Deputy Prosecuting Attorney: Troy Evans County Clerk: Kim Muir, Deputy Clerk: Ilene Palmer	

AGENDA TOPICS

Pledge of Allegiance: Commissioner Ricks

Invocation: Commissioner Smith

Public Comment: Bruce Bowler was present to comment on the recent VEBA changes.

The Sheriff's office is anticipating 3 to 4 people to retire in the next year. Bruce thinks this is a great benefit; however he is concerned about the forced participation. Bruce said that if an employee has 400 hours and they take a few months off, the County is left with an unproductive employee. The County will be paying 50% of their wages in benefits to keep them on the payroll. The Commissioners reminded him that this benefit can be adjusted each year, and the reason it is in force now is because the recent employees who have retired requested it.

County Business

Committee and Board Reports

Jon Weber – Fairground

Kimber Ricks

Todd Smith – Tri County

Calendar Discussion

Commission ID Cards

Discussion Items:

Budget and current administration fees

Contracts/Documents

Review and sign:

Commissioner Weber made a motion to sign and approve the Juvenile Probation IDJC grant award. Commissioner Smith seconded and voting was unanimous.

Commissioner Smith made a motion to sign and approve the ES & S Sales Order Agreement. Commissioner Weber seconded and voting was unanimous.

Commissioner Weber made a motion to sign and approve the Miss Bows contract for County Fair entertainment. Commissioner Ricks seconded and voting was unanimous.

Review and sign: Indigent Defense Grant Application form. This will be signed at the next meeting as it is still being completed.

Routine Matters

Commissioner Weber made a motion to approve the claims presented by the clerk. Commissioner Smith seconded and voting was unanimous.

Commissioner Ricks made a motion to approve and sign the Commission meeting minutes for June 27, 2016. Commissioner Smith seconded and voting was unanimous.

Commissioner Ricks made a motion to approve and sign the Commission meeting minutes for June 30, 2016. Commissioner Smith seconded and voting was unanimous.

Commissioner made a motion to sign and approve the Certificates of Residency for Jason Ostermiller and Ashley Orr. Commissioner seconded and voting was unanimous.

Commissioner Weber made a motion to raise Cindy Roberson and Reo Jensen's rate; they have assumed dual Supervisory positions. Both have been running Road and Bridge. Commissioner Ricks seconded and voting was unanimous.

Agenda Items

BOE Appeal, NRCC Asset Acquisition LLC

Shawn Boice, Gary Shewey from the Assessor's Office and Michael Greenberg, NRCC were sworn in.

There have been several attempts to get an inventory list from Mr. Michael Greenberg; however the County did not receive it until Friday July 8. There was not adequate time for the Assessor's office to do an onsite visit; Shawn did not agree with the inventory listing of \$10,000 for asphalt. An inspection will be scheduled.

Mr. Greenberg stated the equipment is considered obsolete because there are less expensive options currently available. He valued the inventory at \$303,197 value; the total value would be approximately \$700,000. Mr. Greenberg will be back in two weeks and Shawn will perform an inspection at that time. The Assessor feels that he has offered Mr. Greenberg a fair negotiation deal even though he hasn't fully cooperated or provided the necessary information for the appeal.

Commissioner Smith made a motion to adjust the personal property for NRCC Asset LLC to \$700,000.00. Commissioner Weber seconded and voting was unanimous.

The BOE appeal process was recessed at 9:20 a.m. and the Commission meeting resumed.

Ann Marie Sorensen, Indigent Clerk Executive Session Idaho Code 74-206(1) (d) exempt records. Commissioner Weber made a motion to go into Executive Session at 9:27 a.m. pursuant to Idaho Code §74-206(1)(b) and (d) exempt matters. Commissioner Ricks seconded the motion. A roll call vote was taken as follows:

Commissioner Ricks—yes

Commissioner Weber—yes

Commissioner Smith—yes

Commissioner Weber returned the County Commissioners to open session at 9:25 a.m. Commissioner Ricks made a motion to sign the Lien on Case No. 2016037. Indigent Non-Medical: Sign a Lien on Case No. N2016008. Commissioner Weber seconded and voting was unanimous.

Decision - County reorganization of Solid Waste, Parks & Rec, Mosquito and Weeds

Commissioner Weber visited with Jared Arnold and Tony Pozenel this morning to explain the changes being made. Tony will become the Weed Superintendent. Jared will be responsible for bringing budgeting and capital purchases to the Commissioners and be in charge of these departments. It was agreed that training decisions should be brought to the Commissioners in advance of the winter training season.

Commissioner Smith made a motion to approve the reorganization, assigning Jared Arnold the General Services Department Supervisor of Parks, Weed, Mosquito and Solid Waste. Darby will be promoted to Supervisor of the Solid Waste department and Tony will be the Weed Superintendent. Commissioner Ricks seconded and voting was unanimous.

Commissioner Weber recessed the Commission Meeting and Board of Equalization was opened at 10:00 a.m.

BOE appeal, Rockwell Court LP and Grove at Riverside LP

Mr. Cornforth was teleconferenced

The Grove Apartments:

Mr. Shewey stated that the County cannot put a value on this property however they have received confirmation that this property is a park. As a common area, a value of \$25 has been recognized.

Rockwell Court:

Limited Partnership for this property was discussed by Moe Therrian. Mr. Therrian owns a low income housing property in another County. Mr. Cornforth explained the nuances of Section 42 low income housing. Mr. Shewey explained that young married college students are the primary residents in this type of housing. They do not have issues with vacancies however, currently, there is a waiting list to obtain residency. In addition, there is now an onsite manager that receives a negotiated allowance of \$9600 for a manager's apartment. Mr. Therrian reported a negotiated 56% of the effective gross after adjustments, however Mr. Shewey feels that a typical 52% from the State Tax Commission is the median expense. Expenses are estimated at \$3,000 per door from a developer as compared to the typical State price of \$4000 a door. Additionally, capitalization is at 7.5%. When finished, Mr. Therrian felt that the 56% was fair. Mr. Shewey feels that the County is providing a sufficient price for adjustments and feels the County is where it should be.

Response:

Gary Shewey responded.

- He asked if there are other comparisons that show higher expenses per unit.
- The property experienced a problem with the water heaters that were installed on the property. The water is harder than the water heaters installed could tolerate. They were unable to go to the manufacturer for assistance because they went out of business. The cost to replace the 15 out of 51 that failed would be over \$46,000. Gary said the County can make an adjustment of \$6100. He understands that these expenses constitute 56% when the State median is 52%. This expense will be dealt with on an annual basis. Right now the County is looking at expenses incurred during 2015; if these expenses were incurred in 2015 we will discuss them now, if not, they will be discussed next year. Documentation of expenses will be

needed in the future before any adjustments can be made. Gary is offering to take \$61,600 from the improvement value, which he feels is more than fair. Adjustments for expenses incurred before last year are not possible.

- Replacement reserves were set aside and the County would agree to use a deduction with expense for the water heaters.

The Assessor's office will take this under advisement.

Commissioner Weber made a motion to accept the value of \$25 for the Grove. Commissioner Smith seconded and voting was unanimous.

Commissioner Smith made a motion to sign and approve adjusting the value to \$2,695,280. Commissioner Weber seconded and voting was unanimous.

BOE appeal was recessed and BOC was resumed.

Brent McFadden, Boiler bid opening

Ralph Robinson and Ron Rhodes were present. One bid for the boiler was received. Specs were put out and the bid was posted in the paper as legally required.

The bid was awarded to Boiler Treatment Services (Walter Dietz) for \$74,000. This is a new double stack boiler and will pay for itself in about three years.

Commissioner Weber made a motion to accept and approve the bid for the boiler in the jail. Commissioner Smith seconded and voting was unanimous.

Eric Reiser, GPC Architects to award bid

Brian Harris reviewed the numbers on the bid that was submitted, there was a \$23,000 discrepancy. He would like to recall his bid from the project and has submitted a letter stating this. Mr. Harris was allowed to remove his lowest bid on this project per his written request.

Eric spoke to Alan Clark Construction, the alternate \$64,300 bid. This bid was a little high. The control system and the control hardware cost is \$41,200, in addition the front doors are \$13,000. There is \$10,000 in additional hardware for the security which was part of the Arco bid. Eric recommends proceeding with Alan Clark Construction.

Commissioner Ricks made a motion to accept the Alan Clark Construction bid. Commissioner Weber seconded and voting was unanimous.

Tim Solomon, Rocky Mountain Power

Tim reviewed the 2016 quarterly report. Tim will be stepping down from the URD Board because he has moved out of Madison County.

Commissioner Smith made a motion to amend today's agenda in order to review an additional add-on to the original grant application from the City of Rexburg regarding the airport re-paving. Commissioner Ricks seconded and voting was unanimous.

Commissioner Weber made a motion to sign the grant application assurances for the airport. The grant was previously signed by the Commissioners at the last meeting. Commissioner Smith seconded and voting was unanimous.

Lunch break, Meet with employees of reorganized departments.

Jim Archibald/ Kimberly Simmons, Public Defense grant application

Kimberly Simmons was introduced from the Idaho State Public Defense Commission. The grant application was discussed at length. The Capital Crimes defense fund was also discussed. In addition, there is an extraordinary litigation fund. This is a stripped down version of the grant application. It will become more robust in the future to comply with the statute. The application for next year will be out by May 1, it can be emailed after the next meeting.

Commission meeting was recessed and BOE was reopened.

BOE Appeal, HRA Properties

Howard Hubler was present via telephone conference call.

Perry Shumway is the rental agent for this property. Gary explained the local situation with BYU transitioning from a 2 year school to a 4 year school and the increasing enrollment numbers at the school.

Rexburg Housing consists of 8 buildings; the owner manages these as one property. It has one central office, one consolidated income statement. They have shared the income statement with the Assessor. The income drives the value of this property; the gross is 5.1 million less 24% because of student housing rental turnover. Howard feels the income approach is best way to arrive at the allocation.

Gary explained that HRA is asking that the management expenses are treated as typical. He indicated that sales should be used to value individual complexes because each complex is different. Each building might have a different expense ratio because of this. The Assessor had asked Perry Schumway for an accounting of the individual expenses for each property, however never received one. An income model was done based on the expense rate of 35%-45% which is what other complexes use. No rent is assigned to the office and vacant land.

Rockland

There is currently a micro market in Rexburg, with a 6.5% capitalization rate market in Rexburg properties. The last time these properties were appraised was in 2009; there has been a great deal of change since then.

Gary said the values were not appraised in 2009 because younger students were going on missions; however the rates remained the same until things leveled out.

Commissioner Smith made a motion to uphold the value currently placed by the Assessor's office. Commissioner Weber seconded and voting was unanimous.

BOE Appeal, BVH I, LLC

Raquel Chambers and Stephen Wood were present with Ball Ventures. The Ivy was built in 2010 – 2012 and caters to single students. There is a limited amount of parking; The Ivy operates 2 shuttle buses to move students to and from campus and around Rexburg. Newer projects were built and the market occupancy decreased.

Raquel asked if Madison County uses NOI for their property valuations. She also asked if there is a CAP rate that they should look at. They are currently using a 7% CAP rate. Gary commented that he typically sees a 6.5% cap rate. Gary pointed out that the land value has increased substantially. Comparisons and

income statements were reviewed; however the income statements were received at 3:45p.m. Friday so they didn't have time to talk before the BOE appeal today. Gary would like to work with BVH I and not have the appeal process be adversarial.

Commissioner Smith made a motion to lower the value to a value of \$20,500,000 off the improvement. Commissioner Ricks seconded and voting was unanimous.

Commissioner Smith made a motion to allow Jon to sign the Notice of Actions for the Board of Equalization decisions. Commissioner Ricks seconded and voting was unanimous.

BOE was closed at 3:15.

Commissioner Ricks made a motion to adjourn Commission meeting at 3:20 p.m. Commissioner Weber seconded and voting was unanimous.

Approved:

Jon O. Weber, Commission Chairman

Todd Smith, Commissioner

Kimber Ricks, Commissioner