

**Madison County
Commissioner Meeting Minutes
June 25, 2018**

Attendees:

Jon Weber, Chairman
Todd Smith, Commissioner
Brent Mendenhall, Commissioner was excused from the meeting
Troy Evans, Deputy Prosecuting Attorney
Kim Muir, County Clerk

Agenda Topics

Pledge of Allegiance led by Commissioner Smith
Invocation was given by Clerk Kim Muir

County Business

Committee & Board Reports

Commissioner Mendenhall was excused from the beginning of this meeting. He will join the meeting once his is back in town around noon.

Commissioner Smith:

Hospital Board. There is a Hospital Board meeting this week and Todd would like items to report on from the County. Those items noted were: Transportation and funding possibilities from LHTAC; surplus eliminator on the Hibbard round about; south frontage road project update; working with Sugar and Rexburg on connectivity of trails; working with other counties on the District Waste facility; update on flood plain; working with Reclamation on Teton Flood site campground and boat access, and fairground improvement projects. Commissioners also want to thank the Hospital Board for their support of continued community events.

Commissioner Weber:

Whoopee Days Rodeo. The rodeo is this Friday and Saturday with fireworks planned for Saturday night. The Commissioners iPads will be used to run credit cards for patrons using their cards for entry into the events.

County fair

The County Fair is August 15–18, 2018. The Teton Story Telling festival will have professional storytellers, who have won national awards, on the free stage on Saturday, August 18 from 9 a.m. to 6 p.m. The City of Rexburg is paying for this. The cost for admittance to the fair is \$1 per person and a family pass will be offered. Other nights will be local talent, ranch rodeo and youth rodeo, and a Figure 8 competition on Saturday night. Commissioner Weber reports the insulation in the home arts building at the fairgrounds is complete and the shop is under construction.

East Idaho Waste District

Jon attended a meeting at the White House in Washington D.C. last week and met with The Department of the Interior and The Bureau of Land Management. The process to begin a new waste district usually takes 5



Madison County

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Commissioners

Jon Weber, Chairman
Todd Smith
Brent Mendenhall

Assessor

Shawn Boice

County Clerk

Kim Muir

Coroner

Rick Davis

Prosecuting Attorney

Sid Brown

Sheriff

Rick Henry

Treasurer

Sherry Arnold

years when dealing with Federal Land. This administration is charged with cutting this process to 1 year and 100 pages of documents. BLM is at the table and is willing to work with us. At this point, the proposed waste district would include Bonneville, Fremont, Clark and Madison County, with the waste district on BLM land located in Clark County. Teton County has shown interest in joining. Stephanie Bonney, a Boise attorney has some experience with Waste Districts and is helping guide the District through the process.

Calendar Discussion

July 9, 2018, is the next Madison County Commissioner's Meeting and Department Head Meeting. Agenda items will include: Scheduling for the Holidays and to ask for suggestions regarding possibly adding a HR person and what job duties would be desired.

Discussion Items

Discuss budget hearing. The budget hearing was moved to the August 27, 2018 Commission Meeting. Future commission meetings were rearranged to accommodate Commissioners' schedules. The revised schedule is attached.

BOE Extra meeting. A meeting to complete BOE filings may be required before the July 9, 2018, Commission meeting.

Contracts/Documents

Subordination Agreement Re: Indigent Case

Commissioner Smith made a motion to approve and sign the subordination agreement on an Indigent case. Commissioner Weber seconded and voting was unanimous.

Approval of polling locations for the August 28, 2018 Election

Commissioner Mendenhall made a motion to sign and approve the polling location for the August 28, 2018, Election. Commissioner Smith seconded and voting was unanimous.

Routine Matters

After review and discussion, Commissioner Smith made a motion to approve the claims presented by the Clerk in the amount of \$495,746.55, with \$235,962.09 coming from the general fund. Commissioner Mendenhall seconded and voting was unanimous.

After review and discussion, Commissioner Smith made a motion to approve and sign the Commissioner Meeting Minutes of June 11, 2018. Commissioner Mendenhall seconded and voting was unanimous. After review and discussion, Commissioner Smith made a motion to approve and sign the Special Meeting minutes on June 18, 2018. Commissioner Mendenhall seconded and voting was unanimous.

Commissioner Mendenhall made a motion to sign the Certificate of Residency forms. See the attached list. Commissioner Smith seconded and voting was unanimous.

Personnel Actions

After review and discussion, Commissioner Smith made a motion to approve the personnel actions. Commissioner Mendenhall seconded and voting was unanimous.

Executive Session Idaho Code § 74-206(1)(d) exempt records. Ann Marie Sorensen, Indigent Clerk
Ann Marie Sorensen, Indigent Clerk Approvals on medical Case No.2018018 and Non-Medical Case No.
2018007.

Commissioner Weber made a motion to go into Executive Session at 9:15 a.m. Commissioner
Mendenhall seconded the motion. A roll call vote was taken as follows:

Commissioner Weber- yes

Commissioner Smith- yes

Commissioner Weber returned the County Commissioners to open session at 9:45 a.m. Citizens were
present to discuss indigent Case No. 2005064.

The Clerk's office will make efforts to attach an actual legal description as an "Exhibit A" to the indigent
lien form, with the lien form referencing this exhibit, including the property addresses when real property
is involved in indigent matters. This will make it easier on title companies and others when searching real
property that have these liens.

Bradley Petersen, Action Items: Discuss comprehensive plan discussion.

Bradley will draft a letter to send to community partners and stake holders to appoint a member to serve
on the steering committee for the comprehensive plan. They would then meet on a monthly basis to
formulate the plan. Those that could offer an economic point of view and businesses from all economic
factors should be included. The hazard mitigation portion of the plan will include a \$35,000 payment
toward the project.

Courthouse keys.

Master keys were discussed and distributed for emergency use in the courthouse. The Commissioners,
Clerk and Sheriff's Office will have these.

New City of Rexburg P&Z commission member.

Names were presented by the City of Rexburg to replace Gil Shirley as a City of Rexburg P & Z member.
Members should only serve 2 terms. This is still being reviewed by the Commissioners.

Courthouse construction update.

The rain last week caused water to come into the front entry of the courthouse. There may be structural
damage and will be evaluated and discussed by a structural engineer. Construction has begun inside the
courthouse and on the roof, and there is concern about air conditioning being unavailable for the next few
months. Portable a/c units will be installed where needed in the courthouse.

Daniel Torres, Trails Committee

The City of Rexburg is working on forming a committee for trails within Madison County. Public input
has been requested at various events throughout the county and through an online survey. Trails in the
City have been reviewed to see how they can be linked to sites throughout the county and to Sugar City.
Existing trails currently include 6.71 miles; proposed trails inside of Rexburg would include 21.94 miles.
Priorities would be set by the committee. The Trails Committee would formulate the desired trail plan
and review with the county committee. Funding the projects would also be discussed. The approximate
cost per mile is \$250,000 for a 10 foot wide trail that includes bedding and asphalt. Daniel comments that
once trails are included on a plan, it opens up many funding opportunities. His goal is to also include
National Forest Service and BLM property in the trails system eventually. Daniel suggests the county
committee should consist of 5 people as members. This number was discussed and the suggestion was
that 3 would be appropriate and possibly a P& Z member to be a non-voting member. Beth Hansen was
present and is interested in serving as a member of the committee.

Cindy Roberson, Action Item: Brad Linford, appraisals.

Brad presented appraisals for property acquisitions required for the South Frontage Road project. The appraisals were discussed. Some needed changes were noted and Brad will be sending corrections later today. To move the billboard signs is estimated roughly at \$106,000 total for both signs. The total cost of property acquisition will be close to \$200,000.

A letter will be sent/mailed to property owners showing appraised numbers and future meetings will be scheduled for further discussion with Commissioners. The county would repair any damage done to the properties.

Bob Fitzgibbons of TRPTA.

Bob is the Assistant general Manager of TRPTA. Bob presented a brochure telling who TRPTA is and what they do in the community. Bob is requesting a \$7,500 donation for FY 2019. There are 5 buses that run in Madison County currently. Contributions of \$3,500 were given in 2013 and 2016. Nothing was given last year as no one appeared to ask for any funding.

Jared Arnold, discuss Grizzly and wood chips.

Jared is planning to rent a machine to shred wood chips from Bonneville County, but it will be twice as much as previous years. This machine is industrial and will chop up large stumps. The cost to purchase one is prohibitive, and the chips should last 2-3 years. Jared also presented costs to repair/rebuild versus replace the grizzly. Warranty questions were asked on new versus used or repaired machine. Commissioners suggest making the switch on the Grizzly during the 7 week break at BYU-I when garbage volume will be reduced.

Brent Mendenhall joined the meeting at 11:45 a.m.

Shawn Boice/ Sherry Arnold, Action Item: Tax Cancellation: Rexburg Medical Center.

Mary Zollinger reports Rexburg Medical sold and the equipment is leased as of October 18, 2017. Leased property was exempted as of this date. Mary is requesting the portion not exempted be credited for a total of \$588.00. She had opportunity to report this last year, but did not. There were meetings with them and it wasn't brought up at that time. The deadline would have been by the 4th Monday in June. They still pay taxes on the building, but not the equipment.

After review and discussion, Commissioner Smith made a motion to deny the cancellation request. Commissioner Mendenhall seconded and voting was unanimous.

Adjustment: R. Leishman, flood victim value.

This property was affected by recent flooding and their personal insurance will not pay for it. Replacement cost would be \$50,000 to replace and would reflect ½ of the value or \$351 in tax to credit to the 2019 year. It would only be for a period of 6 months.

Commissioner Mendenhall made a motion to credit ½ of the value or \$351.00. Commissioner Smith seconded and voting was unanimous

Lunch Break--this was a working lunch.

Commissioners: Action Item: Human Resource Discussion

Commissioner Weber led the discussion asking if it is time to transition to an HR person and at what level we raise the bar for our employees. As Commissioners explore this option further they would like to know what Department Heads and elected officials think of this proposal.

Rudey Ballard: Insurance.

Rudey would like to explore options to the annual blood draws, as well as options to the dental, life and vision. Letters of Authorization will be on the next agenda for Commissioners to sign.

Commissioner Mendenhall made a motion to adjourn the meeting at 2:00 p.m. Commissioner Weber seconded and voting was unanimous.

Commissioner Smith made a motion to convene the Madison County Board of Equalization (“BOE”) at 2:00 p.m. Commissioner Weber seconded and voting was unanimous. This hearing was recorded.

BOE Action Item: Blaine McArthur - Idaho Student Housing Re: Colonial House

Blaine McArthur, Shawn Boice, Gary Shewey and Denney Austead were sworn in. Rachel Woolery was present, but was not sworn in.

Blaine agreed with the 6% capitalization rates that were used to set assessments. He would like to have occupancy considered. Blaine explained the position of Idaho Student Housing that the value went from approximately \$7 million to \$9 ½ million and reports 342 beds total for this property that is 23 years old. He states that depreciation and interest was not subtracted out, but that maintenance costs were subtracted out.

Gary stated that he does not dispute the 6% cap rate. To determine what is typical for expense is hard to do, but is somewhere between 40 – 60%, also depending on age and management style. Gary looked at sales and notes that every major complex has sold in the past few years, most in the past 6 months. The complexes are not selling on an income approach. Idaho is a non-disclosure state and isn't required by law to provide the Assessor's Office with income statements. Gary gave many examples of complexes that had sold. Since we don't get many complexes that comply with the income approaches, we have sales that range from \$19,000 to \$36,000 bed. A conservative price is around \$28,000/bed. We have to rely on sales prices and rental rates as management style differs so drastically.

Gary states if we could get maintenance broken out better we could narrow this down. Shawn thinks the overall expense ratio is where we are at with the income capital approach and asks if from an investors stand point is 63% expenditure typical. He questions whether some expenses should be typical expenditures or capital improvements. Shawn talked to the director at the State Tax Commission to make sure we are comparing apples to apples. Average rents per bed for spring semester are \$1,095, winter \$1,195 and fall \$1,145 with an occupancy rate for spring at 82%, winter 88 – 90%. There are new beds coming on this fall. Projections for growth are not always accurate from BYU-I. There is more competition with new complexes coming on and for most owners income is not meeting costs. When asked why owners are buying, it comes down to emotion. It benefits the LDS church and makes you feel good. Arbor Cove is not an ideal site. Best case scenario \$28,000/bed – location makes a difference and Assessor is trying to look at what would be an appropriate level. Should there be a higher value on individual bedrooms. Brent Mendenhall asks what other complex appraisals went up \$2,500,000 this year. Shawn stated in his attempt to be fair, they were raised to the lower end of the market value and it is in all fairness to all complexes. Commissioner Weber would like to see a standard across the board for all apartment complex owners – with age of complex taken into consideration. Assessor wants to figure out what is fair across the board. Will we ever be able to accomplish that because of the lack of information? State Tax Commission comes around and says you will be at market value. Commission has full confidence in Assessor's office and Gary. What is not fair in this situation is complexes are managed by owners, who don't pay themselves and expenses are in the 40% range, so this is unfair to them. Apartment owners can't raise rents to cover the taxes or they aren't comparable.

Last year the Assessor's office brought the housing board together with Matt Virgil from the State Tax Commission and the City to see if we could come up with a way to disclose information. At end of meeting Matt said he thinks Shawn is doing a good job of keeping assessments fair, and that complex owners need to raise rents. Occupancy and competition with other complexes disallows this. We are 25% lower in rents here in Rexburg than in Provo. Ideal assessment approach would be an income approach, but requesting income statements from all owners typically falls on deaf ears.

Gary asks if we agree somewhere close to a 50% ratio and 6 – 6 1/2% rate. Can we get down to \$8,500,000 valuation? Denny was opposed to this generalization and feels it is grossly unfair, as they have put hours of work into the reports being presented today. The Assessor's office would like Rachel to go to constituents asking owners to bring an appropriate income statement, though it was understood this likely would not happen.

Commissioners asked both parties in this matter to sit down together to find a solution and a valuation that is agreeable to both parties. Hence, this matter was tabled by the Commissioners pending further evaluation between the parties. If no decision can be reached, the Commissioners will make their decision which can then be appealed to the Board of Tax Appeals.

Commissioner Smith made a motion to recess BOE at 3:00 p.m. Commissioner Mendenhall seconded and voting was unanimous.

Approved:

Jon O. Weber, Commission Chairman

Todd Smith, Commissioner

Brent Mendenhall, Commissioner

Attest:

Kim Muir, Deputy Clerk