

MINUTES FOR AUGUST 24, 2022

REGULAR SESSION:

The August 24, 2022 meeting of the Board of Education, held at the District Office, 120 N Main, Huntington, UT, was called to order at 7:00 pm by Board President Tracey Johnson. Vice-President Marie Johnson, and members Royd Hatt, Kenzi Guymon, and Todd Huntington were also present. Superintendent Ryan Maughan and Business Administrator Jackie Allred were also in attendance.

REGULAR SESSION:

President Johnson welcomed all in attendance and led all attendees in the Pledge of Allegiance.

PUBLIC HEARING:

A1/A2: A motion to go into a public hearing was made by Kenzi Guymon, seconded by Royd Hatt with all approving.

President Johnson reviewed the timeline of Capital project approvals with the information had at the time. The bond process began in earnest in July 2020 with estimates in August and the General Obligation bond presented for voters in November 2020. The bond was set at \$75,000,000 with estimated costs well under the limit. March 2021 presented the first actual bids which moved projects to \$74,000,000. Material prices were escalating at this point (as a result from the pandemic) and projects being put on hold were costing much more than those that were continued as planned. In December 2021 a pre-bid estimate for Emery High Phase II was given. With the estimate being over budget, architectural reviews were made in January 2022 with decisions to modify original plans cutting square footage and looking at material options. A modified plan was approved and the bid for EHS Phase II was approved in March 2022 with the understanding that additional funding would need to be made through a capital levy increase.

Business Administrator Allred presented tax and economic data for the past two decades for Emery School District. The Judgment Levy is applied towards an approved appeal from Deseret Generation & Transmission Co-Op's 2019 assessed value. ECSD's portion is \$137,403 which equates to a tax rate of .000064. This is not an increase from last year's judgment levy of .000070.

ECSD has had a very low capital levy for decades compared to other school districts. Graphs showed that Emery's Capital and Bond Levy rates have been 4-5 times lower than many other rural school districts in Utah for the past 20 years. This has created very low building fund reserves requiring all levies collected to be spent towards regular maintenance of current buildings.

In the 2022 Legislative session, state capital funding was allocated for rural school districts if the capital levy was over .001050. ECSD did not qualify for these state funds because the capital levy was at .000449. The proposed capital levy is purposely set at .001100 to qualify for this state funding if funded in subsequent sessions.

After bonds are issued, the entity has three years to expend the funds on the promised projects without penalties. The difference between the bond funding and project costs are planned to come from this capital levy increase, current fund reserves, and future solar tax increases.

ECSD's valuation is 80% centrally assessed with citizens paying 20% of the taxes collected county-wide. With the possibility of the energy tax base disappearing by 2040, it is the intent with this increase to

improve the current buildings as much as possible. The previous bonds issued have been specifically scheduled to end in 2040 in the event that the economic base is eliminated.

A list of buildings and year of construction was given as a reference to the age of all of the district's buildings. With the construction of most buildings being in the early 1970's, all of the buildings are also aging at the same time. Mechanical, plumbing, and structural issues are becoming an expensive concern in all of the buildings. The majority of the capital levy increase would go towards addressing these issues as much as possible.

A motion from Kenzi Guymon to close the public hearing was made and seconded by Royd Hatt. All approved.

PUBLIC COMMENTS:

Several citizens gave their comments regarding both the proposed judgment and capital levies.

BOARD ACTION ITEMS

C1: A motion from Marie Johnson for the Judgment Levy tax rate to be .000064 was made. Royd Hatt made a counter motion to use general reserves rather than impose the levy. That motion was seconded by Kenzi Guymon. The counter motion was confirmed by Todd Huntington and Tracey Johnson. Marie Johnson opposed.

C2: Discussion was made by Royd Hatt with an apology to the citizens for not raising the capital levy earlier when the buildings were relatively low maintenance – thus, allowing the district to plan for the time when the buildings would need to be remodeled or replaced. The motion to approve the Capital Levy to .001100 was made by Royd Hatt. Motion was seconded by Marie Johnson. Voted in favor was Royd and Marie. Todd Huntington and Kenzi Guymon voted against. Tracey Johnson abstained.

A Motion to table this item for further discussion was made by Kenzi Guymon. Todd Huntington seconded it. All members voted aye.

ADJOURN:

Todd Huntington motioned and was seconded by Kenzi Guymon to adjourn. The motion passed unanimously and the meeting adjourned at 8:24 pm.