

Stansbury Greenbelt Service Area Board of Trustees and Stansbury Recreation Service Area Board of Trustees Truth In Taxation Hearing Meeting Minutes

Date: Tuesday, October 24, 2023

Location: 1 Country Club Drive, STE 1, Stansbury Park, UT 84074

Time: 6:00 PM

Order of Business

Call to Order by Cassandra Arnell @ 6:04 pm

Roll Call-

Board Member

Cassandra Arnell

James Hanzelka

John Wright

Ammon Jacobsmeyer

Maria Sweeten

Staff Members

Ingrid Swenson

Darin Jacobs

Angie Perez

Pledge of Allegiance

Presentation of Information Concerning Tax Rate

1. Cassandra Arnell, Board Chair, Opening Statement

The development of Stansbury Park began in the late 1960s. It began as a fancy private community with a privately held lake and golf course. As most of you know, the developer eventually entered bankruptcy and transferred the ownership of the lake, golf course, parks, greenbelts, clubhouse, and more to Tooele County. In 1981, Tooele County created two special service districts ("Tooele County Service Area #1" and "Tooele County Service Area #2" --later renamed to the "Stansbury Greenbelt Service Area of Tooele County" and the "Stansbury Recreation Service Area of Tooele County"). These service areas were set up to manage all of those now public properties and facilities and be funded primarily by property taxes and impact fees. In 1992, after realizing how much the business of the two service areas overlapped, the boards of the service areas entered into an Interlocal Agreement, effectively combining their operations. That combined entity is called the Stansbury Service Agency. The Stansbury Service Agency is made up of the elected board members of the Stansbury Greenbelt Service Area and the Stansbury Recreation Service Area. So, we operate as one, but there are still some formalities that we have to observe separately. For example, the service areas are listed separately on your tax bill, and candidates are elected to a specific service area.

Moving on to funding. Keep in mind, I'm not using actual numbers here, just explaining how the process works.

First, the SSA receives impact fees each time building occurs within our service area. Those funds cannot be used to maintain existing amenities; they must be used to build new or expand old amenities so that we can keep the same level of service within the community as it expands. For example, if we have five parks for 5,000 residents, by the time our community grows to 10,000 residents, we should have ten parks. You get the idea.

Property taxes are generally used to *operate* and *maintain* those amenities. I used to think that a taxing district would set a rate, say, 0.0009, and as more people moved in, they would pay that rate, and the taxing district would end up with more money. Or, as property values increase, the dollar value collected by the district would increase. However, that's not how it works. The way property taxes work for a special service area is that we set a gross budget amount, say \$1 million, from year to year. The State of Utah evaluates growth and property values and adjusts the rate so that the district collects roughly the same amount of money every year with a small allowance for growth. That means if property values increase or if many people move into an area, the state adjusts the rate down so the district collects roughly the same gross amount.

As I've looked at my own tax documents from recent years—I've brought my tax documents for the last few years. I'm happy to pass those around. --You'll see that in 2013, the rate was .0014 for each service area, but by 2022 that had shrunk to 0.0006%. The rate went down because of the growth in housing numbers and in valuation. *You'll also notice that each service area part of taxes is a smaller percentage of the total property tax than it was back then, telling me that other taxing entities are increasing their rates much faster than these service areas are.*

If a district wants to collect a larger gross amount, it must go through the Truth in Taxation process and hold a hearing like this. As a taxpayer, I appreciate that because I think a district should have to justify its need for more tax money.

The Service Agency has gone through this process only once in the last ten years. We've added new parks, a tunnel, and many other amenities afforded by grants and impact fees. Our current board is also facing hard facts that throughout our half-century history, buildings haven't been updated or fully maintained. For example, the walkway into the Clubhouse building that you all crossed is supported only by some rotting wooden beams. Many of the older parks have the same equipment that was originally installed. We need to pay closer attention to the health of our lake and the Mill Pond. We're constantly getting requests for more and upgraded amenities and services.

Our staff is spread very thin right now. On top of just needing more people, wages and other personnel costs are growing. Fertilizer, equipment and professional service costs are rising. You've seen parks and greenbelts with dying grass and weeds. Even as we move to xeriscape some areas, that takes manpower.

Although we are looking into other funding sources, for some of our building and updating projects—grants, advertising, naming rights—those things will likely not cover annual maintenance.

We have some hard decisions to make. I think I can speak for the whole board when I say that we are so grateful for Jim, Ingrid and their team. Our financial documents are so much cleaner and easier to understand now. We invite all of you to inspect those and make comments to our finance committee. Out in the parks, we've got several people putting their hearts and souls into the grounds. We're working hard with what we've got. We don't want to be extravagant. We just want to be able to get the job done.

2. James Hanzelka presentation.

- a. When the two agencies were formed, they were funded at a tax rate of .0014 but the current rate is .000685. This decline is based on the tax process and the requirement to do a nominal tax increase to maintain funding levels.
 - i. Inflation will mean dollar values decrease over time; most budgets and financial analysis take that into account. But the state taxation process fixes the budget amount, which means if an agency wants to account for these inflationary trends they must increase the budget, which will increase the tax rate. This process triggers the requirement for public hearing, which wasn't done.
 - ii. When the current board took over in 2022, they realized the Agency was severely underfunded. It requires about \$3.5 million to adequately fund the agency. At the current tax rate, the agency budget is only \$2.5 million, causing shortfalls in both programs and personnel.
 - iii. The board developed a plan to increase the tax rate in stages, starting with an initial plan tax increase to a rate of .00094, about half of what was needed, and then increasing it to a second rate later. The State denied this increase because of a noticeable error.
- b. Compounding the problem, the state mandates that the agency budget to the level of taxes they are to receive that year, even though they will not actually receive the money until December after taxes are collected in November. So, a tax increase voted on in 2023 will not be received until December of 2024, meaning the funds cannot be used until January of 2025.
- c. Three tax options considered and impacts on \$186K Home (median according to state):
 - i. Option 1: Leave at the current tax rate (.000682). No increase in revenue, so maintains \$1,537,508 total. No increase in property taxes.
 - ii. Option 2: Raise to the 2022-23 level (.00128). The increase in revenue per district is \$625K, for a total tax revenue of \$2,337,209. The increase in property taxes per district will be \$61.37.

- iii. Option 3: Raise to max tax rate (.0014). The increase in revenue per district is \$745K, for a total tax revenue of \$3,017,508. The increase in property taxes per district will be \$73.15.
- iv. On a standard home in Stansbury valued at \$563,190 with a taxable value of \$309,755 in 2023, the first option would leave the total property tax bill at \$424.36. The second option would raise it to \$796.07. And the final option would raise it to \$867.31.
- v. The first option would mean that personnel could not be re-established at the pre-2023 layoff level and no repairs of degrading facilities could be carried out. Option 3 restores the agency to full operating capability and allow repairs to be started. Option 2 means that either repairs would have to be delayed, or a lesser state of maintenance could be performed.
- vi. Wherever possible, the agency is trying to use grants to offset the cost of Capital Projects
- vii. Impact fees is a special category of capital projects funding that is provided by the developer and is restricted in how it can be used. The Agency is looking to leverage the use of this money to maximize the efficacy.
- viii. The board is also looking to maximize other potential revenue streams, like fees for use and increased events with a funding component, like having a vendor fair where the agency could get a percentage of the sales.
- ix. The board feels that the .0014 tax rate is best for the needs of the agency and community at this time because of the state of repair and the need to adequately care for the park.

Public Comment

1. Richard Davis- Expressed appreciation for James Hanzelka and all the work he has done. Money needs to be managed better. Is not in favor of the tax increase. Proposed taking a year off to reevaluate and reinvent the park management.
2. Steve Lempp- Expressed is concerned that the lake is used by people from other communities who do not contribute financially to its upkeep. Suggested generating revenue by selling fishing permits and revisiting other revenue sources. Emphasized the uniqueness of the lake and the need to offset costs. Suggested that insurance could be obtained to cover volunteers.
3. Chad Saunders- Acknowledges that we are at a critical juncture and emphasizes the need to explore alternative solutions rather than dwelling on past issues and assigning blame. Change in approach is required.
4. Anthony Witkowski- There is a lack of transparency. Audited account statements exist, but these statements do not provide a clear picture of revenue sources, which creates uncertainty. Suggest taking advantage of fees from people outside the community and local member rates. Key point is to increase transparency in financial matters.

5. Dennis Walter- Brought up concerns regarding the bridge and how dangerous it is to have children jumping off it.
6. Lynette Johnson- Stated that it is important for the community to use its voice. Does not agree with the tax increase.
7. Michael Kjar- Emphasized the importance of active participation throughout the year, even when there are disagreements. Suggested showing up more frequently and called on everyone to be a part of the solution.
8. Dean Schofield- Stressed the importance of transparency. Concerned about the current infrastructure and the possibility of building more. Questioned the necessity of certain amenities, such as the pool.
9. Joe Wirthlin- Need transparency in the work completed by the board. Suggested we closely examine the fees in place to make sure they are sufficient.
10. Philip Beck- Likes the recreation district and enjoys park areas with dogs. Does not want this tax increase approach to continue moving forward.
11. Kristine Dahlberg- Can see the need to get things done. However, she is recently retired and would have to go back to work if the tax increase is passed.
12. Randall Flynn- Personally responsible for creating and administering the agency budget for over 20 years.. Stated the current tax revenue received is sufficient for the community's needs and attributes the current issues to poor management. Claims to have managed the park successfully in the past and suggests that the presented financial figures are inaccurate. Also stated that better management is needed, emphasizing that money is being wasted and there are too many employees. Advocates for a 10-year plan instead of seeking solutions in a single year.
13. Jennifer Coffman- Stated that there needs to be more transparency and accountability as citizens and as a board. Not opposed to a tax increase but does not agree with the current proposed tax increase percentage.
14. Greg Gardner- Stated that the parks and services have been in decline, and maintenance is not being done. Questioned new projects when old ones have not been completed or are poorly maintained. Stressed the need for more transparency. Stressed the importance of saving money and stated that funds need to be managed better.
15. Evan Parker- Also expressed the need for transparency. Would like to know clearly where funds have been used in the past and where they will be used in the future.
16. Brenda Faddis- Asked where the county money is going from Stansbury Residents. Questioned why the county is not giving money to help with issues. Suggested taking a step back for a year. Stated there has been a mismanagement of money and asked what can be done better. Also

suggested to charge people to use the lake. Lake machines are needed; without them, the lake is a mess. Expressed her love for Stansbury Park.

17. Heather Lester- Needs complete transparency. Believes there needs to be a community council. Questioned if anyone is looking for grants. Would like to see a clear budget line by line. Opposed the 208 percent increase.
18. Elizabeth Harbison- Suggested the Agency redraw the line to include residents in the Sagewood Village homes community. Stated they want to be included to prevent a giant tax increase.
19. James Olney- Confused as to why so much money was spent on the clubhouse. Expressed a need for transparency.
20. Chris Nord- Thanked the board for their service. Disagreed with proposed expenses for safety issues. Stated that what was presented in the slides are wish list items.
21. Gary Winthorp- Stated he just wants Stansbury Park to stay safe and keep it running.
22. Gary Allen- Brought up issues with the lake being used publicly. People from all over the place come to use the lake but do not contribute to its upkeep. Suggested that people pay to use the lake and should be charged a boat launch fee.
23. Jared Anderson- Had issues with people using the lake and not generating any revenue from it. Suggested to stop operating on a semiprivate budget and make it public.
24. Carrie Gilley- Expressed being against the tax increase. Stated that if the increase passes, residents will have to make difficult financial decisions. This will affect families and retired individuals. Some residents might need to get a second job to pay for the tax increase. Wants answers on what will be done with the money.
25. Glen Oscarson- Expressed his love for Stansbury Park. Suggested the community come together and volunteer and has some ideas about what needs to be done. See him directly for more information.

Motion to close Stansbury Greenbelt Service Area Board of Trustees and Stansbury Recreation Service Area Board of Trustees Truth in Taxation Hearing made by Maria Sweeten and seconded by James Hanzelka.

The meeting ended at 7:50 pm.

The content of these minutes is not intended, nor are they submitted, as a verbatim transcription of the meeting. These minutes are a brief overview of what occurred at the meeting.

Approved this 6th day of November, 2024



Brett Palmer, Greenbelt Service Area Board Chair



John Wright, Recreation Service Area Board Chair



**Stansbury Greenbelt Service Area Board of Trustees and Stansbury
Recreation Service Area Board of Trustees Truth In Taxation Hearing**

Date: Tuesday, October 24, 2023

Location: 1 Country Club Drive, STE 1, Stansbury Park, UT 84074

Time: 6:00 PM

Order of Business

1. Call to Order
2. Roll Call
3. Pledge of Allegiance

Presentation

- a. Presentation of Information Concerning Tax Rate
- b. Break
- c. Public Comment

Adjourn



Stansbury Recreation and Greenbelt Area

Truth in Taxation Hearing

October 24th, 2023

Welcome to the Stansbury Recreation and Greenbelt Area Truth in Taxation Hearing on October 24th, 2023. Please enter your name, address, and email below if you would like to make a comment. Thank you.

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