

NEW HARMONY VALLEY SPECIAL SERVICE DISTRICT

ADMINISTRATIVE CONTROL BOARD

TRUTH IN TAXATION – PUBLIC HEARING – MEETING MINUTES

OCTOBER 18, 2023

Mountain Springs Water HQ – Main Room
1717 S. Badger Way
New Harmony, Utah 84757

I. Devotional

- a. Devotion given by David Osborn.

II. Pledge of Allegiance

- a. All wishing to participate recited the Pledge of Allegiance to the United States of America.

**III. Call to Order/Opening Remarks – Clayton Huckaby Chairman.
(Truth -In-Taxation ‘TNT’ Slide Presentation NHVSSD -October 18,
2023 – Attachment.)**

- a. Chairman Huckaby called the meeting to order at approximately 7:04pm.
- b. Matters of housekeeping announcement i.e., refreshments, restrooms etc.
- c. Announcement that informational pamphlets were available to attendees. **(10-18-2023 Truth-In-Taxation Public Hearing - See Attachments.)**
- d. An expression of gratitude to thank all those who have previously served on the New Harmony Valley Special Service District (NHVSSD), Administrative Control Board (ACB), the New Harmony Fire Association (NHFA), or volunteered as a firefighter.

IV. Attendance Role Call – Cathye Huckaby, Board Clerk.

- a. Board Members Present:
 - Clay Huckaby, Chairperson.
 - Scott Pace, Vice Chairperson.
 - Eric Kerns, Member.
 - John Southwick, Member.
 - Cathye Huckaby, Board Clerk/Office Manager.
- b. Board Members Excused:
 - Darren Adair, Treasurer.
- c. Fire Department Present:
 - Jim Banks, Fire Chief.
- d. Community Members/Volunteers Present: (Sign-up Sheet redacted to hide addresses and phone numbers- Attachments)
 - Ballard, M., Resident.
 - Banks, T., Resident/Volunteer.

- Biggs, S., Resident.
- Boyd, L., Resident .
- Brown, J., Resident/Volunteer.
- Carter, B., Resident.
- Carter, R., Resident/Volunteer.
- Ceaser, L., Resident.
- Ceaser, L., Resident.
- Codella, M., Resident.
- Codella, P., Resident.
- Cooley, C., Resident.
- Davis, C., Resident.
- Goodman, G. Resident/Volunteer.
- Goodman, W., Resident/Volunteer.
- Gordon, C., Resident.
- Graham, K., Resident.
- Hansen, R., Resident .
- Hays, J., Resident.
- Jessen, D., Resident.
- Karbowski, A., Resident.
- Karbowski, S., Resident.
- Kerns, S., Resident.
- Kix, J., Resident.
- Kron, J., Resident.
- Michelle, R., Resident.
- Oswald, B., Resident.
- Pfaffenberger, G., Resident.
- Prince, L., Resident.
- Prince, T., Resident.
- Rock, D., Resident.
- Schlosser, B., Resident.
- Schlosser, H., Resident.
- Solomon, K., Resident.
- Solomon, S., Resident.
- Solomon, T., Resident.
- Southwick., M. Resident/Volunteer.
- Stockwell, S., Resident.
- Tafer, J., Resident.
- Tafer, J., Resident.
- VanBlankenstein, C., Resident.
- VanBlankenstein, M,V, Resident.
- Voight, L., Resident.
- Webb, D., Resident.
- Webb, K., Resident.
- Wise, L., Resident.

- Zitting, M., Resident.

V. Presentation: The Function of the Special Service District – Eric Kerns (Truth -In-Taxation ‘TNT’ Slide Presentation NHVSSD - October 18, 2023 – Attachment.)

- a. Administrative Control Board of the New Harmony Valley Special Service District (ACB-NHVSSD): The ACB-NHVSSD in Utah is a distinct local government entity created to provide specific services within a defined geographic area. The administrative control board of the special service district is established when the services provided in an area exceed what is typically covered by the county or municipality and need specialized administration or funding. For public safety and fire services, the administrative control board of the special service district plays a critical role in many parts of Utah, particularly in areas that may not be covered by a city, county, or town's fire department or need supplemental services.
- b. The Local Building Authority of the New Harmony Valley Special Service District (LBA-NHVSSD) : The LBA was established in January 2023 with the assistance of the law firm Chamberlain & Associates as an entity required to proceed with the purchase of a new fire apparatus. The district applied for and received a loan/grant from the State of Utah's Permanent Community Impact Board. The Terms of which being a low interest loan (2%) for \$566,000 (91%) and a \$59,000 grant (9%). The Board of Trustees is the same as those serving on the ACB – NHVSSD.
- c. New Harmony Valley Fire Department (NHFD): The actual volunteer fire department, first responders servicing the community.

VI. Presentation: Public Safety and the Fire Department: John Southwick (Truth -In-Taxation ‘TNT’ Slide Presentation NHVSSD - October 18, 2023 - Attachment.)

- a. John is a retired Battalion Chief with over 25 years of service and serves as an advisor to the department and is a member of the Administrative Control Board.
- b. An educational overview of the following topics was presented:
 - **Courage, Community, Compassion, and Integrity**: The department is committed to helping anyone in need through quality life safety services and rapid response, focusing on operational readiness, departmental unity, and professionalism.
 - **Highway Incidents**: The department responds to eight miles of the I-15 Fwy.
 - **Vehicle Fires**: Responding to vehicle fire requires specific training.
 - **Urban Interface Fires**: When the department provides mutual aid to other agencies.
 - **ATV Incidents**: In our rural community we are blessed to enjoy sporting activities, ATV accidents do occur and can be very serious.
 - **Public Education and Awareness**: This is an ongoing service provided by the department.
 - **Rural Incident and Command**: The department volunteers have recently attended the training to setup and operate a “Rural Incident Command Center.”

- Hydraulic Rescue Tools: Training on specific equipment is necessary.
- Mill Flat Fire-New Harmony - August 2009: Living in our community wildfires are an ever-looming threat. We as a community and department must be prepared by having the proper equipment, training, and certifications.

VII. Presentation: The Chief's Plan – Jim Banks (Truth -In-Taxation ‘TNT’ Slide Presentation NHVSSD -October 18, 2023 – Attachment.)

- Departmental Operations:* Currently the department consists of 1 Chief Officer, 14 Volunteer Firefighters (50% of which are State-Certified FFI or FFII Level). Among the 14 volunteers 5 are certified Emergency Medical Technicians and 3 are certified Emergency Medical Responders. There is one part-time Office Manager. We need more volunteers.
- Call Volume and Response:* The district covers 58 square miles, including 8 miles of the I-15 Fwy, the Town of New Harmony and the valley. We provide mutual aid to Forestry and Zion Park. As the population has increased so have the department' emergency call-out dispatches.
- Requirements and Responsibilities:* Despite being an all-volunteer department the district is obligated to meet and maintain Legal / Industrial Standards including NFP, UFRA, Utah Bureau of Emergency Services, FEMA-NIMS, training, and OSHA.
- Five-Year Goals:* Included in the handout “10/18/2023 Truth-In-Taxation” is a draft of the district's 5-year plan. This is a work in progress that does include the following:
 - Add Community Volunteers.
 - Increase the Number of Certified Volunteers.
 - Improve EMR/EMT Program.
 - Ambulance Contract with Washington County.
 - Establish an Equipment Replacement Schedule.
 - Maximize Grant and Loan Potential.
- How This Directly Affects You - \$\$\$:* One way is by maintaining a low Insurance Services Office Rating (ISO). Investigators are assigned to audit Fire Departments and Water Companies to determine whether-or-not there is adequate firefighting equipment, water supply, first responders, methods of communication, and training equipment etc. Based on the information gathered the department/district is given a rating of 1-10. Insurance companies use this rating to determine a) if they will provide fire insurance to homeowners and b) the fire insurance premium rate. The higher the ISO rating the higher the insurance premium. An ISO of 10 is considered uninsurable. The district currently maintains a decent 5/5X rating.

The NHFD recently went through an ISO review in 2023. Due to the lack of a Fire Engine in the New Harmony Town Station, the district was at risk of receiving a high ISO rating. A higher ISO rating would significantly impact homeowners fire insurance premiums. To stop this from occurring the Fire Chief secured a Fire Truck on loan until the district can purchase a new fire apparatus. The purchase of a new Fire Truck is the primary reason for the increase in the district's budget

by \$50,000. The terms and conditions of the purchase were previously listed in section “V.b.”

VIII. Presentation Taxes and Revenue - Clayton Huckaby (Truth -In-Taxation ‘TNT’ Slide Presentation NHVSSD -October 18, 2023 – Attachment.)

- a. This is a Truth-In-Taxation Meeting for the Community of New Harmony. The NHVSSD is proposing to increase their annual budget by \$50,000 per year; raising the current tax rate of .000315 (2023) to .000465 (2024.) Each homeowner was mailed a postcard entitled “Notice of Proposed 2024 Tax Increase by New Harmony Special Services District.” These postcards detail information specific to the individual property owner. Notices that could not be delivered were returned to the district, concerned community members may contact the Office Clerk. (Notice of Proposed 2024 Tax Increase by New Harmony Special Services District Redacted Sample – Attachment).
- b. As per TNT requirements a public posting was made in the local Spectrum Newspaper and ran on October 3rd and 12th 2023. (Proof of Publication - Attachment). Notice was also posted on the Utah Public Notice Website (Attachment). The “Notice of Proposed Tax Increase New Harmony Vally Special Service District and a copy of this meetings agenda was posted on the bulletin board in the New Harmony City Post Office (witnessed by Anthony Burger, 10-6-2023 (Attachment). The aforementioned documents were also posted at each mailbox kiosk within the district,
- c. Review of Slide “Taxes and Revenue” (page 17): The chart reflects the district’s budget vs mill rate percentage The district’s mill rate has declined since 2013. The ACB is proposing the mill rate be reset from .000315 to .000465, which is close to what residents were paying in 2021. The decline in the mill rate combined with not increasing the district’s budget for the last 20 years illustrates the district not keeping up with the increase in operating expenses.
- d. Review of Slide “Assets at Risk” (page 18): When the district was formed the asset value within the district was approximately \$50,000,000. Today the asset value of the district is \$350,000,000. This illustrates how much more the community stands to lose if the fire department cannot meet current needs while operating within the budget perimeters.
- e. Review of Slide “Variety of Funding”: The ACB has researched numerous avenues hoping to determine a way to augment the budget without increasing the mill rate. Some of these are the following:
 - New Harmony Fire Association (NHFA): Without the fund raising by the the NHFA and the donations made by the community the NHFD would not have been able to continue. The current budget is sufficient only to address operational needs like station supplies, minimum vehicle maintenance, fuel, utilities, licensing, contractors, and basic supplies. The NHFA along with a “matching grant” provided the district with a means to purchase vital equipment such as personal protective gear.
 - Impact Fees : Impact Fees can only be used for a specific service and are not sufficient to cover the purchase of a new fire truck.

- Personal Donations: Thank you to the many folks that contribute to the department either directly or through fund raisers. This is a source of revenue that humbles and delights all those volunteering within this Special District. The generosity of individuals, Trusts and Organizations is truly appreciated.
 - Grants: In order to seek assistance and acquire needed equipment ACB Chairman and Chief have written numerous grant requests including the Grant/Loan from ICB for the fire truck purchase. One formidable reason we are denied grants is that the issuing Boards look at the district's current mill-rate which is .000315 and what it could be by mandate which is .0008. The conclusion being that the community is not paying their standard share.
- f. The new website of the NHFD is www.NHFD.Utah.Gov.

IX. Community Comment Questions & Answers:

- a. Approximately 48 community members attended the T&T Public Hearing: The most common concern, from those voicing opposition, was a tax increase at this time is an increased burden on the community, noting today's economy, this makes it harder on families. *Panel response in summary The ACB understands that an increase in taxes is never desired; however, referring to the material presented, the ACB can see no other option. The district has not kept-up with the increase cost of operating, has never increased the existing budget, needs to purchase a new fire truck to maintain a good ISO rating and stop homeowners from incurring significantly increased fire insurance premiums and/or fire insurance cancellations. The average monthly increase per household is relatively low approximately \$5:00 to \$8:00 per month.*
- b. A few attendees questioned the draft of the 5-year plan available for review in the handout. The portion in question was, "the district would be submitting a request for a mill rate increase in 2024 of \$50,000 or 47.62% the first year and 2% increase every year after that for the next 4 years or until such time as the district can build up a substantial reserve to accommodate our projected requirements." The concern being the community would be taxed into perpetuity and the plan lacked specifics. *Panel response in summary: The 5-year plan in its current state is a "Draft." It is a work in progress outlining concerns and possible solutions. The need for cost of operating budget increase is a possibility; however, the goal is to never be in a position again to warrant a substantial increase to the mill rate instead keeping up with higher cost of operating by increasing in very small increments if necessary.*
- c. One attendee voiced the belief that when living in a "rural" community a certain amount of risk is expected; the services available in a city are not expected in the country and the district should not impose the same standards. *Panel response in summary: The NHVSSD is a Special District, and as such we are required to operate according to legal requirements and industry standards. As a Special District the obligation is to the entire community.*

- d. A few questioned why NHFD responds to accidents/emergencies on the freeway. Why should the community pay for such calls? *Panel response in summary: The simple answer being it is the legal, moral, and ethical thing to do as first responders, and as a fire district. It is what every community does who have freeways running through their geographical boundaries. In addition, the district offsets the cost by billing insurance companies for emergency response to “non-New Harmony residents; therefore, rebuffing the thought responding to others in need is an unnecessary financial burden.*
- e. Speaking to the decline of the mill rate it was suggested that, “such a decline should be expected and is acceptable as that is what mill rates are designed to do i.e. , as the population increases more contribute lowering the mill rate.” *Panel response in summary: The ACB is proposing the mill rate be reset to .000465, which is close to what residents were paying in 2021. The decline in the mill rate combined with not increasing the district’s budget for the last 20 years illustrates the district not keeping up with the increase in operating expenses.*
- f. Specific inquiries were made as to, “What has the district looked at as a means of collecting other revenues besides proposing a tax increase?” Follow up questions were as follows:
- “What has the district done to look at the realignment of expenditures vs revenue?”
 - “Is the Town of New Harmony contributing to the NHVSSD’s budget?”
 - “If we have been flying under the radar, why do we not continue to do so?”
- Panel response in summary: As stated during the presentation, the district has done their due diligence in seeking out alternative revenue sources, i.e., grants, donations, shared expenses with other departments, and billing for emergency freeway calls involving “nonresidents.” In addition, the Chief has closely monitored the number of first responders per call and reduced the hourly rate for vehicle repair. The City of New Harmony does not make payments from their budget to the district. The residences of New Harmony are part of the district and pay the same mill rate as residents in the valley. As eloquently stated by attending resident / volunteer/retired Las Vegas firefighter:*
- “Flying under the radar” is not an acceptable practice for numerous reasons: the first being, the district has a legal, moral, ethical obligation to the community and to the first responders who volunteer their time and talents. Secondly, because something wasn’t happening previously. does not make it right. The current Board is dedicated to ensuring that that legal/industry standards are met and maintained. Those of us, who are first responders, recognize. that this Board and Chief are taking the necessary steps to protect the community and those of us willing to serve.*

- g. One person desired to know the number of calls by geographic location , “How many calls for this year were from the Town of New Harmony? *Panel response in summary: Approximately 10 calls have been to the City of New Harmony.*
- h. The question was raised why a copy of the district’s 2023 Budget was not provided in the handout. *Panel response in summary: The public hearing for the 2024 will be held on November 15th at the Kolob Fire Station, at 7pm. The public is invited to attend. A public hearing for the 2023 budget was held last November and again the community was invited to attend. The Budget is available on the Fire District website and all financial reporting for the district is available on the webpage of the Utah Office of State Auditor.*
- i. Clarification was asked regarding the district’s boundaries, the use of mutual aid to Zion Park and other agencies. *Panel response in summary: The district covers 58 square miles, including 8 miles of the I-15 Fwy, the Town of New Harmony and the valley. We provide mutual aid to neighboring cities, Forestry and Zion Park.*
- j. One resident suggested as an additional source of revenue the district look into “Transient Room Tax.” and bringing in more business revenue. *Panel response in summary: The suggestion is appreciated and will be taken under advisement.*
- k. One person wanted to know specifically as to who in the room responded to the Mill Flat Fire-New Harmony - August 2009. *Panel response in summary: Board member Scott Pace responded he was present; then it was explained that in a similar circumstance what role the district might be assigned.*
- l. A gentleman in attendance attested to the importance of maintaining a decent ISO rating. He stated that last year his insurance company mistakenly referred to the wrong community when assessing his fire premium. The community they reference in error had an ISO rating of 7 and the insurance agency erroneously increased his premium by \$3000. Once the error was discovered his premium was significantly reduced because NHVSSD’s ISO 5/5X rating. *Panel response in summary: This is an excellent example of why the district needs another firetruck and why maintaining a good ISO rating is very important.*
- m. It was suggested by the Town Representative that those in the room represented a majority and that “no one” was in favor of the tax increase. *Panel response in summary: The Chairman responded that Department and the ACB have received numerous inquires via telephone, in person or email. Admittedly at first no one expressed excitement for a tax increase; however, they listened to the reasoning behind the proposal. After being presented with the information they seem to understand and cordially ended the conversation. Unfortunately, the same polite decorum was not exhibited by the person posing the question, who inferred what was being presented to was not true.*

In a rebuttal response to this question, and the assumption that the vocal opposition present, represented a majority another attendee noted that over 1000 notices were mailed out, and only a few people showed up to contest the proposed increase, "the folks in attendance here does not a majority make" being the point. His belief that those staying home probably understood the issues and did not feel compelled to attend and voice opposition. In conclusion thanking the Board for their efforts on behalf of the community and the information presented.

- n. A few residents voiced their appreciation for the time and effort the NHVSSD, NHFA and NHFD volunteers put forth on their behalf. *Panel response in summary: Thank you.*
- o. Some audience members stated their concerns for family members who risk their wellbeing volunteering and questioned the lack of community by not supporting what is needed to get proper apparatus, equipment, and training. *Panel response in summary: The ACB recognizes the support from the vast part of the community. Both the ACB and the Fire Chief are committed to providing what is needed and required to keep the volunteers and the community protected.*

X. Administrative Control Board Vote: Clayton Huckaby

- a. At the conclusion of a lengthy community comments portion of the meeting Mr. Boyd, Resident addressed the AOC and stated that the issues have been well discussed and asked the Board to proceed with a motion.

Motion: A motion was made by John Southwick that the NHVSSD ACB having complied with the requirements within the Truth-In Taxation process proceed with a \$50,000 increase to the District's Budget beginning in 2024, requesting the mill rate be increased from .000315 to .000465. The motion was seconded by Eric Kern. Those in favor were John Southwick, Eric Kerns and Clayton Huckaby. Those opposed were Scott Pace; offering no further comment or alternative proposal. Darren Adair was excused. The motion passed.

XI. Meeting Adjourned

Motion: Scott Pace made a motion to adjourn the meeting at approximately 9:40pm. The motion was seconded by John Southwick. The meeting was adjourned.

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Attachments

**Truth-In-Taxation, New Harmony Valley Special Service District- Slide Presentation
10-18-2023 Truth-In-Taxation, Public Hearing Handout.**

Sign-in Sheets (redacted addresses/phone numbers).

Sample Notice of Proposed 2024 Tax Increase by New Harmony Valley Special Service District.

LocaliQ – Proof of Publication.

Utah Public Notice dare 10-6-2023.

Witnessed Post Office Posting -Notice of Proposed 2024 Tax Increase By New Harmony Valley Special Service District.

**Witnessed Post Office Posting of the New Harmony Valley Special Service District TNT-
Public Hearing Agenda.**