

MINUTES

MORGAN COUNTY SCHOOL DISTRICT TRUTH IN TAXATION

Tuesday, August 11, 2020, District Office 7:00 p.m.

Present:

Board Members: President Ron Blunck, Vice President Gaylene Adams, Kelly Preece, Adam Toone, Lars Birkeland

District Staff: Superintendent Doug Jacobs, Business Administrator Scott McMillan, Secretary Jana Brown

Other Staff and Patrons: Kera Birkeland, Jenni Earl, Trina Wilkinson, Brett Smith, Andy Jensen

Welcome: President Blunck welcomed those in attendance.

Opening of Truth in Taxation Hearing:

Scott McMillan presented an explanation of tax rates and the board's intent to hold the tax rate. He presented the proposed income from the holding the tax rate on the Basic School Levy. Scott then answered the questions that were raised.

President Blunck reported that he has done a lot of research on the Truth in Taxation process. He noted that when entities allow the rate to float down, they can get themselves into financial trouble and then end up having to raise the rate considerably at some point in the future. He stated that when he started on the School Board in 2015, the fund balance was approximately \$633,000, which is about 11.5 days of reserve. He noted that the Board made a conscious decision to hold the rate for the next several years which has increased the fund balance to 80 days of reserve. He noted that he feels the district should have a minimum of 90 days of reserve in the fund at all times.

Public Comments:

Brett Smith expressed his disapproval of holding the tax rate. He indicated that the taxes on his property increased over 200%. He noted that he is disappointed in all government entities. He concluded by sharing a quote by Henry Grady Weaver.

Jenni Earl stated that she understands where funding goes. When property values increase, it equates to a tax increase. She asked the Board to consider the tax payers in all their decisions.

Board Discussion:

Kelly Preece reported that he understands the concerns of the community members. He is retired and now on a fixed income himself; however, he feels that there is no greater investment than kids. He stated that he had a retired teacher, who is also a widow, ask him to do whatever it takes to take care of the kids. He noted that as costs to educate kids continues to increase, we need to assure that we have the funds to educate them. He agreed that the Board members are in a very hard position; however, he feels that they would be derelict in their duties if they didn't hold the rate for the kids.

Gaylene Adams reported that this has been a very difficult decision for her. She noted that Morgan County is a unique place where the county's tax base is primarily residential homes. She stated that we cannot control the economic basis of our community. She noted that by holding the rate for the past few years, the Board has been able to address issues that have been neglected in the lean years. She reported that she feels the Board is not only preparing for today but for the future. She feels that holding the levy rate is the right thing to do and she suggested that the Board have a discussion in the future regarding how much should be in the general fund as a reserve.

Lars Birkeland reported that he has never seen his property taxes go down. He feels that it has been a rough year for the taxpayers and he doesn't feel right about holding the rate at this time.

Adam Toone reported that we do not have any control on the monetary system or growth; however, a lot of community members have had decreases in their income this year. He noted that he appreciates the Truth in Taxation process and he takes his job as an elected official seriously. He doesn't feel the Board should hold the rate at this time. He asked the Board members to consider all taxpayers in every decision they make.

President Blunck reported that the Board has gone overboard to be transparent in all their decisions. He noted that it not a significant amount that the Board receives by holding the rate but if you let it fall, you can get into a bad situation that is very hard to recover from. He noted that the Board has increased the fund balance one bite at a time and has put the district in a position to take care of things that have been neglected for some time such as the boiler systems at MHS and MMS. He reported that he feels that holding the rate is the responsible thing to do.

Approval of Morgan School District Tax Rates:

MOTION: Gaylene Adams moved to maintain the tax rate at 0.004087.

SECOND: President Blunck

DISCUSSION: There was not further discussion.

APPROVAL: President Blunck, Gaylene Adams, and Kelly Preece voted in favor with Adam Toone and Lars Birkeland voted against. The motion passes.

MOTION: Kelly Preece moved to adjourn the meeting.

SECOND: Gaylene Adams

DISCUSSION: There was no further discussion.

APPROVAL: The motion passed unanimously.

The meeting adjourned at 7:52 p.m.

Business Administrator, Scott McMillan