

## NOTICE OF SPECIAL MEETING

### ROGERS COUNTY EXCISE BOARD

**PLACE:** Rogers County Courthouse, 200 South Lynn Riggs Blvd.  
Commissioners' Meeting Room, Claremore, Oklahoma

**DATE & TIME:** Friday, February 27 2015 at 9:00 O'clock A.M.

### MINUTES

#### \*\*\*CONSIDERATION, DISCUSSION, AND POSSIBLE ACTION TO BE TAKEN ON THE FOLLOWING LISTED ITEMS ON THE AGENDA:

**ITEM 1: CALL TO ORDER:** Chairman Buck Mullen called the meeting to order at 9:01 A.M.

**ITEM 2: ROLL CALL TO ESTABLISH QUORUM:**  
Determine that Notice of Meeting and Agenda were properly posted in accordance with the Oklahoma Open Meeting Act. Chairman Buck Mullen and Member Leslie Browand were present and quorum established and determined that Notice of Meeting and Agenda were properly posted in accordance with the Oklahoma Open Meeting Act.

**ITEM 3: AGENDA ITEMS:**

1. Public hearing pursuant to Title 68, O.S. § 2822(B), to allow jurisdictions receiving revenue from an ad valorem mill rate to appear before the county Excise Board to provide testimony, comments, information and documentation concerning the budget submitted by the county assessor for countywide visual inspections of real property. Browand made a motion to open a public hearing at 9:03 a.m. and Mullen seconded. Mullen-aye, Browand-aye. Motion carried. Assistant District Attorney Ben Lepak stated several of the jurisdictions that receive revenue under a mill rate have contacted the County Clerk via a letter expressing concerns about the notice provided back in August as the budget was determined for Visual Inspections for the Assessor. The County Clerk sent a notice at that time again for this meeting. Lepak recommended the Board open the floor to the various superintendents who are present that wish to voice their concerns and also the Assessor to address those concerns.
  - o Michael McClaren, Superintendent of Claremore Schools, stated he appreciated the opportunity to come before the Board. He expressed concerns over the increased assessor's fees and the notices that were given. He stated this was the first time to see the budget and presented the Board with documents he created as visual aids. He brought attention to the personal services for the Assessor's office and the increase over the years. The Assessor's fee rate for Claremore Schools has increased 41 percent. McClaren stated he understood when the Assessor's office increased the values we should be getting more money from the ad valorem but that is only subtracted off the state aid. McClaren questioned what had changed from last year to this year to prompt such an increase. McClaren gave the Board a copy of the Assessor's salaries and stated that the lowest paid employee in the Assessor's office was \$54,000.00. A teacher with 28 years of service with a PhD could make only \$48,000.00. McClaren added they weren't notified of the Assessor's raised fees until well into the school year. McClaren stated he appreciated everybody but they need relief. Browand told McClaren she appreciated the information he presented.
  - o Justus-Tiawah Superintendent David Garrouette stated he had never received notification of a meeting in the past 14 years. Garrouette stated his budget was cut by \$115,000 by the State this year and the government chose for them to no longer be rural so they were cut another \$60,000.00 and he's had to cut many positions. They built a new gym with bond money. In the 14 years of being a superintendent, he has never had a service increase this amount. In the past three years, it's gone up 121 percent. Garrouette added they need to find a way to provide these services cheaper. Garrouette stated the County has helped him in a lot of ways and he understands "we need each other."
  - o Dr. Terry Saul, Sequoyah school district, stated their increase was 39 percent with an increase over the last three years of 118 percent. Saul stated there was no way to adjust after the budget has been set and it becomes a loss of service. Saul stated this was a direct loss of a teacher's assistant. Saul stated this wasn't solely on the Assessor because the County Commissioners approved the budget and he would like to see them held accountable as well.
  - o Roger Crutchfield, Northeast Technology Center, stated he also had issue with the notifications but it wasn't as big of a deal in the past because the increases were never that much. Crutchfield stated to Marsh that the notifications were critical. He added their share of the cost of Visual Inspections had gone up 133 percent over the last five years but their collections have only gone up 22 percent. Crutchfield stated when the formula is used to calculate Visual Inspection, it included PSO but the Assessor's office doesn't assess that property. He added Marsh has always been open and up front. Crutchfield gave

the Board a copy of the statutes which outlines what the Assessor's responsibilities are. Crutchfield made reference to the Visual Inspection Plan that was submitted by the Assessor's office to the Oklahoma Tax Commissions Ad Valorem Division that lists the staff and there are three people listed as working in Visual Inspection. The information submitted to the schools makes reference to every employee being coded to Visual Inspection. Not only salaries but furniture maintenance, computers, etc. are being paid with Visual Inspection funds. Crutchfield requested the Visual Inspection budget be reconsidered.

- Mike Payne, Verdigris school, stated he had been a superintendent for eleven years and had never received a notice of this meeting, and whoever said there was one, well, that's just a lie. With cutting positions, large class sizes and eliminating aides, it's hard to educate. Payne asked the Board to reconsider the budget.

Mullen stated it was his understanding that all schools were notified before the budget was approved, no one appeared to protest and they couldn't do anything for 2014-2015. Lepak stated that whatever the status of prior notices, it is clear that this meeting was given proper notice. Lepak added the Board has the authority to weigh in and resolve any dispute. Mullen asked if they had the authority to change the budget. Lepak answered if they determined that the Visual Inspection budget needed to be reduced, the Board has that authority under various statutes.

- McClaren asked Lepak to look at the notifications and all paperwork in regard to that to see what notification was sent out. He added the notification should be accompanied with a budget. Mullen asked Lepak if he could do a review. Lepak stated it was a matter of interpretation as to whether the notice should be accompanied with a budget. Lepak stated there was no agenda item today to go back and determine the sufficiency of prior notices. Today is a public hearing for the superintendents to provide comment and the notice the Clerk sent out for this meeting which included an estimate of needs and a budget. Lepak added today is for this meeting and this meeting's notice only.
- Crutchfield stated, as a point of clarification, the notice earlier in the year never happened. When meeting with County Clerk Robin Anderson, she presented a copy of what "would have been sent out", but there was no registered mail or return receipt. The point is, the notification never happened and an agenda item is not appropriate and it should be what Ms. Anderson sent this time, because this notice was adequate. Crutchfield added he wanted to go on record with this issue. **\*\*\*NOTE\*\*\*The notice to all entities in Rogers County receiving tax revenues was dated August 4, 2015 and mailed out on August 5, 2015. A copy of that notice was given to Crutchfield at an earlier date.**
- County Clerk Robin Anderson stated a letter was sent out and that 1<sup>st</sup> Deputy Teresa Jackson, retired County Clerk with 24 years' experience, and Ms. Anderson discussed this last year. Ms. Anderson stated it was Ms. Jackson's opinion that notices should be sent to the schools, she prepared the letter, I (Anderson) signed them and mailed them in the envelopes. The addresses were received from the Treasurer's office.
- Lepak stated the notice for this meeting was properly sent out and regardless of what's happened in the past, we are here today for this public hearing as we currently stand. Lepak advised that the public hearing continue and perhaps hear from the County Assessor.
- Ms. Anderson stated none of the letters were returned. Anderson added she spoke to the Attorney General at that time who stated they had to have received them or they would have been returned in the mail. **\*\*\*NOTE\*\*\*The reference to the Attorney General was Charles Rogers, Senior Assistant Attorney General.**
- Lepak reiterated that this issue is something that could go back and forth on but as for today, discuss the meeting at hand.
- Ms. Anderson added she wanted to go on record that the prior notices were mailed out and none were returned.
- Garroutte stated he wanted to go on record that a notice has never been received until this notice. It may have been sent out but it was never received for thirteen years.
- Ms. Anderson stated this was the first year they were sent out but in prior years she couldn't say what happened.

Mullen asked Assessor Scott Marsh to come forward and answer questions.

- Marsh thanked the superintendents for clearing their schedules and coming today. This meeting is a good thing. It's not in the Assessor's scope of work to send out the notices but in the future, there will be proper notification. When it comes to Visual Inspection, each employee that is being compensated with this budget plays a vital role in the visual inspection process. Everything that the Assessor's office does is a cog or wheel of that process because without that process there is no evaluation. Marsh gave examples of employees performing tasks related to visual inspection and it was his interpretation that these individuals were tied to that. In the future, before the budget process even starts, Marsh wants to sit down with the schools and have a meeting, or meetings, and discuss the process, the plans and address any concerns. Marsh stated if they need to set a meeting time and post it that can happen too. Marsh added he felt like he had always been open and honest and answered questions and wants to

continue to do that. Each school, along with the County, pays a part in the funding of Visual Inspection and Marsh wants them to be a part of the process from here on out. Marsh stated he spoke to the Oklahoma Tax Commission director, Joe Hapgood, and voiced concerns for the state assessed properties and that the visual inspection is being paid for by all the entities who may have state assessed properties in their jurisdiction but the Assessor's office isn't assessing it. Marsh added Hapgood's response was they don't charge for it either so they can either start charging for it or they can pay it to you. Marsh addressed employee salaries and stated that isn't the pay they receive and it includes social security and medical benefits so it's the cost per employee, not their salary. There were no raises this year but may have been compensation for one or two people who went up in their longevity. Marsh stated he was in a lot of agreement with the gentleman who spoke today and, after doing some research, understands more about state aide. Marsh vowed to reduce the Visual Inspection budget and cuts would be made in some areas that will help. Marsh presented data from the OTC that showed Creek County and Wagner County, similar in size to Rogers County. Marsh admitted that maybe the Visual Inspection budget was a little too high and we'll work on that but the years prior to that, Marsh felt it was right on. Marsh added when he took office, he noticed something that had never been done in Rogers County. They were not assessing value on property on all of Rogers County – they were only assessing what was being visually inspected. A quarter of everything is visually inspected once every four years but the assessment process should take place yearly. The Assessor's office is vigilant that every parcel is assessed every year. New properties are visually inspected multiple times a year so that we can pick up the type of construction used and quality being put in the buildings because that affects the value of the property long term. Marsh added they are working hard to do this because when it's done right, it's beneficial to the whole community. They have been able to increase revenues when at a time, the market didn't support it well. Marsh stated there are some schools who have paid one hundred percent of their bill, some who have paid partial and some who have paid none. If we were to go back and re-do the budget this year, it would open up a can of worms as far as compensation. The payment practices need to be addressed at a different time. Marsh stated whatever the Board decided to do, they would work with.

- Crutchfield asked how many employees were paid for Visual Inspection and Marsh stated 12. Crutchfield asked if there were any people in the office not paid out of Visual Inspection and Marsh stated he was not. Crutchfield then asked if all employees had gone through training. Marsh stated each employee and himself not only have the first accreditation but also the advanced accreditation. Crutchfield asked if Marsh was saying that 100% of their job had to do with visual inspection. Marsh replied no. The job itself is vital to visual inspection. Crutchfield stated everybody has coding to do when paying employees. You can't pay them with funds designated to something else. Marsh said he was concerned that if we go back on the budget that has already been approved, he doesn't know what they're going to do about that.
- Rod Carter, Foyil Schools, asked where the money came from in years past and if they employees were always paid out of visual inspection or if Marsh changed it. Marsh stated he changed it because he felt that it was one way to make sure it was properly funded. Marsh added one thing they are working on is a comprehensive commercial visual inspection and evaluation program and are working with a company called TAS – Total Assessment Solutions. Rogers County has never evaluated 100% of the companies that they are supposed to.
- Crutchfield asked if it replaced money Marsh would normally get from the county to fund the positions. Marsh answered that it did and his budget decreased. He added he believed if they are doing the work of visual inspection, if they are tied into it, they can be paid out of those funds. The schools pay for part of it but there are eighteen jurisdictions that pay for the visual inspection budget. Marsh stated he raised a question to the State as to why the fire districts, since they're receiving dollars through visual inspection, why are they not responsible to pay for part of the budget and the answer he received was that they are Title 19.
- Garrouette stated they didn't mind paying for their part but if they're paying for a salary of an employee doing things other than visual inspection, it's illegal and unethical for them to pay it. He added his school is fighting for survival and going in the red. Garrouette stated he appreciates Marsh's openness, honesty and diligence but added that no services he has have gone up 121% in the last few years.
- Marsh stated he wanted to sit down with the schools and could bring a Commissioner to discuss concerns and budget. It needs to be simplified. Marsh voiced concern about changing the budget this year but open to making changes for the future. Marsh added he would ensure that notices are sent out ahead of time.

Mullen stated he has been on the Board 15 years, not always as Chairman, and ordinarily when the budget is up for approval, the Commissioners will invite every department into

the meeting. This year, only two Commissioners met with the Excise Board with the budget and we assumed the “budget was the budget” and had no reason not to approve it. He added he would have to speak with Lepak to discuss what could be done here. Mullen stated he would like to have a recess before they vote on anything. Lepak stated if they were satisfied with the public comment, they could vote to close the public hearing. On the next agenda item, they could vote to table that item to have time to soak it all in. Lepak added the Board is acting in a legislative capacity and have heard from other governmental entities but it’s ultimately the Board’s decision. Lepak stated he could not meet with the Board privately. If the item is tabled, they can request the DA’s office provide legal advice. Mullen stated they had no facts or figures as to what the schools needed to pay and that’s above and beyond the Excise Board. Mullen stated a statute was read that said they could adjust the visual inspection fee but they have no way of knowing the cost of visual inspection. Lepak stated they have the documents provided by the Assessor and they have heard comment from the schools. They have the power as a Board to call anyone they need in county government to come and provide testimony to help make any decisions. Mullen stated when they came to the meeting today, he had no idea they had any recourse of going back on a budget that’s already been approved. Lepak stated they had the authority of doing supplemental budgeting. Browand made a motion to close the public hearing. Mullen seconded. Mullen–aye, Browand–aye. Motion carried at 10:18 A.M. Mullen thanked the gentleman for being at the meeting. Browand stated it was her understanding that the Board could table Item 3:2 and asked Lepak if that was correct. Lepak agreed.

2. Discussion and possible action to approve/disapprove county assessor budget for visual inspection program for fiscal year 2014-2015. Browand made a motion to table Item 3:2 for further review and give them an opportunity to absorb everything. Mullen seconded. Ms. Anderson asked if the motion was to table until the next regular meeting or a special meeting and Browand replied to a special meeting. Mullen–aye, Browand–aye. Motion carried.

**ITEM 4: RECESS OR ADJOURNMENT:** Mullen made a motion to adjourn and Browand seconded. Mullen–aye, Browand–aye. Motion carried 10:19 A.M.

ROGERS COUNTY EXCISE BOARD

(SEAL)

BY: \_\_\_\_\_  
Robin Anderson, County Clerk

*Notice of said meeting was filed in the Office of the County Clerk on Thursday, February 19, 2015 at 8:10 a.m. and the agenda was posted on the Front Door Entrance to the Courthouse and on the county website on Wednesday, February 25, 2015 at 4:37 p.m.*