

Project Name – Recorder’s Office Audit	Workpaper Index # 1
Workpaper Name – FINAL	April – July 2021 Time Period

PURPOSE

The County Clerk/Auditor performed this audit to examine the Recorder’s current practices in comparison to state code and best practices.

PROCEDURES PERFORMED

The Auditor gathered relevant state and county code pertaining to the Office of the Recorder and its duties. Following examination of the code, the Auditor met with the Recorder for three formal code reviews.

The Auditor also interviewed two key office employees to gain an understanding of their impression of office morale, to ask about any evidences of fraud or abuse, and to ask how the transition to the new Recorder has been going.

The Finance Department provided the Recorder’s Office budget to the Auditor.

The Auditor interviewed Chad Montgomery, Utah Association of County Recorders Education Committee Chair. Mr. Montgomery teaches the Cadastral Mapping Training Class in the state of Utah which is required to obtain certification for cadastral mapping. Cadastral mapping is the term used for creating ownership plats. Mr. Montgomery is also the Box Elder County Recorder/Surveyor. County recorders are a self-regulating group, and as such, Mr. Montgomery’s opinion is an expert opinion on matters of cadastral mapping.

In response to the Auditor’s inquiry into the Recorder’s claim about mapping needs, the Recorder asked two questions of all of the county recorders in Utah to butress his claim and reported their answers to the Auditor.

FINDINGS

- 1) There is a significant compliance issue 1) regarding the maintenance of current owners’ names on Ownership Plats
- 2) There is a significant gap in compliance in reporting parcel changes (changes to parcels) to the assessor

Finding 1 – Ownership Plats

The obligation to maintain ownership information on Ownership Plats is established in Utah State Code Section 17-21-21 Ownership Plats, which states:

(1) The county recorder shall prepare and keep ownership plats drawn to a convenient scale, which show the record owners of each tract of land in the county, together with the dimensions of the tract.

Approximately ten years ago, under the prior Recorder, the Recorder’s Office stopped updating the ownership information on Ownership Plats based upon the interpretation that Utah State Code Section 17-21-21(2)(b) exempted the Recorder from the need to do so due to the online GIS map the Cache County Assessor uses. This section is copied below:

(2) The county recorder may not be required to:

(b) show lot or unit ownership on subdivisions or condominium plats or other ownership plats if that information is available through computer systems or other indexes.

While interviewing Chad Montgomery, the Auditor presented the question of whether an online GIS



map adequately meets the code requirements for an Ownership Plat. Mr. Montgomery stated that it could be purchased by purchasing additional, very expensive add-ons to their continuing licensing subscriptions, but it would remain, nonetheless, difficult due to labelling. In order to continue to comply with Utah State Code, in Box Elder County, he has continued to label the physical maps. Please see APPENDIX – OBSERVATIONS - Observation 2 - Implementation for more discussion.

All county recorders who responded to a query from the Recorder affirmed that they do update ownership on Ownership Plats. They are the recorders from the counties of Summit, Uintah, Tooele, Iron, Davis, Wayne, Washington, Sevier, Weber, Utah and Millard, and Box Elder. See APPENDIX – OBSERVATIONS – Observation 1 – Ownership Plats Discussion for more discussion.

This audit finds that the Recorder’s Office does have a duty to maintain current owners’ names on Ownership Plats and is not in compliance with state code in maintaining current owners’ names on Ownership Plats.

Finding 2 – Parcel Changes (Changes to Parcels)

Utah State Code Section 17-21-22(1)(a), a subsection of 17-21-22 Annual revision -- Reporting changes in ownership to county assessors -- Use of geographic information systems or computer systems states:

(1) The county recorder shall:

(a) each year, prepare copies of ownership plats and descriptions, showing record owners at noon on January 1;

The Office did not meet the section 17-21-22(1)(a) deadline, just before the current Recorder took office. The Office did not meet the January 30, 2021 section 17-21-22(1)(b) deadline. However, in May 2021 it did complete all of the prior Recorder’s parcel changes backed up since June 2020. At its current trajectory, the Office will miss the section 17-21-22(1)(c) August 15 deadline. At its current trajectory, the Office will miss the section 17-21-22(1)(d) post-August 15 monthly deadlines. They are working through this year’s backlog created prior to the current Recorder taking office. This backlog has caused the Recorder’s Office to miss the deadlines and will cause the Office to miss the deadlines in subsections 17-21-22(1)(a), (b), (c), and (d).

The Auditor was shown the stack of parcel changes yet to be completed. The only persons in the Office with the expertise to complete these were the prior Recorder and the current Recorder. Meanwhile, the Recorder has other duties.

This audit finds that the Recorder’s Office is not in compliance with state code in reporting parcel changes to the county assessor.

RECOMMENDATIONS

- 1) Hire and Train Additional Staff
- 2) Use Collected Fees to Hire More Staff
- 3) Use Any Excess Recording Fees to Update Backlogged Ownership Plats

Recommendation 1 – Hire and Train Additional Staff

The Office did not have sufficient resources to complete all required duties under the prior Recorder and the issue has continued into the current administration. Diffusion of the workload to additional staff will allow the Recorder to focus more time on those technical tasks demanding the Recorder’s attention – most urgently with regard to parcel changes.



The Recorder is training current staff and would like to train new hires in AutoCAD and mapping so that the Recorder is no longer indispensable to the successful operation of the Recorder's Office. This training will provide continuity of operation should any change in leadership occur.

Once hires are appropriately trained in AutoCAD, they will have a transferable skill which makes county pay scales an important factor in attracting and retaining talent. Preferably, new hires will have such skill already. Unfortunately, the Recorder's Office has had difficulty filling its open positions. Current staff claims to be happy with the current work environment, so it seems the difficulty in hiring can be attributed to other factors besides a poor working environment.

Wages need to be high enough to attract and retain qualified staff. The need for mapping of Ownership Plats and working through parcel changes means there needs to be a number of such persons hired.

This audit recommends increasing the number of mapping positions to meet Recorder's Office needs and offering wages which will attract and keep talent.

Recommendation 2 – Use Collected Fees to Hire More Staff

The state legislature ensured there would be enough money available to the county Recorders' Offices across the state to effectively serve the public when they established a mandatory statewide recording fee increase in May 2019. The budget for the Cache County Recorder's Office is much smaller than the amount brought in by these new recording fees. In 2020, \$1,453,599.15 was paid in recording fees, while the revised 2021 budget for the Recorder's Office is \$587,800.00. This year's budget is a little less than 41% of last year's recording fees. Cache County is fortunate to have this money available to solve this crisis. If there is any question whether addressing this crisis with these funds is appropriate, an inquiry to the legislature as to legislative intent could be made. See Utah State Code Section 17-21-18.5(7).

This audit recommends a dramatic increase in the budget for the Recorder's Office to hire and retain qualified staff to bring the Recorder's Office into compliance with state code on Ownership Maps and parcel changes.

Recommendation 3 – Use Any Excess Recording Fees to Update Backlogged Ownership Plats

Updating the Ownership Plats is a one-time multi-year project to digitize records. It is temporary work, not necessarily needing full-time long-term employees. Employees would need skill and training in AutoCAD and mapping. Parts of this multi-year project could potentially be outsourced.

This audit recommends any excess recording fees be used to update the backlogged Ownership Plats.



APPENDIX

- 1) Observations
- 2) See spreadsheet titled “Recorder’s Office Compliance Worksheet“ for line by line compliance checklist

OBSERVATIONS

These observations arose from the Auditor’s investigation, but do not rise to the level of findings or recommendations. They were triggered by the process or garnered from individuals involved in the process.

Observation 1 – Ownership Plats Discussion

The Auditor asked the Recorder to provide evidence in support of his assertion that he has the obligation he purports to have with regard to Ownership Plats. The Recorder posed two questions to all other Utah recorders: “1) Do you believe that an online GIS map which shows current ownership on a parcel layer is sufficient or adequate to fulfill 17-21-21, and that the actual ownership plats then do not need to keep up to date current ownership on them?” Doing so would rely upon Utah State Code Section 17-21-21(3) which states:

Nothing in this chapter precludes the use of geographic information systems or computer systems by the recorder if the systems include all of the information required by this section.

The sentiment of County Recorders across Utah may be summed up best by Jerry Houghton, Tooele County Recorder who responded with the statement, “However, that does not transfer responsibility to another office. The statutory responsibility lies with the Recorder.”

In response to the second question posed to the recorders, “2) Are there any among you that are not updating current ownership on your ownership plats?,” Mr. Houghton quoted The Utah State Tax Commission Mapping and Parcel Identification Standards of Practice (July 2010), then stated, “There are a lot of ‘shalls’ in the standard. We are still doing both. Ou[r] online [GIS] map does not depict every[thing] that is supposed to be included, such as dimensions.”

Observation 2 – Implementation

For Ownership Plats, the options available to bring the Cache County Recorder’s Office into compliance with state code, utilizing best practices across the state are: 1) Update and then maintain the ownership information on the physical maps, 2) Purchase the expensive online GIS add-ons, then update those online GIS maps with the Recorder’s Office maintaining full equal control over those maps, or 3) Digitize maps using AutoCAD as was done by the Weber County Recorder’s Office.

The prior Recorder created hand-drawn maps. While that painstaking process worked for many years, new technology has replaced hand-drawn mapping. Updating the hand-drawn Ownership Plats would nonetheless be labor-intensive even if that skill were available to the Recorder’s Office, which it is not. The Ownership Plats need to have information updated on them, so it would be worthwhile to update the maps into a digital format at the same time their information is updated. This would utilize the current Recorder’s modern skills and training.

The online GIS add-ons would allow the Recorder’s Office to modify the online maps, but those maps are maintained by another department. Based on the interview with Mr. Montgomery, these add-ons are expensive and still less-than-ideal. Details on this solution may be investigated further by the Recorder’s Office, but the Recorder does not have as much technical expertise in this method



as he has in AutoCAD, AutoCAD is less expensive, and AutoCAD is more universal. Nonetheless, a cost comparison may be warranted.

For parcel changes, additional staff would eventually be able to take on these tasks. Initially, though, additional staff would alleviate the burden on the Recorder so he could finish the backlog of parcel changes.

It should be noted that the Ownership Plats and parcel changes are two of the most time-intensive jobs for Recorder's Office staff. At this point, they are almost exclusively being done by the Recorder himself. The increase in workload has made it impossible for one person alone to handle these tasks.

Observation 3 – Fees

In general, over time, the value of the dollar declines due to inflation and fees often do not keep pace. Following this logic, a dollar today has more buying power than that same dollar tomorrow. Whereas an excess of fees exists, but is being allocated elsewhere, now would be an appropriate time to look forward to meet the needs of the public as closely related to the purpose of the fees as possible. If there were no needs, it would merely be a windfall to the county. However, there are strong real property-related needs.

The low expenses of the past years may be deceptive if a backlog of activities has not been completed. The Recorder's Office will be doing not only this year's work, but prior years' work as well. In order to do so, much of the money needed this year should have, in fact, been spent in prior years in order to avoid this situation, but it was not. This is a fix-it and adapt to the new realities of workload change in activity, and it needs a comensurate change in staffing and budget.

Observation 4 – Surveyor's Office

Consistently present in the audit was discussion of the Surveyor's Office. It seems like the logical home for the Surveyor's office would be to combine it with the Recorder's Office, rather than the Executive's Office. Questioning private surveyors about the quality of the county's surveying monuments would be worthwhile to determine if recorder's fees should be dedicated to updating the county's surveying monuments.

Observation 5 – Payment of Fees

Section 17-21-19(2) Records open to inspection – Copies. Payment of copying fees is a small issue the Recorder's Office is working to standardize. Further review at the end of 2021 is recommended. Section 17-21-18 Fees must be paid in advance. Review with the Recorder's Office is also recommended during that same end of 2021 review to ensure compliance is continuing.

