

## NOTICE OF PUBLIC MEETING

**TO THE RESIDENTS OF UINTAH COUNTY, VERNAL CITY, NAPLES CITY AND BALLARD CITY:** Notice is hereby given that the Vernal City Council, the Uintah County Commission, the Naples City Council and Ballard Town Council will hold a Special Joint Meeting on *Monday, August 24, 2020 at 4:30 p.m. in the Uintah Conference Center located at 313 East 200 South, Vernal, Utah.*

**\*\*\*\*\*AMENDED\*\*\*\*\***

# A G E N D A

**4:30 P.M.**

### STANDING BUSINESS

1. ACKNOWLEDGMENT & APPROVAL OF SPECIAL MEETING
2. APPROVAL OF THE MINUTES OF JULY 27, 2020

### SCHEDULED PUBLIC BUSINESS

1. DISCUSSION **AND DECISION** REGARDING MINERAL LEASE FUNDS AND SPECIAL SERVICE DISTRICTS DISTRIBUTION OF MONEY

**ADJOURN**

\*NOTE: In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify Quinn Bennion at 374 East Main St, Vernal, Utah 84078, telephone: (435) 789-2255.

1 **M**INUTES OF THE JOINT VERNAL CITY COUNCIL AND UTAH COUNTY  
2 COMMISSION MEETING HELD JULY 27, 2020 at 4:30 pm in the Uintah  
3 Conference Center, 313 East 200 South, Vernal, UT 84078.

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5 **PRESENT:**

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7 **UINTAH COUNTY:** Commissioners Bart Haslem, Brad Horrocks and Bill Stringer.

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9 **VERNAL CITY:** Councilmembers Dave Everett, Ted Munford, Nick Porter and Travis  
10 Allan and Mayor Doug Hammond. Councilmember Bert Clark was excused.

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12 **NAPLES CITY:** Councilmembers Dan Olsen, Ken Reynolds and Robert Hall, and Mayor  
13 Dean Baker.

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15 **BALLARD CITY:** Mayor Bob Abercrombie.

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17 **STAFF:** Roxanne Behunin, Quinn Bennion, Jon Stermer and Mike Davis.

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19 **GUESTS:** Cheryl Meier, Dan Dilsaver, Kent Bunderson, Christina Williams, Alicen  
20 Hatch, Jeremy Raymond, Robin O'Driscoll, Cindy Dilsaver, Jo Gardner, Rick Bell,  
21 Fernandez Rivera, Goeoff Liesik, Sonja Norton, Jason Searle, Dwayne Paulson, Sam  
22 Howard, Sherry L Carlson, Terri Terrill, Scott Terrill, William Robertson, Brian Gorum,  
23 Joel Brown, Derek Hopper, Kam Pope, Hilary Price, Kris Abegglen, Dennis Stevens, Troy  
24 Ostler, Jamie Walker, Coreyne Mortensen, Sam Passey.

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26 **WELCOME:** Commissioner Brad Horrocks welcomed everyone to the meeting.

27  
28 **ACKNOWLEDGMENT & APPROVAL OF SPECIAL MEETING:** *Mayor Doug*  
29 *Hammond moved to acknowledge and approve this special meeting. Commissioner Bill Stringer*  
30 *seconded the motion. The motion passed with Councilmembers Munford, Everett, Allan and*  
31 *Porter and Commissioners Stringer, Haslem and Horrocks voting in favor for a unanimous vote.*

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33 **APPROVAL OF THE MINUTES OF JUNE 1, 2020:** *Councilmember Ted Munford moved to*  
34 *approve the minutes of June 1, 2020 as presented. Commissioner Bart Haslem seconded the*  
35 *motion. The motion passed with Commissioners Stringer, Haslem and Horrocks and*  
36 *Councilmembers Everett, Allan, Munford and Porter voting in favor for a unanimous vote.*

37  
38 **DISCUSSION REGARDING MINERAL LEASE FUNDS AND SPECIAL SERVICE**  
39 **DISTRICTS DISTRIBUTION OF MONEY:** Commissioner Brad Horrocks explained that the  
40 mineral lease money that is used to fund the Special Service Districts is way down so decisions  
41 need to be made what to do. The year to date amount received is \$3,200,000. Commissioner  
42 Stringer stated in 2018 the amount received by July was \$5.5 million dollars and in 2019 the  
43 amount was \$5.2 million dollars. Cheryl Meier, Uintah Transportation District, stated that the  
44 amount collected on the latest report shows a substantial increase although those funds have not  
45 been distributed yet. Kent Bunderson stated the preliminary amount is \$4.58 million for Uintah  
46 County, although it is not known how those funds will be allocated. Commissioner Stringer

47 stated for the month of March there were no funds distributed and there has never been a zero  
48 amount before. Commissioner Haslem stated the districts are operating into the 8<sup>th</sup> month of the  
49 year and have received two payments. Mike Davis agreed there is not a lot of consistency.  
50

51 Commissioner Brad Horrocks stated they need options moving forward. Some of the debt has  
52 been paid off to help this situation, however, now they need to consider combining services or  
53 dropping them as the expectation is to receive \$2 million dollars less than projected.  
54 Councilmember Ted Munford stated the discussion last year when the idea was brought up to  
55 combine services and consolidate debt seemed to be the right direction as revenue continues to  
56 go down. The two options are to raise revenue or lower expenses. There does seem to be a  
57 bright future for the area, but how do the Districts get by until the community thrives again.  
58 Commissioner Horrocks explained that the Districts provide tremendous services and this is a  
59 sad situation. The Commission wants to look at every option before a final decision is made.  
60 Commissioner Bart Haslem stated that when they look at the Districts, the Commissioners know  
61 what services are essential, and all of these services are a great benefit to the community.  
62 Although some of them are required to be provided such as fire suppression, animal control, and  
63 health services. He asked the directors from the Districts to take a few minutes and explained  
64 what services they provide.  
65

66 Jeremy Raymond, director for the Uintah Fire SSD, explained this District was created in the fall  
67 of 2006 with many of the other districts. At that time the goal was to create a County-wide fire  
68 suppression entity. The District provides fire suppression needs for residential and wildland  
69 fires, extrications, hazmat, fire inspections, and helps at the airport with training and standbys.  
70 The fire stations provide public education, fire reviews and plan reviews for new construction.  
71 Commissioner Horrocks asked how many fire stations are in the District. Jeremy Raymond  
72 answered there are 6 stations including Naples, Vernal, LaPoint, Tridell, Avalon and Jensen  
73 along with the main district office located in the county building. He presented the balance sheet  
74 for the district showing a budget shortfall of \$691,000 for the year if the mineral lease funding  
75 follows the same trend. He noted that this District now does emergency management also.  
76

77 Alicen Hatch, director for the Uintah Health Care District, stated the District was formed back in  
78 2006 with the care center being the main focus; then reorganized to include Tri-County Health  
79 and the Golden Age Center. Later on, Tri-County Health was moved back under the County.  
80 The Golden Age Center takes most of the mineral lease funding and the main purpose is to take  
81 care of seniors in their homes so they can stay home as long as possible. The center provides  
82 activities, food and transportation. The care center is a 110 bed care facility for those that can no  
83 longer stay at home and 14 beds in the rehabilitation and therapy wing. The center is only at  
84 45% capacity employing 150 people. The numbers have been going down significantly mostly  
85 due to a nursing shortage. Many of the services provided are reimbursable, or charge a fee. The  
86 County has an account for the care center to offset those expenses so most of the mineral lease  
87 funds are used for the Golden Age Center. The projected shortfall is \$87,000 as a few changes  
88 have been made to cut down expenses. There were two directors at the senior center and that  
89 was cut to one and no positions have been filled when someone leaves employment.  
90

91 Tina Williams, director of the Animal Control SSD, stated the District started in 2006 with all  
92 the entities participating. There are three full-time animal control officers who also work with

93 the Department of Wildlife Resources. The district provides animal control and animal shelter  
94 services for livestock and pets. An estray livestock roundup was recently conducted with the  
95 funding from the State of Utah. In 2016 the County established a set amount of \$67,000 a month  
96 to cover all operational expenses for the District from the mineral lease funds rather than a  
97 percentage. If the funding is dropped any lower, the next cut will be the hours of operation and  
98 staff. The number of animals at the shelter is increasing with people losing their jobs and  
99 moving and they are abandoning more animals. The shelter works with rescue groups to find  
100 homes for the adoptable animals.

101  
102 Robin O'Driscoll, director of the Recreation District, explained that they run 12 parks from  
103 Jensen to Ballard, provide youth and adult sport programs, manage the golf course, the recreation  
104 center and maintain the soccer and baseball fields. With the pandemic, the recreation center had  
105 to be closed for five weeks which cut down the revenue. The District employs 250 people in  
106 peak season, mostly teenagers. She presented the balance sheet for the District. Since 2015,  
107 they have lost full-time employees and have not replaced them. She noted that this District was  
108 formed in 1993.

109  
110 Cheryl Meier, director of the Transportation SSD, explained this is the oldest district and it was  
111 formed in 1989. The purpose of this District is to work with the County on road projects. The  
112 oil and gas industry has a major impact on roads and the District tries to maintain around 100  
113 miles of road each year. Also, the District takes on larger projects that benefit the area. The last  
114 large project was started in 2014 and has just been completed. The district boundaries include all  
115 of Uintah County except for incorporated areas. The District has a project now in partnership  
116 with the cities. The District received a grant for half the cost and the cities will fund the  
117 remainder. The District funded and managed the Vernal Regional Airport up until 3 weeks ago,  
118 and there are a few projects that need to be finished. She presented the balance sheet and  
119 explained that the other Districts receive a set amount and this District gets the remainder of the  
120 funds. If trends continue, there will be a shortfall. Councilmember Travis Allan clarified that  
121 there has not been any financial commitments to the City's by this District. Cheryl Meier stated  
122 the Cities have a financial commitment to the District to pay for this upcoming maintenance  
123 project. The District received half loan and half grant and the cities are obligated to pay the loan.  
124 Ballard and Naples owe \$100,000 each and Vernal City pays \$400,000. Councilmember Allan  
125 clarified that the District is just passing through the grant funds. Cheryl Meier agreed that they  
126 are the project manager.

127  
128 Kent Bunderson, director of the Impact Mitigation District, stated this District started in 2006 for  
129 economic development and was the catch all for all the Districts. If there was a worthy project  
130 that would benefit the community, funding was considered. As the funds dwindled, the District  
131 was changed to work on promoting higher education. Last year the Commission asked the  
132 Districts to see if they could eliminate debt and the Impact Mitigation District was the  
133 beneficiary of that request. Several of the Districts were gracious enough to allow their funds to  
134 be used to pay off debt of this District. Scholarship funds are awarded for Uintah County  
135 residents, and the District supports the USU Air Quality team. The financial shortfall for this  
136 year is projected to be \$287,102.

137  
138 Commissioner Brad Horrocks explained when these Districts were formed, it was a great idea,

139 good for the community, and saved taxpayers a lot of money. However, they knew some day  
140 this would happen. Mayor Dean Baker stated the County did not want to lose the mineral lease  
141 funds. Commissioner Haslem stated he wants the public to realize how these services are  
142 funded. It takes \$10 million dollars to operate in the black and realistically the Districts will only  
143 receive closer to \$5 million dollars. The question is where to come up with the difference.  
144 Councilmember Ted Munford stated the options are to increase revenue, or decrease expenses.  
145 The ways to decrease expenses include lower administrative costs, eliminate positions, eliminate  
146 benefits, or decrease services or the quality of the services provided. The only way to increase  
147 revenue is to raise taxes. Quinn Bennion stated another option seems to be to shift services to  
148 the Cities and County, which then forces those entities to go through the same options. He noted  
149 that Vernal City, Naples City and the County have already cut staff to meet budget.  
150 Councilmember Ted Munford stated if these services are shifted back to the Cities, the only  
151 option would be to raise taxes. Mayor Dean Baker stated that Naples already has a shortfall.  
152 Councilmember Munford noted that fire suppression and animal control are required services.  
153 Commission Bill Stringer explained that the amount has been dwindling over the years and the  
154 Districts have had to spend their reserves. This leaves the Districts without funds to pay for any  
155 catastrophic costs that could happen. He stated they need to figure out what they need to do to  
156 meet the legal requirements for animal and fire services. Kent Bunderson suggested the District  
157 directors meet and come up with a budget by prioritizing services and needs for each District.  
158 Cheryl Meier agreed that the meetings held by the Directors last year were very productive. The  
159 remaining Directors agreed to meet and come up with cuts and adjustments. Commissioner  
160 Brad Horrocks agreed to give them time to cut their budgets before the Commission makes a  
161 final determination to possibly eliminating three districts. The consensus was to give the  
162 Districts until August 16<sup>th</sup> to meet and come up with a plan.

163  
164 Terri Terrell stated that usually these services are paid for by the taxpayers. Here they are paid  
165 with mineral lease funds, and everyone benefits. She stated that if this funding dries up, then the  
166 citizens need to pay for them or take them away if they are not important. She stated the  
167 community needs the Fire District and animal control. She suggested they cut all the services  
168 they can and still provide minimal necessities with the Cities and County supplementing the  
169 Districts. Councilmember Ted Munford asked if she understood this would require a tax  
170 increase. Terri Terrell stated that they may need to do a PR campaign so citizens know this has  
171 always been paid for by mineral lease funds and now they have to help pay for it by raising  
172 taxes. In the long run everyone needs to pay their fair share.

173  
174 Ed Zurbuchen stated that the taxpayers have to come up with some support as the Districts  
175 cannot continue without it. He noted that reality is here and what was given free now has to be  
176 paid for. Councilmember Ted Munford asked if he was talking about raising taxes. Mr.  
177 Zurbuchen stated he is in support of a tax hike to pay for these services.

178  
179 Steve Evans, Evans Family Media, stated there has been an effort from Senator in Wyoming and  
180 Utah to decrease mineral lease payments to help the oil industry. He asked if this has affected  
181 this income. Commissioner Bill Stringer stated that did not happen because it was illegal.

182  
183 Sonja Norton asked how much money is needed to pay off the loans. Kent Bunderson answered  
184 it would take over \$4 million dollars. Mike Davis stated he only knows the budgets for 4 of the

185 districts and Animal and Fire have no debt. Sonja Norton noted that it may be a better strategy  
186 to use funds to function rather than pay off debt right away. Councilmember Ted Munford stated  
187 that just postpones this issue. Commissioner Stringer stated without funds they cannot pay off  
188 any more debt. The Community Impact Board may extend the payment. Mike Davis stated he  
189 has already looked at deferring the debt and the process is a nightmare. Also, it is reported as a  
190 late payment. A better option would be to restructure the whole loan which then costs money for  
191 a bond attorney. Kent Bunderson stated the bonds for USU are not due until 2022 so there are no  
192 repercussions if they wait on that payment.

193  
194 Dan Dilsaver stated that the perception from the public is that mineral lease funds are given to  
195 the community and taxpayers believe they are paying for these services when in reality they are  
196 not. The elected official's job is to inform the public that this gift has now been used up and the  
197 taxpayers have to decide if they want to pay for them. He stated that small cuts will not provide  
198 the millions of dollars needed. He stated unfortunately what is needed is a tax increase.

199  
200 Commissioner Bill Stringer stated the Commission will need to decide what is essential and what  
201 is necessary. After further discussion, the consensus was to allow the District directors to have  
202 until the 17<sup>th</sup> of August to meet and come up with a plan before the next joint City / County  
203 meeting to be held on August 24<sup>th</sup>. Kent Bunderson stated that they need a target amount to work  
204 toward. Commissioner Brad Horrocks suggested \$6 million dollars. Commissioner Bill Stringer  
205 agreed.

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207 **ADJOURN:** There being no further business; Councilmember Ted Munford moved to adjourn.  
208 Councilmember Nicholas Porter seconded the motion. The motion passed with a unanimous  
209 vote and the meeting was adjourned.

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