

NOTICE OF PUBLIC MEETING

TO THE RESIDENTS OF UINTAH COUNTY AND VERNAL CITY: Notice is hereby given that the Vernal City Council and the Uintah County Commission will hold a Special Joint Meeting on *Monday, January 25, 2021 at 4:30 p.m. in the Vernal City Community Room located at 374 East Main Street, Vernal, Utah.*

This will be an electronic meeting with the anchor location being held at the Vernal City Council Chambers, 374 East Main St, Vernal, Utah. Those in attendance will be required to wear a mask unless they are speaking. Because of gathering restrictions put in place by Governor Herbert, the anchor location will only have ten participants in attendance. The meeting will be streamed live via Facebook and broadcast on the Vernal City YouTube Channel: https://www.youtube.com/channel/UCvGzca67KY_BIQwmNfNyzEQ

A G E N D A

4:30 P.M.

STANDING BUSINESS

1. ACKNOWLEDGMENT & APPROVAL OF SPECIAL MEETING
2. APPROVAL OF THE MINUTES OF SEPTEMBER 14, 2020

SCHEDULED PUBLIC BUSINESS

1. FOLLOW-UP ON AIRPORT MASTER PLAN – KEN CAMPBELL

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.

MINUTES OF THE JOINT VERNAL CITY COUNCIL AND UTAH COUNTY COMMISSION MEETING HELD SEPTEMBER 14, 2020 at 4:30 pm in the Uintah Conference Center, 313 East 200 South, Vernal, UT 84078.

PRESENT:

UINTAH COUNTY: Commissioners Bart Haslem and Bill Stringer. Commissioner Brad Horrocks was excused.

VERNAL CITY: Councilmembers Dave Everett, Ted Munford, Nick Porter, Travis Allan and Bert Clark and Mayor Doug Hammond.

NAPLES CITY: Councilmembers Dan Olsen, Robert Hall, Dennis Long, Gordon Kitchen, Dan Olsen and Mayor Dean Baker.

BALLARD CITY: Mayor Bob Abercrombie.

STAFF: Roxanne Behunin, Mark Caldwell, Quinn Bennion, Jon Stermer and Mike Davis.

GUESTS: Kent Bunderson, Cheryl Meier, Robin O'Driscoll, Christina Williams, Jeremy Raymond and Alicen Hatch, and Josh Bake.

WELCOME: Vernal City Mayor Doug Hammond welcomed everyone to the meeting.

ACKNOWLEDGMENT & APPROVAL OF SPECIAL MEETING: *Councilmember Dan Olsen moved to acknowledge and approve this special meeting. Commissioner Bill Stringer seconded the motion. The motion passed a unanimous vote. Mayor Dean Baker was not present for the vote.*

APPROVAL OF THE MINUTES OF AUGUST 24, 2020: *Councilmember Ted Munford moved to approve the minutes of August 24, 2020 as presented. Councilmember Bert Clark seconded the motion. The motion passed with a unanimous vote. Mayor Dean Baker was not present for the vote.*

PRESENTATIONS AND DECISION REGARDING MINERAL LEASE FUNDS AND SPECIAL SERVICE DISTRICTS DISTRIBUTION OF MONEY

A. PRESENTATION BY SPECIAL SERVICE DISTRICT DIRECTORS:

Kent Bunderson, Director of the Uintah Impact Mitigation District explained that the District Directors met and went over the finances one more time and again agreed to a 40% decrease to next years budget lowering the amount needed from \$10 million dollars down to \$6 million dollars. The suggestions to keep the Districts going that they would like the Commission to consider are creating a taxing entity, or redistribute the mineral lease funds to not pay debt off early giving the Districts more time to operate. Jeremy Raymond, Director of the Uintah Fire Suppression District added that they are prepared to present all services and the costs of those services that each District provides if that information is needed to make a final decision. He

noted they did get confirmation that the funds distribution can be changed by the County Commission. Cheryl Meier, Director of the Uintah Transportation District pointed out that the Districts that receive a percentage of the funds took less money so the other Districts would have funds to operate.

B. PRESENTATION BY VERNAL CITY, NAPLES CITY AND BALLARD TOWN:

Mayor Bob Abercrombie explained that Ballard is the least impacted City by this issue. He acknowledged that he has been on the Fire District and Impact Mitigation boards since they were formed and worked on the budgets to reduce expenses. The Recreation District provides services and the Transportation District has completed a few projects for Ballard. He suggested the Districts share administrative costs.

Josh Bake, City Manager for Naples City, read a memo outlining the challenges his City has with the impact of the extraction industry. He gave the following list of suggestions to help the Districts stay operating:

1. Operate on a baseline budget of \$7.5 million dollars annually;
2. If more than that amount is received, the funds could be split with Transportation District receiving the majority.
3. Combine the Health District with Impact Mitigation;
4. Give Transportation high priority with the Fire District having top priority and should be preserved;
5. Use the \$20 million dollars the County has for the Care Center;
6. Ask the School District to take over Independence Park;
7. Require the Directors to operate under the budgets allocated.

He suggested the Districts work in a united effort to provide the best benefit to the community.

Quinn Bennion, City Manager for Vernal City, stated that the City has considered recommendations on how to provide services using mineral lease funds and recognizes this is a tough decision. The community has been fortunate in the past to have enough funds for the Districts. He noted that each District has a Board and a Director and the City does not want to override their decisions, only provide input. He suggested the elected officials prioritize the use of taxes already collected such as funds for the Health District. Consider not paying off debt, rather allocate those funds for operating expenses where needed. Also consider lowering scholarships offered and change the Director of the Impact Mitigation District to part-time. Keep the Fire District as a priority and if they need funding in the future, have the City's contribute rather than dissolving. However, he noted that if Vernal City is asked to take on a service currently provided by a District, it will result in a property tax increase. Mr. Bennion suggested the Recreation District review all their programs and make cuts where necessary. He noted that the mineral lease funds are to minimize the impact of the industry to the community and the first impact is the roads. The priority should be for the roads that are heavily impacted by mineral lease vehicles.

C. PRESENTATION BY UINTAH COUNTY COMMISSION:

Commissioner Bill Stringer voiced his appreciation of the time and effort of the Districts and Cities to give feedback. The mineral lease funds continue to decrease and it is not known if it has bottomed out. Also, the Commission does not want to immediately turn to taxing which is an idea that has been brought up. The Districts continue to run on life support mode while the debt accumulated by the Districts has to be paid. Commissioner Bart Haslem stated one option is to let the Districts continue to function, and once funds run out those services would have to be provided by the County and the Cities. However, there is still the debt so that is not a responsible avenue to take. Another option is to have one District with different departments similar to how cities operate. Commissioner Bart Haslem stated they considered the option of only one District and realized there would be problems. The idea of not paying off debt needs to be left to the District boards to decide.

FINAL DECISION BY UINTAH COUNTY COMMISSION:

Commissioner Bart Haslem explained that based on the funds available and the different ideas considered, the decision was made to fund the Health District in the amount of \$800,000 and provide scholarships for the nursing program. This District does not use mineral lease funds for the care center. Also, fund the Fire District in the amount of \$1.1 million dollars, the Animal District in the amount of \$860,000, and form a new District with the remaining funds to provide the remaining services. The new District will contract with Vernal City to do the administrative work. He noted this is a way to keep services at a high quality for the community without adding more taxes. If the mineral lease funds continue to drop the Cities and County may have to help to keep the Districts afloat. Councilmember Ted Munford clarified that all services would be funded utilizing mineral lease funds. Commissioner Stringer answered yes, and noted that the Districts cannot just survive, they need to thrive. Councilmember Munford stated if mineral lease funds continue to drop and the City has to step in there will have to be a tax increase at that point. Commissioner Haslem stated this decision was based on \$9 million dollars for 2021. Councilmember Ted Munford noted this is a drastic change from the last meeting with no plans to pay off debt anymore. Commissioner Haslem stated that will be up to the Districts. There was some discussion regarding the composition of the new board, and how the Cities would be represented. Commissioner Stringer stated that they are acutely aware of how the Cities will be affected by what happens here and if funds are needed from other entities they need to have representation. Councilmember Gordon Kitchen reminded the Commission that the District may not be the owner of the property they manage also. Jon Stearmer voiced his concerns with State statute to handle consolidating the three Districts as the law has sections for withdrawal or reorganize which will not work here. He thought it would be better to dissolve and start new.

After further discussion, Commissioner Bart Haslem moved to:

- A. Create one new district providing recreation, impact mitigation and transportation services;*
- B. Leave the Fire District alone;*
- C. Leave Health District alone; and*
- D. Leave Animal District alone with funding stated at a fixed amount;*

Commissioner Bill Stringer seconded the motion. The motion passed with a unanimous vote with Commissioners Haslem and Stringer voting in favor.

Jon Stearmer asked for an amendment to the motion to comply with State statute 17D.

Commissioner Bart Haslem moved to amend his motion subject to the provisions of State code 17D, to:

- A. Create one new district providing recreation, impact mitigation and transportation services;*
- B. Leave the Fire District alone;*
- C. Leave Health District alone; and*
- D. Leave Animal District alone with funding stated at a fixed amount;*

Commissioner Bill Stringer seconded the motion. The motion passed with the following roll call vote:

Commissioner Haslemaye;

Commissioner Stringeraye.

Motion passed with a unanimous vote.

Commissioner Bill Stringer stated this is a compromise that is not the largest savings, however it is a good start. Commissioner Bart Haslem agreed this option accomplishes what is needed for the community.

ADJOURN: *There being no further discussion, Commissioner Bart Haslem moved to adjourn. Councilmember Nick Porter seconded the motion. The motion passed with a unanimous vote and the meeting was adjourned.*