

MINUTES OF THE JOINT VERNAL CITY COUNCIL AND UTAH COUNTY
COMMISSION MEETING HELD JANUARY 28, 2019 at 4:30 pm in the Uintah
County Conference room 147 East Main, Vernal UT 84078

PRESENT:

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

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

STAFF: Quinn Bennion, Roxanne Behunin, Cheryl Meier, Mike Wilkins, Mike Davis, Barbara Simper, Wendy Long, Brenda McDonald and John Stermer.

GUESTS: Dan Dilsaver, Steve Evans, Josh Bake, Robin O'Driscoll, Alicen Hatch, Brian Gorum, Jeremy Raymond, Kent Bunderson, Bob Abercrombie, Hillary Price, Jim Readhead, Tina Williams, Cam Pope, Ed Zurbuchan, Pam Cinch, Dean Baker, Joel Brown, Sonja Norton,

WELCOME: ACKNOWLEDGEMENT AND APPROVAL OF SPECIAL MEETING:
Councilmember Bert Clark moved to approve this special meeting. Councilmember Dave Everett seconded the motion. The motion passed with Commissioners Stringer, Horrocks & Haslem and Councilmembers Clark, Everett and Munford voting in favor. Councilmember Travis Allan was not present for the vote.

APPROVAL OF MINUTES OF NOVEMBER 26, 2018: *Commissioner Brad Horrocks moved to approve the minutes of November 26, 2018. Councilmember Bert Clark seconded the motion. The motion passed with the motion passed with Commissioners Stringer, Horrocks & Haslem and Councilmembers Clark, Everett and Munford voting in favor. Councilmember Travis Allan was not present for the vote.*

SPECIAL SERVICE DISTRICTS BUDGET AND OUTLOOK: Commissioner Bill Stringer reported that the most recent calculations for the mineral lease funding shows a shortfall of \$250,000 from the budgeted amount of \$13 million dollars. Another payment was received; however there is still a shortfall. In 2014 the funding was \$36 million dollars and each district received a percentage which was more than enough to fund each District, put money in reserve and pay for capital improvements. Those funds fell to \$18 million dollars the next year and the Districts continued to spend. In 2016 the funding fell to \$9 million dollars. That year the Animal District would run out of funding in November and the Fire District would only last through the following March so the Commission found it necessary to make changes to the allocations and the percentage was changed to a fix amount for those two Districts along with the Health Care District. In 2017, the Animal District was set at \$61,000 a month, the Fire District at \$116,000 a month and the Health Care at \$100,000. Those fixed amounts were taken out of the equation and the remaining Districts receive a percentage of the remaining funds. Unfortunately with those fixed amounts, the Districts cannot purchase equipment and the other Districts are using reserve funds to balance their budgets. The Fire District cannot put resources toward replacing necessary equipment to protect the community so the fixed amounts are not a

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permanent solution. He noted that in order to continue to provide services, funding may be needed from other sources, spending has to be reduced or services may need to be moved back to the County or Cities. Another option to consider is to change to taxing districts. Also this year the fund disbursement was changed from one State agency to another and they are still struggling to get the funds dispersed on time.

Tina Williams, Director of the Animal Services District, stated that the Animal District is the only one that has been considered to be disbanded even though they have remained under budget.

Commissioner Stringer stated that the question is what happens if the numbers continue in a downward direction. Even if the Animal District is dissolved there is not enough funds from that District to fix the problems. He noted that all the Districts and agencies need to start thinking about how to fix the financial issues and what happens to the debt. Councilmember Ted Munford asked now that the airport has met the enplanement goal, will the funds for that help offset the expenses at the airport. Dan Dilsaver, Transportation District Board member, answered that those funds cannot be used for airport operation expenses.

Cheryl Meier, Transportation District Director, stated that they received \$4.519 million dollars, but they have four bond payments that total \$2.1 million dollars. The other obligations for the District include the BTA and the airport. Dan Dilsaver stated the airport is costing \$831,000 a year to operate. Cheryl Meier stated with the airport debt the cost is closer to \$1.6 million dollars.

Commissioner Stringer emphasized that this discussion cannot be put off as every District can make their case for funding to provide services. He asked the Districts to look at projects that possibly they have committed to that they should not be doing right now. Cheryl Meier agreed there are projects they will not be able to do unless they receive grant funding. Dan Dilsaver stated they used \$600,000 in reserves to balance the 2019 budget.

Robin O'Dricoll, director of the Recreation District, stated that they have a deficit of \$488,000 that came out of savings last year. Three loans are outstanding requiring a payment of \$366,000 per year. There are many services that the community wants such as the splash park, arts council, recreation center, golf course and parks.

Commissioner Stringer asked at the current rate of spending, when the Districts would run out of fund balance. Cheryl Meier stated the Transportation District could run for 3 or 4 years. Robin O'Driscoll stated the Recreation District, with no catastrophic items, would survive less than 5 years. Commissioner Haslem clarified this is going off current budgets. Robin answered yes.

Jeremy Raymond, Director of the Fire District, stated that the current financial situation for this District is unsustainable and unappropriated funds will be gone in three to four years. The Fire District does not have any debt except the ladder truck. The main expense for the District is paying the fire fighters. There has not been any capital project funding so they have not been able to rotate equipment such as the SCBA - breathing apparatuses and fire suits. Brian Gorum, Fire District Board member, explained that it is mandatory to replace that equipment every ten

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years. Jeremy Raymond noted that the pumper trucks, water tenders and other vehicles also need to be replaced as some of them are over 20 years old. Commissioner Stringer stated that with the current fund balance, the Fire District was almost insolvent. Jeremy Raymond stated they have \$500,000 in savings.

Kent Bunderson, Impact Mitigation District Director, stated that their role is to promote higher education and they work with USU and UBTECH toward that goal as well as the air quality studies. He noted that their story is similar to the other Districts with the greatest challenge being the bond debt which is close to \$1.5 million per year. This year \$75,000 of saving was needed to balance the budget and they can go another 2 to 2.5 years. The bonds for USU and UBTECH will be paid off in 4 to 5 years. The conference center will take longer.

Alicen Hatch, Director of the Health Care District stated that this District is unique as it runs both the Care Center and the Golden Age Center. The annual allotment for funding is usually around \$1.2 million dollars with \$804,000 of that funding for the Golden Age Center. The Care Center had a shortfall this last year although it does not have any debt. There is funding in an account for the Care Center from the former tax, but those funds can only be used by the Care Center.

Sonja Norton asked if there is any federal funding available. Alicen Hatch responded that they do receive federal funding with Medicare, and State funding for the Golden Age Center for specific programs such as the buses and home delivered meals. Commissioner Stringer stated that will be part of the strategy to look for grant funds.

Tina Williams stated that the Animal District only has one debt for the shelter building in the amount of \$70,000 with a payment of \$10,000 a year. A number of capital projects have been put on hold although vehicles need replaced. The hope is with careful management to end the year 5% under budget.

Commissioner Stringer asked the officials to consider how to avoid getting to a threshold of needing major help before one of the Districts fail. He asked all the members to strategize ideas and come up with options before running out of funds over the next three to four years. If one of the Districts has to charge taxes, he does not want to tell the residents that is the only option. He noted that some of the Districts have been more frugal than others, and there are essential services that it is going to be hard to provide with no funding. Councilmember Ted Munford stated he appreciates the work of the Special Service Districts and their Boards with limited funding and noted that the City is in the same situation. Also, as a local business owner, he understands that certain business strategies do not work for all and staffing is always the largest cost. Commissioner Stringer stated that the District Boards make the decisions and need to realize the gravity of the situation and work together to solve the problem or it will get severe. He suggested a small committee work together and discuss options as one of the biggest impacts will be on the Cities. Mike Davis suggested the financial people get together and discuss options also. Commissioner Stringer displayed a spreadsheet produced by the State Division of Financial Services showing how the funds are split between federal, state and local entities. He asked each entity to send him a name of who will be representing them on this

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funding committee. Commissioner Horrocks asked that they report back. The consensus was to add this to the March agenda for the joint City / County meeting.

Dean Baker, Naples City Mayor, stated he remembers when the Special Service Districts were set up and one question was what happens when the funding gets tough and there was no answer. The Community Impact Board also does not have a lot of funds in the grant pool so they are pushing loans. Bob Abercrombie, Ballard Mayor, agreed that these are trying times. Mayor Doug Hammond thanked the Commission for holding this meeting so everyone can see what is happening.

PUBLIC NOTICES: Commissioner Stringer explained that the County noticed that many of the public notices no longer have to be placed in the newspaper or can be shortened to refer to the entities website. John Stermer suggested there be enough information to meet the requirement of the law and extended information be on the website. For example, if the County wants to rebuild a roof, the newspaper notice should show the deadline for submission of a bid, but the specifications will be on the website. Tina Williams asked if they can simply refer them to the State public notice website. John Stermer stated it depends on the notice as some require enough information in the paper so when someone reads it they can easily see the dates, times and locations. Jeremy Raymond stated if there is a fee increase for a District there are specific directions for the notice. John Stermer agreed there are times the notice must be more concise in the newspaper. Quinn Bennion stated that the City looked at the costs and it has increased slightly over the last few years.

DISCUSSION ABOUT WATER SITUATION FOR IRRIGATION - RECREATION DISTRICT: Robin O'Driscoll stated that as they look at the Recreation District budget, they noticed that they pay \$300,000 a year for utilities. One question is if there is no irrigation water this year how do they water the park. Cam Pope stated that about \$200,000 of that cost is water for the Vernal City parks. He noted that the City will not allow them to regulate fireworks so who is in charge of the park and is there a cheaper way to water the lawn. Quinn Bennion stated that culinary water is too expensive. Robin O'Driscoll stated they know they will not have enough irrigation water this year with the work on Steinaker Dam. Quinn Bennion asked if the School District is paying anything for their use of the culinary water through the irrigation system. Robin answered no, that they will be installing a meter to take care of that issue. She stated that they maintain 9 parks and will be going back to each entity asking for help. Quinn Bennion stated that this issue has been discussed before and from the City's perspective the District is asking Vernal City water users to cover the cost for the entire community who utilizes the park. Councilmember Bert Clark stated that the City can help maximize what irrigation water they use, but there is a cost to the City for culinary water. Councilmember Ted Munford agreed that the City has to pay for the water and does not make money on it. Commissioner Horrocks agreed there will be more costs to pump water next year.

DISCUSSION ABOUT DOWNTOWN BIKE LANES AND PARKING, CONFIGURATION ON 100 EAST: Quinn Bennion explained that there is a downtown partnership with the Trails Committee to install bike lanes in the downtown area. The idea is to install lanes on 100 South and 100 North, and also on 100 East. That area is currently striped for parallel parking and possibly will be changed to angled parking. The users are mostly County

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employees so the City would like to know how they would respond to a different configuration, and possibly backing in. Brian Gorum asked how many additional parking spaces would be added. Quinn Bennion stated he did not know yet. Mr. Gorum stated he sees issues with requiring vehicles to back in.

ADJOURN: There being no further business, Councilmember Bert Clark moved to adjourn. Commissioner Brad Horrocks seconded the motion. The motion passed with a unanimous vote and the meeting was adjourned.

Quinn Bennion, City Recorder