

**M**INUTES OF THE JOINT VERNAL CITY COUNCIL AND UTAH COUNTY  
COMMISSION MEETING HELD AUGUST 26, 2019 at 4:30 pm in the Vernal  
City Conference room 374 East Main, Vernal UT 84078

**PRESENT:**

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

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

**STAFF:** Quinn Bennion, Roxanne Behunin, Mike Davis.

**GUESTS:** Tina Williams, Doug Brown, Geoff Liesik, Josh Bake, Robin O'Driscoll, Cheryl Meier, Jeremy Raymond, Dean Baker, Sonja Norton.

**WELCOME:** Mayor Doug Hammond welcomed everyone to the meeting.

**ACKNOWLEDGEMENT AND APPROVAL OF SPECIAL MEETING:** *Councilmember Samantha Scott moved to approve this special meeting. Commissioner Brad Horrocks seconded the motion. The motion passed with Commissioners Horrocks & Haslem and Councilmembers Clark, Everett and Scott voting in favor. Councilmember Ted Munford and Travis Allan and Commissioner Bill Stringer were not present for the vote.*

**APPROVAL OF MINUTES OF JULY 22, 2019:** *Councilmember Bert Clark moved to approve the minutes July 22, 2019. Commissioner Bart Haslem seconded the motion. The motion passed with the motion passed with Commissioners Horrocks & Haslem and Councilmembers Clark, Everett and Scott voting in favor. Councilmember Travis Allan and Ted Munford and Commissioner Bill Stringer were not present for the vote.*

**DISCUSSION REGARDING PURCHASING BUILDING HANGARS AT THE AIRPORT TO PRODUCE RENTAL INCOME:** Doug Brown explained that he met with Quinn Bennion, Dennis Judd and Jon Stearmer to discuss the purchase of a hanger. When a hanger is up for sale, the City and County have the first right to purchase. If the airport were to own a hanger, it would generate revenue to help offset maintenance costs. Councilmember Dave Everett asked if the airport owns a hanger now. Doug Brown answered no. Councilmember Bert Clark asked if they are collecting property tax and lease payments. Doug answered that the ground lease payments stay with the airport and the County collects the property tax. Quinn Bennion stated that the staff wanted to get a general direction from the elected officials if they would be interested in pursuing purchasing a hanger. Councilmember Samantha Scott asked what the average cost is for a hanger. Doug Brown stated they range from \$35,000 - \$450,000 based on the size of the building and the amenities such as the door size. Commissioner Bart Haslem stated that commercial hangers are valued higher and a door alone can cost \$150,000. Councilmember Dave Everett asked if funds from the increase in enplanements could be used for this purpose. Doug Brown explained that those funds cannot be used to generate revenue generating. However, it could be argued that part of the hanger is for office space. He recommended the elected official consider owning the hanger as well as lease out space to generate revenue for the airport. Cheryl Meier stated that hanger space is a necessity for the airport and asked how often they come up for sale. Doug Brown stated that there have been two this year. Commissioner

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Brad Horrocks stated this issue would make the private sector upset if the airport competes against them. Commissioner Bill Stringer stated that this may depend on the needs of the users as some may want to lease space while others may want to own. He suggested the staff ask the users. Councilmember Ted Munford stated that if there is some diversity it may be more attractive to the people using the airport. Commissioner Bart Haslem stated that as a commercial operator, the airport would compete against his business. However, if the airport needs to be more efficient and find ways to collect revenue, then it may be a consideration. There was some discussion on what space is currently available. Mayor Doug Hammond stated that with the current budget constraints, the City cannot help buy a hanger. Commissioner Stringer stated that they need to look at this as not just an opportunity, but rather a strategy that could end up paying for itself. He stated the first step is to have a financing plan. Doug Brown asked the elected officials to think about the options for the future.

**DISCUSSION ABOUT THE AIRPORT DEVELOPMENT PLAN PROJECT LIST:** Doug Brown explained that the airport project list is updated annually and submitted to the FAA in October. He suggested that the terminal building be given a higher priority on the list as they are out of room. The entitlement funds for the airport is expected to be \$1 million dollars and those funds could be used as the local match to build a new terminal building for the space that is not used for revenue. Commissioner Brad Horrocks asked when the runway needs to be chip sealed. Doug Brown reported that the runway has to be repainted every two years and receive a seal cost every four years. There was some discussion regarding the design of the terminal. Sonja Norton asked if the enplanement funds could be used for the runway maintenance. Doug Brown answered no that it cannot be used for maintenance.

**DISCUSSION REGARDING TRANSFER OF AIRPORT MANAGEMENT:** Cheryl Meier reminded the elected officials that the Airport Board has requested to have the City and County take back ownership of the airport. The letter was sent in May and the agreement has a clause that the City and County can take up to a year, or as less as 90 days. The hope is that management will change by December 31<sup>st</sup>. She emphasized that it would make more sense for one entity to own and manage the airport with the preference being the City. Quinn Bennion stated that the airport is budgeted through December with the District so it makes sense that the transition be January 1<sup>st</sup>. If the City continues to own 25%, the City budget will need to be adjusted somehow. Commissioner Bart Haslem stated that the advisory committee should also be reset with representation from the City, County and airport users. Doug Brown suggested even if there is only one owner that representation on the board be from each entity as well as Naples City. Councilmember Bert Clark stated that in the past the community did not want full guardianship of the airport under one entity so everyone would have a voice. Commissioner Brad Horrocks stated they need to move quickly to set up a board and review the policies and procedures. He suggested the staff look for the old policies so they can set up a board and start with operational procedures in September. Commissioner Bart Haslem suggested they set up a seven member board. Cheryl Meier stated she would have the UTSSD Board reinstate an advisory board. Commissioner Bill Stringer stated that if the management is to shift in January the decision needs to be made if it will be one entity or jointly owned. Doug Brown stated that as far as the FAA is concerned nothing has changed with the City and County being the sponsors who have the financial means to maintain it as well as zoning authority. Commissioner Brad Horrocks suggested the City and County move forward with the 25% / 75% ownership and make application to the FAA to move forward. Commissioner Brad Horrocks stated the funding can be

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worked out with the County funding the first three quarters and the City funding after July. The transportation tax will also need to be tied into the airport funding. Commissioner Stringer stated they will make a final decision on the transportation percentages in two weeks. Councilmember Ted Munford reminded the Commission that the City will continue to pay the \$200,000 for the conference center this year rather than the airport based on the agreement. Quinn Bennion pointed out that the City and County have a lot of joint projects. He noted that the amount committed for the visitor's center is actually \$55,000 and the City has notified State Parks that the contract for their services is being dropped. Commissioner Stringer asked what will happen to the visitor's center. Quinn Bennion stated the City may partner with the County to provide visitor information. There was some discussion of who provided what services before the special service districts were implemented and other agreements to cover services. Quinn Bennion asked what the City should be anticipating to budget for the airport. Doug Brown stated that they budgeted \$600,000, yet is closer to \$500,000. Commissioner Haslem stated it will be closer to \$700,000 when you add in maintenance on the runway.

**UPDATE ON THE INNOVATION / CO-WORKING CENTER GRANT:**

Quinn Bennion explained that a group was formed to apply for a grant to implement an innovation center. The grant has \$500,000 available and is only awarded to rural communities. The property that is being considered to turn into the innovation / co-working center is the old police department that has 7000 square feet of space. The grant would give the property a needed facelift and would provide space for new businesses that cannot afford an office or companies that are only here for a few weeks and need a spot to network. The idea is to provide high speed internet, private and open office space and a conference room. The grant would cover the building renovations and the purchase of equipment only. A part-time manager would be needed and could be paid out of the rent that is collected. Commissioner Haslem stated this is a good thing for the community.

**DISCUSSION ABOUT TRANSPORTATION TAX (UTAH CODE 59-12-2219):**

Quinn Bennion presented a spread sheet displaying the estimated revenue that would be received by each entity of the tax is implemented. He noted that the spreadsheet from the State Tax Commission is very complicated with the 50/50 formula used statewide. Commissioner Stringer asked if the Cities had notified the State Tax Commission yet. Josh Bake with Naples City stated their letter has been sent in. Quinn Bennion stated the City is getting the letter ready. Commissioner Stringer stated he spoke with Ballard Mayor, Bob Abercrombie, and it has been placed on their agenda to discuss.

**ADJOURN:** There being no further business; Councilmember Dave Everett moved to adjourn. Councilmember Samantha Scott seconded the motion. The motion passed with a unanimous vote and the meeting was declared adjourned.

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Quinn Bennion, City Recorder