

MINUTES OF THE VERNAL CITY COUNCIL AND UTAH COUNTY COMMISSION SPECIAL MEETING HELD SEPTEMBER 23, 2019 at 4:30 p.m. in the Uintah County Conference Room at 147 East Main Street, Vernal, Utah 84078.

PRESENT:

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

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

STAFF: Quinn Bennion, Mike Davis, Sylvia Wilkins and Sherri Montgomery.

GUESTS: Cheryl Meier, Jeremy Raymond, Robin O'Driscoll, Lesha Coltharp, Nick Porter, Sam Passey, Doug Brown, Naples City Mayor Dean Baker and Ballard Mayor Bob Abercrombie.

WELCOME: Mayor Hammond welcomed everyone to this meeting.

ACKNOWLEDGMENT & APPROVAL OF SPECIAL MEETING: *Councilmember Bert Clark moved to acknowledge and approve the special meeting. Commissioner Brad Horrocks seconded the motion. The motion passed with Commissioners Horrocks, Stringer and Haslem and Councilmembers Clark, Everett and Scott voting in favor.*

APPROVAL OF THE MINUTES OF AUGUST 26, 2019: *Mayor Doug Hammond moved to approve the minutes of August 26, 2019 as presented. Commissioner Bart Haslem seconded the motion. The motion passed with Commissioners Horrocks, Stringer and Haslem and Councilmembers Clark, Everett and Scott voting in favor.*

DISCUSSION REGARDING JOINT SHARED CITY / COUNTY SERVICES AND COSTS: Quinn Bennion reported that this is a follow up to the discussion at the last meeting as a reference as to what funds will come from which entities into the shared services. Mr. Bennion gave an update on the innovation center and indicated that today they received notice regarding the \$2.4 million dollar grant that was submitted statewide from different entities. Mr. Bennion stated that there was \$500,000 available to the Vernal area, and Vernal City submitted a request for \$390,000 and received \$223,000. This is good news. Mr. Bennion noted that there is a lot of work that will need to be done in order to make sure this project is done appropriately.

DISCUSSION REGARDING TRANSFER OF AIRPORT MANAGEMENT: Cheryl Meier explained that in regards to the transfer of the airport management, it has been discussed that the easiest time frame is to become effective January 1, 2020. Ms. Meier stated that there needs to be a discussion at some point regarding the airport employees in regards to their personal time off (PTO). When the few employees moved from the County to the District, the District only wanted them to transfer over with 80 hours of PTO, so the County paid out the remainder. Ms. Meier explained that the same scenario would need to occur to transfer the employees back to the County. Ms. Meier reported that she met with Doug Brown and the County regarding the budget hearing to discuss what the budget would entail. Ms. Meier stated that currently Vernal City and Uintah County are the owners of the airport with the Transportation District managing the airport. Ms. Meier explained that at some point, there needs to be a discussion on the airport having only one

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owner. Commissioner Stringer asked Ms. Meier if there is a transition plan with milestones on when the transfer will happen or will it just be effective January 1st. Ms. Meier indicated that there needs to be steps to get agreements in place; however, it is not feasible to start transferring employees over during this year due to the different budgets. Ms. Meier mentioned that the years of service for these employees needs to be addressed. Doug Brown may be the only employee affected; however, it is not fair to move him from the County to the District and now back to the County by starting over as a year one employee. Commissioner Stringer indicated he was thinking more of the transfer of property and what inventory is included in that transfer. Ms. Meier stated that she will put together what is included and what is going to happen moving forward. Ms. Meier mentioned that the general liability insurance has been paid by the Transportation District for the fiscal year from July 1, 2019 to June 30, 2020. Therefore, the District will receive a credit for January through June and the new owner of the airport will pay those first six months of 2020 out of their budget. Ms. Meier stated that it is important to make sure none of the liability or property insurance lapses. Commissioners agreed that they need to look at either staying with the Utah Local Government's Trust (ULGT) or whether to go with another company soon. Doug Brown mentioned that all of the vehicles were part of the County fleet insurance, and the \$50 million dollar airport liability insurance was with ULGT. Councilmember Clark asked if the renters of the hangers at the airport carry their own liability insurance and are there documents for proof of insurance. Doug Brown explained that they are required to carry insurance as part of their lease agreement.

Doug Brown mentioned that he has had a discussion with Commissioner Horrocks regarding setting up an Airport Advisory Board. Mr. Brown reported that he found the old bylaws and advertisement from the Vernal Express from several years ago when they had a Board. Councilmember Clark and a few others have shown interest in the Advisory Board. Quinn Bennion asked if there needs to be more discussion regarding the ownership of the airport which currently is 25% Vernal City and 75% Uintah County. There are options and now would be a good time to change if there is going to be a change. Mr. Bennion explained that the City has been paying \$200,000 a year for the Conference Center for the past five years in lieu of paying into the airport, and it is now time to reevaluate the agreement as the commitment has been fulfilled. Mr. Bennion asked if now is a good time for the County to take on the airport 100%. There was a discussion on the airport budget being around \$860,000. Cheryl Meier stated that the main reason to have one entity own the airport instead of multiple entities is the difficulties it creates for the District as manager of the airport to go through multiple entities. Commissioner Haslem agreed that as a user and a Commissioner, it is more difficult to go through multiple entities for many reasons and agreed that either Vernal City or Uintah County need to take ownership. Mr. Brown explained that he did talk to the Federal Aviation Administration (FAA), and the paperwork with FAA shows dual ownership without the percentages. Mr. Brown stated that the FAA indicated that if the decision is made to move forward transferring from a dual ownership to a single ownership, the County would have an easier transition. However, if the City was to be the owner, the FAA would have to look more into the City's finances and make sure they meet the agreements that were signed and put into place. This would be a more lengthy process and could take up to 12 months. If Naples City were to take ownership, there would be more of an audit review of their finances as well. The County is a larger entity in the financial pool with Vernal City being the second largest. Commissioner Horrocks asked what Vernal City would like to see happen. Mr. Bennion explained that the Mayor and City Council have discussed the issue; however, there has

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been no vote. The City has a desire to remain involved and be included on the Advisory Board. Everyone agreed that there should be representatives from Vernal City, Naples City, and Uintah County on the Advisory Board. Commissioner Horrocks mentioned that the County will find the old documents on setting up the Advisory Board again. Mayor Hammond stated that he believed that the County should own 100% of the airport and then discussed what the role of the City would be. Commissioner Horrocks stated that if that is the City's position, then the County needs to start moving forward by first making sure they have the authority and rights to accept it. Councilmember Clark mentioned that during the time of transition for the airport to go from the County to the Transportation District, legislation at the State passed a new bill on the point of origin on collected taxes, and the County was the beneficiaries of the extra \$980,000 when it was all complete. Councilmember Clark stated that the money used to come to the City, and it really cut into the City's budget. The City has discussed how can they pay for the airport, and asked if the County could pay for it with the extra money they receive after the legislation change. Commissioner Horrocks explained that the new funding that just passed will help fund it. Councilmember Clark asked what the percentage is that will be received. Quinn Bennion noted that the County would receive \$800,000 and the City would receive \$300,000. Councilmember Clark asked if it has been decided how the percentage is broke down, and how much the Uintah Basin Association of Government (UBAOG), the City, and the County would each receive. Mr. Bennion explained that it was just voted on today, and one of the challenges that the Commissioners had was establishing the amount given to UBAOG and then the balance forwarded on to BTA. Mr. Bennion stated that the entities and attorneys all have a different view and interpretation from the State Tax Commission on how the funds should be distributed. The County approved two percentages. One, if that portion of the tax has to be shared with the Wasatch Front, then 63% of the middle portion and not the entire tax would be granted to UBAOG in the amount of \$520,000. If the funds get to remain with the local entities within Uintah County and does not have to be distributed to the Wasatch Front, then it is 53% and UBAOG will receive \$496,000. Mr. Bennion noted that these are rough estimates at this time. Mr. Bennion explained that if some of the money goes to the Wasatch Front, the estimated numbers to the other entities would be Uintah County \$858,000, Vernal City \$330,000, Naples City \$120,000, Ballard \$37,000 and the other localities \$225,000. Councilmember Clark asked how the County know if they get to keep it or not, and is there another process to go through. Mr. Bennion explained that the State is responsible for determining it.

Commissioner Horrocks stated that the County will move forward to decide if they will accept the airport, and then create a Memo of Understanding (MOU), an Airport Advisory Board and Bylaws. Councilmember Clark mentioned that in the past it was a seven person Advisory Board, and the meetings were held in the County building, so the minutes could be taken. Councilmember Clark noted that those minutes should be filed somewhere in the County. Commissioner Horrocks indicated that he has sent a text to Mike Wilkins to find those files. Councilmember Clark suggested finding people that have some knowledge from the previous Advisory Board. Commissioner Horrocks stated that there will need to be an advertisement for the positions out in the public. Doug Brown mentioned that he has reached out to Josh Bake, Jim Harper, Matt Cazier and Allen Parker and indicated that their involvement would also be helpful with the Advisory Board. Cheryl Meier mentioned that a zoning person from one of the entities would be effective with their knowledge. The consensus was that it is necessary to have a representative from Vernal City, Naples City, Uintah County and a four at large sit on the

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Advisory Board. Commissioner Haslem asked if Ballard had any interest in participating on the Board. Mayor Abercrombie stated that he did not know if Ballard could contribute much to the Board being that the airport is so far away; however, they are willing to help if needed. Commissioner Horrocks stated that the County will need to move forward quickly to be able to create a Board by December 1st. Mayor Baker mentioned that Robert Hall represented Naples City on the last Advisory Board. Commissioner Horrocks explained that they will let the entities pick their representatives for the Board. Commissioner Horrocks also mentioned the need to move forward and coordinate the insurance with the FAA. Mr. Brown indicated that the most important issue is to notify the FAA as to the ownership decision. Ms. Meier asked for confirmation on what items need to be addressed in a public meeting concerning the airport transfer. Commissioner Stringer explained that the transfer of ownership needs to be approved in a public meeting. Everything else will be approved by the transfer. Councilmember Clark asked if MOU's need to be approved annually. Ms. Meier indicated that it is just once. Commissioner Stringer stated that there is a periodic review process to make sure the MOU is still pertinent.

DISCUSSION REGARDING MINERAL LEASE MONEY: Commissioner Haslem gave a report on the mineral lease money. The hope was to have \$12 to \$12.5 million dollars this year; however, it is looking more like it will be in the \$10 to \$10.5 million dollar range, which affects our Districts that take care of our local services. Commissioner Haslem reported that the Directors of the Districts and the Commissioners have been meeting over the last six to eight months to come up with a plan without losing services that the Districts provide. The Districts have cut their budgets and not refilled positions as employees have left. Commissioner Haslem stated that a solution was agreed upon today that may accomplish what is needed if the Boards and the Commission approve. The Districts would pay off \$20 million dollars in debt, which will lower the expenses each year. This would take the \$13 million dollars needed a year to operate to around \$9.5 million dollars to operate and keep the Districts in the black spending the same amount of money. Commissioner Haslem mentioned that paying off low interest loans is tough; however, the payments are \$3 to \$3.5 million dollars a year. The first year will be a hardship on the Districts; however, after the first year, the Districts would be in good shape. Councilmember Clark asked if the County will be keeping the same percentages of mineral lease money given to the Districts. Commissioner Haslem answered no, they will be changing them. Cheryl Meier mentioned that there are three Districts with a set amount of money and three Districts with a percentage. By paying off the debt, it will allow five Districts to receive a set amount and one District to receive what is left, which would be the Transportation District. Commissioner Stringer indicated that all Districts use to receive a percentage in 2014 when there was a lot of money. When the Animal Control District started to become insolvent, they had to change the percentage to a fixed amount, because they were not able to function with the money they received. Commissioner Stringer explained that when the mineral lease money continued to decline, some of the other Districts started struggling as well, and the money had to be fixed to guarantee functionality. Commissioner Haslem stated that after the first year of paying off the debt, it will give all of the Districts a little more money than they are receiving right now. Commissioner Stringer mentioned that in 2014, the Transportation District was receiving between \$16 to \$18 million dollars from mineral lease money compared to maybe \$3.5 million dollars this year. The debt payment for the Transportation District is \$2 million dollars a year on the bond. Ms. Meier noted that the Board needs to approve the plan knowing that for a year or two as they are

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rebuilding, that projects may be nonexistent. Ms. Meier stated that she is hoping the Board is willing to make the sacrifice to make all of the Districts complete and on the same page. Councilmember Scott asked what will happen if the Boards do not agree with the plan. Ms. Meier explained that the Boards get to tell the Districts how they get to spend the money; however, the Commission determines how much money the Districts receive. Councilmember Clark asked if they will receive the money on a monthly basis or quarterly. Ms. Meier answered monthly. Robin O'Driscoll indicated that she could not see the Boards not approving the plan. Commissioner Haslem explained that the Districts are running in a deficit now and depleting their savings. This plan will reverse it and still leave the Transportation District with some money for maintenance. Ms. Meier stated that it just will not allow for the Transportation District to have money in the bank for other projects for a while. Ms. Meier explained that the Directors will continue to meet regularly next year to review the fixed fees and percentages to determine if the numbers need adjusted. Councilmember Clark noted that the plan is to not jeopardize safety of the public. Councilmember Clark and Quinn Bennion thanked the Boards for all the time spent to come up with a resolution and not cut any essential services.

DISCUSSION ON EVENTS GENERAL PERMIT: Commissioner Stringer explained that the reason for the discussion on events permits is due to the buses. There have been several occasions this year where an event came into town and needed transportation and there are no third party buses that can be used. The event coordinators asked about using BTA buses and indicated their willingness to pay for the buses; however, there is no mechanism to pay BTA directly. Commissioner Stringer suggested that there be a permit and fee for people that come in to the area for a marathon or a small event to pay for the buses. The permit fee would not be intended to generate money. It would be used to pay for the buses and for picking up trash. Commissioner Stringer mentioned that Lesha Coltharp made a good point that if there is a permit fee from \$25-\$100, people are more inclined to show up. Commissioner Horrocks stated that there needs to be an effort made to follow through with how it is set up and make sure that there are agreements. Lesha Coltharp noted that these are for-profit events. The money for the buses would be given to BTA and the rest would go into an event funding account for any future event needs. Councilmember Clark mentioned that recently the City operated and supported an event through the School District and asked about those expenditures. Mr. Bennion explained that particular event was organized through the City with half the buses being used from the School District and the other half of the buses through BTA. The City had an agreement with the School District, and the event was reimbursed to the City for the costs to cover the insurance. They paid for the bus rentals themselves, which was around \$300-\$350 a bus for seven buses. Commissioner Horrocks mentioned that it is not what the School District charges; however, there is an intense process to go through. Ms. Coltharp indicated that this permit fee process would only be for the BTA buses and picking up trash in the park; however, she mentioned that it would be a good idea to have that discussion with the School District to see if there is a way to stream line the process by having insurance with the City or the County already in place for their buses. Ms. Coltharp stated that this specific fee schedule would be a fee depending on the number of buses and the amount of time they need to be used. Ms. Coltharp reiterated that this would be only for-profit events, not for Holly Days, Paddle Fest, etc. that are free to the public. Those events are already paying taxes for BTA and outside companies are not paying the transportation tax that is funding BTA. Commissioner Horrocks suggested there be guidelines set in place, so it does not get out of hand. Commissioner Stringer explained that the reason this is being discussed is so

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there is consistency and to defray costs. Mayor Baker mentioned that part of the reason the BTA does not take payments is due to the Federal funding not allowing rental and charging of fees. Mayor Baker also suggested using the word “transportation” and not “buses”. Mr. Bennion stated that it is a good idea, and he also likes the idea of it going through the Travel and Tourism Department. Ms. Coltharp noted that she will work on the guidelines and send them out to all the entities involved. Commissioner Stringer suggested not reinventing the wheel and using other cities and agencies as examples with minimal standards. Commissioner Stringer suggested a proposal by resolution to amend the fee schedule in January. Councilmember Clark suggested using BTA as a secondary transportation to the School District. Ms. Coltharp stated that the School District is not interested and only helps when really needed due to the difficult process to get through. The consensus was to move forward with creating guidelines with a permit and fee for-profit events that come into the area. Mr. Bennion suggested adding an out of County provision.

Councilmember Clark brought up the seven county coalition in hopes that their not just focused on the railroad and being diversified in helping all of the counties they represent. Commissioner Horrocks reported that the coalition is working on several projects in Emery County, Sevier County and Daggett County. Commissioner Stringer also mentioned the project on Sheep Ridge Road and power lines to Green River. Commissioner Stringer stated that the coalition is trying to balance all seven counties. Commissioner Haslem indicated that there are a lot of projects in the works with the cities, counties and Economic Development. Commissioner Horrocks mentioned that there is not a contract signed yet; however, it is looking promising that the State will hire 15 employees to work out of the County building. Commissioner Haslem noted that they will hire local people. Councilmember Everett asked how Balance Utah is coming along as he gets asked that a lot. Commissioner Haslem reported that it is moving along. The committee interviewed one airline last week, and they have received a grant to do a feasibility study with the RFP going out tomorrow. The project looks very promising; however, there are several hurdles to go through along with more interviews. Commissioner Haslem stated that he believed they could fill a plane with 50 to 100 people tomorrow. Councilmember Everett mentioned that he gets asked if there are empty seats on the plane, can people purchase tickets to fly out of Vernal to Salt Lake. Commissioner Haslem indicated that it would depend on the charter. Commissioner Stringer stated that it is a security issue depending on private versus commercial. Mr. Bennion noted that the service that was interviewed last week reported that an average flight from Vernal to Salt Lake would be around 23 minutes.

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

Mayor Doug Hammond

ATTEST:

Quinn Bennion, City Recorder

(S E A L)