

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD,
AUGUST 7, 2024 at 6:00 p.m. in the Vernal City Council room, 374 East Main,
Vernal, Utah 84078.

PRESENT: Councilmembers Edward Long, Robin O’Driscoll, Randel Mills, and Corey Foley and Mayor Doug Hammond. Ted Munford is excused.

WELCOME: Mayor Doug Hammond welcomed everyone to the meeting.

INVOCATION OR UPLIFTING THOUGHT: The invocation was given by Councilmember Corey Foley

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Councilmember Robin O’Driscoll

APPROVAL OF CITY COUNCIL REGULAR MEETING MINUTES OF, JULY 17, 2024:
Councilmember Corey Foley moved to approve the minutes of, July 17, 2024. Councilmember Robin O’Driscoll seconded the motion. The motion passed with Councilmembers Mills, O’Driscoll, Foley and Long voting in favor.

Councilmember Millsaye;
Councilmember O’Driscoll.....aye;
Councilmember Long.....aye;
Councilmember Foley.....aye.

CONSIDER AMENDEMENT TO VERNAL CITY MUNICIPAL CODE, EXTENDED STAY HOTEL / MOTEL SECTION 16.20.407 - ORDINANCE NO 2024-16

Gabby Hawkes Blackburn explained the proposal to allow extended stays in local hotels and motels, which were previously not permitted by the current code. Prior to this ordinance, hotels were checking guests out and back in to avoid paying extra taxes. The proposal to add extended stays to the municipal code received positive feedback from the Planning Commission.

Ms. Hawkes Blackburn went on to explain that extended stay hotels were defined as lodging for 30 (thirty) to 180 (one hundred eighty) days and would be allowed in commercial zones but not residential areas. Requirements included room amenities, housekeeping, and clear signage, along with compliance with building codes. Concerns were raised about community impact and electrical safety due to increased appliance use. Mayor Hammond asked who would enforce these rules, and Ms. Hawkes Blackburn replied that Planning and Zoning department would handle it.

Councilmember Robin O’Driscoll asked about compliance from hotels, and Ms. Hawkes Blackburn answered that there were no current requirements. City Manager Quinn Bennion mentioned that a letter had been sent to all hotels to address the issue. Marriott and Ledgestone were the only hotels currently meeting the standards for extended stay hotels. Councilmember Corey Foley expressed concern about competition with apartment leases and the difficulty of tracking transient room taxes. It was noted that some hotels would need costly renovations to

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comply.

Councilmember Foley was concerned this would create a loophole in which Mr. Bennion answered that defining extended stays would close a loophole. Mr. Bennion added the two that currently meet the standards are the Marriott and the Ledgestone; others would have major renovations needed. The ordinance aimed to regulate the market and ensure compliance with regulations. Councilmember Ed Long believed the ordinance was needed, and the proposal moved forward.

Councilmember Ed Long moved to approve Ordinance No 2024-16 – Extended Stay Hotel / Motel. Councilmember Robin O’Driscoll seconded the motion. The motion passed with the following roll call vote:

Councilmember Millsaye;
Councilmember O’Driscoll.....aye;
Councilmember Long.....aye;
Councilmember Foley.....aye.

ANNEXATION PETITION FOR WEESE /STRATA PROPERTIES

Quinn Bennion reminded everyone that the annexation had been discussed before, noting its importance due to the lack of a water connection by Ashley Valley. The property on West Highway 40 was the focus, and Mr. Bennion had worked with the owner for several months to determine the best way to annex it into Vernal City. The area included three major properties: Strata owned two on the northwest side of Highway 40 across from the Pepsi Plant, and UDOT owned a triangular property. UDOT was neutral and not a petitioner.

Vernal City owned a portion and was a petitioner, along with John Weese on the southeast side. The next step in the process was for the City Council to approve the annexation of these properties into the city. After this, notices would be sent to every property within a quarter mile, informing them of the annexation. Affected entities, such as the school district, state, roadway, and the County, would be notified, although the annexation wouldn't change anything for them. These entities and any included in the proposed annexation could protest, but Quinn Bennion anticipated no objections as all parties were in agreement.

Gabby Blackburn stated that they sent an email, and then the county sent letters to all property owners within 300 feet. Everyone interested in joining the annexation did so at that time. Property owners could only protest if their property was directly affected.

Councilmember Corey Foley asked about the triangle lot that was being used as a used car lot, and wondered if they were interested in annexing in to the City.

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Mr. Bennion answered that he spoke with the property owner, not the renter, who made it clear he was not interested in annexation at that time. Although this did not prevent annexing the property, it meant that if the owner opposed, it would require a protest and a board vote. The triangle piece was not included in the annexation because the owner did not want to participate.

Councilmember Randel Mills moved to approve the Weese / Strata Annexation, Councilmember Corey Foley seconded the motion. The motion passed with the following roll call vote:

Councilmember Millsaye;
Councilmember O'Driscoll.....aye;
Councilmember Long.....aye;
Councilmember Foley.....aye.

Quinn Bennion added that Ashley Valley Water and Sewer would continue to service Strata and the new property. An MOU (Memorandum of Understanding) would be presented at the next meeting, confirming that Vernal City water would be provided by Ashley Valley Water and Sewer. The mayor inquired about sewer services, and Mr. Bennion confirmed they would be included.

UPDATE ON SPECIAL ASSESSMENT AREA 1

City Manager Quinn Bennion mentioned that this item was placed on the agenda at the request of a property owner on the Zions block. Three years ago, the City began the Special Assessment Area 1 (SAA 1) process, which aimed to share the maintenance costs of public parking lots among businesses on that block. The capital for these projects had been fully funded by the city and grants, but ongoing maintenance costs were to be shared.

The state process for this involved numerous meetings, notices, appeals, and a protest window. Recently, the city sent two letters to property owners. One letter informed them that with the project's completion, SAA fees would start being assessed and added to their water bills. These fees were based on square footage, with credits given for parking on the property.

A shared trash dumpster was also introduced, with fees set at \$5 (five) per month for residential use, \$15 (fifteen) for commercial, and \$60 (sixty) for restaurants due to their higher waste production. There had been no complaints so far. The property owner who raised the issue was invited to meet with the city to discuss the details and resolve any concerns. He had not yet responded, but the issue was expected to be on a future agenda once details were finalized.

Mr. Bennion went on to explain that if something needs to be modified he would recommend changing the payment model rather than starting the whole process over again. He would send this to the Attorney Michael Harrington to review and modify. They would then do the same with future blocks.

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RESIDENT SPEAKS ABOUT WATER BILL ISSUE

John Frankovich, a resident of Vernal City explained that his water bill had jumped up and showed him as using 31,00 gallons on one bill and 30,000 gallons of water on the next. The City came out and replaced the water meter and found that there was not an issue with the old or new water meter. Finance Director Carl Morton explained that they assumed there was a leak that showed up when he turned his sprinkling system on. When asked about his amount of his water bill, John stated that it was \$311.47 and the previous bill was \$151.49. His bills usually ran about \$86 a month and he would only use about 8000 gallons of water for him and his wife and their small front yard. Council discussed and agreed to adjust his last two bills. They wanted to see the next bill to determine if it was in fact a leak, if it was, the next bill would be on him.

Councilmember Corey Foley moved to approve amending the water bill back to minimum amount for two months with no late fees for resident John Frankovich. Councilmember Randel Mills seconded the motion. The motion passed with the following roll call vote:

*Councilmember Millsaye;
Councilmember O'Driscoll.....aye;
Councilmember Long.....aye;
Councilmember Foley.....aye.*

ACCEPTANCE OF PAVEMENT MARKING BID

Clint Morton presented the pavement marking bid stating: Vernal City recently completed the bidding process for their pavement marking contract, focusing specifically on the striping of six streets. They had to redo the bidding process and received one sealed bid from Straight Stripe, a company that had been handling their painting for several years. The bid was \$49,675 per year for striping. This year, Vernal City decided to combine their contract with Naples City, resulting in a total cost of \$39,715 for Vernal City, including a \$750 mobilization fee, bringing the total to just over \$40,000. This amount was slightly more than the previous year but \$3,000 less than two years ago.

The contract covered 50 (fifty) center lane miles of roads, although not all required striping. Approximately 1,000 (one thousand) gallons of paint were estimated for the striping, with specific amounts of white and yellow paint detailed in the bid. The paint usage was estimated, and adjustments were made as needed, such as for Vernal Avenue, where striping would occur after road work was completed.

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The contract was a two-year agreement with an option to extend for a third year if the cost remained the same and the city was satisfied with the work. Quinn Bennion noted that about six years ago, the paint stripping budget was approximately \$120,000. To reduce costs, Vernal City removed some streets from the contract and combined efforts with Naples City, while Vernal City crews handled symbols and markings like arrows and crosswalks. This approach helped reduce the overall cost.

Councilmember Ed Long moved to approve the Pavement Marking Bid of \$46,675 as presented. Councilmember Randel Mills seconded the motion. The motion passed with the following roll call vote:

*Councilmember Millsaye;
Councilmember O'Driscoll.....aye;
Councilmember Long.....aye;
Councilmember Foley.....aye.*

**INTERLOCAL AGREEMENT WITH UTAH TRANSPORTATION DISTRICT TO
PROVIDE ACCOUNTING / HR SERVICES - RESOLUTION NO 2024-11**

Quinn Bennion presented the Interlocal Agreement with Uintah Transportation Special Service District stating that a few years ago, several special service districts in the Basin were combined. Plans were now underway to separate the Transportation Service district from other districts. Previously, financial and human resource services were provided to them, but the County could not run these services. Contracts were also in place with other districts, like Animal and Fire services.

The Uintah Transportation Special Service district was being revamped with an Interlocal agreement (ILA) created by Mike Harrington. Unlike other districts with directors and staff, this district would not have county-managed finances. A schedule was developed for the Uintah County Transportation district and approved by the board.

The ILA did not cover legal services, which would need to be outsourced. Concerns were raised about the Human Resource department workload, and Quinn Bennion stated that it depended on turnover rates but Roxanne Behunin with Human Resources wasn't concerned about being overloaded. Previously, 1.2 employees managed these duties. The Board was eager to hire part-time help, initially for 10 hours a week, with a plan to revisit if needed.

The office would be located in the county building, with meetings in the commissioner chambers every other week on Thursdays. After a five-month delay, progress was being made.

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Councilmember Robin O'Driscoll moved to approve the Interlocal Agreement with the Uintah Transportation Special Service District under Resolution No 2024-11 as presented.

Councilmember Ed Long seconded the motion. The motion passed with the following roll call vote:

*Councilmember Millsaye;
Councilmember O'Driscoll.....aye;
Councilmember Long.....aye;
Councilmember Foley.....aye.*

DISCUSSION ON CEMETERY BUDGET

Quinn Bennion stated that after reviewing the situation and appreciating Carl Morton's review, they discovered that the formula had not been applied properly. As a result, they requested and held a meeting with the County recorder and an assistant, who acknowledged that the process was inexpensive for them to review. They recognized that the new formula was correct and that the issue had been resolved. Previously, they budgeted around \$100,000 to \$110,000 annually, with quarterly expenses of around \$25,000. With the new formula, the quarterly bill would be around \$11,000 with the annual cost being around \$30,000 less than before. They raised the issue of what to do about past overpayments. The County auditor suggested looking forward rather than backward, but they insisted on recognition for the overpayment. After consulting their attorney, they noted that the statute of limitations is six years, while financial records are kept for five years. They planned to look back five years and proposed considering a credit as a resolution.

Councilmember Randel Mills asked where the money goes when a person purchases a burial plot. Finance Director Carl Morton explained that there was an issue with revenue recognition. They realized that not all revenues were being acknowledged. Mr. Bennion explained that around 75% of the cemetery was subsidized, with only 25% coming from revenue. Mr. Bennion expressed uncertainty about whether this was normal and felt that it seemed low. He suggested that they should try to find a way to balance this to reduce heavy subsidies from the County and Vernal City's portion.

Councilmember Corey Foley expressed concern over the lack of Board meetings and suggested future meetings to protect the City's interests. Mr. Bennion noted that the current situation was inconsistent with the Interlocal agreement, which required a Board. Councilmember Foley questioned why Vernal City paid for a cemetery located in Naples City.

Mr. Morton mentioned the need to approve the budget by November 15th, and Councilmember Randel Mills suggested creating an Advisory Board. There was discussion about transferring ownership of the cemetery to the County, but Mr. Bennion noted the County might not want it

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because of the amount of money Vernal City currently pays. Mr. Bennion emphasized that Vernal City residents paid double taxes for the cemetery.

Gabby Hawkes Blackburn stated that other Cities would give their residents discounts on their plots. Councilmember Ed Long wanted to make sure to guard the Vernal City taxpayer and ensure they were getting a fair deal on this.

Quinn Bennion noted he would send that message and that there would be more discussions at a future City / County meeting.

Councilmember Randel Mills moved to approve a five year review of the cemetery budget with a discussion at a further time discuss it in more detail, Councilmember Corey Foley seconded the motion. The motion passed with the following roll call vote:

Councilmember Millsaye;
Councilmember O'Driscoll.....aye;
Councilmember Long.....aye;
Councilmember Foley..... aye.

MODIFICATION OF PERSONNEL POLICY –RESOLUTION NO 2024-13

Quinn Bennion presented the proposed Personnel Policy changes, Resolution No. 2024-13. Mr. Bennion proposed a modification to the City's policy on hiring relatives and household members. The state law prohibits relatives or household members from supervising or being supervised by each other, defining relatives broadly as father, mother, child, sibling, aunt, uncle, nephew, and niece. In 2018, the city adopted a stricter policy preventing relatives or household members from working in the same department. This policy has worked well, although some employees were grandfathered in before its implementation.

The recommendation to revise this policy came after discussions with the Police Department, where recruitment could be limited by the current rules. Mr. Bennion suggested reverting to state policy, allowing relatives to work in the same department if it has at least four supervisors, provided they are on separate crews.

For instance, in the Public Works department, relatives could work in different roles such as one in the water department and another in building facilities department.

Councilmember Ed Long expressed his concerns about creating distance between relatives.

Quinn Bennion explained that in smaller communities like Vernal, where job opportunities in specific careers like policing are limited, the strict policy might hinder recruitment. He felt

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comfortable with the proposed change after consulting with Roxanne Behunin, Attorney Michael Harrington, and several department heads, particularly from Public Works and the Police department. Mr. Bennion acknowledged the potential downsides of hiring relatives, such as conflicts of interest and loyalty issues, but believed these could be managed in larger departments. He highlighted that the policy change could help broaden the recruitment pool in small towns while maintaining professionalism and avoiding awkward situations related to family emergencies or vacations.

Assistant Chief of Police Keith Campbell, discussed the issue of supervision and accountability, noting that they were consistent in holding employees accountable. He mentioned that locally, the city and county had been managing similar situations for some time. In these cases, two families had members working together, but they were never supervised by family members, which had not caused any problems during his 15 years there. He acknowledged the potential issue if an employee were promoted, suggesting that adjustments would be needed to address it. He went on to express concern that their restrictive policy limited their ability to consider good employees, potentially discouraging some from applying. He questioned whether the County had a written policy or program governing such situations, and suggested that adopting the state nepotism policy, which is less restrictive and well-defined, might prevent the loss of potential applicants. He believed that if they followed the state policy, at least one candidate would have already been hired.

Public Works Director Keith Despain reflected on past experiences in his department, noting that employees who were related did not cause problems due to their relationships. Instead, he observed that other issues arose from unrelated individuals, which were more significant than those caused by related employees. He acknowledged that relationships vary and cannot be generalized, making it a complex topic to address. Mr. Despain emphasized that personnel issues are inevitable whenever there are employees involved.. While acknowledging that family situations could potentially cause problems or require more time away, he felt that the proposed policy of assigning related individuals to different crews effectively spread the workload and managed such situations.

Councilmember Corey Foley moved to approve the modification of personnel policy for relatives and family members, under Resolution number 2024, 13, as presented. Councilmember Randel Mills seconded the motion. The motion passed with the following roll call vote:

Councilmember Millsaye;
Councilmember O'Driscoll.....aye;
Councilmember Long.....aye;
Councilmember Foley..... aye.

HAVEN ESTATES DISCUSSION

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Assistant City Manager Gabby Hawkes Blackburn explained that on December 6, temporary Certificates of Occupancy (CFOs) were issued even though the public infrastructure was unfinished, to allow families to move into their homes for the holidays. This decision was made with the understanding that the required infrastructure would be completed by April 30th. Typically, in a normal subdivision, the infrastructure would be finished before CFOs were granted. However, when April 30th passed, discussions revealed issues, leading to the extension of temporary CFOs.

Ms. Hawkes Blackburn expressed concern that extending temporary Certificates of Occupancy (CFOs) delayed resolving the road issue and didn't pressure the developer enough. However, not extending them could create problems for homeowners with their mortgage or insurance companies. The City Council had considered pulling the performance bond to complete the work, but their attorney highlighted legal challenges. The bond for Haven Estates had \$52,770 available for roadwork, but the road didn't meet city standards, and scheduling a contractor this year would be difficult.

Discussions focused on enforcing road completion, with ideas like halting permits to motivate the developer or allowing homeowners to take legal action. The council considered finishing the road themselves if the developer delayed further, but pulling the bond was seen as premature since the developer was still building. The City faced challenges with potential blame for delays and subpar contractor work.

The decision was made to reach out to the developer, setting an expectation for the road to be completed by August 21. If not completed by then, the City would not renew the temporary CFOs, leaving the developer to face pressure from financial institutions. It was acknowledged that finding a contractor to complete the work within the year would be challenging, given scheduling constraints.

DISCUSSION ON NEXT STEPS WITH WATER DEVELOPMENT

Quinn Bennion, Keith Despain, and Ivan Merrell met to discuss critical water management issues, emphasizing the need for council input and guidance. Mr. Bennion highlighted that the topic had been a focus in multiple meetings, including a recent discussion with city and county officials. He presented three main categories for future actions: establishing the first statutory water bank with Ashley Valley, initiating a comprehensive study on water rights and usage over the past decade, and continuing discussions with Ashley Valley and CUP (Conditional Use Permits) officials. Mr. Bennion also mentioned plans to introduce a tiered water rate system by January to encourage conservation, as well as exploring options like annexing existing neighborhoods to free up water connections and reusing water from the treatment plant.

Councilmember Corey Foley raised concerns about the city's capacity to supply water to new developments, particularly in light of potential annexations. He questioned whether Vernal City could continue to provide water without straining its resources. Councilmember Ed Long echoed these concerns, pointing out that the city loses 40% of its water supply and stressing the need for a clearer understanding of the city's water situation. Long emphasized that the city is currently using

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80% of its total allocation and any further annexations could jeopardize future water availability.

The council discussed various scenarios, including merging water districts and forming partnerships with Ashley Valley. Foley also mentioned the economic impact of the sand mine, which currently leases water from Ashley Valley, and suggested that taking over that lease could free up additional water connections. However, the council acknowledged that any decisions needed to be based on accurate data and further study.

Discussions also covered potential annexations, with Mr. Bennion mentioning a contractor interested in annexing Silver Leaf Cove in exchange for water connections. The council debated the feasibility of such agreements and the challenges of coordinating with multiple entities. Ultimately, the meeting concluded with a plan to establish a workgroup involving representatives from Vernal City, Ashley Valley, and canal companies. This group would explore solutions and address ongoing water management challenges, with the goal of reaching a consensus on the best path forward.

STAFF REPORTS

During the staff reports, Councilmember Corey Foley mentioned that Deanna Nyberg from the County reached out about Boundary Commissioner members, and a meeting was scheduled for August 22nd at 5:15 PM. A notice would be posted for applicants, with a 10-day application period. Councilmember Foley was asked to serve, along with Andrew Bentley from Naples, Brock Slaugh, Brenda McDonald, and Mike Wilkins as an alternate. Gabby Hawkes Blackburn noted that Vernal City's DRC (Development Review Committee) included Police Chief Mike Gledhill, Steven Lytle, Quinn Bennion, and Mayor Hammond.

Quinn Bennion reported that Vernal City was sponsoring the upcoming Balloon Fest, which coincided with the Vernal Avenue project and road closures. The City also sponsored a balloon ride for two, with Councilmember Randel Mills selected to participate since he hadn't attended before.

Quinn Bennion also addressed a flyer about the Via Ferrata, which listed Vernal City Water as a place to sign a petition. He directed staff to inform callers that the issue was related to County property, and Vernal City did not have a petition. The Council and Mayor agreed with this stance. Councilmember Foley raised a citizen's concern about a van parked in Dry Fork by Remember the Maine and a man tethered to the wall, encouraging contact with the County Commission. Discussion followed about the Via Ferrata project, with Quinn Bennion expressing confidence that water contamination was a non-issue due to existing protections but emphasized the need for fencing and cameras for security.

Quinn Bennion also mentioned the upcoming ULCT event, to be attended by Mayor Hammond, Councilmembers Robin O'Driscoll, Randel Mills, Ed Long, and five staff members.

Councilmember Foley inquired about a work session, but Quinn Bennion noted it couldn't be done due to a lack of quorum.

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Regarding the Central Canal project, Quinn Bennion reported that bids were opened on Monday. While the budget was initially thought to be \$13 million, the engineer estimated \$17 million, with BHI bidding \$19 million, and another bidder quoting \$33 million. The new budget was expected to be around \$20 million, with work beginning soon on piping the canal. The mayor then moved to go into a closed session to discuss the purchase of property, with Councilmember Randel Mills making the first motion and Councilmember Corey Foley seconding it.

CLOSED SESSION:

Councilmember Randel Mills moved to go into closed session to hold a strategy sessions to discuss the purchase, exchange, or lease of real property, including any form of a water right or water shares. Councilmember Corey Foley seconded the motion. The motion passed with the following roll call vote:

Councilmember Millsaye;
Councilmember O'Driscoll.....aye;
Councilmember Long.....aye;
Councilmember Foley..... aye.

RECONVENE INTO OPEN SESSION AND ADJOURN: The meeting reconvened into open session. There being no further business; *Councilmember Randel Mills moved to adjourn. Councilmember Robin O'Driscoll seconded the motion. The motion passed with a unanimous vote and the meeting was declared adjourned.*

Mayor Doug Hammond

ATTEST:

Roxanne Behunin, City Recorder

(S E A L)