

VERMILLION CLIFFS

Special Service District

NOTICE AND AGENDA

PUBLIC NOTICE IS HEREBY GIVEN that the Vermillion Cliffs Special Service District of Kane County, State of Utah will hold a public hearing meeting to discuss and approve changes to the fee schedule in a regular board meeting in the Commission Chambers at the Kane County Courthouse, 76 N. Main Street, Kanab, Utah on **Tuesday, January 13, 2026 at the hour of 6:00 P.M.**

*The Board Chair, in her discretion, may accept public comment on any listed agenda item unless more notice is required by the Open and Public Meetings Act.

January 13, 2026

WELCOME

1. Invocation
2. Pledge of Allegiance

CONSENT AGENDA:

- A. Approval of VCSSD Meeting Minutes for December 18, 2025

PUBLIC COMMENT:

REGULAR SESSION:

1. Public Hearing of Discussion, Decision on Updates to Fee Schedule
2. Discussion/Approval to adopt Resolution R-2026-1 A Resolution Adopting Residential and Commercial Fire Protection Service Capacity Fees into the District Fee Schedule.
3. Hearing, Discussion, Decision of Appeal for Parcel(s) # 6-97
4. Other Discussion Items

CLOSED SESSION:

- Discussing an individual's character, professional competence, or physical or mental health.
- Strategy sessions to discuss collective bargaining, pending or reasonably imminent litigation, or the purchase, exchange lease or sale of real property.
- Discussions regarding security personnel, devices or systems.
- Investigative proceedings regarding allegations of criminal misconduct.

RESOLUTION R-2026-1

A RESOLUTION OF THE VERMILLION CLIFFS SPECIAL SERVICE DISTRICT ADOPTING RESIDENTIAL AND COMMERCIAL FIRE PROTECTION SERVICE CAPACITY FEES INTO THE DISTRICT FEE SCHEDULE

WHEREAS, The Vermillion Cliffs Special Service District (District) is a Utah special service district authorized to provide fire protection and related services within its boundaries; and

WHEREAS, The District has entered into a contract with Kanab City called the “Fire Protection Agreement Between Kanab City and Vermillion Cliffs Special Service District” (“contract”) in order for Kanab City Fire Department to provide fire protection services for the District; and

WHEREAS, The contract requires that the District pay to the City one-time fire protection service capacity fees on new residential and commercial development; and

WHEREAS, The Board of Trustees for the District desires to formally adopt said capacity fees into the District’s official fee schedule so that such fees can be collected and passed along to Kanab City as part of the service fees charged by Kanab City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Vermillion Cliffs Special Service District as follows:

ADOPTION OF RESIDENTIAL FIRE PROTECTION SERVICE CAPACITY FEE

The District hereby adopts a Residential Fire Protection Service Capacity Fee in the amount of Nine Hundred Dollars (\$900.00) per new residential unit constructed within the District boundaries.

The fee shall be assessed upon each new residential unit receiving a certificate of occupancy.

ADOPTION OF COMMERCIAL FIRE PROTECTION SERVICE CAPACITY FEE

The District hereby adopts a Commercial Fire Protection Service Capacity Fee in the amount of Three Dollars and Twenty-Six Cents (\$3.26) per square foot for each new commercial unit constructed within the District boundaries.

The fee shall be assessed upon each new commercial unit receiving a certificate of occupancy.

INCORPORATION INTO FEE SCHEDULE

The Residential and Commercial Fire Protection Service Capacity Fees adopted herein shall be incorporated into the District’s official fee schedule and administered in accordance with applicable law, the contract, and District policy.

ADMINISTRATION AND AUTHORITY

The Board of Trustees authorizes District staff and officers to take all actions reasonably necessary to implement this Resolution, including updating the fee schedule, coordinating with building officials, and ensuring proper assessment and collection of the fees.

EFFECTIVE DATE

This Resolution shall take effect immediately upon adoption and in accordance with law.

PASSED AND ADOPTED by the Board of Trustees of the Vermillion Cliffs Special Service District this ____ day of _____, 2026

CHAIR- Board of Trustees

ATTEST:

CLERK- Vermillion Cliffs Special Service District

December 15, 2025

Parcel # 6-97

Notice of Administrative Appeal

To the Vermillion Cliffs Special Service District Board of Trustees:

We are appealing the assessment placed upon our property to pay for the new Vermillion Cliffs Special Service District. Our assessment is \$704.32 for property tax year 2025. This amount is based upon a \$150 administration fee and a \$554.32 assessment derived from taking the property valuation of \$410,604 x .00135%

We do not believe the fee established is impartial as would be a flat fee. What does the home value have to do with the service provided? Does it cost more to dispatch and put out a fire on a home valued at \$800k vs a home valued at \$200k?

Utah State Code 17B-1-121 (2) (c) (i) requires that a special service district establish an impartial fee process **to determine whether a fee reflects only the reasonable estimated cost of delivering the service for which the fee was paid.** Property owners are all paying different amounts with no formula or specific details as to why one person should pay more based upon a

better service level. The formula is just based upon a .00135% tax rate on assessed value. Also, it appears that not every parcel is paying the \$150 administrative fee. Basing our assessment on property value is a tax because there is no connection to the service allegedly received.

Examples of much lower assessments: Parcel #6-165 is assessed at \$446.14 and parcel #D-A-28 is assessed at \$397.06, both have similar structures and acreage (although this should be irrelevant) We feel that our assessment should be like those parcels. If not, please explain why it is reasonable to charge us approximately \$350-400 more for the same structural fire service.

As mentioned above an impartial fee per property owner, regardless of value for land with a structure(s) would be an appropriate "service fee" as opposed to fee based on assessed value. We are requesting a credit of \$400 and asking Kane County to change this fee to reflect a **reasonable** amount of \$300 to every county resident owning land with a structure in the SSD

With Kind Regards,

VERMILLION CLIFFS

Special Service District

December 18, 2025 2:30 pm
Kane County Commission Chambers
76 N Main Street Kanab, UT 84741

MINUTES

Attending: Gwen Brown (chair), Celeste Meyeres, Patty Kubeja (online), Jeff Stott, Keiren Chatterley, Clayton Cutler.

Welcome

Invocation - Celeste Meyeres

Pledge of Allegiance - Morgan Shakespear

Consent Agenda

Approval of VCSSD Meeting Minutes for December 3, 2025

Motion to approve the VCSSD Meeting Minutes December 3, 2025

Motion - Celeste Meyeres

Motion passed unanimously.

Public Comment

Sunjtha Ramakrishna - Inquires about the Preliminary Municipality of Willow wanting to become a part of the District to receive Fire Services. Chair Brown speaks to this saying both the Board and the Kanab City Council have both passed resolutions stating they will not provide fire protection to the Preliminary Municipality.

Matt Fisher - Asks the Board to elaborate on the amended contract with Kanab City.

Pat Moffitt - Reminds the public that elections for the board are coming up in January, asks the board to address questions about deadlines, candidacy requirements, etc.

Don Clark - References R-2025-12 and asks the board to address service fees and asks for clarification about the reason he received a tax bill.

The Board addresses the questions about the contract with Kanab City. They turn the time to Kane County Clerk/Auditor, Chameill Lamb to answer

questions regarding the election. Attorney Stott also adds input to the election discussion.

Regular Session

1. Public Hearing to Adopt the 2026 Budget

The Board turns the time to staff to give an overview of the budget. No changes have been made since the proposed budget had been presented in the December 3rd meeting. Clerk Cutler gives a general overview of the 2026 budget. He answers questions from the Board as they arise. Treasurer Chatterley also speaks to questions brought up from the Board.

Pat Moffitt - Requests clarification if the Fees expressed on the 2025 Actual budget reflects the amount of fees that had been collected. Treasurer Chatterley states that the fees presented are what the County has collected since October, and it doesn't reflect the updated amount they had since received.

Matt Fisher - Comments that in the future, it should be stated that fees should be subject to change based on property zoning.

2. Discussion/Approval to Adopt R-2025-7 A Resolution Adopting the 2026 Budget.

Motion to Adopt R-2025-7 to Adopt the 2026 Budget as presented.
Motion: Gwen Brown
Motion passed unanimously.

3. Hearing, Discussion, Decision of Appeal for Parcel (s) #209-4, 209-5, 209-6

The Board provides a summary of the appeal based on the appeal application submitted. It's clarified that the fees are assessed on each individual parcel. They suggest the applicant combine the three lots into one to reduce the price.

Motion to Deny the Appeal with findings that the fee reasonably reflects the estimated cost of the services provided.
Motion: Gwen Brown
Motion passed unanimously.

4. Hearing, Discussion, Decision of Appeal for Parcel 2-5-14-2B

The Board provides a summary of the Appeal based on the appeal application submitted. It's clarified that this parcel is assessed more than neighboring parcels because the appealing parcel is not considered a primary residence like the surrounding parcels it was compared to.

Motion to Reject Appeal for Parcel 2-5-14-2B based on the findings that the fee does reasonably reflect the estimated cost of service.

Motion: Celeste Meyeres

Motion passed unanimously.

5. Discussion/Decision on Written Notice Regarding the Election of Board Members, and the Number of Board Members to be Elected

Attorney Stott provides additional information regarding the Election of the Vermillion Cliffs Special District. Clerk Cutler is directed to submit an official letter to the Kane County Clerk/Auditor's Office to get it on the ballot for the elections in 2026.

Motion to direct staff to provide written notice regarding the election of five board members by February 1st.

Motion: Celeste Meyeres

Motion passed unanimously.

6. Discuss/Vote on Amended Contract between VCSSD and Kanab City for Fire Service. (Skipped ahead before item number 3)*

The Board turns the time to Attorney Stott who provides an overview of the amendments made to the contract between the District and Kanab City.

Motion to accept the Amending Contract between the Vermillion Cliffs Special Service District and Kanab City.

Motion: Celeste Meyeres

Motion passed unanimously.

7. Q&A with Seth Oveson from Auditor's Office Regarding Fees

Attorney Stott gives a brief history of the District's decision on how to charge fees. He also gives background on the need to have Mr. Seth Oveson from the Utah State Auditor's Office speak to the Board today.

The Board turns the time to Mr. Oveson. He speaks to the difference between a tax and a fee and their purpose. He then goes over the findings of the State Auditor's Office regarding the issue of the District charging a fee or a tax. The State Auditor's Office has sent the issue to the State Legislature requesting that they further clarify how to define the difference between a tax and a fee as they pertain to special service districts.

Attorney Stott recommends that the Board watch the Legislature to see if it is brought up and revisit this conversation as the issue progresses. Board Member Meyeres suggests that the Board take a little more active approach.

She also asks Mr. Oveson if the State Auditor's Office is beginning to lean more towards only accepting a tax for fire protection rather than a fee. He responds that the State Auditor's Office is requesting clarification for how things like fire protection and police protection is paid for in different communities.

Board Member Meyeres comments that each Utah County's classification should be considered when statutes might change. She urges Mr. Oveson to work closely with the local governments when considering these changes.

8. Other Discussion Items

Board Member Meyeres mentions that an amended Schedule of Fees should be coming up on the agenda during the next meeting.

Motion to adjourn.

Motion: Gwen Brown

Meeting adjourned at 3:40 pm.

**FIRST AMENDMENT TO THE FIRE PROTECTION AGREEMENT
BETWEEN KANAB CITY AND VERMILLION CLIFFS SPECIAL SERVICE DISTRICT**

This First Amendment (the "Amendment") to Fire Protection Agreement Between Kanab City and Vermillion Cliffs Special Service District, with an effective date of June 12, 2025 (the "Agreement"), is entered into by and between Kanab City, a municipal corporation and political subdivision of the State of Utah (the "City"), and Vermillion Cliffs Special Service District, a political subdivision of the State of Utah (the "District" or "Vermillion Cliffs SSD"), on this 16th day of December, 2025 (the Amendment "Effective Date"). Each of the foregoing is a "Party," and collectively are referred to herein as the "Parties" to this Amendment.

RECITALS

WHEREAS, Kanab City and the Vermillion Cliffs SSD entered into the Agreement, with an effective date of June 12, 2025;

WHEREAS, the Parties desire to amend the Agreement to add assessment and payment options pertaining to the fees included in paragraphs 8(d) and 8(e) of the Agreement, specifically addressing the Residential Fire Protection Service Capacity Fee (the "Residential Service Capacity Fee") and the Commercial Fire Protection Service Capacity Fee (the "Commercial Capacity Fee")(collectively referred to simply as the "Service Capacity Fee" without distinguishing);

WHEREAS, the Parties desire to provide for a contingency related to the Service Capacity Fee, should a court of competent jurisdiction issue an adverse ruling specifically related thereto;

WHEREAS, the Parties further desire to correct multiple date references in the Agreement; and

WHEREAS, the Parties wish to memorialize their understanding and agreement, reaffirm the unmodified terms of the Agreement, and intend no other modification to the Agreement, other than what is represented and agreed to in writing.

AMENDMENT

NOW, THEREFORE, in consideration of the recitals, incorporated forthwith, the mutual covenants made herein and within the Agreement, the mutual benefits to the Parties to be derived, and for other valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree to amend the Fire Protection Agreement Between Kanab City and Vermillion Cliffs Special Service District as follows:

1. Purpose of the Amendment. The purpose of this Amendment to the Agreement is outlined in the Recitals, which are incorporated herein by reference.

2. Service Capacity Fee Payment Options. The Service Capacity Fee is assessed to the District by the City at the time a commercial or residential structure receives a certificate of occupancy. Payment of the assessed Service Capacity Fee is due and payable by the District by one of two options, subject to the District's elected choice. The District shall clearly communicate the payment option elected to the City within 30 days of the assessment of the Service Capacity Fee. If the District makes no affirmative election,

then Option 1 below shall be the default option. The District can make a one-time election to apply to all assessed Service Capacity Fees, or may individually elect an option each time the fee is assessed. The options for payment of the assessed Service Capacity Fee are:

- a. OPTION 1: Payment in full within 30 days of the assessment of the Service Capacity Fee (i.e., upon a residential or commercial structure receiving a certificate of occupancy).
- b. OPTION 2: Payment of five (5) equal installment payments over five (5) years, as follows:
 - i. Annual installment payments shall be due and paid by January 31st of each year, with the first payment being due as follows:

1. If the Service Capacity Fee is assessed between January 1 and June 30 of a calendar year, then the first installment payment shall be due on January 31st of the following calendar year.

2. If a Service Capacity Fee is assessed between July 1 and December 31 of any calendar year, the first installment of that Service Capacity Fee shall be due on January 31 of the second calendar year following the calendar year in which the Service Capacity Fee is assessed.

- ii. No interest shall apply to the installment payment option, unless a payment is late.
 - iii. There is no prepayment penalty.
 - iv. The payment schedule may be accelerated if desired by the District.
 - v. The installment payment option is a structured payment of the Service Capacity Fee and does not constitute a loan by the City to the District.
 - vi. If the District elects to pay one or more assessed Service Capacity Fees through the installment payment option, the relevant and necessary terms of the Agreement shall survive the previously anticipated duration and/or termination of the Agreement solely for the limited purpose of payment and collection of the outstanding installment payment(s).
 - vii. Paragraph 8(h) of the Agreement is amended to the limited extent necessary to reflect the District's ability to select Option 2 as an alternate payment structure of the Service Capacity Fees assessed.

3. Ruling by a Court of Competent Jurisdiction. If a court of competent jurisdiction enters a final, non-appealable order or judgment, in which the court reaches and rules upon the legality of the Commercial Service Capacity Fee or the Residential Service Capacity Fee, or issues a ruling as to both Service Capacity Fees, specifically finding that one or both the specific fees is illegal, and that one or both related contract provisions of the Agreement, to wit: paragraphs 8(d) and/or 8(e), is/are invalid or unenforceable, then the particular Service Capacity Fee(s) ruled upon shall no longer be assessed and the City shall refund to the District the particular Service Capacity Fee(s) related to that ruling that the District has paid to the City prior to the ruling during the current contract period.

4. Amendment of Dates. The references in the Agreement to the following dates are hereby amended as follows:

- a. Paragraph 3(c), the reference to March 1st shall be amended to January 31st;
- b. Paragraph 7(e), the reference to March 31st shall be amended to January 31st; and
- c. Paragraph 8(c), the reference to March 1, 2030, shall be amended to January 31, 2030.

5. Effect of Amendment. The Parties elect to make no further amendments to the Agreement. Except as expressly amended by this Amendment, all other terms and conditions of the Agreement remain unchanged and in full force and effect. All the provisions of this Amendment shall supplement and amend the Agreement, and shall be deemed to be, and shall be construed as, part of the Agreement to the same extent as if fully set forth therein.

6. Execution in Counterparts. This Amendment may be executed in counterpart originals, all such counterparts constituting one complete executed document.

7. Authorization. By signature below, the following individuals certify that they are authorized to act on behalf of their respective Parties to give effect to this Amendment.

[Signatures on the following page(s).]


THE PARTIES HERETO have executed this Amendment to the Agreement.

KANAB CITY

Approved as to form:



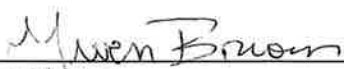
Troy Colten Johnson
MAYOR
Dated: December __, 2025




Kent A. Burggraaf
CITY ATTORNEY
Dated: December 16, 2025

VERMILLION CLIFFS SPECIAL SERVICE DISTRICT

Approved as to form:



Chair
Its: _____
Dated: Dec 18, 2025



VERMILLION CLIFFS SSD ATTORNEY
Dated: Dec 18, 2025