

MINUTES
OF THE KANE COUNTY
BOARD OF COMMISSIONERS' MEETING
May 14, 2018
IN THE KANE COUNTY COMMISSION CHAMBERS,
76 NORTH MAIN, KANAB, UTAH

Present: Commissioner Dirk Clayson, Commissioner James L. Matson, Commissioner Lamont Smith, Attorney Rob Van Dyke, Clerk/Auditor Karla Johnson, Deputy Clerk Auditor Tanya Meeks.

Also present: Treasurer Kevin Blomquist, Budget Officer John Livingston, L & P Shannon McBride, Ade' Nelson, GIS Lou Pratt, Roads Bert Harris, Care & Share Craig Hansen, HR Rhonda Gant, Mary Reynolds, Cara Lee Woods SUN News, Sheriff Tracy Glover, Gilmore & Bell Randy Larson, Jason Birmingham, Best Friends Paul Altherr, Devin Shakespear, Vicky Hooper, Camille Johnson, Judge Johnson.

CALL MEETING TO ORDER: Commissioner Dirk Clayson

PRAYER: Attorney Rob Van Dyke

PLEDGE OF ALLEGIANCE: Commissioner Jim Matson

WELCOME: Commissioner Dirk Clayson

PUBLIC COMMENT:

Three (3) Minute Time Limit per Speaker for Public Comment.

Tony Wright: On behalf of Utah's Big Ride: We appreciate that the Commission helped us get this together. The Big Ride is an annual event when one member or more who form each ATV group in Utah come together and ride for four days. With the Kane County's permission we used their logo. The ATV Club has made a packet up for each of the Commissioners. Thank you.

They have decided to name Kane County's trail system the Anasazi Trail System.

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Marty Greenbank from 8 Mile Gap was wondering if the County could consider budgeting in for Magnesium Chloride to put on 8 Mile Gap Road and put a traffic counter on the road.

Commissioner Clayson said we do some roads with Magnesium Chloride treatments but they are always paid for by the individuals using the road. We will review that with our road department.

CONSENT AGENDA:

Approval of: April 23, 2018 Commission Meeting Minutes

Motion to approve the Commission Meeting Minutes of April 23, 2018 made by Commissioner Matson and the motion carried with all Commissioners present voting in favor.

REGULAR SESSION

1. Samantha Stadlander is submitting an Application for Deferral of Delinquent Property Taxes, Parcel I-76 / Samantha Stadlander

Attorney Rob Van Dyke reviewed the process with the Commission assuming there has been a completed application and it has been reviewed by the Treasurer's office. Before approving the application the County Commission has to consider the following factors:

1. That the applicant has proof of financial hardship that prevents the full payment of taxes.
2. That the loss of the property would substantially affect the applicant's primary resident or principle income source.
3. Whether the applicants have established that approving of the application would be in the interest of the County Tax payers.

After they address those three items they are allowed to go into closed session for an administration discussion before they deny or approve the application.

Kevin Blomquist confirmed that Samantha Stadlander does have a complete application signed and dated. The financials are correct. She also came in last week and made a payment along with filing an application.

Hardship has been established. Last year when she came in she had had a medical hardship. She sold off the extra lot. She has paid \$47,000 this year. Also the Brian Head fire deterred people from going to the mountain which reduced a lot of her business.

This property is her home and her business Ace Hardware at Duck Creek. She is working with a business consultant to get a loan and if she gets the loan she will pay all the taxes. If that does not happen Kevin said they can set her up on a payment plan.

Ms. Stadtlander had a letter that says she has been approved for \$878,000.

Motion to approve Tax deferral for one year for Samantha Stadtlander made by Commissioner Matson and motioned carried with all Commissioners voting in favor.

2. VOCA update / Devin Shakespear

Devin gave us an update on the financials of the VOCA (Victims of Crime) Grant which she is required by the Grant to report to the Commission every year.

This is a two year grant and it was received last year. She has a remaining \$29,000 and they have spent about \$15,000. This will carry through until June of 2019. All the funds have to be spent by then. It will all be spent by then because her wages, benefits and travel are taken from it.

If our Adult Victims need counseling, Merci Stout is contracting through the Dove Center and she comes once a week.

For our child victims they go through our Children's Justice Center and we have a contract with Sharla Christy. She can do about 13 hours a week and that grant is through VOCA but it was done through the Iron County's Children's Justice Center.

Sheriff Tracy Glover said that the program is working as it should.

Commissioner Clayson said thank you. You have done a good job.

3. "Kane County Assistance Program" update / Sandy Kerr/ Will Leonard

Mr. Leonard thanked the Commission for all they do to oversee this program. Sandy and Will represent KCAP (Kane County Assistants Program).

This is a program for emergency situations assisting people in Kane County. We started this program back in December of 2016. There have been 23 applicants of

which 18 were approved and 5 denied. The program has paid out \$4,250.59 for various needs of the people and they have \$2,291 left in program. They have \$6,541 that has come in to the program as privately funded.

For the 18 there were seven that needed temporary housing, three needed help for their utilities, one for medical expense, one for auto insurance, four needed help with food, replacement of a water heater for another, two needed fuel, one needed help with the rent payment and another needed supplies for their infant. The KCAP were surprised that more didn't apply for this program. The program has certain criteria needed for approval.

The KCAP are going to do their first fund raiser on June 23. It will be a community yard sale.

Sandy and Will would like to see this program grow.

Awhile back they started the PATH program. There used to be people that came in but there was no way to help them. We need to be able to help local people.

Part of the program is to have the recipients reimburse the program if they can do that by working for the community in some way or paying them off. Some just disappear.

If people need help they should come into the Volunteer Center to receive assistance. If people want to donate to the program they also can come to the Volunteer Center. Their checks should be made to the Kane County Assist program.

4. Volunteer Center needing approval for Part Time Employee to Full Time / Vicky Hooper

Vicky is asking for approval of one of her part time employees to be moved to full time. The expense would come from the Office of Tourism budget. Camille is in favor. This does create another job in the County.

Motion to approve Volunteer Center part time employee to Full Time made by Commissioner Smith and motion carried with all Commissioners voting in favor.

5. Approval of contactor for Kane Plex Bleacher Cover / Camille Johnson

We needed approval for a cover over the bleachers at the Kane Plex but the contractor did not give us a correct bid so Camille will come back for approval at another time.

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6. Churchwells Board Members: Extension for Mary Lockhart Chair and adding Connie Kirk for a four year term / Commissioner Matson

Church Wells would like to add Connie Kirk for a four year term on their Water Board and extend Mary Lockhart the Chairs term.

Move that we approve for Church Wells Water Board seat Connie Kirk. She has been on the board before and does know the systems.

Motion to Approve Connie Kirk to fill the vacant seat on the Church Wells Water Board and extend Mary Lockhart the Chairs term made by Commissioner Matson and motion carried with all Commissioners voting in favor.

7. Closure of Duck Creek Village Movie Ranch Road, June 16th 8:00am-5:00pm, July 7, 6:00 pm to 8:00pm and July 26th thru July 28th, 8:00 am to 10:00 pm / Bert Harris

There are several events every year at Duck Creek Village when the Movie Ranch Road needs to be closed. Closing this road helps with safety.

Sheriff Glover met with the people that put on these events. Samantha said that they would have shuttles help with distant parking. The Volunteer Center has helped in the past with their vans.

The Sheriff said "If we can create what we had last year, all will go well."

Motion to close Movie Ranch Road at Duck Creek Village, June 16th 8:00 am to 5:00 pm; July 7th, 6:00 pm to 8:00 pm; and July 26th thru July 28th, 8:00 am to 10:00 pm made by Commissioner Smith and motion carried with all Commissioners voting in favor.

8. 11:00 am Public Hearing: Bid Opening for Chip Seal, Jones & DeMille / Lou Pratt

This bid opening is for the Kane County Chip Seal for Vermillion Cliffs, Hancock Road and Lower Kanab Canyon. (See Below for Bids)

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Kary Monroe read each bid as they were opened.

JONES AND DEMILLE ENGINEERING
UNOFFICIAL RESULTS OF THE BID OPENING HELD

Intermountain Slurry Seal	Bonded	\$605,826.00	5th
Straight Stripe	Bonded	\$459,255.00	1st
Geneva Rock	Bonded	\$520,299.00	4th
JDM Sand & Rock	Bonded	\$629,993.70	7th
Western Rock Products	Bonded	\$506,615.00	3rd
CKC Asphalt	Bonded	\$469,761.20	2nd
Mel Clark	Bonded	\$612,830.80	6th

Straight Stripe will start about June and end about the end of August but they can stretch out those times because of warmer weather.

Motion made by Commissioner Smith to award the bid to Straight Stripe conditioned on their paper work is in order and motion carried with all Commissioners present voting in favor.

9. 11:15 am Public Hearing: 2018 Budget Opening #2, approval of Resolution R-2018-12

John discussed the budget for the chip seal projects, and then he also discussed the Budget for Dental and HRA.

The budget for the Kane Plex project for the covers of the bleachers was discussed also.

Motion to approve 2018 Budget Opening #2 Resolution R-2018-12 made by Commissioner Smith and motion carried with a roll call vote.

Commissioner Clayson Aye
Commissioner Smith Aye

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10. Parity and Changes in Wages / Commissioner Smith

Commissioner Smith has been looking at different raises given this year. We have added a lot to our scale. He went and talked to Rhonda. He is starting to see a huge disparity with what we have been dealing with.

We are having a disparity, and are out of balance with some places. He discussed looking at all wages.

The County just needs a Parity scale.

The Commission, Rhonda and John discussed how the wages are run through the matrix.

It is sad that some of the county employees can go to the motels and get jobs at the same wage and it is less stress.

We need to put a committee together with the heads of offices and do a study of wages again. The market has changed.

Dave said we did have a real good committee in the past for this but it wasn't put together to be a permanent committee. It would be easy to put one together again that would have all the key players that need to have a voice at the table.

Dave discussed the grade levels. We need to look at the market.

Rhonda also discussed part time employees going to full time. Usually they have the salary and wages but the benefit package is what needs to be approved.

Dave said, Mike Swallow with Personnel Management Systems offered to do the market analysis for about \$4,800. Dave explained to Mike that we are fairly sophisticated and we could help with the analysis so he wouldn't have to travel so we asked if he would do it for \$4,500 and he agreed. His current proposal is \$4,500. We would want the Commission to look at it but my thought was that you would do 5th Class counties and Five Counties and definitely local enterprise.

Motion to utilize Mike Swallow for this survey and use the Budget Officer's recommended budget made by Commissioner Matson and motion carried with all Commissioners voting in favor.

Motion to effect Polices that departments need to stay within their payroll spending line items for their budget is set going forward and could use operational funds to supplement payroll portions of their budget without going through a formal Budget Hearing made by Commissioner Smith and motion carried with all Commissioners voting in favor.

Commissioner Clayson asked Dave to make sure the policy gets written.

Dave said he would get with Attorney Van Dyke on this.

Dave also said he would put together a committee and bring ideas back to the Commission.

11. Salary Survey Proposal / Dave Owens

This item was discussed along with item # 10

12. Resolution R-2018-13 Appointing the Justice Court Judges of the 6th Judicial District, as well as those in Counties Surrounding this County, to serve as Temporary Judges, if needed, in the Justice Court of this City & County / Judge Johnson

Judge Johnson said we just need someone to fill in and cover when he is not available. The Judge of Sevier County will be the Judge to make the selection of the replacement judge, so the Judge here will not be selecting the replacement.

Motion to approve Resolution R-2018-13 appointing Justice Court Judges of the 6th Judicial District as well as those in Counties Surrounding this County to serve as Temporary Judges if needed made by Commissioner Smith and motion carried with a roll call vote.

Commissioner Clayson Aye

Commissioner Smith Aye

Commissioner Matson Aye

Motion to recess for lunch made by Commissioner Matson and motion carried with all Commissioners voting in favor.

13. G-mail Suite and County E-mail Retention Polices / Rob Van Dyke

We have a permanent archiving feature that goes along with our G-suite subscribing per employee. We can turn it on or off per employee.

State says we just need to have a policy and our policy officially adopted is that there is no retention. We were getting calls that someone accidently deleted an email that they need and we couldn't get it back. So as we went into G-suite we turned on a product that we call Vault that permanently backs up everything.

We can turn that product off for individual employees.

I thought we would want to put this on the agenda for discussion.

Dave is just wanting to know if you want to change anything policy wise.

IT just wants to make it clear to everyone that we have turned on Vault and we have good backup of everything in a secure area.

Dirk said to ask the individual departments what would be beneficial to them.

Dave said there is no law saying we have to retain emails. If we retain the e-mails they could be subject to GRAMA request. You would still have to take the time to classify them: protected, private, or controlled.

14. Kane County Road Maintenance Ordinance Discussion / Shannon McBride, Bert Harris and Lou Pratt

We have had several projects that pertain to roads. The reason these projects are different than a regular subdivision is because they had been subdivided decades ago and developers in town want to make access and bring them up to county standards. There are about 4 roads right now that they are trying to get up to county standards.

The Commission, Shannon, Lou and Bert discussed these roads and options.

15. Approval of Ordinance O-2018-4, (9-1-7) Title 9, Chapter 1, Section 7, definitions: discussing and defining camping and glamping sites / Shannon McBride

Chapter 1 is being amended to update the Definitions falling under Camp Grounds: "Glamping" & "Site" shall be defined in Kane County as a permanent/semi-

permanent structure placed on a permanent foundation providing overnight sleeping accommodations. Also under "Site": A site does not include facilities required and regulated by the health department.

Motion made to accept the amended Ordinance O-2018-4 Title 9 Chapter 1, Section 7 discussing and defining Camping and Glamping Sites made by Commissioner Smith and motion carried with a roll call vote .

Commissioner Clayson	Aye
Commissioner Smith	Aye
Commissioner Matson	Aye

16. Approval of Ordinance O-2018-5, (9-5) Title 9, Chapter 5, Agricultural Zone, Uses Table to include number of glamping sites allowed in Agricultural Zone and to include additional Modifying regulations (9-5-5) / Shannon McBride

Shannon said this ordinance O-2018-5 is what we did a month ago. We put six sites in for camp grounds in the AG. The ordinance has changed and so some of these uses were taken out of the AG zone. We wanted to be consistent with State Regulation as far as they regulate water and we felt like it would be helpful for the public. I was already dispersing these handouts that Clint Albreck provided me to the public if they were interested in doing a camp ground or a RV park. So that is why we have actually changed the recommendation from the month before, which you passed, from six to seven sites. It will allow one more but it will be more consistent with our State Health department regulations. We also added a few modifying regulations as far as listening to our citizens that have lived here and have residents in the area of some of these glamp grounds. One of these is that they can't go larger than 500 feet and at least 100 feet from any private property boundary lines and 25 feet from public lands. We also put a maximum capacity to not exceed 24 persons due to the water and the way that is regulated. I told the public where they could go to look for the conditions that we use to get the conditional use permits.

In the past we have treated SITLA lands as AG. We don't have jurisdiction on our public lands and SITLA lands. As an example, SITLA has asked the County to regulate the Solar Power Plant and do the CUP for it. With the ordinance change SITLA is to get the highest and best use. The profits are used for our educational system. If we put them under the AG zone it's not going to work for a lot of these

projects now like for the Solar Power Plant. That's why we have put SITLA land to be regulated under Chapter 7 as a Commercial use instead of AG zone.

Motion to adopt with edits Ordinance O-2018-5 Title 9, Chapter 5, made by Commissioner Matson and motion carried with a roll call vote.

Commissioner Clayson	Aye
Commissioner Smith	Aye
Commissioner Matson	Aye

17. Approval of Resolution R-2018-09, Kane County Land Use, Increasing the Lot Line Adjustment Fee from \$500 to \$700, Eliminating the \$10 per Mailer Fee on the Application / Shannon McBride

Motion to adopt Resolution R-2018-09 Kane County Land Use, Increasing the Lot Line Adjustment Fee made by Commissioner Smith and motion carried with a roll call vote.

Commissioner Clayson	Aye
Commissioner Smith	Aye
Commissioner Matson	Aye

18. Zone Change located 2 Miles South of Todd's Junction, Whispering Pines, a Rural Unimproved Subdivision, all of Parcels 3, 4, & 5, consisting of 52.46 acres, in Kane County, Utah for glamping sites from FAA Agricultural to Agricultural / Shannon McBride

Rural unimproved subdivision was created about 71/2 years ago. Where I came up with the ordinance was straight out of the State Code verbatim and it talked about the FAA regulations and they will apply to this land and that's how they are to be exempt from the plat requirements. This Whispering Pines is one of those Rural unimproved subdivisions and they are zoned the true meaning of FAA. So in other words they can't do commercial uses but it also says in state code they can request a zone change. The zone request is to go to AG. Zone change is just for Parcel 3.

Motion to approve Zone Change located 2 Miles South of Todd's Junction, Whispering Pines, a Rural Unimproved Subdivision for glamping sites made by Commissioner Matson and motion carried with all Commissioners present voting in favor

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19. Public Comment on Resolution R-2018-14, (see item #20) / Commissioner Clayson

Present to Speak:

Randall Larson- Kane County Financial Advisor

Jason Birmingham- Best Friends Advisor

Paul Altherr- Best Friends

Public Question:

Judy Habbeshaw: I do not support this agenda action. These types of bonds should be used for University studies and parks and should support the public and not just one entity. It should be used to serve the community. It is in the best interest of our community that you do not approve this bond.

Marilyn Lawson: On October 16th the commission passed R-2017-27, and then you had a public meeting on November 20th. At that meeting it was promised to the public that there would be another public meeting. I ask that you do not pass this today until we are given more information.

Jim Rassmussen: Does the county have funds to give to other entities?

20. Consideration for adoption of a resolution R-2018-14 approving the financing by Kane County, Utah of the acquisition, construction, equipping and furnishing buildings, facilities and improvements for Best Friends Animal Society; authorizing the issuance of its not to exceed \$25,000,000 Industrial Facilities and Development Revenue Bonds, Series 2018, and related matters / Commissioner Clayson

Update of Conduit Bond for Best Friends: Paul Altherr

There was a meeting October 16, 2017 to provide information about the construction project that was part of the Resolution R-2017-27. At that time Paul described a list of projects.

Then on November 20, 2017 in the two public hearings he also described a list of projects.

Now we are having another public hearing today and tonight at 7:00 pm they will describe the list again. The list that was described in November was the same list

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described on October 16, 2017 and is the same list that was previously described, there have been no changes.

List of Component Projects and costs estimates:

1. Horse Haven – Phase II	\$2,000,000
2. Dog Town Lodges	\$5,000,000
3. Gratitude Gardens	\$ 500,000
4. Administrative Buildings	\$6,000,000
5. Visitor Experience Buildings	\$8,000,000
6. Operations Buildings	\$2,000,000
7. <u>Water & Waste Water Projects</u>	<u>\$1,500,000</u>
All projects comprised come to:	\$25,000,000

Certain items that they want made clear are:

1. The Bond Money will not be used to buy land.
2. They will use local construction contractors.
3. They will try to buy supplies and materials locally.

Jason Burmingham

Mr. Burmingham explained the process of getting a financial institution. Best Friends only sent applications to investors. It was very clear in the beginning that it would be a Conduit Bond. Best Friends submitted to about 20 institutions. They did receive 3 solid buyers. It will be at a 15 year amortized at 3.25 interest and tax exempt.

Next finalize bond for signing.

Best Friends financial reports were done on revenue only, not on property or real estate.

1. Bond purchase agreement.
2. There is no recourse on the County for lending to other entity. There is not a cap on the County because this is only a Conduit Bond.
3. Best Friends letter to Commissioners (Letter is attached)

Commissioner Matson was under the impression that we would have one more public meeting before signing the Bond.

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Commissioner Smith asked about jobs and the cost of buildings and how will this Benefit Kane County?

Jason said the buildings will cost \$25,000,000 and Best Friends will use local resources when possible. 95% of their contributions come from outside of the Kanab area which brings more cash flow into the community.

New service to more people who want to come to Kanab to see what they are doing will bring in more tourism dollars to the community.

3rd Benefit: they will be adding 40 more family sustaining jobs in Kane County.

Commissioner Smith wanted to let the people know what is going to happen because people are against the County signing for the bond. The people don't quite understand how this will work.

Motion to table #19 & 20 until Monday 21, 2018 Commission Meeting for the public. Also a public meeting will be held at 7:00 pm Monday 21, 2018. Location to be determined, made by Commissioner Matson and motion carried with all Commissioners voting in favor.

Location will be advertised in the local paper and on County and State Websites.

Other Business:

- Reports

John: Had a training last week at 10:00 & 2:00 to talk about procurement purchasing. Credit Card issues- if we miss payment, charges are high; has been hard to meet due date. Need to have the due dates changed.

- Schedules

Commissioner Smith: Have we heard any more on the Town Site act?
Commissioner Clayson said we should be done by the end of August.

Commissioner Clayson met with BLM & met with Lisa about cell towers. The letter we received requested that if we do any construction up there we need to let them know with a three day notice. We need to send a formal letter to them letting them know we have responded.

Dave gave them a polite response.

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Motion to go into Closed Session for purpose of litigation made by Commissioner Smith and motion carried with all Commissioners voting in favor.

WHERE UPON MEETING WAS ADJOURNED



Dirk Clayson Chairman



Karla Johnson Clerk/Auditor

May 14, 2018

May 10, 2018

VIA EMAIL

Kane County Commission
Attn: Dirk Clayson, Chairman
180 W 300 N
Kanab, UT 84741

Dear Chairman Clayson, Mr. Smith, Mr. Matson:

On behalf of Best Friends Animal Society, I am writing to confirm our understanding regarding the use of local labor and building materials in connection with the County's proposed issuance of certain tax-exempt bonds as a conduit issuer for Best Friends.

As I presented to you in the Commission meeting on October 16, 2017 and presented in the two public hearings held on November 20, 2017, Best Friends Animal Society will:

- (1) plan to use local architects, engineers, general contractors and subcontractors to the greatest extent possible, taking into account their capabilities and availability; and
- (2) plan to locally source building materials, taking into account their availability and the need for specialty items.

This commitment of course assumes that local contractors are cost-competitive and have the capability and available labor to timely complete the projects. Based on past experience, the local architects, engineers, general contractors and specialty contractors that we have used have had the required skills, met our project timetables, been cost-competitive, and been adequately responsive to our needs. We expect this will continue to be the case as we move forward with the projects that are financed with bond proceeds. In order to meet our construction project timetables, we may need to use even more local service providers than we have in the past. We look forward to collaborating with local businesses in a manner that benefits both Best Friends and the broader community.

This will also confirm that Best Friends will not use any of the bond proceeds to purchase land.



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We would be grateful if the County would serve as conduit issuer for this transaction.

Sincerely yours,

Paul E. Altherr
Executive Vice President