

**Special Service District #1 Budget Hearing  
December 5, 2017**

John Byars made a motion to start the Special Service District #1 Budget Hearing for the 2017 budget at 6:44 p.m. All members of the board are present. Kary Monroe, Cher Parsons, Kevin Rasmussen and Gabe Miller are also present. Gabe Miller stated that he set down with Dennis the day before and went over the budget. He stated that the adjustments to the budget start with a negative \$2,000,000 (which is the adjustment amount). They are adjusting the revenues and expenditures to more accurately reflect what is anticipated. The biggest adjustment is the use of fund balance of \$3,892,000, reflecting that they spent more than they took in in revenues. They have to account for this adjustment by reducing the revenues according and increasing the construction projects, along with reducing some of the other items such as equipment, advertising, debt service and principal. Gabe then went over each line item: Reduction in State mineral lease of \$2,000,000; SRS funds of \$450,000; private source of \$25,000; CIB Railroad reimbursement reduction of \$45,000; interest income reduction of \$45,000; and interest income of \$40,000. Interest income from other accounts increased. That represents the revenue adjustments. Expenditures: \$1,725,000 construction projects increase; rail project \$12,000 increase; \$30,000 engineering increase; equipment \$300,000 increase, bond interest expense reduction of \$20,000; and debt service principle by \$40,000. Once these adjustments are made, the budget balance with revenues and expenditures is \$11,032,000. Dennis stated that a copy of this will be put into the minutes. Dennis made a motion to adopt the 2017 revised budget as stated. Ken seconded, all were in favor. Gabe stated that on the fund balance for state requirements you are allowed to have 25% of revenues in your general account. Currently that fund balance is \$344,000. As long as you have less than \$1.7M of unrestricted or unassigned fund balance the District is in compliance.

Dennis stated that the next portion of the meeting is the opening and proposing of the 2018 budget. Dennis stated that they anticipate \$4,560,000 in State Mineral Lease moneys. This is about a 10 – 15% increase over last year. \$50,000 from Secure Rural Schools, \$2,000,000 from private contract repayments (note receivable), the District will get about \$30,000 back from the CIB railroad reimbursement along with Interest income from Bowie of \$552,000. State interest income is about \$78,000. The anticipated revenue is \$7,270,000. The mineral lease money can go up, but it is projected on what they are receiving now. They are budgeting about \$4,000,000 for construction projects for the year. There will be zero money allocated to the Central Railroad Project. Engineering and professional fees \$400,000. \$300,000 is available for equipment and salt shed purchase, \$3,000 for accounting and legal, \$10,000 for liability insurance, \$10,500 for treasurer bond, \$500 for office supplies and postage, \$1,000 bank charges, \$516,000 payment for interest and \$2,600,000 for the principal payment, \$20,000 for board compensation and travel. Dennis proposed to adopt the proposed budget for 2018, Ken seconded, all were in favor. John made a motion to close the public budget hearing, Dennis seconded, all were in favor. Kary stated that a copy of the meeting minutes needs to be with the SSD minutes.

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The meeting was called to order by John Byars in the Sevier County Administration Building at 7:00 p.m. Dennis Larson and Ken May are present. Also present are Kary Monroe, Lyndon Friant and Cher Parsons from Jones & DeMille Engineering, Bob Watts from the Sevier County Road Department, Kevin Rasmussen, and Layne Torgersen.

Those present for the bid opening of Sevier County Sigurd Main Street and the bid amounts are as follows:

<b>Name</b>	<b>Representing</b>	<b>Bid Amount</b>
Kevin Rasmussen	Rasmussen Excavation	\$182,630
Layne Torgersen	Staker Parson	\$184,457

The apparent low bidder is Rasmussen Excavation. John made the motion to award the Sigurd Main Street bid to the lowest responsible bidder, Rasmussen Excavation, pending review by JD&E and the bid tabulation. Dennis seconded the motion, all were in favor. Kary stated that they didn't think there would be any work until April.

Those present from the bid opening exited after the bid opening.

**Minutes:**

Ken made a motion to approve the previous month's meetings minutes as read and approved by all members of the board. Dennis seconded, all were in favor.

**Financials**

Financials for last month's meeting were reviewed. Dennis moved to approve financials as presented, Ken seconded, all were in favor.

**Invoices**

Ken presented a statement for automobile insurance, but the Service District doesn't own any vehicles. Dennis stated it should be kept in the file. John presented an expense voucher.

Kary presented invoices from J&DE for 1300 South Street, GIS archiving, minutes, Willow Creek Turn Lane, Ivie Creek Bridge Funding Application, and Sigurd Main Street. Kary also presented a contractors partial pay estimate #2 for the Salt Shed. John made a motion to approve invoices as noted, Ken seconded, all were in favor.

**SSD Chip Seal 2018**

Bob stated that his estimate for chip seal is approximately \$400,000 to \$500,000. It should be about 12.5 miles. Kary stated that they should bid it in February. UDOT has a lot of chip seal projects coming out so he would like to get this bid early in the year so they can get good prices. There could be a problem with the intersection on East Willow Creek Road, depending on the timing of when the two projects go. It would just be at the intersection. Glenwood Fish Hatchery, Glenwood Main Street, Glenwood 320 East, a section of Gooseberry, which is 6.5 miles are the roads Bob is looking at. Dennis asked if Convulsion Road would be done. John stated that there are some of the culverts that need to be looked at because of settling. Kary stated that next summer before the one year guarantee is up they should take a look at the

culverts and if needed have them patched and filled in. Dennis stated to get the Chip Seal Project ready for bid in February. Bob will get the roads to Kary tomorrow so JD&E can start on the project.

### ***Crane Loop***

Is done. Gary Carlisle increased his offer to Scott Anderson and he is happy.

### ***Burville Road***

Is done.

### ***Salt Shed***

Under construction. The building package is supposed to be here next week. The concrete work is almost done. On the west and north side of the salt bay they had asphalt going right to the building and this won't work because they can't compact up to the building except with hand compactors. They decided to put a concrete flat work on the north and west side for about 24 inches. Kary gave the Board a change order to put the concrete around there. The asphalt will underrun so it should equal out. Kary gave the Board the change order to sign. Bob stated that on the transfer where they exposed the water line there was a phone line for future use. They made the decision to run it around there. Dennis asked if they needed to pay any more on the building. Kary stated that they did, but it would come out of the January budget.

### ***Willow Creek***

Things are moving along and there will be another review next week. They are trying to get this ready for bid in February. Kary stated that the part the District will be responsible for is the realignment of the lane going to the north. Bob stated the right-of-way was turned in to the county but was rejected because they don't have the death certificates for two of the owners.

### ***Bridge Maintenance***

Still working through it. Bob is finding more and more that needs to be done. Dennis asked if Bob could handle it with his budget. Ken stated that some of it could be invoiced to the District. Bob will get done what he can but A&D Jensen will help him with the rest.

### ***Ivie Creek Bridge***

Kary thought they had a good recommendation to rehab it, but Rebecca Nix from UDOT structures rejected this. Kary asked if they could do the cheapest fix possible. J&DE is getting cost estimates on multi plate or the cheapest fix possible. She said they would allow that in this case. The contract will have to be between the County and UDOT. Kary asked if he was still on the agenda for Monday's Commission meeting to get the application signed. Kary asked if Ken would get the letter ready to go along with the application. Kary stated that they could ask for rehab money instead of replacement for Salina Creek. Kary stated it probably wouldn't be too expensive to go and fix the bad area. It would get it off the list to do this fix. UDOT only gets about \$2,000,000 a year in this fund. Ivie Creek is red flagged as functionally obsolete. Rehab goes through the same pot of money as Ivie Creek Bridges. John asked if they could submit a rehab application for the Salina Creek Bridge and replace Ivie Creek Bridge. Kary stated that it would be possible. Lyndon said the UDOT structure department will review all the applications and make their priority list but they will usually rank them as they have been previously ranked. John stated that they should submit both applications. Kary stated there will be a meeting around the first of February that Ken will need to attend. Ivie Creek and Salina Creek Bridges will be the new project name.

### ***Richfield Auction Road***

Ken stated that he had some work that Cynthia did and there is a quit claim deed from the railroad to the auction, but the description isn't correct. Ken would like Kary to take a look at it and get the description correct. Cynthia will then get a meets and bounds description to the railroad. They will get them to sign the correct one as the intent with the first one was to have this done. Kary will check to make sure if it is included.

### ***1300 South***

Ken gave a map to the District to look at. Kary also had a print out to go along with the map. Amy got property values all the way across the area. Each parcel is listed on Kary's print out with the owners on it along with the acres and amount they need for the right-of-way. There are three parcels inside Richfield City limits. On the map Kary has they have mapped out what would be available for Richfield City to give the District for a total of 19.9 acres. This would be worth \$97,000. Kary's print out gives the basis to decide what they want to have done. Richfield City would like to get this done and reduce their debt with the District. Milton Taff's property is in the city limits and is commercial property and he will expect commercial money for it. John stated that they can't pay the value of his property. John stated that they need to look at Milt's property value and green belt really hard before they move forward. They are taking a little more right-of-way than they need on his because of the jog. Kary estimated that there is enough money to offset the value by taking Richfield City's. Ken stated there should be enough money if they sell some of the property to Mr. Allen. He wants both sides of the road the City has. Kary stated that the first thing that needs to happen is to sit down with the Mayor and get his input then talk the price deal. Ken and Bob will go with Kary to meet with the Mayor. Kary gave Ken the copy of his print out.

### ***Sigurd Main Street***

There was an addendum changing the asphalt, but Kevin didn't acknowledge receiving the addendum. Kary will ask him if it affects his bid, if he's okay with it then the bid will go as it stands.

### ***Sunny Shopper Road***

The Commissioners and SSD will get with the City and if the City is willing the county will give them the road. The city will then decide what they want to do with it. The bike path will stay as is. Kinley is complaining about the road and wants the county to take it out. Because it's in the city limits it would need to be deeded to the city. Kary stated that there is more to the road because it was an old state highway and it was assigned to Sevier County to maintain. Kary stated that the District might not have the right to do anything with it. UDOT owns it, so they should do something with the road.

John made a motion to close at 8:16 p.m., Ken seconded, all were in favor.