

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD
NOVEMBER 6, 2019 at 7:00 p.m. in the Vernal City Council room, 374 East Main,
Vernal, Utah 84078.

PRESENT: Councilmembers Travis Allan, Samantha Scott, Dave Everett, Ted Munford and Bert Clark and Mayor Doug Hammond.

WELCOME: Mayor Doug Hammond welcomed everyone to the meeting.

INVOCATION OR UPLIFTING THOUGHT: The invocation was given by Councilmember Travis Allan.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Councilmember Ted Munford.

APPROVAL OF CITY COUNCIL MINUTES OF OCTOBER 16, 2019: *Councilmember Bert Clark moved to approve the minutes of October 16, 2019. Councilmember Travis Allan seconded the motion. The motion passed with Councilmembers Allan, Everett, Munford, Scott and Clark voting in favor.*

REQUEST FOR FUNDING OF BREAKFAST WITH SANTA – JEFF WINTERTON: Jeff Winterton explained that this annual event is scheduled for December 14th at the Middle School. Santa will be attending from 8 am to 10 am and then move to the community center to great kids. He asked the Council to consider funding this event in the amount of \$500. Quinn Bennion stated that is the amount in the budget for this event. Councilmember Samantha Scott asked who helps sponsor this program. Jeff Winterton answered that the main sponsors are the School District, Elks Lodge, Davis Jubilee and the City. Councilmember Samantha Scott asked what the budget is for this event. Jeff Winterton stated the total cost is \$980 and includes advertising, crayons, Santa etc. *Councilmember Samantha Scott moved to approve the \$500 sponsorship for Breakfast with Santa. Councilmember Travis Allan seconded the motion. The motion passed with the following roll call vote:*

Councilmember Munford.....aye;
Councilmember Allanaye;
Councilmember Everettaye;
Councilmember Scottaye;
Councilmember Clark.....aye.

REQUEST FOR ACCEPTANCE AND APPROVAL OF REGION 5 PRE-MITIGATION PLAN - RESOLUTION NO. 2019-20: Sheriff Steve Labrum explained that the hazard mitigation plan needs to be updated every 5 years and this pre-hazard plan is the start of that process. One requirement is for all the Cities, the County and the Tribe to accept this plan. He asked the Council to accept this plan to complete the process. Michelle Miller explained that they take the current information and try to move forward for the next five years to anticipate any disasters. She stated that if there is a disaster, the City has to be in compliance to be eligible for any funding. After further discussion, *Councilmember Dave Everett moved to approve Resolution No. 2019-20 to accept and approve the pre-mitigation plan. Councilmember Ted Munford seconded the motion. The motion passed with the following roll call vote:*

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Councilmember Munford.....aye;
Councilmember Allanaye;
Councilmember Everettaye;
Councilmember Scottaye;
Councilmember Clark.....aye.

SUBMITTAL OF ENTERPRISE ZONE APPLICATION - RESOLUTION NO. 2019-21:

Quinn Bennion explained that local business owners have been able to use the enterprise zone tax credit to expand or hire more employees. In order to continue this program, the City has to submit an application as there was a process change at the State level. This seems to be an on-going topic and this program may change in the near future. Dorothy with Economic Development stated that she talks to businesses about this credit and how it can be utilized for expansion. After further discussion, *Councilmember Bert Clark moved to approve Resolution No. 2019-21. Councilmember Travis Allan seconded the motion. The motion passed with the following roll call vote:*

Councilmember Munford.....aye;
Councilmember Allanaye;
Councilmember Everettaye;
Councilmember Scottaye;
Councilmember Clark.....aye.

RATIFICATION OF CONTRACT WITH STEARNS CONSTRUCTION FOR CONCRETE WORK AT THE CRISIS SHELTER:

Quinn Bennion reminded the Council that they discussed this project at the last meeting. Only one bid was received from Stearns Construction which was below the engineers estimate so the CDBG coordinator approved awarding the contract. The project will be paid for using CDBG funds and the work has been completed. *Councilmember Dave Everett moved to approve and ratify the contract with Stearns Construction. Councilmember Samantha Scott seconded the motion. The motion passed with the following roll call vote:*

Councilmember Munford.....aye;
Councilmember Allanaye;
Councilmember Everettaye;
Councilmember Scottaye;
Councilmember Clark.....aye.

REQUEST TO CONSIDER APPROVAL OF A COOPERATIVE AGREEMENT WITH UDOT FOR A SAFE SIDEWALK PROJECT ON SR-121 (500 NORTH) FROM 800 WEST FOR 570 FEET TO THE EAST : Quinn Bennion explained that this project will add sidewalk

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along 500 North and will be just short of 600 feet. This is the only section along the highway that is without sidewalk and is traveled heavily by pedestrians. The scope of the project had to be reduced to fit the budget so there will not be any curb or gutter, only sidewalk. The Safe Sidewalk Project through the State will provide 75% grant and the local match is \$17,000. The Transportation District will pay \$12,000 leaving a balance of \$5000 that the City will need to pay. There was some discussion on the design with the pavement. *Councilmember Travis Allan moved to approve the cooperative agreement with UDOT for the safe sidewalk project along 500 North. Councilmember Samantha Scott seconded the motion. The motion passed with the following roll call vote:*

Councilmember Munford.....aye;
Councilmember Allanaye;
Councilmember Everettaye;
Councilmember Scottaye;
Councilmember Clark.....aye.

DISCUSSION ABOUT LEGISLATIVE BILL TO EXEMPT OIL AND GAS PRODUCTION FROM SALES TAX – QUINN BENNION:

Quinn Bennion stated that Senator Winterton is preparing a bill with Representative Chew to exempt oil and gas production from sales tax in an effort to stimulate the economy. Councilmember Bert Clark stated that companies are steering toward production on private ground in other parts of the country because they do not have to pay this tax which makes it difficult to compete. Senator Ron Winterton explained that he would like to propose this bill to incentivize and bring companies back to Utah. He stated that other types of businesses have been held exempt; however, this one has been ignored as people think they make too much profit and do not need help competing. He noted there is a lot of support from the industry; however, they are still trying to find a way to hold local governments harmless as statewide this tax collected between \$25 to \$30 million dollars. The proposal is to phase this in starting in 2021 to jump start production which will bring in more workers and with the rail project the sales tax should not drop. Councilmember Bert Clark asked if the amount would be modified each year. Senator Winterton answered yes it will be phased in. Councilmember Ted Munford stated this has the potential to improve the economy yet the City would forgo some sales tax in the hope that more economic growth would generate more sales tax. He stated he liked the direction this is going although it is a gamble. Senator Winterton stated that if the base is set now, then increased activity will make up the difference. Quinn Bennion stated it is difficult to give exact numbers for one industry. The City records show in 2014 which was the high time the oil and gas tax was \$1.4 to 1.5 million dollars. Right now it is estimate to be around \$100,000. He noted that if this approach works, the economy will not dip as low. Mike Davis asked what if the normalization only goes up \$200,000, and then the City has the potential of losing \$1.2 million dollars. Councilmember Bert Clark stated he would hope the Legislature would look at sales tax for internet spending more closely. Senator Winterton stated they do not even have a years' worth of data for internet sales so it is a guessing game. Councilmember Dave Everett stated that if the State goes with distribution changes it will affect this area even more and the City cannot take another \$100,000 hit. Councilmember Samantha Scott asked if he has

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spoken with oil and gas companies. Senator Winterton stated they had a community outreach meeting with the oil and gas companies and they currently can drill in other places cheaper than here although they like the content of the oil in this area. The outlook for next year is promising and they do have plans to have 4 rigs here in the first quarter of next year. He noted that China is also interested in the oil from here to mix with their products. The Legislature is looking at tax reform by adding taxes to certain services, adding to food, reducing corporate income tax and changing the dependent credit.

Councilmember Travis Allan stated that they need to do what they can to improve the economy although he has heard from small businesses asking where their tax breaks is. Senator Winterton stated that is where GOED comes in to create jobs and Uintah County is the top area that uses that tax credit. Quinn Bennion stated he plans on attending the Interim Committee meeting where they will be talking about the tax plan. He stated that the oil and gas industry is the only one that pays a production sales tax. Coal mines do not pay it nor do manufacturing plants. The product is taxed by the end user similar to gasoline. There was some discussion regarding the peaks and valleys. Councilmember Dave Everett stated that the community wants something done to move forward and improve the economy. Quinn Bennion asked the Council if they were in agreement with a position on this new bill being proposed. The consensus of the Council was to wait until they had more information before approving or opposing this legislation.

REQUEST TO AMEND THE PERSONNEL POLICIES AND PROCEDURES - ADDING SECTION 18.01.026 VEHICLE BACKING POLICY - RESOLUTION NO. 2019-19:

Quinn Bennion explained that the Safety Committee discusses ways to create a safer work environment and for risk management the City had to identify three items to work on this year as far as safety in order to receive the benefit from the insurance carrier. The Committee looked at the kinds of accidents and realized that there were several involving backing. It was decided to address this safety issue by requiring City drivers to back into parking spaces when reasonable. This Resolution adds the backing policy to the personnel policy manual. Councilmember Bert Clark stated that there are certain businesses where you cannot back in. Quinn Bennion stated that the policy says to park where you can pull forward first or if just park if it is an emergency call. Hopefully the policy is flexible enough to cover certain situations. *Councilmember Ted Munford moved to approve Resolution No. 2019-19 adding a vehicle backing policy. Councilmember Travis Allan seconded the motion. The motion passed with the following roll call vote:*

Councilmember Munford.....aye;
Councilmember Allanaye;
Councilmember Everettaye;
Councilmember Scottaye;
Councilmember Clark.....aye.

RECERTIFICATION OF JUSTICE COURT – RESOLUTION NO. 2019-22:

Allen Parker explained that this resolution re-certifies the justice court as required by the State of Utah. Councilmember Bert Clark asked if the City had the necessary personnel required for this level of court. Quinn Bennion stated that he has discussed the number of employees with the Judge.

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Allen Parker stated this does not obligate the City to have a court. Quinn Bennion agreed that this gives the City several options such as continuing to run the court of contracting with another agency. *Councilmember Bert Clark moved to approve Resolution 2019-22. Councilmember Travis Allan seconded the motion. The motion passed with the following roll call vote:*

Councilmember Munford.....aye;
Councilmember Allanaye;
Councilmember Everettaye;
Councilmember Scottaye;
Councilmember Clark.....aye.

ADMINISTRATIVE REPORTS:

Hotel Haunt

Councilmember Travis Allan complimented the Haunt Hotel and Escape Room event this year. Quinn Bennion noted that it is thanks to the volunteer efforts of the community that it happened and they outdid last year.

On-line auction

Quinn Bennion stated that the on-line auction worked out really well and the City collected \$11,900 selling surplus items. The 200 flower pots were difficult to sell as one lot so those were pulled off the site and the City is negotiating with another town to purchase them.

Holiday Dinner:

Quinn asked the Council to look at their schedules and see if they would be available on the 18th of December to hold their Holiday Dinner before the last Council meeting of the year if it is necessary. The dinner would start at 5:30 p.m.

Downtown drainage:

Quinn Bennion explained that UDOT is still looking at the best way to complete the downtown drainage project with the \$2.6 million budget. The pressurized irrigation line had to be taken out of the specifications and the project has been moved back to Main Street.

Thanksgiving meal:

Quinn Bennion stated that the Quarry Restaurant puts on a Thanksgiving dinner free to the public and invites first responders to also stop in and eat. The City agreed to provide \$200 toward this cause. He asked the Council to notify any deputies, police, or Gold Cross to stop in on Thanksgiving.

Wellness Committee:

The wellness committee has come up with a bingo game to encourage wellness and it seems to be going well.

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ADJOURN: There being no further business; *Councilmember Samantha Scott moved to adjourn. Councilmember Travis Allan seconded the motion. The motion passed with a unanimous vote and the meeting was declared adjourned.*

Mayor Doug Hammond

ATTEST:

Roxanne Behunin, Deputy Recorder

(S E A L)