

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD
JUNE 2, 2010 at 7:00 p.m. in the Vernal City Council room, 447 East Main, Vernal,
Utah 84078.

PRESENT: Councilmembers Bert Clark, Ted Munford, JoAnn Cowan and Sonja Norton and Mayor Gary Showalter. Councilmember Cal Dee Reynolds was excused.

INVOCATION OR UPLIFTING THOUGHT: The invocation was given by Councilmember Ted Munford.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Mayor Gary Showalter.

APPROVAL OF THE VERNAL CITY COUNCIL MINUTES OF THE SPECIAL MEETING HELD MAY 19, 2010: Councilmember Bert Clark moved to approve the minutes of the special Council meeting held May 19, 2010. Councilmember Ted Munford seconded the motion. The motion passed with Councilmembers, Cowan, Munford, Norton and Clark voting in favor.

APPROVAL OF THE VERNAL CITY COUNCIL MINUTES OF THE REGULAR MEETING HELD MAY 19, 2010: Councilmember Sonja Norton moved to approve the minutes of the regular City Council meeting held May 19, 2010. Councilmember Cowan seconded the motion. The motion passed with Councilmembers, Cowan, Norton, Munford and Clark voting in favor.

SEWER CLEANING PROJECT CONTRACT AWARD: Ken Bassett explained that bids were received for the sewer cleaning and video project. It was determined that it is critical to have a good idea of the condition of the sewer lines for maintenance purposes. Funding for this work will be coming from two previous CIB projects that had remaining funds. The low bid, in the amount of \$138,750, was received from Quality Pipe Services out of Denver, Colorado. Darrin Anderson, from Engineering Services, explained that he checked the references for Quality Pipe Services who listed 3 references which included the municipalities of Parker, Colorado, Westminster, Colorado and Denver, Colorado. Darrin explained that Parker City indicated that this company has been working continually for them for the past seven years and all the cities highly recommended them. Councilmember Clark asked if they would need to get a Utah State business license. Ken Bassett stated they would be required to have a City license. Ken explained to the audience that it is important to keep the lines clean so the flow is not restricted. Also, the video is made by lowering a camera into the line, and this has become the standard practice for sewer systems for maintenance. Councilmember Clark stated that Ashley Valley Sewer Management Board videoed their system and have found large items in the line. After further discussion, Councilmember JoAnn Cowan moved to approve the bid from Quality Pipe Services in the amount of \$138,750 for the sewer project. Councilmember Norton seconded the motion. The motion passed with the following roll call vote:

Councilmember Clark..... aye;
Councilmember Norton aye;
Councilmember Cowan aye;
Councilmember Munford..... aye.

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PUBLIC HEARING: FY 2011 BUDGET: Mayor Gary Showalter explained that the different departments of the City presented their budget needs for public safety, roads, administration etc. and are required to operate within their own monetary allocations. With the tight economic year, there have been no major capital expenditures approved and in some cases, department budgets are actually lower than the previous year. Ken Bassett explained that once the departments submit their budget requests, the Council Committees review those budgets and a tentative budget is prepared. The Council then holds budget workshops to review each departments budget as a whole. A public hearing is also scheduled to give the citizens the opportunity to comment on the budget. This budget begins July 1, 2010 and goes through June 30, 2011. The revenue projected for fiscal year 2011 is approximately \$9 million dollars and the expenditures must equal that amount. In the general fund, in order to balance the budget, money has been taken out of two capital project funds. The first fund, the Women's Crisis Center in the amount of \$170,000, was established a few years ago, and it has become apparent that the City cannot proceed with that project so the fund was closed. The other fund, the Municipal Building fund, was used to make the first payment on the new City office complex in the amount of \$310,000. The unappropriated amount for the general fund is projected to be \$1.393 million dollars which is within the amount required by State statute. Further, Ken Bassett explained that the utility funds are projected to have revenue of \$3,889,200 and over \$4 million dollars in expenditures. This will require the City to utilize \$189,000 of unappropriated funds to balance those budgets. Mayor Showalter explained that the City operates mostly on sales tax that is collected, and if that funding source decreases, it greatly hampers what can be done. Mayor Showalter then asked for public comments on the FY2011 budget. There were no public comments, and the public hearing was closed. Councilmember JoAnn Cowan expressed her appreciation of how the budgeting process is handled for Vernal City.

DISCUSSION OF PHONE SYSTEM FOR MUNICIPAL FACILITY: GJ Searle explained that the phone system needs to be upgraded for the new municipal office building. The City staff began reviewing different systems and features to develop the specifications to request proposals from interested vendors. Ken Bassett explained that when the City needs to purchase complex items, minimum standards are required to help the staff to determine which models or systems will be the best for the organization. Also, any purchases over \$1000 requires a bidding process. GJ Searle explained that he received seven proposals, with three different brands of equipment including Mitel, Cisco and Shoretel phones. Six of the proposals are from vendors on the Wasatch Front and one proposal is from a vendor in Roosevelt. In evaluating the bids, the vendors will be narrowed down to one for each brand of phone and the top vendors will be asked to make a presentation to the City to show their solution and features for the new City office building. After that presentation, a recommendation will be made to the City Council. Councilmember Cowan suggested that the employees who handle the phones the most have an opportunity to review the systems. GJ Searle stated that he will include all the departments when the top three vendors present their products. The consensus of the Council was to continue to have the staff answer the phone. Councilmember Munford asked if these systems were analog or IP based. GJ Searle answered they are all IP based systems. Ken Bassett noted that GJ Searle did a great job developing a very technical request for proposals and will be working with a review committee to come up with a recommendation. GJ Searle stated that the review committee will include Mr. Munford, and members from the hospital and Uintah County IT departments. The Council thanked GJ Searle for the update.

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RATIFICATION OF COST FOR MUNICIPAL FACILITY WIRELESS CONNECTION: GJ

Searle explained that the main office computer network system is IP based while the public works system is an analog system and are tied together through a wireless bridge connection which recently went down. In preparing for a new system, it was realized that the current system is not capable of carrying voice so a new system would be needed. When the current system failed, it was decided to expedite the replacement process and get the offices connected with a new wireless system immediately. Ken Bassett explained that the staff spoke with most of the Council regarding this item and received approval to move forward with the repairs. Three quotes were obtained, and the lowest bid in the amount of \$17,098 was received from Mountain States Networking. The standard warranty is one year, however, Mountain States does offer an extended warranty which would help with the replacement time. Mayor Showalter asked if the staff was recommending the extended warranty be purchased. GJ Searle stated that with a substantial purchase such as this product the warranty would be a benefit. Councilmember Munford suggested the details of the warranty be reviewed first to see if it simply covers manufacturer defect or is more extensive before making a decision to purchase the warranty. After further discussion, Councilmember JoAnn Cowan moved to ratify the low bid of \$17,098.78 and have GJ Searle bring back a recommendation on the warranty at the next meeting. Councilmember Sonja Norton seconded the motion. Motion passed with a unanimous vote with Councilmembers Cowan, Norton, Munford and Clark voting in favor.

REQUEST FOR ADOPTION OF THE GENERAL PLAN – ORDINANCE NO. 2010-09: Allen

Parker explained that the final draft of the general plan has been prepared for the Council’s consideration. He noted that the affordable housing section has already been approved and has been added as an appendix to the final plan. The land use map has also been amended, changing the two areas discussed in previous meetings. Further, Allen explained that an appropriate solution has been found to coordinate the transportation section with the County. All of the principle arterial roadways will be design to the same standards. The extension of Main Street to the west will be considered a major arterial road and Main Street to 1500 East should be shown as a major collector road. Also, the road to the airport will now be shown as a minor arterial roadway. Ken Bassett explained that when the City identifies a roadway as a collector or minor arterial, UDOT must be notified so the City can receive federal funding for projects on those roadways. Allen Parker explained that if a roadway is rebuilt or an area is developed, the road has to be built to specifications of the type of road designation assigned to that roadway. The designation, excluding county roads, is based on traffic counts and land uses. If Main Street is upgraded to the east, it may be eligible for federal funding. After further discussion, Councilmember Bert Clark moved to approve Ordinance No. 2010-09 approving the General Plan. Councilmember Ted Munford seconded the motion. The motion passed with the following roll call vote:

- Councilmember Clark..... aye;
- Councilmember Norton aye;
- Councilmember Cowan aye;
- Councilmember Munford..... aye.

REQUEST FOR APPROVAL OF ENGINEERING DESIGN COSTS FOR HAVEN

ESTATES: Ken Bassett reminded the Council of the discussion on Haven Estates which is the subdivision located along 500 West and 800 South. The development was platted in 2006, but was

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not completed. The City is holding an escrow account for the infrastructure improvements, and the most prudent action would be to move forward with those improvements. In order to get the work done, the engineers need to complete the specifications to determine the cost. The design engineering work will be \$28,720, and Ken Bassett recommended approval. Councilmember Cowan asked if the work will include curb, gutter, sidewalk, roads and utilities. Ken Bassett answered the work would include those items. He noted that when the plat was originally recorded it lacked the easements for other utilities such as power, telephone and natural gas. The intent is to revise the plat and add phase I and those easements will be included at that time. Also, the City will need to work with the property owners to amend the plat. After further discussion, Councilmember JoAnn Cowan moved to approve the proposal from Engineering Services in the amount of \$28,720 for the Haven Estates engineering work. Councilmember Bert Clark seconded the motion. The motion was voted on as follows:

- Councilmember Clark..... aye;
- Councilmember Norton aye;
- Councilmember Cowan aye;
- Councilmember Munford..... aye.

Motion passed with a unanimous vote.

RATIFICATION OF HEALTH INSURANCE SELECTION AND EMPLOYER / EMPLOYEE PARTICIPATION RATES:

Mayor Showalter explained that the Administrative Committee spent many hours reviewing the complex health insurance proposals and are ready to make a recommendation. Ken Bassett stated that after reviewing health insurance proposals, the recommendation was to change health insurance to Cigna Health Care. The Council was contacted regarding this recommendation and now needs to ratify that change. With this plan, the employees have the opportunity to select from three different options based on the deductible and coinsurance amounts. Ken explained that most of the employees carry a \$500 deductible on their health insurance. He displayed the cost to the City and the employee if they remain with that option. If an employee elects a lower deductible, they are required to pay more, and if they lower their coverage, the employee would pay less. Councilmember Cowan asked what the difference is between the preferred dental plan and the traditional dental plan. Ken Bassett stated that the preferred plan requires the employee to use a provider from the list. After further discussion, Councilmember Ted Munford moved to ratify Cigna Health Care as the health insurance carrier for the City. Councilmember Bert Clark seconded the motion. The motion passed with Councilmembers Munford, Clark, Norton and Cowan voting in favor.

Ken Bassett explained that during the budget work sessions, the Council discussed what percentage of the insurance cost the City should be paying. After further discussion with the Council, the decision was made to pay 90% of the rate based on the \$500 deductible because it would be easier for the employee to afford. The current participation is 97%. Information has been prepared for the employees so they can decide what coverage best fits their needs. Also, the cost for the fire fighters, which is different from full-time employees, has been presented to the Uintah Fire District for their approval. Mayor Showalter stated that he hopes the employees recognize the benefit they are receiving as this type of cost sharing does not happen in private industry. Councilmember Munford stated that he weighed the responsibility to the citizens as well as the employees before

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deciding on the 90% for the insurance rates. Ken Bassett stated that a base amount that the City will pay was calculated, and that figure remains the same no matter what coverage the employee chooses.

Councilmember Ted Munford moved to adopt the 90% - 10% rate for health insurance with the City picking up 90% of the cost. Councilmember Sonja Norton seconded the motion. The motion passed with Councilmembers Munford, Norton, Cowan and Clark voting in favor for a unanimous vote

REQUEST FOR AMENDMENT TO THE VERNAL CITY MUNICIPAL CODE, SECTION 15.01.010 – TECHNICAL CODES ADOPTION - ORDINANCE NO. 2010-11:

Ken Bassett explained that from time to time it is necessary to adopt the newest versions of the building and technical codes for building inspections. The codes that were last updated in 2006 are going to the 2009 version and those updated in 2005 are going to 2008. Ordinance No. 2010-11 reflects the most updated versions available. Councilmember Bert Clark moved to adopt Ordinance No. 2010-11. Councilmember JoAnn Cowan seconded the motion. The motion passed with the following roll call vote:

- Councilmember Clark..... aye;
- Councilmember Norton aye;
- Councilmember Cowan aye;
- Councilmember Munford..... aye.

REQUEST FOR APPROVAL OF INTER LOCAL AGREEMENT WITH NAPLES CITY FOR 500 SOUTH STORM WATER PROJECT – RESOLUTION NO. 2010-13:

Ken Bassett explained that the Council recently approved a right-of-way agreement with Naples City to use their roadway along 500 South from Highway 40 to the golf course for the storm water system. A provision of that agreement was to allow Naples City to also drain their storm water from 500 South street into that system. This interlocal agreement outlines which entity will be responsible for maintenance and costs associated with adding the Naples street to the system. The original amount for this work was \$69,659, but did not include the engineering costs. The amended amount is \$76,437 which Naples City will pay. Darrin Anderson stated that this project will only include run-off water from 500 South. Councilmember JoAnn Cowan moved to adopt Resolution No. 2010-13 approving the Interlocal Agreement with Naples City. Councilmember Sonja Norton seconded the motion. The motion passed with Councilmembers Cowan, Norton, Munford and Clark voting in favor for a unanimous vote.

ADMINISTRATIVE REPORTS:

Insurance Meetings:

Ken Bassett reminded the Council that health insurance enrollment meetings are scheduled for Thursday, June 10, 2010 at 8 pm at the fire station and Friday morning at 9 am at the City offices.

Budget Reopener:

Ken Bassett stated that a special meeting has been scheduled June 23rd at 4 pm to review and adopt the FY2010 budget reopener #2. Councilmember Cowan noted that she would not be available. Councilmembers Clark, Norton and Munford stated that they would be available

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ADJOURN: There being no further business, Mayor Showalter declared the meeting adjourned.

Mayor Gary Showalter

ATTEST:

Roxanne Behunin, Deputy Recorder

(S E A L)