

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD JUNE 16, 2010 at 7:00 p.m. in the Vernal City Council room, 447 East Main, Vernal, Utah 84078.

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

WELCOME: Mayor Showalter welcomed everyone to the meeting.

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 CITY COUNCIL MINUTES OF JUNE 2, 2010: Councilmember JoAnn Cowan moved to approve the minutes of June 2, 2010 as written. Councilmember Sonja Norton seconded the motion. The motion passed with Councilmembers Munford, Cowan and Norton voting in favor and Councilmember Reynolds abstaining.

REQUEST FOR ADOPTION OF FY2011 BUDGET – ORDINANCE NO. 2010-12: Ken Bassett explained that the Council Committees met to review the budget requests from the departments, the tentative budget was prepared, and the Council held budget workshops along with the public hearing to receive input on the FY2011 budget. The general fund has a budgeted amount of just over \$9 million dollars, and, as required by State law, is a balanced budget. In order to have revenue equal expenses, the Women’s Crisis Center capital project fund was deleted and funds from the Municipal Building Fund will be used to make the annual payment on the City office project. The remaining unrestricted balance is estimated to be \$1.3 million which is still within statutory requirements. The utility department, including water and sewer, have combined expenses of \$4,078,570 and projected revenue of only \$3,889,000. This budget will need to use \$189,000 of unappropriated funds to balance without increasing utility rates. There being no further discussion, Councilmember JoAnn Cowan moved to approve Ordinance No. 2010-12 adopting the FY2011 budget. Councilmember Sonja Norton seconded the motion. The motion passed with the following roll call vote:

Councilmember Reynolds..... aye;
Councilmember Norton. aye;
Councilmember Cowan aye;
Councilmember Munford..... aye.

DISCUSSION OF WARRANTY FOR WIRELESS COMPUTER SYSTEM: Mayor Gary Showalter explained that Mr. GJ Searle researched the cost of purchasing the additional warranty for the wireless computer system as requested by the Council. GJ Searle stated that the warranty is only for manufacturer defects and will not cover accidental or weather damage. If the equipment fails for reasons besides a manufacturer defect, it will be necessary to send it off for repair. Councilmember Ted Munford voiced his concern that it would not be worthwhile to purchase over a two year warranty if it only covers manufacturer defects. Councilmember Cowan stated that likely

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there will be new technology available soon anyway making this system obsolete so only a two year warranty should be purchased. After further discussion, Councilmember Munford moved to approve purchasing a two year warranty for the wireless computer system. Councilmember Cal Dee Reynolds seconded the motion. The motion passed with the following roll call vote:

Councilmember Reynolds..... aye;
Councilmember Norton. aye;
Councilmember Cowan aye;
Councilmember Munford..... aye.

REQUEST TO PURCHASE VEHICLE FOR WATER DEPARTMENT: Ken Bassett explained that the Council approved the purchase of a truck for the water department in the FY2011 budget. Mike Davis, water superintendent, explained that he requested bids from three local dealerships for a ½ ton work model truck. All the dealerships are aware that the purchase will take place after July 1st. The low bid was received from Downtown Dodge for a 2010 Ram truck at a cost of \$25,691. Councilmember Cowan asked if a two-door pick-up would work. Mike Davis stated that it is easier to carry electronic equipment in the front of the vehicle to keep it out of the rain and dust so an extended cab is needed. Councilmember Norton asked if this vehicle was available on the State bid. Mike Davis stated that the State contract is with a dealership Salt Lake City and would be around \$2000 less than the local bid, but would have a wait time of approximately three months. Mayor Showalter stated that periodically the local dealership can coattail off the State bid, however 2010 models are no longer available to order. After further discussion, Councilmember JoAnn Cowan moved to purchase the Ram truck from Downtown Dodge at a cost of \$25,691. Councilmember Cal Dee Reynolds seconded the motion. The motion passed with the following roll call vote:

Councilmember Reynolds..... aye;
Councilmember Norton. aye;
Councilmember Cowan aye;
Councilmember Munford..... aye.

REQUEST TO DECLARE ITEMS AS SURPLUS: Ken Bassett explained that an auction will be held on July 9th, and the vehicle that is being replaced, the 1997 Ford F150, needs to be declared as surplus so it can be placed in that auction. Councilmember JoAnn Cowan moved to accept the recommendation of the staff to surplus the 1997 truck. Councilmember Ted Munford seconded the motion. The motion passed with Councilmembers Cowan, Munford, Reynolds and Norton voting in favor.

Ken Bassett explained that there are also two desktop computers that have been replaced in the finance department that should be declared as surplus. Councilmember Cowan asked if the computers have any value. GJ Searle stated that the equipment is approximately five years old and would only work for very basic use. After further discussion, Councilmember JoAnn Cowan moved to declare the used computers as surplus. Councilmember Sonja Norton seconded the motion. The motion passed with Councilmembers Cowan, Munford, Reynolds and Norton voting in favor.

REQUEST FOR APPROVAL OF AIRPORT GRANT: Ken Bassett explained that the airport

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has applied for funding with the FAA to complete an environmental assessment for future expansion and widening of the airport. It is necessary to go through federal requirements for construction including an environmental review. The purpose of the expansion is to have the opportunity to facilitate larger aircraft. There is a slight cost to the City for this study of approximately \$3200. Councilmember JoAnn Cowan asked the staff to explain who owns the airport. Ken Bassett stated that the Vernal Regional Airport is owned by Uintah County and Vernal City with a 75%/25% split. Most of the improvements are paid for by the FAA at a rate of 95% of the cost. Therefore, Uintah County pays 75% of the balance for any improvements and Vernal City pays 25%. The total amount for the environmental assessment is \$258,125 for the study and report phase. Councilmember JoAnn Cowan moved to ratify approval of the funding for the study at the airport. Councilmember Sonja Norton seconded the motion. The motion passed with the following roll call vote:

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

CITY ATTORNEY CURRENT AGREEMENT PROVISIONS: Ken Bassett explained that during the budget workshops, the retainer amount for the civil attorney was discussed. The City is paying \$1500 a month and receive 15 hours of service. There was a misunderstanding that the City only received 15 hours for a three month period, and, in fact, the City receives 15 hours per month that is reconciled each three month period. Anything over the total 45 hours is paid at \$100 an hour. Also, the Council directed Ken Bassett to speak with Dennis Judd regarding his contract and see what he would be willing to consider for compensation on extensive legal issues. Mr. Bassett explained that he did speak with Mr. Judd, and he is putting together a proposal. Mayor Showalter thanked Ken Bassett for the explanation.

SETTING OF VERNAL CITY TAX RATE – ORDINANCE NO. 2010-13: Ken Bassett explained that the compilation of the property tax rate has to be completed on-line and the software is not working properly. He requested that the Council consider tabling this item until more information is available. The consensus of the Council was to table this item.

DISCUSSION OF VERNAL CITY PERSONNEL POLICIES & PROCEDURES – RETIREMENT CONTRIBUTIONS FOR POST-RETIRED EMPLOYEES: Ken Bassett explained that during the last Utah State legislative session, major changes were made to the Utah State Retirement System that affects all employees who are a part of that system. As part of those changes, the costs for employers will also increase to recover what has been lost from the State’s investment portfolio. The system will be completely changed from a defined benefit plan to a defined contribution system next fiscal year. Another change applies to members who have previously retired from the Utah State Retirement system and are working for an employer enrolled in the Utah Retirement System. Those employees will no longer be able to receive an equal amount of retirement contribution into a 401K type retirement plan. Instead, the employer must make a decision as to how much to place into a retirement account, up to a capped amount set by the State, for post-retired employees. Mayor Showalter stated that there are two public safety employees that

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are affected by this legislation, and their 401K contributions will be reduced from the current level of 25.9% to 22.3% which is the maximum allowable rate. Councilmember Cowan noted that both of these employees are very good, and if they were to be replaced, it would cost the City in experience. She stated that the Public Safety Committee is recommending the City stay with the maximum allowable contribution for post-retired employees. Councilmember Norton asked if this only affects employees who have already retired from the State system. Ken Bassett stated that is correct. If an employee retires after July 1st and wants to re-enter the workforce, there are limitations on when they can come back. After further discussion, Councilmember Ted Munford moved to keep the retirement contribution for post-retired employees at the maximum allowable amount. Councilmember Cal Dee Reynolds seconded the motion. The motion passed with the following roll call vote:

Councilmember Reynolds..... aye;
Councilmember Norton. aye;
Councilmember Cowan aye;
Councilmember Munford..... aye.

INDIGENT DEFENSE COUNSEL CONTRACT: Ken Bassett explained that individuals who come before the justice court judge are entitled to have legal representation. If they cannot afford an attorney as determined by the judge, then the City is required to provide counsel. The indigent defense counsel for the City is Lance Dean, and the City pays him \$1850 a month to provide that service. Mr. Dean has notified the City that the case load is too heavy for the amount of money the City is paying. The City solicited proposals from attorneys for indigent defense work, and unfortunately, only one proposal was received from Mr. Dean in the amount of \$2900 a month. The solicitation for proposals was re-opened in the hopes of receiving more interest, and those proposals are due the 25th of June. Councilmember JoAnn Cowan noted that more defendants are asking for indigent legal counsel. Ken Bassett explained that occasionally Mr. Dean will have a conflict with a defendant, and alternate counsel will be assigned. He stated that the he will place this item on the next agenda once proposals are received.

ADMINISTRATIVE REPORTS:

Rod and Gun Club Event:

Mayor Showalter explained that the Rod and Gun Club trap shoot was held last weekend and Uintah County, the Travel Bureau and the Chamber of Commerce coordinated efforts to make this event successful. He noted that there were around 290 participants and at least that many spectators. Ken Bassett stated that the entertainment was incredible and the participants were very interesting. He congratulated the Rod and Gun Club for hosting this event.

Postmasters Convention:

Mayor Showalter stated that the Postmaster Convention will begin tomorrow and last through Saturday at noon. The Chamber of Commerce and Travel Bureau have arranged to welcome this group to the area.

Off-premise sign:

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Allen Parker stated that it was brought to his attention that an off-premise sign has been placed on Main Street without receiving the necessary permits, and is not allowable under the current ordinance. The Planning Commission will be looking at options to adapt the City code for smaller off-premise signs that are not too cumbersome for struggling businesses. Also, UDOT has designated Highway 40 as a scenic byway, and as part of that designation, this sign would not be permitted. However, Mr. Seeley, with UDOT, has indicated that he would be willing to meet with City officials in July to explore options.

Cemetery Board:

Councilmember Cal Dee Reynolds stated that he will present ideas regarding the fencing and new building for the Cemetery at the next meeting.

Vehicles for sale:

Councilmember Reynolds mentioned that vacant property on Main Street is being used as a car sales lot and needs to be cleaned up. Ken Bassett agreed that as the economy worsens, more items are being put up for sale. The only enforcement that can be used is if the area is not paved.

Fire Station:

Councilmember Cowan informed the Council that the Vernal City / Uintah County fire station will be remodeled this year and possibly surplus furniture from the City office may be needed to furnish the station.

CONVENE INTO CLOSED SESSION: Councilmember JoAnn Cowan moved to convene into closed session to discussion of the character, professional competence, physical or mental health of an individual and hold a strategy session to discuss pending or imminent litigation. Councilmember Sonja Norton seconded the motion. The motion passed with the following roll call vote:

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

RECONVENE INTO OPEN SESSION: Mayor Showalter declared the meeting back into open session.

ADJOURN: There being no further business, Councilmember Cowan moved to adjourn. Councilmember Norton seconded the motion. The motion passed with a unanimous vote and the meeting was declared adjourned.

Mayor Gary Showalter

ATTEST:

Roxanne Behunin, Deputy Recorder

(S E A L)