

MINUTES OF THE VERNAL CITY COUNCIL SPECIAL MEETING HELD
JUNE 23, 2010 at 4:00 p.m. in the Vernal City Council room, 447 East Main, Vernal,
Utah 84078.

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

ACKNOWLEDGMENT AND APPROVAL OF SPECIAL MEETING: Councilmember Bert Clark moved to acknowledge and approve this special meeting. Councilmember Sonja Norton seconded the motion. The motion passed with Councilmembers Munford, Reynolds, Norton and Clark voting in favor.

FY2010 BUDGET RE-OPENER #2 - PUBLIC HEARING - ORDINANCE NO. 2010-14:

Mike Davis, Vernal City Finance Director, explained that this budget reopener is held to refine the budget at the end of the fiscal year. The departments cannot go over their budgeted amount, so if more funds are needed, then this is the time to adjust those line items. He noted that most of the changes needed for the budget reopener are in payroll. The initial estimate is usually high and then adjusted down to the actual cost during this budget reopener. Two major changes to note, are with vehicle lease payments for police squad cars. Because of the time frame for the lease, an additional payment was needed this fiscal year. The other major change is on the reserve account which is required for bonds that have been issued. The City must hold one year of payments in a reserve account, and with the new City office project, only \$200,000 needed to be placed in that account instead of \$320,000 which will cover the last payment. Therefore, the budget has been reduced by \$314,747. Councilmember Bert Clark asked if the State reduced the Class B and C road funds. Mike Davis answered that the funds for roads is close to what it was last year. Councilmember Clark asked what percentage of unappropriated funds are left in the general fund. Ken Bassett explained that there is 14% to 15% surplus which is within statutory limits. Councilmember Clark asked if any loans will be paid off this year. Mike Davis stated there is a small loan payment of \$28,000 that was closed this year. The next large loan will be closing out in four years. Ken Bassett stated that the ending budget for fiscal year 2010 is \$9,642,915. Councilmember Ted Munford moved to adopt Ordinance No. 2010-14 approving FY2010 budget reopener #2. Councilmember Bert Clark seconded the motion. The motion passed with the following roll call vote:

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

CITY ATTORNEY AGREEMENT: Ken Bassett explained that the current contract includes a \$1500 per month retainer for 15 hours of service. If the amount of time exceeds 45 hours over a three month period, then the City pays an hourly rate of \$100. Lately, the City has been dealing with several complex litigation items that have gone beyond what is normally included in the contract. Possibly, the Council could consider a higher retainer and an hourly rate for litigation. Mayor Showalter stated that there are several significant legal issues being handled now and asked if this is usual. Ken Bassett stated that usually the City does not have litigation extended as long as these issues have gone. Mayor Showalter noted that the City Attorney does

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD JUNE 23, 2010

need to review plats and contracts and those should be included in the retainer. Councilmember Norton stated she would prefer to stay with the lower retainer and pay hourly for litigation. Councilmember Clark agreed. Councilmember Munford stated that he would like to see how many additional hours have been paid over the last few years. After further discussion, Councilmember Sonja Norton moved to keep the retainer with the City Attorney at \$1500 and bill hours over the 45 a quarter at the \$100 an hour rate. Councilmember Bert Clark seconded the motion. The motion passed with the following roll call vote:

Councilmember Reynolds..... aye;
Councilmember Norton. aye;
Councilmember Clark aye;
Councilmember Munford..... aye.

SETTING OF PROPERTY TAX RATE – ORDINANCE NO. 2010-13: Ken Bassett explained that the property tax rate computation is now completed on-line. Normally, there are property owners who do not pay their property tax, however, Uintah County has a collection rate of 92%. Also, the 2010 property valuation is down \$30,000,000 due to the change in the economy and assessments being decreased by the County Assessor’s office. The current property tax rate is generating \$336,000 for Vernal City. The certified tax rate will generate that same amount of revenue. State law requires the City to set the property tax rate at or lower than the certified rate unless a Truth in Taxation hearing is held. Another difference for the property tax rate this year is the redemption allotment. This redemption amount is \$14,336 and includes the property taxes that have not been paid on time in the past and are now being collected. The allotment is automatically included in the tax rate for this year only. Also, Ken Bassett noted that the adjusted new growth for 2010 is \$20 million dollars which is only half the amount of the previous year. In total, with the redemption amount, the certified tax rate will generate \$349,000. Councilmember Bert Clark moved to set the property tax at the certified rate of .000636 including the redemption amount, and approving Ordinance No. 2010-13. Councilmember Sonja Norton seconded the motion. The motion passed with the following roll call vote:

Councilmember Reynolds..... aye;
Councilmember Norton. aye;
Councilmember Clark aye;
Councilmember Munford..... aye.

AMENDMENT TO THE PERSONNEL POLICIES & PROCEDURES - RETIREMENT CONTRIBUTIONS: Ken Bassett explained that it is not necessary to change the personnel policy as this rate schedule is included in the annual budget.

ADMINISTRATIVE REPORTS:

Joint City / County Meeting:

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD JUNE 23, 2010

Ken Bassett reminded the Council that a joint City / County meeting was scheduled for Friday, June 25th at 3 pm

ADJOURN: There being no further discussion, Councilmember Bert Clark moved to adjourn. Councilmember Sonja Norton seconded the motion. The motion passed and the meeting was adjourned.

Mayor Gary Showalter

ATTEST:

Roxanne Behunin, Deputy Recorder

(S E A L)