

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD
APRIL 4, 2012 at 7:00 p.m. in the Vernal City Council Room, 374 East Main,
Vernal, Utah 84078.

PRESENT: Councilmembers Bert Clark, Dave Everett, Ted Munford, Sonja Norton and JoAnn Cowan. Mayor Gary Showalter was excused.

SELECTION OF MAYOR PRO TEMPORE: Councilmember Ted Munford moved to appoint JoAnn Cowan as the Mayor Pro Tempore for this meeting. Councilmember Sonja Norton seconded the motion. The motion passed with a unanimous vote of the Council.

WELCOME: Mayor Pro Tempore JoAnn Cowan welcomed everyone to the meeting. She noted that Mayor Showalter needed to be excused as he was hosting an economic development project.

STAFF PRESENT: Ken Bassett, Roxanne Behunin, Mike Davis and Allen Parker.

INVOCATION OR UPLIFTING THOUGHT: Councilmember Ted Munford gave an invocation.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Councilmember Dave Everett.

APPROVAL OF THE CITY COUNCIL MEETING MINUTES OF MARCH 18, 2012:
Councilmember Bert Clark moved to approve the minutes of March 18, 2012 with one correction. Councilmember Dave Everett seconded the motion. The motion passed with Councilmembers Everett, Norton, and Clark voting in favor. Councilmember Cowan and Munford abstained.

REQUEST FOR APPROVAL OF BOUNDARY CORRECTION FOR MAIN STREET AND AGGIE BLVD: Ken Bassett explained that a few years ago, after the extension of Main Street and building Aggie Boulevard, the Uintah Transportation Special Service District turned over the roadways to Vernal City and Uintah County where each entity has jurisdiction. The legal descriptions for the road boundaries were prepared by CIVCO Engineering and approved and recorded. However, when the County Surveyor reviewed the plat and descriptions, he found several errors. He made the necessary corrections and is now asking the City and the County to approve the corrected road boundaries. Councilmember Cowan asked if it would be possible to straighten out the City boundaries to help with jurisdictional issues. Ken Bassett stated that the boundaries cannot be changed without going through the annexation process. After further discussion, Councilmember Sonja Norton moved to approve the corrected boundary and legal description for West Main Street and Aggie Boulevard. Councilmember Bert Clark seconded the motion. The motion passed with the Councilmembers Norton, Clark, Munford, Cowan and Everett voting in favor.

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REQUEST FOR APPROVAL TO AMEND THE VERNAL CITY PERSONNEL POLICIES AND PROCEDURES, RETIREMENT SYSTEM - RESOLUTION NO. 2012-08:

Ken Bassett explained that the City and the three Special Service Districts were recently audited by the Utah Retirement System to make sure all the entities are complying with the procedural rules in administering that system. He thanked Roxanne Behunin for her work with the Utah Retirement System on this audit. The audit was very favorable, with a small correction being requested to the City's policy on how the retirement system is handled for elected officials. Resolution No. 2012-08 amends the exemption for elected officials based on their earning for their first month in office. Councilmember Sonja Norton moved to approve Resolution no. 2012-08. Councilmember Dave Everett seconded the motion. The motion passed with the following roll call vote:

Councilmember Munfordaye;
Councilmember Cowan..... aye.
Councilmember Everettaye;
Councilmember Norton.....aye;
Councilmember Clark aye.

REQUEST TO AMEND THE VERNAL CITY MUNICIPAL CODE, ALCOHOLIC BEVERAGE LICENSES, CLASS B LICENSE AMENDMENT - ORDINANCE NO. 2012-12:

Ken Bassett explained that the State legislature recently changed the rules for restaurants that serve beer or alcohol. Currently, restaurants that have an alcoholic beverage license had to show that 60% of their revenue was from the sale of food, and that percentage has now increased to 70%. Ordinance No. 2012-12 changes the City's code to reflect the State requirement of 70%. Councilmember Dave Everett clarified that this change was initiated by the State. Ken Bassett answered yes. Councilmember Munford noted that a grocery store is exempt from this requirement, and asked if they open a bar would they need to comply. Ken Bassett stated that they would be required to obtain an on premise license. Councilmember Dave Everett moved to approve Ordinance No. 2012-12 amending the class B alcohol license for restaurants requiring the revenue from food sales to increase from 60% to 70%. Councilmember Ted Munford seconded the motion. The motion passed with the following roll call vote:

Councilmember Munfordaye;
Councilmember Cowan..... aye.
Councilmember Everettaye;
Councilmember Norton.....aye;
Councilmember Clark aye.

Councilmember Cowan noted that the City has never denied a beer license to a restaurant.

PUBLIC HEARING: FY2012 BUDGET REOPENER #1 ORDINANCE NO. 2012-11: Ken Bassett explained that the Council Committees reviewed the current revenue and expenditures for the City departments and based on that review, the budget reopener was prepared by Mr. Mike Davis. He explained that the City prepares a budget that is effective July 1st of each year

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and goes through June 30th of the next year. The budget must be approved by the City Council after several budget workshops and meetings with the department heads to determine the priorities of the City. He noted that the City is required to pass a balanced budget. Part way through the budget year, the Council and departments look at the expenses and revenues and adjust the budget where needed. The whole purpose is to get a more accurate financial picture before the end of the fiscal year. Councilmember Munford explained that the main source of revenue for the City is sales tax. Ken Bassett stated that the City has seen approximately 25% increase in sales tax revenue compared to last year, and the hope is that the next six months will be similar. However, the budget has a more conservative projection of only an 11% increase. Another item that has increased significantly is building permits which was budgeted at \$35,000 in revenue, and based on the permits issued, the new figure is \$250,000. Further, Ken stated that the City was over the statutory allowance for the general fund balance so \$1.2 million dollars is being placed into capital project funds including \$500,000 into the municipal building fund, \$450,000 into the equipment replacement fund, and \$50,000 into the women’s crisis center fund. Ken explained that there were a few significant changes in expenditures such as the attorney fees for the US General case, the utilities for this building, and hiring a building inspector. Councilmember Cowan noted that the Uintah Fire Suppression SSD hired a fire inspector that will be able to help the cities with their fire inspections. Ken Bassett noted that the utility funds are doing very well with no major changes except the projects funded through the Community Impact Board. Councilmember Clark noticed that the impact fee budget increased from \$20,000 to \$265,000. Mayor Pro Tempore JoAnn Cowan opened the public hearing for comments. Ranae Bangerter asked if there would be any additional information on the construction happening on Main Street. Ken Bassett stated that the Utah Department of Transportation has a public information system in place to explain what will happen. The construction work that is happening now is the replacement of the water lines at the intersections before the road work is completed. Councilmember Everett asked where the starting and ending points are for the road construction. Ken Bassett stated they will start at 1500 South on west Highway 40 and go through Naples City. Camesha Slaugh asked how much the total City budget was. Ken Bassett stated that there is approximately \$10.2 million dollars in the general fund and another \$4 million in the utility funds. Councilmember Cowan stated that in contrast, the Uintah School District has a budget in excess of \$80 million dollars. Ms. Slaugh asked what the majority of the money is spent on. Councilmember Cowan stated the majority is to pay employees. There being no further comments, the public hearing was closed. Councilmember Sonja Norton moved to adopt Ordinance No. 2012-11 approving the FY2012 budget reopener. Councilmember Bert Clark seconded the motion. The motion passed with the following roll call vote:

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

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PUBLIC HEARING TO RECEIVE INPUT FROM THE PUBLIC WITH RESPECT TO THE ISSUANCE OF TAXABLE WATER REVENUE BONDS (THE "BONDS") AND THE ECONOMIC IMPACT THAT THE ISSUANCE OF THE BONDS WILL HAVE ON THE PRIVATE SECTOR. THE BONDS TO BE ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,900,000 TO BE ISSUED FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE CITY'S WATER SYSTEM, INCLUDING LINE REPLACEMENTS AND RELATED IMPROVEMENTS AND PAYING ISSUANCE EXPENSES. CONSIDERATION OF THE ADOPTION OF A RESOLUTION AUTHORIZING THE 4,311,000 TAXABLE WATER REVENUE BONDS, SERIES 2012 TO FINANCE WATER SYSTEM IMPROVEMENTS, AND RELATED MATTERS - RESOLUTION NO. 2012-07: Ken Bassett explained that from time to time the City finds it necessary to borrow money to complete major projects. Eric Johnson, Vernal City bond counsel, explained that under the Utah State constitution, municipalities are restricted in how they incur debt. One method is to issue bonds that are then paid over a period of time. In this case, the City has received a loan from the Community Impact Board in the amount of \$4,311,000 to replace the raw water line from Ashley Springs to Ashley Creek. The payment amount is \$144,000 a year for thirty-years starting in March of 2015. Ken Bassett stated that the City has another water bond that will be paid off in 2015, and the Community Impact Board took that into consideration. Mayor Pro Tempore JoAnn Cowan opened the public hearing for comments. Councilmember Munford explained that the City has a large pipe that supplies the water to Vernal City which is over sixty years old. The life expectancy of that line was only twenty-five years so it has lasted way beyond the expectation. Councilmember Clark noted that it has had repairs, but is losing 35% of the water and needs to be replaced. The students asked why it was not built to last longer. Councilmember Munford stated that they used the materials that were available at the time, and with the advancement of technology better material will be used this time. Councilmember Cowan noted that there is a new phosphate company that wants to operate just north of the water supply for the City. Ken Bassett stated there is a lot of opposition to their proposal because of the effect it could have on the water supply. Councilmembers Munford and Everett indicated that they had recently toured the springs. Ranae Bangerter asked if the water bill will increase because of this project. Ken Bassett explained that the staff and Council evaluate the utility rates every year to make sure enough there is enough funding to pay the expenses of the system. In 2015, the staff and Council will evaluate the rates again. Christian Neal asked what the current rate is. Mike Davis stated it is approximately \$75 a month for water, sewer and garbage collection. The Council gave the students an example of paying \$1 for a bottle of water compared to paying \$35 for 8000 gallons. There were no further public comments and the public hearing was closed. Councilmember Bert Clark moved to approve Resolution No. 2012-07 adopting the final bond resolution. Councilmember Dave Everett seconded the motion. The motion passed with the following roll call vote:

Councilmember Munfordaye;
Councilmember Cowan..... aye.
Councilmember Everettaye;

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Councilmember Norton.....aye;
Councilmember Clark aye.

ADMINISTRATIVE REPORTS:

Budget meetings:

Mike Davis stated that the Council Committees needed to meet to look over the tentative budget for FY2013. The Administrative Committee meeting was set for April 23rd at 9:15 am, the Public Works Committee on April 23rd at 1:30 pm, and the Public Safety Committee at 2 pm on April 10th.

ADJOURN: There being no further business; *Councilmember Bert Clark moved to adjourn. Councilmember Dave Everett seconded the motion. The motion passed with a unanimous vote and the meeting was declared adjourned.*

Mayor Pro Tempore JoAnn Cowan

ATTEST:

Roxanne Behunin, Deputy Recorder

(S E A L)