

**M**INUTES OF THE VERNAL CITY COUNCIL SPECIAL BUDGET WORK  
SESSION MEETING HELD MAY 8, 2012 at 4:00 p.m. in the Vernal City  
Conference Room, 374 East Main, Vernal, Utah 84078.

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

**WELCOME:** Mayor Showalter welcomed everyone to the meeting.

**STAFF PRESENT:** Ken Bassett, Roxanne Behunin, L. Mike Davis and Glade Allred.

Mayor Showalter noted that he will not be able to stay for the entire meeting and asked the Council to select a Mayor Pro Tempore to run the meeting once he is excused.

Councilmember Ted Munford moved to appoint JoAnn Cowan as the Mayor Pro Tempore for the remainder of this meeting once the Mayor is excused. Councilmember Bert Clark seconded the motion. The motion passed with Councilmembers Munford, Cowan, Clark and Everett voting in favor. Councilmember Norton was not present for the vote.

**ACKNOWLEDGEMENT AND APPROVAL OF SPECIAL MEETING:** Councilmember Bert Clark moved to acknowledge and approve this special meeting. Councilmember JoAnn Cowan seconded the motion. The motion passed with Councilmembers Munford, Cowan, Clark and Everett voting in favor. Councilmember Norton was not present for the vote.

**FY2013 BUDGET:** Mayor Showalter noted that this is a public meeting to discuss the budget for the upcoming fiscal year.

FY2013 UTILITY FUNDS:

Water Department: Ken Bassett explained that the water department is fiscally sound and had a significant increase in impact fees over the projected budget for this year. There are standing bond payments due and a new large project to replace the raw water line. The project will not be bid out until September and will begin next spring. It was noted that the equipment, supplies and maintenance line item changes from year-to-year based on what is happening with the water system as well as the special water supplies. Mike Davis, water and sewer superintendent, stated that there were a few water breaks this year which required the asphalt to be repaired, and hot mix is expensive. Councilmember Munford noted that the travel line item is higher. Mike Davis explained that he rotates the water and sewer personnel traveling to training classes in Layton and St. George. Ken Bassett stated that he anticipates more expense in treated water costs which is one of the most significant costs of the water system. Councilmember JoAnn Cowan asked why the water pressure was so low recently. Mike Davis explained that several valves had been shut to accommodate the construction work on Main Street which limited the amount of water available. Once the water crew figured out the cause of the drop in pressure, the valves were opened. Ken Bassett asked Mr. Davis to explain his capital equipment requests for the budget.

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Mike explained that his department has been leasing a caterpillar at the cost of \$8000 a year through Wheeler Machinery. He stated that he would rather purchase a Case backhoe rather than rely on technicians to come from out of town to repair the current machine. Councilmember Munford asked if Wheeler Machinery is aware of the concerns of getting repairs done more quickly. Mike Davis stated that they are aware of the issues, and also one of the built-in safety features of the caterpillar actually shuts the hydraulics off making it difficult to break through the frost. Mayor Showalter asked what the purchase price is. Mike Davis stated that the proposal from CASE is \$95,000 to purchase, or \$7000 to lease. Mayor Showalter asked what the life expectancy is for this type of equipment. Mike Davis stated ten years. He noted that the lease price is set through the State of Utah contract. Ken Bassett stated that there is one project, the water line on 200 East and 300 North, being requested under capital improvements. This line is a 2" line and needs to be upsized to an 8" line for fire suppression needs. The cost of this line replacement is projected to be \$129,000. The ending balance of the water fund will be \$11,000 in the red due to this project. Councilmember Norton asked if there were any additional small lines that need to be replaced that could be lumped together for a CIB project. Ken Bassett stated that the City could approach the CIB for funding, however, it is not known what grant / loan mix they will offer. Mike Davis stated that there are other small lines in the City, however there is available fire suppression from other lines. Councilmember Clark asked if the football coach had approached the water department about painting the fire hydrants. Mike stated that he had set up this community service project.

Sewer Department: Ken Bassett explained that the greatest expense is the Sewer Management Board maintenance and operations fee which includes the operation of the treatment plant. The cost is based on the number of active sewer connections. Councilmember Cowan asked how many connections there are in the City. Ken Bassett stated that there is close to 3000. Councilmember Clark stated that they are not anticipating a raise in sewer rates from the Sewer Management Board. Councilmember Cowan asked how the negotiations were going on the water pump station. Mike Davis stated that so far the best option is to place the fill station on North Vernal Avenue next to the fuel station. Councilmember Everett stated that he has received positive feedback from oilfield workers for the water fill station to shorten their loading time.

Councilmember Bert Clark was excused from the meeting.

Mike Davis explained that the capital equipment needed for the sewer department is a sewer jet truck that has a 50% buy-back clause if it is traded in within five years. This equipment has been used for three years so far, but has had major mechanical issues, and the warranty runs out in July. He requested the Council to consider replacing it and allow him to order the equipment immediately as there is a 90 day wait. Councilmember Munford noted that the Public Works Committee is recommending approval of this request. Mayor Showalter asked what the cost is. Mike Davis stated that a new truck is \$327,000 and the trade-in value of the old truck is \$141,000. Mayor Showalter asked if the trade-in will be higher than 50% since the equipment is being turned in sooner than five years. Mike Davis stated that they will not give over 50%. The consensus of the Council was to order the sewer truck now. Ken Bassett stated that the sewer

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fund expenditures are \$110,000 over revenues, but the impact fees are expected to be \$200,000 over what was projected this fiscal year.

**FY2013 GENERAL FUND:**

**Streets Department:** Ken Bassett explained that the Street Department is requesting another employee. Glade Allred noted that the workload is increasing with more OSHA requirements, and his crew is scrambling to keep up. This employee will be trained as a tree specialist and help control weeds along the right-of-way. There was some discussion regarding weed control along Aggie Blvd. Ken mentioned that the street department lost an employee a few years back and the Council decided not to rehire because of the budget situation at the time.

Mayor Showalter was excused from the meeting.

Councilmember Cowan stated that the City may need to take over the maintenance along Kids Canal if the Recreation District is not willing to do it. Ken Bassett stated he would speak with them. *Councilmember Ted Munford moved to approve increasing the manpower for the street department by hiring another technician responsible for urban trees. Councilmember Dave Everett seconded the motion. Councilmembers Norton, Cowan, Everett and Munford voted in favor.*

Ken Bassett explained that the street department is requesting a trailer be purchased to haul the fork lift which can also be used as a dump trailer. Councilmember Cowan asked what will be used to pull the trailer. Glade Allred answered a pick-up truck. He thanked the Council for their support to purchase the building next to the public works yard. Councilmember Cowan stated that the building needs to be used appropriately, not just for storage. Glade Allred explained that the paint striping was only performed once this fiscal year so an additional striping has been added to the next fiscal budget. There was discussion regarding the banners on Main Street and the amount of time it takes to change them.

**Transfers:** Ken Bassett explained that this budget takes care of the bond payments and any joint projects with the County such as the airport and cemetery. Councilmember Cowan asked when the first payment will be due on City Hall. Ken Bassett stated that the first payment has already been made. Also, there are still CIB funds available for this project. Some of the funds will be used to add another entrance on 100 South Street.

**Non-Departmental:** Ken Bassett explained that the telephone and liability and property insurance costs are in this budget. Also, the human resource expenses such as drug tests, background checks and recruitments are in this department. Councilmember Cowan asked what uninsured repairs mean. Ken Bassett stated that line item covers any deductibles required when a property claim occurs.

**City Parks:** Ken Bassett explained that the largest expense in this department is the flowers and fertilizer for Main Street at a cost of \$80,000 plus three employees who maintain them.

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Councilmember Cowan asked if the maxi grip lifter will be used to lift the flower pots. Ken Bassett answered yes. There was some discussion regarding the billboard lease. Councilmember Cowan suggested the billboard in Ballard be updated as the colors are fading.

Ken Bassett stated that the Administrative Committee needs to review health insurance options, as well as recommendations for salary adjustments before those issues are brought to the Council. Also, the Finance Department is requesting a grade change for the employee doing the accounting work for the Districts based on her duties. Councilmember Cowan stated that it is a benefit to the Districts to use the expertise of the City to do their administrative, human resource and financial work and the City has an additional employee. Ken Bassett agreed that the City staff does an incredible job dealing with the needs of the Districts.

**ADJOURN:** There being no further business, Councilmember Ted Munford moved to adjourn. Councilmember Sonja Norton seconded the motion. The motion passed with Councilmembers Munford, Norton, Cowan and Everett voting in favor and the meeting was adjourned.

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Mayor Gary Showalter

ATTEST:

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Roxanne Behunin, Deputy Recorder

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