

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD
JANUARY 16, 2013 at 7:00 p.m. in the Vernal City Council Room, 374 East Main,
Vernal, Utah 84078.

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

WELCOME: Mayor Gary Showalter welcomed everyone to this meeting

INVOCATION OR UPLIFTING THOUGHT: The invocation was given by Councilmember Bert Clark.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Councilmember Sonja Norton.

APPROVAL OF CITY COUNCIL MINUTES OF JANUARY 2, 2013: Councilmember Bert Clark asked that the word “delinquent” be added to the discussion about the water bill for Ashley Park Estates. Councilmember Clark then moved to approve the minutes of January 2, 2013. Councilmember Dave Everett seconded the motion. The motion passed with the Councilmembers Munford, Everett, Clark, and Norton voting in favor.

FY2012 AUDIT REPORT - DOUG RASMUSSEN: Mayor Showalter explained that the Administrative Committee had a conversation with Mr. Rasmussen regarding the audit report for the last budget which does not run on a calendar year, but rather ended on June 30th. He noted that Mr. Rasmussen’s firm has completed the audit for a number of years for the City and does an excellent job. Mr. Doug Rasmussen stated that he appreciates the opportunity to present the financial statements to the City Council and explained that the audit does detail a fair picture of the business activities of Vernal City for FY2012. He presented an unqualified opinion which is the best that can be given.

The assets of the City exceeded the liabilities, with \$2.4 million dollars listed as unrestricted net assets. The assets increased by \$1.4 million dollars by the close of fiscal year 2012 for a total of \$37,332,000. One item that has been of concern in the past is the unassigned fund balance of the general fund which cannot exceed 18%. The fund balance is \$1,349,160 which is 13%. The sales tax revenue increased by \$713,000 which is a sizeable increase. When you look at the financial situation of the City overall, Mr. Rasmussen noted that the City has done very well, spending funds the way they need to be spent, and remaining fiscally responsible. One other financial statement to review is the utility funds. The expenses for the water department list a \$404,000 depreciation creating a net loss of \$53,000. The sewer department has a much larger loss of \$192,510 after depreciation. The solid waste fund is a break even situation. Further, Mr. Rasmussen stated that he spoke with the Administrative Committee regarding the need to look at the sewer department and find a way to increase revenue or decrease expenses. The last item of concern with the audit was fund 23, Capital Projects Fund, which ended with a negative balance

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD JANUARY 16, 2013

of \$13,113 and will need to be corrected during this fiscal year. Mike Davis explained this fund was set up for the Haven Estates project, and Zion's Bank has the escrow. Work was completed, and the vendor was paid, and the City was simply waiting for the draw down which did not occur until after the end of the fiscal year. Doug Rasmussen agreed it was simply a timing issue for the reimbursement. He thanked the Finance staff for their work, making it easier to complete the audit.

Councilmember Bert Clark asked when some of the bonds that the City is paying on will expire or be paid off. Ken Bassett noted that on page 3 of the audit the payments are identified. Mike Davis stated that the largest year for bond payments is 2014 with a few dropping off after that. Mayor Showalter thanked Mr. Rasmussen for the work and report.

PUBLIC HEARING: CDBG FUNDING 1ST PUBLIC HEARING FOR 2013 / 2014 PROJECTS: Mayor Gary Showalter stated that this agenda item is to receive input on funds that are available through the Community Development Block Grant program. It was explained that the grant money must be spent on projects benefiting primarily low and moderate-income residents. All eligible activities that can be accomplished under this program are identified in the CDBG application policies and procedures manual and interested persons can review it at any time. Mayor Showalter opened the public hearing to receive public comments. Ken Bassett explained that the City has had the opportunity to participate in the Community Development Block Grant program over the years with the funding being dispersed by the Associations of Governments throughout the State. He read several of the eligible activities that qualify for funding including upgrading public works facilities, water and sewer lines, fire station improvements, or to provide public services such as food banks or homeless shelters. Also eligible are loan programs for private businesses which would then hire low income individuals. The program can also pay for housing rehabilitation or down payment assistance for low income homeowners. Last year, funds were received through this program to remodel the women's crisis center. The amount of money available is based on population for the tri-county area. There was approximately \$450,000 available last year, and local governments compete for the funds. The City has received funds in the past for housing improvements for lower income residents, to add ramps to sidewalks for the disabled, purchase a fire truck, and add parking to the north of the Sage Motel. Over the last few years, projects that help with housing for the lower income population are funded over other projects. Two projects that fit that criterion are to replace the roof on a tri-plex and replace the plumbing in a duplex managed by the Uintah Basin Assistance Council. The estimated cost for these two projects is \$35,000. Councilmember Clark asked if the City could apply for funds to help with handicap accessibility in homes such as installing hand rails. Ken Bassett stated that the City has received funding for those types of projects in the past and the administration of the funds is cumbersome requiring an income qualification process for each applicant. He suggested the City have UBAG administer it, and asked the Council to refer any elderly residents needing assistance to UBAG to see if they qualify. It was noted that if both projects are submitted, they will compete against each other for funding. Blaine Rebekah asked for clarification on the qualification process for the elderly to receive assistance. Ken

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD JANUARY 16, 2013

Bassett stated that questions are asked regarding their finances and property to see if they are low income. There being no further comments, Mayor Showalter closed the public hearing. He noted that any additional comments or concerns should be directed to Ken Bassett, 374 East Main, Vernal, Utah, (435) 789-2255 by January 25, 2013.

SELECTION OF CDBG PROJECT: Councilmember Dave Everett moved to apply for CDBG funding for the two low income housing facilities that need repair managed by the Uintah Basin Assistance Council. Councilmember Ted Munford seconded the motion. The motion passed with the following roll call vote:

Councilmember Clark.....aye;
Councilmember Nortonaye;
Councilmember Everettaye;
Councilmember Munford.....aye.

REQUEST FOR APPROVAL OF INTERLOCAL AGREEMENT AMENDMENT WITH UTAH TRANSPORTATION SPECIAL SERVICE DISTRICT: Mayor Showalter stated that this agenda item is to consider amending the Interlocal agreement with the Uintah Transportation Special Service District and noted that the City has a good working relationship with this District. Ken Bassett reminded the Council that the Uintah Transportation District will be rebuilding 500 South Street from 1500 West to Vernal Avenue in the spring. This project will include widening the road on the south and upgrading the ADA ramps at the intersections. There are not enough federal funds available to complete the ramps so the City will need to pay that cost which is estimated at \$81,000. Councilmember Clark noted that the design engineering is as much as the construction for the ramps. Ken Bassett agreed and explained that for federal projects there are more engineering and review requirements. He stated that in addition to the ADA ramps, the City has asked the Transportation District to include the installation of a storm drain from Vernal Avenue to 700 West into their project. The cost is estimated at \$726,000. The purpose of the Interlocal agreement is to outline how this work will be paid for. Councilmember Clark asked if the warranty on the roadway would be the same as required by the City. Ken Bassett stated that since this is a federal project only one year can be required. The funds for the City’s portion of this project will need to be placed in an escrow fund with the Utah Department of Transportation. After further discussion, Councilmember Bert Clark moved to approve the Interlocal agreement amendment with the Uintah Transportation District. Councilmember Sonja Norton seconded the motion. The motion passed with the following roll call vote:

Councilmember Clark.....aye;
Councilmember Nortonaye;
Councilmember Everettaye;
Councilmember Munford.....aye.

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD JANUARY 16, 2013

COMMUNITY IMPACT BOARD PRIORITY LIST FOR 2013: Ken Bassett explained that the Community Impact Board requires each entity to establish a priority list of projects that funding could be requested for from that Board. The purpose is to think ahead and prioritize the types of projects that would be considered by the Community Impact Board. A one year and a two - five year list have to be submitted through the Association of Governments. Ken Bassett presented the previous year's list and asked if the Council wanted to add any additional projects. He commented that if a project is not on the list, the City cannot apply for funding through the CIB unless it is an emergency, and the list is amended. Also, there are only a few funding cycles throughout the year so the City has to be choosy which projects to apply for CIB funding. Councilmember Bert Clark moved to approve the CIB list as presented. Councilmember Ted Munford seconded the motion. The motion passed with the following roll call vote:

Councilmember Clark.....aye;
Councilmember Nortonaye;
Councilmember Everettaye;
Councilmember Munford.....aye.

AMENDMENT TO THE PERSONNEL POLICIES AND PROCEDURES, CHAPTER 1.15 - ADA ACCOMMODATION - RESOLUTION NO. 2013-03: Ken Bassett explained that the City recently went through a short audit for Community Development Block Grant funds, and one of the items they asked for was if the City had an ADA accommodation policy. This is a new compliance requirement for federal funding. Resolution No. 2013-03 provides for a reasonable accommodation policy. The City has provided reasonable accommodation in the past such as lowering work surfaces and putting an elevator in the new building. Further, the City always receives requests from residents who are disabled to help clear the snow. Councilmember Bert Clark asked if the audible street signals have been added to the intersections on Main Street. Ken Bassett answered that he has brought up that issue with UDOT, and they are willing to install the audible devices. Councilmember Dave Everett moved to approve Resolution No. 2013-03 approving the ADA accommodation policy. Councilmember Sonja Norton seconded the motion. The motion passed with the following roll call vote:

Councilmember Clark.....aye;
Councilmember Nortonaye;
Councilmember Everettaye;
Councilmember Munford.....aye.

RECOMMENDATION TO APPOINT RORY TAYLOR TO PLANNING COMMISSION: Councilmember Sonja Norton stated that Mr. Rory Taylor attended the last meeting of the Planning Commission to observe their work and is willing to serve. He has a background in urban planning and landscaping and will be great asset to the Planning Commission. Councilmember Norton moved to appoint Mr. Rory Taylor as an alternate member of the

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD JANUARY 16, 2013

Planning Commission. Councilmember Dave Everett seconded the motion. The motion passed with Councilmembers Norton, Everett, Clark and Munford voting in favor.

CONVENE INTO CLOSED SESSION: Councilmember Sonja Norton moved to convene into closed session to hold a strategy session to discuss pending or imminent litigation and reconvene into open session when that discussion is concluded. Councilmember Ted Munford seconded the motion. The motion passed with the following roll call vote:

Councilmember Clark..... aye;
Councilmember Norton aye;
Councilmember Everett aye;
Councilmember Munford..... aye.

RECONVENE INTO OPEN SESSION: The meeting reconvened into open session.

ADMINISTRATIVE REPORTS:

Drug Court:

The Council asked the staff to send a letter to the graduates of drug court letting them know they appreciate the invitation to their graduation.

Out-of-State Travel:

Ken Bassett explained that Alisha Gowen, director of the Victim Advocate program, has the opportunity to attend a conference on Child and Family Maltreatment in San Diego, California. Two other conferences will be dropped from the budget to allow her to attend this conference with other members of the community. Part of the conference fee is being covered by the Children’s Justice Center.

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

ATTEST:

Roxanne Behunin, Deputy Recorder

Mayor Gary Showalter

(S E A L)