

MINUTES OF THE VERNAL CITY COUNCIL SPECIAL MEETING HELD
JUNE 26, 2013 at 4:00 p.m. in the Vernal City Council room, 374 East Main, Vernal,
Utah 84078.

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

WELCOME: Mayor Gary Showalter welcomed everyone to the meeting.

ACKNOWLEDGMENT AND APPROVAL OF SPECIAL MEETING: *Councilmember Bert Clark moved to acknowledge and approve the special meeting. Councilmember Dave Everett seconded the motion. The motion passed with Councilmembers Clark, Everett, Cowan and Norton voting in favor.*

PUBLIC HEARING: FY2013 BUDGET REOPENER #2 - ORDINANCE NO. 2013-19: Mayor Gary Showalter opened the public hearing to receive input on the FY2013 budget reopener. Ken Bassett explained that the department budgets were reviewed with each department head to tighten up expenses before the end of the fiscal year along with revenues. He noted that the sales tax revenue has been coming in fairly flat. The unappropriated fund balance is \$1.4 million dollars which is 14% of the budget. This year \$400,000 was transferred into the equipment replacement fund, and the Bloom Master building was purchased at a cost of \$325,000. Mike Davis stated that there is a balance of \$300,000 on the Haven Estates development over the amount in the escrow account which will require a transfer between the Street Fund and the Haven Estates fund. Ken Bassett reminded the Council that the City hopes to recoup the funds as houses are built or people request occupancy for homes already in the Haven Estate subdivision. Councilmember Bert Clark asked how the alcohol funds are used. Ken Bassett explained that the City received \$36,000 from the State of Utah, and a specific plan for the use of those funds had to be submitted. The plan included several DUI programs where the police aggressively set up check points to monitor motorists for DUI violations. Mike Davis stated that next year this grant program will have a dedicated line item to pay any overtime wages to comply with the grant. Mayor Showalter asked if the slight increase in utility rates would be enough to cover any deficiency in the utilities funds. Ken Bassett answered that next fiscal year the City should see an increase in those funds. Mayor Showalter asked how the \$5.2 million bond will affect the utility funds. Ken Bassett stated that eventually the City will need to start making the loan payments and those payments will be incorporated in the budget. There being no further discussion, *Councilmember JoAnn Cowan moved to approve Resolution No. 2013-19 with the transfer of \$300,000 between the capital projects fund and Haven Estates. Councilmember Sonja Norton seconded the motion. The motion passed with the following roll call vote:*

- Councilmember JoAnn Cowanaye;*
- Councilmember Dave Everett.....aye;*
- Councilmember Sonja Norton.....aye;*
- Councilmember Bert Clark.....aye.*

A RESOLUTION AUTHORIZING THE \$5,216,000 TAXABLE WATER REVENUE BONDS, SERIES 2013 TO FINANCE WATER SYSTEM IMPROVEMENTS, AND RELATED MATTERS - RESOLUTION NO. 2013-17: Ken Bassett explained that

MINUTES OF THE VERNAL CITY COUNCIL SPECIAL MEETING HELD JUNE 26, 2013.

Resolution No. 2013-17 deals with the re-construction of the raw water line. The City initially received \$4.7 million dollars of funding through the Community Impact Board to replace that water line. The bids for the project were higher than the initial funding received so the CIB approved a higher loan amount for a total of \$5,216,000 in funding. The loan will be for 30 years at zero interest with the first payment due in 2015. Councilmember Clark asked what amount will be retained to cover the warranty. Ken Bassett stated that there is a 10% withholding from payments made to the contractor, and a 1 year warranty after the project is over. *Councilmember JoAnn Cowan moved to authorize the issuance of the taxable revenue bonds under Resolution No. 2013-17. Councilmember Dave Everett seconded the motion. The motion passed with the following roll call vote:*

- Councilmember JoAnn Cowanaye;*
- Councilmember Dave Everett.....aye;*
- Councilmember Sonja Norton.....aye;*
- Councilmember Bert Clark.....aye.*

REQUEST FOR APPROVAL OF AMENDMENT TO THE VERNAL CITY MUNICIPAL CODE - NEGLIGENT USE OF FIREWORKS - ORDINANCE NO 2013-20: Ken Bassett reminded the Council that last year the vegetation was extremely dry, causing concerns that fireworks may start fires. The Governor appealed to municipalities to restrict fireworks, not realizing that State law did not allow such restrictions. The City ended up only allowing fireworks at the City Park on 500 North, while Naples City did not allow any fireworks because of the vacant ground surrounding their park. The State Legislature discussed the confusion and passed a bill which does not allow municipalities to prohibit the discharged of fireworks unless the property is associated with wild land, agriculture, or forests or someone is negligently discharging them. The main concern is the use of aerial fireworks which are allowed as part of the Class C common fireworks. These types of fireworks became a huge nuisance in neighborhoods and in the park last year. The new State law does not allow aerial fireworks within 30 feet of a structure. Councilmember Cowan stated it would be almost impossible to prove someone was discharging fireworks negligently without an eyewitness. Ken Bassett agreed that enforcement would be a huge issue. He explained that in the opinion of the City Attorney, Dennis Judd, the City does have the latitude to prohibit the discharge of aerial fireworks on property owned by the City. Therefore, Ordinance No. 2013-20 was drafted to not allow aerial fireworks on any City owned property, including the main park on 500 North. Councilmember Cowan suggested the City approach the Utah League of Cities and Towns to see if the Legislature would review this issue again. There was some discussion regarding the state of the main park after the 4th of July celebrations. Mayor Showalter suggested the Ordinance also include language that fireworks be discharged in strict compliance with Utah State Law and adopted rules. Ken Bassett suggested Section D stated that “it is unlawful to discharge aerial fireworks on City owned property unless specifically approved by the City”. After further discussion, *Councilmember JoAnn Cowan moved to approve Ordinance No. 2013-20 with the changes and additions discussed and request that representatives on the ULCT Board pursue asking the Legislature to review this legislation. Councilmember Sonja Norton seconded the motion. The motion passed with the following roll call vote:*

MINUTES OF THE VERNAL CITY COUNCIL SPECIAL MEETING HELD JUNE 26, 2013.

Councilmember JoAnn Cowanaye;
Councilmember Dave Everett.....aye;
Councilmember Sonja Norton.....aye;
Councilmember Bert Clark.....aye.

REQUEST TO INCREASE LIABILITY INSURANCE LIMITS: Ken Bassett explained that the City currently has liability insurance coverage through Utah Local Governments Trust in the aggregate limit of \$5 million dollars. The cost for that policy is \$89,000 a year. The liability cap established by State law on any claim filed is \$2.2 million dollars. However; more lawsuits are being filed under federal statutes where the cap does not apply. In order to increase the liability limit to \$10 million dollars, the cost would only be an additional \$7800. The City also received a \$20,000 dividend check from Utah Local Governments Trust for last year. Mayor Showalter agreed that the increased limit would be a good investment. *Councilmember Bert Clark moved to increase the liability insurance limit with Utah Local Governments Trust to \$10 million dollars and pay the additional \$7800. Councilmember Dave Everett seconded the motion and noted that this would be money well spent. The motion passed with the following roll call vote:*

Councilmember JoAnn Cowanaye;
Councilmember Dave Everett.....aye;
Councilmember Sonja Norton.....aye;
Councilmember Bert Clark.....aye.

ADMINISTRATIVE REPORTS:

Signal Lights:

Councilmember Bert Clark asked if the sound devise will be installed on the traffic signal lights along Main Street. Ken Bassett noted that he spoke with UDOT about installing the sound devices and they are going to put them in. He stated he would remind them again.

Emergency Drill:

Councilmember JoAnn Cowan stated that the School District held an emergency shooter drill at the Middle School which was very realistic. A swat team was brought in who simulated a school shooting, firing blank bullet rounds. The drill was very emotional and provided good training for this type of incident.

ADJOURN: There being no further business, *Councilmember Bert Clark moved to adjourn. Councilmember Sonja 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)