

**M**INUTES OF THE VERNAL CITY COUNCIL SPECIAL MEETING HELD  
JUNE 24, 2015 at 4:00 p.m. in the Vernal City Council room, 374 East Main, Vernal,  
Utah 84078.

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

**WELCOME:** Mayor Sonja Norton welcomed everyone to the meeting.

**ACKNOWLEDGMENT AND APPROVAL OF SPECIAL MEETING:** *Councilmember Bert Clark moved to acknowledge and approve the special meeting of June 24, 2015. Councilmember Ted Munford seconded the motion. The motion passed with Councilmembers Munford, Everett, Scott, and Clark voting in favor for a unanimous vote.*

**FY2015 BUDGET REOPENER #2 - ORDINANCE NO. 2015-15:** Ken Bassett explained that the tax commission has reported that April receipts are down again to 73.85%. Mr. Bassett pointed out that on this reopener, the general sales and use taxes went down to \$4,008,000. Mr. Bassett added that this budgeted amount does not take into consideration May and June. Mr. Bassett explained the City is okay and has other capital funds to provide revenues if necessary. The most important item about this budget reopener is making sure that the expenditures of the different departments will be within the budgeted amounts, and that is the reason for doing the reopener at the end of the budget year. The department heads reviewed their budgets and made adjustments as needed to come up with the budget reopener #2 figures. Mr. Bassett explained that the budget reopener #1 figures show revenue of \$10,527,800 and the reopener #2 show revenue of \$10,455,300. These figures are driven by the expenditures. Mr. Bassett explained that in order to have revenues off-set expenditures, \$382,000 had to be taken from the general fund's surplus. Mr. Bassett reassured the Council that the City is okay, and that there is \$200,000 from the general fund for police cars that can be taken from the equipment replacement fund if needed. Mr. Bassett explained that he and Mike Davis, Finance Director, reviewed the major sales tax payers in the City. The reason for the decline in sales tax is not from the retail, entertainment, or food industry. It is from the oil and gas servicing companies that pay sales tax. Councilmember Bert Clark stated that it not just from the oil prices, but from the gas prices as well. Councilmember Clark added that in Uintah County, it is not driven by the oil itself, but the natural gas prices. The service companies that live in Uintah County also service Duchesne County, which is an oil producing county. Councilmember Clark stated that if oil increases to \$65 a barrel, the oil companies will produce the minimum to keep their leases active. Mr. Bassett explained that Ordinance No. 2015-15 reflects budget reopener #2. Councilmember Clark asked how the wet spring affected the City's water department fund. Mike Davis explained that it decreased a little. In 2014, the metered residential sales were \$1,749,281, and in the current year, it is at \$1,483,756. Councilmember Clark asked if the City has seen any of the monthly billing connections being turned off on active connections on water and sewer. Mike Davis stated that he has not looked at the connections being turned off; however, paying with credit cards has increased. Mr. Bassett explained that once the City gets through the November election, immediately the City needs to adopt the optional sales tax, so the City knows where they stand with revenues. When the sales tax distribution formula was changed, the Council knew it was going to hurt the City, and it did. Mr. Bassett explained that this optional sales tax is

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the legislature’s way of saying they are sorry. Vernal is one of five or six cities in the state that has this option. Mr. Bassett stated that in 2009, sales tax started coming back up. However, that is not the case at this time. Mr. Bassett stated that after the November election, regardless of which way the voters decide on the transportation tax, the City needs to implement the optional sales tax. Mayor Sonja Norton stated that if it can be done in small increments, it is easier on the consumer. Mr. Bassett recommended to the Council that they approve the ordinance for the budget reopener #2. Mayor Norton opened the public hearing for the FY2015 budget reopener #2. There being no comments, Mayor Norton closed the public hearing. ***Councilmember Ted Munford moved to approve the FY2015 budget reopener #2 – Ordinance No. 2015-15. Councilmember Dave Everett seconded the motion. The motion passed with a roll call vote.***

***Councilmember Munford .....aye;***  
***Councilmember Everett .....aye;***  
***Councilmember Scott.....aye;***  
***Councilmember Clark.....aye.***

Mr. Bassett praised Finance Director Mike Davis for the tremendous amount of work he does on the budget. Mayor Norton asked if the Council could get an email with a copy of the capital project funds. Mr. Bassett stated that he could email a copy to the Council. Councilmember Clark reported that the youth court crew mowing the grass has caused a couple of the drains to get covered in grass and asked that City employees take care of it.

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

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Mayor Sonja Norton

ATTEST:

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Ken Bassett, City Recorder

( S E A L )