

MINUTES OF THE VERNAL CITY COUNCIL SPECIAL BUDGET WORKSHOP MEETING HELD MAY 16, 2016 at 4:00 p.m. in the Vernal City Conference room, 374 East Main, Vernal, Utah 84078.

PRESENT: Mayor Sonja Norton, Councilmembers Ted Munford, Samantha Scott, Dave Everett, Travis Allan, and Bert Clark.

ACKNOWLEDGMENT AND APPROVAL OF SPECIAL MEETING: Councilmember Samantha Scott moved to approve this special meeting. Councilmember Dave Everett seconded the motion. The motion passed with Councilmembers Scott, Everett, Allan and Clark voting in favor.

FY2017 BUDGET WORKSHOP:

GENERAL FUND

Public Works Administration:

Ken Bassett explained this department provides clerical support for the public works departments with one part-time employee. This budget also has the expense for Blue Stakes. Mike Davis stated there may be a change in the medical benefit for this department. Mayor Norton asked why the City pays for Blue Stakes. Ken Bassett explained we pay a fee as a utility company so they identify where the lines are. The City is required to pay a fee to be a part of that program.

Motor Pool

Ken Bassett stated there are two full-time employees in this department who handle the maintenance on the City's fleet and equipment. Most of the heavy equipment is taken to a specialty shop for any major repairs, and the police vehicles are under warranty. Cory Lamb explained they do oil changes on the police vehicles. Councilmember Ted Munford asked why there is more travel in this budget. Cory Lamb stated every few years they purchase three trainings and then pick from a list of specialized training to attend. There was some discussion regarding purchasing tools. Mayor Norton requested the tools be labeled for motor pool. Councilmember Munford asked what is included in the equipment, supplies and maintenance budget. Ken Bassett stated this is miscellaneous items for the vehicles that are not billed out to other departments. Cory Lamb stated it could be fuses, oil, fluids etc.

Streets:

Ken Bassett explained that this department did not hire a seasonal employee this year. Mike Davis noted that some employees were shifted from parks to streets and the necessary payroll was not updated so the payroll looks like it went up. Ken Bassett explained that the overtime for Holly Days and snow plowing is in this budget. The staff cannot volunteer their time as it is a part of their duties. Councilmember Allan questioned if the \$60,000 is the cost for Holly Days. Ken Bassett stated there is a revenue line item to offset that cost, and there are other costs for that event. Councilmember Allan asked what the total budget is for Holly Days. Ken Bassett stated there is \$73,000 in the Council's budget. Councilmember Travis Allan stated that is in addition to the wages. Ken Bassett answered yes. He noted that it will be more difficult to get any donations this year. Mayor Norton suggested a "Go Fund Me" account be set up. Glade Allred

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agreed if someone will set it up and handle the financial paperwork. He stated the fireworks were dropped so the budget was decreased. The lion share of the donations for Holly Days comes from the oil and gas industry. The City has bought equipment over the years so if the funds are not available, there are still some events that can happen such as the kettle corn, kids train, and money machine.

Mayor Norton noted that the training budget is up. Ken Bassett stated there are higher fees for road school with the Utah League of Cities and Towns. Glade Allred stated he would rather cut other areas than training. Mayor Norton stated the phones are up as well. Glade Allred stated the City is paying a \$25 stipend to employees to use their personal phone which increased that budget. Councilmember Travis Allan noticed that the striping budget more than doubled. Glade Allred explained that the City has not paid the last striping for this year yet, and the cost is around \$60,000 each time the streets are striped. Ken Bassett stated that the staff is doing what they can to maintain the same quality of life and image that the City has. There have been cuts to the number of flowers on Main Street, but it will not show in the community. Councilmember Clark stated that the green dinosaur is not looking good. Glade Allred agreed that it is scaling, and with people standing on the feet for pictures, they are getting a lot of wear. He suggested the feet be changed to concrete and the rest of the dinosaur be patched up. Mayor Norton suggested the community be made aware of this, and maybe someone will want to do repairs.

Parks:

Ken Bassett explained that this budget has items for the parks, including the walking park. The City pays Ed Zurbuchen \$700 a month to look after that park. Councilmember Dave Everett asked if that is year round. Ken Bassett answered yes. The government facilities crew takes care of Cobble Rock Park along with this crew. Glade Allred explained they take care of the physical structures and the parks crew takes care of growing things. Ken Bassett explained that they also take care of the trees on Main Street. There is a billboard lease item of \$3600 for the big Vernal City billboard on the west side of town. The property is leased from McKeachnies who are now deceased and is up for renewal next year. If the lease becomes too expensive, the City may have to abandon or sell the billboard. Ken Bassett explained that the banners along Main Street are well taken care of, however, they still fade and need to be replaced. The amount in the budget for that purpose is \$1500. Occasionally the City receives requests to put horizontal banners across the street which is a problem with UDOT, although they pass the liability along to the City. A structure would have to be built to handle the banners which are too expensive.

Ken Bassett reminded the Council that in the past the Uintah Transportation District has paid for chip and seal maintenance works for the city. They will not be doing that work this year because of budget which is a concern. Typically it costs around \$300,000 to \$400,000 a year to chip and seal a segment of the roads. The maintenance of the streets is critical for the City. Glade Allred agreed that the structural strength is dependent on keeping the water out which is done by chip and sealing the roads. Councilmember Allan asked where the salt and sand for the roads is budgeted. Glade Allred stated it is in the special highway supplies line item. This item will fluctuate based on the weather.

Health / Dental Insurance for City Employees:

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Ken Bassett brought the Council's attention to the spreadsheets prepared showing the current cost of health insurance and what the new rates will be. When the City changed from Arches to Cigna, midyear, Cigna gave the City a \$20,000 credit to change with no increase in rates. In July, however, the rate will increase 7.5% which is marginal. The industry standard is 10 – 12%. The current cost to the City is \$105,000 a month, with the City picking up 88% of the cost for full-time employees. The increase with the new rate will be \$112,000 if the City continues to pick up 88% of the cost. If the Council decides to decrease the City participation to 85% the cost goes down to \$108,000. If the City participation is dropped to 80% the monthly amount drops to \$101,000. For an employee covering their family for health insurance, the cost is \$207 a month, and if it drops to 85% the employee would pay \$278 a month. If the rate is changed to 80% the employee portion goes to \$371. No merit increase or cost-of-living is being suggested, so the question is what does the Council want to pay for this benefit. Councilmember Clark stated he remembers years when the budget was down. Rather than give the employees a raise, the City picked up the insurance cost at 90%. Now the percentage has dropped to 88%, and he did not feel that the City should increase the employees share. Councilmember Ted Munford stated that the City has to raise utility rates to offset the cost, and those rates never go down again. This situation is the same, and if the City takes away another 3%, it will never return. Councilmember Bert Clark asked what percentage other entities are paying for health insurance. Mayor Norton stated the City cannot absorb the entire increase. Councilmember Ted Munford stated he did not understand not wanting to touch the flowers or banners on Main Street, yet take away from the employees. Ken Bassett asked if that is the perception that the Council values the flowers more. Councilmember Munford stated there has to be a balance. Councilmember Clark stated one is a want, and the other is a need. Ken Bassett agreed, but with the history of the flowers and the image of the community, the flowers have become a need. Mayor Norton stated the City cannot keep the employees whole when they are cutting everywhere else. Councilmember Clark stated they are not getting a raise, and they will have to pay more for insurance. Councilmember Dave Everett stated that having the City pick up 85% of the cost is still a great benefit. Councilmember Travis Allan stated some citizens have said to get rid of the flowers. Councilmember Ted Munford stated his mother loves them. Councilmember Bert Clark stated he would rather take out the flowers than change the health insurance rate. After further discussion, the Council asked the staff to see what percentages other agencies are paying and bring that information to the next regular City Council meeting.

ADJOURN: There being no further business, the meeting was declared adjourned.

Mayor Sonja Norton

ATTEST:

Roxanne Behunin, Deputy Recorder

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