

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD
FEBRUARY 16, 2022 at 7:00 p.m. in the Vernal City Council room, 374 East Main,
Vernal, Utah 84078.

PRESENT: Councilmembers Nicholas Porter, Robin O'Driscoll, Dave Everett, Ted Munford and Corey Foley and Mayor Doug Hammond.

WELCOME: Mayor Doug Hammond welcomed everyone to the meeting.

INVOCATION OR UPLIFTING THOUGHT: The invocation was given by Councilmember Corey Foley.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Councilmember Nick Porter.

APPROVAL OF CITY COUNCIL REGULAR MEETING MINUTES OF FEBRUARY 2, 2022: *Councilmember Nick Porter moved to approve the minutes of February 2, 2022. Councilmember Corey Foley seconded the motion. The motion passed with Councilmembers Everett, Munford, O'Driscoll, Foley and Porter voting in favor.*

DISCUSSION REGARDING FINANCING OF THE CRA PROJECT FUNDS FOR DOWNTOWN INCENTIVES: SALES TAX REVENUE BONDS IN THE MARKET VERSUS SALES TAX REVENUE BONDS WITH DIRECT PLACEMENT - ZIONS FINANCIAL: Quinn Bennion explained that the CRA program will need to secure financing for the downtown implementation plan. Zions Financial has been used for years as the financial advisor for the City and Japheth McGee, with Zions Bank, will explain the options. Japheth McGee explained that issuing public debt is regulated by the FCC and is tax exempt for the investor and there are two options for the City. The first option is a direct placement bond. Most of the time a large financial institution will buy the debt that is federally secured, with specific rules that have to be followed. The second option is a market issuance. This type of debt has higher fees with a lower interest rate. A public underwriter purchases the bonds and resells them to many investors across the country. This type of financing is more complex requiring a formal credit rating which adds extra expense making it less advantageous. Quinn Bennion explained that in order to move forward with the façade grants and other downtown improvements, the CRA will need funds immediately. In order to do that the CDRA will have to borrow against the projected funds. Japheth McGee stated the projected funds from the CRA is estimated to be \$2.375 to \$2.5 million dollars. However, investors may not be comfortable with the use of CDRA funds to pay off the debt so the City may need to pledge sales tax revenues toward the bond payment in order to get a better interest rate. An agreement will be needed between the City and the CDRA to pay the bond payment. Quinn Bennion asked if there is any penalty for an early pay off. Mr. McGee stated that the direct placement is usually more flexible. Councilmember Ted Munford thought the direct payment option would be better to pursue. Allen Parker asked what the estimated annual payment would be for an interest only bond. Japheth McGee responded it would be around \$38,000 for the first four years then a principle payment on year five would be \$120,000 if it was structured as interest only for the first

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD FEBRUARY 16, 2022

few years. He noted that with interest rates set to go up, the direct placement would be easier to lock in a low rate. Quinn Bennion asked the Council if they had a preference on which option to explore. The consensus of the Council was to look at the direct placement option.

PUBLIC HEARING: REQUEST TO AMEND THE VERNAL CITY MUNICIPAL CODE – MIXED USE AND COMMERCIAL ZONES, SECTIONS 16.45.080 AND 16.48.080 - SPECIAL PROVISIONS – HOUSEHOLD PETS – ORDINANCE NO. 2022-02:

Mayor Doug Hammond opened the public hearing to receive comments. Allen Parker explained that this ordinance amends two zones, the CC-1 central commercial zone and the MX mixed use zone. The proposal is to require residents in those zones to keep their pets indoors unless they are in a single family dwelling with a yard. These zones have commercial and recreational activities and does not address how to mitigate conflict between pet ownership and other activities that happen there. Councilmember Ted Munford acknowledged that some landlords in these areas may not allow pets. Allen Parker agreed, however if the housing is self-owned they may have a pet which is what is happening now. Councilmember Ted Munford noted that he did not want to cross the line of where government jurisdiction should and should not be. Quinn Bennion explained this issue came up because there is a kennel with a guard dog in the downtown area and the dog is there all day. Councilmember Corey Foley stated this ordinance is pretty broad. Quinn Bennion stated the residents can have a pet, just not a kennel outside where the animal lives permanently outside. Mayor Doug Hammond asked for public comments. There being no public comments, Mayor Hammond closed the public hearing. *Councilmember Corey Foley moved to approve Ordinance No. 2022-02. Councilmember Ted Munford seconded the motion. The motion passed with the following roll call vote:*

- Councilmember Munford.....aye;*
- Councilmember O’Driscoll.....aye;*
- Councilmember Everettaye;*
- Councilmember Porteraye;*
- Councilmember Foley.....aye.*

APPROVE PROPOSAL FOR EMERGENCY GENERATOR: Wayne Smith, Vernal City facilities manager, reminded the Council that the generator has had a massive failure and needs to be replaced. The current model has a Cummins motor so that vendor was contacted for a quote as well as other vendors and the State contracts. Wheeler Machinery came in with the lowest cost, however, there is a shortage and it will take up to 44 weeks if it is ordered quickly. Normally because of the cost this type of purchase requires a sealed bid. Councilmember Ted Munford asked if there is a warranty. Wayne Smith answered it will have one for a year. Councilmember Robin O’Driscoll stated that with the cost being \$10,000 less than the State contract the generator should be purchased quickly before the cost goes up. Quinn Bennion stated that ARPA funds have been approved up to \$70,000 for the generator. Carl Morton noted that since there is a State contract price this purchase is within the purchasing policy guidelines. *Councilmember Corey Foley moved to approve the purchase of the generator from*

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD FEBRUARY 16, 2022

Wheeler Machinery in the amount of \$65,024.09, or up to \$70,000 to get it delivered to Vernal City. Councilmember Nick Porter seconded the motion. The motion passed with the following roll call vote:

- Councilmember Munford.....aye;*
- Councilmember O’Driscoll.....aye;*
- Councilmember Everettaye;*
- Councilmember Porteraye;*
- Councilmember Foley.....aye.*

CONSIDER APPROVAL OF AN INTERLOCAL AGREEMENT WITH VERNAL CITY COMMUNITY DEVELOPMENT REVITALIZATION AGENCY FOR PARTICIPATION IN THE DOWNTOWN COMMUNITY REINVESTMENT AREA RESOLUTION NO. 2022-02:

Quinn Bennion explained that this Interlocal agreement is between the City and the Community Development and Renewal agency for the downtown Community Reinvestment area. The agreement is to allow the increased tax increment for any development in the downtown area to go to the CDRA for the next twenty years up to the total amount of \$227,000. Each of the six taxing entities will review and hopefully approve the same agreement. The School District requested the amounts be front-loaded at 90/10 for the first five years, then 75/25 and finally 50/50 for the last five years with a cap for each entity. *After further discussion, Councilmember Dave Everett moved to approve Resolution No. 2022-02, approving the Interlocal Agreement with the CDRA. Councilmember Nick Porter seconded the motion. The motion passed with the following roll call vote:*

- All Councilmember Munford.....aye;*
- Councilmember O’Driscoll.....aye;*
- Councilmember Everettaye;*
- Councilmember Porteraye;*
- Councilmember Foley.....aye.*

REVIEW OF DOWNTOWN FACADE GRANT PROGRAM: Quinn Bennion presented a draft of the downtown grant program for businesses to fix up the exterior of their buildings. The City received a rural economic development grant in the amount of \$175,000 for this program that has to be spent by July 1st so the City will have to work quickly to release those funds. He asked the Council to review the program guidelines and give feedback. Only downtown existing commercial properties are eligible within the CRA boundaries. New construction is not eligible unless the City determines they will help with any upgrades. Councilmember Corey Foley asked for an example of an upgrade. Quinn Bennion stated the structure is planned to have aluminum siding and they upgrade to brick. This grant will pay up to 40% of the additional cost. There is a cap of \$100,000. Allen Parker stated it is at the discretion of the City how the funds are awarded after evaluating each project based on how well it complies with the intention and goals of the downtown plan. Councilmember Corey Foley clarified the property owners are reimbursed. Quinn Bennion stated the program could do a 50% payment until the improvements

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD FEBRUARY 16, 2022

are complete. Councilmember Corey Foley stated that may need to be an option to spend the funds quickly as some items will take a while to be delivered or installed. Councilmember Dave Everett stated they can be reimbursed upon payment of raw materials. Councilmember Ted Munford asked if there were any projects waiting for this program to be completed before they move forward. Quinn Bennion stated there are two waiting for it. He stated that an expected heavy use will be for new windows that does have a long waiting time. However, if a project is approved and not started within 18 months the grant funds can be forfeited after the first \$175,000 is spent. Requirements to qualify include no code violations, be current on property taxes and have a business license unless it is new construction. If the application is from a tenant, they will need to verify the taxes are paid. Councilmember Ted Munford stated the improvements will stay with the property. Councilmember Corey Foley agreed unless it is a sign. There was some discussion regarding more than one grant awarded to the same applicant. The consensus of the Council was to allow more than one grant with an eighteen month space between applications. Carl Morton asked if the payment can be made directly to the vendor. Quinn Bennion stated the danger is knowing it is a legitimate contractor. Quinn referred the Council to eligible improvements and asked if they wanted to include paint and murals. There was some discussion on whether murals will last very long, is it considered advertising, and what designs are allowed. Carl Morton suggested only 20% be awarded for murals instead of 40%. After further discussion, the Council agreed to include paint as long as it is part of a larger project and not include murals. Councilmember Ted Munford stated that repairs to parking lots would be a major expense. Councilmember Nick Porter noted that the appearance of parking goes a long way toward the feel of downtown. Councilmember Foley agreed. The consensus of the Council was to include parking lot improvements including seal coating and exclude striping. Other improvement items discussed were parking lot lighting, permanent landscaping and siding. Quinn Bennion asked the Council to consider the addition of grease traps for restaurants even though it is not part of the façade. Councilmember Dave Everett stated that would be a positive improvement and a costly expense. The Council suggested that item be a separate program up to \$2500. Councilmember Ted Munford stated he did not like the idea of a wall sign that could end up being a painted piece of plywood. Quinn Bennion stated there will be a three member committee that will evaluate the applications with City Council serving as the appeal board. The Council agreed this program should be evaluated on a case-by-case basis, increase the tax base and be pleasing and appropriate for the area.

REQUEST APPROVAL OF CITY'S WATER CONSERVATION PLAN: Allen Parker reported that the water conservation plan needs to be updated every few years and meet any changes made on the State level. The major change this year is water conservation. The State would like to see a progressive rate structure so it is more expensive to use more water. However, in Vernal the growth rate is only 1.1%. Councilmember Ted Munford stated he would rather see more education than a rate hike. Allen Parker stated there may be some legislative changes coming. Quinn Bennion agreed there is a lot of discussion on landscaping although in the Uintah Basin 90% of water use is agriculture so there has to be a balance.

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD FEBRUARY 16, 2022

Councilmember Nick Porter stated the most effective way to encourage conservation is financial and possibly there could be more tiers for the water rates. Councilmember Ted Munford agreed, however it will also target certain businesses. Councilmember Foley stated education is important so people understand their lawn can stay green if they invest in fertilizer not just water. After further discussion, *Councilmember Dave Everett moved to approve the water conservation plan. Councilmember Robin O’Driscoll seconded the motion. The motion passed with the following roll call vote:*

- Councilmember Munford.....aye;*
- Councilmember O’Driscoll.....aye;*
- Councilmember Everettaye;*
- Councilmember Porteraye;*
- Councilmember Foley..... aye.*

REQUEST TO DECLARE SURPLUS PROPERTY - FILE CABINETS FROM FINANCE AND ADMINISTRATION: Carl Morton explained that there are 23 file cabinets that are empty and are taking up space that were moved from the old City Hall even though this building had all new file systems. Councilmember Corey Foley asked if the Innovation Hub may be able to use some of them. Quinn Bennion stated he would verify no other departments can utilize them before disposal. *Councilmember Ted Munford moved to declare the file cabinets as surplus property. Councilmember Nick Porter seconded the motion. The motion passed with the following roll call vote:*

- Councilmember Munford.....aye;*
- Councilmember O’Driscoll.....aye;*
- Councilmember Everettaye;*
- Councilmember Porteraye;*
- Councilmember Foley..... aye.*

STAFF REPORTS

Utah League of Cities and Towns:

Quinn Bennion reported that the ULCT spring conference is scheduled for April in St. George and to let the staff know if they want to attend.

CLOSED SESSION: *Councilmember Nick Porter moved to convene into closed session to hold a strategy sessions to discuss the purchase, exchange, or lease of real property, including any form of a water right or water shares and reconvene into open session once the discussion is completed. Councilmember Ted Munford seconded the motion. The motion passed with the following roll call vote:*

- Councilmember Munford.....aye;*
- Councilmember O’Driscoll.....aye;*
- Councilmember Everettaye;*

**MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD
FEBRUARY 16, 2022**

Councilmember Porter*aye*;
Councilmember Foley.....*aye*.

RECONVENE INTO OPEN SESSION AND ADJOURN: The Council reconvened in open session. There being no further business; *Councilmember Nick Porter moved to adjourn. Councilmember Dave Everett seconded the motion. The motion passed with a unanimous vote and the meeting was declared adjourned.*

Mayor Doug Hammond

ATTEST:

Roxanne Behunin, City Recorder

(S E A L)