

Naples City Council

August 27, 2020

Minutes

The regularly scheduled meeting of the Naples City Council was held August 27, 2020, 7:30 p.m., at the Naples City Office, 1420 East 2850 South, Naples, Uintah County, Utah.

DATE, TIME & PLACE OF MEETING

Council members attending were Dean Baker, Robert Hall, Gordon Kitchen, Dennis Long, Dan Olsen and Kenneth Reynolds.

COUNCIL MEMBERS ATTENDING

Others attending were Fernando Rivera, Bart Jensen, Brian Gorum, Jeffrey Baker, Joshua Bake, and Nikki Kay.

OTHERS ATTENDING

Mayor Dean Baker welcomed everyone and called the meeting to order at 7:30 p.m. Mayor Baker opened the meeting with the pledge of allegiance. Councilman Dennis Long offered the invocation.

OPENING CEREMONY

Mayor Baker presented the agenda for approval. Kenneth Reynolds **moved** to approve the agenda. Dennis Long **seconded** the motion. The motion passed with all in attendance voting aye.

AGENDA APPROVED

The minutes of the regular city council meeting of August 13, 2020 were presented for approval. Robert Hall **moved** to approve the minutes. Dan Olsen **seconded** the motion. The motion passed with all in attendance voting aye.

MINUTES APPROVED

Mayor Baker asked if anyone had anything they wanted to follow up on from the previous meeting. Councilman Kitchen wanted the road department to know the bike path along 500 East looks good and asked Josh to let them know that.

FOLLOWUP ITEMS FROM PREVIOUS MEETING

Nikki Kay presented the bills in the amount of \$33,173.55. Dennis Long **moved** to approve \$33,173.55. Dan Olsen **seconded** the motion. The motion passed with the following roll call vote:

APPROVAL OF THE BILLS

Robert Hall	Aye
Dan Olsen	Aye
Dennis Long	Aye
Kenneth Reynolds	Aye

Gordon Kitchen Aye

Joshua Bake stated the agreement with Duston Mortenson for the Treasurer's position is being reviewed by Mr. Judd. He said there has been some discussion between Mr. Mortenson being an independent contractor vs. a part time employee. Joshua said Mr. Mortenson is good with the agreement and they should have it ready for approval at the next meeting. No action was taken on this.

***APPROVE TREASURER'S
AGREEMENT***

Nikki Kay explained in order to have Mr. Mortenson added to the State Treasurer system and have him make money transfers for the City the Council needed to adopt the Public Entity Resolution. Dennis Long **moved** to add Duston's name to the transfers with PTIF and adopt the Public Entity Resolution #20-329. Kenneth Reynolds **seconded** the motion. The motion passed with the following roll call:

***APPROVE PUBLIC ENTITY
RESOLUTION FOR PTIF***

Gordon Kitchen	Aye
Kenneth Reynolds	Aye
Dennis Long	Aye
Dan Olsen	Aye
Robert Hall	Aye

Discussion to change bank signature cards. Joshua Bake explained that normally those employees handling the checks are not the ones who sign the checks. He recommended they remove Nikki because she handles the checks, add Duston Mortenson to the bank signature cards, leave Dan and the Mayor, and if Council decides they can add him. Mayor Baker asked Nikki if she felt okay with getting a hold of him or Dan when she needed checks signed. Nikki stated she would prefer if someone else in the office could be added. She said Duston will only be in two days a week and it's too hard to chase down two people if you need something signed. Councilman Hall said quite often it is the City Manager who signs and not a Councilman. Mayor Baker said on the Boards he sets on it is the Board member who signs. He said they could put Josh on but maybe for emergencies only. Councilman Kitchen wanted to know what they needed for the audit. Councilman Hall said he has seen where Board members sign but in other entities that are larger, as long as you don't have the check writer sign it should be okay. He said even though he signs checks for the Board he sits on, he is not as intimately familiar financially with what is going on as Josh would be. Joshua stated that

***APPROVE CHANGES TO
THE BANK SIGNATURE
CARDS***

in most cities the common practice is the Treasurer and the Finance Director. Councilman Hall said it is inconvenient to have to run someone down to have them sign a check. Mayor Baker thought that is why Councilman Olsen would be a good one because he's usually available. Councilman Kitchen said he had no problem adding Josh. Mayor Baker said the checks should go to Duston first and he can verify that he is good with it before they are brought to him or Councilman Olsen. Mayor Baker said he didn't have a problem adding Joshua but in a limited capacity. Nikki said that Duston will only be in the office on Tuesday and Thursday so that means if a check needs signed she has to run somebody down rather than have someone already in the office that is authorized to sign. Councilman Hall wanted to know what the Mayor's concern was. Mayor stated that was protocol and he'd like to stay with that protocol. Nikki asked where it was protocol, Joshua had just stated that in most cities it is the Treasurer and the Finance Director who sign. Mayor Baker said if there were small per diem checks that need to be signed he didn't have a problem with that. Councilman Long said it doesn't really matter which checks are signed. Councilman Kitchen said they should just add Duston, have the Mayor and Dan remain on and add Josh. Robert Hall **moved** to remove Nikki as a signer, add Josh as a signer, keep Dean and Dan, and add Duston as the new Treasurer. Kenneth Reynolds **seconded** the motion. The motion passed with all voting in the affirmative.

Mayor Baker recognized Brian Gorum in attendance and said he would give him time later, if he wanted, as they opened a discussion regarding the Special Service Districts. Mayor Baker turned the time over to Joshua Bake. Joshua said they met with the County Commissioners about the Special Service Districts. He said things were a little confusing because the numbers did not match up. He said the money coming in is far below what they anticipated. He said through six months they received just over five million dollars. He said originally they were told that 7.5 million was needed for all the Districts, minus the Transportation District. He said they are concerned that there is not going to be enough money at the end of the year. Joshua said the Commissioners gave a proposal to combine Impact Mitigation, Transportation and the Recreation District, to keep the other two Districts where they were and to eliminate the Fire District, sending it back to the cities and let them figure out how to do things. He said they stated there would be no impact to services and no raising taxes. Joshua

SPECIAL SERVICE DISTRICTS DISCUSSION

said a long discussion took place and the Commission did give the City's a couple of weeks to come up with counter proposals. Joshua said there were quite a few Council members there that disagreed with the numbers presented and disagreed with the direction that was given. Joshua said him, Mayor Baker, Mayor Hammond, and Quinn Bennion will be meeting with the Commissioners on Wednesday to discuss different options. He said there is a lot of confusion about why the Fire District? Why eliminate Districts? And why consolidate Districts when at six months of the year over five million has come in and the original number was 7.7 million to keep them running? Joshua said there was a lot of confusion at the meeting but he felt like the Commissioners were adamant that something had to be done and it had to be done now. Joshua said they were told by the Commissioners that all of the numbers have been handed out but he had not received anything. Councilman Hall said he was given some numbers last night at the Fire District meeting. Joshua said the Commissioners gave a press release stating all of the entities would receive the numbers but he still had not seen anything. Councilman Hall said he personally believed there was a definite agenda as to why the Fire District was chosen for this especially by one Commissioner. Councilman Hall said their Fire District meeting last night was not fun.

Councilman Kitchen handed out some numbers that he sat down and quickly came up with. He said he used numbers that he gleaned from the meeting. Councilman Kitchen said the Commissioners said they spent hours and hours trying to come up with numbers and he sat down in one evening and threw something together based on the numbers they were throwing out. He said they were raw numbers. The handout listed showed Animal Control at .8 M, Fire at 1.1 M, Health & Human Services at 1.3 M, Parks & Recreation at 2.8 M, Transportation at 1.5 M for a total of 7.5 M. He subtracted out the debt that would fall back directly on the County because they took on those projects or were using some of the Districts budgets to pay for different services because the money used to be there.

Councilman Hall said none of them want to cut services from any District but they have been already and what they are doing is moving money and burdens to City.

In Councilman Kitchen's figures he showed that Impact Mitigation would be dissolved and according to State Law the

County would have to take on the debt held there and that is why they don't want to dissolve it, because they have debt. Two of the debts mentioned were the Applied Technology Center and the Conference Center. Councilman Kitchen said those would go back on the County because that is a debt that they took on and that is why the County doesn't want to dissolve the Impact Mitigation District.

Councilman Hall said he appreciated the effort that Councilman Kitchen put in. Councilman Kitchen stated he didn't spend 100 hours. Councilman Olsen said it does show it can be done. Councilman Olsen said at their last meeting they were told to go back and cut your budgets by 40% so they spent a lot of time trying to do that and now they need time to show they can live on that budget. Councilman Kitchen said the County is going to have to take some responsibility and he understands that it is not the current Commission's fault, but there were certain decisions made by prior Commissions that they are now going to have to deal with. He said they don't want to raise taxes but have no problem putting the burden back on the cities and letting them worry about raising taxes. Councilman Kitchen said the citizens of each entity has already paid into each of the Districts.

Mayor Baker recognized Brian Gorum and asked if he had anything he would like to add. Mr. Gorum said he just wanted to express his appreciation to the City and how impressed he was with them. He said they've always given the District whatever they've asked for and been a great partner. He asked them to fight for the Fire District and said it sounds like they are. Mayor Baker said he was stunned when they stated at the meeting they were going to get rid of the Fire District. He said it is one of the best run Districts and one that everyone in the County benefits from.

Councilman Hall shared that one of the Commissioners said they weren't even sure they would have a decision ready for the meeting to be held on the 14th. He said his frustration came because they've been told the Districts need to come up with a plan but the authority to combine Districts and dissolve Districts is held by the County. He stated he doesn't personally appreciate the argument that they haven't come up with a plan.

Joshua said there are many legal questions about their ability to dissolve. He said they can't dissolve but they can de-fund

them. Joshua said there are even questions about combining the Districts mentioned because there is no correlation between Transportation and Recreation. Brett Reynolds said one of the comments at the meeting was "it may not be legal but let the cities worry about it." Councilman Hall said one comment was the County could take it all back and put it in Transportation. Councilman Kitchen said there are expectations in the Community. Councilman Hall said he was most impressed by the Firefighters who were willing and made the comment that if they had to they would do it for free for a while.

Councilman Kitchen said the reality is that if we keep cutting our own throats out here, the State is eager and waiting to take the money from the County and they can do that as easy as the County can de-fund them. He hoped the Commissioners realize that.

Mayor Baker said he would like to see the City have a plan and something in hand to give the Commissioners before the meeting. Mayor Baker said they've asked for a plan and it needs to be in their hands before that meeting. Councilman Kitchen said they can use his numbers and tweak it as needed. Mayor Baker said it needs to be made clear that they don't want to dissolve any of the Districts because of their benefit to the Community. Councilman Olsen said all of the Districts have worked to try and trim their budgets now they need time to see if they can live on it. Councilman Long said the Commissioners were already set in their mind at the meeting on Monday what they were going to do and it didn't matter what the Districts had to say.

Mayor Baker said the City needs to have what they are going to do in place and then maybe prepare a press release about where the City stands on this issue. Josh said it would be good to get with Vernal City and Ballard to come up with a unified plan. Josh thought a press release would be great because the support of the community is key.

Councilman Hall said he would like to see them try and give concrete solutions to the County regarding all of the Districts and be as fair as possible with people and with jobs.

Joshua said he would like to see the Council pursue a plan with Vernal using Councilman Kitchen's numbers as a starting point with a direction to fight and not support in any way dissolving the Fire District, which would send a great

message to the community where the Council stands.

Mayor Baker said the Fire District is one of the best functioning Service Districts the County has and it needs to be understood the City is opposed to dissolving it.

Mayor Baker said that has been enough discussion and asked if anyone there had a comment or question. Bart Jensen stated he was not a resident of Naples City but wanted to know about the ISO ratings changing with the logistics of the Fire District being split up. He asked if that would change homeowners insurance rates. Mr. Gorum said "absolutely." Mr. Jensen said that not only would the Fire Departments go back to the entities and that will have to be supported by taxes but then residents will pay another way through the higher insurance rates. Mayor Baker said the residents of Naples City would not be affected in that way but those in the County would. Brett Reynolds said if they lose the District and it goes back to the boundaries the way they were before a homeowner in Davis could potentially see a \$500 to an \$800 dollar increase in their homeowners' insurance. Councilman Hall said the County could contract back with the Naples Fire to help with that service but he said there are just so many political agendas tied to this decision that it's just a bad idea and they need to stick to their guns. Councilman Kitchen **moved** that based on the information they verbally heard they, as a Council, oppose dissolving the Fire District. Robert Hall **seconded** the motion. The motion passed with a roll call vote:

Robert Hall	Aye
Dan Olsen	Aye
Dennis Long	Aye
Kenneth Reynolds	Aye
Gordon Kitchen	Aye

In connection with the discussion, Councilman Hall **moved** that the Districts remain as constituted and recognize there is a financial crisis but would like time to allow the Districts to implement their budget reductions. Joshua stated the only reason he recommended a motion is the Council is then mandating that he and the Mayor go do this rather than them being proactive. Councilman Hall said their plan is to sustain the Districts as currently constituted, however, realizing they may have to make further cuts. He said it needs to be understood the Council is not supporting dissolving or combining the Districts. Dan Olsen **seconded**

the motion. The motion passed with the following vote:

Gordon Kitchen	Aye
Kenneth Reynolds	Aye
Dennis Long	Aye
Dan Olsen	Aye
Robert Hall	Aye

Joshua Bake stated this recommended policy change relates directly to the police department. He said as the department is trying to adjust their schedules with two officers down and scheduling time off, their holiday hours are not going to be used and one of the officers is close to going over the amount of vacation hours you can carry over. Joshua said because of the unique circumstances this year he recommended any holiday or vacation hours that the police have at the end of the year, rather than allowing them to carry it over, pay them out. His recommendation was to do it right before Christmas. Councilman Kitchen said that might cost more for them in taxes so they could leave it up to the employee. Joshua said he spoke with the police and they were all in favor of this. Councilman Kitchen said there should be a time limit on it. Joshua said this will not be an ongoing policy, this will only apply to this year. Joshua said the proposal is a one time policy change that ends December 31, for just the police department, that any holiday pay that would expire and any vacation hours over the 180 would be paid out at 100% by the end of the year. Dennis Long **moved** to approve the proposal. Kenneth Reynolds **seconded** the motion. The motion passed with the following roll call:

Robert Hall	Aye
Dan Olsen	Aye
Dennis Long	Aye
Kenneth Reynolds	Aye
Gordon Kitchen	Aye

Joshua Bake gave the Council an update on the financials. He prepared a chart showing the sales and highway tax for the last several years broken down by month. Joshua said the projections for this year weren't as low as he anticipated. He said the highway tax is also low. Mayor Baker wanted to know when the new transit tax started because he thought they would have seen a little bump in the revenue. Joshua said if you compare the highway tax to the sales tax you can see that the highway tax stayed pretty consistent where the

***PROPOSED CHANGES TO
POLICY FOR HOLIDAY -
COMP - VACATION
HOURS***

UPDATE ON FINANCIALS

sales tax took a big drop. He said the transit tax is the reason the highway tax stayed about the same instead of dropping also. Joshua said they will hold a public hearing to open the budget next month and he updated them on some of the items they will be looking at. He mentioned the CARES Act money received. Joshua explained the City has received their first allocation and also a letter about when to expect the next payment. Joshua said the City has not been hit as hard with COVID numbers but the economy has been hurt much worse. Joshua said the idea has been to request the same amount as the first allocation. Joshua wanted the Council to know as they open the budget to make the changes there shouldn't be a need to increase the overall budget, just a reallocation of some transfers. Council members thanked Joshua for the update.

Joshua Bake presented a proposed wage increase for Heidi Lundberg. He said with the appointment of the new Treasurer, a lot of his responsibilities will be the statutory ones required by State law. Joshua explained a lot of the other responsibilities that were performed by the last Treasurer are going to be kept in house and those are going to fall to Heidi, like accounts payable. Joshua proposed adjusting her salary schedule to match the new responsibilities. Joshua said this would be about a .75 cent increase. Councilman Hall wanted to know approximately how much the combined amount for this increase and the new Treasurer would be. Joshua said it would be about \$18,000. Dan Olsen **moved** to approve the adjusted wage increase for the administrative secretary. Robert Hall **seconded** the motion. The motion passed as follows:

Robert Hall	Aye
Dan Olsen	Aye
Dennis Long	Aye
Kenneth Reynolds	Aye
Gordon Kitchen	Aye

Joshua asked if he could recommend that the wage increase be made retroactive back to the first of the fiscal year. Dan Olsen **amended** his motion to go back to July 1st of this fiscal year. Robert Hall **seconded** the amended motion. The motion passed with all voting in the affirmative again on a roll call vote.

Joshua Bake stated he was approached with a unique proposal from Leonard Isaacson. He reported that Mr.

***PROPOSED WAGE
INCREASE FOR
ADMINISTRATIVE
SECRETARY***

***PROPOSED AMENDMENT
TO THE SEPARATION***

Isaacson has taken employment with a new agency and has the opportunity to be covered on that insurance. As part of the separation agreement with Mr. Isaacson, the health insurance would be fully paid for one year. Joshua stated that Mr. Isaacson contacted him and asked if the City would consider a cash payout for a reduced portion of the insurance premium. Joshua said his request was for around \$12,000 instead of the \$17,782 the City would have to pay. Councilman Kitchen said he was opposed because it was part of the agreement and the savings is not enough to be significant. Gordon Kitchen **moved** to keep the separation agreement as signed. Dennis Long **seconded** the motion. The motion passed with the following vote:

Gordon Kitchen	Aye
Dennis Long	Aye
Kenneth Reynolds	Aye
Dan Olsen	Aye
Robert Hall	Aye

Joshua stated the second part of this discussion for proposed changes was regarding a change in the opposite direction. He said another individual that signed an agreement is now being covered by Medicare and the cost to the City is less. Joshua asked if the City wanted to consider giving this individual an additional amount paid into an HSA to equal the amount of the higher insurance premium. Council members felt like this was the same thing. Council wanted the previous motion to apply to both requests.

Kenneth Reynolds **moved** to go into a closed session to discuss pending or reasonable imminent litigation. Robert Hall **seconded** the motion. The motion passed with the following vote:

Gordon Kitchen	Aye
Kenneth Reynolds	Aye
Dennis Long	Aye
Dan Olsen	Aye
Robert Hall	Aye

After the discussion, Kenneth Reynolds **moved** to convene back into regular council meeting. Dennis Long **seconded** the motion. The motion passed with all voting aye.

Nothing was brought forward under other matters or future council matters.

AGREEMENTS

CLOSED SESSION TO DISCUSS PENDING OR REASONABLY IMMINENT LITIGATION

OTHER MATTERS OR FUTURE COUNCIL

MATTERS

With no other business before the Council, Kenneth Reynolds **moved** to adjourn the meeting at 9:25 p.m. Dennis Long **seconded** the motion. The meeting was adjourned by all voting in favor of the motion.

MOTION TO ADJOURN

APPROVED BY COUNCIL ON THE 10th DAY OF SEPTEMBER 2020

BY: _____

ATTEST: _____