

**Tremonton City
City Council Meeting Budget Workshop
January 27, 2009**

Members Present;

David Deakin

Roger Fridal

Lyle Holmgren

Jeff Reese

Byron Wood

Max Weese, Mayor

Richard Woodworth, City Manager

Darlene Hess, Recorder

**CITY COUNCIL BUDGET SESSION
5:30 P.M.**

Mayor Weese called the January 27, 2009 City Council Budget Workshop to order at 5:45 p.m. The meeting was held in the Public Works Building at 300 East 1200 South, Tremonton, UT. Those in attendance: Mayor Weese, Councilmembers, Fridal, Holmgren, Reese, and Wood, Manager Woodworth, Public Works Director Paul Fulgham, and Recorder Darlene Hess.

1. Approval of agenda

Motion by Councilmember Holmgren to approve the January 27, 2009 Budget Session agenda. Motion seconded by Councilmember Fridal. Vote: Councilmember Holmgren - aye, Councilmember Fridal - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

Councilmember Deakin arrived at 5:47 p.m.

2. City Council Budget Workshop - General Fund

Manager Woodworth informed the Council that the City's financial conditional has never been better.

Manager Woodworth and the Council reviewed and discussed the following items:

- ▶ Proposed well. Manager Woodworth told the Council that if he has understood the Council's preference, the highest priority of the Council is to purchase a well. A current resident of another municipality owns an existing well. The Council discussed the options and benefits of purchasing this well from him instead of drilling for a new well at this location. Public Work's Director, Paul Fulgham, gave

statistics on the number of gallons the well produces per minute, the draw-down on the well from use and the number of homes the current well provides water for. Director Fulgham, also, distributed information that the City Engineer, Chris Breinholt, provided on his estimated cost of the new well: \$890,000.00 using easements and \$1,038,000.00 without the easements.

Manager Woodworth told the Council that the City has retired most of the debt in the Water Utility. The City could handle \$50,000.00 a year for a well and come out just fine. We have retired some of our debt earlier than originally scheduled. The market is good to get a well now.

- ▶ Manager Woodworth told the Council that in the Waste Water Treatment Plant, there will be a lot of change with the proposed facilities to manage growth. Mayor Weese commented that the City will see a lot of one time expense disappear.
- ▶ Capitol Projects. The Council discussed the need to evaluate which capital projects are necessary and the City's ability to fund each project. An addition of \$200,000 for chip sealing roads, a new clarifier, and the new well were the projects discussed, along with the cost to fill in the hole left by the demolished Senior Center and additional parking for the new Police Department. New furniture will be needed in the Civic Center conference area and offices in the old Police Department. Expenses for the road changes at 100 South by Ridleys were also discussed.
- ▶ Manager Woodworth told the Council that there are questions the Council will need to ask:
 1. Will it be better to get bids on chip sealing the roads in this year's budget or next year's budget? Next year is the last year on the City's Road Bond payment.
 2. Will the proposed elimination of food tax affect the City? There will be other tax compensations to make up for this loss.
- ▶ Councilmember Deakin asked the Council if they needed to look at additional equipment for snow removal. Discussion followed on it may be better to rent equipment or hire vendors to remove snow when we have a bad storm instead of purchasing equipment. It may be more cost effective.
- ▶ Manager Woodworth informed the Council that they will need to hold a Budget Opening in May 2009. Things to consider:
 1. Sales Tax. Sales tax has been straight lined in the proposed budget. Customarily, sales tax increases. The numbers will need to be refined

Manager Woodworth told the Council that they can be 95% sure that this budget will work.

2. Franchise Tax. The Council will need to watch the franchise tax. Recorder Hess has picked up on a nuance with BP Energy. It dropped from between \$9,000 - \$11,000 a month to almost \$3,000 last month. You will need to keep an eye on this tax.
3. The Capital Fund. The Capital Fund has approximately \$60,000.00 and the General Fund has approximately \$19,000.00 that will be left on the table.
4. General Fund.

* Keep in mind at the Budget Opening that we have budgeted enough to cover most of the expense for the Police Department Building and Senior Center projects; however, there will be some contingency expenses that will be needed. We did not budget for filling the hole after the demolition of the old Senior Center. The approximate \$6400 for filling the hole will be paid out of the Civic Center as there is no longer a Senior Center in that location. Director Fulgham told the Council that the City did not know how deep the hole would be so there was no way to figure the cost to fill the hole. A parking lot for the Police Department is also needed. There will be expense for remodeling the area in the old Police Department. We will put in a conference room where furniture will be needed.

Manager Woodworth told the Council that there is money left on the table in the Capital Fund this year that can be utilized for the above mentioned projects. When the City holds the Budget Opening, move the funds to the appropriate fund from excess from reserves. (See Capital Budget information above for amount.)

* The 2000 West joint venture with Rocky Mountain Power will also need to be considered. The City will be paying for the electrical trench and conduit at this location. Director Fulgham told the Council that low cost will be around \$10,000 for the trench and \$10,000 for the one line of conduit to go a mile. If we need two lines of conduit, the cost will double for the conduit for a total of \$30,000. If the City is required to put in the base, there will be other expenses. Manager Woodworth told the Council that Rocky Mountain Power told Tremonton City that the City's cost would be trenching and conduit only - Rocky Mountain Power will pull the line, do the tie in and all the rest. Rich Walje told Manager Woodworth personally that the

project has been funded. It is \$180,000 project plus they purchased the Board of Health property.

Manager Woodworth told the Council that there should be enough funds in the current General Fund Budget to cover all of these expenses, and he asked that Recorder Hess set up a number in the Street Department for this expense.

Manager Woodworth told the Council that traditionally in January, the budget in most municipalities are very tight. Tremonton City currently has \$128,000.00 in cash over expenses without the property taxes.

- * The road by Ridley's expense will come out of the proceeds from the current year's budget - Streets. We will need to decide what additional expense will be needed.

► Manager Woodworth informed the Council of the following:

Revenue Projections for 2009-2010:

Watch for miss-allocated County Tax Funds (use caution with spending). The nice thing to remember is no services will be reduced.

10-31-100	Gen Property Taxes - Straight lined
10-34-362	B&C Roads \$201,000.00
10-40-103	Janitorial will no longer be done by Public Works. New janitorial services for the City will come out of this account
10-48-130	Professional Department needs contingencies
10-50-	Elections - projected \$11,000.00 expense
10-51-531	Civic Center improvements will decrease
10-52-	Planning & Zoning will decrease - hard to project amount
10-56-	Building Inspection will increase
10-60-	Streets Operations - straight lined
10-61-	Class C Road funds may be an issue
10-54-	Law Enforcement will decrease
10-55-	Fire Department - straight lined
10-59-600	Health Services needs to be fixed - additional funds needed for garbage
10-65-200	Food for the Home Delivery Meals needs to be increased due to federal mandate on nutrition

- 10-64-200 needs for seniors
Food for Congregate Meals needs to be increased due to federal mandate on nutrition needs for the seniors
- 10-62- Parks department is no longer used. All expense has been moved to Parks and Recreation
- ▶ Possible short term loss of State and Federal Funding to the Senior Center due to the economy. Mayor Weese reminded the Council that there will be a new census taken in 1010 that will change the numbers in our community and how State Funds are distributed. The Council discussed the use of pro rata share for the Senior Center. Tremonton citizens make up only 40% of the people served by the Senior Center. If funds are reduced, does the City want to pick up the cost for the County and other municipalities?
 - ▶ Manager Woodworth told the Council that a 3% salary increase is in the budget in most departments.
 - ▶ The City's financial advisor, Curtis Roberts, will bring the EDA, RDA and Special Districts Budgets to the Council in May 2009 after he obtains information on Country Taxes.

Mayor Weese stated he would like the budget to show a 5% decrease. Manager Woodworth stated the budget will show an approximate 18% decrease, mainly due to fewer capital projects.

Manager Woodworth reminded the Council they needed to lay the ground work for the City's Strategic Plan.

The Councilmember discussed the possibility of moving City funds to other financial institutions as a safety issue. Manager Woodworth said he would have Curtis Roberts put together a bid for this proposal. The City is to check with Zions Bank to see if other accounts can be set up so the City's funds are better protected.

Manager Woodworth asked Recorder Hess to make notes of the following items:

- * Curtis Roberts to write a bid to move money to another Bank. Talk to Zions Bank about setting up different accounts so the City will not lose money if the Bank fails.
- * Curtis Roberts will not bring the RDA/EDA and Special District Budgets to the Council until May when he gets a handle on the County Tax information.

* Contingencies for the budget:	Additional money:
1. Police Department Building	\$10,000
2. Senior Center hole fill	\$10,000
3. Civic Center furniture	\$5,000
4. Police Department Parking Lot	\$20,000
5. 2000 West electric power	\$30,000
6. Ridley's road and loading area	\$10,000

* Set up \$200,000 in 10-61 additional road work - next year's budget

* Rich to check on the Senior Center Van - \$20,000 matching fee for revenue and expense.

Rich told the Council that Aging will not be hit as hard as it was first indicated. All revenue is Federally regulated. BRAG needs to inform the City of the numbers (\$ we will be getting). To verify in May 09 Tentative Budget Hearing.

* Rich said that the City needs a contingency on the Other Professional fees. Move the \$11,000 from 10-48-130 to 10-48-350.

* Rich asked the Recorder to check to see if \$11,000 will cover the cost of the Election. It will!

* Rich told the Council that Health Services needs to be adjusted - 10-59-600 should be increased to \$190,000 - need \$210,000.00.

* The Council needs to open the Budget in May for Class C Road Fund. Chip/Seal Road Project.

\$200,000 needs to be added to the Class C Road Fund for roads per the Council and Rich.

* Manager Woodworth told the Council that the 10-64-200 and 10-65-200 are not realistic. The Senior Center was mandated to change the way they prepared food. They had to add fruit/milk etc. and high-priced food to their home delivered meals.

* The Council will need to keep an eye on the following:

1. General property taxes
2. Calendar annual review of Excel Spreadsheet for Fire Department fire service. Review training, insurance and charges.
3. Senior Center Programs - watch cuts. Add up Federal/State funds given to the City and minus expense. This way the City will know how much they are subsidizing for the Senior Center Programs.

4. Watch 10-34-362 B & C Road Fund Allotment. The State told us they gave us too much money. Keep a finger on any adjustments when you find out what the numbers are.

* Mayor Weese told the Council that he would like to see a 5% decrease in budget. Manager Woodworth told the Council that there is a 18% decrease in the proposed budget over last year's budget.

3. Adjournment

Motion by Councilmember Deakin to adjourn the budget workshop meeting. Motion seconded by Councilmember Wood. Vote: Councilmember Deakin - aye, Councilmember Wood - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, and Councilmember Reese - aye. Motion approved.

The meeting adjourned at 7:12 p.m.

The undersigned duly acting and appointed recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes for the City Council Budget Session held on the above referenced date. Minutes were taken by Shirley Colvin.

Dated this _____ day of _____, 2009.

Darlene S. Hess, RECORDER