

**TREMONTON CITY
CITY COUNCIL MEETING
March 4, 2008**

Members Present:

David D. Deakin

Roger Fridal

Lyle N. Holmgren

Jeff Reese

Max Weese, Mayor

Byron Wood

Richard E. Woodworth, City Manager

Darlene S. Hess, Recorder

CITY COUNCIL WORKSHOP

Mayor Weese called the March 4, 2008 City Council Workshop to order at 6:00 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Mayor Weese, Councilmembers Deakin, Fridal, Holmgren, Reese and Wood, Manager Woodworth, Attorney Draper, Director Fulgham, Steve Bench, Building and Zoning and Recorder Hess were in attendance. The Council reviewed the agenda. The following items being discussed in detail:

- ▶ Manager Woodworth discussed the working environment and feelings between the Police Department, Court and Attorney. He told the Council that the legal process is being interrupted and this issue needs to be resolved.

- ▶ Councilmember Fridal discussed the City's sidewalks trip hazards. He told the Council that the sidewalks are lifting because of the tree roots. Manager Woodworth told Councilmember Fridal that the Scouts usually adopt the tripping hazards in the City for their Eagle Projects. The Council discussed the frost and what a rough winter it has been. Manager Woodworth told the Council that Public Works will be out in the neighborhoods grinding down the trip hazards as soon as the weather is warm. The Council discussed making a work order to cut out four feet around each tree so the roots won't lift the cement in the downtown area. If the trees are removed, the City needs to grind out the roots.

How to trim the trees and replacement were discussed. Manager Woodworth told the Council that two years ago, it was the City's policy to trim the trees lower than the signs on Main Street. Now, we are told that it may be better to let them grow above the signs. Director Fulgham told the Council that Salt Lake City puts grates around the trees. With grates, moisture can get to the roots.

The Council asked that this item be placed on the City Council Agenda when it warms up.

- ▶ The combined cash statement was discussed. Mayor Weese asked if the City develops a well on the east side, will the lines we have now be adequate? Director Fulgham told the Council that the City will be able to use the lines we have; however, additional new lines will need to be put in place eventually. Director Fulgham told the Council that additional storage will be available on the hillside with the implementation of the Marriott Subdivision and the City will upgrade the distribution lines from the tank to an eighteen inch line. For every one inch in the line it doubles our capacity.

- ▶ Councilmember Deakin told the Council that he wanted to discuss his concerns on property tax rates in a public meeting. He told the Council that the City showed gained growth in property taxes which were actually deferred by the County when the customer requested deferment on equipment that was not installed. This property tax deferment information did not get passed on to the State so Tremonton benefitted from the growth twice. Councilmember Deakin told the Council that this was a 21% increase in added value and should be given back to the citizens. Councilmember Deakin told the Council that there are three things that can be done with this issue: 1) Disclose it. 2) Fix it 3) Leave it as it is.

Attorney Draper told Councilmember Deakin that there is nothing that has not been disclosed. This issue happened in 2006. We knew the increase happened - it was taxable value that would have gone to Tremonton; however, it was deferred. The decision was made at a public hearing where no one complained. We told the State there was a problem. Councilmember Reese told the Council that he does not want any decision or report done that is not approved by a vote from the Council. Councilmember Deakin told the Council that he is not suggesting that something was wrong - the Council did nothing wrong. Attorney Draper asked Councilmember Deakin what he was hoping to accomplish by under-minding the Council? The whole system was adjusted by the State. By doing what you are proposing, you are undermining the public's trust.

Councilmembers Reese and Wood told the Council that nothing is broken - there is nothing to fix and Attorney Draper told the group that the taxes were done correctly. The information was given to the County. Councilmember Deakin told the Council that a base was established that was not real. Attorney Draper asked what the motivation for making this stand was?

Mayor Weese told the Council that they needed to decide what to do. He told the Council that he had Recorder Hess pull a copy of letters that the Council sent to the County on rather to maintain or raise taxes. The letter to maintain the current tax rate notice has not changed in five years. Attorney Draper told the Council that one Councilmember alone does not have the authority to approach someone about these issues. It is a liability for everyone.

Manager Woodworth told the Council that the issue is that Councilmember Deakin's figures are not correct. What is being proposed is not just the General Fund. It brings in the EDAs and RDAs. Attorney Draper asked Councilmember Deakin who empowered him to discuss this information in a public meeting after the Council made the decision - he even made the motion in the subsequent year to approve the taxes collected. A person independently representing the City without authority happened in another organization within the City and that person was terminated. Councilmember Wood told the Council that they are just trying to run the City in the best way we can.

The decision was made to discuss property tax rates in the public meeting held for that purpose.

- ▶ In discussing the Senior Center, Councilmember Deakin asked if it would be possible to put the Food Pantry in the new Senior Center Building? The Council told him that it may be possible to build the building on the same property, but there is not enough room for both in one building.

The City Council Workshop adjourned at 6:57 p.m.

CITY COUNCIL MEETING

Mayor Weese called the March 4, 2008 City Council Meeting to order at 7:00 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont, Tremonton, Utah. Mayor Weese, Councilmembers Jeff Reese, Byron Wood, Lyle Holmgren, Roger Fridal and David Deakin, Manager Richard Woodworth, Attorney Alyson Draper, Public Works Director Paul Fulgham, Steve Bench of Building and Zoning, Senior Center Director Marion Layne, Food Pantry Director Cathy Newman, Sergeant Kevin Allred and Recorder Darlene Hess were in attendance. Mayor Weese welcomed everyone to the meeting.

1. Opening Ceremony

Mayor Weese informed the audience that no one had called to request participation for the opening ceremony; therefore, members of the Council volunteered to participate. The prayer was given by Councilmember Lyle Holmgren. The Pledge of Allegiance was led by Councilmember Wood.

2. Approval of agenda

Mayor Weese asked if there were any items on the agenda that needed to be tabled? Being none, he called for a motion on the agenda. **Motion by Councilmember Wood to approve the March 4, 2008 City Council Agenda.** Second simultaneously made by Councilmembers Holmgren and Reese. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Fridal - aye, Councilmember Reese - aye, Councilmember

Wood - aye. Motion unanimously approved.

3. Approval of minutes - February 19, 2008

Mayor Weese asked if there were any corrections or additions to the minutes. Being none, he called for a motion. **Motion by Councilmember Reese to approve the February 19, 2008 City Council Minutes.** Second by Councilmember Fridal. Vote: Councilmember Deakin - aye, Councilmember Holmgren - aye, Councilmember Fridal - aye, Councilmember Reese - aye, Councilmember Wood - aye. Motion unanimously approved.

4. Introduction of guests

Mayor Weese asked a Scout in attendance to introduce himself. Colby Grover told the Council that he was from Troop 423 and is working on his Citizenship in the Community Merit Badge. Mayor Weese asked Mr. Grover to pledge to earn his Eagle Scout Rank in Scouting.

Mayor Weese recognized Roberta Fronk who was in the audience. He congratulated her and told the group that Ms. Fronk received the Andy Rytting Award at the recent Chamber of Commerce Banquet.

5. New Council Business

a. Utah WARN - Statewide Mutual Aid

Mayor Weese asked Public Works Director, Paul Fulgham, to explain the Utah WARN Program. Director Fulgham told the Council that Utah WARN stands for a Water/Wastewater Agency Mutual Aid Agreement where municipalities share resources in the event of an emergency. This organization is pushing to go across State lines. This agreement provides a way for employees and the City to be repaid in the event that we are called upon to provide services to another municipality. Mayor Weese told the audience that this is like the Police and Fire Departments' Mutual Aid Agreements.

Motion by Councilmember Holmgren to table this item and to bring the item back in two weeks for consideration. This will give the Council time to review the item. Second by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Wood - aye. Motion unanimously approved.

b. Consider Resolution 08-06 amending the prioritized and approved FY2007-2008 Capital Improvement List/Budget in light of the Strategic Plan

Mayor Weese asked Manager Woodworth to discuss this item. Manager Woodworth told the Council that this is the Capital List that the Council put together for CDBG and other governmental requirements; however, priorities have changed. The staff needs marching orders in what the Council's plans are for capital improvements. In light of what has happened with the Senior Center, Food Pantry and other developments, the Council needs to adjust the numbers, bring the list back for review and add appropriate notes to the list. There are a couple of things on the list that are no longer necessary (i.e.: We have taken care of the Police Department with the purchase of the Bear River Health Department and moving of the department). Manager Woodworth told the Council that even with items being taken off the list, we are still under funded. In the budget plan, we have taken the modified numbers from the Senior Center and put them in the budget. It will take careful planning to do what we have outlined. With the Senior Center reduced cost estimate, we are still left with 2.2 million dollars in expenditures over our revenue if we complete our plans as outlined.

Manager Woodworth asked that this item be tabled until the next City Council Meeting so that Councilmembers can review the list and make a decision on what should remain on the Capital Improvement List for budgeting, or to make changes in the time line.

c. Review of the combined cash investments

Mayor Weese asked Manager Woodworth, as the City's Budget Administrator, to cover this issue. Manager Woodworth told the Council that he would like them to review their combined cash investments in their packets. Some people are getting the assumption that the City has \$3,000,000 that we are just sitting on. In the General Fund we have \$1,079,000. Just this last week, \$308,000 of this was applied to the road bond payment. We, also, have coming out of these proceeds the payment for our Pantry Building that will be paid for in cash. Manager Woodworth told the Council that things will be tight in our cash flow - the operation of Tremonton City per State requirements needs to be between 5 - 18 percent. Realistically, in a twelve month year, the City needs 8% per month to operate effectively.

Manager Woodworth informed the Council that in the event that the old Senior Center is not renovated, a demolition cost needs to be added to the budget. I am sure the Council does not want to encumber future Councils with a debt service. Our Public Works Director has listed a DAF Clarifier in his budget. This will expand the capacity at the WWTP. The cost of this item is around \$500,000. \$3,000,000 in the bank is not a lot of money to run the City. The Council will need to be very frugal in their spending.

d. Discussion on property tax rates

Mayor Weese told the audience that Councilmember Deakin wanted to discuss property tax rates. He turned the time over to Councilmember Deakin.

Councilmember Deakin told the audience that he has been studying the Tax Code. The way that the State has outlined the Tax Law, cities cannot benefit from property reassessments. If property tax goes up on homes at one place, they do down on homes on another place. Tax dollars have to remain the same. Councilmember Deakin told the audience that the City does benefit when new subdivisions come on board or for new growth.

Councilmember Deakin reviewed his overhead information and graphs with the audience. The information covered: Property Tax Base from the UCMA Bench Marking Group, Table 5, Pages 8 - 9, Tremonton City Property Tax Rate, Historical Property Tax Rates for Tremonton City, Sum of Adjusted Values for Tremonton City, Councilmember Deakin's design of the Personal Tremonton City Property Tax Windfall Resulting from the Utah State Tax Commission 2005 Property Tax Rate Increase and his own personal tax displaying this information, Income Statement from the 2004 - 2007 Audits, Balance Sheet from the 2004 - 2007 audits, 2007 Property Tax Rates for Urban Edge Cities, 2007 Property Tax Rates for Cache County and 2007 Property Tax Rates for Box Elder County.

Councilmember Deakin told the audience that what happened was that the taxable value took a jump between 2004 and 2005 by \$47,000,000. Company tax appeals resulted in property tax value as the equipment that was being taxed at that time was not installed. Councilmember Deakin alleged that the County did not communicate this protest to the State; therefore, the City received an increase of 21%. This property value showed up again a year or so later and we received the growth again.

Councilmember Deakin showed the audience the amount he had calculated as being overpaid. He suggested dropping the property tax rate to .002372 or back where it was prior to the alleged error. He had talked to LaMar Sayer at the State and Monty Munns at the County on this issue. Councilmember Deakin told the audience that if there was a mistake and the City got a windfall, then the Council needs to fix it. He told the audience that he may be off base on the amount. No one did anything wrong.

Mayor Weese told the audience that due to the fact that Manager Woodworth acts as the Budget Official for the City, he would like to turn the time over to him to discuss this issue. Manager Woodworth told the audience that what Councilmember Deakin said is what really happened in 2006. He, personally, went to the State Tax Commission when he realized that something appeared wrong. At that time, we did not realize that this was a one time happening and could be caused by a number of

things. Manager Woodworth reviewed the Tax Law with the audience. He gave the following example: If a home is assessed property tax in the amount of \$60 this year and a neighbor's home is assessed \$60 and the person feels he is paying too much and protests his tax, he may pay \$40 property tax next year; however, his neighbors will pay \$80 to compensate.

Manager Woodworth told the audience that in Councilmember Deakin's presentation, the information about the bump was true. When that happened, the Council set the City Budget for a certain amount like the \$60 example for services, and we can't go back to the \$40. We cannot change the decision we made for services and upgrading equipment this year as the money was spent at the time the Budget was set.

Manager Woodworth told the audience that the Council decided that the bump tracked along with what our growth was and that inflation costs were probably factored in. Inflation was then discussed. Manager Woodworth told the audience that he would use 3% as the example of inflation. Our citizens sustain at least a 3% inflation a year. He told the audience that the City has not raised taxes in over 30 years. This means that the City is working for \$.10 on the dollar. The Council realized that there was a possible issue; however, we felt that we could not go back. He used the example of the light company. We can't tell them that they charged us \$60 this year for services and we now need them to reduce the charge to \$40 next year. Just like the light company, the City cannot go back and effectively operate for less than what we received the previous year. When this issue occurred, it just didn't make sense. The Council did their best to correct what they foresaw as a problem. When it did not happen, the Council chose to disclose what the proposed tax rate would be for the next year and accepted the increase. The Council held the hearings and set the rate. We decided to maintain our revenue at the level allowed by law. We do not account for nuisances of the law, but set taxes by budget need and accepted the fact that the cost of government has gone up.

Manager Woodworth told the audience that on their tax notices that year, some of you may have seen your property taxes go up; however, others will have seen a decrease. The reality is the City did not get any more money. On Councilmember Deakin's tables, there are some problems with the tables. It is a matter of operation versus what the auditors see. Manager Woodworth told the audience that the City actually collected less than what Councilmember Deakin has shown you. The City funds that were not spent in the previous fiscal year were set aside as Capital Budgets. Councilmember Deakin is bringing these funds into his tables. Manager Woodworth told the audience that if the City could get the auditors and others who claim these figures to give the dollar amount that is shown on the chart, that would be a whole different story. The fact is that we are not collecting those dollars. The uncollected portion out there is real. We did not receive it. If we did get it, you would think that it would show from year to year to year. It is just not happening that

way. The audit will say \$603,000 - the fact is that our collections are quite a bit less.

Manager Woodworth told the audience that the bottom line is: This did happen. The Council made a conscious decision. We knew what our budget was. The State Law says you take all your expenses and set your tax rate accordingly. The Tremonton City Council has never been comfortable about doing that. They have have said they will not raise taxes. In the year being discussed, the Council said we will take the \$585,000 in property tax and the \$13,000 in Library tax, this is all we will take. This is the amount that the State and County said we could take. Manager Woodworth told the audience that often that does not meet with the budgeted needs; however, the Councilmembers are adamant that property taxes will not be increased by the Council.

Manager Woodworth told the audience that there are nuances. Homes in Tremonton have less value than homes in other communities. Homes of lesser value in areas of lower income are taxed more or have a higher increment so we are penalized. He gave the example of a Chevrolet costs the same in a poor city as it does in a rich city. Manager Woodworth told the audience that the City has been working with other communities to get them to pay their fair share of the costs for running services (i.e.: the Fire Department). There are inequities. If you compare Brigham City Fire Department and Tremonton City Fire Department's operation per capita. Brigham City pays \$20.60/ERUs and we pay \$54.00/ERUs yet we have to maintain the same equipment in order to respond. Tremonton has 7000 people and Brigham has 18,000 people to pay for the equipment. They just have more people to share in the cost.

Manager Woodworth used Councilmember Deakin's information on industry. He told the audience that industry in Tremonton City is paying the biggest share of the cost of property tax. We owe them a debt of gratitude for being here. Due to new industry, we have made a 1.6 million dollar expansion at the Treatment Plant. Tremonton City paid \$400,000 and industry paid 1.2 million dollars. Manager Woodworth used the 21% that Councilmember Deakin showed the audience in his tables. He told the audience that if you take 21% of nothing - you still have nothing. Industry in Tremonton pays thousands of dollars as compared to the homes. When you see a little bump, be thankful that the industry is paying their share of property tax. Without them, we would be paying a lot more in property taxes.

Manager Woodworth told the audience that he apologized that the law is the way that it is; however, in the disclosure portion of our public hearing we set our budget. We knew what we did. The Council did not raise taxes this year and they have not raised taxes for the last thirty years. We are still working on ten cents on the dollar.

Mayor Weese told the audience that he has copies of the letters from 2003 that were sent each year to Roger Handy at the County of the proposed tax rate. He read a

letter in the meeting. We have not raised property tax in all that time. Mayor Weese told the audience that the Council is working on their budget. He invited the audience to attend the budget workshops.

6. Unfinished Business:

- a. Consider naming a street in honor of Jay Dee and Alice Harris

Mayor Weese told the audience that someone had requested that a road be named in honor of Jay Dee and Alice Harris because they had been so influential in the community. He commented that Roberta Fronk had made a similar suggestion for Mr. And Mrs. Shumway not too long ago. Mayor Weese suggested to the Council that the street from 4th West to 10th West on 350 North to the Fair Grounds be named after these individuals as they donated the property for the road. Councilmember Deakin told the Council that they should do something for Mr. And Mrs. Harris as they have done a lot and contributed a lot for Tremonton City. Mayor Weese told the audience that it will not change the numbered address on the street. Discussion followed on what to name the road and Harris Drive was recommended.

Motion by Councilmember Reese to name 4th West to 10 West on 350 North as Harris Drive. Second by Councilmember Deakin. Vote: Councilmember Deakin - aye, Councilmember Wood - aye, Councilmember Reese - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye. Motion unanimously approved.

- b. Consider Senior Center Building purchase

Mayor Weese told the audience that the Council had the opportunity to purchase the Day Care Center that is four years old. The City will have to do some modification; however, there are 9040 square feet and it is large enough to handle the programs. Mayor Weese told the audience that Senior Center Director, Marion Layne, is delighted about the building.

Motion by Councilmember Wood to purchase the Day Care Building for \$600,000 contingent upon the City getting a low interest loan from CIB and the CDBG Grant. Second by Councilmember Deakin. Vote: Councilmember Deakin - aye, Councilmember Wood - aye, Councilmember Reese - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye. Motion unanimously approved

- c. Consider Food Pantry Building purchase

Mayor Weese discussed the Food Pantry Building. The Council feels that the best location for the new Food Pantry Building will be next to the Senior Center. The City Engineer is looking at this proposal to see if the Food Pantry will fit in the back

corner of the property.

Motion by Councilmember Reese to accept the bid given to the City on building a new Food Pantry Facility and placing it on the proposed Senior Center Property contingent upon the City Engineer's review and approval of the CIB low interest loan. Second by Councilmember Holmgren. Vote: Councilmember Deakin - aye, Councilmember Wood - aye, Councilmember Reese - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye. Motion unanimously approved.

7. Planning Commission recommendation(s):

- a. Consider Traffic Advisory Board's recommendation to eliminate one parking stall and painting the curb red to the first stall on the west side of Tremont Street just north of the City Office Parking Lot.

Steve Bench told the Council that as you drive out of the City Parking Lot on Tremont Street, it is difficult to see the on coming traffic if someone is parking in the last parking stall. Someone suggested that we eliminate the last parking stall near the entrance to the City's Parking Lot so people can see on coming traffic. Councilmember Deakin told the Council that the Planning Commission agreed with this item as it is a safety issue. Councilmember Wood told the Council that he does not have a problem with this item as it will not be an eye sore and all it will require is a Work Order for Public Works and some red paint.

Motion by Councilmember Deakin to follow the Planning Commission's recommendation to eliminate one parking stall and paint the curb red. Second by Councilmember Wood. Vote: Councilmember Holmgren - aye, Councilmember Fridal - aye, Councilmember Reese - aye, Councilmember Wood - aye, Councilmember Deakin - aye. Motion unanimously approved.

8. Comments:

- a. Administration/City Manager Advise and Consent

- 1) Registration for ULCT Midyear Conference

Manager Woodworth reminded the Council that registration for the ULCT Midyear Convention is due soon. He asked them to turn in their registration as soon as they can.

- 2) Preliminary draft of the General Fund for review

Manager Woodworth told the Council that a draft of the FY2008-2009 General Fund was in their packets. He asked the Council to review the information and look for any questions they had for discussion at their next Budget Session.

b. Council Reports:

Councilmember Holmgren reported that the project at the Library is ongoing. He informed the Council that one thing the committee wants to do is install a statue outside of the Library. This will be something that will encourage reading. Councilmember Holmgren told the Council that Val Lewis will be doing the statue using local models. He showed the Council a picture of the proposed statue. It is larger than life and is of a girl around the age of fourteen reading to her little brother. Councilmember Holmgren told the audience that grants that were applied for has made this possible. He told the Council that the Committee would like to make a big deal of the dedication. They also want to spruce up in the back of the Library. The Utah Arts Council donated \$16,000 and a lot of citizens have also donated to this project. The cost of the statue is \$25,000 and it has been fun watching it all come together.

Councilmember Fridal told the audience that he was glad to see so many in attendance tonight. He is glad to be part of the City Council.

Councilmember Wood told the Council that he is delighted that the City found a building for the Senior Center. He informed the Council that he and Councilmember Reese had lunch at the Senior Center with Director Lane and her staff and discussed the new building. They do a great job for all of the County.

Councilmember Deakin thanked everyone for their attendance this evening. It was a good show of citizens. The Council will be thinking about what we will do in the end with this sensitive information.

9. Public comments:

Paul Christensen informed the Council that some people had called to inform him that the community has to come up with at least one million dollars for our new hospital. They wanted him to assist with the fund raiser. He asked the Council if they knew anything about this item? Mayor Weese told Mr. Christensen that he had donated to the project and the Hospital Board wanted the people in the community to feel that they are a part of the hospital by donating to the project. Manager Woodworth told the audience that this was announced at the groundbreaking ceremony. Mr. Christensen told the Council that this group asked him to head up some groups and there are people who are not happy about it. Mayor Weese told Mr. Christensen that the fund raiser will be announced soon.

Jerry Morris told the Council that they had asked him for a donation. Mayor Weese told Mr. Morris that the Hospital Board wants community involvement and Councilmember Reese told him that he does not have to donate if he does not want to. Mr. Morris told the audience that when the previous hospital was built, communities had to pledge to pay to build the hospital. Manager Woodworth told the audience that the City was part of that bonding process and did pay their full share of the bond.

Manager Woodworth informed Mr. Christensen that the new Hospital Board has been asked to do a joint venture on the Walking Trail from the Jeanie Steven's Park to the track around the new hospital campus. This will be a nice thing for the City.

Mayor Weese told the audience that he is a member of the Hospital Board. The Board picked people to serve on the Foundation. Deloris Stokes and Ward Taylor are two of the people who were picked to spearhead the project.

Public Works Director, Paul Fulgham, told the audience and Council that he knew Mayor Weese would not toot his own horn and tell them about the award he received at the recent Rural Waters Convention in St. George. He was awarded the Legislative Elected Official of the Year. The award is given to the outstanding, top notch people in the state for their long term service, dedication to their city, providing jobs and dedicated service to the community over all.

10. Adjournment

Motion by Councilmember Deakin to adjourn the meeting. Second by Councilmember Wood. Vote: Councilmember Holmgren - aye, Councilmember Fridal - aye, Councilmember Reese - aye, Councilmember Deakin - aye. Motion unanimously approved. Meeting adjourned at 8:30 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 of the City Council meeting held on the above referenced date.

Dated this _____ day of _____, 2008.

Darlene S. Hess, RECORDER