

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING AND BUDGET WORKSHOP
APRIL 22, 2008**

Mayor Max Weese
Councilmember David Deakin
Councilmember Roger Fridal
Councilmember Lyle Holmgren
Councilmember Jeff Reese
Councilmember Byron Wood
Manager Richard Woodworth
Attorney Dustin Ericson
Recorder Darlene S. Hess

CITY COUNCIL MEETING AND BUDGET WORKSHOP

Mayor Weese called the April 22, 2008 City Council Meeting and Budget Workshop to order at 5:37 p.m. The meeting was held in the City Council meeting room at 102 South Tremont, Tremonton, Utah. Mayor Weese, Councilmembers Deakin, Fridal, Holmgren, Reese and Wood, Manager Woodworth, Attorney Erickson, Police Chief David Dance, Steve Bench of Building and Zoning and Recorder Hess were in attendance.

1. Opening Ceremony

Mayor Weese welcomed everyone to the meeting. He especially acknowledged the students from Mr. Littlefield's Class at Bear River High School. He told the students to remind Mr. Littlefield that the Council is still waiting for him to attend a meeting. Mayor Weese asked those present who may be offended by listening to a prayer to step out into the foyer during this portion of the meeting. He told the audience that Pastor Abrams was going to give the prayer; however, he did not make it back in time. The prayer was given by Mayor Weese and the Pledge of Allegiance was led by Councilmember Fridal.

2. Approval of the agenda

Mayor Weese told the Council that due to the subject being discussed this evening and time that may be involved, he suggests that item #7 be forwarded to another meeting. **Motion by Councilmember Holmgren to approve the April 22, 2008 Agenda with the stated change.** Second by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Wood - aye. Motion unanimously approved.

3. Approval of minutes - March 4, 2008 and March 18, 2008

Mayor Weese asked the Council if they had any additions or corrections to the minutes. Being none, he called for a motion to approve the minutes. **Motion by Councilmember Reese to approve the minutes of the March 4, 2008 and March 18, 2008 City Council Meetings.** Second by Councilmember Wood. Vote: Councilmember Deakin - aye,

Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Wood - aye. Motion unanimously approved.

4. Public Hearing

- a. To consider pledging excise tax revenue (UTOPIA Revised Pledging Member Pledge Amounts)

Mayor Weese called the public hearing to order at 5:35 p.m. with twenty-nine people in attendance. He told the audience that the City started eight years ago with UTOPIA and has been working through the issues until the time we are at tonight. He introduced Paul Larsen, Brigham City Economic Development Director and Todd Marriott of UTOPIA to the audience and told the audience that these gentlemen are in attendance to answer all the questions that citizens may have. He asked Mr. Larsen to review UTOPIA information prior to taking public comments as the information he gives may answer some of the questions.

Paul Larsen informed the audience that he was a member of the UTOPIA Board and serves with Rich Woodworth and others from the participant cities making up the UTOPIA Board. He told the audience that when he began working with Brigham City more than eleven years ago, Flying J, a major company in Utah, was located in Brigham. Due to a number of reasons - telecommunications being one of them - Flying J left our community. At that time when the relay was down, Flying J could not contact the offices in North Ogden for two or three days at a time which drastically interrupted service. We knew something had to be done to improve telecommunications.

Mr. Larsen told the audience that Box Elder County, Brigham City, Tremonton City and the Box Elder School District met together to see what could be done and formed a telecommunication partnership. As a group and with other business leaders that had a similar concern, our goal was to: 1) Establish a redundancy diverse path isolated from others so when the line was cut the system could still operate. 2) Provide band width. For eighteen months, this group went through a great process trying to solve the issues. We ended up with an exhaustive list of providers up and down the line. Over these eighteen months, this group discussed our issues with various providers and asked what they could do to provide investment in our communities. Their answer was nothing.

With this rejection and no solution in sight, we had to take it upon ourselves to join forces. We contacted RFP and consultants did a Feasibility Study to see if it was feasible to build a network and the type that would be best suited for our needs. We looked at infrastructure and came to the conclusion that a fiber optic network was the choice. The problem was that there is not enough mass or population to offer to a provider. We learned later that there were other communities within the State that needed a solution to their telecommunication problems and that Brigham City and Tremonton City would not be able to support a network with addresses. By joining other communities, we would be able offer up to 300,000 addresses.

Mr. Larsen gave the following information:

UTOPIA current status:

- ▶ Over 7,240 subscribers of 42,799 addresses passed with a 28% take rate amount 26,283 addresses orderable.
- ▶ High network reliability with IP video, telephony and Internet since October 2004.
- ▶ Extremely low churn - less than 0.5% per month.
- ▶ Service available in West Valley, Murray, Midvale, Lindon, Orem and Payson.
- ▶ Construction in process/services pending in Tremonton, Brigham, Perry, Layton and Centerville pending RUS lending an agreed amount of funding.

Successes:

- ▶ No Tax money has been used to date.
- ▶ UTOPIA is delivering services as promised
 - Advanced capabilities at significantly reduced rates
 - Increased capabilities for city internal connections and services
- ▶ Contributing to economic development - cited as key reason for locating, expanding business in UTOPIA communities.
- ▶ Has contributed to more affordable services within member cities.
- ▶ Builders and developers want UTOPIA in their properties
- ▶ Other cities want to join
- ▶ Fiber optic technology has been validated
- ▶ Value of open networks has been proven
- ▶ Has attracted multiple services providers
- ▶ Construction has been streamlined, costs reduced and resident impact has been minimal
- ▶ Biggest challenge is being able to deploy rapidly enough

Mr. Larsen told the audience that there have been challenges and lessons learned. There were delays in financing which significantly delayed construction and new inventory by more than eighteen months. RUS has been an unreliable financing partner. The Rural Utility Service Program was approved for a \$67 million reimbursement loan. UTOPIA proceeded with new construction using the operations fund. RUS approved the loan but did not approve expenditures; therefore, UTOPIA was short \$14 million of anticipated reimbursements which halted construction and curtailed expenses in all areas. Mr. Larsen told the Council that UTOPIA was reliant on the service provider doing the marketing.

Mr. Larsen told the Council that the key objectives for recommendations are to preserve core principles. Open network with private Services Providers, use standards based, high quality infrastructure, low cost, high quality and innovative services, for UTOPIA to be committed to serve entire communities to accelerate growth of the network with increased availability in member cities and to reduce financial risk to member cities. In order to meet these objectives, the UTOPIA Board recommended that we ensure operating costs are kept in line with revenues, adopt a best practices model by taking an active role in promoting benefits of the open, fiber

network, not rely on service providers to do the marketing and to building following subscriber commitment evidenced by a one-time connection fee. Mr. Larsen told the audience that in order to meet the recommendations, the Board felt that we needed to refinance to address near term cash needs in order to not call on the pledges.

Mr. Larsen covered the benefits of a UTOPIA connections as: Significantly lower monthly fees, increased property values, superior services/member only services, choice of service providers, future proof - capacity for current and future advanced services, new subscribers can be added without increasing debt, pays down existing debt, reduces churn and is attractive to new communities.

Mr. Larsen told the Council that UTOPIA's refinancing proposal is as follows: The Loan amount of approximately \$185 million will replace current Bank of America bonds, pay off RUS debt and eliminate them as a financing partner, pay off balances on contracts approved but not paid by RUS, cover cost of issuance, provide capitalized interest for 2 years, provide additional construction funds to implement rings and other limited construction. The city pledge commitment will be extended another 10 years to 33 years from the date of issue (2008), city pledge amounts will increase 15.9% up front and then grow up to 2% per year. Pledges will remain within limits set by the legislature and case to cover larger debt service reserve will initially come through bond proceeds and thereafter through interest earnings, so we do not expect that cities will need to contribute extra funds.

Mr. Larsen told the audience that Tremonton City is 96% built out. Brigham City is only at 36%. When Perry, Centerville, Layton, Tremonton and Brigham are on line, more orderable addresses will be available; therefore, more providers will be interested in joining. As new communities come on line, they will step up and pay for the infrastructure to build in their communities. Mr. Larsen told the audience that as municipalities grow, sales tax will increase and the communities will be able to pay their share. In Brigham City over the last ten years, sales tax exceeds 2% a year in growth.

Mayor Weese asked the Council if they had any questions for Mr. Larsen or Mr. Marriott? Being none, Mayor Weese asked that citizens wanting to discuss this issue to limit their time to three minutes in order to allow time for everyone to comment. If several have grouped together, he asked that one spokesperson represent the group. Mayor Weese asked each person who wishes to comment on this issue to come to the podium, state their name, and discuss their issue.

Hugh Clark told the Council that it is hard to put everything into perspective on this issue. Mr. Clark had several articles which he had cut out of the newspapers in his hand and told the Council that none were favorable. Mr. Clark discussed one article where they identified the cost of a hookup fee as being \$1000. The article stated that eventually it could be two to three times more. UTOPIA is negotiating with several banks on connection fee funding so people can pay their connection fee over time. It would be like going to RC Willey's and buying furniture and paying for it over time. Mr. Clark told the Council that we are in difficult financial times as a community. I belong to a church whose head has told us to stay out of debt. I feel we should embrace that instruction totally.

Mr. Clark told the Council that he talked with Byron Wood the other day and discussed that it is not the function of government to get involved in commercial business. If you had gone to a commercial bank for funding, you could not have gotten the financing without the backing of a taxing entity. Then to come in with such a dismal report card for renewal, I know what they would have said as I was in banking for twenty-two years. They would say, "take the loss and move on".

Mr. Clark told the Council that he does not share the Council's optimism - it is dismal. You are borrowing \$14 million dollars to pay the debt. Mr. Clark told the Council that a good friend of his - Wayne Sandall - told him that you cannot borrow yourself wealthy. You say you have this reserve to pay for it - I just can't believe that we are into it this deep. Mr. Clark quoted the pledging amounts the various cities had pledged and stated: When you talk about this much money, it should be put on a ballot. If the people approve it, you will not hear one more thing from me.

Mr. Clark asked the Council that he couldn't see the City going this route. It will be a big loss; however, bite the bullet and move on. Mr. Clark told the Council that he does not know who in the City Council has the expertise in this field. If they had the expertise, they would have addressed it way in the beginning instead of waiting to get to this point. This is a big education. Mr. Clark told the Council that he does not know of a bank that when asked for more money would give it.

Mr. Todd Marriott told the audience that Mr. Clark brought up good points. He then gave some background information on himself. He told the audience that he is involved in UTOPIA now. He came from the private sector. There have been lessons learned which are hard - some things that they should have anticipated. He likened UTOPIA to an oil field where there is oil in the ground and rigs in place to pump the oil. The task just needs to be performed. Mr. Marriott told Mr. Clark that he has read the same articles that he is referring to. These articles came from individuals who are not interested in the success of UTOPIA. They are like people who own an apartment building. They put paint on the building but don't care about the needs of their people. Mr. Marriott told the Council that he is involved with UTOPIA. We are not just putting paint on the building for looks. UTOPIA needs good money to complete the package so we can be competitive instead of just receiving pennies on the dollar.

Mr. Clark asked Mr. Marriott if he was going to sign the note? Mr. Marriott told the audience that knowing what he does now about UTOPIA, he would take advantage of UTOPIA. Mr. Marriott told the audience that there are things that disadvantage you by not knowing what I know; however, there are individuals in attendance at this meeting that hearing the information may take away your choice. We are working with trade secrets that cannot be divulged in this meeting. With UTOPIA, your opportunities are tremendous.

Mr. Clark asked Mr. Marriot, "If UTOPIA goes down, the liability for eleven cities would be on tab for \$300 million on bonds paid out today - is that right?" Mr. Marriott replied yes. Mr. Clark told the audience that \$300 million dollars goes to \$400 million dollars if we refinance. Manager Woodworth told Mr. Clark that some newspaper articles stated it would be \$500 million; however, he will be closer to \$400 million. Mr. Clark told the Council that Rich Woodworth being on the UTOPIA

Board is a conflict of interest. Manager Woodworth told Mr. Clark that he is representing Tremonton City on the Board at the request of the Council. There is no conflict of interest. All member cities have a member on the Board.

Mr. Clark complained to the Council about the notice placed in the newspaper. He told the Council that when the City places information in the newspaper about UTOPIA, it is a nice article. When you have meetings like this you have to go to the legal section of the newspaper to see a little notice. It is in such little writing that it is hard to determine what it says. Mayor Weese told Mr. Clark that he saw a big ad in The Leader notifying citizens of this public hearing - Manager Woodworth told Mr. Clark that it was a quarter page ad. Mr. Clark told Mayor Weese that he must of had his other glasses on to see it. Several people in the audience informed Mr. Clark that there was a big article in The Leader informing citizens of this meeting not just the legal notice.

Paul Larsen told the audience that if the refinancing goes through and after two years everything goes south, the value of the network would be \$401 million dollars instead of the pennies on the dollar they would get today not built out. Mr. Larsen told Mr. Clark that he does not believe everything he reads in the newspaper. Mr. Clark told the audience that he tried to find out about UTOPIA on the internet. All he could get is a financial statement on how much you will pay people. UTOPIA's web site is not the best.

Mr. Larsen told the audience that communication is large. He did not know what the fee will be to connect. UTOPIA is open to any provider - even the ones in the audience tonight. Mr. Larsen told the audience that other companies charge for the hookup fee - they just include it in their monthly fee. UTOPIA is being up-front with the actual cost. Mr. Clark interrupted with the comment that there are seven free hookups sitting on the bench. The Council assured Mr. Clark that the Council does not get a free hookup. Mr. Larsen continued with once the hookup fee is paid, the customer does not continue to pay for it forever. UTOPIA will be competing with other companies to provide quality service to customers.

Wayne Rhodes told the Council that maybe he misunderstood a few things. Rich Woodworth told him several months ago that the tax agreement with UTOPIA would cover the cost. Manager Woodworth informed Mr. Rhodes that what he told him at that time was the truth. RUS was to have supplied the funding. The City to date has not spent one dime on this project, and we do not intend to spend a dime. What happened is that RUS came on and agreed to give us a loan of \$60 million dollars. They told us that we could spend that money as we wished; however, you are on a time line to get things done. RUS then stalled on the money in the amount of \$21 million and would not give UTOPIA the money they agreed upon to do the work? Then they told us that we were suppose to have \$40 million of work done. That is why Mr. Clark thinks we have a poor take rate. Then RUS wouldn't give us the money. We thought RUS would be a good partner; however, they are not reliable. We asked them how they were not responsible for us not meeting our agreement when they would not give us the money agreed upon to do the project. They agreed upon \$14 million in contracted services then refused to pay it. They told us that it was not

their problem.

What is being said in the media is that UTOPIA is not meeting their agreement. The issue is that RUS was suppose to have taken care of it; however, it did not happen. Due to this problem, we cannot meet our obligations. What Mr. Clark says is stated in the newspaper about us not meeting our obligation looks bad; however, we can't meet our obligations because we did not get the money from RUS to do the work. The plan was to move forward and get things built out; however, that did not happen.

Mr. Rhodes told the Council that the City should not get involved in commercial business. Why doesn't the City get in the power and water business and bring it in from other cities or pipe it in from Brigham? What I saw on the Power Point stated that the take rate for UTOPIA will be between 16% and 18% and I think that is high. Why don't we spend the money on the roads, sewer and water so 100% of the citizens will benefit from it? Mr. Rhodes told the Council that he felt that the people here tonight were wasting their time because the Council has already decided how they are going to vote. Manager Woodworth told the audience that he feels this statement is not true. Some of the Council are still undecided. Manager Woodworth asked the audience a question. If a tax payer is a tax payer and a consumer, aren't you as concerned for him as a consumer as you are a tax payer? He told the audience that in every UTOPIA city, incumbent service providers have lowered their prices for telecommunication. Tremonton City right now is benefitting from lower prices than they have ever seen before. Why is this happening? It is because free enterprise is working and because they knew competition was coming. Competition is a good thing. It lowers prices for the consumer. Manager Woodworth told the audience that he personally wants to spend the hookup fee for UTOPIA. As a business in Tremonton, I would rather pay \$100 a month for service instead of \$700 a month for a T1 Line. Overall, citizens will have value added service with lower cost. Mr. Rhodes told the Council that the City does not know if the citizens will use it as they have not conducted a survey to find out.

Manager Woodworth informed Mr. Rhodes that a survey has been conducted by a company named Dynamic City - then known as Pinicle. From this survey, we learned that of all the UTOPIA cities, Tremonton was the most dissatisfied with their service. We had the smallest calling area and highest prices of anyone in the State. Our local providers - the ones that work right here in Tremonton - are the greatest most devoted service oriented people you can ask for. The issue is with the mother or parent company who would not step up. Manager Woodworth told the audience that actually within the municipalities using UTOPIA, they are getting a much higher rate of take - as high as 27% in some areas. UTOPIA is not touching the capability or surface of the possibilities or doing the sales that is available. With this take rate, UTOPIA can meet their obligations and service their debt without taking the sales tax pledge from the participating cities.

Bill Hull asked then why are we here? Manager Woodworth reminded the audience of what was said previously in the meeting. UTOPIA was loaned \$60 million dollars and the lending party went back on their word and stopped progress by refusing to give them the rest of the money. RUS stopped the money which stopped

progress/construction/the capability of getting the take rate needed to run UTOPIA. Manager Woodworth told the audience that if they would just give us \$300,000, we could have Tremonton up and going. Right now, there is conduit in front of almost every home and every business in town.

When Wayne Rhodes repeated the comments he had made previously, Councilmember Wood told him that what he does not understand is that the City is already committed by our prior commitment. If we pull the plug now, we have guaranteed that we will pay \$286,000 a year for twenty years and that money is gone with no benefit. Maybe the City should not have gotten involved in the first place; however, if we don't continue, we will lose. If we move forward, and I guarantee it is a lot of money, with the take rate the pledge should never be called upon. Councilmember Wood told the audience that if we get the people to sign up for rates which will be cheaper than what they are currently getting, the City will come out ahead and not lose the money. This is a no-brainer.

Colleen Johnson informed the Council that she had worked in telecommunication for twenty-seven years and she understands public service. She told the Council that she appreciates the time and effort they are putting into telecommunication. Ms. Johnson told the Council that she felt that they have backed into the project. Information should have been found out before you got into the project. Ms. Johnson told the Council that their take rate is high. She volunteered to donate her time to organize a group to go through the community and have citizens sign on the dotted line so the Council knows the take rate before they move forward. Ms. Johnson told the Council that they have a great plan and a great commodity; however, it needs to be input by a private enterprise. Ms. Johnson told the Council that she feels that the take rate is just not there, there is poor marketing, and the Council should postpone the decision until they know for sure what the take rate will be. This is a big issue.

Todd Marriott told Ms. Johnson that UTOPIA has conducted two independent studies already - the last one just completed in January or February of this year. The UTOPIA Board has not decided what the connection fee will be. We will do things through our Marketing Plan that make it work. Mr. Marriott told the audience that he knows what these plans are; however, with the competition in the audience, he is not willing to share their plans. UTOPIA has 7,000 users with the capability of getting 60,000 more homes on line. Our independent studies tell us that we can get up to a 28% take rate. UTOPIA would welcome Comcast, Quest and Frontier as providers using our infrastructure. We would love to have them. Ms. Johnson told the Council that they should start with a study. Mr. Marriott told her that UTOPIA has that information. The take rate was again discussed by Ms. Johnson and Mr. Marriott. Mr. Marriott told the audience that UTOPIA does not have the subscribers because they are not in operation due to the stoppage in funding.

Ms. Johnson asked who is going to be the watch dog for quality and service provided? Paul Larsen told the audience that the watch dog will be the Public Service Commission. Mayor Weese told Ms. Johnson that just today in this building one of the staff told Manager Woodworth that eleven calls showed up on the phone at two o'clock. Some were from yesterday, some from early today and some from last

Friday. The Senior Center and Library, also, had a problem with their lines and we had to call Scott Rich to come up from Ogden to take care of the issues. Is this quality service? Frontier employees told the audience that they took care of the problem today. Manager Woodworth again made the statement that the City has nothing but praise for the service we receive locally.

Mayor Weese told the audience that Scott Dansie of Comcast is in the audience. When Comcast heard about UTOPIA, they did the right thing. They started upgrading their equipment to make Comcast more competitive. Mayor Weese told the audience that it is not the Council's message to say a service provider should not be in operation or that they should not compete with UTOPIA. UTOPIA is just another way for a provider to make telecommunication competitive.

David Lasley told the audience that until the City started talking about UTOPIA, no improvement was made to the community's telecommunication service. It has been a good thing for Tremonton. Mr. Lasley told the audience that the City is committed per a prior agreement. The only thing they are doing is extending the refinancing for another ten years. We need to follow through.

Councilmember Wood told Mr. Lasley that this is what he tried to tell the audience. The City is locked into an agreement for twenty years. We are just refinancing to pay off the bond with a lending organization that will not meet their agreement. This will allow UTOPIA to get the funds to complete building the infrastructure. It does commit the City for an additional ten years; however, we get nothing for our money if we don't continue.

Paul Larsen told the audience that in order to get the value out of what the UTOPIA cities have already committed, we need to complete construction of the infrastructure. If we do not get the take rate that we are anticipating, we have exit strategies:

1. Call it a day and move forward. It would mean the UTOPIA cities would be paying our pledge money and selling the infrastructure for pennies on the dollar.
2. Refinance and complete the build out. If UTOPIA fails two years down the road, we are on the hook for thirty-three years; however, the value of UTOPIA will be far above what it is today. We could put it up for sale and pay down a lot of the pledge proceeds.
3. Refinance and UTOPIA is a success. This is the strategy that Mr. Larsen perceives will happen. If this happens, the pledging cities will have their pledge agreement realigned/eliminated and the market place will take care of itself.

Bill Hull told the audience that he works for a telephone company. UTOPIA has taken some of our customers. This has caused us to upgrade our system. Mr. Hull asked if the Council had considered maintenance and what it will cost? It may be possible that they will not be able to take care of the maintenance. Mr. Hull told the

Council that UTOPIA is maxed out on their credit card. This refinance is just getting another credit card to pay off a credit card. He told the Council that as a citizen he was urging them to look around before making the decision to approving another agreement. We are burdening our children and our children's children down the road.

Cleon Hess told the Council that two months ago a man came through his property with a wire to do fiber optic. The line was being installed by the power line that goes behind his home. Mr. Hess told the Council that with the economy the way it is today, it is not a good time to jump into additional fees. Mayor Weese told Mr. Hess that UTOPIA will be less expensive than what citizens are paying now, and Mr. Marriott told him that UTOPIA has driven down pricing in the communities that it is servicing.

Wayne Rhodes asked if Tremonton City will maintain the fiber optic? Mr. Marriott told Mr. Rhodes that UTOPIA will completely be responsible for maintenance. Tremonton City does not have to be left behind without fiber. The citizens of Tremonton will benefit from the capabilities that UTOPIA will bring. It will bring in new manufacturing to Tremonton.

Mayor Weese told the audience that the Council has heard a lot of con comments, he would like to hear someone with a pro comment.

Mike Bowcutt told the audience that technology is needed in Tremonton. He has personally been waiting for UTOPIA to come on board. When he worked in Korea, they had fiber optics. There has been no new technology to replace fiber.

Jean Richer asked if the increase is voted for, how much money will the City need to pay and is there a list of how much was spent? Manager Woodworth reported to Ms. Richer that to date, Tremonton City has not spent a dime - it is all invested. We have pledged the money only. Ms. Richer asked if the pledging cities know how much money has been spent putting the cable in the ground in all municipalities. Paul Larsen told Ms. Richer that they have those figures. Ms. Richer told the Council that she understood that when UTOPIA started, the pledging cities would get a percent of the money. Mr. Larsen informed Ms. Richer that UTOPIA is a non profit organization. Manager Woodworth told the audience that when UTOPIA first started, this was the plan. Tremonton City will benefit from a small portion of the growth. It is truly an all for one and one for all. That is the way we structured it. Mr. Larsen told the audience that any surplus funds received will be used for maintenance and infrastructure.

Manager Woodworth informed the audience that Tremonton City was the only pledging city that took advantage of the economic development benefit of the RDAs and EDAs. We have an agreement between Tremonton RDAs/EDAs and Tremonton City that pledges non sales tax in the amount of \$178,000 which will soften the impact because it was seen as an economic development.

Councilmember Holmgren told the audience that it was his understanding that Comcast and Frontier does not have fiber to every home in Tremonton. This statement was confirmed. He then asked how many homes in Tremonton now have

the Internet? The reply was almost every home. He then asked if those who have the Internet are satisfied? The reply was no.

Scott Dansie, representing Comcast, told the Council that in the past ten to eighteen months, Comcast has increased their technology in Tremonton. Tremonton residents have the same Internet speed as downtown Salt Lake City. Mr. Dansie told the audience that not long in the past, Tremonton was a second-rate player. The Internet speed has come up dramatically.

David Lasley told the audience that our children are into technology. In the past, people were leaving our area because they were not able to run their business due to the technology provided. Mayor Weese gave an example of a person in Lindon needing copies of a book for family history. They went to one business who could produce thirty books a day. They went to another business who could produce 270 books in a day. Then they went to a UTOPIA business, and were told that they could produce 2700 copies in a day. The capability provided by the UTOPIA business far exceeds that of the other businesses.

Manager Woodworth told the audience that Councilmember Wood made a good point. If Tremonton City does not move forward, \$285,000 annually will be spent for nothing. Councilmember Holmgren told the audience that when the study was conducted in the Tremonton area, the take rate was almost 100%. If this is the case, UTOPIA will be successful. Mr. Marriott told the audience that UTOPIA has to be very careful to provide value. They are excited to get into Tremonton City with their marketing plan. If he works here, it will work anywhere.

Mayor Weese thanked everyone who had participated and closed the public hearing at 7:49 p.m.

5. Consent Item:

- a. Consider Resolution 08-10 approving the Amended and Restated Pledge and Loan Agreement (UTOPIA Revised Pledging Member Pledge Amounts)

Mayor Weese informed the Council that Resolution 08-10 needs to be changed to Resolution 08-11. He then called for a motion of the resolution.

Councilmember Deakin told the Council that everyone agreed that the City needs fiber optic high technology in Tremonton the argument is on both sides of the issue. Councilmember Deakin told the audience that he appreciated all the comments that had been made. Councilmember Deakin then told the Council that he is uncomfortable with UTOPIA increasing our commitment. He personally ran the numbers and the actual commitment or tax guarantee is \$5800 per household. What UTOPIA is asking for is unreasonable. I would support your asking us for additional funds to get it up and running; however, .7 is a huge commitment.

Councilmember Holmgren told the Council that this issue has been the hardest decision he has had to make as a Councilmember. **Councilmember Holmgren then**

made the motion to adopt Resolution 08-11 approving the Amended and Restated Pledge and Loan Agreement. Councilmember Fridal told the Council that he had thought, pondered and spent a great deal of time talking with people before deciding on this item. He then seconded the motion. Councilmember Wood told the Council that he wished the Council could pull the plug and run today; however, he does not see that the Council has any other choice. It is either we move forward, not have enough money to repair the roads for twenty years, or go to the citizens and request a bond to pay off the debt. Councilmember Reese told the Council that his head has been spinning a hundred miles an hour during this public hearing and he appreciated Colleen Johnson's comments. The Council has really taken a hard look at this issue and I feel this is the only way we can go. Vote: Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye and Councilmember Wood - aye. Councilmember Deakin opposed the item. Motion passed by majority vote.

Mayor Weese suggested to the Council that they take a five minutes break before proceeding with the meeting. Some of the Council left the podium at 8:09 p.m.

The Council reconvened at 8:12 p.m.

6. Request(s) to be on the agenda
 - a. Tamaflu vaccine for City employees - Jim Hess

Mayor Weese welcomed Jim Hess to the meeting. He asked the Council if they knew why Jim is here talking to the Council about this item, he is the Emergency Management Coordinator for Tremonton City. Mayor Weese asked Mr. Hess to tell the Council what he will be getting this Friday. Mr. Hess told the Council that he will be getting his Bachelor's degree in Emergency Management from UVSC. Manager Woodworth told the Council that this is not the only credential that Mr. Hess has. He is an EMT, has his Fire Science Degree and several other credentials in this field. The Council congratulated Mr. Hess on his achievement.

Mr. Hess told the Council that Keith Larsen had presented information to the Council on pandemic influenza and ways to limit the spread in our community. Flu pandemic of this type will run around sixty days, peak at 30 days then taper off. A pandemic flu will in Box Elder County per Lynn Yeates will affect 28% or 14,000 people. Of this number, 7000 people will see the doctor, 700 will need hospitalization and 350 will die from the flu. To give you an example of how traumatic this is, in the State, 250 people die annually for all causes such as natural and automobile accidents. Tamaflu vaccine can be used to prevent or treat the flu. Preventative medication would be given to Mr. Hess informed the Council that since Mr. Larsen's presentation, they have found out that the anti-virus prevention medication's shelf-life has been extended to seven years instead of the five previously presented.

Mr. Hess told the Council that he would like to propose that the City purchase preventative medication for their employees. He suggested that all employees be considered for preventative treatment. This would be a twelve week treatment with one pill a week. If the employee becomes infected with the flue, they will be given

one pill a day for five days. Mr. Hess told the Council that the State of Utah asked for \$571.00 for preventative and \$68.00 for treatment a person. The Federal Government has come up with a lot better offer. It is \$165.00 for preventative and \$19.50 for treatment. In order to take advantage of this offer, we need to have it to them by the end of May so a check needs to be cut by May 15th to send to the Federal Government.

Mr. Hess told the Council that Chief Nance told him that the City should get the medication for 65 employees. This would cover Public Works, Fire Department, and Police Department personnel. Mr. Hess suggested that all employee receive the treatment as they will be called upon to respond. This includes the Council. Mr. Hess, also, suggested that the medication be considered for spouses or family paid for by the employee. If we respond on the ambulance and get exposed, we can take it home to our spouses. As the Emergency Management Coordination for Tremonton, I feel the treatment is a vital part of our program. If the Council or members of the staff are ill, we may need the Parks and Recreation people to step in a assist us. Cost for sixty-five employees would be \$1267.50. Cost for all employees is \$2164.50. This is not a great amount of money if you take into consideration that Chief Nance has \$977.50 available in his Emergency Preparedness fund. He is willing to contribute this money toward getting treatment for all employees. Mr. Hess told the Council that he would also like to know that his family is taken care of. If we get a pandemic flu in Tremonton and 28% of the people are infected, 20% of the people will not show up to work because they are taking care of their sick family during the sixty day period.

Councilmember Fridal has if it would be in the form of a shot. Mr. Hess told him that it is a pill. Councilmember Wood told the Council that we really don't know what strain of flu it will be. Mr. Hess told the Council that it is a guarantee. Tamaflu is made for the strains of flu we already have. Councilmember Deakin asked what Mr. Hess was asking for.

Jim Hess told the Council that he would like to see the City get the preventative treatment for the entire City employees. He would like to Council to consider making it available for employee spouses with the employee's paying for the spouses. Box Elder County and Bear River Valley Hospital has purchased the medication for their staff.

Jean Richer, a citizen in attendance at the meeting, told the Council that this should definitely be made available for the Fire Department, Police Department and Public Works.

Motion by Councilmember Deakin to purchase treatment for 111 City employees and to make treatment available for families. Second by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Wood - aye. Motion unanimously approved.

7. Budget Workshop - Presentation of budget by Department Heads - 15 minute limit each

- a. Library - Director Lorna Adams
- b. Food Pantry - Director Cathy Newman
- c. Court - Judge Kevin Christensen
- d. Treasurer's Department - Treasurer - Sharri Oyler
- e. Senior Center - Director Marion Layne
- f. Fire Department - Chief Steve Batis
- g. Building and Zoning/Planning commission/Building Inspection - Steve Bench
- h. Recreation/Parks - Director Rhett Ogden
- i. Police Department /Tremonton Enforcement Liquor Laws - Chief David Dance

Mayor Weese informed the audience that due to the length of the public hearing being held this evening, he suggested that this item be postponed. **Motion by Councilmember Holmgren to postpone the Budget Workshop to another meeting.** Second by Councilmember Fridal. Vote: Councilmember Deakin - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Wood - aye. Motion unanimously approved.

8. Public comments

There were no public comments.

9. Adjournment

Motion by Councilmember Wood to adjourn the meeting. Second by Councilmember Deakin. Vote: Councilmember Deakin - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Wood - aye. Motion unanimously approved. Meeting adjourned at 8:24 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

