

**Tremonton City Corporation  
City Council Budget Workshop  
May 20, 2009  
Meeting held at  
102 South Tremont Street**

Members Present:

David Deakin

Roger Fridal

Jeff Reese

Max Weese, Mayor

Darlene Hess, Recorder

**CITY COUNCIL BUDGET WORKSHOP**

Mayor Weese called the May 20, 2009 City Council Budget Workshop to order at 5:40 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Weese, Councilmembers Deakin, Fridal, and Reese, Police Chief David Nance, Financial Director Curtis Roberts, and Recorder Darlene Hess. The Council reviewed the agenda and discussed the following items in detail.

1. Approval of agenda:

**Motion by Councilmember Deakin to approve the agenda.** Motion seconded by Councilmember Fridal. Vote: Councilmember Deakin - aye, Councilmember Fridal - aye, and Councilmember Reese - aye. Motion approved.

2. Budget review and discussion:

Mayor Weese turned the time over to Financial Director, Curtis Roberts, for the discussion.

**RDA District #3 - Industrial Park**

Director Roberts told the Council that he and Recorder Hess have been under a very tight schedule trying to get the budget out. In the RDA, Malt-O-Meal, and the 10<sup>th</sup> North Area, we have adopted a tentative budget to give to the Taxing Entity Committee. Next year's property taxes have been estimated at a high rate to submit to the County. The City has to estimate the taxes high as if the amount is too low, we only receive up to the amount budgeted. We have also added a cushion for professional services.

72-31-110	Property tax estimated at \$2,000,000
72-83-320	\$500 for engineering
72-83-330	\$500 for legal fees

- 72-83-500 \$1,721,290 is the amount estimated to be paid to Malt-O-Meal/EDA for reimbursement
- 72-83-613 \$127,815 to repay the City's debt service utility Loan #3
- 72-83-619 \$149,895 amount budgeted to repay Malt-O-Meal for power poles

In the current budget, the City has paid Malt-O-Meal \$1,410,492 for their tax increment in the MOM/EDA. In the Tremonton RDA #3, payment in the amount of \$61,862.00 was given to Malt-O-Meal as payment for the power poles and \$127,815 was allotted to repay the loan to the utility fund.

**RDA District #3 - West Liberty Foods/Millard Refrigeration**

- 73-31-100 \$2,000,000 for property tax
- 73-83-330 \$3000 for legal fees
- 73-83-611 \$1,333,000 reimbursement to West Liberty Foods
- 73-83-612 Less \$235,000 allocation to Millard Foods
- 73-83-614 Less 20% (\$392,000) to BRAG Housing
- 73-83-621 \$20,000WLF-TEC Professional Services
- 73-83-623 \$17,000 for Millard TEC Professional Services

Director Roberts told the Council that the City received \$936,790 in tax increment. \$33,161.54 was paid to the City for previous fiscal years expenses. \$180,725.69 or 20% was paid to BRAG Housing and \$118,917.51 was allocated to Millard. West Liberty Foods was paid \$603,985.26 for the first years reimbursement of property taxes.

**Fund 54 - Sewer Fund**

Director Roberts told the Council that the Sewer Funds was split out from the Utility into a separate fund. By the Sewer Fund being in a separate funds, this will give the Council a clear picture on whether it is necessary to raise fees to maintain the system. He informed the Council that in an attempt to reduce expense, Public Works Director Fulgham reduced the sewer engineering expense as follows:

- 54-71-320 \$1000 a reduction of \$4000 in engineering fees
- 54-38-897 We will use \$28,000 from excess from reserves

Bottom line in the Sewer Fund - the City will be \$33,190 revenue over expenditures this year.

**Storm Drain Fund**

Director Roberts told the Council that they may be a need to consider a storm drain increase as the fund will be \$20,879 short this year. The current fee looks like it will not be enough

to cover expenses; however, this year we are still trying to identify storm drain assets. We may, also, need to consider depreciation. Changes are:

55-40-700 Added \$15,000 for equipment purchase

**Water Fund**

Director Roberts told the Council that the Water Fund is running good. The entire well can be done without borrowing any additional funds. This will draw cash down, however, water rates do not need to be adjusted. Director Roberts information the Council that Director Fulgham had implemented some changes since last time they discussed the budget. They are as follows:

51-70-200 \$3,000 for chlorine - a reduction of \$15,000  
51-70-320 \$3000 for engineering - a reduction of \$5000  
51-70-802 \$2970 for 06 Silverado - a reduction of \$3090

**Capital Projects Fund - WWTP**

Director Roberts told the Council that the Salsnes payment will need to be increased from \$800,000 to the new figure as part of it was to be paid in the previous fiscal year and part in the new fiscal year. Impact fees in Fund 47 will be utilized for the cost. The new treatment plant filter will cost approximately \$1.3 million. This will create a cash flow issue if the City does not borrow at least \$500,000. This is a valid project for a capital lease. If the City chooses to borrow this money, we will add the payments into the budget.

47-72-705 \$1,200,000 for a new Salsnes Filter

The budget will be \$1,132,000 short with the Salsnes Filter expenditure

**Fund 52 - Treatment Plant Fund**

52-36-XXX \$500,000 in lease proceeds for the new Salsnes Filter  
52-72-612 \$16,000 for emergency repair fund reserve  
52-72-851 \$60,000 for lease payment  
52-72-250 \$20,000 - this has been reduced as it was for charges to haul excess waste from West Liberty Foods. The problem has since been corrected

The above noted changes bring a net of \$651,879 expense over revenue in Fund 52.

**Capital Projects Fund**

Director Roberts reminded the Council that funds were set aside to build the Trail at the new

hospital.

40-72-705      \$100,000 for the new Trail

**Fund 28 - Fire Department**

Director Roberts informed the Council that the Fire Department has been set up in a special fund separate from the General Fund.

28-34-390/10-34-390	\$19,834 - Fire response - Box Elder County
28-34-395/10-34-395	\$7580 - Fire response - Elwood
28-34-396/10-34-396	\$3,110 - Fire response - Deweyville
28-39-950/10-90-951	\$28,000 transfer in from General Fund. The City may have to subsidize the Fire Department the first year after separating it from the general fund.

Mr. Roberts told the Council that he received budget adjustments just today from Director Fulgham and Chief Nance. This is the reason that they were not entered on the proposed budget.

**Police Department**

10-54-240	This amount should be \$10,000.00, not \$5,000.00
10-54-261	This should be \$1,000.00, not \$500.00
10-54-310	Should be up to \$12,000
10-54-410	Should be \$16,100. The new lease payment will create new lines for two new Police Department vehicles

**Street Department:**

_____ 10-60-203	\$2,000 - a reduction of \$4000
10-60-220	\$0.00 - a reduction of \$40
10-60-260	\$3500 - a reduction of \$2500
10-60-280	\$1500 - a reduction of \$300
10-60-320	\$1000 - a reduction of \$6800
10-60-460	\$0.00 - a reduction of \$1300

**Class C Road Fund:**

_____ 10-61-801	\$53,630 - an increase of \$200
-----------------	---------------------------------

**Golf Course**

_____ 10-68-100	\$0.00 - a reduction of \$1400
10-68-460	\$800 - an increase of \$800

### Cemetery

10-69-100	\$8000 - a decrease of \$4500
10-69-270	\$2500 - a decrease of \$1000

Director Roberts told the Council that expenses over revenues result in a net loss of \$340,000. The City estimate on property tax revenues are conservative as the due date for personal property taxes was changed to May 15<sup>th</sup> which has slowed revenue collections. Mr. Roberts, also, commented that the City had several costly projects last year. The City also provides several services to the entire community which subsidizes the whole valley. The new walking trail is covered in the Capital Budget.

Mayor Weese asked if data processing could be reduced or eliminated from the budget as it doesn't seem that it is being used from year to year.

The Council discussed the benefit of outsourcing a review of salaries to see if the City paying more than other communities. Director Roberts told the Council that the City employees are the City's most valuable resource. He felt that the City has three options for this year's budget:

- 1) Keep running the City departments as they stand now for one more year. This would be acceptable from an accounting standpoint. Each department would need to be conservative with their spending.
- 2) Smaller cuts could ease burdens in the budget, i.e.: data processing.
- 3) Decide if services could be cut such as training not required to maintain certifications, raises above cost of living increases, and overtime at all levels.

Mr. Roberts told the Council that the City must adopt their Budget by June 2, 2009; therefore, his first choice for the City would be to monitor the budget this year, distribute merit increases equally to each City employee which could be distributed by the Department Heads according to the employee's actual merit, and make cutting services a last resort. Each Department can make midyear adjustments as needed.

Councilmember Reese left the meeting at 6:45 p.m.

The next Budget Meeting was scheduled for Monday, June 1, 2009 at 5:30 p.m. in the Civic

Center Building.

3. Adjournment:

The meeting adjourned at 7:12 p.m. by consensus.

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 Meeting held on the above referenced date. Minutes were taken by Shirley Colvin.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Darlene Hess, Recorder