

**TREMONTON CITY CORPORATION
SPECIAL CITY COUNCIL MEETING
June 30, 2009**

Members Present:

David Deakin
Roger Fridal
Jeff Reese
Byron Wood
Max Weese, Mayor
Shawn Warnke, City Manager
Darlene Hess, Recorder

SPECIAL CITY COUNCIL MEETING

Mayor Weese called the June 30, 2009 Special City Council Meeting to order at 5:41 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, Reese, and Wood, City Manager Shawn Warnke, Police Chief David Nance, Public Works Director Paul Fulgham, and Recorder Darlene Hess.

1. Approval of agenda:

Mayor Weese asked if there were any changes to the agenda? No comments were made.

Motion by Councilmember Deakin to approve the June 30, 2009 agenda. Motion seconded by Councilmembers Reese and Fridal simultaneously. Vote: Councilmember Deakin - aye, Councilmember Fridal - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

Councilmember Holmgren arrived at 5:42 p.m.

2. Public Hearing:

Mayor Weese called the Public Hearing to order at 5:42 p.m. There were no additional people in attendance other than the city officials mentioned above.

- a. For the purpose of revising and amending the combined annual implementation budget (General Fund, Enterprise Fund(s), Capital Funds, Special Funds, and Special Improvement District #1) for the period commencing July 1, 2008 and ending June 30, 2009. A copy of the proposed changes will be available for review in the office of the City Recorder prior to the meeting.

Mayor Weese asked if there were any comments from the Council or the audience regarding Item 2a? No comments were made. Recorder Hess asked if they needed

to explain what would be increased in the budget?

Manager Warnke said that many line items had been adjusted in the budget. In the General Fund, the only notable budget that exceeded the budgeted amount was in the Senior Center Building. Capital Funds were set up to absorb the cost of the new Senior Center Building, however, the building costs exceeded the budget, therefore, a portion of the expense was moved to the General Fund. There were unexpected costs associated with remodeling the new Senior Center which were approved by previous City Manager, Rich Woodworth, as the remodeling progressed. Manager Woodworth had informed the Council of the increases as they occurred through the Advise and Consent line item in Council Meetings. The Senior Center Budget was adjusted by \$19,000.

Recorder Hess said there was also an adjustment of \$700 to the Civic Center Budget under Community Service. Mayor Weese asked what was Community Service? Manager Warnke said it was the Senior Center. Mayor Weese asked if it was for deliveries? Manager Warnke said yes it was for deliveries.

Manager Warnke informed the Council that he had visited with Senior Center Director, Marion Layne, regarding the budget overage issues.

Manager Warnke asked Public Works Director, Paul Fulgham to explain the changes to his budget.

Director Fulgham informed the Council that Street Budget 10-60-510 included a street project for parking enhancement west of the Food Pantry which had not previously been budget for, therefore, \$9,753 was added to the Street Budget. The 2000 West Power Project received \$30,000. Rocky Mountain Power required six electrical boxes for the project which cost \$6,000 for each box. This created a need to add an additional \$17,000 to the 10-60-510 Street Budget. The total cost for the power project was approximately \$47,495.

Director Fulgham said the Cemetery Budget had been prepared as a line item using mowing revenue.

Director Fulgham said the new well had been adjusted internally. Recorder Hess said the Storm Drain was also adjusted internally. Director Fulgham said Storm Drain account 51-74-502 had been increased. City Engineer, Chris Breinholt, had been doing the Storm Drain Study, however, no funds had been put into that account. Recorder Hess said that the Storm Budget had not been increased, but that it had been adjusted internally as a line item.

Director Fulgham said adjustments were made to the Treatment Plant Budget with money left over. Recorder Hess said the Treatment Plant Budget had been adjusted internally.

Manager Warnke handed out copies of a proposed budget spreadsheet and said that from a glance at the General Fund it appears that the City's revenue came in at an approximate \$750,000 shortfall in projected revenues. Correspondingly the City had \$724,000 dollars the City did not expend which was budgeted. It looks like the difference is going to be approximately \$20,000. This figure could go up or down as additional revenue comes in and as expenditures are recorded.

Manager Warnke said the City originally budgeted \$380,000. Recorder Hess said the June Financial had not been done yet and \$73,000 in taxes will result in an increase.

Mayor Weese said the City's sales tax is currently 4% below last year's rates, however, the current rate is higher than what it was two years ago. The \$73,000 revenue is less than the previous amount of \$108,000.

Councilmember Deakin said he was not comfortable with the proposed budget. He realized Manager Warnke was not with the City for most of the budget process, however, he is not comfortable with being presented with budget adjustments on the last day allowed for the budget to be approved. If the Senior Center went over budget, they should have told the Council and not waited until the last day to make adjustments. Senior Center Director, Marion Layne, was not able to attend the meeting due to illness, however, she could be reached by phone if the Council wanted to talk to her during the meeting. Councilmember Deakin said it was too late to talk about the situation.

Councilmember Wood said the Council and Manager Warnke had talked with Director Layne regarding this matter. Mayor Weese said most of the overages in the Senior Center Budget were a result of unexpected expenditures in remodeling the new Senior Center Building. The overages amounted to approximately \$12,000. Councilmember Wood said the Council knew about this situation six weeks ago. Councilmember Wood suggested the Senior Center may have to cut food service one day a week in order to stay within budget. Councilmember Deakin said he could not vote for last day of the year budget changes. If departments do not meet their budgets, it should show in the budget.

Director Fulgham the Senior Center overages came largely from remodeling at the new Senior Center Building. City Manager, Rich Woodworth, had told the Council about the unexpected increases as they happened. Director Fulgham said that year end budget changes are not a new process. At the end of each budget year the budget is opened and adjustments are made to balance the budget. Public Safety has always received a surplus in their budget since they are required by law to keep their spending within budget. Other departments do not have a surplus to cover unexpected expenses. Enterprise Budgets, which include water and sewer, are not held to the same strict guidelines as Public Safety. The General Fund must balance.

Councilmember Deakin commented that the City did not get to do roads because the

Sales Tax Revenue was down \$200,000 and the budget is over \$200,000. Mayor Weese said the Sales Tax Revenue was down \$180,000.

Councilmember Deakin referred to Account 10-31-130 which shows the City had budgeted 1.2 million and the City currently has about one million.

Councilmember Holmgren asked if those amounts included tax revenue the City has not yet received? Recorder Hess said the revenue does not come in until around the 10th of July which will help recoup some of the loss. According to Shawn at Box Elder County.

Manager Warnke said he understood the concerns of the Council and he shares the same concerns. Manager Warnke said he and Mayor Weese had visited with Director Layne and Zoning Administrator, Steve Bench, today concerning the situation with budget overages at the Senior Center.

Manager Warnke said changes and additional expenses are expected with capital projects. The original bid on the Senior Center remodeling project came in at \$228,000 and there was an additional \$43,000 in change orders. City Manager, Rich Woodworth, was involved with the approval of all change orders. Mayor Weese said anyone could go back and look at past City Council minutes and read where Manager Woodworth had informed the Council in the Advice and Consent section of the Council minutes of the change orders as they happened. Manager Warnke said this might have been handled in a more formal manner.

Manager Warnke said the Budget is the best estimate of revenues and expenditures and must be balanced. Manager Woodworth discussed these expenditures with the Council on a monthly basis. Every budget is opened for adjustments at the end of each fiscal year to make sure the budget is balanced. Manager Warnke said he had visited with each department head regarding expenditures in the future fiscal year and feels the budget is where it should be. The City will go forward from here. A few adjustments will be made with revenue and expenditures along with implementing revenue cushions to help absorb expenses.

Manager Warnke said he feels good with what the City has done under these uncertain economic times and how the department heads have managed their budgets.

Mayor Weese asked if there were any additional comments? No other comments were made. Mayor Weese closed the Public Hearing at 5:59 p.m.

3. Common Consent:

- a. Consideration of approving Resolution 09-24 amending the annual Implementation Budget 2008-2009 for the fiscal year commencing July 1, 2008 and ending June 30,

2009

Mayor Weese asked if there were any comments? No comments were made.

Motion by Councilmember Reese to approve Resolution 09-24 amending the annual Implementation Budget 2008-2009 for the fiscal year commencing July 1, 2008 and ending June 30, 2009. Motion seconded by Councilmember Wood. Vote: Councilmember Deakin - nay, Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved by majority vote.

4. New council Business:

- a. Discussion and consideration of approving Merit Increase Guidelines for funds appropriated for the 2009-2010 Fiscal Year

Manager Warnke said that City Policies and Procedures require specific guidelines with the implementation of merit increases. In order to be eligible for a merit increase, employees must have been hired between April 1st and June 30th. Salary calculations will need to be made for a few employees currently at the minimum wage level since minimum wages have increased. Merit increases will be calculated after salary adjustments have been made.

Manager Warnke said he has added a few items to the City's Policies and Procedures evaluation form along with a section to review employees in supervisory positions.

Councilmember Deakin suggested the weighting system in the evaluation form be changed from 10% to 80% and add another tier for department heads. On the Manager City Government form where it refers to items governed by the Mayor, Councilmember Deakin suggested changing sections stating the 'Mayor', to read the 'City Manager'. Manager Warnke said he is in the process of reviewing all of the City's Policies and Procedures and will bring his recommended changes to the Council in a few months. The Council suggested leaving the 'Mayor' and adding the 'City Manager' to the Manager City Government document.

Motion by Councilmember Deakin to approve Merit Increase Guidelines for funds appropriated for the 2009-2010 Fiscal Year with the changing the wording of the guidelines to read anywhere it says "Mayor" to add "City Manager" and recommend to the City Manager to add another tier to the evaluation form for department heads and bring this back to the City Council whenever he is ready. Motion seconded by Councilmember Holmgren. Vote: Councilmember Deakin - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

5. Comments:

a. Administration/City Manager Advise and Consent

1) Discussion on Tremonton City Days

Director Fulgham said he and his staff will be taking care of the food and preparations for the Tremonton City Day's Breakfast on July 25th at the Jeannie Steven's Park. Mayor Weese said the breakfast should start at 8:00 a.m. and go until 10:00 a.m. The Councilmembers should arrive at the park by 7:30 a.m. Councilmember Wood said he would need to be excused from the breakfast as he will be out of town on that day.

The Council asked what amount the City had budgeted for the City Days? Recorder Hess said \$9,000 had been budgeted for City Days with \$6,000 of that amount for fireworks.

Councilmember Reese said he had read a letter stating that candy will not be allowed to be thrown or handed out at the Box Elder County Fair Parade this year. The Council expressed their concerns with this restriction stating that passing out candy has been a long time tradition and all children attending would be disappointed.

Manager Warnke said Recreation Director, Marc Christensen, will give an outline of the City Days to the Council at City Council Meeting on July 7, 2009.

Mayor Weese informed the Council he had signed the Council up to ride in the Garland Wheat and Beet Day Parade in August.

Mayor Weese asked the Council if they had received a letter from the Garland Mayor? Councilmember Deakin said he had received the letter where Garland is asking for additional police backup from Tremonton City. Chief Nance said he had talked with the Garland Mayor, Dick Owen, and told him the City would need four additional people and might not be able to save them any money, however, Mayor Owen might want to contact the Sheriff's Department to see if they could provide a more cost effective service. No specific agreement was discussed. Chief Nance is waiting to hear back from Mayor Owen. The Council discussed other expenses involved with providing police protection for Garland such as overhead and other hidden fees.

b. Council Reports

Councilmember Deakin expressed his concerns with the financial stability of UTOPIA and it's effect on Tremonton City.

Councilmember Wood suggested the Senior Center consider cutting out one day of delivering meals to help cut costs in that department. Councilmember Holmgren said he felt it was unfair to make a first consideration of reducing services toward those citizens who are the most needy and have the least amount of income in the community (referring to cutting services at the Senior Center).

Councilmember Reese said he had been informed that the Brough property which had recently been annexed into the City is now going to be sold and not developed by the Brough family.

Recorder Hess informed the Council that Jonathan Grover had sent a map of his annexation proposal to the County. Recorder Hess also said that the Boughs will need to pay the City \$2,500 for attorney fees relating to their annexation.

Councilmember Holmgren asked where the UTOPIA money is located? The UTOPIA money is in an RDA account. Recorder Hess said it had been put together in a bank and will look up which bank it is and then tell Manager Warnke.

Mayor Weese said that out of 13 cities, Tremonton City was the only City allowed to put their UTOPIA money into an RDA account as a result of when changes in the regulations were made. Other cities were required to put this money into their General Fund account.

The Council discussed their concerns with the way UTOPIA is running the business. Several residents are not being charged for services. The City does not have any representation on the UTOPIA Board. Manager Warnke said he had been contacted by UTOPIA asking the City to appoint a representative to their Board. This item will be on the next City Council agenda. Manager Warnke said he had received a letter from UTOPIA stating MStar, who was the only triple-play provider with UTOPIA, had gone bankrupt and that Prime Time Communications was trying to buy them out. UTOPIA held a public meeting and agreed to allow this buy-out with a promissory note and want the City to sign a document acknowledging the meeting. Manager Warnke felt that City Attorney, Dustin Ericson, did not need to review the document. Councilmember Reese said UTOPIA is asking for \$3,500 to hook up service to new homes. Councilmember Deakin suggested Manager Warnke consider making budget allowances for possible future UTOPIA issues.

Manager Warnke informed the Council that the Mayor is having the new City telephone numbers put onto a magnet to be distributed to the citizens with the water bills. The magnets will not be available to be distributed until the August billing. Mayor Weese said the new City phone numbers will never be in the local phone book. Mayor Weese said the City wanted to keep one phone line with Frontier with a message giving the new City numbers, however, Frontier would allow the City a line but would not allow the message. The Frontier lines to the City will be disconnected on July 1, 2009.

Councilmember Fridal said the City should have a “Meet City Manager Shawn Warnke” night where the community could meet Manager Warnke. Recorder Hess suggested having Manager Warnke attend a Chamber of Commerce luncheon for this purpose.

Councilmember Fridal said he had a 500-gallon weed sprayer the City could use to spray weeds in the City.

Councilmember Fridal said the Food Pantry held a meeting today and is doing all right, however, there is no food in the freezer. Councilmember Reese said the High School Cheerleaders had collected 3,000 pounds of food for the Pantry, and they will hold a golf tournament next week where they will give \$1,800 to the Pantry to purchase food.

6. Public Comments: Limited to three minutes.

No public comments were made.

7. Adjournment:

Motion by Councilmember Deakin to adjourn the meeting. Motion seconded by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved. The Meeting adjourned at 6:42 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 Meeting held on the above referenced date. Minutes were taken by Shirley Colvin.

Dated this _____ day of _____, 2009.

Darlene Hess, Recorder