

**TREMONTON CITY
CITY COUNCIL BUDGET WORKSHOP MEETING
April 13, 2009**

Members Present:

David Deakin

Roger Fridal

Lyle Holmgren

Jeff Reese

Byron Wood

Max Weese, Mayor

Darlene Hess, Recorder

CITY COUNCIL BUDGET WORKSHOP MEETING

Mayor Weese called the April 13, 2009 City Council Budget Workshop Meeting to order at 5:07 p.m. The meeting was held in the Tremonton City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Mayor Weese, Councilmembers Deakin, Fridal, Holmgren, Reese, Wood, Public Works Director Paul Fulgham, Financial Director Curtis Roberts, and Recorder Darlene Hess were in attendance.

1. Mayor Weese asked if there were any changes or corrections to the agenda?

Motion by Councilmember Deakin to approve the agenda as printed. Motion seconded by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Reese - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, and Councilmember Wood - aye. Motion approved.

Mayor Weese asked Financial Director, Curtis Roberts, to explain the problems with the RDA. Mr. Roberts said he had visited with County Auditor, Tom Burnett, about the RDA issue. Mr. Bennett said as of last week, the County had still been working to resolve RDA Values. Mr. Roberts and Mr. Bennett met again today and Mr. Bennett said the County is now ready to send their RDA Value information to the County Treasurer for approval.

The Council discussed excess property tax revenue received from the County. Mr. Roberts said the City has always followed and stayed within the Certified Tax Rate guidelines submitted by the County. The City has followed and complied with State Tax Guidelines as well.

Councilmember Wood arrived at 5:26 p.m.

Mr. Roberts informed the Council of amendments to the City's Budget as follows:

- ▶ 10-41-100 Budget increased to provide compensation to the Mayor for covering for the Manager during the transition. This account may need to be increased again due to the length of time it is taking to get a new manager in place.
- ▶ 10-45-100 Increased to \$52,080 to provide funding for payout of the vacation/sick leave of the previous City Manager.

Mayor Weese informed the Council that the new City Manager will start working June 2, 2009.
- ▶ 10-51-530 Remodeling and furniture at the Civic Center, along with filling in the hole where the old Senior Center was demolished.
- ▶ 10-54-501 \$34,000 will be utilized for the Spillman Lease from with current budget.
- ▶ 10-54-560 This account will be changed to \$.00 and the \$30,000 budgeted utilized as \$10,000 for additional parking the new Police Department
- ▶ 10-54-720 \$20,000 for equipment purchases.
- ▶ 10-54-710 These funds will be moved from 10-54-560 to 10-54-710
- ▶ 10-55-262 Increase of \$6900 in the Fire Department Grant. The Fire Department received more funds than they had expected so extra funds will be used to purchase equipment.
- ▶ 10-55-554 Budget moved to \$0.00 as the Fire Department did not receive Homeland Security Grant Funds.
- ▶ 10-74-700 \$10,000 for to extend the Food Pantry Parking Lot at 200 South.
- ▶ 10-34-367 Increase of \$6900 in Fire Grant Funds for the Fire Department.
- ▶ 10-34-392 The City did not receive the Homeland Security grant.
- ▶ 10-34-397 This balance taken to zero because Bear River City did not sign the Fire Agreement with the City.
- ▶ 10-39-999 Fund balance to be appropriated reduced to \$297,215
- ▶ 10-90-950 Increased transfer to the Capital Projects Fund of \$66,000.00
- ▶ 40-39-900 Amount reduction to \$102,603
- ▶ 40-55-540 \$144,000 for the Fire Department ambulance was taken out of this

budget in November 2008. Amount changed back to \$144,000 to cover purchase

- ▶ 40-39-999 The amount transfer from the General Funds was reduced to \$102,603.

Mr. Roberts stated that all Capital Projects have been completed.

- ▶ 52-32-711 Budget increased to \$310,000 due to WLF treatment overages
- ▶ 52-72-250 Budget increased to \$90,000. Mr. Roberts stated this account needs to be monitored closely as we have budgeted lean.
- ▶ 52-37-711 We will reopen the budget to add fees here for the Salinas Filter. This will help with treatment overage.
- ▶ 72-83-619 Mayor Weese asked Mr. Roberts if there was a provision to pay Malt-O-Meal for the power poles. Mr. Roberts said this account was set up for payment.
- ▶ 10-60-510 \$10,000.00 will be allocated from within the current budget for the Ridley Street
- ▶
- ▶ 10-60-539 \$5,719.00 needs to be budgeted to lay conduit and set vaults for the 2000 West Electrical Project

Mr. Roberts informed the Council that the proposed budget will need to include a 14% increase in health insurance coverage for City employees. This is the amount of increase Altius has imposed on the City.

- ▶ 51-70-711 Mr. Roberts stated the most feasible course regarding the new well would be to purchase the existing well at a cost of \$1,200,000.00. Director Fulgham said the City will need to perform several tests on the well prior to the final purchase.

City Attorney, Dustin Ericson, arrived at 6:13 p.m.

- ▶ 57-72-705 The Sewer Project or Salinas Filter will cost around \$800,000.00. This project may crossover the year end budget. The City will need to borrow this money as a capital lease at an approximate 4% rate.

Councilmember Fridal left the meeting at 6:14 p.m.

Mr. Roberts said incoming sales tax should balance the City's budget in the remaining two months of the current fiscal year.

- ▶ 10-55-103 Mayor Weese asked for an explanation of account 10-55-103. Mr. Roberts said this is to cover wages for Emergency Preparedness Director, Jim Hess. This salary will now be split between the Fire Department and the Police Department.

Mr. Roberts informed the Council that the Fire Department will now have its own set of books and its own set of accounts. The Fire Department will have no other revenue than what the department generates itself. The Fire Department will be allowed to carry over their funds from year to year, and will be expected to capture administrative costs such as wages, auditing and legal expenses, etc.

Mr. Roberts said in Fund #51 there were no sewer or storm drain expenditures. The City will need to add account #54 as a sewer account and #55 as a storm drain account.

- ▶ 10-36-530 There has been a request to increase this budget
- ▶ 10-36-532 Garbage Collection to pay for can replacement and new residents.

Mr. Roberts said with the new phone system the City will soon be purchasing, the Council will need to choose to either charge the phone expenses to a non-departmental account or charge each department separately. Mayor Weese informed the Council that the new phone system will cost between \$35,000.00 and \$40,000.00. This amount is slightly higher than what Frontier would charge, however, the City has paid Frontier for the use of their phone equipment for several years with no purchase option. The City still does not own any of the existing phone equipment. With the new company, the City will own the phone equipment in 36 months. The Council felt it would be better to break out portions of the phone bill into a few specific departments then charge the remaining amounts to a non-departmental fund.

Mr. Roberts informed the Council that the City may need to reconsider some of the proposed capital projects in the 2010 budget.

The Council discussed the new walking trail that will be installed in the near future at 900 North 1000 West at a cost of \$100,000.00. Mr. Roberts said the funds for the trail are in the reserve cash balance fund.

Mr. Roberts gave suggestions to the Council for budget goals with three broad objectives:

- 1) Maintain a conservative budget position with tax projections.
- 2) Maintain a budget of no spending of Fund Balance.

- 3) Maintain a budget to take care of road construction and maintenance.

These goals make it easier to focus on areas which are not part of the main emphasis should budget cuts be necessary.

The Council discussed the possibility of becoming partners with another City or the County to get a better rate on health insurance.

Mayor Weese told the Council that he had invited City Attorney, Dustin Ericson, to the meeting to discuss issues concerning the County's Certified Tax Rates and personal property taxes from previous years. The Council, Mr. Roberts, and Mr. Ericson discussed the matter at length.

Motion by Councilmember Deakin to adjourn the meeting. Motion seconded by Councilmember Wood. Vote: Councilmember Deakin - aye, Councilmember Wood - aye, Councilmember Fridal - aye, Councilmember Holmgren - aye, and Councilmember Reese - aye. Motion approved. The meeting adjourned at 7:20 p.m.

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

Dated this _____ day of _____, 2009.

Darlene Hess, Recorder