

**TREMONTON CITY CORPORATION  
CITY COUNCIL MEETING  
May 18, 2010**

Members Present:

David Deakin  
Diana Doutre  
Lyle Holmgren  
Jeff Reese  
Byron Wood  
Roger Fridal, Mayor  
Darlene S. Hess, Recorder

**CITY COUNCIL WORKSHOP**

Mayor Fridal called the May 18, 2010 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. Those in attendance were Mayor Fridal, Councilmembers Deakin, Doutre, Holmgren, Reese, and Wood, Building and Zoning Administrator Steve Bench, Public Works Director Paul Fulgham, Police Chief David Nance, Treasurer Sharri Oyler and Recorder Darlene S. Hess. Mayor Fridal excused City Manager, Shawn Warnke, from the meeting.

Councilmember Deakin and Building and Zoning Administrator Steve Bench came to the meeting at 6:02 p.m.

1. Review of agenda items on the 7:00 p.m. Council Meeting

The Council discussed the May 18, 2010 Agenda with the following items being discussed in detail:

- The Council discussed Ordinance 10-03 amending Title III General Public Works Construction Standards and Specifications. Building and Zoning Administration Bench told the Council that when Shawn Warnke reviewed the land use documents, he noticed inconsistencies between the City's adopted General Plan and the City's Land Use Ordinances relating to sidewalk width in certain areas. The purpose of the change is to develop a plan on securing future public transportation, promote a safe walker-friendly community and to continue efforts to create a City-Wide Trail and Bike Path System.

The Council discussed the cost of implementing a 66 foot right-of way change for proposed trail street section at \$2.40 a foot or \$6 per foot on a 60 foot right-of-way change.

Councilmember Deakin told the Council that if they stay with the plan, there are three ways to carry it out:

- 1) City pays for it outright.
- 2) Impact fees
- 3) Require the developers to put in wider sidewalks.

There will not be a completed trail loop for decades.

Councilmember Reese suggested to the Council that they purchase new City shirts for the upcoming events – especially the parades.

2. Discussion of the security of the City's banking accounts – Lyle Vance

Mayor Fridal welcomed Lyle Vance, Manager/Vice President of Zions Bank, to the meeting to discuss the security of the City's funds.

Mr. Vance reviewed the various accounts of the City and told the Council that Zions Bank matches the UPTIF (Utah Public Treasurers' Investment Fund) rate plus .05. The current rate is .55 + .05 which amounts to .60% of 1% on the funds (total of our six accounts) held in Zions Bank. This amounts to approximately \$29,066.50 annually.

Mr. Vance discussed FDIC (Federal Depositors Insurance Corporation) coverage options. He informed the Council that the current FDIC coverage is \$250,000 maximum per Tax ID number for accounts paying over .26%. With the Council's concerns about the safety of the City's funds, there are three options that can be considered:

- a. Diversify accounts to other banks. He discussed the pro and cons of this option:
  - Pro – Tremonton City will be able to get full coverage by moving accounts to twenty banks with \$250,000 deposit each.
  - Con – The reconciliation of bank accounts are more difficult and services and fees would no longer be free – costs would jump.
- b. Put accounts back into the UPTIF – The issue with Utah Public Treasurers' Investment Fund is that it is uninsured.
- c. The new Federal Depositors Insurance Corporation's ruling as of four weeks ago is that all business and public fund accounts at 0.% to .25% have 100% coverage. This ruling will stand until December 31, 2010. By accepting lower interest – a drop in interest from \$29,066.50 annually to \$12,111.04 or \$16,955.46 less interest revenue annually - will protect City funds.

Manager Vance informed the Council that until four weeks ago, option “c” had 100% coverage up to 4.9% then it changed. We do not know what will happen after December 31, 2010. Manager Vance suggested that the City contact Deputy Treasurer David Danschen on this issue.

Councilmember Deakin asked Mr. Vance how Zions Bank was doing. Mr. Vance told the Council that it is doing fine. Zions Bank’s portfolio is in Utah, Idaho, Oregon and Texas. It covers basically the Western United States. He informed the Council they feel that there is a turnaround coming. Delinquent accounts are not increasing but coming back down.

Councilmember Holmgren asked about commercial real estate – is Zions getting more companies. Mr. Vance told the Council that a bank is only as good as it lets its money out. Stock is going at \$60.

Councilmember Wood asked Mr. Vance if Zions Bank accepted stimulus money and what the banks CEO were paid. Mr. Vance told Councilmember Wood that he did not know what the CEO’s wage was and that Zions Bank was in a position that they had to accept the stimulus money – not because the bank needed the funds but because the government set regulations.

Sharri Oyler, City Treasurer, informed the Council that Zions Bank had asked the City to deposit the checks they received for deposit another way. The checks will be scanned by scanning machines set up at two desks in the front office then the actual cash will be taken to the bank. There is a concern on the length of time that the checks will need to be kept. Mr. Vance told the Council that the scanning machines in the future will be rented for about \$89 a month each. By starting now, the machine rental fee will be free. This is a process that will be implanted throughout the Zions Banking System in the near future. He informed the Council that John Baker had personally met with the City staff to go over this process recently.

Accepting credit cards was discussed. Councilmember Wood told the Council that it is too expensive to use credit cards due to the fees charged. It would end up utilizing around two percent of the utility revenue received to pay for the credit card use fee. Discussion followed on wages used for forty shut-offs a month and if the 2% fee for credit card use would offset this expense. Public Works Director Paul Fulgham will do some study on the costs and let the Council know what he finds out about it.

Councilmember Reese asked why the Utah Barnes Bank failed. Mr. Vance reported that it was his understanding that a board member wanted things to happen his way. When it didn’t, he went to the press and announced capital problems. With a rumor like that, people soon drew out their money and caused the failure.

Mayor Fridal thanked Mr. Vance for coming to the meeting to discuss this issue. He told the Council that Curtis Roberts, Finance Director for the City, has reviewed Zions Bank's Financial Statements and believes that the bank is financially strong with little risk in the City losing funds associated with failure.

3. Discussion regarding the Fire Chief interviewing process and selection of the possible dates to conduct interviews

Mayor Fridal informed the Council that the ordinance for hiring the Chief of the Tremonton City Fire Department reads that candidates will be forwarded on by the Fire Department and interviewed by the Mayor, one or more Council Members, and the City Manager. He asked the Council if they had a date that would be best to set up the interviews as at the last meeting this was discussed, all the Council wanted to participate in the interviews. It was decided that interviews would be scheduled June 1, 2010 at 5:00 p.m. Mayor Fridal asked the Council to submit interviewing questions to Linsey Nessen prior to this date.

The meeting adjourned at 6:53 p.m. by consensus of the Council.

### **CITY COUNCIL MEETING**

Mayor Fridal called the May 18, 2010 City Council Meeting to order at 7:04 p.m. The meeting was held in the Tremonton City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Fridal, Councilmembers Deakin, Doutre, Holmgren, Reese, and Wood, Building and Zoning Administrator Steve Bench, Public Works Director Paul Fulgham, Police Chief David Nance, Waste Water Treatment Plant Supervisor, Jon Miller, and Recorder Darlene S. Hess. Mayor Fridal excused Manager Shawn Warnke from the meeting.

Mayor Fridal informed the audience that this meeting was set up to be an Electronic Meeting if the Council deems it necessary to discuss an agenda item with Shawn Warnke, City Manager, who is out of town. Mayor Fridal told the audience that proper notice of the meeting had been made and Mr. Warnke will be connected via telephonic device if the Council decides to talk to him.

1. Opening Ceremony.

Mayor Fridal informed the audience that he had received no written or oral request to participate in the Opening Ceremony. He asked anyone who may be offended by listening to a prayer to step out into the lobby for this portion of the meeting. The prayer was given by Councilmember Holmgren and the Pledge of Allegiance was led by Councilmember Doutre.

2. Approval of agenda.

Mayor Fridal asked if there were any additions or changes to the agenda. There were no comments.

**Motion by Councilmember Wood to approve the May 18, 2010 City Council Agenda.**

Motion seconded by Councilmember Deakin. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye and Councilmember Wood - aye. Motion approved.

3. Approval of minutes – April 27, 2010 and May 4, 2010

Mayor Fridal asked if there were any changes or corrections to the minutes. Being none, he called for a motion on the minutes.

**Motion by Councilmember Reese to approve the minutes of April 27, 2010 and May 4, 2010.**

Motion seconded by Councilmember Doutre. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye and Councilmember Wood - aye. Motion approved unanimously by the Council.

4. Introduction of guests.

Mayor Fridal welcomed all in attendance at the meeting.

5. Common Consent - Consent Agenda

a. Discussion of approving the April Warrant Register

**Motion by Councilmember Holmgren to approve the April Warrant Register.**

Motion seconded by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Doutre – aye, Councilmember Holmgren - aye, Councilmember Reese - aye and Councilmember Wood - aye. Motion approved.

6. Request to be on the agenda (not an action item):

a. Open fires and time of extinguishment for fires – Jared Grover and Allen Ostberg

Mr. Grover and Mr. Ostberg did not attend the meeting; therefore, item was not addressed.

7. New Council Business:

a. Discussion and consideration of adopting Resolution 10-16 approving the renewal of a Malt-O-Meal Wastewater Pre-Treatment Agreement between Malt-O-Meal and Tremonton City Corporation – Director Paul Fulgham

Public Works Director Fulgham informed the Council that every three years the agreement is reviewed for renewal unless there are reasons to adjust the information. The agreement sets forth the requirements that Malt-O-Meal has to meet before the City will receive their plant sewer effluent. If the standards are not met, additional fees are assessed. Malt-O-Meal asks each time for higher limits which we have not accepted.

Councilmember Wood commented that Malt-O-Meal has not been a problem with their wastewater like we have had with other companies. Director Fulgham told the Council that occasionally, they have a burp in the system; however they are good to contact him about the issue.

**Motion by Councilmember Reese to adopt Resolution 10-16 approving the renewal of a Malt-O-Meal Wastewater Pre-Treatment Agreement between Malt-O-Meal and Tremonton City.** Second by Councilmember Wood. Vote: Councilmember Deakin – aye, Councilmember Doutre –aye, Councilmember Holmgren – aye – Councilmember Reese – aye and Councilmember Wood – aye. Motion unanimously approved.

- b. Discussion and consideration for putting a Public Works 1980 Chevrolet 1-Ton Van with 131, 000 miles out for surplus – Director Paul Fulgham

Director Fulgham informed the Council that this Van is not running. It was purchased in 1998 from a company that used it as a Van to carry equipment to TV sewer systems. At that time, the City felt that it could utilize the equipment; however, we found that the equipment was so antiquated that it was worthless.

Director Fulgham told the Council that we have found that when equipment gets this old and we put it out for bid, the bids come in around \$50 to \$75. It costs almost that much to put the notice in the paper. He informed the Council that he would like to salvage this vehicle for what they can get out of it.

**Motion by Councilmember Doutre to salvage the Public Works 1980 Chevrolet 1-Ton Van.** Second by Councilmember Deakin. Vote: Councilmember Deakin – aye, Councilmember Doutre – aye, Councilmember Holmgren – aye, Councilmember Reese – aye and Councilmember Wood – aye. Motion approved.

- c. Discussion and consideration of awarding the bid for the construction of the Cedar Ridge Pump House Project Director Paul Fulgham

Director Fulgham informed the Council that a bid opening was held May 17, 2010 for the Cedar Ridge Pump House Project. Thirteen companies submitted bids on this project. Because of the growth that has taken place in Tremonton City over the last few years; we are in need of an additional water source. Director Fulgham told the Council that the low bid came in at \$161,101 from Grover Excavation and the high bid was \$298,300 from CK Construction. The difference in range of the bids was \$137,199. With this bid, Grover will be doing the entire project. Grover's bid met all the requirements and is a good bid.

Councilmember Wood asked about the engineer's estimate on the New Well Project. Director Fulgham told the audience that the project was estimated at \$1.2 million. The cost will come in between \$750,000 and \$800,000. This is a considerable savings and is due to the atmosphere of the economy.

Director Fulgham informed the Council that the City does not have all of the water

rights. There were protests from Garland City, Fish and Game, and the Duck Club. The hearing has been held. Councilmember Holmgren asked why Garland City had protested. Director Fulgham told the Council that they are afraid that it will affect the output of their spring. Garland's water tested at 460-500 parts per million and the water quality of our new well came in at 200 – 250 parts per million which is a better quality of water. Garland City had to protest in the event that in the future our well affects their water.

Director Fulgham told the Council that the City has water rights for the New Well to produce 500 gallons per minute. We want to bring the rights up to produce 700 gallons per minute. We now have our name on the list for future use so when people apply for water rights in the future, we have a higher priority.

**Motion by Councilmember Holmgren to award the bid of \$161,101 from Grover Excavation for the construction of the Cedar Ridge Pump House Project.** Second by Councilmember Wood. Vote: Councilmember Deakin – aye, Councilmember Doutre – aye, Councilmember Holmgren – aye, Councilmember Reese – aye and Councilmember Wood – aye. Motion approved.

- d. Discussion and consideration of choosing someone to chair the Community Booth at the Box Elder County Fair – theme is “85 Years Later ..... The Tradition Lives On”

The Council discussed the need to ask someone to be in charge of the City's Booth for the Box Elder County Fair. Councilmember Doutre had been in charge of the booth last year and the Council was impressed with how well it was displayed. Councilmember Doutre suggested that Jeri Allred be asked to be in charge of the booth this year.

**Motion by Councilmember Reese to have Councilmember Doutre contact Jeri Allred to Chair the Community Booth for Tremonton City at the Box Elder County Fair.** Second by Councilmember Deakin. Vote: Councilmember Deakin – aye, Councilmember Doutre – aye, Councilmember Holmgren – aye, Councilmember Reese – aye and Councilmember Wood – aye. Motion unanimously approved by the Council.

- e. Discussion and consideration of awarding the Fiscal Year 2010-2011 employee benefits for Health, Vision, Dental, Life, Accidental Death and Dismemberment, Dependent Life and Long Term Disability - Jim Petersen of GBS

Mr. Petersen introduced himself to the Council as the City's Benefit Broker with GBS. He informed the Council that he had met with members of the staff to discuss employee benefits. He told the Council that they had been given a handout showing the comparison of benefits between several companies. He distributed copies with summaries of their current carriers and the ones that GBS had contacted for lower rates. Mr. Petersen told the Council that Group Benefit Services (GBS) suggested that they stay another year with Altius. This year's projected increase with Altius was 11% and they projected Tremonton City's percent of increase at 7%. Altius

appreciates Tremonton City's participation in their company. By staying with Altius this year, it will give the City something to negotiate with next year for a better rate.

Mr. Petersen reviewed the comparison between Dentist Direct and Educators Mutual for Dental Insurance. By changing to Educators Mutual, GBS negotiated getting the \$50 deductible removed with basically the same benefits at a reduction of -4.94%.

Mr. Petersen discussed the Basic life, AD&D and Dependent Life. He discussed that the City provides the basic amount of life insurance and AD&D coverage for City employees. Mr. Petersen informed the Council that Lincoln Financial came in at a lower rate with basically the same coverage. Mr. Petersen was asked if there was an error on dependent life for children (14 days – 6 mo.) as it shows \$250 on the printout. Mr. Petersen told the Council that this should be \$2500. Mr. Petersen was asked if this rate was guaranteed. Mr. Petersen told the Council that normally it is guaranteed for a three-year period. He will check into this matter and let the staff know. Mr. Petersen told the Council that by changing to Lincoln Financial, the City's monthly premium will be reduced by \$294.60 a month.

Long-Term Disability was discussed next. Mr. Petersen informed the Council that by moving to Lincoln Financial the annual premium will be reduced from \$9,126 to \$7,605 per month. This rate is guaranteed for a two-year period. The difference in the coverage between PEHP and Lincoln Financial is on the maximum monthly benefit. PEHP is \$10,000 and Lincoln Financial is \$5,000.

Mr. Petersen discussed the vision benefit. He informed the Council that since the City's medical insurance covered the cost of an eye exam, GBS tried to change the coverage to hardware only. PEHP, the current carrier, covered up to \$42 for an eye examination. In our negotiations, we planned for none. Mr. Petersen then explained the difference in coverage between PEHP and Opticare Plan 120D. Opticare has a reduced monthly premium of \$263.82.

Councilmember Deakin discussed the Council's Health Insurance Benefit concerns related to budgeting with Mr. Petersen. If an increase of 7% is as good as the City can get this year, what are you seeing in the future for municipalities and what are other cities doing? Mr. Petersen told the Council that Tremonton City fared very well this year in coming in at a 7% increase. You are at the bottom as the medical trend for this year as the trend is just under 12%. The most controllable factor for the City is in your employee's life style choices. We have been trying to find out how the Obama Care is going to affect everyone. GBS is committed to being proactive in getting the best care for the price. Mr. Petersen informed the Council that the City is planning for an Open Enrollment Meeting on June 1<sup>st</sup> where we plan to help the employee decide what they can do for the maximum value. He told the Council that most City employees are satisfied with their insurance benefit by the survey that they participated in. He asked that a copy of this survey be given to the Council for review.

Councilmember Deakin asked if Mr. Petersen sees a 10% increase coming every

year or will we see it go flat. Mr. Petersen told the Council that the next election will help us to determine this issue.

Mr. Petersen discussed a Flex Spending Account. This account will allow employees to set aside pretax money into an account to pay for medical expenses with a third party to direct the fund. Councilmember Reese commented that this is a good program and Councilmember Wood told the Council that this is a worthwhile benefit.

**Motion by Councilmember Reese to award the Fiscal Year 2010-2011 employee benefits for Health, Vision, Dental, Life, Accidental Death and Dismemberment, Dependent Life and Long Term Disability to the carriers as presented by GBS. It should, also, include a Flex Spending Account.** Second by Councilmember Doure. Vote: Councilmember Deakin – aye, Councilmember Doure – aye, Councilmember Holmgren – aye, Councilmember Reese – aye and Councilmember Wood – aye. Motion approved.

f. Discussion and consideration of changing the City Council assignments

Mayor Fridal discussed City Council assignments and asked if anyone would like to change their assignment. After some discussion, it was decided that no change was necessary.

8. Unfinished Business:

a. Discussion and consideration of approving Ordinance 10-03 amending Title III General Public Works Construction Standards and Specifications

Mayor Fridal turned the time over to Building and Zoning Administrator, Steve Bench

Administrator Bench told the Council that the Council reviewed this item last meeting as it was presented as a read only document. We have brought it back tonight with an Ordinance for completion. This is the nuts and bolts of what goes into the infrastructure and is what Tremonton City requires. Mr. Bench told the Council that one of the changes is in the proposed street sections that include the new eight foot and six foot wide sidewalks in trail designated areas. For the sixty-six foot wide right-of-way changes the increase will be \$2.40 a foot and for the sixty-foot right-of-way is no change for the asphalt width and \$6 for sidewalk width which is two-feet wider.

Director Fulgham told the Council that on 10<sup>th</sup> North in relocating the pond, it will increase the sidewalk. Councilmember Holmgren commented that people walk on the road instead of the sidewalk and Director Fulgham commented that if two people cannot walk side-by-side on a four-foot sidewalk, they walk on the road.

Councilmember Holmgren asked if the Council had ever considered having a walking trail on the road instead of the sidewalk like they do in other communities. Administrator Bench told Mr. Holmgren that this would not be possible unless the

streets were widened. We may be able to consider this type of trail on the major collection streets.

**Motion by Councilmember Deakin to Adopt Ordinance 10-03 amending Title III General Public Works Construction Standards and Specifications.** Second by Councilmember Holmgren. Vote: Councilmember Deakin – aye, Councilmember Doutre – aye, Councilmember Holmgren – aye, Councilmember Reese – aye, Councilmember Wood – aye. Motion approved.

9. Comments:

a. Administration/City Manager Advise and Consent

1) Open Enrollment Meeting to be held June 1, 2010 at 1:00 p.m.

Mayor Fridal informed the Council of the Insurance Open Enrollment Meeting which will be held June 1, 2010 at 1:00 p.m. and encouraged those who have the City's insurance to attend.

b. Councilmember Reports

**Councilmember Wood** reported that Cindy Payne had accepted to be the Youth City Council Advisor. We are looking for an assistant to help her.

**Councilmember Doutre** reported that she attended the Library Board Meeting recently and they are in need of two people to serve on the Library Board. She has asked that this item be placed on the next City Council Agenda. The Library is having their Spring Kickoff for the Summer Reading Program on June 5<sup>th</sup>.

**Councilmember Holmgren** asked the Council if they had seen the buckets set up around the Civic Center. This is where we will be planting the various items we have ordered. We will also be planting around the bell at the Library. Councilmember Holmgren informed the Council that the cost of the plants will be between \$1800 and \$1900.

**Mayor Fridal** asked if anyone in the Council would like to attend a meeting at Utah Local Governments Trust on Friday with him. No one was able to attend this meeting.

Mayor Fridal discussed the special event held in Tremonton this week. He asked Police Chief Nance to discuss the event in more detail. Chief Nance told the Council that the Annual Special Olympic Torch Run was held here. There were approximately one hundred participants this year. The Police Department usually serves a meal and Mayor Fridal handed out the certificates. Steve Bench cooked up a lot of hot dogs for the event.

10. Public comments: Comments limited to three minutes.

Mayor Fridal recognized a youth in the audience. He asked him to introduce himself. Cody

Anderson from Scout Troop 627 told the Council that he was working on his Eagle Badge. His project was a bike rack at Bear River High School. Mr. Anderson told the Council that his project was projected to cost \$561 and he had received donations to cover all but \$260 of that amount. He told the Council that he was here to ask Tremonton City to donate the remainder of the cost for the bike rack. After some discussion, Mayor Fridal suggested that he contact Garland City to see if they would donate \$130 and the Tremonton City Council would then consider donating \$130 for the remainder of the expense for his Eagle Project.

11. Adjournment.

**Motion by Councilmember Holmgren to adjourn the meeting.** Motion seconded by Councilmember Deakin. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye and Councilmember Wood - aye. Motion approved.

The meeting adjourned at 8:08 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.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2010.

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Darlene S. Hess, Recorder