

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
April 27, 2010**

Members Present:

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

CITY COUNCIL BUDGET WORKSHOP

Mayor Fridal called the April 27, 2010 City Council Meeting to order at 6:05 p.m. The meeting was held at the Tremonton City Public Works Meeting Room at 300 East 1200 South, Tremonton, Utah. Those in attendance were Mayor Fridal, Councilmembers Deakin, Doutre, Holmgren, Reese, and Wood, City Manager Shawn Warnke, and City Recorder Darlene S. Hess.

1. Opening Ceremony.

An opening prayer was given by Councilmember Holmgren.

2. Approval of agenda:

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

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

3. Discussion of the proposed 2010-2011 Budget

Manager Warnke distributed copies of the Budget Worksheet – Managers Budget as well as a budget summary handout. He then reviewed the handout:

FUNDS BALANCED

- 10 – General Fund
The General Fund is the biggest fund in the City and carries most of the governmental services. After entering all the budget data, we had \$37,504 in cash over the expenses. These funds were placed as an expense in Discretionary Line Item 10-41-242 as a cushion because salaries were cut so closely.

- 28 – Fire Department Fund
\$27,202 was placed in the Fund Balance to be Appropriated, line item 28-39-999 to balance the Fund. The Fire Department has seen an increase in calls; therefore they should be able to cover the expense. This is the first year since their funds were separated from City funds. They are making it in the short term but are not putting anything aside for vehicles. Their policy is to buy a fire truck every ten (10) years and an ambulance every five (5) years to replace their existing fleet.

The check from Box Elder County for fire response has been received. The check is about \$30,000 and includes the amount for last year's services that had not been paid and half of this year (the contract is on a calendar year basis).

Mayor Fridal will be meeting with the Mayors in the surrounding communities about using Tremonton City's fire service.

- 40 – Capital Projects Fund
No funds will be appropriated this year.
- 51 - Water Utility Fund
The Water Fund has always done well. \$54,000 will be added to the fund balance, and \$130,000 will go into depreciation. Water and secondary water are within the same fund.
- 52 – Treatment Plant Fund
It is necessary to take \$63,000 from the fund balance to fund this operation. \$235,000 will go to Treatment Plant depreciation and \$25,000 to Compost depreciation.

All funds are now paying their share of the utility. The Treatment Plant's share is \$15,000.

- 53 – Special Improvement District Fund
This is essentially a wash fund.
- 54 - Sewer Department Fund

\$26,000 in Revenue from Reduction in Reserves (54-38-50), with \$31,000 in depreciation. Manager Warnke stated that he is still working with Finance Director Curtis Roberts to set this fund up with assets being divided from the Water Fund.

- 55 – Storm Drain Fund
\$36,000 in Revenue from Reduction in Reserves (55-38-850), with \$35,000 in depreciation. The Sewer and Storm Drain Funds are currently not paying for themselves. The City charges about \$1.50 per home for the Storm Drain. In the near future, we need to look at these funds and consider adopting Storm Drain impact fees. There was some discussion about the possibility of moving some of the assets from the Water Fund to give the Storm Drain Fund a boost and whether or not assets can be moved from one Enterprise Fund to another enterprise fund. Manager Warnke informed the Council that the Balance Sheet will show a deficit until the assets are separated.

Councilmember Deakin asked Manager Warnke if he was comfortable with what is being done with payroll. Mr. Warnke said that, though there will be no COLA increases, the City is paying for the City portion of the increase in health care. Other Cities are experiencing similar problems. Mr. Warnke is working on a compensation plan. The new benefits broker is doing a survey for the City regarding health benefits, to understand the employee's attitude toward this component of their compensation. Mayor Fridal stated that, as he talks to the employees, he finds that they like working for Tremonton City.

GENERAL FUND PROJECT RELATED EXPENDITURES

- General Fund
Manager Warnke pointed out that this budgeted pretty much just covers the cost of operations but there are four (4) project based expenditures that have been included in the budget that needed to be brought to the Council's attention.
 1. \$8,000 for billboards (10-40-140 City Council Discretionary)
The Council discussed the need to replace or refurbish some of the billboards and the fact that Rocky Mountain Power needs to reimburse the City for the billboards they damaged during the construction of the power lines.
Manager Warnke said he would talk to Rocky Mountain Power.
 2. \$4,000 for Energy Upgrades (10-40-540 Purchases of Equipment)
 3. \$16,000 for a new server (10-46-541 Computer Purchases)
 4. \$5,000 for PA System in the Council Chambers, landscaping, etc. (10-51-261 Buildings & Grounds Maintenance)

Councilmember Holmgren reported that he had spoken with Barney Barnett, Willard Bay Gardens, and the layout is all done. He just needs a budget.

- Roads

\$252,000 for Road projects

1. Reconstruction of 350 North – Summer/Fall – Director Fulgham indicated that this project will require some engineering for the road. Councilmember Doutré informed the Council that the road north of 2000 West needs to be repaired.
2. 1000 N and Harley Drive – Summer/Fall – Manager Warnke told the Council that the storm drain pond is in the City’s right-of-way. This needs to be corrected and Harley Drive aligned with the opposing leg of the intersection.
3. Various street projects – Spring
4. Various sidewalk projects – Spring

The Council discussed other roads that are a problem. Councilmember Deakin stated that the City needs to get in the habit of fixing something each year. Streets will be prioritized for repair based on the recommendation list provided by T² Company. T² is being funded to come back through the City again this year. Manager Warnke said that Director Fulgham had recommended that the City budget \$582,000 for road projects. That would include using the funds that had been used for the road bond that is now paid in full. Director Fulgham is going to provide a list of the road projects he would recommend.

- Special Parks Fund Project Related Expenditures

Impact Fees

\$199,000 in impact fees - All park related Impact Fees are accounted for in this fund. The City is in the negative due to the Jeanie Stevens Park. Impact fees need to catch up with what has been expended.

Fund Balance

\$140,000 that is not restricted and can be used on Non-Capital Facility Plan related projects. The City has to account for existing park deficiencies out of our own funds. A lot of our impact fees are in the negative where we spend in advance of collecting them.

A list of proposed projects, which was prepared by Park Director Marc Christensen, was distributed to the Council. It was mentioned that the City parks are well used.

\$5,000 has been budgeted for the replacement of trees at North Park. Trees could be planted at Meadow Park, as well. Mayor Fridal asked if there were trees that grow fast but also last. Councilmember Holmgren responded that the sycamore or linden would be a good choice. People have suggested that boweries be installed at the Library Park so there is an outdoor place for them to go to eat their lunch.

- Fire Department Fund Project Related Expenditures

- \$2,000 for remodeling of bathrooms to include removal of the shag carpet and making the bathrooms ADA compliant
- \$1,300 in building maintenances wages
- Fire Chief Wages
 Manager Warnke pointed out that the Fire Chief is currently classified as a part-time employee. This is problematic in that all other part-time employees are being paid an hourly wage. Currently, Fire Department officers are receiving an hourly wage when they respond to calls plus a \$500 annual bonus for Secretaries, with Captains getting \$1,000, the Deputy Chief \$1,500, and the Chief \$2,000. A salary survey was done, but it was difficult to compare. Manager Warnke said he had run some calculations and felt that \$9,000 per year was a reasonable amount. Chief Batis thought \$9,000 - \$12,000 should be the range. Councilmember Deakin asked whether he would still be paid for calls and Manager Warnke responded that the Council can structure this and that it didn't need to be decided at this meeting.

The Fire Department held elections and two names have been proposed for Fire Chief: Steve Batis and Blair Westergard.

Mayor Fridal told the Council that the two Fire Chief candidates need to be interviewed and asked if some of the Council would be willing to help with the interviews. All of the Councilmembers agreed to participate.

Mayor Fridal suggested that the Fire Chief be requested to work twenty (20) hours per week. Councilmember Wood felt that \$9,000 was a little high. Manager Warnke suggested that the Council could budget \$9,000 and then decide later with the selection process of the new Chief. Councilmember Reese stated that the City should not fund the Fire Department out of the City's General Fund. That is why the budget was split. The Fire Department requested that the budget be split and agreed to work within their means. Manager Warnke said that the City has budgeted \$28,000 from the General Fund this year. Councilmember Doutre asked where things stand with subsidizing the Fire Department. Manager Warnke replied that he thought the City would not need to move any funds over to balance the Fire Department Budget and that they could make it this year.

CAPITAL PROJECTS FUND – WWTP FUND

- WWTP - Fund Project Related Expenditures
 \$750,000 has been budgeted for the Salsnes Filter Project with \$73,000 coming from impact fees and \$677,000 from Capital Reserves.

Bids have been opened on the site work for the Salsnes Filter Project. A bid opening has been set for the Salsnes Building Project tomorrow at 11:00 a.m.

- **Water Utility Fund Project Related Expenditures**
\$330,000 is budgeted for the well project. This is funded through the impact fees with \$87,000 coming from impact fees and \$243,000 from impact fee reserves.
- **Storm Drain Fund Project Related Expenditures**
Manager Warnke informed the Council that the Christensen's are participating in the Harley Drive project. The City is trying to use as much as possible out of the B & C Road funds for the project. B & C Road funds will only be used to re-align the street. The remaining \$16,000 is for the storm water project which would be paid from this fund. It will require the installation of approximately one acre of sod. The rock portion is for the outlet portion. It is intended to capture the one hundred (100) year run-off out from the subdivision and retain it in the pond. Councilmember Holmgren asked why the engineers have suggested rock. He feels sod would be better. Manager Warnke said he would have to check the plans.

Councilmember Reese stated that the City needs to get to a place where the secondary water pays for itself. The City should not be subsidizing this program.

Councilmember Deakin asked Manager Warnke where he thought the cash would be at the end of next year. Manager Warnke replied that he wasn't sure, but he thought the City was ahead of what the State allows. Finance Director Roberts is still working on the figures.

Councilmember Deakin applauded Manger Warnke for making the budget work but asked how much risk the City is in for not replacing any vehicles this year. Manager Warnke said he thinks the City will be okay this year and the next, but it is not a good pattern to follow. He also stated that he has some misgivings about the budget in that the roads are bad and need repair. Councilmember Holmgren reported that he had attended a meeting where they indicated that the economy would continue to be bad next year but would come out of it the following year.

Councilmember Wood commented that it comes down to wants and needs. The Council has always given the departments everything they want. The City needs to live within its means. Manager Warnke stated that a lot of the Department Heads had said "no" to themselves this year. People understand that this is a difficult economic time. Mr. Warnke said he was concerned about the roads and the sidewalks and that the City needs to start thinking about ways to increase revenue. The Council discussed the need to pursue economic development opportunities as well as the fact that the Malt-O-Meal Tax Increment Reimbursement will be ending in 2011 or 2012 which will bring additional money into the City.

The UTOPIA situation was discussed. With only 33% to 35% participation from member cities, there is not enough revenue being generated to support the system. Several options have been presented by UTOPIA which the Council needs to consider. One option is to sell

UTOPIA, though it would likely be at a discount. The UTOPIA figures were never right, and they have not kept their promises. Councilmember Reese pointed out that the panels will need replacing in five years and that needs to be taken into consideration.

The Council congratulated Manager Warnke for the great job he has done on the budget.

4. Adjournment.

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

The meeting adjourned at 8:02 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 Norene Rawlings.

Dated this __ day of _____, 2010.

Darlene S. Hess, Recorder