

**TREMONTON CITY CORPORATION  
CITY COUNCIL MEETING  
May 17, 2011**

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 WORKSHOP**

Mayor Fridal called the May 17, 2011 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, City Manager Shawn Warnke, Recorder Darlene S. Hess, Zoning Administrator Steve Bench, Public Works Director Paul Fulgham, and Police Chief David Nance.

Mayor Fridal welcomed everyone to the work session. He commented that there are situations within the City that are going to be difficult to cope with in the next few months. A recent newspaper article stated that the Syracuse City Council recently approved a significant 28% property tax increase. There are services within Tremonton City which have to be maintained such as police, fire, roads, water, and sewer. There are optional things which are also fairly important like the Library, the Pantry, the Senior Center, and Parks and Recreation. The problem is that the City will barely get by financially this year, and next year does not look as good. In fact, it looks bad. So, whether the Council likes it or not, a way has to be found to cut expenses and/or increase income. The Department Heads have cut back, but there is no way they can save enough out of their budgets to make up for the City's deficiencies. That means, whether the Council likes it or not, they are going to have to find a way to increase income. It is a no win situation. The public is not going to like it if fees or property taxes are increased, even though it is a necessity. However, something has to be done in order to maintain Tremonton as Tremonton City. If this issue is not addressed, the City will get behind and the Council will be faced with an issue such as Syracuse faced of having to increase property taxes by 28%. There is no way to make this easy for the public, and the Mayor and Council are not going to be popular no matter what is done.

Mayor Fridal stated that, inasmuch as he can't vote on anything, it is up to the Council to come up with a solution, and there isn't much time to do it. He asked the Council to spend time considering and pondering this situation and to come to Council Meeting with ideas on how fees can be increased and income can be generated. This is not a good time to do it, but there is no choice. He told the Council to eliminate any political decisions and make decisions based upon what is best for Tremonton City.

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

The Council reviewed the May 17, 2011 Agenda with the following items being discussed in more detail:

Mayor Fridal turned some time over to James D. Petersen of GBS (Group Benefit Services) regarding health insurance pricing. GBS is the City's Benefit Broker. Mr. Petersen said that the lowest renewal increase Altius can provide for existing benefits is 11.19%. This represents a \$51,029.16 increase over last year's premium.

There are other options:

Medical:

- Option 1 increases the office visit co-pay for primary care from \$20 to \$25. Everything else would remain the same, including a \$1,000 deductible for an individual, \$2000 for a family, with an embedded HRA for which the City would pick up the second \$500 of the deductible. This would lower the premium increase to 8.46% which equals a \$38,569 increase for the year.
- Option 3 would increase the deductible to \$1,500 for an individual, \$3,000 for a family. Other than the increase in deductible, everything else is the same as Option 1. Option 3 would lower the rate increase to 2.69% which equals a base increase of \$12,265 plus an HRA disbursement estimated to fall between \$13,000 and \$25,000.

Councilmember Reese asked what the results would be if the City were to go with an 80%/20% plan, with the employee paying 20% of the premiums. Mr. Petersen said he didn't have the figures, but it would save the City money and the employee's contribution would go up. Councilmember Wood said he was favoring Option 3 and then consider going to an 80%/20% plan next year. Councilmember Reese agreed and commented that he didn't feel Option 3 would be that bad for the employees. If the Council decides to go with Option 3, the City will need to budget an additional \$15,000, for a total of \$25,000, for the HRA. Councilmember Wood pointed out that the City has saved money each of the last two years by utilizing the HRA. It is well worth the risk. Mr. Petersen noted that there haven't been any catastrophic issues over the last couple of cycles and that is positive, but the City needs to keep that going.

Mr. Petersen explained that the Dental Plan came back with a rather high increase. Educators Mutual (EMI) was told that the increase had to be 6% or GBS would shop for better rates. EMI came back with an increase in the 8% range, so GBS is shopping it. Mr. Petersen expects to receive around six quotes within the next seven to ten days.

Manager Warnke brought out that the employees have a good selection of local providers (dentists) with Educators Mutual in the Tremonton area. The Council may want to take

that into consideration. Mr. Petersen added that EMI also does a good job with their fee schedule.

There is no rate increase for the Life, Disability, and Vision benefits being offered. The administration fees for the Flex Spending/Cafeteria will also remain the same.

Manager Warnke pointed out that the Council will be considering a Resolution which elects insurance carriers and benefits to City employees. The one piece which isn't finalized is the Dental Insurance carrier. If the Council feels comfortable in approving the Resolution for the Medical and for the Dental with Educators Mutual but providing Staff with the latitude to make the decision to go with a different dental carrier should GBS be able to find another provider with better premium rates, the Staff and GBS would be able to proceed and get the renewal process finalized.

Resolution No. 11-25 – Zoning Administrator Bench explained that adoption of this Resolution approves a Street Lighting Agreement between the City and Rocky Mountain Power. The street lights will be placed within Holmgren Estates along 500 East at 731 South, 831 South, and 875 North. Holmgren Estates will pay for the lights. Rocky Mountain Power now requires that these costs be paid up front.

Resolution No. 11-27 increasing sewer fees – Director Fulgham said that both he and Financial Director Roberts had done studies on the fee structure for the Sewer Collection System. Though the studies were approached differently, the conclusions were very similar: the fees need to be increased. Manager Warnke added that there are a lot of factors to consider. Today he looked at the balance sheets considering from a balance sheet perspective where the funds stand and what had to be budgeted this year to make the funds balance. It will be necessary to budget \$30,000 from the Fund Balance to the Sewer and \$26,000 from the Fund Balance to the Storm Drain Fund.

In Director Roberts analysis, based upon a return on assets by looking at the operating income and the fixed assets and coming up with a percentage, the Storm Drain Fund was -1.5%, and the Sewer Fund was .7%. Director Roberts' recommendation is that it should be at least 4%.

Councilmember Deakin commented that the Water Fund subsidized both the Sewer Collection and the Storm Drain for years. If the rates are raised on the Storm Drain and the Sewer Funds, the utility bills are going to go up substantially and the Water Fund will realize a big benefit. It seems appropriate, if the rates for sewer collection and storm drain are increased, that the rate for water should go down as it will no longer be subsidizing the other two utilities

Director Fulgham pointed out that the subsidization of the Sewer Collection and Storm Drain, which comes from the Reserves and not from the monthly fees, is slowly depleting the Reserves. Recently the comment was made how nice it is to be able to build a well and not have to go into debt. The only way that can be done is with reserves. Impact Fees have paid for a lot of the growth in the last few years. Now, the State Legislature is

trying to “hamstring” the municipalities on impact fees. The time could come when cities can not longer impose impact fees.

Councilmember Reese said that the total increase would be \$4.05 per month. Councilmember Wood pointed out that that is about a 10% increase in a year when people are struggling. He said that he can see where everyone is coming from, and he hates to put things off, but he wonders if the Council should forego this increase one more year.

Manager Warnke commented that it is a great benefit to the City to be able to have some Reserves. Without the Reserves, the City would have to Bond for larger projects. Part of the reason the Water Fund is doing so well is because of some of the industry [water] overages which this Fund receives.

Councilmember Doutre emphasized the importance of educating people. With all the restrictions from the Environmental Protection Agency (EPA) and others, the City has to take care of the storm drain water and sewers in a whole different way than before. If people understand the situation, it will be a little easier for them to accept. Everyone hates rate increases, but people have to understand that some of this has to be done.

Manager Warnke added that the situation is at a point where the City has to do something. He recognized that it is a poor time, but the longer the City waits, the bigger hill there will be to climb. One thing that might make it more palatable is to adopt the fee increase but make the effective date a few months into the future.

April Financial Statement – Councilmember Deakin asked why the Cash Allocation Reconciliation didn’t go to the zero proof. Recorder Hess said she would check on it.

Resolution No. 11-29 – Director Fulgham reported that all the parties have signed the easement agreement and the City is already sending water pumped to waste from the new well to the Clayton Grover property. Every time the well turns on, it pumps wastewater for about one minute. The same thing happens when it shuts down.

The meeting adjourned at 6:52 p.m. by consensus of the Council.

### **CITY COUNCIL MEETING**

Mayor Fridal called the May 17, 2011 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, City Manager Shawn Warnke, Recorder Darlene S. Hess, Zoning Administrator Steve Bench, Public Works Director Paul Fulgham, and Police Chief David Nance.

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 offered by Councilmember Holmgren and the Pledge of Allegiance was led by Councilmember Reese.

2. Discussion and 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 May 17, 2011 agenda.** Motion seconded by Councilmember Holmgren. Vote: Councilmember Deakin, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

3. Approval of minutes – April 26, 2011 and May 3, 2011.

Mayor Fridal asked if there were any changes or corrections to the minutes. No comments were made.

**Motion by Councilmember Wood to approve the minutes of April 26, 2011 and May 3, 2011.** Motion seconded by Councilmember Reese. Vote: Councilmember Deakin – aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

Mayor Fridal commented on the Earthquake Drill which was recently held at Bear River High School. One of the firefighters from Garland collapsed as a result of heat exhaustion. It was interesting to observe how well the situation was taken care of. Chief Batis needs to be commended as he was right there. One couldn't tell if it was an actual event or if it was one of the staged events.

4. Introduction of guests.

Mayor Fridal welcomed all those in attendance.

5. Public Hearing

A Public Hearing was called to order at 7:08 p.m. to consider amending the 2010-2011 Budget. There were four people in attendance.

- a. To receive input on a proposed increase to sewer and storm water fees.

There were no public comments. The Public Hearing was closed at 7:09 p.m.

7. New Council Business:

- a. Discussion and consideration of adopting Resolution 11-25 approving a Street Lighting Agreement between Rocky Mountain Power and Tremonton City for

streets lights at 731 North 500 East, 831 North 500 East and 875 North 500 East

Councilmember Holmgren declared a conflict of interest as he was the developer of the subdivision in which the agreement pertains to, and he excused himself and left the bench at 7:10 p.m.

Zoning Administrator Bench explained that Rocky Mountain Power has a new policy requiring that the City enter into an agreement with them providing that the City pay for the lights in a new development up front. The City then collects that money from the developer. The engineering has been done and everything is ready for the installation of the three lights on 500 East.

**Motion by Councilmember Doutre to adopt Resolution 11-25 for a Street Lighting Agreement between Rocky Mountain Power and Tremonton City.** Motion seconded by Councilmember Wood. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

Councilmember Holmgren returned to the bench at 7:11 p.m.

- b. Discussion and consideration of approving Resolution No. 11-26 selecting the City's health insurance carriers and defining the City contribution for employee benefits for the 2011- 2012 fiscal year

Manager Warnke explained that the Council considers renewing the City insurance carriers on an annual basis. For three of the product lines there was no increase in premium, but there were increases in Medical and Dental. Manager Warnke reviewed the Medical options available and the related increases in premium. After discussion during the Work Session, Option 3 is the one that appears to be the most favorable. There are risks involved but after analyzing the risks, it is felt that the City would still come out ahead.

Councilmember Deakin asked what the maximum risk would be if every employee used their entire benefit. Manager Warnke replied that the maximum risk would be \$80,500. Based upon history, it is likely to fall between \$13,000 and \$25,000. Mayor Fridal asked how much the City's total annual insurance bill is. Manager Warnke said that it is close to \$500,000.

The City is currently bidding out the Dental line to see if a better rate is available. Manager Warnke asked, because it is close to the end of the year, if the Council would consider allowing some flexibility for the Staff to make a decision on the Dental carrier.

**Motion by Councilmember Reese to approve Resolution No. 11-26 going with Option 3 which is approximately a 3% increase and giving Staff the option to shop for a better dental carrier.** Manager Warnke referred the Council to the language in the Resolution regarding the second half of the Medical deductible and asked that it be made clear that the employee picks up the first \$500, or \$1,000 if it is a family, and the City will pick up the balance. Councilmember Reese said he agreed with that. Motion seconded by Councilmember Doutre.

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

- c. Discussion and consideration of adopting Resolution 11-27 increasing sewer fees and establishing a provision for the collection of those fees

Manager Warnke explained that several years ago the Utility Fund was broken out into separate funds because it was suspected that the water fees were assisting some of the other utilities and the City wanted to see where things stood. After the Sewer Fund and the Storm Water Fund were separated out, it was found that indeed the fees which were in place for those utilities were not covering the costs of operation. In fact, the Storm Water fees are barely covering depreciation costs. This year the City has already spent about \$47,000 from the City's pooled cash to cover Storm Water costs. It is anticipated that that amount will increase as the City is in the midst of a Storm Water Project. The Sewer Fund has the same issue in that what is being charged is not covering operations.

The current sewer collection fee is \$3.75 per month. The Council is being asked to consider an increase in fees, selected from a proposed range of between \$5.50 minimum up to \$7.20 maximum per month. The closer the fee goes to the maximum, the less frequently the City would need to consider future increases.

Councilmember Deakin asked how difficult it would be to do the same analysis on the Water Fund as has been done on the Sewer Collection and Storm Water Funds: looking at return on assets and budget needs. His concern is that the Water Fund has not been looked at to see if that account is solid and strong. He expressed discomfort in jumping up the rates without looking at the Water Fund to see if there was a way to allocate funds so that the sewer collection and storm water fees do not have to be raised as much. Manager Warnke replied that the analysis could be done fairly easily.

Councilmember Wood said that he has a real problem with raising fees this year because people are struggling. If the rates are increased, he said he would like to see people notified and then wait until the end of the summer to make the increase effective. People often have the added expense of water overages in the summer months.

Councilmember Reese agreed that the City needs to at least do an analysis of the Water Fund before approving an increase. He agreed that something needs to be done, but felt it would be advisable to look at the Water Fund first.

**Motion by Councilmember Holmgren to table this agenda item for two weeks for further consideration.** Motion seconded by Councilmember Deakin. Director Fulgham said that, as part of the Water Fund analysis, he would have to take into consideration secondary water as that is also being subsidized by the Water Fund. The secondary water will never be able to stand on its own due to the number of users within the City. Councilmember Reese suggested that the financial status of secondary water also be considered to see if it is a worthwhile operation. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye,

Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

Councilmember Deakin commented that Mayor Fridal is right. The Council cannot keep delaying things. At some point a decision must be made.

- d. Discussion and consideration of adopting Resolution 11-28 enacting storm water fees and establishing a provision for the collection of those fees

**Motion by Councilmember Holmgren to table this agenda item for two weeks for further consideration.** Motion seconded by Councilmember Deakin. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- e. Discussion and consideration of approving the April 2011 Warrant Register

**Motion by Councilmember Reese to approve the April 2011 Warrant Register.** Motion seconded by Councilmember Doutre. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- f. Discussion and consideration of approving the April 2011 Financial Statement

**Motion by Councilmember Deakin to approve the printed version of the April 2011 Financial Statement dated 5-17-2011 at 7:00 p.m..** Motion seconded by Councilmember Wood. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- g. Discussion and consideration of approving Resolution No. 11-29 approving an easement between Clayton Grover and Tremonton City for wastewater from a City Well

**Motion by Councilmember Reese to adopt Resolution No. 11-29.** Motion seconded by Councilmember Holmgren. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

8. Comments:

- a. Administration/City Manager Advice and Consent.

1) The Library has received grant funds, in the amount of \$2,500, to be applied toward technology improvements. The Council has tentatively budgeted funds for the next fiscal year for the purpose of purchasing a new server in the Library. A quote for this project has been received. It might be a good idea to do the project this year so the grant funds can be used. Doing so could require that this year's Library Budget be augmented. The total server cost is around \$8,000. It would serve both

the main branch and the satellite branch of the Library. This upgrade will preserve the life of most of the computers as most of the computing horsepower will be done by the server. Manager Warnke said, if he doesn't hear anything to the contrary, he will sign the quote to purchase the server so the City can take advantage of the grant money.

- 2) Staff is in the final stages of working on an agreement on compensation of the K-9 officers for dog care after hours. It has not been presented to the K-9 officer. The agreement changes the hourly rate and time for which the officer will be compensated from one hour at minimum wage to one-half hour at the officer's hourly rate. The net effect should be close to the same. This will appear on the upcoming agenda for formal action.
- 3) One more Budget Meeting is needed to finalize the particulars of the FY2011-2012 Budget. Councilmember Deakin commented that the current FY 2011-2012 Budget does not take into consideration any increase in the sewer or storm water fees. Manager Warnke said that is correct, but both Funds are drawing upon Reserves: \$26,000 for the Storm Drain Fund, and \$30,000 for the Sewer Fund.

The next Budget Meeting is scheduled for May 31, 2011.

#### Council Reports:

**Councilmember Deakin** referred to the Mayor's comments at the beginning of the Work Session about generating income for the City. He recommended that there be a process. There are some basic decisions which need to be made. He noted that Mayor Fridal had indicated that the Council has two choices, given budget constraints: to trim the level of services or increase revenues. If the Council makes the decision to increase revenues, then the next decision to make is where and what. If the Council takes the other path to trim services, then it needs to be decided what major groups the Council will be looking at. In his opinion, the Council needs to have a step-by-step process that will lead to a resolution or it is nothing but a theoretical discussion.

**Councilmember Wood** commended the Fire Department for their Steak Fry. It was well done and very well attended. He said he has heard nothing but good comments about it. It was a job well done.

In considering the Budget, Councilmember Wood said he asked for a copy of the Strike Force Agreement. He requested that Manager Warnke provide a copy to each of the Councilmembers before the next Budget Meeting. It appears that the Strike Force officer costs the City about \$62,000. That might be one place where the City can start by either getting the County to help the City with that money, or bring the officer home and lay off an officer. The Strike Force Agreement has a five-year term which ended January 11, 2011. Councilmember Wood asked Chief Nance to comment if he wished to.

Chief Nance responded that the Strike Force officer is not a County officer. He is a Tremonton City officer who is working in a Strike Force to deal with the drug

problems throughout the County. It is not benefiting one group over another group. The County and Brigham City each have officers who are members of this Strike Force. Once the agreement was set up, it became an ongoing agreement.

If Tremonton doesn't have someone in the Strike Force, then, essentially, the City doesn't have anyone to investigate and follow up on a lot of the drug cases, because drug cases don't stay in town. They go throughout the County, into other counties, and into Idaho. The Strike Force works a lot with the other Strike Forces in Cache County, Weber County and one agent in Malad.

Chief Nance said that he has statistics to show what the Strike Force is doing. They do a lot of good which sometimes is not seen. If the City were to bring this officer back, and just used him to try to deal with drug issues, it would be very difficult. He must have the ability to move and flow to where the problems go. The Strike Force has the ability to issue search warrants throughout the County.

Councilmember Wood asked if Tremonton City has more than one officer on duty at night. Chief Nance replied that 80% of the time the City only has one officer on night shift. Councilmember Wood asked if there was any way the County or the Highway Patrol could cover Tremonton for a few hours during the night if that one officer were to be laid off. The Council is looking for all options to try to cut expenses. Chief Nance responded that the Highway Patrol usually goes home at midnight and then they have one officer on call. Other than that, Tremonton has the only officer on duty in the north end of the County. The County does usually have two officers on night duty to cover the entire County. Tremonton covers for Garland while they are calling their officer out, because they go home at 11:00 p.m. or midnight. Chief Nance said that having just one officer on duty is not a safe situation. He wished that he did have two officers on duty at night.

Chief Nance said that, if the Council does not want twenty-four hour coverage, they could just have officers on call. However, he felt the Council would find that with the number of calls that come in throughout the evening and having to pay overtime, that there wouldn't be much of a savings.

Councilmember Doutre commented that the last thing the City wants is to let people know that Tremonton doesn't have an officer on duty at night. Chief Nance stated, though it doesn't benefit Tremonton too much, City officers are continually going out on the freeway for rollovers, etc., because no one else is out. Councilmember Wood asked if the City bills anyone in those instances. Chief Nance replied, no. It is just an agency assist. The other agencies help Tremonton out, when needed, by backing them up on calls, etc. It is not a safe thing for an officer to try to handle a family dispute on their own.

**Councilmember Reese** stated that this is the type of information the Council is going to need to make these decisions on increasing rates. The City needs to consider its liabilities and assets and then meet in the middle. Tremonton is no different than every other community. Councilmember Reese said he still feels good about the way things have been taken care of thus far.

**Councilmember Doutre** said that she thinks all the City properties look

beautiful. She added that she is so proud to be from Tremonton. All she ever hears are good things about the City's Fire Department and Police Department. Councilmember Wood added that he likes the way 2000 West was mowed. It looks nice.

**Councilmember Holmgren** said that he created some charts from the Sales Tax Report which the Council received. He provided copies to the Council. There is a steady trend upward. He expressed appreciation to Recorder Hess and Norene Rawlings for taking the time to put the information together.

**Mayor Fridal** commented that the City has some issues they need to deal with but he can't think of a finer group of people to address those issues. He said he respects the Council and he respects the people within the City: the Staff and the Department Heads. The Council has an opportunity to do some good, and it will be accomplished. Councilmember Deakin's idea of establishing a process was good. The process can't be put off forever. It needs to be addressed soon.

9. Public comments: Comments limited to three minutes.

Cari Doutre asked what the Council is proposing increasing the storm water fees to. Mayor Fridal said that the Council isn't proposing anything right now. Ms. Doutre asked what the numbers being considered are. Councilmember Doutre replied that the current storm water rate is \$1.30 per month. It has been proposed that the fee be increased to between \$4.00 minimum up to \$6.58 maximum.

10. Adjournment.

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

The meeting adjourned at 7:49 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 prepared by Norene Rawlings.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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Darlene S. Hess, Recorder