

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
June 19, 2012**

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 June 19, 2012 City Council Workshop to order at 6:01 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 (arrived at 6:02 p.m.), Public Works Director Paul Fulgham, Police Chief David Nance, and Treasurer Sharri Oyler.

1. Presentation by Wheatland Seed regarding the development of a wheat processing plant and related facilities in Tremonton City.

The presentation was postponed to give time for Lynn Perry, the presenter, to arrive.

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

The Council reviewed the June 19, 2012 Agenda with the following items being discussed in more detail:

Resolution No. 12-30 – amending the 2011-2012 Budget - Manager Warnke stated that this is mostly a procedural item, though he is suggesting that some additional funds be appropriated as a safeguard as some of the line items are getting close to the budgeted amount. The goal was to get within 80% to 90% of budget. Department Heads have been contacted and asked that they not expend the funds that are suggested to be appropriated.

Councilmember Doutre asked if the appropriation would include the Police car that is being considered. Chief Nance said that the repairs that are needed on the Dodge Charger will cost from \$1,000 to \$2,000 depending upon whether it is the intake manifold or the head gasket that is bad. Chief Nance received quotes on new vehicles. A Toyota Camry could be purchased for \$23,500. A Camry would not be suitable as a patrol vehicle. It would be used as an Investigator car. Quotes were also received on a Chevy Caprice, one from the State and one from Crump Motors. Crump Motors was able to come within \$300 of the State price with a quote of \$26,710. A Charger could be

considered again, but Chief Nance said he would rather see how these other vehicles worked out as far as maintenance goes. A Charger would probably cost around \$25,000.

Councilmember Wood asked why Chief Nance wouldn't want to go with a Camry. Chief Nance replied that the Camry that is being considered is a hybrid which would get about 40 mpg. It would be good as an administrative vehicle, but the Camry suspension, etc., is not really built for patrol type work. West Valley uses them for admin work, and Salt Lake City uses a few of them for their patrol lieutenants, but they don't participate in anything other than driving to the scenes of incidents. Also, a full light bar does not seem to be good for the battery situation on a Camry.

Chief Nance stated that the City could go with either of the new vehicles mentioned, or the Charger could be repaired. The Charger is slated for replacement next year. He hates to put money into a vehicle that would only be used for a year. Mayor Fridal brought out that the City has put about \$8,000 into repairs for the Charger already. Chief Nance added that the Charger is also starting to have electrical issues. Most likely the wiring harness is going out which would cost another \$2,000 or so to replace, and the fuel gauge doesn't work. Whichever direction the Council decides to go, if a vehicle is going to be ordered, the dealerships want to get the order this week in order to be able to meet the build date. A purchase order could be issued contingent upon the Budget being passed.

Manager Warnke stated that the Council approved next years Budget contemplating that funds would be appropriated to replace the Dodge Charger. In order for there to be money in the Vehicle/Equipment Capital Project Fund, the Council will need to appropriate some Fund Balance. This Resolution proposes that the Council consider appropriating a certain percentage to the Capital Project Fund for things like facility improvement, road improvements or any project on the Capital Improvements List. It also proposes that the Council decide on a percentage of Reserves that would go to the Vehicle/Equipment Capital Project Fund. As the last revenues for this fiscal year will not be received until July, it is not known exactly how much of the Fund Balance will need to be moved.

Manager Warnke mentioned some of the categories which were over Budget. Not enough funds were appropriated for fuel when the Budget was adopted. Electricity is another item which was under budgeted, in large part due to rate increases.

May Warrant Register – Councilmember Doutre asked what the 3M Cogent check in the amount of \$6,478 was for; Chief Nance replied that the expenditure was as a result of a JAG Grant which the Police Department received in the amount of \$5,000. It was for a light scan finger print system.

Councilmember Wood suggested that the City get set up for doing CDL fingerprinting. Now everyone has to go to either Salt Lake or Soda Springs to get fingerprinted. Chief Nance said that about a year ago, ATK was looking for someone who could do fingerprinting electronically.

Mayor Fridal asked about a payment to Barlow's Custom Guns in the amount of \$2,010. Chief Nance said that this item is a trade out on the Glock weapons. Barlow's is doing a

program where for about half price, old guns can be traded for the new generation Glock weapons. The guns that were traded have been used in the Police Department for about six years and the springs start to wear. It was a good time to trade them out.

Councilmember Reese asked about a \$300 payment to Rudd Funeral Home. Recorder Hess explained that it was a reimbursement for an over-payment.

Ambulance write-offs – Treasurer Oyler informed the Council that there are a few write-offs to finish out the year. They are mostly old, uncollectable claims, a few bankruptcies and one employee write-off.

Utility write-offs – Treasurer Oyler said that all of the Utility write-offs are due to bad addresses. They have been sent to Check Net, a collection company, but they have been unable to collect on them. Mayor Fridal asked if the Constable can collect bad debts. Chief Nance stated that he can if the Court issues a Civil Bench Warrant and the debtors can be located.

Resolution No. 12-31 adopting the Certified Tax Rate for the 2012 Tax Year – Manager Warnke stated that adopting the Certified Tax Rate is something that is done annually. It is a little difficult in that municipalities don't know what the Certified Tax Rate is going to be until after the Budget is adopted. As a result, the Staff tries to budget conservatively, based upon the Certified Tax rate generated by the auditor. This year was harder to calculate as the City will have new value coming into the City's Tax Rolls from the value in Malt-O-Meal's personal and real property which has previously been in the RDA. Not knowing what the depreciation schedule is on Malt-O-Meal's personal property makes it difficult to estimate that value. Manager Warnke said that he estimated low so that revenue would not be budgeted then not obtained.

Manager Warnke stated that the Certified Tax Rate which the auditor estimated for the City would deliver revenue of about \$1.15M which will help to address and alleviate some of the Fund Balance which the Council approved for appropriation and will help offset the ongoing UTOPIA obligation.

Councilmember Deakin commented that the actual Certified Tax Rate is up 8% from last year. It is reasonable that the value of the assets have gone down 8% from last year which would bring the revenue down to where it should be. He felt there would be value in looking at this to make certain that is what has happened. The value of the assets would have to be down equal to the percentage in the rate.

Councilmember Holmgren commented that, as industry depreciates their personal property, then everyone's tax rate has to come up to compensate. Manager Warnke said that it is a complicated issue. The appraisers re-evaluate property every five years and then they use computer software to make adjustments each year based upon what they are seeing. Homeowner's taxes do fluctuate. The Certified Tax Rate is meant to deliver the same amount of revenue which the City receives plus new growth.

Resolution No. 12-32 approving the dissolution of Special Improvement District No. 1 – Councilmember Doutre said that she has been very interested in this Resolution and

read it very carefully, but as it affects her personally, she will refrain from voting in City Council. The Attorney's Opinion at the end of the Resolution states that the City inaccurately entitled this District as a "Special Improvement District." Instead, the district should have been entitled a "Special Service District." Manager Warnke explained that it was just a matter of incorrectly labeling the area and the law has changed quite a bit over time.

Manager Warnke stated that the Attorney's Opinion indicates that the District was probably miscategorized and should have been a "Special Service District." Part of his analysis came down to how it operated and functioned because there wasn't a lot of great detail in the enabling language that created the District back in the early '90's. Director Fulgham asked if it was originally set up as a Special Improvement District because, as the property was annexed into the City, the residents were actually paying for just the improvement and not the operation of it. Director Fulgham said he was not with the City then, but his understanding is that the District was formed so that the City could provide the service infrastructure. The monthly utility bills served to pay the regular activity which the City does for the water system. He felt that is a distinction between a Service Area and an Improvement District.

Manager Warnke stated that the relevance of trying to identify the kind of District that was established is to be able to follow the State Statute as far as dissolving the District. Director Fulgham added that once the improvement is paid for, it is no longer necessary to have a Special Improvement District. The Service part is still provided as part of the monthly utility rates. Manager Warnke said that Director Fulgham is correct in that the last debt service payment to the State, who held the loan, was paid this budget year.

Disposal and classification of public property, vacating a portion of 110 South Street (Ordinance No. 12-08) and a portion of 900 West Street (Ordinance No. 12-09) – Zoning Administrator Bench said that there are still a few "I's" to dot and "T's" to cross but he feels things are at the point where the Council could approve Ordinance Nos. 12-08 and 12-09 if they desire. Zoning Administrator Bench requested that, if an affirmative motion is made, the motion include that no occupancy will be granted without two things: one, that the fire hydrant is moved and operational; and two, that both properties have their shallow wells dug for outside irrigation so they are not using City water as much on those two acre lots. Director Fulgham added that part of the deal was that the developer would drill individual wells so that they could tap into the subsurface drain water. Any well shallower than thirty feet does not require a water permit.

Manager Warnke commented on one of the things which was discussed with Todd Lish. At the last Public Hearing there was a discussion between Paul Hunsaker and Gary Bell where they had the understanding and expectation that eventually the property – the road which the City is vacating that adjoins their property – would be owned by them. The City Council's obligation when they dispose of property would be to give the property to the individual or entity that originally dedicated the property to the City for a road. In this case, it was Mr. Higley who has now passed away. The heir to that property, which is now a road, has waived his right to receive it. So, the deed that is presented to the Council would actually transfer the property into Mr. Soderby's name (Soderby Limited). Mr. Lish has indicated that, in the end, the property is going to go to Mr. Hunsaker and

Mr. Bell as was their expectation. Another thing to consider, prior to the Mayor signing the Deed, is to have the Chain of Title that shows that eventually it will be deeded into Hunsaker and Bell's names. Mr. Lish suggested that the City go to a Title Company and have all the documents prepared so that everyone could sign to assure that Mr. Bell's and Mr. Hunsaker's expectations will be realized.

The other thing that hasn't been resolved is that Todd Lish is actually proposing a Warranty Deed. If Mr. Lish pays for the Title Insurance, it can be done by Warranty Deed. Otherwise, it should just be done by a Quit Claim Deed where the City just assigns their rights over to Mr. Soderby without any warrant of clear title to the property.

As Mr. Lynn Perry, representing Wheatland Seed, had arrived, the Council returned to Agenda Item 1.

1. Presentation by Wheatland Seed regarding the development of a wheat processing plant and related facilities in Tremonton City.

Mr. Perry said Wheatland Seed would like to build a gluten free facility somewhere. They own some property in Collinston which was zoned years ago for some type of agricultural production facility. There are some advantages, however, to building within Tremonton City. Wheatland Seed would like to look at what the possibilities are of building the facility at the Industrial Park and what the costs would be. Mayor Fridal stated that the property that is being discussed is a 22.52 acre parcel the City owns on 2000 West. Wheatland Seed would like to purchase about 10 acres of that parcel.

One of the Wheatland Seed's partners has a sister who produces gluten free products. Her products are number one in every gluten free category she is in throughout the country, but she doesn't have a plant. Her products are being manufactured in San Diego, but Wheatland Seed plans to manufacture them. Everyone is committed to the project, but they will need to move fairly quickly as she has a timeframe she is working under. They may be able to expand the facility in Collinston if it is necessary to slow down the process of building a new plant for a little while. A gluten free facility must be completely separate from other grain processing facilities. Other people have expressed an interest in Wheatland Seed producing gluten free product. Mr. Perry feels that this will be an extremely fast growing facility, and could see up to one hundred employees within the next three years between the mill, the bakery, and the other facilities. Originally it will be between ten to twenty employees. The bakery would likely go in next year.

Councilmember Wood asked if the City would see sales tax receipts from this project. Mr. Perry stated that everything they do is wholesale so there wouldn't be sales tax. Councilmember Holmgren commented that there could be excise tax (Municipal Energy Use Tax) for use of power and natural gas which could be a pretty good deal. The natural gas might be an asset.

Mr. Perry said that Wheatland Seed is just trying to weigh the decision as to whether to build the plant in Tremonton or in Collinston. They need to know what would be the cost of the land, and from there they would determine where to build the facility.

Councilmember Wood asked what kind of dust emissions there would be with this type of plant. Mr. Perry said that it would be very minimal – almost none. Initially the facility would not have a place to receive grains. Everything would be received already cleaned. The only dust they have at their existing facility is when the farmers deliver and unload the grain. Councilmember Wood asked if they would eventually want to have a dump station, and Mr. Perry replied that they may want to eventually have a dump station so that they could buy the gluten free grains locally that they will need. To begin with, everything would be received at the Collinston facility, loaded on totes and brought to the new facility. Receiving the grain is not that dusty of a process, anyway.

Councilmember Holmgren commented that one of the good things about this whole process is how Wheatland Seed has benefited the farmers in the valley over the years. This would make one more market because what they would be looking at is specialty corns, not wheat, so it would open up a new market for everyone. Mr. Perry said that most every product, except rice, could be grown locally. Gluten free is such a fast growing market. It is really evolving quickly. The product line that Wheatland Seed will be using is the best in the industry.

Manager Warnke stated that some time has been spent trying to understand the investment Wheatland would make and the number of people they would employ. He referred Mr. Perry and the Council to the Agenda Summary and asked Mr. Perry to verify that the information was correct. Mr. Perry clarified that the first three components of the project that would open would be a mixing line, a small packaging line, and the mill that would grind the different products. Manager Warnke asked if he had listed this facility component correctly as a \$3.5M investment with twenty-four employees. Mr. Perry stated that it would be twenty-four employees if it was running twenty-four hours per day five days a week.

Manager Warnke then asked about the grain handling/receiving facility component and asked if he was correct in listing it as having a \$1.3M investment and three potential employees; the bakery with a \$7M investment amount and twenty-four potential employees; and an expansion mill/warehouse representing an investment of \$2M and ten potential employees. Mr. Perry confirmed that those items were correct except that the Bakery would be built much sooner than the grain handling.

Mr. Perry stated that he spoke with Val Stokes. Mr. Stokes may also want to buy a piece of ground next to the Wheatland Seed parcel for the purpose of parking his trailers, trucks, etc., as he is outgrowing the facility he is currently using.

Director Fulgham pointed out that there will be Impact Fees with pre-treatment, especially with a bakery, because certain processes can become cumbersome to a treatment facility. He also asked that the Council keep in mind that the City invested \$60,000 to provide electrical power to that property. Also, there is no natural gas on that property. Natural gas stops at West Liberty Foods, or it would have to come from Main Street.

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

CITY COUNCIL MEETING

Mayor Fridal called the June 19, 2012 City Council Meeting to order at 7:00 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, Police Chief David Nance, and Treasurer Sharri Oyler.

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 Zoning Administrator Bench and the Pledge of Allegiance was led by Police Chief Nance.

2. Introduction of guests.

Mayor Fridal welcomed those in attendance.

3. Approval of agenda.

Motion by Councilmember Doutre to approve the June 19, 2012 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.

4. Approval of minutes – May 15, 2012.

Motion by Councilmember Holmgren to approve the minutes of May 15, 2012. Motion seconded by Councilmember Reese. Vote: Councilmember Deakin – aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

5. Public Hearing

Mayor Fridal called a Public Hearing to order at 7:06 p.m. to consider amending the 2011-2012 Budget. There were five people in attendance.

- a. To consider amending the budget entitled "The Tremonton City Annual Implementation Budget 2011-2012 (General Fund, Capital Fund, Enterprise Fund(s), Special Funds, and Special Improvement District #1)", for the period commencing July 1, 2011 and ending June 30, 2012

Mr. Gary Bean addressed the Council stating that he needs to close his business due to health conditions. Mayor Fridal asked if his comments were related to the passage of the Budget. As they were not, he was told there will be time later in the meeting for him to address the Council.

Mayor Fridal closed the Public Hearing at 7:09 p.m.

6. New Business.

- a. Discussion and consideration of adopting Resolution No. 12-30 amending the budget entitled "The Tremonton City Annual Implementation Budget 2011-2012 (General Fund, Capital Fund, Enterprise Fund(s), Special Funds, and Special Improvement District #1)", for the period commencing July 1, 2011 and ending June 30, 2012

Manager Warnke mentioned the new approach of identifying the percentage of Reserves that would go to either the Capital Projects Fund or the Vehicle/Equipment Capital Projects Fund. The intent is to drop the Fund Balance to 17%, so anything in excess of 17% would be transferred to those two Funds based upon the percentage the Council elects.

Councilmember Holmgren asked how much money that would represent. Manager Warnke said that he didn't know at this point, but the last time the Council appropriated Fund Balance the City had about \$150K left. It should be around that amount, or higher, depending upon how the City ends this Fiscal Year.

Motion by Councilmember Reese to adopt Resolution No. 12-30 with 50% of the excess Fund Balance being appropriated to the Capital Projects Fund and 50% being appropriated to the Vehicle/Equipment Capital Projects Fund. Motion seconded by Councilmember Dautre. Vote: Councilmember Deakin - aye, Councilmember Dautre, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved

- b. Discussion and consideration of approving the May Warrant Register.

Motion by Councilmember Wood to approve the May Warrant Register. Motion seconded by Councilmember Holmgren. Vote: Councilmember Deakin - aye, Councilmember Dautre, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- c. Discussion and consideration of approving ambulance write-offs.

Motion by Councilmember Reese to approve the ambulance write-offs as stated. Motion seconded by Councilmember Holmgren. Vote: Councilmember Deakin - aye, Councilmember Dautre, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved

- d. Discussion and consideration of approving utility write-offs.

Motion by Councilmember Holmgren to approve the utility write-offs. Motion seconded by Councilmember Wood. Vote: Councilmember Deakin - aye, Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- e. Discussion and consideration of adopting Resolution No. 12-31 adopting the Certified Tax Rate for the 2012 Tax Year.

Manager Warnke stated that this is just part of the process which is required each year. The proposed Resolution adopts the County Auditor's Certified Tax Rate. It is not proposed to increase the Tax Rate above the County Auditor's calculations to deliver the same amount of revenue as the City had last year plus new growth. Councilmember Deakin said that he would like Manager Warnke to look into the Tax Rate due to an 8% increase.

Motion by Councilmember Reese to adopt Resolution No. 12-31 as stated.

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

- f. Discussion and consideration of approving Resolution No. 12-32 a resolution approving the dissolution of the District entitled "Special Improvement District #1".

Recorder Hess asked if this will need to be brought back later as an Ordinance. Manager Warnke indicated that it may be necessary. The City Attorney believes that the right process is to adopt this Resolution as part of dissolving Special Improvement District #1. The assets involved with this fund will be transferred to the Water Fund.

Councilmember Doutre stated that she is recusing herself from this vote.

Motion by Councilmember Holmgren to adopt Resolution No. 12-32 approving the dissolution of the District entitled "Special Improvement District #1".

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

- g. Discussion and consideration of the classification and disposal of public property, vacating a portion of 110 South Street which is part of the Clover Field Subdivision, Phase 2 in accordance with the Tremonton City Revised Ordinances Section 8-102-4

Manager Warnke stated that, according to State Code, the City needs to have a process where the Council considers disposing of real property. The process in the Tremonton City Ordinance Book talks about assigning a classification. The classification in this case is a little insignificant because a Public Hearing has already been held on this proposed disposal of real property. If the Council classifies the property as insignificant, there is no Public Hearing required. If the property is classified as significant, then the Public Hearing is required. The Land Use Authority Board (LUAB) reviewed the criteria and recommended classifying the property as insignificant.

Motion by Councilmember Deakin to declare the property as insignificant.

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

- h. Discussion and consideration of adopting Ordinance No. 12-08 vacating a portion of 110 South Street as part of the Clover Field Subdivision, Phase 2

Motion by Councilmember Holmgren to adopt Ordinance No. 12-08 with the stipulation that the developer relocate the existing fire hydrant providing a functional fire hydrant, that a shallow well be dug, and that the property be transferred via a Warranty Deed only if the Title Insurance is paid for by the new owner, or by Quit Claim Deed if it isn't. Motion seconded by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- i. Discussion and consideration of classification and disposal of public property, vacating a portion of 900 West Street which is part of the Clover Field Subdivision, Phase 1 in accordance with the Tremonton City Revised Ordinances Section 8-102-4

Motion by Councilmember Deakin to classify the property on Agenda Item i as insignificant. Motion seconded by Councilmember Wood. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- j. Discussion and consideration of adopting Ordinance No. 12-09 vacating a portion of 900 West Street as part of the Clover Field Subdivision, Phase

Motion by Councilmember Holmgren to adopt Ordinance No. 12-09 with the stipulation that a shallow well be dug; that the property will be transferred via a Warranty Deed only if the Title Insurance is paid for by the new owner, or by Quit Claim Deed if there is no Title Insurance; and that Mayor Fridal will only sign the documents when it is assured that Mr. Bell and Mr. Hunsaker will receive ownership of the property. Motion seconded by Councilmember Doutre. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

7. Comments:

- a. Administration/City Manager Advice and Consent.

1) Report on clerical errors and administrative corrections to:

- A. Ordinance No. 12-05 “An ordinance vacating a public walkway in “Parcel A” of the Holmgren Estate No. 8 Subdivision

Manager Warnke stated that the Council adopted an Ordinance which adopted property which the City vacated, namely “Parcel A” of the Holmgren Estate No. 8 Subdivision. Originally the Ordinance stated that it would transfer the property back to Lyle

Holmgren. The entity that actually dedicated the property to the City was Holmgren Investment Company, Inc. The Deed was done correctly. It is only the Ordinance that needs to be changed. It is proposed that the Staff administratively make this change to the correct name.

Motion by Councilmember Wood that Ordinance No. 12-05 administratively be changed to reflect the transfer of property to Holmgren Investment Company, Inc. Motion seconded by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

- B. Resolution 12-29 approving a Professional Services Agreement with Davis County Constable for constable services

As indicated in the Agenda Summary for this Item, and as standard contractual language in any professional services agreement, Resolution 12-29 required that the entity carry Worker's Compensation Insurance coverage. It came to light after the City Council adopted the Resolution that Davis County Constables are going to hire independent contractors to perform constable services and, as such, do not need to provide any Worker's Compensation Insurance. City Attorney Dustin Ericson added a statement to the contract to handle this situation. It is proposed that the Staff administratively change the Resolution to clarify this situation.

Motion by Councilmember Wood that Resolution No. 12-29 administratively be changed to clarify that Workman's Compensation is not required when the services of Independent Contractors are used. Motion seconded by Councilmember Reese. Vote: Councilmember Deakin - aye, Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved

- b. Council Reports:

Councilmember Holmgren said that the Museum Board has asked if they can utilize some City Property to take down the frame on the old Northern Furniture Building. They need something to be able to get high enough to get the frame off. Mayor Fridal felt that it would be possible. The City will be released from any liability. The Museum Board is also wondering if they could host some kind of a tourism event in the Museum. They are looking for a source of ongoing income.

Councilmember Holmgren mentioned that the Chamber of Commerce has an

office at the Civic Center. His understanding is that this was to be a temporary situation and proposed that the Museum and the Chamber of Commerce Offices might go together really well. It could provide a little rent which is something the Museum Board could use. He asked how the City might go about making that happen. Councilmember Deakin suggested that the Museum Board negotiate directly with the Chamber. Councilmember Doutré felt it would be a better location for the Chamber as it is on Main Street. It would give them more visibility. Mayor Fridal thought it might be a good fit and thought the Council could make the suggestion to the Chamber. Councilmember Doutré felt that the Museum might also be eligible for some of the Tourism tax dollars that are granted. Councilmember Holmgren responded that the Museum did receive some Tourism funding this year and hopefully will continue to receive those funds in the future.

Mayor Fridal brought to the Council's attention that they had failed to address Chief Nance's suggestion regarding the purchase of a vehicle. He asked if a decision could be made. Manager Warnke stated that it is a part of the Budget Process, which was an Agenda Item. The way the Budget has been approved is for the Police Department to purchase a vehicle out of the Capital Project's Fund. If the Council prefers that the Dodge Charger be purchased, now would be a good time to make that clear. The Council all agreed that a new vehicle should be purchased and that which vehicle to purchase should be the Chief's decision as a Department Head. It was the preference of the Council that the vehicle be purchased locally.

8. Public comments: Comments limited to three minutes.

Mr. Gary Bean said that he wanted the Council to be aware that he is going to have to close his business due to health problems. He also mentioned that the corner building received two water bills which showed an overuse of water. Mr. Bean said that he spent close to \$500 trying to find out what the problem was and there was no leak in either building; neither the video store nor Mr. Bean's store. Mr. Bean said he called the City about three weeks ago to tell them about it. The meter was checked and it was "over saturated." There was a piece of insulation that had been put down in the opening to keep the meter from freezing during the winter and it was dripping wet.

Mr. Bean was told that he would need to go to the Council to get the overage excused. Councilmember Wood asked if the leak was repaired. Mr. Bean replied that there was no leak. Director Fulgham said that it is anyone's guess where the leak was. One of the overages was \$23 and the other was \$77. The meters along Main Street are insulated every winter because they are in a concrete sidewalk. The moisture in the bottom of the meter pit is the result of condensation from the meter itself. It is enough to saturate the insulation. There wasn't a leak inside the meter box. The water went through the meter.

Director Fulgham stated that Public Works wasn't contacted until after the second overage. By the time they got there, he couldn't locate a leakage. Councilmember Holmgren asked if his understanding was correct that on the City side of the meter everything was fine, so the problem exists on the property owner's side. Director Fulgham confirmed that that was correct, and his suggestion is that water was left on somewhere.

Councilmember Holmgren stated that the way the City Ordinance is written, if the problem occurs before the meter it is the City's responsibility. If the problem occurs after the meter it is the owner's responsibility.

Mayor Fridal told Mr. Bean that the Council appreciates his coming, and the Council will talk about it. He told Mr. Bean to come into the City offices and talk to Treasurer Oyler.

Councilmember Deakin declared a conflict of interest regarding the next agenda item, the sale of real property, and left the Council Chambers.

Motion by Councilmember Holmgren to move to Closed Session for the purpose of discussing the sale of real property. Motion seconded by Councilmember Doutre. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Wood - aye. Motion approved.

The Council moved into closed session at 7:43 p.m.

9. *Closed strategy session to discuss the sale of real property when the public discussion of the transaction would prevent the public body from completing the transaction on the best possible terms*

Councilmember Deakin returned to the Council Chamber.

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

The Council returned to open session at 8:17 p.m.

10. Adjournment.

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

The meeting adjourned at 8:18 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 _____, 2012.

Darlene S. Hess, Recorder