

Taxing Entity Committee

Redevelopment Agency of
Tremonton City, Utah

Minutes

June 12, 2008

3:00 p.m.

Tremonton City Council Chambers

Tremonton City Hall

102 South Tremont Street

Tremonton, Utah 84337-

1 Max Weese, Chair of the Tremonton City Redevelopment Agency Taxing Entity Committee, called the meeting to order at 3:07 p.m. The meeting was held in the Tremonton City Hall at 102 South Tremont Street, Tremonton, Utah. Chairman Weese, Cathy Dudley, Larry Newton, Martel Menlove, Clint Burt, Jeff Reese, Rich Woodworth and Darlene Hess were in attendance. Chairman Weese welcomed everyone to the meeting and expressed his appreciation to those who have to traveled to the meeting. Chairman Weese told those in attendance that there are a lot of people who are unaware of how tax increments work. We may not get the money immediately; however, we will be glad in ten years that we did it.

2 Approval of the minutes of the June 12, 2008 Taxing Entity Committee

Chairman Weese asked if there were any additions or corrections to the minutes of the June 12, 2008 Taxing Entity Committee Meeting? **Motion by Larry Newton to approve the minutes of the June 12, 2008 Taxing Entity Committee Meeting.** Second simultaneously made by Clint Burt and Jeff Reese. Vote: Clint Burt - aye, Larry Newton - aye, Martel Menlove - aye, Jeff Reese - aye, Max Weese - aye, Richard Woodworth. Motion approved.

3 Electronic Meeting Resolution - TEC 08-01

Chairman Weese asked the committee if they had reviewed Resolution TEC 08-01 and if there were any changes or additions to the wording that they would like to make. Being none, he called for a motion.

Motion by Larry Newton to approve Resolution TEC 08-01 adopting Electronic Meeting procedures in accordance with Section 52-4-207 of Utah Code Annotated. Second by Martel Menlove. Vote: Clint Burt - aye, Larry Newton - aye, Martel Menlove - aye, Jeff Reese - aye, Max Weese - aye, Richard Woodworth. Motion approved.

4 Tax Increment Review - Millard Refrigeration

Richard Woodworth told the TEC Committee that there has been no tax increment for Millard Refrigeration collected or money expensed this year.

5 Millard Refrigeration expense to date

Richard Woodworth told the TEC Committee that there is \$4701.72 showing in the outstanding for Millard Refrigeration that was spent this year for attorney fees. This is an outstanding receivable. When Millard Refrigeration gets their tax increment, this amount will be paid back to Tremonton City for setting up the EDA.

6 Tax Increment Review - West Liberty Foods

Richard Woodworth reported that no revenue or rebate was received in the previous year for West Liberty

7. West Liberty Food expense to date

Mr. Woodworth told the Committee that West Liberty Foods had a \$13.00 expense this year for professional services and \$28,459.81 from the previous year for attorney fees for setting up the EDA. This will be collected when West Liberty Foods receives their tax increment.

Mr. Martel asked Mr. Woodworth when Tremonton City will begin collecting money from West Liberty Foods? Mr. Woodworth told the committee that the City will begin receiving money in 2009.

8 Tax Increment Review - Malt-O-Meal

Richard Woodworth told the committee that the RDA #3 is really not a part of Malt-O-Meal; however, it is reported in the same books. He explained that in the RDA #3, the City had received \$197,316.00 in eligible tax increment. The expenses are as follows: \$219.00 for engineering, \$3,152.00 for miscellaneous services, \$127,815.00 that the City paid back to themselves for a debt service Utility Loan. Our auditors told us that the City needed to start paying ourselves back because we have been negligent in doing so. There was \$49,000.00 expense for power poles which leaves \$17,130.00. We will wait until year end to see if any additional expenses come in. If not, we will pay this amount to the utility.

Martel. Menlove asked what the total debt of the utility is? Mr. Woodworth told him that he would get that number for him. It will take about three payments of \$127,815.00 to pay back the utility for the debt service loan. Mr. Menlove asked if the \$49,000.00 debt for the power poles is a newly incurred debt? Mr. Woodworth told Mr. Menlove that when Malt-O-Meal first decided to come to Tremonton in 2002, there was plenty of power transmission for the industrial park. By waiting until 2005, it created a problem as there was not sufficient power. It was necessary to install power poles from Deweyville to Tremonton to bring the power to Malt-O-Meal. This was a

joint venture between the City and Malt-O-Meal of approximately \$1,000,000.00. Whatever we do not pay toward the power poles, Malt-O-Meal pays.

Mr. Woodworth discussed Malt-O-Meal. He told the Committee that Malt-O-Meal received \$890,818.00 in tax increment.

9 Malt-O-Meal expense to date

Mr. Woodworth told the Committee that expenses were \$884,345.00 in rebate received last year, \$9,515.00 in professional services and \$6,473.00 in outstanding accounts receivable which was paid. Tremonton City short paid Malt-O-Meal by \$9,515.00. Chairman Weese asked what the reason was for doing this. Mr. Woodworth told the Committee it was because the City wanted to be paid for the professional services. He talked this situation over with Mark Suchan prior deducting the money. Mr. Woodworth told the Committee that next year, things will be more complicated with Malt-O-Meal's calculations.

Mr. Martel asked what the professional services ongoing expense was for? Mr. Woodworth told the Committee that it has to do with the rail extension, UDOT and Union Pacific Railroad. This is expense went to Jody Burnett of Williams and Hunt, the attorney who worked with us on the EDA. The RDA owns all the rail from the short rail to the RDA. We have an agreement with Intertape and Malt-O-Meal and they have paid their pro rata share of the expense.

The Committee discussed La-Z-Boy and the effect that its closing may have on the RDA #3.

Mr. Woodworth reported to the Committee that Box Elder County made a mistake in the paying of property taxes to Tremonton City's General Fund. It did not happen in the RDA/EDA - just the General Fund. We have hired Curtis Roberts, a CPA, to go over the problem with Box Elder County. We know it is not our money. When it first came in, I thought it was misapplied. The County has a big problem on the forms that were sent into the State on the reporting of the taxes. It is not an easy problem to unscramble.

Mayor Weese called for a motion to accept the financial report given by Mr. Woodworth. **Motion by Mr. Menlove to accept the Financial Reports on Millard Food, West Liberty Foods and Malt-O-Meal.** Second by Jeff Reese. Vote: Clint Burt - aye, Larry Newton - aye, Martel Menlove - aye, Jeff Reese - aye, Max Weese - aye, Richard Woodworth. Motion approved.

6. Adjourn

Motion by Martel Menlove to adjourn the meeting. Second by Larry Newton. Vote: Clint Burt - aye, Larry Newton - aye, Martel Menlove - aye, Jeff Reese - aye, Max Weese - aye, Richard Woodworth. Motion approved. Meeting adjourned at 3:52 p.m.

The undersigned duly acting and appointed secretary for the Taxing Entity Committee hereby certifies that the foregoing is a true and correct copy of the minutes of the Taxing Entity Committee Meeting held on the above referenced date.

Dated this _____ day of _____, 2009.

Darlene S. Hess, Secretary