

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
March 18, 2014**

Members Present:

Diana Doutre (arrived at 6:00 p.m.)

Lyle Holmgren

Jeff Reese

Bret Rohde

Byron Wood

Roger Fridal, Mayor

Shawn Warnke, City Manager

Darlene S. Hess, Recorder

CITY COUNCIL WORKSHOP

Mayor Fridal called the March 18, 2014 City Council Workshop to order at 5:30 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 Doutre (arrived at 6:00 p.m.), Holmgren, Reese, Rohde, and Wood, City Manager Shawn Warnke, Recorder Darlene S. Hess, Public Works Director Paul Fulgham, Police Chief David Nance, and Treasurer Sharri Oyler.

1. Presentation and/or update on UTOPIA matters - Jason Roberts

Mayor Fridal told the Council that he attended the Brigham City Council Meeting recently and listened to the information presented on UTOPIA. He felt that the information received was very beneficial and he was impressed with the presentation; therefore, he invited this independent source to talk to the Council tonight about UTOPIA. Mayor Fridal introduced Jason Roberts, Finance Director from Brigham City. He told the Council that Brigham City is facing some of the same issues that Tremonton City is on this issue.

Mr. Roberts told how ten of the eleven cities voted to incur more indebtedness (\$185M) to build out the UTOPIA system. (Mayor Tyler Vincent of Brigham City came to the meeting at 5:41p.m.) A \$16M Federal Stimulus Grant was received around 2011. Tremonton didn't use the Grant as it was for UIA (Utah Infrastructure Agency) cities. UIA was formed about the same time. The Government buildings were all connected for the other cities with the Federal Stimulus Grant. UTOPIA was losing about \$3.2M on operational expenses. When UIA was formed it started receiving revenue, and issued roughly \$40M in bonds. UIA has been able to make the bond payments and has additional revenue to help bring the operating loss down to \$2.2M. They are still losing money, but not as much as before. UIA is not connecting houses as quickly as originally stated, but they are enrolling more businesses (which are more profitable).

Councilmember Wood noted that the new connections are coming from the UTOPIA infrastructure. Mr. Roberts stated that UTOPIA would still be a \$3.2M loss without UIA continuing to build out the system. There was \$185M in bonds issued, with Brigham City's portion being about 3.34% or \$6.2M. UIA cities have been issues \$64M in bonds and are taking the proceeds down in tranches. The current plan is to slowly grow the system. UIA issued an \$11M tranch of bonds and are still doing construction with the bond. Brigham City has invested \$182K in UIA to date.

Brigham City identified the possible options.

- 1) Let the system go dark. With this option agreements and representations would need to be reworked or broken between UTOPIA and customers. Citizens and businesses which paid for connections and service would no longer be served. The pros: Not having to deal with service related issues. The cons: Very high litigation costs, no service for residents, City/Taxpayers still pay UTOPIA sales tax pledge and begin to pay the UIA franchise tax pledge.
- 2) Maintaining the system. Cities would cover any operational shortfalls to keep the system running. The cities would maintain control of network and multiple service providers would be allowed on network. There would be no growth, and operational shortfalls would slowly grow as customers leave the network. No marketing is done to get new customers. Cities would continue to pay all tax pledges and operational shortfalls.
- 3) Sell the system. The percentage of ownership of the system would have to be determined and agreed upon between the participating cities and UTOPIA. The pros: It would still provide service to residents. Current and future operations would no longer be the responsibility of the City/Taxpayers. The cons: Money may be owed to UTOPIA to make them whole for the system. City/Taxpayers would probably still have to pay all/most of the UTOPIA and UIA sales tax pledge. If the network is sold to the wrong organization, service issues may occur. Network could become a monopoly. Mr. Roberts mentioned how iProvo sold the network and the new provider couldn't maintain that size of operation.
- 4) Slowly grow the system to profitability. This is the current plan being followed. It was discussed before and will not be discussed again at this time.
- 5) Public/Private partnership for complete build out and operation of the system (Macquarie Proposal). Macquarie came and did a presentation for Brigham City.

Brigham City Mayor Tyler Vincent stated that Brigham City is reviewing all the options. Mayor Vincent does not believe option #1 is a viable option; however, all options will be reviewed. The decision will need to be fair for everyone. Brigham City created an advisory committee comprised of individuals from different demographic groups, gender,

and age. Councilmember Wood asked if UTOPIA has approached Brigham City about purchasing the system. Mr. Roberts stated that Brigham is brainstorming ideas. UTOPIA has not contacted Brigham about purchasing the system. Councilmember Wood asked if residents still owe money for hookups. Mr. Roberts noted that a third paid cash up front. Six hundred still owe. Two-thirds of the residents said they would sign up, and several called and complained later saying they didn't understand it: however, they had signed papers. Brigham City Council hears lots of complaints, but no suggestions on how to fix it. Mayor Fridal thought if Macquarie took over, it would be a thirty year contract. Mayor Vincent noted that with Google, when the contract expires in five years, the rate can be raised to whatever Google wants. With the Macquarie proposal, the City would maintain ownership of the system.

- 6) Do nothing. Not vote to participate in a plan that is presented by any party. Not explore any alternatives. React to situations only if we are absolutely forced to act. Pros: No additional short term cost paid by Taxpayers/City. Cons: Contractual obligations, including tax pledges, will still need to be paid and fulfilled. Legal liability may arise from previous commitments. Future options for the City may be limited or expensive as we don't have information needed to make decisions.

Jason Roberts said that all Cities have been asked to participate in the operational shortfalls. Brigham City was asked to contribute \$9K a month during last year, and \$8K a month this year. None of those amounts were paid. Brigham City Council told UTOPIA that until the management direction changed, Brigham City would not participate in the operational shortfalls.

Mayor Fridal stated that three cities are making up the operational shortfall of \$225K a month. Councilmember Reese said that Layton, Midvale, and West Valley are basically making up the shortfall. Tremonton City was asked to pay \$8,700 monthly the first year, and \$7,800 going forward. Mayor Vincent explained that originally six or seven cities were paying the operational shortfall. Orem and Lindon quit paying the operational shortfall this year. If Layton, Midvale, and West Valley quit paying, UTOPIA would quickly be out of funds within a month. If they continue to pay the shortfall it will only keep the funds going until June or July of this year. During the Mayor's meeting, it was brought up that Layton, Midvale, and West Valley will possibly sue the other cities for not helping pay the shortfall.

Councilmember Wood wondered if it might be best for Tremonton to let the system go dark and get a bond for the percentage owed. There are several other carriers available. There is no guarantee that UTOPIA will continue to function in the future. Mr. Roberts noted that Brigham City has looked at the option of letting the system go dark; however, Brigham City has already put an additional \$5.5M into the system. Mr. Roberts asked UTOPIA two years ago to sell to businesses rather than residents. This would help make it a more profitable venture.

RUS (Rural Utilities Service) said the system needed to go to homes. Councilmember Reese noted that RUS did build out to homes, and then bailed. Mr. Roberts said that RUS had to go to one of the five small cities. Brigham City was considered, but Tremonton would be the most inexpensive because the lines were overhead. Brigham City was scheduled for build out after Tremonton City. Brigham ended up with SAA (Special Assessment Area) because they were the next cheapest city to build out. Mr. Roberts said that Tremonton could call the finance department of UTOPIA and discuss options for getting out. The issue would be that ten other cities would have to agree. Tremonton is built out 97% and Brigham 96%. Brigham has better take rates.

Mr. Roberts explained that after Macquarie comes back with Phase I, the contract requires a decision within sixty days whether to go on to Phase II.

Mayor Fridal thanked Mr. Roberts and Mayor Vincent for their time and the information provided. Mayor Fridal informed the audience that the Council was going into a closed session and asked that the audience move to the foyer for the closed session.

Motion by Councilmember Wood to move to Closed Session. Motion seconded by Councilmember Rohde. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

The Council moved into closed session at 6:31 p.m.

2. **Closed Session for discussion of the character, professional competence, or physical or mental health of an individual and the investigative proceedings regarding allegations of criminal misconduct.**

Mayor Fridal signed a statement in the meeting stating that the sole purpose of the closed session was to discuss the character, professional competence or physical or mental health of an individual. No ordinance, resolution, rule, regulation, contract or appointment was made during the closed session.

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

The Council returned to open session at 6:21 p.m.

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

The Council reviewed the March 18, 2014 Agenda with the following items being discussed in more detail:

Resolution No. 14-10. Manager Warnke reminded the Council that the City had received two letters of interest requesting consideration to represent Tremonton City on the Box Elder Mosquito Abatement District Board for a four year term. One of the requirements is that the person be a registered voter at the location of the member's residence and live with-in the boundaries of Tremonton City limits. One of the candidates recently relocated and was not a registered voter before the deadline to submit a letter of interest, but has since registered to vote. The Council tabled the appointment because they were not sure if both candidates were eligible for consideration. After further checking with our City Attorney and Randy Sessions of the Mosquito Abatement District Board on the code, it appears that the State Code is not specific as to when a candidate has to be registered; therefore, both candidates are eligible for consideration.

February Warrant Register. Mayor Fridal asked for the average amount paid to Dynaquest monthly. Manager Warnke explained that the City has a service contract providing our technical support, and bills for the services performed. We also purchase most of our computers and equipment from them.

February Financial Statement. Mayor Fridal inquired about the Street Maintenance Project. Director Fulgham said Intermountain Slurry Seal, Inc. did the last chip seal in 2009, and did a good job. Intermountain Slurry Seal, Inc. only does slurry and chip seal and can submit a lower bid. Staker/Parson and Advanced Paving do asphalt and other things.

Resolution No. 14-11 & No. 14-12. Manager Warnke informed the Council that Resolution No. 14-11 amends Section XII Employment Terms of the Tremonton City Personnel Policies and Procedures. This includes At-Will Employment, On-Call Pay and Time Cards. Resolution No. 14-12 is proposing to amend Section XII: Compensation Planning of the Tremonton City Personnel Policies and Procedures which addresses Employee Recognition Awards. This policy gives a tool to Department Heads to recognize and award employees for outstanding performance.

Mayor Fridal said that an employee could quit when desired, but it would be courteous to give two weeks notice. Director Fulgham noted that most employees haven't given two weeks notice. They might give two or three days notice.

Resolution No. 14-13. Manager Warnke explained that the development agreement process has been codified in the Land Use Code, and it is being proposed that the procedures to approve the development agreement be contained in just one document; therefore, the City staff is recommending that the duplicated procedure for development agreements be deleted.

Resolution No. 14-14. Manager Warnke stated that Resolution No. 14-14 is regarding adopting a storm water basin deed and easement agreement between Tremonton City and

Box Elder County School District. Councilmember Wood asked if the school district should be responsible for some of the expenses associated with bringing the storm drain up to code. Director Fulgham noted that most of the sprinkler systems are in place. In 1998, when the Alice C. Harris School and the subdivision were developed, Jay Dee Harris had to put in a detention basin. Around 2001, Director Fulgham approached Mr. Harris about getting the deed for the basin as the City had installed the sprinkler system, and started maintaining the basin. City policy states that the City must own something before it maintains it. Mr. Harris deeded the basin to the school district instead of the City. The City removed the sprinkler heads at that time, but the pipes remain in the ground.

Councilmember Wood asked Director Fulgham how he feels about spending City funds to maintain the basin, and if the school district should help with the expenses. Director Fulgham stated that the City utilizes the basin, and he has no problem with the City funding it. The storm water from homes west of Alice C. Harris feed into the basin. There is also some drainage from 350 North that empties in the basin. The City could maintain it if it had the deed.

Resolution No. 14-15. Manager Warnke told the Council that over the past several years, the City has made an effort to comprehensively include all of the fees that the City charges into one consolidated schedule of fees and fines. Only the City Council can and should set the amount of fees and fines charged to its residents. Manager Warnke told the Council that Director Fulgham looked at the cost of opening another section of the cemetery. The proposed increases to cemetery fees would put the City closer to what other cities are charging. The City will need to do the improvements for the new section before any plots can be sold. This would include putting in sprinklers and sod or reseeded the grass.

Director Fulgham told the Council that the costs are estimated to be around \$107K to open a new section of the cemetery. If the City opened a new section, it would provide around 1,100 new plots. Each block has about 256 plots. The City currently has 547 plots available, with a total of 4,700 plots. The City sells an average of fifty plots per year. People usually buy two, four, or eight plots at a time. People do not want to buy plots that are not together, so some of the 547 plots may never sell. City Code states that old lots can come back to the City if not used in fifty years. When reviewing the process needed to recover the old plots, it was determined that it was not worth the cost and time of the City at that time. If the City decided to send the notices to reclaim the plots, the families could transfer the plots to other family members.

Councilmember Reese would like to do a little more research before he votes on this resolution. A portion of the increased fees for the cemetery would help offset the operation maintenance fees. Director Fulgham stated that it costs the City about \$7-8 a year per plot for mowing, watering, and maintenance.

The meeting adjourned at 6:55 p.m. by consensus of the Council.

CITY COUNCIL MEETING

Mayor Fridal called the March 18, 2014 City Council Meeting to order at 7:06 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 Doutre, Holmgren, Reese, Rohde, and Wood, City Manager Shawn Warnke, Recorder Darlene S. Hess, 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 Doutre and the Pledge of Allegiance was led by Councilmember Holmgren.

2. Introduction of guests:

Mayor Fridal welcomed all those in attendance. There were two scouts and one leader present from Troop 143.

3. Approval of Agenda:

Motion by Councilmember Holmgren to approve the agenda of March 18, 2014 with the exception of tabling item 6.h, Resolution No. 14-15. Motion seconded by Councilmember Doutre. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

5. Public comments: Comments limited to three minutes:

Connie Archibald stated that she is interested in knowing what the Council is going to do regarding the UTOPIA conversation and the possibility of internet providers being changed within the City. Ms. Archibald said that she pays quite a bit for each of her telecommunication services. She wondered if there might be a lot of citizens and businesses who would greatly benefit from having UTOPIA and who might be interested in looking at UTOPIA as an option. Ms. Archibald acknowledged that fiber far surpasses the other offerings. She recognized that it is a big decision and that it won't be easy, but she wondered if it would be worthwhile to get the citizens together to help the Council make that decision - to perhaps hold neighborhood meetings to get the word out and educate the citizens rather than having a stampede of people coming to City Council with misinformation.

Ms. Archibald said that she is already paying for the service, but if she were to get a chance to decide, she would really like to have more information. Councilmember Wood added that if the City were to go with Macquarie the citizens will be obligated to take the system. They really won't have a choice.

Councilmember Holmgren agreed that UTOPA is a very good product that people would want to have, and it would be good to take steps to inform the public. Ms. Archibald suggested approaching the Chamber of Commerce, for example, to see how they feel.

6. Unfinished Business

- a. An allowance for any interested persons to be heard on the appointment to represent Tremonton City to serve on the Box Elder Mosquito Abatement District as a Board member

Judy Willard stated that sitting on boards is not totally foreign to her. In Pocatello, she sat on the City's Parks and Recreation Board as well as many, many issues on childcare because of her background. She feels that she could bring needed information back to the Council.

- b. Discussion and consideration of adopting Resolution No. 14-10 appointing a Tremonton City representative to serve on the Box Elder Mosquito Abatement District as a board member

Mayor Fridal informed the Council that two people have applied for this position. It was noted that Dave Jones was not present.

Motion by Councilmember Holmgren to appoint Judy Willard as the City's Mosquito Abatement Representative. Motion seconded by Councilmember Reese. Councilmember Doutre stated that she would love to see Ms. Willard serve on something but is not sure this is the right place for her. Vote: Councilmember Doutre - nay, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved. Mayor Fridal congratulated Ms. Willard.

6. New Council Business:

- a. Discussion and consideration of approving the February Warrant Register

Motion by Councilmember Reese to approve the February Warrant Register. Motion seconded by Councilmember Holmgren. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- b. Discussion and consideration of approving the February Financial Statement

Motion by Councilmember Wood to approve the February Financial Statement. Motion seconded by Councilmember Reese. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- c. Discussion and consideration of approving the bid for the Street Maintenance Project - bid opening held March 3, 2014

Director Fulgham stated that four bids were received for the Street Maintenance Project. They ranged from a high bid of \$243,203 down to \$191,228. Director Fulgham's recommendation is to go with the lowest bidder, Intermountain Slurry Seal, Inc. Intermountain Slurry Seal did the City's road project in 2009 and the Staff has been really happy with the work they did. Their bid is equal to \$1.95 per square yard, which is lower than was expected. The Staff thought the bid would come in around \$2.50 per square yard.

Councilmember Holmgren asked about the possibility of doing additional streets since the price came in lower. Director Fulgham said that when a contractor measures out an unfinished street, the cost could be a little less or a little more. The Staff will keep the contractor going until the cost gets as close as possible to the budgeted amount and hopefully not go over. Any street that is started would need to be finished out.

Director Fulgham told the Council that the money for this Street Maintenance Project will be spent in the next Budget Year. Mayor Fridal asked if this Project includes a fog coat. Director Fulgham responded that it does.

Motion by Councilmember Reese to award the bid for the Street Maintenance Project to Intermountain Slurry Seal, Inc. Motion seconded by Councilmember Dautre. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved

- d. Discussion and consideration of adopting Resolution No. 14-11 amending Section XII: Employment Terms of the Tremonton City Personnel Policies and Procedures

Manager Warnke stated that this is just part of an ongoing effort to keep City Policies up-to-date. Some of the changes include a consolidation of all "at-will language" into this one section and implementation of an employee awards program. Councilmember Rohde called attention to the clarification to on-call pay for Firefighters and EMT employees and asked if Firefighters and EMT personnel received on-call pay in the past. Manager Warnke replied that they did not. Firefighters only get paid for hours worked. They do sign up for shifts, but they are not paid unless they worked.

Motion by Councilmember Dautre to adopt Resolution No. 14-11. Motion seconded by Councilmember Reese. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- e. Discussion and consideration of adopting Ordinance No. 14-12 amending Section XIII: Compensation Planning of the Tremonton City Personnel Policies and Procedures

Motion by Councilmember Wood to adopt Resolution No. 14-12. Motion

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

- f. Discussion and consideration of adopting Ordinance No. 14-13 repealing Resolution No. 14-04 and reaffirming a Template Subdivision Development Agreement, and deleting process for approving said Agreement from the City's Resolution

Manager Warnke stated that the Council adopted some Land Use Ordinances at the last City Council Meeting which codified the process for approving Subdivision Development Agreements. This Ordinance eliminates the language regarding the procedure for approval of the Subdivision Development Agreement out of Resolution No. 14-04 so that the language only appears in one document.

Motion by Councilmember Holmgren to adopt Ordinance No. 14-13 repealing Resolution No. 14-04. Motion seconded by Councilmember Doutre Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- g. Discussion and consideration of approving Resolution No. 14-14 adopting a storm water basin deed and easement agreement between Tremonton City and Box Elder County School District whereby the City receives by deed a storm drain basin that is .28 acres in size located at 800 West and 350 North and formalizing the allowance the City's storm water lines connecting into the District's storm drain system and conveying the City's storm water to the aforementioned Basin and an easement for the City to provide regular routine maintenance to the District's storm drain system

Motion by Councilmember Doutre to adopt Resolution No. 14-14. Motion seconded by Councilmember Rohde. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- h. Discussion and consideration of approving Resolution No. 14-15 repealing Resolution No. 13-12 reaffirming, amending and enacting new fees and fines in a schedule entitled Tremonton City Consolidation Fees and Fines Schedule and Provision of the collection of the fees

This agenda item was tabled.

- i. Discussion and consideration of adopting Ordinance No. 14-04 amending, adding to, and deleting from Part 9-120 Revocation or Denial of Business License of Title 9 Licensing, Control and Regulation of Business and Construction, Chapter 9-100 Licensing, Control and Regulation of Businesses of the Revised Ordinances of Tremonton City Corporation

Manager Warnke told those present that this is part of an ongoing effort to update

and improve the City's Ordinances. This Ordinance, if adopted, makes it clear the process the City would follow in considering revoking an issued Business License or denying the renewal of a Business License. There is a property right associated with a business license and it is important that there is due process given in revoking a business license.

Motion by Councilmember Holmgren to adopt Ordinance No. 14-04. Motion seconded by Councilmember Reese. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

7. Budget Discussions for Fiscal Year 2015:

a. General update and discussion of budgetary items

Manager Warnke stated that he and the Staff met with GBS yesterday for the purpose of working toward getting a renewal of the City's health insurance. GBS anticipates having the renewal rates from Altius by April 15th. Altius has said that the trend is right around a 15% increase. Last year the City's increase was 8% or 9%. There are also some additional costs related to the Affordable Healthcare Act. GBS will likely receive bids for Health Insurance from other carriers, as well. Manager Warnke expects to have the actual renewal rates to report to the Council by the first week in May.

Manager Warnke said he has also met with Utah Local Government Trust (the Trust) and their renewal for general liability is coming in with around a 5% increase.

Manager Warnke stated that he needs some direction regarding the operational shortfall for UTOPIA. That would certainly change the Budget track as the anticipated amount for Tremonton City would be around \$100K.

The City did relieve some debt obligations this last year which might create some money that would help to address some of these increased costs. The Senior Center was paid off (an annual \$28k debt service payment). A street sweeper was paid off, as well. The debt service payment on the street sweeper was about the same as the Senior Center. A few other vehicle lease agreements have also been paid off.

Councilmember Reese said that the Council needs more information on the UTOPIA shortfall and then discuss it further before making a decision. Councilmember Wood commented that he is not in favor of the shortfall until Macquarie comes on line. Manager Warnke explained that Macquarie would actually pick up the operational shortfall once the agreement is signed.

Councilmember Holmgren asked if the City opted not to pick up the operational shortfall, would UTOPIA come back once the agreement is signed with Macquarie. Manager Warnke said he would try to get more information. More and more cities are opting out of paying operational shortfall which will force the issue. Manager Warnke stated that Tremonton *is* UTOPIA - along with the other member cities.

Mayor Fridal commented that he has been meeting with the Mayors of other UTOPIA cities for the last two months, and there is a significant indication that the three cities that have been paying for the last few years are not going to keep paying for the operational shortfall, and the amount they have paid is significant. The odds are they will come and sue Tremonton City for the past expenses. There is no way to make this issue go away without spending money.

The mayors of the cities who have been paying the shortfall to UTOPIA have been trying to come up with a solution to an insolvable problem - trying to find a way to make the system work. They want the other cities to pay their operational expenses starting January 1st - not going back for the last several. There are options, and Macquarie is one of those options, but the Mayors are not sure it is the right option. After all the money that has been spent on UTOPIA, they want to find a way to make it function.

Councilmember Wood asked if the shortfall hasn't only existed for the past year or so. Manager Warnke clarified that all along UTOPIA was paying operational expenses through some of the bonds. There was legislation that ran some time ago that stopped the practice of cities using bond proceeds for the operation and maintenance. UTOPIA saw that coming and they started the operation shortfall about a year ago. Councilmember Wood commented that the only part Tremonton has been short, then, is this past year's operational shortfall.

Councilmember Rohde suggested, for budgeting purposes, that the Council look at the worst case scenario: put the funding into the budget as a contingency, and if the Council gets hit with this expense, at least it will be budgeted.

Councilmember Holmgren commented that there is a contract, at least in the eyes of some of these other UTOPIA cities, that obligates Tremonton to do this.

Mayor Fridal added that the Mayors of the participating cities have said that whatever is done, it will be painful. Whatever is done, it will cost everyone money and there is not a happy ending to this no matter what is done.

- b. Discussion and consideration of authorizing the ordering of police vehicles

Manager Warnke stated that the balance in the City's Capital Equipment Fund is around \$300K. Instead of using leases to purchase vehicles, the City can draw upon that Fund. The Staff is in the process of considering which vehicles to consider replacing.

The Police Department has a regular schedule for replacement of vehicles. The benchmark of replacing patrol cars has been set at 80,000 miles. There are two vehicles that Chief Nance would like to consider replacing. There are also other pieces of equipment that need replacement. A Budget will be presented on April 1st that would propose the City Council appropriate money from that Capital Equipment Fund to purchase a new forklift for the Food Pantry.

The Senior Center has talked for a long time about getting new vehicles. Manager Warnke proposed that the Council consider using the funding in the Capital Equipment Fund to replace those vehicles. The Recreation Department has the old 1980 fire truck that Director Christensen tries to "fire" up every summer for the Field Preparation Worker to use at the parks, and this year it is time to make some changes.

The Staff has a plan whereby some vehicles are purchased: one would be a patrol car and the other would be a truck for Animal Control. The plan would be that the Compost Department would take the Animal Control vehicle and the old Animal Control vehicle that Public Works now has would replace the 1980 fire truck to be used by the Field Preparation Worker.

Manager Warnke stated that Chief Nance would like to order the two police vehicles in this current fiscal year with the actual payment and delivery occurring in the next year.

Chief Nance added that this Friday is the deadline for ordering in this current year. Quotes have been received on the truck as well as the replacement patrol car. The quotes came in pretty close to the State Contract. One of the bids on the truck was actually below cost. The lowest bid on the patrol vehicle is actually about \$600 over cost. A conditional purchase order has been issued pending approval of the Council.

Councilmember Rohde commented that he likes the fact that the Staff is trying to stay in town with the purchase if possible. Chief Nance said that the local dealerships have been really good about trying to give the City the best price they can.

Motion by Councilmember Rohde to go ahead and move forward with getting those vehicles purchased by Friday. Motion seconded by Councilmember Wood. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - abstain,

Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

8. Comments:

a. Administration/City Manager Advice and Consent.

There were not Advice and Consent items.

a. Council Reports:

Councilmember Holmgren said that he appreciates Brigham City coming and educating the Tremonton City Council further with the situation with UTOPIA and with Macquarie.

Councilmember Reese stated that the Council does need to keep the community informed about the UTOPIA situation. He feels that some kind of involvement is important.

Councilmember Rohde said that he also thinks the Council needs to do something to get some community involvement in getting information on the UTOPIA situation out so everyone is aware of what is happening.

Councilmember Rohde asked if the City's Budget includes funds for computer upgrades including some kind of plan to replace computers every five years, for instance. If not, he would suggest that a replacement plan be implemented. Manager Warnke replied that several computers, fourteen or fifteen, are going to be replaced this year.

Mayor Fridal agreed that the community needs to be kept informed on UTOPIA. There isn't anything to inform them about right now, but after things are received from Macquarie perhaps the Council will have some direction that the Council can pass on to the citizens. In the end, the Council will have to make the decision.

Councilmember Holmgren said that he feels the community should be aware that this is a big decision that is coming the Council's way and try to help them become educated on the situation. Every household and every business in Tremonton will potentially be affected.

Councilmember Rohde asked if, when it comes down to making the final decision, this isn't more of a public vote than it is the Council's decision. Mayor Fridal responded that the Council needs to get the public's input, but the final decision lies with the Council. There was discussion about whether the public should be allowed to vote. No consensus was reached.

9. Adjournment.

Motion by Councilmember Holmgren to adjourn the meeting. Motion seconded by Councilmember Rohde. Vote: Councilmember Doutre - aye, Councilmember Holmgren

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

The meeting adjourned at 9:33 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 Darlene Hess, Norene Rawlings and Cynthia Nelson.

Dated this _____ day of _____, 2014.

Darlene S. Hess, Recorder