

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
May 12, 2015**

Members Present:

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

CITY COUNCIL MEETING

Mayor Fridal called the May 12, 2015 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 Doutre, Holmgren, Reese, Rohde, and Wood, City Manager Shawn Warnke, and Recorder Darlene S. Hess. The following Department Heads were also present: Zoning Administrator Steve Bench (left at 8:29 p.m.), City Attorney Dustin Ericson (left at 7:23 p.m.), Public Works Director Paul Fulgham, and Police Chief David Nance.

Items were discussed out of order.

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

The Council moved into closed session at 7:04 p.m.

1. **7:00 p.m. through approximately 7:15 p.m. CLOSED SESSIONS:**
 - a. *To discuss pending and/or reasonably imminent litigation.*
 - b. *Strategy session to discuss the purchase, exchange, or lease of real property when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the public body from completing the transaction on the best possible terms.*

Motion by Councilmember Wood to return to open meeting. Motion seconded by Councilmember Doutre. Roll Call Vote: Councilmember Doutre – aye, Councilmember Holmgren – aye, Councilmember Reese – aye, Councilmember Rohde – aye, Councilmember Wood – aye. Motion approved.

The Council returned to open session at 7:18 p.m.

2. 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 City Attorney Dustin Ericson and the Pledge of Allegiance was led by Mayor Fridal.

3. Introduction of guests:

Mayor Fridal welcomed the scouts from Troop 613 and stressed the importance of the Eagle Scout Award. Mayor Fridal encouraged the scouts to earn the rank of Eagle Scout.

Manager Warnke noted that Tremonton is doing the Tour of Utah and the minimum liability coverage required within the contract is \$5M. The City currently has \$2M in liability. If the City continues with the current \$2M liability, the premium would be \$52K which is a \$3-4K increase from last year, due to losses. If the City increased general liability to \$5M, the premium would be \$58K.

Attorney Ericson explained that the Utah Governmental Immunity Act limits how much a City can be sued for on personal and property damage cases. Recently the cap was \$2M but has increased to \$2.4M for a personal injury case and \$400K for property damage. There is a possibility of the City being liable up to \$2.8M under the Utah Governmental Immunity Act limits. With the City's current coverage of \$2M, the City could be liable for \$800K.

Manager Warnke discussed getting an insurance policy specifically for the Tour of Utah event and stated it might be best to work with the Tour of Utah insurance provider as they are familiar with the needs of the event and might be able to get the City a better rate. Manager Warnke spoke with Utah Local Governments Trust (ULGT) and was told there is not much difference in cost of premiums between the \$3M and \$5M liability. It is expected to have a 25% increase in premiums when going from the \$2M to the \$5M. The Council was in favor of going with \$5M coverage.

City Attorney Ericson left the meeting at 7:23 p.m.

4. Approval of Agenda:

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

Motion by Councilmember Reese to approve the agenda of May 12, 2015. Motion seconded by Councilmember Holmgren. Vote: Councilmember Doutre - aye,

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

5. Approval of minutes – April 7, 2015:

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

Motion by Councilmember Doutre to approve the minutes of April 7, 2015. Motion seconded by Councilmember Reese. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

6. Public comments: Comments limited to three minutes:

Dave Kilfoyle from the American Legion and Alberta Ross from the Women's Civic League expressed concern about the flags at the Veteran's Memorial Park and the City Buildings. They need to be replaced. Mr. Kilfoyle proposed that the City buy new flags and let the American Legion be responsible for maintenance. Councilmember Doutre noted that the American Legion would be able to retire flags properly when necessary. Councilmember Rohde stated it was a great idea. Director Fulgham commented that the American Legion has retired flags in the past and made repairs when possible. Mr. Kilfoyle stated that the woman who used to repair flags can no longer do the work, but perhaps there is someone else who could. Director Fulgham explained that for the cost, it might be better to replace the flags when worn instead of repairing.

Mr. Kilfoyle spoke of the plaques at the Veteran's Memorial. Director Christensen had the worst plaques repaired last year but several still need attention. Manager Warnke spoke with Director Christensen earlier in the day and the remaining plaques will be ordered. There is money budgeted next year to help with repairs as necessary. The Council thanked Mr. Kilfoyle.

7. Continuation of Budget Roundtable with Department Heads

a. Recorder Hess stated there is a need for new recording equipment. There have been problems with saving recordings and using the current program. The Court Clerk, Wendi Stickney, has experienced problems with the current program shutting down during court. When it shuts down, the file must be exported before recording can resume leaving gaps in the recordings. Ms. Stickney applied for a \$7,115 grant last year for the Utah Office of the Courts but the application was not granted. Ms. Stickney re-applied to the Utah Office of the Courts for a \$3,557.50 grant in April 2015 and is still waiting to hear if it was accepted. Recorder Hess asked the Council to consider budgeting money for updating the current recording equipment and software.

Recorder Hess noted there are two options to consider for the Election this year: 1)

like normal with a polling location, or 2) by mail. In 2013 there 3,355 registered voters and 442 ballots cast or 13.17%. The election did not include a Primary and cost the City \$2,500 including judges, training, meals, and travel. The County Clerk informed Recorder Hess there are 3,137 active registered voters this year. The county quoted a cost of \$3.50 per voter to do vote by mail and would cost \$10,979.50 for one election. If there is a Primary Election it would be \$21,959.00. The advantage to vote by mail is increased participation with cities seeing a 30-70% increase in voter participation.

Recorder Hess stated that Brigham, Logan, and Smithfield will not be doing vote by mail because of the increased cost. Councilmember Wood stated that the City should do voting the old way as vote by mail is too expensive. Councilmember Doure stated that it is a law that the meetings be recorded. If the equipment is faulty, it needs to be replaced.

- b. Zoning Administrator Bench noted that his budget is about the same with the exception of a new truck. Manager Warnke explained that the truck is included in the budget and the truck being replaced would go to the Fire Department.
- c. Chief Nance asked the Council to consider hiring an additional part-time Records Clerk. The Police Department has a full-time Administrative Secretary and a part-time Records Clerk. It would cost about \$15K a year for an additional Records Clerk. Chief Nance proposed that one of the restrooms in the basement have a shower installed and the toilet removed. The cost for the installation of the shower would be \$5K. Councilmember Doure asked if the part-time Records Clerk could work more hours instead of hiring a new employee. Chief Nance commented that is an option and the current part-time Records Clerk would most likely be interested in working more hours.

There are two vehicles Chief Nance would like the Council to consider replacing. Vehicle maintenance costs have gone over the budgeted amount this fiscal year as some vehicles have needed a lot of repairs. It is proposed to have an increase of \$4K for software, and a small increase in the costs for telephones. Chief Nance commented that the carpet in the basement of the Police Station is in bad shape. The sewer backed up several times in years past. The problem has been corrected but the carpet still has a bit of an odor and needs to be replaced. In 2016-2017 there are three vehicles that are due for replacement based on mileage and the same number in 2017-2018. The front part of the Police Department needs work as part of the porch/roof is falling away from the building.

- d. Director Fulgham noted that the parking lot at the Public Works building was included in the Tentative Budget. The funds would come from the Streets Department and the Water Fund with 50% of the Funds coming from the Wastewater Treatment Fund. The Public Works building has been at the current location for fifteen years and only part of the parking lot has been paved. It is

proposed that the entire parking lot be paved. Director Fulgham also asked for replacement of the water mains and the sewer laterals in Melody Park prior to the road construction project. There have been several water breaks in that area due to failure of the old sewer laterals. It is estimated at \$125K to replace the water mains and sewer laterals. The funds would come from the Water Utility Fund.

The biggest expense proposed is for a Vactor truck, a sewer cleaning equipment that would replace the old sewer trailer. A Vactor truck is a high pressure jetter that can also vacuum out the debris to better clean the mains. The cost would be distributed as follows: 25% from the Water Utility Fund, 25% from the Storm Drain Fund, and 50% from the Sewer Collection Fund. Councilmember Holmgren asked if it would affect Garland's wastewater treatment rates. Director Fulgham noted that the Funds would come from Sewer Collection Fund and would be completely separate from Garland. Manager Warnke commented that the Vactor Truck is \$330K and has a twenty year life. Director Fulgham can look for used equipment but noted that repairs can be very expensive if there is equipment failure. The City needs reliable equipment to unplug sewer lines. There are issues now with the Tremonton/Garland Drainage line and they are not flowing well in some areas. While using the sewer trailer, City Staff had to make repairs that took half a day.

Mayor Fridal asked if department budgets increase each year. Is it possible to make a goal to reduce expenses by 2-3%? Director Fulgham commented that in 2007-2008 everything was cut back to the bare minimum and ended up costing more down the road. There is no control over the cost of power, fuel, chemicals, parts and supplies. The main costs to the City are for maintenance. There are some areas the City can reduce costs but not many. Councilmember Reese noted that repairs will always be a constant expense.

Councilmember Rohde stated that expenses are always there and costs do go up, but sometimes revenue is not there to offset the costs. Is there a Fund the City invests in every year to help with the expenses? Manager Warnke noted the General Fund has a Capital Project and Capital Equipment Fund. Both Funds have about \$750K in them for the specific purpose of doing Capital Projects, or equipment/vehicle purchases. The Vactor Truck is associated with an Enterprise Fund. Balances are being built up in the Enterprise Fund and depreciation amounts are budgeted each year for replacement of facilities and equipment. Since the Vactor Truck is for a new piece of equipment, the funds would need to come out of the reserves. Manager Warnke noted that Enterprise Funds are to be run like a business and if an increase is needed, there would be a rate increase. Director Fulgham explained that Funds can be borrowed from other Funds, but must be paid back.

Manager Warnke noted that some cities have consolidated Enterprise Funds so a utility that is more profitable can subsidize a less profitable utility. For example, a Water and Sewer Collection Enterprise Fund could be combined so the Water Fund could help subsidize the Sewer Collection Fund. Tremonton City has separated the

Enterprise Funds to account for the true costs of the operations and maintenance of each utility. Tremonton's utility rates are pretty low compared to other cities. Manager Warnke noted that right now, Impact Fees do not generate enough to pay for projects. There need to be Funds in reserves to help cover the costs, or the City must do a Bond. The City has taken the budget approach of slightly overestimating expenses and slightly underestimating revenues. Last year the City transferred \$700K to Capital Projects. The Department Heads do a good job and usually come in 10-15% under budget and the proposed expense line items within the budget are fairly reasonable. Councilmember Reese suggested that Councilmember Rohde might want to visit with the City Finance Director Curtis Roberts for more clarification.

8. Discussion of the highest and best use of the City's billboards

The City has three billboards along I-15. Two of the billboards advertise the City and the other advertises IHC. Manager Warnke attended training that changed his thought process regarding billboards. The highest and best use of the billboards would be get people off the freeway and spending the night in Tremonton. According to the training, if people stay for two hours their spending doubles and if they stay overnight it quadruples. The Council should consider letting the Hampton Inn or another anchor tenant within the City advertise on a City billboard. One billboard on the Interstate is permitted by the Utah Department of Transportation for off-premise signage, the other two are not. Manager Warnke would like to put a sign on the undeveloped property of the Hampton Inn that would direct people to the City Center. If the Hampton Inn was full, it would direct people to the other motels in the City and benefit everyone. If a billboard's message is too generic, it does not have the power to pull people off the interstate.

Councilmember Reese would like Manager Warnke to pursue the idea. Mayor Fridal commented that nobody likes generic. Councilmember Doutre wonders if it will upset people because the City is helping one specific hotel. Councilmember Rohde agreed with Councilmember Doutre. It is not good to advertise for just one company. Mayor Fridal had a candid conversation with a Highway Patrolman. The Patrolman commented that Tremonton is located at the junction to the west and the northwest, but there are no signs telling people. Councilmember Wood stated that when people leave the freeway they can't get back on it easily. There needs to be an easier way to get back on I-15 from Main Street.

Mr. Eric Richardson stated that he recently relocated to Tremonton and works for Autoliv. Mr. Richardson has family and connections in Logan, Boise, Rexburg, and Payson. Tremonton is the perfect location as it is the gateway to the northwest. Mr. Richardson likes the small town feel and the proximity to I-15 and I-84. It is a prime location. Mr. Richardson's parents stop in Tremonton every time they visit family in Payson. It is a perfect pit stop. The Council would like to speak with the hotels about the billboard and does not wish to offend anyone.

9. Discussion of the draft 2016 Budget

Manager Warnke commented that the renewal rate from the current Health Insurance carrier showed a 9% increase. It went out for bid and all other bids came in higher than the 9% increase. The City is looking at a high deductible plan. There is a 3% salary increase proposed within the budget by way of COLA & Merit. The last remodel at the Civic Center was in 1990. Currently, the carpet is worn and soffit and fascia could use a refresh. There is \$32K budgeted which within the draft 2016 Budget for the Civic Center refresh.

Manager Warnke was contacted by a person wanting to be an Administrative Intern over the summer. The individual is currently a teacher and has a Masters in Public Administration. The City can choose to pay this intern a wage or not.

There are some landscaping projects included in the draft Budget along with the parking lot for the Public Works Building. The parking lot would require money from the reserves. Manager Warnke recommended to the Council that the Parks & Recreation parking lot be done at the same time. It would take \$30K from the Capital Projects to do the Parks & Recreation parking lot.

There is \$72K included in the draft Budget for UTOPIA operational shortfall (OpEx). The amount of the most recent invoice showed the payment to be lower. Manager Warnke will bring the amount to the Council quarterly for approval to pay OpEx. Councilmember Doutre commented that UTOPIA has still failed to call back about connecting to UTOPIA. Gary Jones with UTOPIA will be at City Council next week. Mayor Fridal spoke to Mayor Ron Bigelow from West Valley City. Mayor Bigelow was very upbeat about UTOPIA and estimated that OpEx will be gone within a year and UTOPIA will be making money. UTOPIA is doing significantly better financially than in the past.

There will be \$75K transferred from the RDA for fiber-optics. This transfer of revenue from the RDA will stop at the end of the 2015-2016 Fiscal Year because the project will end. Another transfer of \$98K will come from Capital Projects Fund for one-time projects such as the Public Works Parking Lot, and the refresh of the Civic Center. There was also a transfer of \$2,800 from the Veteran's Memorial Restrictive Fund. The City had some good sales tax years which helped the budget. Councilmember Holmgren would like to receive the quarterly sales tax revenue by month. Recorder Hess told the Council that Treasurer Sharri Oyler is responsible for the report now.

The General Fund transfer of \$136K to Recreation is for administration costs associated with running the programs. The Recreation Fees cover the direct cost of things relative to that activity, but does not cover overhead or administration. Manager Warnke anticipates receiving a grant for a trailhead. The grant is a 1:1 match, but the project will not be done if the City does not receive the grant.

There is currently \$745K in savings for Capital Projects with \$306K being appropriated for Capital Projects such as Road Projects, Cemetery Road Projects, and some other incidental expenses. There is \$706K in Capital Equipment with \$198K appropriated for the acquisition of vehicles. The City applied for a grant to help cover the cost of new vehicles. The Vector Truck is included in the draft Budget along with a Solid Handling Project for the Wastewater Treatment Plant Fund. Manager Warnke noted that the City will try to get Congestion Mitigation and Air Quality (CMAQ) funding for Meals on Wheels vehicles that are energy efficient with less pollution.

The Treatment Plant Fund for 2015/2016 includes a revenue increase of \$61K attributed to the rate increase. An appropriation from reserves is being proposed in the following Funds and in the following amounts: transfer of \$233K has been appropriated for the Treatment Plant Fund, \$189K to the Sewer Collection Fund, and \$59K to the Storm Drain Fund. With the development of the Tremont Center Community Development Project Area, the City may need to create a stormwater outfall line to the Malad River in the future with an estimated cost of \$1M. Impact Fees will bring in \$167K over the life of the project for the construction of the stormwater outfall line. Director Fulgham explained that the City can run a storm drain line to the Malad River, but in the future the City will be mandated to put in an oil separator. The basins do some separating now. With the recent storms the UDOT's oil separator was unable to let the storm water pass through fast enough which made water back up onto 300 East. Some of the water washed over the side of the curb washing away part of the dirt. UDOT will be doing repairs to build up the dirt that was washed away.

Councilmember Rohde asked if there were funds available to help downtown business owners with beautification efforts. Manager Warnke explained that anything located within the Tremont Center Community Development Project Area is eligible to use tax increment. It is estimated that \$4.3M will be available from tax increment over the next fifteen years. Funds would be available to help businesses with façade and other eligible improvements once the City starts receiving tax increment.

Manager Warnke reminded the Council that the Tentative Budget needs to be approved next week at the May 19, 2015 City Council meeting with the Final Budget Adoption on June 16, 2015.

10. New Council Business:

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

Motion by Councilmember Holmgren to approve the March 2015 Warrant Register. Motion seconded by Councilmember Wood. 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 March Financial Report

Motion by Councilmember Doutre to approve the March 2015 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 adopting Resolution No. 15-18 augmenting Resolution No. 13-51 by approving Modification No. 1 of a Contract No. 148327 between UDOT and Tremonton City, a federal aid agreement for local agency project for the road project on a portion of 1000 North starting at approximately 1500 West to 2300 West. Modification No. 1 extends the project to include improvements to the west side of I-15, southbound on/off ramps, to the eastside of I-15, and the northbound on/off ramps

Director Fulgham noted that the bid came in with enough funds to complete some additional work which was not included in the original scope of work. The project has been expanded to include replacing the surface of the road from 1500 West to the I-15 southbound on/off ramps. With \$90K left of the original budget, the City would need to contribute \$100K to help fund the additional road work. This expansion of the scope of work will not include any sidewalks. Manager Warnke explained that the \$100K would need to be a budget amendment at the June 16, 2015 City Council meeting. The funds would come from the Capital Projects Fund. Councilmember Reese does not want the City to get farther behind on road work projects and stated the \$100K should come from Capital Projects. Councilmember Wood agreed with Councilmember Reese and stated there will always be roadwork that needs to be done.

Motion by Councilmember Reese to adopt Resolution No. 15-18. Motion seconded by Councilmember Wood. Roll Call Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, Councilmember Rohde - aye, and Councilmember Wood - aye. Motion approved.

- d. Discussion and consideration of approving Ordinance No. 15-04 repealing Ordinance No. 10-05a and amending Part 3-850. City Tree Board and Chapter 8-700 Public Tree Ordinance of the Revised Ordinances of Tremonton City Corporation

Manager Warnke explained that Ordinance No. 15-04 will reflect changes that bring the ordinance in line with the current administrative practices of the Tree Board.

Motion by Councilmember Holmgren to adopt Ordinance 15-04. Motion seconded by Councilmember Reese. Roll Call Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye,

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

11. Comments:

a. Administration/City Manager Advice and Consent.

- 1) Manager Warnke spoke about the Street Fest that will be put on by the Bear River Valley Chamber of Commerce (BRVCC). Manager Warnke recollected that under the ordinance that the City Council recently adopted that bounce houses were excluded on City owned property except for Civic groups but permission must be granted at a City Council meeting before the event. The BRVCC will not be able to get approval for a bounce house before the Street Fest; however, Manager Warnke would recommend that the Council allow the Chamber of Commerce to have a bounce house at Street Fest. Bounce houses are an exception to the City's insurance policy so Manager Warnke directed the Chamber of Commerce to provide the City with a Certificate of Liability Insurance on the bounce house that lists Tremonton City as an additional insured. The Council agreed to allow the bounce house provided the Chamber of Commerce acquired insurance.

b. Council Reports:

Councilmember Holmgren has received requests to have a crosswalk installed at Fridal Heights across Main Street to Dr. Shaw's dental office. Director Fulgham has contacted UDOT and is awaiting a reply.

Councilmember Doutre had a conversation with a gentleman who was in an accident and transported to Bear River Valley Hospital. The gentleman stated everyone had been treated very well by the ambulance crew, hospital staff, and the people in town. Mr. Steve Atwood, owner of Taco Time, bought the gentleman and his companion's supper. The gentleman commented what a great city Tremonton was and the people in it.

Councilmember Rohde commented on the presentation by the Mayor Jon Pike of St. George at the Utah League of Cities and Towns Conference recently. Mayor Pike spoke about St. George's forty-year plan for Parks & Recreation Department. Councilmember Rohde would like to have a workshop for the Council to discuss the City's strategic plan for the future and develop goals for the City. Mayor Fridal stated it would be good to slow down and discuss plans for the City. The City does a good job but there is always room for improvement.

12. Adjournment.

Motion by Councilmember Holmgren to adjourn the meeting. Motion seconded by

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

The meeting adjourned at 8:57 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 Cynthia Nelson.

Dated this _____ day of _____, 2015.

Darlene S. Hess, Recorder

TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
CLOSED SESSION
May 12, 2015
102 South Tremont
TREMONTON, UTAH

I, Mayor Roger G. Fridal, do solemnly swear that the sole purpose for closing the meeting is:

- a. Strategy session to discuss pending and/or reasonably imminent litigation.
- b. Strategy session to discuss the purchase, exchange, or lease of real property when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the public body from completing the transaction on the best possible terms.

No ordinance, resolution, rule, regulation, contract or appointment was made during the closed portion of the meeting.

TREMONTON CITY CORPORATION



Roger G. Fridal, Mayor

ATTEST:



Darlene S. Hess, City Recorder