

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
March 1, 2016**

Members Present:

Diana Doutre
Lyle Holmgren
Jeff Reese, Mayor Pro Tempore
Bret Rohde
Lyle Vance
Shawn Warnke, City Manager
Darlene S. Hess, Recorder

CITY COUNCIL WORKSHOP

Mayor Pro Tempore Reese called the March 1, 2016 City Council Workshop to order at 6:00 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Mayor Pro Tempore Reese, Councilmembers Doutre, Holmgren, Rohde, and Vance, City Manager Shawn Warnke, and Recorder Darlene S. Hess. The following Department Heads were also present: Police Chief David Nance, Building and Zoning Administrator Steve Bench, Treasurer Sharri Oyler. Fire Chief Steve Batis was connected by telecommunication. Mayor Pro Tempore Reese excused Mayor Fridal from the meeting. He is attending a conference in St. George.

Mayor Pro Tempore Reese suggested to the Council that it would to their advantage to discuss item 2 first as Fire Chief Batis was on the phone.

The following items were discussed out of order.

1. Discussion and possible direction given to the City Staff of future processes, information needed, or other factors for the City Council's future consideration of amending the Wastewater Treatment Impact Fee Ordinance (which may increase impact fees for wastewater treatment) – Mayor Pro Tempore Reese and City Manager Shawn Warnke

Pro Tempore Mayor Reese told the Council that they had tabled this issue for six months; however, he did not feel the Council should be silent for six month. He felt the Council needed to come up with some ideas and processes. Mayor Pro Tempore Reese said he knows the Council did not want to implement the whole impact fee at one time; however, the Council needs to look at the impact fees and decide what the proper way is to move forward. He asked the Council what their thoughts were.

Councilmember Vance asked the Council what it cost the City for Zions Bank to prepare the Impact Fee Analysis in the beginning. Manager Warnke told the Council that it was not as much as what Aqua charged; however, Aqua did most of the work. He did not know the actual amount but he will find out and email the information to the Council in

the morning. Councilmember Vance asked Manager Warnke to give him a ballpark figure. Manager Warnke told the Council that if he had to guess the amount it would be \$8,000. You probably read in the packet that when we went back to see what it would take to amend the information, plans and Tremonton growth (the actual number with Zions and Aqua) to amend the draft Impact Fee Facilities Plan and Impact Fee Analysis, it would be over \$11,000. There is a lot of modeling process to figure it out. Councilmember Rohde was surprised at the cost just to take Garland City out the scope. Manager Warnke told the Council that he was surprised at the amount as he thought it would be around \$8,000 to amend the figures. There is a lot of modeling and analysis that they would need to preform again to remove Garland from the draft Impact Fee Facilities Plan and Impact Fee Analysis.

Councilmember Holmgren told the Council he would like to wait until Garland makes a decision. Rather than to rehash this decision, he suggested that they wait a little while and see what direction Garland is going because that is 40% of the capacity of the plant. Although they do not have the heavy load capacity, it is still the flush.

Councilmember Doutre asked Councilmember Holmgren how he feels when Garland discusses building their own facility. Councilmember Holmgren told the Council that he thinks they are planning to build a facility. He feels they are serious and will move forward with their plans. Councilmember Rohde told the Council that he talked to Garland's Mayor today and he said that Garland will have their Wastewater Treatment Plant up and running by September 2017. As soon as they have good weather, they will start moving forward on the facility. They should have the facility completed by this time next year; however, there is a process of waiting to let the bacteria grow before they can start utilizing the plant. He said they would wait until September/October of 2017 to have it up and running.

Councilmember Rohde told the Council that when he was reviewing the budget, we have a portion of the budget for solid handing in the amount of \$225,000 which is waiting to move forward when the Council approves the impact fee. This is something that we are going to have to move forward with; however, I am not anxious to assess \$16,000 for impact fees or whatever the fee is. Councilmember Holmgren commented that the impact fee is going to be really harsh on builders – too much all at once. Can't the Council just wait a little while and see what happens?

Mayor Pro Tempore Reese told the Council that this is the reason that the Council decided to table the increase in impact fees for six months as it as too much all at once. He told the Council that they need to come up with some options. Do we incrementally do it or do we definitely do it on Garland's flow being eliminated? We have to put all the factors in to decide what way we are going to go. Councilmember Doutre said it sounds like it is something that needs to be done but how we implement it is what we need to decide.

Councilmember Rohde told the Council that they need some alternatives. He would like to see how we can slowly bring the fees in. The idea of raising the sewer fees \$10 over a three year period was a great plan. I would like to see something like that on these impact fees. Councilmember Rohde would like some proposals stating lets go here or here.

Councilmember Rohde said if the Council has the data; it will be a whole lot easier to swallow. Mayor Pro Tempore Reese said it is hard to understand why it would cost that much to just eliminate Garland from the draft Impact Fee Facilities Plan and Impact Fee Analysis. The Council is struggling with the concept of the costs associated with amending the draft Impact Fee Facilities Plan and Impact Fee Analysis. The data is already contained in Impact Fee Facilities Plan – they would just have to recompute the data without Garland.

The issue they are having a hard time with is does Tremonton need more growth now with Garland building their own facility. Mayor Pro Tempore Reese told the Council that like Councilmember Holmgren said – if Garland is gone maybe we do not need to increase growth for five years.

Councilmember Holmgren stated the Council didn't consider where Garland was going. They thought about it but did not really consider it. With this new information, it changes the game a little bit. Councilmember Vance told the Council that at some point they have to provide a study that shows what the Council needs to do without Garland in the picture.

Manager Warnke told the Council that he had a couple of thoughts on the issue. The Impact Fee Facilities Plan and Impact Fee Analysis which included Garland have been done and the maximum that the City Council can be implemented is \$6,600. The City Council can always adopt a fee less then \$6,600. If we say we do not want to go ahead and adopt the maximum impact fee allowed by law or have the study redone immediately, we can wait until Garland is gone then have the study redone. There is not any value in redoing the study at this time. The other thing he wanted to mention is the solid handling project. This is one that the Council has talked about for many years. What it does is bring the biological load inline with the flows as they are two essential components to the capacity in the Wastewater Treatment Plant. The study said that the wastewater treatment plant has approximately 500 ERUs of flow but biological capacity was much less because of some of our bigger industries. The solid handling projects do a couple of things. It brings the flow capacity and biological capacity to the same number. It also has some secondary benefits which is reducing odor. By doing the solid handling project after adopting the Impact Fee Facilities Plan and Impact Fee Analysis it helps the City accomplish the projects which the City has identified in a six year window.

Manager Warnke told the Council that there is another thing he wanted to identify as it relates to some of the regulatory requirements for the nutrient limits. It is possible for the wastewater treatment plant to meet the new nutrient limits with chemicals instead for

through a mechanical process. The City can meet the new nutrient limits without necessarily undertaking a large mechanical upgrading of the wastewater treatment plant; however, treating the nutrient limits through chemicals may have a high operational cost.

Councilmember Holmgren told the Council that with all of this discussion, they are still on the edge of what Garland is going to do. All of this still has to work its way through in the next few months. If we still look at an increase in building permits and that type of thing, let's do it incrementally. Let's evaluate and see how things are going and be careful as we are moving down the road so the City can be in line with what the market can do and also that the City is in balance with what the City needs to do in providing wastewater treatment services for the City's future. This is the balance that he is trying to work out. Meet the needs of the City but not scare out the growth.

Councilmember Rohde asked if the solid handling project that we need require the immediate increase in impact fees to develop. Manager Warnke told the Council that the solid handling project will cost approximately \$800,000 and that the immediate adoption of impact fees will not generate that amount of money before the City needs to undertake the solid handling project. Councilmember Holmgren commented that we do approximately 25 building permits per year and have approximately 500 ERUs. If a manufacturing company came in it could change that picture in a hurry. As it is right now, we have a fair amount of capacity. If Garland leaves, how many ERUs will that bring in? This is the question that we need to consider before a decision is made on impact fees.

Councilmember Rohde asked Mayor Pro Tempore Reese what his idea was on requesting this item be discussed. Mayor Pro Tempore Reese said it was to give Manager Warnke some ideas of options where we can move forward with and what we need to do as a Council to come up with some options. Manager Warnke has given the Council some options on the Garland issue. We can start figuring out a fee and then when Garland moves forward, we can redo the study. The other thing is maybe we need to come up with some different options. Councilmember Vance asked Manager Warnke if he could come up with some sort of a report with numbers on one page of what the scenario will be for Garland leaving and one scenario for the new requirements.

Mayor Pro Tempore Reese told the Council that earlier – even before Councilmember Rohde and Vance were part of the Council - there was a concern about odor at the Treatment Plant. The Council put a high priority on getting it taken care of and that decision is part of the impact fee increase. Councilmember Vance asked if we can put the numbers down on paper so we can see what direction we need to go.

Manager Warnke told the Council that he and Director Fulgham will try to put down some figures to help the City Council draw some conclusion. Councilmember Vance said there are some options: Wait until Garland decides what they are going to do, find out what is absolutely required and what is needed for growth. Mayor Pro Tempore

Reese asked Manager Warnke to put some information that shows what it will take to eliminate the smell.

Councilmember Doutre commented that this is \$800,000 which the Council has budgeted for multiple years to complete this project.

Councilmember Rohde said that the reason he is having a hard time with this item is if we do not adopt the fee what happens as we need the solid handling operation. Why don't we just get going with it? Do we have the money in the budget to do the project? Manager Warnke told the Council that we do have the money in the budget. The issue is just meeting the impact fee methodology as outlined in state law.

Mayor Pro Tempore Reese told the Council that this is the reason he wanted to have the Council discuss the issue. We need to decide where we are going. Councilmember Doutre said we can adopt the Impact Fee Facilities Plan but start lower than the maximum fee. Councilmember Rohde said he was ok with starting lower. Manager Warnke told the Council that essentially they would have to go through the noticing process again. We could increase the fee but we would have to go through the noticing process each time the City Council decides to increase the impact fees. Councilmember Doutre told the Council that it has got to happen. When it was presented to the Council it was just too much to take in. The contractors were here and they were in shock also.

Councilmember Doutre told the Council that they are probably not totally against the Impact Fee Plan – we see that it has got to be done. We just need to start lower.

Councilmember Vance told the Council that if we only open up 25 ERU's per year through growth and if Garland leaves and it opens up 400 ERUs, he doesn't understand why we need to push fees as hard. Councilmember Holmgren is right - you have to look for growth, but at the same time you do not have to pay for the next 20 years all at one time.

Councilmember Holmgren reminded the Council that the new growth should pay for the increase. They should make up for the ERUs they take out. With a bank of 900 ERUs, if a larger business came in and used up the bank of ERUs, they should have to pay/replace them. It puts those ERUs into the bank with the City back using 25 per year.

Mayor Pro Tempore Reese told the Council that both of the Councilmembers are correct; however, we are in a position to do some upgrades due to the fact that we have impact fees available. We do not want to go so low that we starve ourselves. Councilmember Vance commented that we do not want to over charge either. We have to come up with a happy medium.

Mayor Pro Tempore Reese asked Manager Warnke if they helped any in this discussion. Manager Warnke told the Council that what it sounds like is that they need more

information. City staff will review the Impact Fee Facilities Plan and come up with some scenarios.

Councilmember Vance told the Council that he is afraid that if they accept the Plan the way it is that it will take off without the Council approving what the fees are along the way. Manager Warnke told the Council that essentially there are two things on the Council's agenda. One is adopting the Impact Fee Facilities Plan which identifies the needed improvements for the next six year window and the adoption of the Impact Fee Analysis which sets the maximum fee that the City can charge based upon the project identified in the six year window. The Council is the body which by a majority of the vote sets the fee through the adoption of the Impact Fee Enactment Ordinance.

Councilmember Vance commented that his understanding now is that everyone is in favor of adopting the Impact Fee Facilities Plan and Impact Fee Analysis then the Council will approve the fee by the majority vote. Mayor Pro Tempore Reese told the Council that no decision can be made this evening as it was placed on the agenda for discussion. Manager Warnke told the Council that he will place the information on the agenda as soon as he has the information they want available.

2. Discussion of the Fire Department's proposal to seek amendment of the Tremonton City Fire Boundaries to extend boundaries to 13700 North which is currently being served by the Fielding Fire Department

Mayor Pro Tempore Reese turned the time over the Manager Warnke and Fire Chief Batis to discuss the issue. Manager Warnke asked Chief Batis to explain this item. He told the group that the one question that the Council has on this issue is does Fielding Fire Department know about this request for change?

Chief Batis told the Council that Fielding does know about the issue. When Fielding challenged the EMS boundaries in 2015, this EMS area was added to Tremonton's Ambulance coverage but the fire was not. During the EMS public hearings, both the Box Elder County Dispatcher and County Fire Marshall asked for the fire boundaries to be the same as the EMS boundaries to simplify dispatching with less error. All EMS boundaries were changed to meet the fire boundary except for this area (12000 North to 13700 North). Residents and businesses in this area have approached Tremonton City Fire Department to incorporate them into Tremonton's fire area to lower their ISO rating and fire insurance premiums.

Tremonton's ISO rating of (three) 3 will benefit the area businesses and residents from the nine (9) that they currently hold being in Fielding fire boundary. In talking with local insurance companies, it could save homeowners \$100 to \$200 a year on premiums and the businesses will save even more. Fires double in size every minute so having the department that is closest to respond would provide equipment on scene faster. Tremonton also bills on per house spreading the cost out where Fielding bills per call making the homeowner responsible for costs over what is allowed by some insurance

companies for false alarm and CO2 detector which makes the responsibility move to the homeowner to pay out of their pocket.

Tremonton Fire Department is requesting this change and we appreciate the County Commissioners consideration and support in approving this boundary change.

Chief Batis told the Council that it is a 50/50 split with Fielding and Tremonton already supplies the water.

Councilmember Doutre told Chief Batis that what the Council is really concerned about is will the Council have those same people come to the Council upset again or will this be approved because it is going through Box Elder County Commissioners? Chief Batis told Councilmember Doutre that whatever happens it will go through the Commissioners as it will have nothing to do with Tremonton City Council. The County Commission just wants the EMS and Fire Districts to be the same. Cory Barton from the County Fire Marshall's Office is confident that this will be a slam dunk.

Rupps recycling would like Tremonton Fire Department to be responsible for their company as they have the documentation from their recent fire. Fielding responded twenty minutes after Tremonton arrived on the scene. Chief Batis gave an example of a response on the bottom road. Tremonton's ambulance was called and responded. Due to the fact that they did not give information for fire response, our fire truck also was called as backup. We were on the scene and had control before Fielding's fire truck arrived. The resident received a bill from Fielding even though we took control of the incident. This is a concern for residents.

Chief Batis told the Council that the reason that Tremonton Fire Department decided to proceed with this request is that Fielding agreed to it at first. What Fielding is saying is that the State EMS was the one that changed the boundaries for the EMS – the fire boundary did not change. The only way to get the EMS and fire boundaries the same is to schedule a time to be on the Box Elder County's agenda.

The Council discussed that it is confusing to have different boundaries and it will be the Box Elder County Commissions decision on the item. After some discussion by the Council, Chief Batis told the Council that if there is an issue with this item it will be the Commissions problem as they are the ones that will have to make the change. Councilmember Vance commented that the Council is supporting Chief Batis on going to the County Commission to see if the fire boundaries can be changed.

Manager Warnke asked what Fielding's position is - will they go to the County Commission? Chief Batis told the Council that what he understands is that the County Fire Marshall tried to work with Fielding and they would not agree on the change. What they will do is just let it go to the County Commission to get worked out like they did with the EMS issue going to the State.

Chief Batis told the Council that the change in fire boundaries will make it easier for the County Dispatch. This is the reason that we are making the request to the Commissioners. The Council appreciated the information being brought to them to discuss and are in agreement that the Tremonton Fire Department meet with the County Commissioners to move the fire boundaries to meet with the EMS boundary. We will not appeal any decision that the Commissioners make.

Fire Chief Steve Batis left the City Council Meeting at 6:15 p.m.

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

The Council discussed the following items that were discussed in more detail:

- Amending the Budget entitled “The Tremonton City Annual Implementation Budget 2015 – 2016 (General Fund, Capital Funds, Enterprise Funds and Special Funds” for the period commencing July 1, 2016 and ending June 30, 2016.

Manger Warnke told the Council that he had met with Curtis Roberts to discuss the amendments. Mr. Roberts feels that all the proposed budget amendments are well within the proposed budget and has verified that the City is in a good financial position relative to the proposed amendments.

Increasing the budget:

10-36-538 – RR Maintenance Reimbursement. The City owns the rail spur in the industrial park and has an agreement with the industries (Post Consumer Brands and Intertape) that use the rail spur to reimburse the City for expenses related to the operation and maintenance of the track. The companies have authorized the City to move forward with the preventative/proactive maintenance project knowing what their total expense would be. There is a corresponding increase in expense in line item 10-48-371 RR Maintenance (Professional). We are proposing an increase in the line items by \$61,800.

10-18-320 – There have been more engineering projects than originally anticipated in the adopted budget. We are proposing to increase this line item by \$500.

10-66-706 Equipment Greater than \$5000 at the Senior Center needs to be increased as one of the roof top furnaces failed and had to be replaced. Steve Bench, Building Official, recommended that while there was a crane on site to lift the furnaces that the City replaces both roof top units as both furnaces are over 15 years old. Other changes to the heating system were done also. All the replacement and repairs are estimated to cost \$20,000. The City does not budget for unforeseen repairs or failures and for this reason the City must amend the budget to cover this expense. Increase this line item by \$18,400.

Items we will be eliminating:

41-33-120 Federal Grants. As you know, the City has been awarded and entered into a contract with UDOT to use Congestion Mitigation Air Quality (CMAQ) funds for the purchase of fuel efficient vehicles/lower polluting vehicles. It was later discovered by UDOT staff that these funds could not be used to pay the whole expense of the vehicle, only the incremental expense associated with purchasing a fuel efficient vehicle. During the last budget amendment, this revenue line item was increased and now this revenue line item needs to be decreased by \$139,000 based upon the CMAQ projects rules.

Councilmember Rohde said he could see where Manager Warnke had tried to drop a significant amount from the funds but we still needed to come up with a significant amount for vehicles at the Senior Center. Manager Warnke told the Council that it was essentially \$65,000. Chief Nance is knowledgeable about getting bids for vehicles and is working with the Senior Center on purchasing Senior Center vehicles. The Council gave authorization for the staff to move forward with the bidding process. Chief Nance has done a lot of procurement on vehicles and he has gone ahead and received some bids on the vehicles. We have been delaying the purchase for several years with the anticipation that we could get the CMAQ funds. The Council knows how this turned out but the need is still there.

Manager Warnke told the Council that if they are inclined to approve the budget, it would be nice to move forward with the vehicle bids. The Senior Center vehicles are around thirteen years old and have a lot of miles on them. The bids will need to come back to the Council to formalize the purchase.

Councilmember Doure told the Council that the vehicles used for meals-on-wheels goes a long distance. It is a very big area.

Manager Warnke told the Council that another thing that falls within this same category 41-41-560 is the civic Center Server and Library Server. Both are five years old. The City has already extended the warranty further than recommended for the servers and the City's IT Consultants are recommending that both servers be replaced. This will be an increase of \$21,000.

Councilmember Rohde asked if the Library server is at the Library. If it is, why don't we have a central location for the servers so it only takes one or two servers to run the whole City? Manager Warnke told the Council that the server at the Civic Center will be more robust. What our IT people have suggested is that for security purposes, they prefer to have two different networks. At the Library, the server is there to provide service for patrons. With several patrons coming in and using the service, they feel that it is safer to have a separate server for the Library patrons.

Councilmember Doure asked why the servers were so expensive. She commented that she asked the IT people and they thought it was high also. Manager Warnke told the Council that the expense includes installation and doing the reconfiguration also and a five year warranty. One server costs \$10,000 and the other \$5000.

Manager Warnke told the Council that another thing he wanted to bring to their attention is the City's additional water purchase from Bear River Water Conservancy District (BRWCD) bill. Due to the drought conditions (and the City's springs producing less water during the summer months), the City used 116 acre feet of extra water from BRWCD. The District bills the City on a quarterly basis and Paul Fulgham, Public Works Director, is estimating that there will be an additional \$40,300 needed in this line item or an increase of \$40,300. They bill annually and it runs on a calendar year so the amount of water we are required to use each year is \$50,000. This year there will be an increase of \$40,300.

Manager Warnke told the Council that something that Director Fulgham wanted them to know that for most cities there is normally there is a peak demand for water use in the daytime then a downtime at night; this allow most cities to refill their water storage Tremonton remains pretty steady in water uses for both the day and night due to the industries use of water.

10-39-903 – Transfer in from Capital Project Funds to the General Fund 40-90-100 corresponding line items – decrease by \$39,300.

Elections: Eliminating \$1600 from 10-50-200 – Special Department Supplies and \$3100 from 10-50-460 Miscellaneous Services. This year's election was less than anticipated due to the work and resources provided by Box Elder County. The County basically ran the General Election.

10-60-710 Public Works Parking Lot (Street) – expense was planned for this year. City Staff is recommending that it be delayed until next fiscal year so that the trailhead parking lot can be included - decrease by \$25,000.

10-61-332 – B & C Roads decrease by 10,000.

10-72-710 – Parks Office Parking Lot decrease by \$30,000.

10-89-200 - Contribution to UTOPIA Op Ex (Contribution to Other Unites). UTOPIA is on the verge of breakeven with operational expenses. From time to time, cities may be asked to pay some operational expenses but since half the fiscal year has ended and based upon conversations with UTOPIA, it is anticipated that the City can reduce its contribution amount by half. We need to decrease this line item by \$36,500. Mayor Pro Tempore Reese commented that this is a plus.

Manager Warnke told the Council that that Blaine Rupp is here to hear about the storm drain project that is essentially for the Tremont Center and surrounding area. Mr. Rupp is moving forward based on the understanding that the Council will agree to move forward with improvements for around \$116,000 which will include a siphon under the canal then to bore the pipe under Main Street to the other side where the outfall line will continue

down the canal road. Mayor Pro Tempore Reese asked what Fund this would come out of and Manager Warnke told the Council that it would be Fund 55 for the Storm Drain Fund.

Councilmember Rohde asked how much it is going to cost to pipe down the canal road until we reach Chadaz Estate then it runs down to the Malad River. It will be an additional \$200,000 to \$250,000 to take it all the way. We are not proposing at this time that we upgrade the outfall line. Councilmember Vance commented that basically by starting this project, we are starting on the \$400,000 commitment. The Council agreed that this has to be done.

The Work Session adjourned at 6:55 p.m.

CITY COUNCIL MEETING

Mayor Pro Tempore Reese called the March 1, 2016 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 Pro Tempore Reese, Councilmembers Doutre, Holmgren, Rohde, and Vance, City Manager Shawn Warnke, and Recorder Darlene S. Hess. The following Department Heads were also present: Police Chief David Nance, Steve Bench, Building and Zoning, Director Marian Layne and Treasurer Sharri Oyler. Fire Chief Steve Batis was connected by telecommunication device. Matt Harding of the Police Department was also in attendance. Mayor Roger Fridal was excused from the meeting.

1. Opening Ceremony:

Mayor Pro Tempore Reese 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 may step out into the lobby for this portion of the meeting. The prayer was offered by Councilmember Vance and the Pledge of Allegiance was led by Councilmember Doutre.

2. Introduction of guests:

Mayor Pro Tempore Reese welcomed six Scouts and two leaders from Troop 332, three Scouts and two leaders form Troop 153 and one Scout and 2 leaders from Troop 33. Mayor Pro Tempore Reese told the Scouts that they should take the opportunity to thank their leaders for the help they give in getting the Scouts were they need to be.

3. Approval of Agenda:

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

Motion by Councilmember Holmgren to approve the agenda of March 1, 2016. Motion seconded by Councilmember Rohde. Vote: Councilmember Doutre - aye,

Councilmember Holmgren - aye, Mayor Pro Tempore Reese - aye, Councilmember Rohde - aye, and Councilmember Vance - aye. Motion approved.

4. Public comments: This is an opportunity to address the Council regarding your concerns or ideas. Please limit your comments to three minutes.

There were no public comments.

5. Public Hearing:

- a. To consider amending the Budget entitled “The Tremonton City Annual Implementation Budget 2015-2016 General Fund, Capital Fund(s), Enterprise Fund(s), and Special Fund(s)” for the period commencing July 1, 2015 and ending June 30, 2016.

Mayor Pro Tempore Reese called the public hearing to order at 7:07 p.m. with 23 people in attendance. He asked for any comments or questions from the audience – there were none. He called for comments from the Council – there were none.

Mayor Pro Tempore Reese closed the public hearing at 7:08 p.m.

6. Years of Service Award:

- a. Matt Harding – 10 years of service

Mayor Pro Tempore Reese asked Mr. Harding to come to the front of the room. He told the audience that Matt had put up with the City for ten years so he deserves a service award. Mayor Pro Tempore Reese thanked Matt for his dedication and for his service.

7. Proclamation:

- a. Mayor and County Recognition Day for National Services.

Mayor Pro Tempore Reese read the 2016 Mayor and County Recognition Day Proclamation to the audience. The Proclamation proclaimed April 5, 2016 as Nation Service Recognition Day and encouraged residents to recognize the positive impact of nation service in our city; to thank those who serve; and to find ways to give back to their communities.

Motion by Councilmember Doutre to recognize the Proclamation and authorize Mayor Pro Tempore Reese to sign the recognition for National Services. Second by Councilmember Vance. Vote: Councilmember Rohde – aye, Councilmember Holmgren – aye, Councilmember Doutre – aye, Mayor Pro Tempore Reese – aye, and Councilmember Vance – aye. Motion approved.

8. New Council Business:

- a. Discussion and consideration of adopting Resolution No. 16-12 amending the Budget entitled “The Tremont City Annual Implementation Budget 2015-2016 (General Fund, Capital Fund(s), Enterprise Fund(s), and Special Fund(s))” for the period commencing July 1, 2015 and ending June 30, 2016

Mayor Pro Tempore Reese asked if there were any questions. Councilmember Rohde told the Council that he had questions which he will direct to Manager Warnke as he put the information together. Councilmember Rohde asked if there was an increase in revenues this year over last year and if so how much do you anticipate that to be? Manager Warnke told the Council that there is an increase in revenue; however, he did not look specifically at the amount. He was looking basically at the amendments. The City appears to meet our revenue projections and sometimes exceeding such as sales tax. At this time, the City is exceeding sales tax by approximately ten percent ahead of what was budgeted or what we did last year. Manager Warnke told the Council that he is tentative on his projects on taxes; however, he thinks we are on line with our revenue estimates if not ahead of them. Councilmember Rohde stated that the City is about ten percent ahead in their revenue and Manager Warnke commented this is one line item in the General Fund – this is the Fund he is speaking of. He feels that it is going to shape up to be a good financial year. This is the point of year that we get a lot of revenue for property tax then the revenue starts to slow up a little bit. In the next couple of months, we will be able to see where we will in the next couple of months, but sales tax is doing pretty good.

Councilmember Rohde said he had a couple of additional questions. On account 10-48-320 engineering fee on page 8, you mentioned in the summation in the beginning that we need to increase this line item by \$2000 but it is calling for \$5000. As I look at the salaries, there is a minus \$3000. The difference is to cover the actual cost? Manager Warnke told Councilmember Rohde that this is correct.

Councilmember Rohde commented that next year we do not have an Election so why don't we hang onto the money in this department or is this not the way that the City works. Manager Warnke told the Council that appropriations run fiscal year to fiscal year so come June 30th all the appropriations will lapse and fall back into the General Fund's fund balance.

Councilmember Rohde asked what type of building improvements the City is going to do at the Police Station for \$8,000? Manager Warnke told the Council that they are planning to install a shower at the Police Station. Manager Warnke told the Council that currently there is not a shower at the Station. Depending on what type of a call they respond to, they may need a shower. Paul Fulgham is performing the work. There is also some issues with the front porch where it is

starting to separate from the building. There is essentially a retaining wall which is a flower box. Manager Warnke is not sure if Public Works will be able to do this work right now or if it will fall into the next fiscal year; however, he is working on the shower right now.

Councilmember Rohde stated that the adjustments are basically to balance the accounts. Manager Warnke told the Council that the department heads will come in and ask Recorder Hess to transfer funds from one line item expense to another. As long as these transfers do not exceed the total budget within the departmental account that the Council appropriated, City staff does not need to bring it to the Council for approval.

Councilmember Rohde asked, and stated that it is for his information, if we are short in one of the Funds, we can pull money from the Capital Fund to help support that fund? Can we move money back and forth between those funds? Manager Warnke replied yes and we do transfer from different funds. A common transfer between funds occurs between the General Fund and Recreation Special Revenue Fund. The City created a separate Recreation Fund from the General Fund in order to establish departmental expense accounts for each recreational program. We know that the Recreation fees that the City collects do not pay for the total cost of the recreation program. So every year you will see the transfer from the General Fund to the Recreation Fund to cover those expenses, which is primarily the administrative expense to run the recreation programs. It is not advised as a best practice to transfer monies from the General Fund to an Enterprise Fund, as General Fund Revenues are essentially comprise of taxes and are called non-exchange revenue. The idea is that the revenues we have in the Enterprise Funds (utility funds) basically match the expense funds that the City has or will have in the future; therefore, it is not advisable to transfer money from the General Fund to Enterprise Funds.

Councilmember Rohde stated that in the budget we have the impact fees for the Storm Drain Fund. It is costing an additional \$106,000 more than the City planned on? Manager Warnke told the Council that we did plan for this work and it will be a little higher. This is the work that Rupp's Construction will be doing. Our Engineer, Chris Brienholt, estimated a little higher to take the water from 4th and Main to where it can fall out into the Malad River. The cost will be essentially \$200,000 to \$240,000. That cost will be essentially another \$20,000 or more based upon this one line item. We could make up some of this money as we finish the project – we will just have to wait and see. Councilmember Rohde asked the question, "If we go ahead and approve this budget, we can move forward with this project?" Manager Warnke told the Council that they can move forward after this meeting.

Councilmember Rohde told Manager Warnke that he really liked his approach on the murals. I agree with you that we need to continue. This needs to be our niche

for Tremonton. I really like what we are doing with the murals. He would like to continue to support this project. Manager Warnke told the Council that the City is trying for the Best of State recognition. This program will fit with that. It will give some recognition for what Tremonton has done with the murals.

Councilmember Vance commented that this is the year end adjustments for the budget for the last fiscal year's budget. When do we see the next fiscal year's budget? Manager Warnke told the Council that we are currently putting the budget together the next fiscal year budget. We are going to have a budget meeting on March 29th where we will be talking about the capital projects. The Tentative Budget needs to be adopted by May 3rd and the final by June 21st. We will have additional discussions prior to this time. Curtis Roberts will be here for the March 29th meeting and we can have some good discussion on the budget. It is anticipated that there will be one other budget adjustment.

Councilmember Vance told the Council that he has been thinking about the Senior Center and the car adjustment. He told the Council that he would like to get into some type of rotation like the ambulances so we are not buying them all in one year then having another big outlay in five to seven years. Mayor Pro Tempore Reese commented that this is a good idea. Some of them are leftovers from other departments.

Manager Warnke told the Council that some of them are vehicles that the Police Department no longer use. He, also, told the Council that he feels they are going in the right direction as in the past they used to enter into lease agreements with Zions and now we have created our own fund called Capital Vehicle - Equipment Replacement Funds and we now have upwards of 1 million dollars in the funds. We are now replacing the vehicles and equipment as needed from these funds. We have a schedule whereby we replace vehicles for the Police and Fire Department; however, for other vehicles we replace on an as needed basis.

Councilmember Vance stated that this will be the type of talk that will take place in the discussion we have on March 29th. Manager Warnke told Councilmember Vance that it will and you will see the Capital Project List. Councilmember Vance said it just seems a large outtake of cash all at once. Mayor Pro Tempore Reese told the Council that in Manager Warnke's defense, he thought he had another way to get the vehicles and it did not work out.

Manager Warnke told the Council that he felt the City is in good shape as we transferred some of the funds that were needed for a specific purpose. We have the street sweeper that we will discuss in the meeting coming up. Councilmember Rohde told Manager Warnke that one thing that he would like to have available is some type of a capital project prioritization list available or this is high priority or this is low priority it would be nice.

Manager Warnke told the Council that one thing he would like to talk about in the budget is the purchase of an aerator that we would share with the Golf Course. We will start doing aeration of our lawns in house. We would need to come up with an agreement with the Skyway Golf and Country Club. Another thing is this does not include the full \$250,000 we would need to complete the full storm drain but it will put the City where it needs to be. If we need to amend the budget one more time we can. We can even appropriate additional dollars if needed now. We will probably amend this fiscal year's budget one more time.

Motion by Councilmember Vance to adopt Resolution No. 16-12 amending the Budget entitled "The Tremonton City Annual Implementation Budget 2015-201." Second by Councilmember Doutre. Roll call vote: Councilmember Holmgren – aye, Councilmember Rohde – aye, Councilmember Doutre – aye, Councilmember Vance – aye and Mayor Pro Tempore Reese – aye. Motion approved.

- b. Discussion and consideration of adopting Resolution No. 16-13 approving the Pheasant Run Subdivision Phase 2 Subdivision Development Agreement

Manager Warnke told the Council that this is just a normal process with subdivisions and all is in order to approve. Essentially you have approved the template development agreement that applies specifically to this subdivision. There are a few special conditions within the agreement which he feels is which is unique to this development. Manager Warnke told the Council that the most specific part of the agreement is to go to the special conditions of the agreement as the other language in the agreement is basically the same.

Councilmember Vance asked how many lots were being developmental as he could not tell from the information. Manager Warnke told the Council that there were four lots being approved.

Councilmember Holmgren told the Council that he has a question on the budget. We have pipe bedding material – 20 tons at \$10 a ton. It seems a little low for me. Blaine Rupp told the Council that they are only using forty feet of pipe. Councilmember Holmgren commented that this answers his question.

Mayor Pro Tempore Reese asked if there was any other discussion and called for a motion. **Motion by Councilmember Holmgren to adopt Resolution No. 16-13 approving the Pheasant Run Subdivision Phase 2 Development Agreement.** Second by Councilmember Rohde. Roll call vote: Councilmember Holmgren – aye, Councilmember Rohde – aye, Mayor Pro Tempore Reese – aye, Councilmember Doutre – aye, Councilmember Vance – aye. Motion approved.

- c. Discussion and consideration of authorizing the Police Department to dispose of found and unclaimed property – Police Chief Dave Nance

Chief Nance told the Council that most of the items on the list are a couple of years old as they have not disposed of items for a while. We have not had any luck on someone claiming them. We have a scooter and skateboard then some other miscellaneous items.

Councilmember Vance asked how the items were disposed of. Chief Nance told the Council that the last time we disposed of items, we took the bicycles to the Desert Industries and we have taken some to the second hand store here in town called Antanas. Sometimes they are willing to fix them up and get them out to the community so we just donate them to the various organizations. With the other property, we have an auction site that we deal with then people can get on line to purchase the items so we get a little bit of revenue that comes back to the City.

Motion by Councilmember Vance to authorize the Police Department to dispose of found and unclaimed property. Second by Councilmember Doutre. Vote: Councilmember Holmgren – aye, Councilmember Rohde – aye, Mayor Pro Tempore Reese – aye, Councilmember Doutre – aye, Councilmember Vance – aye. Motion approved.

9. Reports:

a. Administration/City Manager Advise and Consent:

- 1) Discussion of an evaluation/planning process regarding economic development readiness facilitated by EDCUtah Rural and Utah Governor’s Office of Economic Development scheduled for March 15, 2016

Manager Warnke told the Council that these are some calendar items for you. We have a meeting facilitated by EDCUtah and the Governor’s Office of Economic Development. They are going to come to our next City Council Meeting on March 15, 2016 at 5:30 p.m. They will help us walk through some of self evaluation checklists that they put together so it will be a good opportunity for us to analysis ourselves in terms of economic development readiness. We will have a light dinner and it will be a great discussion.

- 2) Signing of a grant agreement between Tremonton City and United Way of Northern Utah for a project for the Food Pantry

Manager Warnke reported to the Council that the City applied for and was awarded a grant from United Way for \$7,500. It is restricted for the Food Pantry. We are leveraging the awarded

grant with the submission of another grant application for Community Development Block Grant (CDBG). Manager Warnke told the audience that Marian Layne, Senior Director, is here and we have to give a lot of credit to her for submitting the CDBG grant. She is the one that put the CDBG Grant together. It is upwards of \$80,000 and from preliminary discussions, our application scored high in the process. We hope we will be able to purchase some backup generators and a SCADA which allows the City to remotely monitor freezers at the Senior Center and Food Pantry.

Manager Warnke told the Council that he read through the grant agreement and if they approve he will go ahead and sign the grant agreement for the \$7500. We should know on the CDBG grant soon.

Councilmember Doutré asked what will we use this money for on the \$7,500? Manager Warnke told the Council that hopefully they can leverage it with the other grant that we hope we will get. If not, we will use it for some other project. There was no strong opposition so Manager Warnke will move forward.

b. City Department Head Reports:

There were no reports.

c. Council Reports:

Councilmember Vance asked who puts the applications for grants together? Marian Layne, Director of the Senior Center, told Councilmember Vance that she put this grant application together and has submitted a couple of others. Councilmember Vance told the Council that putting grants together takes mega time and effort. He commended Director Layne for her efforts.

Manager Warnke told the Council that Director Layne does a fantastic job with grants. The parking lot for the Senior Center grant was fantastic. We got a lot of money for the project.

Councilmember Vance asked Director Layne if there were any other projects going on at the Senior Center that the Council needs to know about. Director Layne told the Council that there is nothing until she needs addition money.

Councilmember Vance told the Council that as far as the budget,

he wants to get his head into the budget as soon as he can.

Councilmember Holmgren reported that he poked around and found out that all of the 1600 little tulip babies they planted are coming up. They will not be out but they are coming. The other thing is on the web site, they have been doing some of the code. If the Council has a chance, he encouraged them to check out the updated Zoning Subdivision Code information on the City's web site to see how the formatting is coming together.

Councilmember Holmgren informed the Council that he has a meeting with a man on the logo to get it modified a little.

10. *Closed Session*

- a. Strategy session to discuss the purchase 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.*

Item was not discussed.

11. Adjournment

Motion by Councilmember Dautre to adjourn the meeting. Second simultaneously made by Councilmembers Rohde and Holmgren. Vote: Councilmember Holmgren – aye, Councilmember Rohde – aye, Mayor Pro Tempore Reese – aye, Councilmember Dautre – aye, Councilmember Vance – aye. Motion approved. The meeting adjourned at 7:40 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. Recorder Darlene S. Hess prepared the minutes.

Dated this _____ day of _____, 2016.

Darlene S. Hess, Recorder