

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
March 29, 2016**

Members Present:

Diana Doutre
Roger Fridal, Mayor
Lyle Holmgren
Jeff Reese
Lyle Vance
Shawn Warnke, City Manager
Darlene S. Hess, Recorder

CITY COUNCIL MEETING

Mayor Fridal called the March 29, 2016 City Council Meeting to order at 6:00 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, and Vance, City Manager Shawn Warnke, and Recorder Darlene S. Hess. The following Department Heads were also present: Police Chief David Nance, Treasurer Sharri Oyler and Curtis Roberts, Finance Director. Councilmember Bret Rohde was excused from the meeting.

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 Holmgren and the Pledge of Allegiance was led by Police Chief Nance.

2. Introduction of guests:

No guests were introduced.

3. Approval of Agenda:

Mayor Fridal called for a motion on the agenda.

Motion by Councilmember Reese to approve the agenda of March 29, 2016. Motion seconded by Councilmember Holmgren. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - 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.

Mayor Fridal expressed birthday wishes to Councilmember Vance and Councilmember

Rohde. There were no comments from the audience.

5. City Council Business:

- a. Discussion and prioritization of budgeting capital projects for the 2016 – 2017 Budget

Mayor Fridal turned the time over to Manager Warnke to discuss the capital projects for the 2016 – 2017 Budget.

Manager Warnke told the Council that this is a discussion and he welcomed the Council and Department Heads to participate in the conversation. What he tried to do was put together a list of future projects. It is a short list as there are a lot of other projects that could be added to the list. He told the Council that they may have something they want to add to the list. The items recommended for the budget are highlighted.

The items outlined account for projects already appropriated for Fiscal Year 2017 and will be listed on that budget. Finance Director Curtis Roberts did a preliminary look at rough amounts that could be spent for capital projects from the various funds. This is split out in the different funds in tables and narratives of proposed projects which were reviewed by Mr. Roberts.

Manager Warnke reminded the Council that when revenues exceed expenses in the General Fund these excess revenues are transferred to the capital project fund. More specifically, by state law the City cannot retain any reserves in the General Fund over 25% in estimated revenues of the General Fund. These funds are transferred to the Capital Projects Fund or Vehicle/Equipment Capital Projects Fund. Manager Warnke told the Council that he was optimistic that additional funds will be transferred to Fund 40 and 41 for capital use. He then discussed the highlighted items on the list.

Fund 40 – General Capital Projects - \$110,000 to \$130,000:

- Police State Improvements - \$8,000 from Reserves. This was budgeted in FY2016 to do the porch and shed roof.
- Paving Parks Office and Parking Lot - \$40,000 from Reserves. The facility has never had a paved parking lot. It is also proposed that the City create one common access for the Parks Office and entrance into the Fairgrounds. It was decided to put this project off until the next fiscal year as the City has a park trailhead project that needs to be paved next fiscal year. The thought is that if we bundle all these parking lot projects together, it would be cost saving.
- Acquisition of right-of-way of 480 West from Devin King - \$80,000 from Class B & C Roads Fund. The City has had some preliminary conversations

with Mr. King, the owner of Parcel Number 05-060-0055 which is 0.27 acres in size. Councilmember Reese asked if with the B & C Road Funds, this takes out of the amount we use for road repairs? Manager Warnke told the Council that instead of being maintenance, it will be an acquisition. Councilmember Reese commented that he doesn't know if he likes this aspect as he wanted to continue to do maintenance on the roads and find other means of acquiring the property. He will accept Director Fulgham's ideas; however, he feels strongly about keeping up with the roads.

Manager Warnke told the Council that the City has spent a lot of funds on doing roads this current fiscal year and the other thing to think about is the gas tax is going to increase slightly. We estimate approximately \$50,000 additional funds this year due to the change in the State Law. Councilmember Vance asked what the City spent on roads. Director Fulgham reported that the City spent approximately \$530,000 on roads this current fiscal year. Councilmember Reese commented that the City got a lot of bang for their money and a lot of roads were fixed.

Manager Warnke told the Council that basically the City receives \$280,000 that we use for road maintenance from the B & C Road Funds. The Council then discussed the roads where the chip seal is coming off.

- Paving Public Works Parking Lot - \$30,000 from Reserves. The cost of this project would be spread over multiple funds which will include \$30,000 from the Water Fund and \$50,000 from the Wastewater Treatment Fund. Councilmember Doure asked where the paving will take place. Director Fulgham told the Council that the paving will be everywhere except behind the fence. It will be around the building and where people park.
- Interfund Loans from Fund 26 - \$69,000 from Fund 40 and repayment of loan from Impact Fees. The interfund loans will help the City leverage granted funds for the Malad River Park. Manager Warnke told the Council that all of these expenses come to around \$147,000.

The City has approximately \$130,000 available to do the work. The difference is matching funds from Trail Grants. The City is continually going after trail grants to help with projects. The City should find out tomorrow if they get the TTAB Grant. Manager Warnke is optimistic that the City will get something. We applied for \$40,000. He is planning to apply for a Recreation Trail's Program which is State money. They like to fund grants for multiple years on the same item.

Manager Warnke told the Council that the projects discussed are what the Staff applied for; however, it is ultimately the Council's decision on how the funds are appropriated.

Councilmember Vance asked on the trails if grants are one to one and commented that it would be nice to see exactly what has been spent and how much is committed on all the walking trail systems. Manager Warnke told the Council that the City is trying to line up the corridors before the development occurs. He told the Council he felt this was important because if the City does not then the City may lose trail opportunities.

Manager Warnke told the Council that the way trails are developed is not through extracting land from developers. We have been doing the trails through impact fee reimbursement. Grants make the City's dollars stretch further.

Mayor Fridal commented on the Parks and Recreation parking lot. He told the Council that there are only one or two cars there at a time. He has a hard time justifying a \$40,000 parking lot when not many people use it. Manager Warnke told the Council that coaches meetings are held at this building; however, you are correct as most of the parking is limited to the staff. This parking lot is used when Jeanie Steven's Park is really busy. The construction of this parking lot is basically to improve the frontage. The City has made some really good stride on improving that 1000 West corridor with the golf course fence and continuing of the curb, gutter and sidewalk. We would like to work with the Fairgrounds to have one common entrance at 600 North.

Councilmember Reese told the Council that redoing the parkway is one way for the City to look better. He told the Council that he does not feel that it all is really necessary; however, it will make things look better. Councilmember Holmgren commented that he agreed with Councilmember Reese. The City is putting a lot of work into making the City look better. This is just another step along the way.

Manager Warnke informed the Council that the City did a property swap with the County a while back. The actual property owned by the City is approximately 30 feet south of the fence line. It is actually the City's corridor and the City thought it would be better to have common access.

- Roads - Public Works Director Fulgham told the Council that he usually sends the City Manager a list of roads and how they move up on the pecking order. The roads he has high on the list this year for repair are Tremont Street and on 1000 North from the Hospital down to where the City ended our Federal project. These are surface issues.

The same thing that is happening to I-15 is happening to Tremont Street. Tremont Street was rebuilt in 1998 and in 2001 a seal coat was put on the road. That was when the City was using slurry seal. Then approximately five years ago, a chip seal was put over the top of the slurry seal. The issue with the road is the slurry seal is letting loose. What makes it worse is when you get snow and snowplows. The road is flaking up about one inch. What can

we do about the issue? If we put another seal on the road, we will probably get more sluff off only deeper like I-15 has only two inches this time.

In talking with Chris Breinholt, our City Engineer, we decided our best bet would be to grind the road down and rotter mill out about two inches, do a two inch overlay on top, or we rotter mill it and pulverize it two and a half inches, and built it back up like we do most of our roads. Looking at the cost, it is just about the same. It will be probably around \$250,000 from Main Street to 650 South.

Councilmember Reese asked about Main Street going north and if this road is okay. Director Fulgham told the Council that it is okay as it was built with the other roads in 2000 and it was never slurry sealed. There is a little bit of chipping off on 6th North but it is not bad.

Director Fulgham told the Council that the road from the Hospital to the Federal project could be overlaid. Rupps has a process that they used in Brigham at Forest Street and it worked well. That would probably cost \$70,000. Director Fulgham told the Council that the structure of the roads is good. It is the surface that we need to take care of. If the Council wants to spend money somewhere else this year, he and Rusty are going to try something different. As the roads dry out, we are going to take some of our cold mix, our roller and some TAC oil to see if we can roll some of the cold mix material on the road and see if we can get it to stay in.

Mayor Fridal reported to the Council that UDOT did something on the bridge by Jay Dee Harris' home by putting asphalt in. Most of it is coming right out. Director Fulgham said moisture and snowplows lift the fill right out. That is why we are going to wait until it is dry and put some TAC oil in so we can get another year out of the life of the roads. Mayor Fridal asked if moisture gets down into roads. Director Fulgham told him yes – that is the reason they seal coat every few years to seal the moisture from getting down into the sub-road material to prevent the road breaking apart. Director Fulgham told the Council that the money spent last year has brought the roads up to standard. Our roads are in good shape.

Councilmember Reese suggested that the roads be itemized then have the Council go look at the road to make their decision.

Councilmember Doutre asked Director Fulgham what they are going to do with the road on 1000 West from the new road up the hill. She told the Council that the road is dangerous especially with two semi trucks passing each other. Director Fulgham told Councilmember Doutre that if the Council wants to spend the money, it can be fixed; however, it is very costly. The only way to fix the road is to widen it like they did below which includes sidewalk, curb and gutter.

Manager Warnke informed the Council of a transportation impact fee which is growth related. The City has completed some planning for future transportation corridors. There is only so much the City can extract from a developer to stay in compliance with the State law; however, anything that is built up and beyond what the development's impact would generate is the City's responsibility. Transportation issues relative to growth is going to be an issue. The Council will have to decide on how to fund these types of transportation improvements.

Councilmember Doutré commented there are going to be around twenty-seven more homes built in that area with that many more cars. It is a real concern. Manager Warnke told the Council that at one of their last meetings, they discussed 2300 West. The City does not have mechanisms to improve roads. There are several options to consider: impact fees, optional sales tax (requires a vote of the citizens) or raise property tax. Councilmember Doutré told the Council that she feels that they should redo the road for at least a quarter of a mile. Discussion followed on cost of the road and how it will be built.

Police Chief Nance commented they had thought about restricting truck traffic in that area as there is no reason they should be coming down that road. A lot of drivers do it because their GPS tells them it is a shortcut. Councilmember Reese commented this is a good option for a short term fix.

Councilmember Vance asked if there were any road plans that the City has. It was suggested that he be shown the road study plans that the City has. Director Fulgham informed Councilmember Vance the City has to show the State their plan. It is part of the City's Master Road Plan. Manager Warnke informed the Council that the Planning Commission is reviewing the Master Road Plan right now and it will be presented to the Council for their approval shortly.

Fund 26 – Special Parks Fund - \$90,000 Committed to Programmed Project:

This fund has several projects planned in the FY2015-16 budget (land, parking lot, restroom, trails). As the result, the fund balance is expected to decrease. If the projects occur in this upcoming fiscal year as planned, the available fund balance will basically be used. These projects go along with grants we have received.

Councilmember Doutré asked if we have a timeline on these projects. Manager Warnke told the Council the City plans to close on the Trailhead property soon and Councilmember Holmgren is doing the subdivision improvements. Construction for the trailhead should begin sometime in September, October or November. Councilmember Holmgren told the Council the reason we are waiting until fall is due to the nesting season for the birds in the area.

Manager Warnke informed the Council they have received the permit from the Army Corp of Engineers for construction in the wetlands.

- Trailhead – total cost \$150,000 with \$90,000 coming from City Funds – paid for by Grant, Reserves/Impact Fees. The City received a grant from the State of Utah Recreation Trails Program in the amount of approximately \$60,000. The City is required to provide a 1:1 match, plus put in some other improvements that grant funds cannot pay for.
- Trail Construction Phase A – Trailhead to River Bottoms – Total Cost \$78,000 with \$14,000 estimated to be coming from City Funds – Interfund loans from Fund 40 Impact fee reimbursement. FY2017 – The City received a grant from IHC in the amount of \$25,000. City applied for a Box Elder County Tourism Grant of \$40,000. Should know in April if the City received any TTAB funds.
- Trail Construction Phase B – Riverside Trail & Phase C – Hillside Trail – Total costs \$110,000 with \$55,000 coming from City Funds – Interfund loans from Fund 40 and Impact fee reimbursement. FY2019 – The City is applying for a State of Utah Recreation Trails Program in the amount of approximately \$55,000. The City is required to provide a 1:1 match.
- Open Space adjacent to trailhead – amount to be determined from Reserves and Impact fees.

Fund 28 – Fire Department - \$15,000 - \$20,000 Available:

Manager Warnke asked Curtis Roberts to discuss Fund 28. Mr. Roberts told the Council that the Fire Department Fund has a large receivable balance. What that does is show what needs to be collected. It looks really healthy from the Fund side but it does not have a large cash balance. Within the Fund itself, there is only \$15,000 - \$20,000 in cash available to pay for new assets. Fund 41 could be used to subsidize it – it is a perfectly appropriate use for those funds. Fund 28 is limited but it is getting back to where it is healthy. The fees are set by the State in Medicare/Medicaid and the City has to pay back to them some funds collected.

Councilmember Vance asked how much of the receivables are non-collectable? Mr. Roberts told the Council that every year we look at that. We put an allowance in the fund and do our best to collect the receivables. Our fantastic EMTs go out on the freeway for accidents and treat people, and then people drive on. We hope that their billing information is accurate so we can collect. Some of the out-of-towners are hard to track down so every year we go through the uncollected receivable and write some off. We have some significant write offs from insurances, Medicaid and Medicare. We budget for the amount we think we will not be able to collect. The Treasurer does a great job in collecting. Every year we try to decide if the collection will increase if we hire a collection clerk to

spend all their time in collection or continue as we are doing. The City has to pay for that person salary and we are always looking at that.

Councilmember Vance asked if we should give the collection to a collection company. Mr. Roberts told the Council that we have looked at that.

Manager Warnke reminded the Council that they enacted the Transient Room Tax (TRT) and although it is not necessary, we deposit \$20,000 into Fund 28. At the time of enacting the TRT the City Council felt as though there was a Nexus between collecting this tax to of set the non-collectables for EMS associated with out-of-town people. Manager Warnke then discussed the following:

- Purchase of a new ambulance - \$160,000 – Lease purchase arrangement with Zions Bank. Scheduled replacement in FY2017. Funding from Reserves/possible loan from Fund 41 or lease purchase with Zions Bank
- Replacement of a roof that leaks at the Fire Station - \$13,000 –. There is a leak on the flat portions of the roof of the Fire Station. It is proposed that the City have a new membrane installed on the roof.

Manager Warnke informed the Council that the City will pay off the ladder truck next year – February 2017. We have been paying approximately \$90,000 a year during this leasing period. The Fire Department would like to purchase a new Fire Truck at that time. It will replace a 1985 truck that has an open cab for the firefighters and no longer meets National Fire Protection Association Standards.

Councilmember Doure asked if the City would do the roof in-house. Public Works Director Fulgham responded that it would be hired out due to the new membrane requirement.

Fund 41 – Vehicle and Equipment replacement - \$500,000 to \$700,000 available:

Manager Warnke told the Council that this Capital Fund has been established for the accumulation of financial resources to undertake projects and to ensure the timely replacement of vehicles and equipment for departments primarily contained in the General Funds and Special Revenue Funds. \$700,000 would bring this fund close to zero.

- Two Police vehicles (T42 and T44 - \$30,000 each
- Tractor for Parks and Recreation - \$40,000
- Dump Trailer for Parks and Recreation - \$10,000
- Street Department Truck – 308 - \$30,000

Manager Warnke informed the Council that a big cost will take place in FY 2018 where it is planned that the City to replace the street sweeper at a cost of nearly \$250,000. Director Fulgham also mentioned to him today that we may need to replace the tractor.

Manager Warnke told the Council that with the implementation of this fund, we were able to do away with most of our lease agreements with Zions Bank for the acquisition of vehicles. The exception is with the purchase of the ambulance.

Councilmember Holmgren asked what the City decided to do with the purchase of the Vector Truck which was approved for purchase. Director Fulgham informed the Council that the truck has been ordered and should be here around the end of April.

Mayor Fridal told the Council that as a farmer, who is familiar with tractors, he has a hard time with the City needing to purchase two tractors. He felt that one could be used for both Public Works and Recreation. Director Fulgham informed the Council that the issue with his tractor being used for the parks is the tires. The tires on the type of tractor Public Works uses digs up the grass at the parks. The one that Parks/Recreation wants to purchase to use on at the parks has sod wheels which do not dig up the lawn. Park/Recreation does borrow Public Work's tractor to do work; however, to do the aeration, they need the other tractor.

Manager Warnke informed the Council Parks and Recreation wants to purchase the following implements: aerator, leveler, and a tiller. The Council approved funds to upgrade our ball diamonds and we have had several tournaments in town. They want to continue to maintain the diamonds and promote additional tournaments. This equipment could also be shared with the Golf Course.

Curtis Roberts told the Council that traditionally the City Manager has been splitting the revenues that exceed 25% of the estimated revenues of the General Fund between Funds 40 and 41. As you look at it, you can see that Fund 40 has less money. That is because money has been used for roads out of this fund. Depending on the Council's decision to do projects, it is not difficult to move money from Fund 41 to Fund 40 so you can do other Capital projects that are not equipment or vehicles.

Councilmember Holmgren asked Mr. Roberts how much money we are putting into these funds each year. There has not been a decision this year on how much to deposit into these funds as we have been spending quite a bit in the General Funds; however, in the past couple of years we have deposited around \$400,000 in each fund.

Fund 47/Fund 52 – Treatment Plant - \$1.2 million to \$1.6 million available:

Mr. Roberts discussed with the Council how Fund 47 is just an extension of Fund 52 – they really are one Fund. Fund 47 was really established to facilitate some

of those accounting issues. There is obviously a fund deficit cash balance in Fund 47 which makes up for the excess that sets in Fund 52. Mr. Robert told the Council what this is designed to do is document the reimbursement of impact fees still due to the City. In the impact fees, there was a large chunk that was designed to just be recovered for capacity purposes. We would like to recover this cash so this fund can be made whole.

- Bio-Solid Handling Project - \$804,000 from Fund 47 Impact fees. It is recommended that the City Council adopt the Impact Fee Facilities Plan, Impact Fee Analysis, and ordinance before starting the project.

Councilmember Reese discussed the Bio-Solid Handling Project at a cost of \$804,000. He told the Council that this is bottom-line to cover the smell as it has been going on for four or five years.

Manager Warnke told the Council that he feels the best approach is to adopt the Impact Fee Facilities Plan then do the project based on the mythology of how impact fees are used according to State Law.

Councilmember Vance asked if the \$804,000 project is what we have to do to bring it up to standard that is required right now. Director Fulgham told him that this is true. It will take care of handling more of the solid capacity where we are deficient right now. It will bring it up to 1.5 MGD and give us some growth. Councilmember Vance commented that we cannot slide these funds around to any other fund then.

Councilmember Reese told Councilmember Vance that the Council pushed Director Fulgham to get the Bio-Solid Handling done. Director Fulgham told the Council that as the solids increase; we have to get them out of the system as soon as we can. This is where you get the big digesters developing the smell. With this new equipment, the plan is to move the solids from the clarifier right into the digesters and out so it does not develop the odors. The solids will be turned into compost.

- Paving Public Works Parking Lot - \$30,000 from Reserves. The cost of this project would be spread over multiple funds which would include these additional funds: Public Works Department – Street Department - \$30,000, Fund 40 and Water Department - \$30,000.
- Backup Generators - \$70,000 from Reserves.

Manager Warnke told the Council the City needs to replace the existing back-up Wastewater Treatment generator. The current generator was installed in 1979 and went down after 36-years. It needs extensive repairs to bring it up to today's standards. State and Federal regulations require all wastewater treatment facilities have a means for emergency back-up

electricity. We have been utilizing the Water Department's portable generator from our water system during power outages.

Manager Warnke informed the Council that Tremonton City did not get the CDBG grant for the generators; however, we were really close. We will not be moving forward with the project this year; however, we will apply for the grant again next year. The grant review committee talked like they were planning to change some of their policies so Senior Centers can be recognized as a higher priority.

Fund 51 – Water Fund - \$1.5 million to \$2.0 million available:

Manager Warnke told the Council that they are looking at just two small projects. He asked Director Fulgham to discuss the impact fee projects that the City needs to start to do.

Director Fulgham told the Council that what is needed is more source and capacity to get the source here. Two things to consider: 1) develop new drinking water or culinary drinking water which includes developing capacity to get the water here as the City develops and grows or 2) develop secondary sources and a secondary system.

Councilmember Holmgren commented that one thing that would be very helpful for him would be to develop a Conservation Plan in addition to what Director Fulgham has to show a direction for the Council to go. Director Fulgham told the Council that in 2007, a Secondary Water Plan was developed. A Conservation Plan would be very helpful in this determination as 2007 is a long time ago. Councilmember Holmgren told the Council that they have got to be thinking of water, water sources and conservation. What would help him is a plan. Councilmember Reese agreed with Councilmember Holmgren on this issue.

Director Fulgham commented that this could be added to the budget this year. Councilmember Dautre told the Council that the small amount of secondary water that the City utilizes is a good trial run for expansion. Director Fulgham told the Council that with the study that the State is conducting on water is probably going to rein in water shares. This does not stop the City from looking for other available water.

Mayor Fridal told the Council that the Bothwell Pocket has a lot of water. The issue is getting it to the source or delivery system. They have an eight inch pipe that goes about six miles until it joins our system. In the summer, we get about 700 gallons a minute. Until the conservancy district upgrades their line, the additional water is just not available. Councilmember Holmgren asked what the capacity was for the Bothwell Pocket. Mayor Fridal told him the capacity is approximately 3,000 gallons per minute in one pocket and 2,000 per minute in the other.

Director Fulgham told the Council that we use 65% of our water on lawns in the summer. If you could produce water for more lawn watering, it would free up some of the culinary water for drinking purposes.

Councilmember Vance told the Council that as he listens to the comments, he feels that the Council needs to look at both secondary water and additional sources for culinary water.

- Service Truck - \$30,000. Replacement schedule for FY2017.
- Paving Public Works Parking Lot - \$30,000 from Reserves. The cost of this project would be spread over multiple funds which would include these additional funds: Public Works Department – Street Department - \$30,000, Fund 40 and Wastewater Treatment - \$50,000 (52-72-710).

Fund 54 – Sewer - \$150,000 to \$250,000 available:

Manager Warnke told the Council that as part of the budgeting process, the City should be monitoring the proposed projects contained in the City's adopted Impact Fee Facilities Plan.

- Sewer Collection Impact Fee Facilities Plan Projects - \$932,640 from Reserves and impact fees. There are remaining capital projects left to be done in the IFFP which was adopted with Ordinance 14-01 and Ordinance 14-02.

Director Fulgham told the Council that the next project he plans to do is upsizing the main from the Malad River past Holmgren East Estates. It is a ten inch line and as it develops in the area, it will need to be increased to a twelve or eighteen inch line along Main Street.

Councilmember Doutre asked when the canal was going to be done. Director Fulgham told the Council that it will probably be done in a week. The weather slowed them down for a while, but as soon as it dries out, they will get back on it. Councilmember Doutre commented that this project is really exciting and it is nice to see it get done.

Fund 55 – Storm Drain - \$150,000 - \$250,000 – available:

Councilmember Reese commented this Fund 55 is relatively new. We did not have this Fund a while back.

- Storm Drain Impact Fee Facilities Plan Projects - \$3,076,154 from Reserves and Impact Fees is the remaining Capital Projects left to be done in the IFFP which was adopted with Ordinance 14-01 and Ordinance 14-02.

Director Fulgham told the Council that the items listed in red are a moving project in priority as the need arises.

- 400 West and Main Street Storm Drain - \$150,000 from Reserves and Impact Fees. This will complete the storm drain project by constructing the outfall line from Main Street to Chadaz Estates storm drain project.

Manager Warnke informed the Council that he plans to move forward with the budget and plugging some of the numbers in that were discussed. As we move through the budgeting process, items can be changed. Manger Warnke told the Council that he appreciates Mr. Roberts and his input. He helped a great deal in getting things ready.

b. Discussion of general budgeting issues for the 2016 – 2017 Budget

Manager Warnke told the Council that he is working on the budget. There are a couple of things he would like to bring to their attention. He hopes to have a draft of the budget by April 15th. It has been slow but it is coming. We are looking at changing our Health Provider to provide us with the flexibility we need from a pooled product. When you have a pooled product, some of the regulations dealing with the thirty hour requirement for employees who receive health insurance are not applicable. We are getting bids right now. Providers and coverage were discussed.

Manager Warnke informed the Council that he was working on reorganizing some job duties. This really relates to the Parks and Recreation Department and Zach LeFevre's position. Zach does a great job and his skill set is something that we could utilize more by giving him more job duties and stewardship. Director Marc Christensen is also coming off finishing his Master's Degree in City Management. His goal is to be City Manager. It is recommended that the City give Marc some more responsibilities to give him the opportunity to move up probably outside of our organization.

Manager Warnke told the Council that it is his opinion that anyone who works to achieve a higher position needs a title and a little bit of responsibility. His thought is to allow Marc to get a little more responsibility which will allow him to be competitive for future City Manager positions. He would like to give Zach the same opportunity as he is being under utilized for his ability. Manager Warnke told the Council that he would like to put Zach in charge of special events and public relations being more active on social media and on web sites. I would like to see if we could attract more events and hire a part time recreation coordinator to do some of the entry level work that seems to take a lot of Zach's time. If the Council is okay with this, he will move forward.

Manger Warnke discussed the departmental expense accounts in the General Funds where we create a department budget. He told the Council that he wanted to do this with Economic Development.

Last year, we set up a department expense account for Emergency Management so we could track the expenses and it worked well. He would like to do the same with Economic Development.

Manager Warnke told the Council that another area he would like to explore as a planning resource is the Bear River Association of Governments. They provide a baseline service to all cities within Box Elder, Cache and Rich Counties. They have the ability to do some extra planning work that he feels the City could benefit from. They could help us in a couple of ways. They could help us acquire a grant through a federal agency of economic development out of Denver or they could help us write an Economic Development Plan. Our General Plan is in need of updating and they could help us with that. In other words, we could get a good product with very little money. The City staff would be heavily involved in these plans and it helps City staff to administer the plan after it is adopted.

Manager Warnke told the Council that there is one last possibility that he would like to discuss - it is with UTOPIA. Historically, UOTPIA has not been able to connect residents and business without a large upfront payment from the resident or business because the City did not participate in any ongoing bonds. Once the RUS settlement Funds run out, if the City is going to get connections, it will be from essentially cash that UTOPIA must have. He is not sure how much cash will be available to make connections; however, he would like to see the City continue to make connections through appropriation of funds. Mayor Fridal commented the more that people get signed up, the less it costs the City.

Councilmember Reese commented that we have double in size in the number of connections. Manager Warnke told the Council that Tremonton City is performing really well. We have two percent of the network based on addresses. Lately, we have had ten percent of the new connections. We are a little over 400 for residential.

Manager Warnke told the Council that even though UTOPIA thinks that they are at break-even now, the City did not pay our full share of Operational Expense (OpEx) shortfall. If we had paid our full share, it would be around \$66,000 for the OpEx. We are not required to pay this amount contractually; however, Manager Warnke would propose the City paying this amount and requesting that they use the money to make connections in Tremonton. Councilmember Reese suggested that the City look at what the other municipalities are doing first.

- c. 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)

Director Fulgham told the Council that he did not know which way Garland City was going to go. Mayor Fridal asked if we will know Monday after the

Garland/Tremonton Wastewater Treatment Plant Committee Meeting. Director Fulgham told the Council he was not sure what will happen at the meeting.

Director Fulgham reported that if Garland leaves, the City can push out our growth related projects five to six years. What it does mean is we have to meet the nutrient limits by 2020 no matter what. It does require about \$100,000 for setup for nutrient removal. We can then take care of the nutrients chemically. Chemically treating for nutrients is less expensive to construct, but long term it is more expensive for the ongoing chemical costs than with biologic treatment for nutrient. It is estimated that nutrient removal would cost about \$5000 a month for operational costs. It will; however, push the big expense out a few years. If we know that Garland is going to leave, we can plan on this. To do the big project, the City will probably have to bond.

Director Fulgham told the Council that in talking with the engineer, the City has the infrastructure that will allow for the chemical treatment of nutrients. It will be a benefit to the City after the City does an upgrade as it can treat nutrients through a biological process. What we do is still up in the air because we do not know for sure what Garland is planning to do.

- d. Discussion and consideration of approving Resolution No. 16-17 authorizing a dissolution document acknowledging completion of contractual obligation regarding the Freeway Interchange Project Area between Tremonton Redevelopment Agency and Tremonton City

Manager Warnke told the Council that the RDA (Redevelopment Agency) has several projects called the Freeway Interchange which encompasses T&M, Intertape, Munn's Manufacturing, and the LaZBoy Area. This was a twenty-five year project area that is coming to an end. We received the last increment this year. At this point, we are in the process of closing the area down.

The project area had three obligations that were in contractual order. The RDA was paying the City \$75,000 for reimbursement for sales tax for UTOPIA fiber optic project. The second priority was to pay Malt-O-Meal back for the sewer treatment capacity. The City was to reimburse them until the end of this project or up to one million dollars. To date, we have reimbursed Malt-O-Meal a little over \$900,000. They will not receive the whole reimbursement. The agreement we had with Malt-O-Meal said that if they did not receive the full payment, everything else was to be considered a gift. The third obligation was to reimburse the City's Utility Funds for cash that was loaned to the RDA to install water and sewer lines.

Manager Warnke went through the Utility Loan Fund Payment Schedule which is shown as an exhibit with the Resolution. Mr. Roberts discussed the interest associated with the loan. He told the Council that a few years ago, the Council determined that the chance of collecting the loan was not feasible so an allowance was set against the asset on the Water Fund's balance sheet and we stopped accruing interest on the loan or basically considering it was going into default. The City did not go through a process to eliminate the loan with the hope that some miracle would happen.

Councilmember Vance, being a new Councilmember, asked about the RDA and

loans made. Mr. Roberts informed Councilmember Vance that when the RDA was formed, they did not have any money. When the RDAs were first formed, they could go into debt and have a negative fund balance and borrow money with the understanding that the money would be repaid over time with tax increment. The agreement was entered into where the Water Fund would loan the cash the RDA needed to make the water and sewer line improvements. In theory, the agreement would be paid over time as the tax increment came in to the RDA.

Mayor Fridal asked why the RDA did not pay down the loan faster. Manager Warnke told the Council that it is sad that the RDA did not pay back the entire loan; however, essentially the RDA accomplished its purpose to attract investment of industries and create jobs. The money loaned except for 2000 West was used to put in water and sewer lines which are assets of these utilities lines. Manager Warnke told the Council, in his opinion, that this was a very successful project.

Director Fulgham commented when Manager Warnke talked to him a few years ago about the Water Fund not being repaid, he told Manager Warnke that the Water Fund has been paid back in user fees many times over because these industries have used our water in their production. It did what it was suppose to do in economic development.

Motion by Councilmember Reese to adopt Resolution No. 16-17 authorizing a dissolution document acknowledging completion of contractual obligation regarding the Freeway Interchange Project Area between Tremonton Redevelopment Agency and Tremonton City. Second by Councilmember Holmgren. Roll Call Vote: Councilmember Holmgren – aye, Councilmember Reese – aye, Councilmember Doutre – aye, Councilmember Vance – aye. Motion approved.

- e. Discussion and consideration of approving Resolution No. 16-18 approving an acknowledgement and release of contractual obligations for the RDA's payment of tax increment to Tremonton City for reimbursement of sales tax pledges paid for the UTOPIA Bond

The Council commented they have basically already discussed this item so Mayor Fridal called for a motion.

Motion by Councilmember Holmgren to adopt Resolution No. 16-18. Second by Councilmember Doutre. Roll Call Vote: Councilmember Holmgren – aye, Councilmember Reese – aye, Councilmember Doutre – aye, Councilmember Vance – aye. Motion approved.

Mayor Fridal called for a motion to move to a closed session and asked the audience to leave the Council meeting room for this portion of the meeting.

The Council took a five minute break before moving to a closed session.

Motion by Councilmember Holmgren to move to a closed session. Second by Councilmember Reese. Vote: Councilmember Doutre – aye, Councilmember Holmgren – aye,

Councilmember Holmgren – aye, Councilmember Vance – aye. Motion approved. The Council moved to a closed session at 7:55 p.m.

6. *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.*
- b. *Strategy session to discuss pending or reasonably imminent litigation.*

Motion by Councilmember Doutre to move to an open session. Second by Councilmember Reese. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Councilmember Reese - aye, and Councilmember Vance - aye. Motion approved. The Council returned to an open session at 8:25 p.m. No Ordinances, Resolutions or motions were taken during the closed session.

7. Comments:

- a. Administration/City Manager Advise and Consent

Nothing to report

- b. City Department Head Report:

Nothing reported by Department Heads.

- c. Council Reports:

Councilmember Vance asked about the redevelopment on Main Street. He asked for the proposed cost of improvements and to know what was going to transpire so the Council was more knowledgeable with what was being accomplished. Councilmember Vance told the Council that as he talks to various people, they all have different ideas on what they think the redevelopment of Main Street should look like. He told the Council that it would be a good idea to have a concept of what it will look like so the information could be presented to the business owners. This is the only way the Council will be able to work with the business owners to get them to do anything. The Council has to have a concept or we will not be able to bring others together to get it accomplished.

Ways to accomplish the concept were discussed. It was decided to review the studies that have been done to come up with the information. Councilmember Vance asked if we are going to widen the sidewalks. The Council needs to come together on what is going to be done with pictures. This will help us bring people together.

Councilmember Vance asked Manager Warnke how much money it will take to put something together. Manager Warnke told the Council there may be grant

money available to do this. He told the Council that the City did a lot of work during the SDAT process which would be a good to review.

Councilmember Vance explained to the Council that as a Main Street building owner, they came to him and told him they would give him \$5,000 to fix up his building. The actual cost was more like \$15,000. The rent on the buildings did not increase so owners are not fully committed to the changes because they do not fully understand what they were committing to.

Removing the trees, putting in colored sidewalks and other changes were discussed. There are many things that can be done in the downtown to entice people to visit, shop and walk through the downtown. Councilmember Vance told the Council that this is all great; however, before we really get started, we need to know the cost to reface the buildings and where the money will come from then go out and sell it. A Concept Plan is what we need.

Councilmember Doutre reported she went into the Library today. She encouraged all Councilmembers to visit the Library to see what they were doing. She reported that she took three books back to the Library and with the automated process, it just processes the books back into the computer. The Tremonton Library is really up-town.

8. Adjournment

Motion by Councilmember Reese to adjourn the meeting. Second by Councilmember Doutre. Vote: Councilmember Doutre – aye, Councilmember Holmgren – aye, Councilmember Reese – aye, Councilmember Vance – aye. Motion approved. The meeting adjourned at 8:32 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.

Dated this _____ day of _____, 2016.

Darlene S. Hess, Recorder