

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
AUGUST 6, 2019**

Members Present:

Diana Doutre

Lyle Holmgren

Jeff Reese

Bret Rohde

Lyle Vance

Roger Fridal, Mayor—excused

Shawn Warnke, City Manager

Linsey Nessen, City Recorder

CITY COUNCIL WORKSHOP

Mayor Pro-tem Reese called the August 6, 2019 City Council Workshop to order at 6:02 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-tem Reese, Councilmembers Doutre, Holmgren, Rohde, and Vance, City Manager Warnke, and City Recorder Nessen. The following Department Heads were also present: Community Services Director Marc Christensen, Public Works Director Paul Fulgham, and Police Chief Kurt Fertig. Mayor Roger Fridal was excused.

1. Review of items listed on the 7:00 p.m. agenda

During the warrant register discussion, Councilmember Vance asked about a check to Zion's Bank for \$31,000. Manager Warnke said that is a UTOPIA payment that occurs monthly. Also, the network is expanding into Garland to service the elementary school through Utah Education Network's (UEN) project. Garland City did not want to obligate for any shortfall, but they could in the future. Our obligation matures 2040. UTOPIA has been paying us back. This year we received \$30,000 as a repayment for operational shortfall that we previously contributed. Last year we received \$7,000. We expect to have \$200,000 paid back in the next three years. Councilmember Vance asked about the annual fee to economic development, which is the City's membership fee to Economic Development Corporation of Utah. Manager Warnke said this is the clearinghouse for economic development opportunities such as Malt-O-Meal, West Liberty Foods, and other leads for economic development projects.

In talking about the dissolution of RDA #2, Manager Warnke said the State now requires all agencies to register through this process and we wondered why we need RDA #2. It is associated with the old downtown redevelopment and has since ended. We have not been collecting tax increment for some time. RDA #3 includes the freeway interchange and we would ask the Council to table that since we believe there are still housing funds attributed to that. The City created and registered a general Redevelopment Agency in 1980 that has good documentation so the Tremont Center is attributing to that.

Manager Warnke provided an update on a signage plan and benches for the Holmgren Nature Preserve and Trail. We are working with Impact Signs, but this is their busy season and it has been hard to get pricing. They took the concept plans and looked at the

most economical way to replicate what we want. They provided some drawings, but we are proposing amendments to simplify it even further and looking at all options to reduce the cost. They felt the corten steel was the way to go and looked at ways to reduce vandalism. We have 50% covered by the Utah State Parks and Recreation grant and another \$1,000 donated by the County. I could find additional funds if cost is still an issue. We are starting to back up against the deadline. It is budgeted and I think the signage is important to the project as it highlights what is being preserved. The Public Works Department will install the signs to further reduce the cost. Mayor Pro-tem Reese said the Council does not like the idea of signing a blank check and maybe could come up with a “not to exceed” amount. Manager Warnke said construction of the trail came in significantly under budget. There are a few areas that need to be fixed and he could reach out for additional donations. We do have budget appropriation that sets the bounds and that is what I need to manage the project. When asked for a ballpark estimate, Manager Warnke guessed \$10,000.

Manager Warnke said we have already approved a development agreement for the Holmgren East Subdivision. This amendment looks at creating a storm water plan, which looks at a regional basin. When creating storm drain basins that are larger than the individual development it would serve, it becomes a system improvement, which is impact fee eligible. Part of the proposed annexation with Craig Adams’ development was a regional pond. We have started working toward the upsize and when Mr. Holmgren developed phase 7, the piping ran through there requiring it to be upsized. The cost was \$29,000 and is the City’s participation amount. The reason for amending the agreement is to include that reimbursement. As it moves further to the west, we will continue to upsize the storm drain to accommodate a larger flow from that regional basin.

Discussion on approving a professional service agreement for a business license fee study between Tremonton City and Zion’s Public Finance. Manager Warnke said the State Code requires us to perform an analysis to justify the fees we charge or for the cost of business licenses to be reflected and attributed toward the cost of providing services. Right now our fee schedule for business licenses have varying fees based on business type. I have not found a study that shows why we charge one fee and not another. This study would show the parameters of what that fee could be. Either we need to have a strictly regulatory fee—a flat fee, or we need to do the study. It makes sense for us to charge varying fees based upon services provided. Right now \$20,000 in revenue is attributed to business licensing.

Manager Warnke suggested tabling the amendment to the reimbursable expenses section regarding City-owned vehicles until the next meeting. Attorney Dustin Ericson has prepared the policy to be consistent with IRS regulations and I want Finance Director Curtis Roberts to take a look as well. The City would be reimbursed an amount determined by the IRS for expenses for employees who do not qualify to take their vehicle home.

Motion by Councilmember Holmgren to move into closed session. Motion seconded by Councilmember Vance. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

The Council moved into a closed session at 6:38 p.m.

2. **CLOSED SESSIONS:**

- 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; and/or*
- b. *Strategy session to discuss the character, professional competence or physical or mental health of an individual; and/or*
- c. *Strategy sessions to discuss pending or reasonably imminent litigation; and/or*
- d. *Discussions regarding security personnel, devices or systems*

Motion by Councilmember Holmgren to return to open session. Motion seconded by Councilmember Doutre. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

The Council returned to open session at 6:59 p.m.

The meeting adjourned at 6:59 p.m. by consensus of the Council.

CITY COUNCIL MEETING

Mayor Pro-tem Reese called the August 6, 2019 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-tem Reese, Councilmembers Doutre, Holmgren, Rohde, and Vance, City Manager Warnke, and City Recorder Nessen. The following Department Heads were also present: Community Services Director Marc Christensen, Public Works Director Paul Fulgham, Police Chief Kurt Fertig, and Code Enforcement Officer Greg Horspool. Mayor Roger Fridal was excused.

1. Opening Ceremony:

Mayor Pro-tem 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 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 Councilmember Doutre.

2. Introduction of guests:

Mayor Pro-tem Reese welcomed those in attendance.

3. Declaration of Conflict of Interest—Councilmember Holmgren declared a conflict with item 7. f.

4. Approval of Agenda:

Motion by Councilmember Doutre to approve the agenda of August 6, 2019 with items 7. d. and h. being tabled. Motion seconded by Councilmember Holmgren. Vote:

Councilmember Dautre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

5. Approval of minutes – July 16, 2019

Motion by Councilmember Vance to approve the minutes of July 16, 2019. Motion seconded by Councilmember Dautre. Vote: Councilmember Dautre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

6. Public comments: Comments limited to three minutes.

Mr. Jared Hanson attended to discuss secondary water. He said we received a flyer, but during the time we moved from the culinary to secondary, it was pitched that it would be cheaper, and help the community bring more residential and businesses in. I think a lot of people are surprised by how much it is affecting their pocketbook. I have not changed my sprinkler system from the time I did culinary to now, the timing is exactly the same and I am paying quite a bit more. I do not know how long this has been in the making. A lot of times when public work discussions, regarding bonding are done, they are done with the public in mind. I am not sure how the decisions went for secondary water, but I know this is a large bill and understand we have to pay that.

Mr. Doug Aaron addressed secondary water in a meeting last month. He said I am concerned about it. I think we need to have some kind of a discussion to realign this water bill so we pay year round instead of going to a \$10 flat rate and then bill on these meters. It is not fair when some people do not have meters. I think we need to have discussion on being fairer on how we charge secondary water.

Mr. Paul Anderson said it is a concern that it is costing us more for dirty water than it is for our filtered culinary water. I do not mind paying for it, but is there a way to clean our filters less often. They plug everything up. How are these meters going to keep up with the dirt going through the lines? We are paying more for secondary water than for regular water. The canal leaks so much water that people to the south of it have had to put in water drain lines to keep the water out of their fields. I do not mind paying for it, but we need equality of water both ways. People could open the culinary water into their sprinkler systems and cause more trouble on that end.

Mr. Rick Christensen, who lives on the hill, said when they questioned the bill they were told it is because they live on the hill and have to pay more because it has to be pumped. I am concerned about that. You cannot tell me you do not have to pump it in the valley also. I do not appreciate that attitude. I am trying to build a subdivision up there and it is hard to get lots sold especially when the City makes those comments. I want to recognize we do have a great town and I love Tremonton. There are a lot of good people here and I would hate to see them stop watering their lawns. If the water bill is going to be too high, that is what is going to happen. We have to do something to try to make it even across the board and good for everybody.

Mr. John Jensen, who lives on the hill, said my water bill went from \$72.85 to \$158 in one month for my secondary water. I cannot continue to do that—you are going to break me. You cannot even drink that water. Please look at it and do something.

Ms. Jamie West, who lives by the fairgrounds, said my husband twisted my arm to hook into secondary water because we were told it was going to be an overall better deal. It would save clean water for the community and we would be gouged in our bill if we did not switch over. We tore up our yard and put all the connections in to hook up and my water bill was \$340 just for the water part. My utility bill was over \$400 for the month, which is outrageous for a quarter acre lot. I do take pride in my yard and want it to look nice. Our whole neighborhood takes good care of their yards and that is going to be really hard for people. We are coming to voice our concerns and find out what we need to do to possibly change that or work with the City to find a better solution.

Mr. Don Andersen, who lives on the hill, said I love Tremonton, but feel like I have been ambushed. My water bill went from \$14 to \$199 in one month. I have neighbors who do not have that purple box in front of their house and they water forever. Yet because that box is in front of mine, I am paying a big bill. I feel like if you are going to do this you better wait until the system is in and then bill everyone—it is not fair. I do not mind paying for my water, but I want to be treated equal.

Mr. Erik Richardson, who lives on Mountain Road, said I love Tremonton. I work and live here. I buy groceries and I pay the extra prices that come with a small town, but that is okay because we are supporting our community. I have met one-on-one with various members of the community and those in City hall. I understand we are in a tough spot. If we are running out of water there is little you can do. A plan was put forth and a proposal to meter and conserve was made. I agree with all of that and am willing to pay my usage, but it has to be fair. I am not going to pay more for dirty canal water than my clean filtered water. Studies show I will get more weeds and have to do more fertilizing because of the dirty water I am pouring onto my grass. My water filter used to clog every single day. It could not complete a cycle so I installed filters and a back flush and raised it out of the ground. I am now paying an exorbitant amount. There are lots of other cities you could study. I have talked with their mayors and members of their council. I think they are doing it better. The way I found out about the meter was when my wife said you better come home someone is ripping up your front yard. There was a big hole in the yard and they put in a meter. They did not repair it or put it back the way they should have. I have used it to conserve and regulate my zones and see the flow. This is what it should be used for. Other cities value secondary water anywhere from 15% to 82% to culinary. I do not think it is fair that Tremonton is valuing secondary water at 120% to culinary rates—that is unacceptable. When I asked why are my rates are so high I was told that is the price of secondary water that is what I am going to pay. I asked what are you trying to do and was told the City is paying for the infrastructure. Other neighborhoods already had the infrastructure in. My neighborhood already had it. It is not paying for my infrastructure it is going to be paying for the other 10 to 12 zones you classified to roll out secondary to the City. It is illegal to do what you guys are doing. When you look at the City legal code it says that a municipal fee related to service, like water and sewer, must not require newly developed properties to bear more than their equitable share of the capital costs in relation to the benefits conferred. You cannot charge me hundreds of dollars a month and my neighbor \$0 for unlimited usage. Unmetered does not mean unlimited. I understand you guys have constraints and are borrowing money. Senate bill 52 just got passed in July, which rolls into effect low interest rates. If you want \$10 million they have money set aside at a 1% interest rate. All you have to do is submit three pieces—the cost of the full metering of the secondary water, how long it would take the the secondary water to be provided to complete full metering, and how long the secondary water supplier will finance the meter. You have done your homework and due

diligence. You are doing the best you can, but the rules have changed since July 1. I think you need to reevaluate where you are getting your money from to pay for the infrastructure and not be gouging citizens illegally. You cannot charge me illegally when everyone is benefiting from the service and I am the only one paying.

Mr. Paul Anderson said it is my understanding that the contractors building housing put in the secondary out of their own pocket. I do not think the City has anymore than the pumps involved in the water lines. I would like to hear from the City and the water department how to stop the canal from leaking so much and other alternatives we have.

Ms. Mary Ann Andersen, who lives on the hill, said do you have someone who has been trained to calibrate the meters installing them? Do you have someone to keep them running properly? Our bill was also terrible. Since you put a meter on my line and are metering my water will you turn that water off so I do not have to pay anything in the winter because of that metering?

Manager Warnke explained the public comment process to the residents and why the Council does not answer at this point in time. He said the policy of Tremonton City Council is to use this time to hear the comments. We can answer them at some point in the future. We have held public open houses and invited everyone to participate and we will do that again in the fall. We have a presentation you can review to get the information and answer your questions. Director Fulgham and I can also meet individually. Mayor Pro-tem Reese said we need to get those answers and show where we came from, but I do not want this to get into a bantering match, going back and forth. I feel bad because this has been years in the making. We had open houses, public hearings and put it out there showing the fees, but it was not until the bills came out that you guys came. Councilmember Holmgren said we have been deliberating on this for at least four years, have had public hearings and open houses—there were lots of opportunity for the public input. He showed a map of eastern Box Elder County, put together by the water conservancy district that showed each community. Tremonton is in the red, which means we are running out of water and we had to do something. The goal of the City is not to get wealthy off the backs of you. There are going to be things we have to work through and adjust. Director Fulgham is working hard with many of you.

Ms. West said one of our neighbors mentioned Malt-O-Meal and other businesses are using the equivalent of 5,000 homes of water a day. Is it because we have so many big companies using a lot of water—could that contribute to the fact we are in such a bad state with our water?

Mr. Richardson said when would we have an open house or town hall meeting to talk back and forth? Manager Warnke said we will have an open house this fall, but could schedule one sooner. He would send out a group email to let them know when. For the open house, we go through a presentation with the history and factors for considering it—the background information the Council had in making the decision. The Council has already made decisions. There are things we could possibly change, but I do not anticipate big changes. We could have a conversation after the presentation to see if there are modifications that make sense.

Mr. Brian Diaz asked if Proctor & Gamble was included on the map, which it is not because it is in Brigham City.

7. New Council Business:

- a. Discussion and consideration of approving the warrant register for June 2019

Motion by Councilmember Holmgren to approve the warrant register for June 2019. Motion seconded by Councilmember Vance. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

- b. Discussion and consideration of approving the financial statements for June 2019

Motion by Councilmember Doutre to approve the financial statements for June 2019. Motion seconded by Councilmember Rohde. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

- c. Discussion and consideration of adopting Resolution No. 19-06 approving the dissolution of the Tremonton City Redevelopment Agency #2

Manager Warnke said City staff recommends we dissolve RDA agency #2. It has fulfilled the objectives of what it was established for and is an area the RDA is no longer receiving any tax increment on. If the Council approves, we will reach out to the Lt. Governor's Office and start the paperwork.

Motion by Councilmember Holmgren to adopt the resolution. Motion seconded by Councilmember Doutre. Roll Call Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

- d. Discussion and consideration of adopting Resolution No. 19-07 approving the dissolution of the Tremonton City Redevelopment Agency #3

Item tabled until the next meeting.

- e. Discussion and consideration of adopting Resolution No. 19-34 approving a signage plan and benches for the Holmgren Nature Preserve and Trail (located in the vicinity of 300 North and 700 East)

Councilmember Rohde recommended putting a dollar ceiling on it for \$10,000. Councilmember Holmgren abstained.

Motion by Councilmember Rohde to approve the resolution with that ceiling. Motion seconded by Councilmember Doutre. Roll Call Vote: Councilmember Doutre - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

- f. Discussion and consideration of adopting Resolution No. 19-39 approving the 1st Amended Holmgren Estates East Phase 7 Subdivision Development Agreement

Councilmember Rohde said this is very proactive. Councilmember Holmgren

abstained.

Motion by Councilmember Rohde to approve the resolution. Motion seconded by Councilmember Vance. Roll Call Vote: Councilmember Doutre - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

- g. Discussion and consideration of adopting Resolution No. 19-40 approving a professional service agreement for a business license fee study between Tremonton City and Zions Public Finance

Councilmember Vance said I assume we will do an impact study too, is there anyway we can put them together and get a better deal? Manager Warnke said there is that possibility because there is similar methodology. It seems different enough, but that is a great question and I will follow up to see if it makes sense to do those at the same time. This money is in the budget.

Motion by Councilmember Holmgren to approve the resolution. Motion seconded by Councilmember Vance. Roll Call Vote: Councilmember Doutre - nay, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved with a 4-1 vote.

- h. Discussion and consideration of adopting Resolution No. 19-41 amending Section XV: Reimbursable Expenses and Section VI: Employee Code of Conduct of the Tremonton City Personnel Policies and Procedures Manual regarding city-owned vehicle policy

Item tabled until the next meeting.

- 8. Calendar Items and Previous Assignment
 - a. Review of calendar

Recorder Nessen said the League of Cities and Towns will hold their annual training in Salt Lake City in September and she will get the rooms reserved.

- b. Review of past assignment

Manager Warnke said we are still working on a few follow up items to bring to you.

- 9. Reports & Comments:
 - a. City Manager Reports and Comments
 - 1. Possibility of pursuing a Blue Sky Grant for the Food Pantry

Manager Warnke said the City operates the food pantry, which is a service based on the generosity of the community as a whole through food contributions and volunteer efforts. It is provided to all of northern Box Elder County and, except for capital costs, it is self-sustaining. The City does bear the burden for capital expenditures. From time to time we

see how we can minimize operational costs. One opportunity is through Rocky Mountain Power's Blue Sky program—alternative energy deployment for the Pantry. We suggest applying for the grant to put solar on the pantry. Through preliminary conversations, the cost is about \$100,000 to offset the amount of energy it uses. A Blue Sky grant would pay for 90% of that cost so we would pay \$10,000. Annually we pay about \$3,000 in electrical costs so the payback period would be about three years. There are some upfront costs. To apply for the grant, we need to have a shovel ready project and someone with engineering experience to help, which would cost \$3,000 to 5,000. They are not currently accepting applications, but it would be to our advantage to do the work ahead of that. Councilmember Doutre said my only concern with solar is that it is changing so fast. I wonder if by the time we got it in, it would be outdated. Manager Warnke said it does become more efficient over time. Councilmember Vance said technology keeps changing, but you have to jump on board sometime. He suggested they take more time to talk about it and the Council agreed.

b. Development Review Committee Report and Comments

Manager Warnke said T&M brought in an application to subdivide 2.7 acres of their property for a company office building. They have done quite a bit of work already and engaged an architect. After it is subdivided, they will submit all the requirements for the site plan—elevations and landscaping. The infrastructure that is needed will include curbs, gutter, and streets. We would exact the improvements that were roughly proportionate to the impact of their development. The remainder parcel could be subdivided in the future. On this remainder parcel, everything outside the 2.7 acres, we would hold off on those improvements until it is further subdivided.

Manager Warnke said the M&M Development along Main Street at 950 East is 1.7 acres. They plan to do an office building. We reviewed the code and told them the dimensional standards, buffering, and screening. They will resubmit a new layout.

c. City Department Head Reports and Comments

Director Fulgham gave a construction update on City projects. The BR Mountain Road is complete and 600 West is being worked on. Frontier is getting their phone line moved and once that happens, Rupp's will get more done. For secondary they are patching Sandalwood and Heritage Estates. Testing is done in Chadaz and will continue south. The treatment plant upgrade is slow moving. Rupp's will finish up the trail. UDOT will finish the Main Street job and all the leaks have been fixed. They will do the valves and manholes, and finish their striping.

Information will go in the water bill, on Facebook, and our website about secondary updates. It addresses water conservation and how much water to apply to keep your lawn alive. We are doing well on water shares. We will schedule an open house on a Thursday night. Councilmember Vance said there is lot of misinformation out there. We are trying to be transparent. I wonder if when they sign up for secondary water we could have an educational thing for them to listen to so they know what is going on. Councilmember

Rohde suggested having a link on the website to answer their questions, along with a YouTube video explaining the process.

d. Council Reports and Comments

Councilmember Holmgren gave a shout out to Director Christensen and his crew for Tremonton City Days. I am always amazed. Also Lt. Governor Cox was in Tremonton and it was fun to have him visit our community. He did a service project at the food pantry.

Councilmember Doutre echoed that about Tremonton City Days. Post Cereal is making a donation to the pantry and our library is not your grandma's library. We have some of the most fun things happening there. It is an informational center with lots of classes and activities happening all the time.

Councilmember Vance said thanks to all those who helped with the breakfast and all that happened during Tremonton City Days.

Motion by Councilmember Doutre to move into closed session. Motion seconded by Councilmember Vance. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

The Council moved into a closed session at 8:13 p.m.

10. **CLOSED SESSIONS:**

- 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; and/or*
- b. *Strategy session to discuss the character, professional competence or physical or mental health of an individual; and/or*
- c. *Strategy sessions to discuss pending or reasonably imminent litigation; and/or*
- d. *Discussions regarding security personnel, devices or systems*

Motion by Councilmember Vance to return to open session. Motion seconded by Councilmember Doutre. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

The Council returned to open session at 8:53 p.m.

11. Adjournment.

Motion by Councilmember Doutre to adjourn the meeting. Motion seconded by Councilmember Vance. Vote: Councilmember Doutre - aye, Councilmember Holmgren - aye, Mayor Pro-tem Reese - aye, Councilmember Rohde - aye, Councilmember Vance - aye. Motion approved.

The meeting adjourned at 8:53 p.m.

The undersigned duly acting and appointed Recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes for the City Council Meeting held on the above referenced date. Minutes were prepared by Jessica Tanner.

Dated this _____ day of _____, 2019.

Linsey Nessen, City Recorder

Follow-up items for the Council and City Staff

Manager Warnke and Director Fulgham will setup an open house for a Thursday and will send an email to those who attend the meeting and commented on secondary water.