



**Tremonton City Corporation
City Council Meeting
June 2, 2020
Meeting to be held at
102 South Tremont Street
Tremonton, Utah**

CITY COUNCIL WORKSHOP AGENDA

6:00 p.m.

1. Review of items listed on the 7:00 p.m. agenda
2. Discussion of the draft Budget FY 2021, the possibilities of property tax increases, and Fire/EMS staffing plan
3. **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*

Please note that any agenda item listed on the 6:00 p.m. City Council Workshop may be discussed in the 7:00 p.m. City Council Meeting

CITY COUNCIL MEETING AGENDA

7:00 p.m.

1. Opening Ceremony
2. Introduction of guests
3. Declaration of Conflict of Interest
4. Approval of agenda
5. Approval of minutes – May 19, 2020
6. Public comments: This is an opportunity to address the City Council regarding your concerns

or ideas. Please limit your comments to three minutes.

7. City Council Business
 - a. Discussion and consideration of adopting Ordinance No. 20-07 approving business licensing fees including licensing fees on businesses that causes disproportionate costs on municipal services provided by Tremonton City
 - b. Discussion and consideration of adopting Resolution No. 20-19 deleting from the Tremonton City Personnel Policies and Procedures Manual the phrase “Part-time employees receiving Utah Retirement System (URS) as part of their employment...”
 - c. Discussion and consideration of adopting Resolution No. 20-20 approving a land acquisition agreement between Tremonton City and Bar M Land & Livestock LLC for Tremonton City’s purchase of land for the future expansion of 1650 West Collector Road
8. Calendar Items and Previous Assignment
 - a. Review of calendar
 - b. Review of past assignment
9. Reports & Comments:
 - a. City Manager Reports and Comments
 1. Update on the infrastructure needed to service land within Tremonton City’s declared annexation boundary
 2. Update on the Neighborhood Improvement Program Grant facilitated by Neighborhood Housing Solutions and the possibility of committing additional funds for a future phase of the project
 3. Tremonton City’s submission to the Bureau of Emergency Medical Services a Personnel Grant Application for FY 2021
 - b. Development Review Committee Report and Comments
 - c. City Department Head Reports and Comments
 - d. Council Reports and Comments
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***
11. Adjournment

Anchor location for Electronic Meeting by Telephone Device. With the adoption of Ordinance No. 13-04, the Council may participate per Electronic Meeting Rules. Please make arrangements in

advance.

Persons with disabilities needing special assistance to participate in this meeting should contact Linsey Nessen no later than 48 hours prior to the meeting.

Notice was posted May 29, 2020 a date not less than 24 hours prior to the date and time of the meeting and remained so posted until after said meeting. A copy of the agenda was delivered to The Leader (Newspaper) on May 29, 2020.

Linsey Nessen, CITY RECORDER

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TREMONTON CITY CORPORATION CITY COUNCIL MEETING MAY 19, 2020

Members Present:

Connie Archibald

Lyle Holmgren

Bret Rohde

Rick Seamons

Lyle Vance

Roger Fridal, Mayor

Shawn Warnke, City Manager

Linsey Nessen, City Recorder

CITY COUNCIL WORKSHOP

Mayor Fridal called the May 19, 2020 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 and via Zoom. Those in attendance were Mayor Fridal, Councilmembers Archibald, Holmgren, Rohde, Seamons, and Vance, City Manager Warnke, and City Recorder Nessen. The following Department Heads were also present: Fire Chief Steve Batis, Community Services Director Marc Christensen (left after the Work Session), Public Works Director Paul Fulgham, Police Chief Kurt Fertig, and Treasurer Sharri Oyler.

Director Christensen addressed the Council first with an update. He said we have been working with BRAG and have funds to help low-income families get meals. Our Senior Center delivers a lot of meals and has upped their routes. We have three vehicles for Meals on Wheels and have requested a fourth. BRAG will pay for that, we just need to get the vehicle and show them the invoice. They are doing the same thing for the food pantry, which has an old blue van. We are going to upgrade that to a pick-up truck that will haul the trailer they borrow to get their supplies at different locations. BRAG will cut us a check for the cost up to \$50,000 on both vehicles. The other good news is we have sent invoices to surrounding cities for the Senior Center and we received our first check from Bear River City, who is now covering their full cost. We have sent out 10 others and are hoping for the best. Bear River City and Garland both were very surprised by the services we provide.

1. Review Overview of the property tax system, Tom Kotter- Box Elder County Auditor

Mr. Kotter said the property tax system is very complex and explained who oversees what in the County. My office helps entities set tax rates through Truth in Taxation. As far as property tax goes, there are a couple advantages. It is a very reliable source of income—probably the number one source for local governments throughout the Country. It is secured by the property so it cannot be evaded. A disadvantage in the state of Utah is that it is not tied to inflation. However, it is predictable and will be there. It is one of the few taxes you can appeal. It is not the most popular because it is a lump sum payment and can be painful if not in escrow. Residential is taxed at 55% of the market value.

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There are abatement programs available for those who have a hard time meeting those. We want to help and those programs are available for people to use. A commercial property is taxed at 100% of its market value.

Mr. Kotter told the Council how property taxes work in Utah. It is all revenue driven and the taxing entities are entitled to the same revenue each year. A municipality says we need X amount of dollars and the assessors determine the amount of taxable value. Things are increasing, but there is no way to put inflation into this. Every five years the assessor's office visits the County and does a physical appearance. If you do receive an appraisal, people can appeal. He explained how the certified tax rate is calculated. This is a lot to take in, but the important thing to remember is that the certified tax rate is calculated on your legal boundaries. Everything is budget driven so you are only entitled to the \$1.5 million that you got last year, unless you go through the process and raise taxes, but you can always take less.

Mr. Kotter said when kicking off the Truth in Taxation process, I tell people to just be honest and transparent about it. I have seen all kinds of reactions and the ones that go the smoothest are the entities who say we need this. We have been putting it off so long and then show people how it impacts them. He then discussed the requirements to go through that process, which include a public hearing. Brigham City approved a 68% increase. A tax increase does impact RDAs. The only time you will get new growth of personal property is if that new growth occurred within an RDA project area. The Tremont Center project is excluded from your taxable value because RDAs do their own thing. Eventually that will be back on the tax role and the entire value will be seen as new growth. If you do change tax rates then for the first year, the RDA would come to Tremonton City. Councilmember Rohde said he would like to see what Tremonton citizens are paying versus other surrounding cities. Mr. Kotter said I can provide that information.

Councilmember Vance said I appreciate you explaining this, but the real reason we are here is that we are trying to figure out how to pay for fire and police help. We can see a big deal coming down the pipeline. My mind still goes back to the fact that there is a report out there that shows one third of the help we give locally is outside of Tremonton. We are talking about increasing Tremonton citizens' taxes to cover this. Is there not a way we can assess more taxes through real estate taxes—those who are using our facilities? Mr. Kotter said if you wanted to levy a tax on someone in the unincorporated area or a different municipality, Tremonton City does not have that authority, but you could enter into an inter-local agreement. They are under no obligation. Councilmember Vance said if we hire three to four people that is \$800,000 more per year to our budget that is coming out of the blue. A third of that, almost \$350,000 a year, is to pay for other people. Councilmember Holmgren asked if that could be done through a working agreement. We could say your share of this is X and if you cannot do that, we cannot provide those services? Mr. Potts said right now, since you have the license, you are obligated to respond for ambulance services, but for fire and police services that is up to you and your contracts. Entities have to either provide their own or contract with another service to provide that. Manager Warnke said I am not suggesting this, but special service districts have the ability to look outside the incorporated city limits and have a tax that

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fits the geographic area that provides the service regardless of city boundaries. That is the mechanism that provides services across municipal boundaries and is usually done through the County. Councilmember Vance said making our citizens pay \$800,000 when it should only cost them \$500,000 is not fair. We have to do something different with this. We have this avenue to create a service district or the law has to be changed so we can access fees when we go outside of Tremonton. Councilmember Rohde said Garland does not have an ambulance service—that is the way it is for all the outlying cities and that is the rub. Could we send a couple councilmembers to other city’s meetings and say this is your share of this, can we make this work? We may see some positive results or we may not. We could start there to gather some revenue. Councilmember Vance said we are getting deeper and deeper into deciding to bring people on, which will cost us money and we need to be realistic with the cost to our citizens and what is fair. We need to provide the service and make sure we are taking care of people, but it is not fair when we continue paying for other people who do not participate in the expense. Councilmember Archibald said most cities would agree with you. If the shoe was on the other foot they would expect us to pay them. It is the honest thing to do. The Council thanked Mr. Kotter for his time. Mr. Kotter praised Manager Warnke saying, you have a very good city manager. He comes with information and facts, and represents the City very well.

2. Public safety staffing plan variations for Tremonton City Police and Fire Departments-Shawn Warnke, Tremonton City Manager, Steve Batis, Fire Chief, Brian Potts, Potts and Associates, & Kurt Fertig, Police Chief

This item was discussed during City Council Meeting.

Manager Warnke said let us take a look at the cost associated with different staffing models and how they could work in providing services. We have also discussed the police department’s need for an additional officer. The cost would be \$87,000 for an entry-level officer, which includes all costs associated with their wages and benefits. A fire chief would cost \$96,000. These are at market value as far as the going rate for entry-level positions and are the minimum numbers associated with the classification of these positions within our compensation schedule. A two-man crew on 12-hour day shifts, seven days a week is \$325,000. A two-man crew with 24/7 coverage would cost \$469,000. A three-man crew on a 24/7 shift jumps to \$704,000. The four-man crew, which would provide the ability to cover two ambulances, is \$938,000. Councilmember Holmgren clarified that there would be six FTEs (Full-Time Equivalent) employees who would rotate on these models. Mr. Potts said there is some benefit in working 48 hours on and 96 hours off, because then overtime does not kick in until they hit 53 hours in a week. In a six-week rotation, for two of those weeks they will make 38 hours of overtime. Four of those weeks they are only working 48 hours so they would not hit the overtime threshold, which has some cost savings. Manager Warnke said the fire chief could supplement the crews in responding to calls from time to time. We have gone away from making anyone a captain in these scenarios. Mr. Potts said the standard in fire services is a four-man crew to mount a fire attack, but you will have volunteers who can become that. The four-man crew on duty is buying response time because in the fire world, time is critical. A three-man crew can still do it, but your labor is spread out. The

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goal is that the volunteer system is going to augment the big, bad calls. Councilmember Holmgren asked if the two-man crew with the volunteers taking care of the rest, is doable. Mr. Potts said your volunteers are aging and getting less. If you go to a two-man crew around the clock (two crew members per shift, which equals six), then you will have two people out the door, who can handle it knowing a volunteer crew is coming right behind them. The costs are going up, but you are gaining time and have a guaranteed response. Councilmember Vance said it seems like a two-man crew stepping into this will at least relieve some pressure. We could step into it slowly rather than just jumping in.

The Council discussed their contracts with surrounding cities. Councilmember Rohde said the burnout is coming from ambulance calls not fire and police. I do not see the fire and police being the issue. Councilmember Holmgren said but we are required to do the ambulance, we have the license for this area. Are there other sources of revenue that are coming in to offset going out to help these outlying communities? Mr. Potts said through the fire and police contracts there is a readiness fee and a response fee (soft and hard costs). Manager Warnke said Tremonton City has never put in money from our General Fund for hard costs so essentially the ambulance service has been subsidizing the fire service. That is something we are trying to correct.

Councilmember Rohde said if we want to do Truth in Taxation, we need to get it ready by June. Mayor Fridal said we cannot keep kicking this down the road. We have got to figure out what we are going to do. Councilmember Vance suggested the first step is to go out and create these fiscal agreements with other communities to help offset some of the costs we are having a problem with. The second thing I suggest is go into this thing with a two-man crew on a 48/96 shift with another police officer so we are up to average with all the other cities for protection. That would not include a chief as a full-time position and next year we could add more. Mr. Potts said without the full-time chief you are mixing the volunteer environment with paid environment. It would still be run administratively by part-time staffing. The doers are full-time and the administration would be part-time in this model. It is not bad, but takes some culture change to figure out who is really in charge, the full-time or part-time people. The Council asked what Mr. Potts would suggest. He said I would say a chief and a three-man crew. That gives you a four-man crew plus volunteers. For the cities you are contracting for, who do not want to provide their own fire service, their rate needs to be higher than the rate you charge your own citizens because you are taking your resources out of town, using more fuel, labor and water, which the City has paid for. This takes more time and is a risk to your city since you are taking your resources from your citizens. This also forces them to decide if they are going to get in the game or pay for the service. If they do, then you have more resources and depth.

When asked about revenue from other cities, Manager Warnke said we have \$35,000 guaranteed in soft costs. Annually we get an additional \$5,000 a year for hard costs. Councilmember Holmgren said can we handle this in house for a bit then if we have to go on and expand from there we can. This idea of raising taxes is a scary scenario. We are caught between a rock and a hard place. Mr. Potts said the older guys are getting burned

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out. Councilmember Vance said we are talking about making a half a million-dollar commitment, but everyone is calling that a baby step. Half a million a year to Tremonton is huge. Tremonton gets \$1.5 million in real estate taxes and we are talking about \$500,000 on top of that. That is a huge step for us. I still think we need to go to the two-man, 48/96 shift with a police officer to start with. Mayor Fridal said we would still have to raise taxes to cover that. Councilmember Holmgren said that would be close to \$600,000. We could get this started and in two years be talking all over again because this was not enough. Do we just bite the bullet? Councilmember Archibald said our volunteers are for this and could sell it to their neighbors. We have a volunteer group who is supportive of moving this direction because they cannot continue the way they have. If safety is number one in Tremonton City then we will have to put our money in that area. Councilmember Rohde said we could use these firemen for public awareness programs and commercial inspections. That will enhance the perception of safety we do not have now. They could teach people how to have safer homes.

The Council asked how much taxes would have to be increased for a two-man crew and a police officer. Manager Warnke said 35% is the increase with the home based off of a \$250,000 appraised value (\$117.93 per year for residential and \$214 for commercial). A three-man crew and police officer would increase that from 35% to 50%. Chief Batis said I prefer the three-man crew, but I do not have a problem with the two-man crew. I still have a full-time job, all the volunteers do, so trying to manage six to nine full-time people on top of that is going to be tough. I do not know how someone could manage full-time employees without working for the City full-time. The majority of the firemen want a three-man crew so we have guaranteed staff day or night. Our businesses would be willing to pay a little more to keep their insurance rates down because we have good response time. Councilmember Holmgren said if we consider a police officer, fire chief and three-man crew it would cost about \$1 million, which is a lot of money. That is a 64% increase in taxes. The Council agreed to start the Truth in Taxation process, which will require a public hearing. Manager Warnke said the public would have a chance to come and express their thoughts before the Council makes a decision.

3. Discussion of infrastructure needed to service land within Tremonton City's declared annexation boundary- Paul Fulgham, Public Works Director & Shawn Warnke, City Manager

This item was discussed during City Council Meeting.

Director Fulgham said this came up in our last DRC meeting. Gary Madsen owns property along Iowa String and is looking to do a development. The problem is it is out of City limits and would have to be annexed in, but we have requirements for sewer, water, and storm drain. He could leave it in the County and buy west Corinne water, but they only have about 60 connections left in their water company, which they prefer not to allocate all to that one location. The City is looking at what it would cost for infrastructure to sewer that area. Sewer cannot gravity flow it has be lifted and pumped back to Tremonton City. We looked at two different scenarios. One is a smaller service area for about 374 residential units. We also looked at how far south we could go to

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service that area in the future. If the City put the infrastructure in, we are looking at \$550,000 for that whole area or \$400,000 for the smaller service area. Manager Warnke said I would like to aggregate all these capital facility plans to look at areas outside our current city limits and what it would take to provide services. It comes down to a public policy decision by the Council. We would be putting the money forward and there is not that much available in our sewer fund to take on a project like this. We are already working on an upgrade on Main Street for sewer collection, but the thought is you could include the impact fee facility plan. We would have to outlay the money ahead of time. Mr. Madsen would contribute some money and the City would repay him in impact fees to jump-start the project.

Director Fulgham said we do have ordinances that deal with septic systems. You could change that to allow more, but when those systems start to fail, the City will be mandated by water quality to fix the problem. The denser you get the more chance of failure you have. The Council discussed extending different utilities under the freeway. Director Fulgham said we do have a water main to the City limits that needs to be upsized. We would look at doing secondary in that area too. Mr. Madsen said he intends to have acre and a half parcels unless they hook to the sewer system then he might go smaller. More building lots would offset the costs and create more impact fees. Councilmember Vance said upfront we need to have them understand when they buy that they are not going to subdivide it out behind or use the water for irrigating pasture. We would only take the amount of shares needed for the house. Director Fulgham said you have a rate that would see to that. This would make people use the canal water, a well, or any other secondary source not provided by the City.

4. Review of items listed on the 7:00 p.m. agenda
5. ***CLOSED SESSIONS: No closed session was held at this time.***
 - 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***

The meeting adjourned at 6:54 p.m. by consensus of the Council.

CITY COUNCIL MEETING

Mayor Fridal called the May 19, 2020 City Council Meeting to order at 7:02 p.m. The meeting was held in the Tremonton City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah and via Zoom. Those in attendance were Mayor Fridal, Councilmembers Archibald, Holmgren, Rohde (left at 8:55 p.m.), Seamons, and Vance, City Manager Warnke, and City Recorder Nessen. The following Department Heads were also present: Fire Chief Steve

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Batis, Public Works Director Paul Fulgham, Police Chief Kurt Fertig, and Treasurer Sharri Oyler (left at 8:28 p.m.).

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 Manager Warnke and the Pledge of Allegiance was led by Councilmember Seamons.

2. Introduction of guests:

Mayor Fridal welcomed those in attendance.

3. Declaration of Conflict of Interest: none

4. Approval of Agenda:

Motion by Councilmember Holmgren to approve the agenda of May 19, 2020 and to discuss the items that were missed in the work session first. Motion seconded by Councilmember Archibald. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

5. Approval of minutes – May 5, 2020

Motion by Councilmember Rohde to approve the minutes of May 5, 2020. Motion seconded by Councilmember Seamons. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

6. Public comments: Comments limited to three minutes.

Developer Gary Madsen said for Truth in Taxation hearings I have been to them and they are not pleasant. I would hate to see you do a Truth in Taxation once and then have to come back and do it again in a couple years. I hate to see taxes go up, but if I was in your shoes, I would do it big enough you do not have to come back again in a couple years. Also I am not here to say you should do this for my development, but I believe this area will never really be developed by anyone until some sort of lift station is there. The costs are too high. If you want to develop that area and annex it into your City, the City is going to have to step up and do something to allow that. Now is maybe not the time or maybe you do not have the money, but if you want growth in that area, someone besides the developer is going to have to put some of that infrastructure in. I would rather have acre and a half lots and see it stay rural. The best scenario would be to let me do septic tanks. I would have three times the amount of ground the County allows for septic tanks. If you decide you want a lift station, I would drop it to one-acre lots because that is better for the City and me in the long run. The culinary water line is to the annexation line, but 1,000 feet needs to be upgraded. With septic tanks, I could participate in upgrading that

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line. I would extend into my development, but also upgrade the line closer to the overpass. Secondary water is a big issue. From a developer standpoint, bringing water lines further and upgrading what is there and adding a lift station—it all becomes cost prohibited. Then you add on the fact that I have to give up 30 shares of water (about \$150,000). I would like to see you allow septic tanks and let me extend the water down and work something with secondary, if it goes the other way I am not sure. I understand money is tight and you are already talking about raising taxes, but I do believe that is what impact fees are for, it is not for fixing old things.

7. Employee Service Award
 - a. 5 Year Service Award – Ted Bennett, Police Officer

The Council thanked him for his service.

8. City Council Business
 - a. Discussion and consideration of approving the April Financial Statements

Motion by Councilmember Vance to approve the April Financial Statements. Motion seconded by Councilmember Holmgren. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

- b. Discussion and consideration of approving the April Warrant Register

Motion by Councilmember Rohde to approve the April Warrant Register. Motion seconded by Councilmember Seamons. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

- c. Discussion and consideration of adopting Resolution No. 20-18 approving the Tremonton City Redevelopment Agency & Tremonton City Moderate Income Housing Plan 2020 Update

Manager Warnke said read the executive summary of the plan—it summarizes key findings, along with some recommendations. This is an update to our current plan that was adopted in 2013. This is a plan that is required by state legislature to help communities plan affordable housing opportunities within their city. This is our plan to accomplish that objective. It analyses what current housing is available, deficiencies and projects that we need.

Motion by Councilmember Archibald to approve the resolution. Motion seconded by Councilmember Rohde. Roll Call Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

- d. Discussion and consideration of adopting Ordinance No. 20-02 rezoning the Mountain View PUD Subdivision, Mountain View PUD Subdivision Phase 2, Parcel No. 05-075-0045 and Parcel No. 05-075-0038 located at 1720 East Main Street, from Commercial Highway (CH) to Residential Multiple District (RM-16)

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Manager Warnke said east of the Crossroads there is an existing townhome complex that anticipated future phases. The current zoning does not allow for townhomes there, it did at the time it was constructed, but the zoning has changed slightly. This would allow for the additional land to be constructed with townhomes. There are caveats that go along with this rezoning and in talking to the developer, there are some deficiencies. The storm drain pond does not meet the current City standards and will require landscaping. The developer is proposing they would improve and complete the development. The Planning Commission recommended the property be rezoned.

Motion by Councilmember Vance to adopt the ordinance. Motion seconded by Councilmember Rohde. Roll Call Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

9. Continuation of Agenda Items in the City Council Workshop
 - a. If necessary, the continuation of any agenda item listed on the 6:00 p.m. City Council Workshop
10. Calendar Items and Previous Assignment
 - a. Review of calendar: none
 - b. Review of past assignment: none
11. Reports & Comments:
 - a. City Manager Reports and Comments
 1. Discussion of the Fiscal Year 2020 Annual Budget, if necessary
 - b. Development Review Committee Report and Comments
 - c. City Department Head Reports and Comments
 1. Restructuring of police department responsibilities- Kurt Fertig, Police Chief
 2. Funding for new vehicles for the Senior Center, and Food Pantry- Marc Christensen- Community Services Director

Chief Fertig said I am planning to expand our rank structure a bit. It would be good to add two more positions of rank to the department. I have spoke with Manager Warnke and now is a good time to do it. With Todd Hunsaker's retirement it should not cost us anymore. The extra pay for those positions would be swallowed up by the money he is no longer making—he was the highest paid officer here. Manager Warnke said this process was not clear in the policy so we wanted to disclose what we have been contemplating. There is no budget impact, he is flattening out the responsibilities that two sergeants have and spreading the pay associated with it. The Council agreed they were good with this plan.

Coordinator Christensen talked about his items during the first part of the work session.

- d. Council Reports and Comments: none

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Motion by Councilmember Holmgren to move into closed session. Motion seconded by Councilmember Vance. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

The Council moved into a closed session at 8:34 p.m.

12. **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 Archibald to return to open session. Motion seconded by Councilmember Seamons. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

The Council returned to open session at 8:57 p.m.

13. Adjournment.

Motion by Councilmember Holmgren to adjourn the meeting. Motion seconded by Councilmember Vance. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

The meeting adjourned at 8:58 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 _____, 2020.

Linsey Nessen, City Recorder

FY 2021 BUDGET OVERVIEW - General Fund, Special Rev Funds, Utility Funds

FUND	2019 Actual	2020 Budget	2021 Budget	Change in Budget \$	Change in Budget %	Noteworthy Expenses
						All Funds
						Budgeted no increase on Property Tax
						Sales Tax - Budgeted 13% decrease in revenue from 2019 actual
						Budgeted 9% increase in Health insurance renewal (From approx. \$776,000 to \$845,000 or \$69,000).
10 - GENERAL FUND						2% COLA 1% Merit (increase of \$83,676)
Non Dept.	\$ 51,465.43	\$ 181,750.00	\$ 43,900.00	\$ (137,850.00)	-76%	Billboards completed fiscal year 2020
City Council	\$ 63,636.93	\$ 83,100.00	\$ 75,550.00	\$ (7,550.00)	-9%	No computer allowance owed this fiscal year
Court	\$ 103,075.68	\$ 116,800.00	\$ 129,800.00	\$ 13,000.00	11%	\$4,600 increase in computer software
City Manager	\$ 63,661.76	\$ 75,450.00	\$ 75,750.00	\$ 300.00	0%	
Treasurer	\$ 62,396.34	\$ 72,250.00	\$ 73,500.00	\$ 1,250.00	2%	
Recorder	\$ 70,450.48	\$ 75,100.00	\$ 76,300.00	\$ 1,200.00	2%	
Professional	\$ 91,779.18	\$ 107,050.00	\$ 111,350.00	\$ 4,300.00	4%	
Economic Development	\$ 14,126.75	\$ 9,300.00	\$ 4,900.00	\$ (4,400.00)	-47%	Decrease shows finished Economic Development Plans
Election	\$ 193.38	\$ 9,900.00	\$ 300.00	\$ (9,600.00)	-97%	No election this year
Civic Center	\$ 25,594.04	\$ 37,200.00	\$ 38,700.00	\$ 1,500.00	4%	
Planning & Zoning	\$ 41,811.13	\$ 91,550.00	\$ 98,600.00	\$ 7,050.00	8%	\$50,000 for a Land Use Plan and Zoning District Update (\$50,000 UDOT Grant)
Enforcement Liquor Laws	\$ 4,630.04	\$ 9,000.00	\$ 11,000.00	\$ 2,000.00	22%	
Police	\$ 1,425,838.91	\$ 1,672,200.00	\$ 1,747,300.00	\$ 75,100.00	4%	
Building Inspection	\$ 122,010.89	\$ 133,300.00	\$ 145,200.00	\$ 11,900.00	9%	
Emergency Management	\$ 16,164.94	\$ 21,500.00	\$ 20,600.00	\$ (900.00)	-4%	
Garbage Collection	\$ 341,578.39	\$ 347,000.00	\$ 358,500.00	\$ 11,500.00	3%	
Streets	\$ 458,202.64	\$ 625,300.00	\$ 616,200.00	\$ (9,100.00)	-1%	
Class C Road Project	\$ 134,162.21	\$ 53,000.00	\$ 62,000.00	\$ 9,000.00	17%	\$11,500 engineering for chip sealing
Senior Programming	\$ 85,229.79	\$ 120,570.00	\$ 119,100.00	\$ (1,470.00)	-1%	
Congregate Meals	\$ 92,443.28	\$ 98,900.00	\$ 99,300.00	\$ 400.00	0%	
Home Delivered Meals	\$ 163,127.10	\$ 168,640.00	\$ 177,000.00	\$ 8,360.00	5%	
Senior Building	\$ 46,597.52	\$ 64,725.00	\$ 58,400.00	\$ (6,325.00)	-10%	
Golf Course	\$ 0.01	\$ 1,900.00	\$ 1,300.00	\$ (600.00)	-32%	
Cemetery	\$ 43,325.41	\$ 37,150.00	\$ 33,800.00	\$ (3,350.00)	-9%	
Parks	\$ 323,038.00	\$ 393,000.00	\$ 406,400.00	\$ 13,400.00	3%	
Community Events	\$ 67,129.43	\$ 89,650.00	\$ 90,000.00	\$ 350.00	0%	
Library	\$ 299,333.46	\$ 319,800.00	\$ 348,000.00	\$ 28,200.00	9%	\$15,000 new computers
Utopia	\$ 366,002.15	\$ 373,000.00	\$ 380,500.00	\$ 7,500.00	2%	2% annual increase until 2040
Transfers to other funds	\$ 1,396,226.71	\$ 487,350.00	\$ 479,100.00	\$ (8,250.00)	-2%	\$300,000 assigned to future road projects; \$179,100 to cover operational shortfall in the Recreation Fund
	\$ 5,973,231.98	\$ 5,875,435.00	\$ 5,882,350.00	\$ 6,915.00	0%	
FUND	2019 Actual	2020 Budget	2021 Budget	Change in Budget \$	Change in Budget %	Noteworthy Expenses
21 - FOOD PANTRY	\$ 39,533.52	\$ 60,475.00	\$ 56,500.00	\$ (3,975.00)	-7%	
25 - RECREATION	\$ 241,690.29	\$ 284,150.00	\$ 290,200.00	\$ 6,050.00	2%	
26 - PARKS	\$ 148,829.61	\$ 252,000.00	\$ 130,000.00	\$ (122,000.00)	-48%	\$65,000 Trailhead landscaping; \$50,000 Outdoor Fitness Park
28 - FIRE/EMS	\$ 839,633.42	\$ 850,550.00	\$ 1,136,700.00	\$ 286,150.00	34%	\$200,000 SCBA; \$175,000 Ambulance; decrease of \$100,000 Real Property Acquisition
40 - CAP PROJECTS	\$ 91,158.22	\$ 240,000.00	\$ -	\$ (240,000.00)	-100%	No Capital Projects scheduled
41 - VEHICLE CAP PROJECTS	\$ 71,368.00	\$ 301,600.00	\$ -	\$ (301,600.00)	-100%	No vehicles or equipment scheduled
42 - TRANS CAP	\$ 165,657.35	\$ 506,000.00	\$ 141,500.00	\$ (364,500.00)	-72%	\$20,000 impact fee study; \$121,500 acquisition of ROW paid for by grant
FUND	2019 Actual	2020 Budget	2021 Budget	Change in Budget \$	Change in Budget %	Noteworthy Expenses
51 - WATER UTILITY						
Water Dept. Utility Fund	\$ 1,375,400.53	\$ 1,477,900.00	\$ 1,474,500.00	\$ (3,400.00)	0%	\$100,000 purchase water from the BRWCD; \$200,000 replace water meters
Secondary Water	\$ 6,682,047.84	\$ 2,949,700.00	\$ 946,900.00	\$ (2,002,800.00)	-68%	\$50,000 new water meters; \$100,000 water shares; \$350,000 secondary water construction.
Admin Services Charge	\$ 7,800.00	\$ 7,600.00	\$ 10,600.00	\$ 3,000.00	39%	
	\$ 8,065,248.37	\$ 4,435,200.00	\$ 2,432,000.00	\$ (2,003,200.00)	-45%	
FUND	2019 Actual	2020 Budget	2021 Budget	Change in Budget \$	Change in Budget %	Noteworthy Expenses
52 - TREATMENT PLANT						
Treatment Plant	\$ 821,872.65	\$ 4,072,100.00	\$ 1,170,500.00	\$ (2,901,600.00)	-71%	Decrease because of project completion of \$1,922,000 Nutrient Removal, \$813,000 Bio-Solid Handling Project, \$158,000 Influent Screen
Compost Operations	\$ 304,186.52	\$ 361,900.00	\$ 295,600.00	\$ (66,300.00)	-18%	
Admin Services Charge	\$ 8,500.00	\$ 8,200.00	\$ 6,000.00	\$ (2,200.00)	-27%	
	\$ 1,134,559.17	\$ 4,442,200.00	\$ 1,472,100.00	\$ (2,970,100.00)	-67%	
FUND	2019 Actual	2020 Budget	2021 Budget	Change in Budget \$	Change in Budget %	Noteworthy Expenses
54 - SEWER FUND	\$ 135,191.95	\$ 257,200.00	\$ 226,000.00	\$ (31,200.00)	-12%	
FUND	2019 Actual	2020 Budget	2021 Budget	Change in Budget \$	Change in Budget %	Noteworthy Expenses
55 - STORM DRAIN	\$ 86,147.60	\$ 303,650.00	\$ 274,900.00	\$ (28,750.00)	-9%	\$100,000 water shares
TOTAL BUDGET	\$ 16,992,249.48	\$ 17,808,460.00	\$ 12,042,250.00	\$ (5,766,210.00)	-32%	
2019 BUDGET OVERVIEW - RDA Funds						
FUND		2020 Budget	2021 Budget	Change in Budget \$	Change in Budget %	Noteworthy Expenses
71 - RDA DOWNTOWN	\$ 439,168.65	\$ 520,000.00	\$ 265,000.00	\$ (255,000.00)	-49%	\$15,000 public realm enhancements; \$250,000 Tremont Center Reimbursement
73 - RDA - WLF	\$ 1.00	\$ 241,000.00	\$ 238,000.00	\$ (3,000.00)	-1%	\$100,000 for purchase of property\$100,000 Purchase of Property for Moderate Income Housing
As of April 20, 2020						

Budget Worksheet Page		Budget Worksheet Page
43	or	21
46	or	23
57	or	30
59	or	31
68	or	37
71	or	39
74	or	41
76	or	42
77	or	43
87	or	47
93	or	50
98	or	52
101	or	54
106	or	56
111	or	59

Fund	Name	Balanced With Fund Balance	Amount		Balanced With Transfer/Loan	Amount
10	General Fund	10-39-999 - Fund Balance to be appro.	\$ 147,320	or		
21	Food Pantry	21-39-950 - Fund Balance to be appro.	\$ 16,000	or		
25	Recreation			or	25-39-901 - Transfer From GF & 10-90-954 - Transfer to Rec	\$ 179,100
26	Parks	26-36-890 - Fund Balance to be appro.		or	26-36-905 - Loan from Fund 73 & 73-90-110 - Loan to Fund 26	\$ 38,000
28	Fire	28-39-999 - Fund Balance to be appro.	\$ 201,300	or		
40	Capital Projects	40-39-999 - Fund Balance to be appro.	\$ -	or		
41	Capital Vehicles	41-39-999 - Fund Balance to be appro.	\$ -	or		
42	Transportation	42-39-970 - Fund Balance to be appro.	\$ 20,000	or		
47	Capital Projects WWTP	N/A	\$ -	or		
51	Water	51-38-897 - Excess from Reserves	\$ 687,300	or		
52	Treatment	52-38-897 - Excess from Reserves	\$ (425,900)	or		
54	Sewer	54-38-897 - Excess from Reserves		or	54-71-750 - Sewer Construction	\$ 43,200
55	Storm Drain	55-38-897 - Excess from Reserves	\$ 104,900	or		
71	RDA Downtown	71-38-897 - Excess from Reserves	\$ 15,000	or		
73	RDA WLF	73-36-890 - Fund Balance to be appro.	\$ 238,000	or		

Revised 4/20/2020

ADMINISTRATIVE MEMORANDUM

TO: Mayor and City Council/RDA Chair and RDA Board members

FROM: Shawn Warnke, City Manager; Marc Christensen, Community Services Director; Linsey Nessen, City Recorder; and Cynthia Nelson, Deputy City Recorder

DATE: May 5, 2020

SUBJECT: Draft Tentative Budget Message FY 2021 - All Funds

- Discussion of the Tentative Budget entitled "The Tremonton Annual Implementation Budget 2020-2021 (General Fund, Capital Fund(s), Enterprise Fund(s) and Special Fund(s))" for the period commencing July 1, 2020, and ending June 30, 2021
- Discussion of the Tentative Budget entitled "The Redevelopment Agency of Tremonton City Annual Implementation Budget 2020-2021 for RDA District #2 Fund – Downtown and Tremonton West Liberty Foods EDA 172" for the period commencing July 1, 2020, and ending June 30, 2021

Preface

The budget message is prepared with the purposes of complying with the statutory budget message requirements in Utah Code 10-6-111(2) (b). Additionally, City staff is available to meet as requested to review and discuss the contents of the budget.

As you know, the budgeting process is the best estimate of revenues and expenses. To the best of our ability, Tremonton City staff believes that the Budget represents what is reasonably anticipated for revenues and expenses; however, many variables can affect the budget during the upcoming fiscal year. The Budget also sets spending maximums for the funds and accounts. It will be the Department Heads' responsibility to execute the budget to best of their ability within appropriation limits set by the City Council barring unforeseen events.

Upcoming Public Hearings

A public hearing for the Tentative Budget will be held on May 5, 2020, and for the Final Budget on June 16, 2020.

Noteworthy Items to Track

As you know, the adoption of the Tentative Budget is one step in the entire budgeting process. With the approval of the Tentative Budget on May 5, 2020, there are several items to track and consider for inclusion or adjustment in the Final Budget. These items include but are not limited to, the following:

- The number of individuals that will elect to participate in a high deductible health plan and the corresponding contributions to their health savings account
- Any amendments to the Fire Department staffing model the City Council may decide upon
- Estimating the revenue associated with any changes to the water rates
- Monitoring the taxes that might be susceptible to the economic conditions associated with the Covid 19 pandemic
- Considering adjusting contra revenue for impact fee expenditures to reflect the impact fee eligible expenses associated with updating the impact fee facilities plan and impact fee analysis

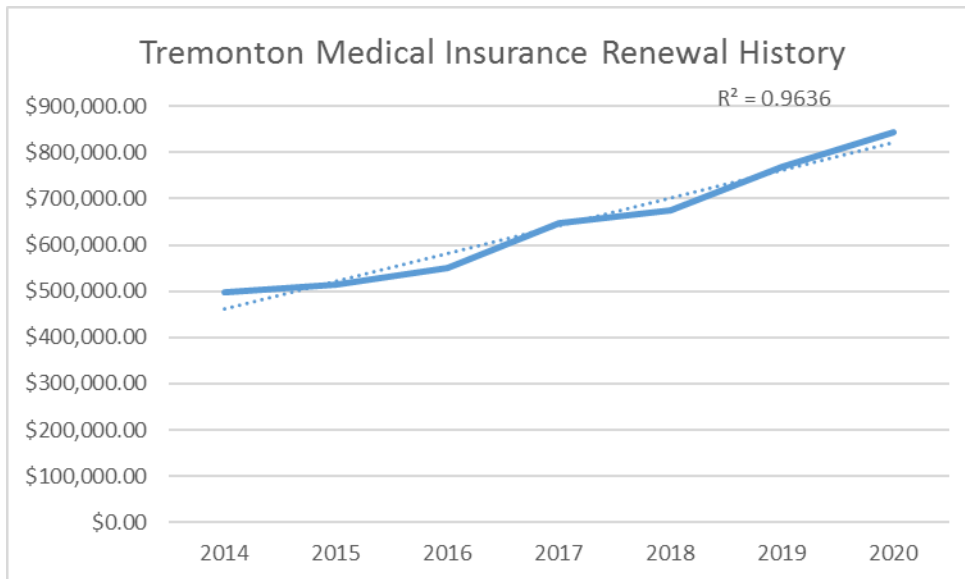
Budget Overview- All Funds

Notable Items All Funds. Several notable items that are included throughout all of the Funds of the Budget are as follows:

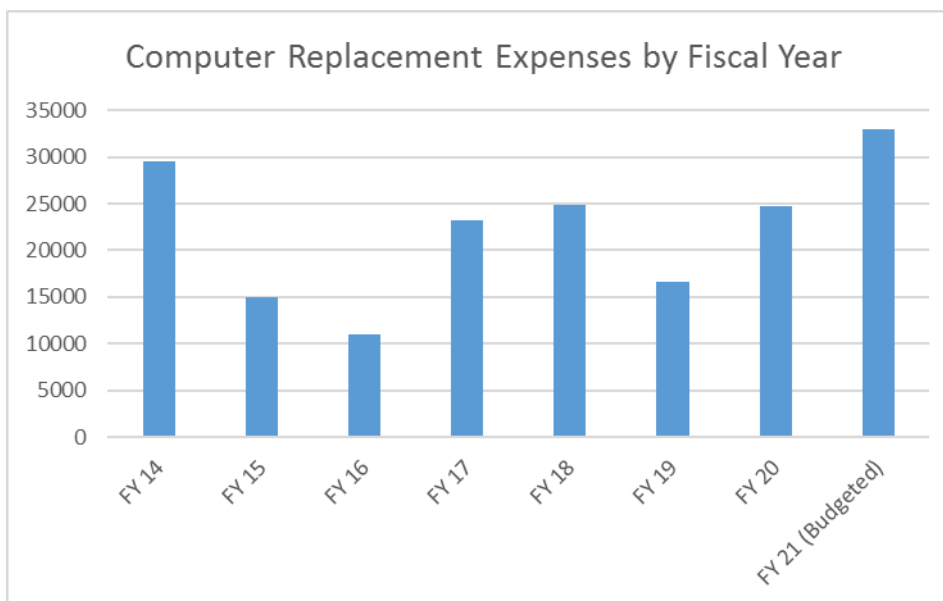
- **COLA & Merit.** A 2% cost of living adjustment (COLA) and 1% Merit has been inputted into the Budget. Please see the section below entitled *COLA and Merit Increases* for an additional explanation on this expense. The proposed 2% cost of living adjustment (COLA) and 1% Merit increase would have a budget impact in FY 2021 of \$83,676 on salaries and benefits.
- **Selective Wage Adjustments.** Selective wage adjustments are included in the Budget based upon City policy, which includes employees that are ending their probationary period and employees that are eligible for achievement increases and other factors.
- **Utah Retirement System.** The City's has received the final contribution rates for the Utah Retirement System for FY 2021 remains the same as the FY 2020 contribution rates, except that URS contributions for Tier II Public Safety has increased by two percent, which equates to \$2,843.
- **Insurance Premiums.** The City received its renewals quotes for insurance premiums for liability, workers' compensation, property, and auto physical damage. The liability premium will decrease by 12%, with the new premium amount being \$58,202. The workers' compensation will decrease by 28%, with the new premium being \$50,008. It is anticipated that the workers' compensation premium will continue to decrease again in FY 22 if the City experiences no claims for workers compensation for the remained of FY 20 (premiums in part are based upon losses for three years). Tremonton City's current property premium is \$24,261, and auto physical damage premium is \$25,685. The rates associated with property and auto have not changed for 12 years.
- **Health Insurance Increase.** Cigna's original renewal for medical was a 24.14% increase or \$187,300 increase in premiums paid, with a few adjustments to the plan's benefits GBS was able to reduce the renewal to 8.96% increase or \$69,507 increase in premiums paid.

Tremonton City Medical Insurance Renewal History

Plan Year	Carrier	Percentage Increase/Decrease	Total Annual Premium	Enrolled	Notes
2011-2013	Altius				
2014	Selecthealth	.51% Decrease	\$498,648.00	38	Switched to SelectHealth, Altius' renewal was a 17.22%
2015	Selecthealth	9.43% Increase	\$513,832.20	42	Added High Deductible Health Plan
2016	Cigna	6.93% Increase	\$549,452.64	42	Switched to Cigna, SelectHealth's renewal was 21.67%
2017	Cigna	9.56% Increase	\$646,288.80	42	Original renewal was a 16.82%, alternate option was chosen
2018	Cigna	11% Increase	\$675,498.12	40	Original renewal was a 17.03%
2019	Cigna	10.40% Increase	\$770,074.92	42	Original renewal was a 24.10%, alternate option was chosen
2020	Cigna	8.96% Increase	\$845,348.28	42	Original renewal was a 24.14%, alternate option was chosen

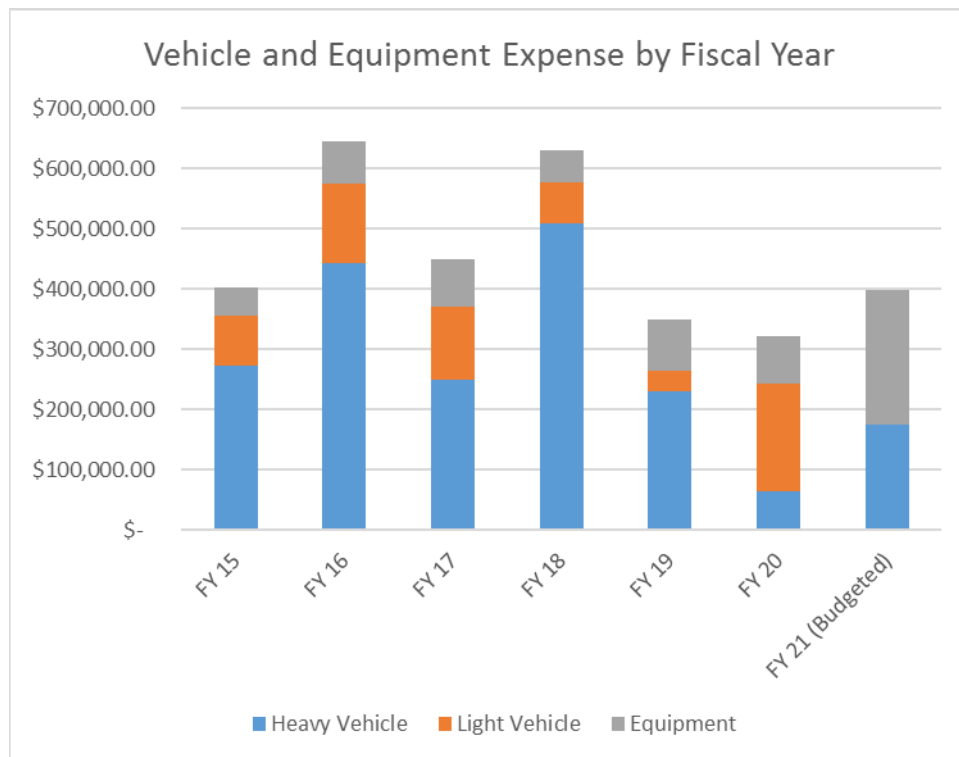


- Computer Replacements.** The City budgets for the replacement of computers that are over four years old. In the past, the City has not equalized the cost of replacement for computers. During the April 21, 2020, City Council meeting, there was some discussion regarding trying to equalize the expense for computer replacements over fiscal years. Below is a chart that shows actual expenses for computer replacements aggregated from all funds over the past five years, which ranges from \$30,000 to \$10,000 in a given year fiscal year. The detail that itemizes these computer expenses shown in the chart is included at the end of this memorandum. The budget process only appropriates the funds for replacement but does not mandate the replacement of the computers. Some employees who do not use computers as a primary piece of equipment may not want to replace their computers. I would anticipate that if the City moved to equalize computer expenses that for the plan to be successful in spreading out the expense equally, the City would likely need to mandate the expense rather than just budget for the expense. Thirty-three computers are due for replacement because they will exceed the four-year mark within the FY 2021. The City budgets \$1,000 for each computer. Budget \$33,000.



- Equipment & Vehicle Replacement.** In addition to examining the expenses of computers, City staff did this same exercise for contractor equipment, fire department equipment, light vehicles (passenger vehicles), and heavy vehicles (dump trucks, ambulances, fire trucks, vacuum trucks). Below is a chart that shows actual expenses for equipment and vehicle replacements aggregated from all funds over the past five years, which ranges from \$650,000 to \$300,000 in a given year fiscal year. The detail that itemizes the equipment and vehicle expenses shown in the chart is included at the end of this memorandum. These expenses can easily be skewed in a given year based upon the

purchase of heavy equipment, which can cost upwards of \$300,000. These expenses would be well to try to plan in the future, and the City does make some effort to anticipate the replacement of some of these expenses, which is included in the capital project list. Additionally, on May 1, 2012, the City Council adopted Resolution No. 12-23, creating Fund 42-Vehicle/Equipment Capital Project Fund for the accumulation of financial resources to ensure the timely replacement of vehicles and equipment for General Fund and Special Revenue Funds. If the City Council desires to equalize out some of these large expenses, it might be well accomplished through entering into lease arrangements for expensive pieces of equipment and vehicles. Additionally, City staff can increase their efforts to equalize these expenses over multiple fiscal years.



COLA and Merit Increases. FY 2021 Budget includes a COLA and Merit increase to employees' pay. The COLA's increases: 1) the minimums and maximums of the pay grade; 2) uniformly increases every employee's current wage along with increasing On-Call Pay, uniform allowances, and other miscellaneous pay, and 3) is meant to offset inflation. The COLA is essential because it helps the City stay current with comparable public entities for pay ranges and mitigates the City from falling behind in the market for starting pay, which is helpful when recruiting employees. Every employee, regardless of performance, receives COLA adjustments.

A merit increase moves the employee wage within a pay range. Merit increases are granted to employees based on performance and, as such, can vary from one employee to another employee. Merit increases are significant because they give Department Heads a way to reward employees that outperform other employees or provide exceptional effort/results.

Below is a table that records what the City has granted these past few years with COLA and Merit Increases.

Tremonton City's Recent COLA & Merit Increases

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
COLA	2%	2%	2%	2%	2%	2%
Merit Increases	1%	1%	1%	1%	1%	1%
Specific Position Adjustments				Varied based on salary survey findings	Varied based on salary survey findings	Varied based on salary survey findings

Impact Fees. As noted below, City staff is estimating the issuance of 62 single-family detached building permits and 16 multi-family attached during FY2021, which has been the actual average of building permits issued over the past four calendar years. Although the actual building permits for single-family detached buildings permits have been higher in the most recent past, City staff believes it prudent to estimate conservatively on growth-related revenue that is so sensitive to variables such as interest rates, local economy, that affect the housing market. All revenue estimates associated with

impact fees are derived from the 62 single-family detached building permits and 16 multi-family detached building permit projections.

Tremonton City's Recent Building Permits Table

Calendar Year (CY)	Single-Family Detached	Multi-Family Attached	Total Building Permits
CY 2015	28	20	48
CY 2016	49	4	53
CY 2017	81	8	89
CY 2018	88	8	96
CY 2019	63	40	103
Avg. Building Permits Issued in Past 4 Years	62	16	75

An important element to be aware of is that in some cases, the impact fee is collected for reimbursement (also known as "buy-in") of existing facilities (for the police station, fire station, and fire ladder truck) that the City has already constructed or acquired. In these cases, the revenue is not restricted and may be used for any purpose. However, in most cases such as the Parks, Recreation, and Trails (26-36-750 *Park Impact Fee*); Wastewater Treatment Plant (47-37-750 *Impact Fee WWTP- Tremonton*); Water (51-39-715 *Water Impact Fees*); Sewer Fund (54-39-725 *Sewer Collection Impact Fee*); and Storm Water (55-39-725) the impact fee is being collected for future facilities and as such is restricted revenue for the aforementioned purpose. During fiscal years when the City is not undertaking a future facilities project for which the impact fees are being collected a contra revenue amount (i.e., a negative amount in the line item entitled "impact fee reserve") is budgeted to reduce the revenue so that the budget does not mix capital revenue with operational revenue.

10- General Fund.

Revenues. Most of the revenues within the General Fund have remained flat from the last fiscal year. However, below is an explanation of revenue sources in the General Fund that are being proposed to increase or decreased:

- **10-31-100 General Property Tax.** The City will not receive the certified tax rate calculated by the County Auditor until the middle to end of June, likely after the City Council has approved the FY 2021 Budget. It is proposed in lieu of knowing the certified tax rate and the amount of new growth of taxable value in Tremonton City, that the current year estimated revenue be budgeted, which is \$1,697,000.
- **10-31-130 General Sales & Use Tax.** This revenue stream can vary from year to year based on sales tax being collected both locally and throughout the state of Utah. Over the past eight years, the City has been experiencing an increase in sales taxes, as shown in the bar graph below. As of March 2020, sales tax is 4% ahead of the last fiscal. However, this 4% increase was before the preemptive social distancing guidelines and stay at home order implemented for COVID-19 that have had economic repercussions. For budgetary purposes, City staff would anticipate that sales taxes will decrease in the near term as unemployment has increased. While it is difficult to know what to expect with the economy, it may be reasonable to think that the drop in sales tax could be similar to the Great Recession wherein sales tax receipts for Tremonton dropped by 13% from FY 2008 to FY 2010. Using this same percentage decrease of 13% from the actual sales tax collected for FY 2019 is \$1,751,298 would equate to a budgeted reduction of \$227,668 in projected sales tax revenue in FY 2021. As such, the budget is anticipating \$1,523,630 (\$1,751,298 - \$227,668) for sales tax receipts in FY 2021.
- **10-34-362 B & C Road Fund Allotment.** It is anticipated that the Gas Tax may decrease due to COVID-19. The City is budgeting a 10% decline of the three year average of 360,000.

Past Fiscal Years Sales & Use Tax Revenue- Table (Audited Numbers)

Revenue	FY 16	FY 17	FY 18	FY 19	13% decrease in sales tax from FY 19
10-31-130 General Sales & Use Tax	\$1,487,382	\$1,629,201	\$1,737,674	\$1,751,298	\$227,668

Past Fiscal Years Sales & Use Tax Revenue- Graph (Unaudited Numbers)



- **Building Permit Related Revenues.** This revenue stream can vary from year to year, based on various factors. As noted above, City staff is estimating the issuance of 62 single-family detached building permits and 16 multi-family attached during FY 2021, which has been the actual average of building permits issued over the past four calendar years. All revenue estimates associated with impact fees are derived from the 62 single-family detached building permits and 16 multi-family detached building permit projections based upon the past four years.
- **10-38-900 Collection on Note Receivable (UTOPIA Reimbursement).** As a member of UTOPIA, Tremonton City participated in aiding UTOPIA during a period that the organization was experiencing an operational shortfall. UTOPIA is now in a better financial position and is repaying the monies back to Tremonton City. UTOPIA is projecting the remaining \$138,000 owed to the City by 2023. Budget \$37,500.
- **10-39-999 Fund Balance to be Appropriated.** The General Fund uses Fund Balance to make up the difference between estimated revenues and estimated expenses. The budget is prepared with an approach to slightly underestimate revenues and to slightly overestimate expenses. The FY 2021 Budget estimates revenues and expenses to require \$147,320, to be appropriated from the General Fund's fund balance to overcome the operational shortfall estimated in the budget. Though budgeted in the past, the City has never actually had to use Fund Balance in the end because revenues exceed the estimated revenues, and the Department Heads expend less than the full appropriation. In addition, it may be worth noting that there are also some significant onetime expenditures authorized in the General Fund, and these one-time expenses seem appropriate to be funded by the one-time revenue of the Fund Balance.

Notable Expenses Included in Budget. Notable expenses in this Fund are as follows:

- **10-52-370 Other Professional & Technical (Planning & Zoning).** With the completion of the economic development plan and transportation master plan, the City submitted to UDOT for a grant to engage a professional to do a future land use plan and zoning district update. This plan would be of critical importance as the City tries to reduce conflicts between residential uses and higher intense land uses in the future. Additionally, this planning effort would help to plan on the other side of I-84 and land uses surrounding the proposed Commerce Parkway, which is included in the transportation plan. The City did receive a grant from UDOT, and on January 21, 2010, the Tremonton City Council adopted Resolution No. 20-05, approving the Tremonton City Corridor/Area Corridor Study Collaborative Agreement between UDOT and Tremonton City to create an integrated Land Use Plan. Essentially, under this agreement, UDOT granted the City \$50,000 to undertake the creation of a land-use plan. The City has selected Landmark Design, a consultant that is within the UDOT pool to draft the land-use plan. The total cost of the project is \$71,460 with Tremonton City receiving \$50,000 from UDOT and the City paying the balance. The City has budgeted \$50,000 in 10-52-370 in FY 2021.
- **10-60-550 Special Projects (Streets Department).** A transportation-engineering firm has created a transportation plan for Tremonton City. A few elements of this plan included an analysis of school zones, existing railroad crossings, and pedestrian crossings complying with MUTCD standards. This analysis of existing school zones and crossings identified deficiencies and improvements that need to be made. As such, the City is budgeting funds for this specific purpose. Budget \$15,000.
- **10-73-480 Arts Council (Community Events).** As you know, the City received a Box Elder County TTAB Grant to commission the painting of the "Grand Entry" located at the Fairgrounds. While Jason completes this wall mural, the City submitted a grant request from the TTAB and received \$7,000 to start another mural to be completed in the summer of 2020. When the City requested bids for the Grand Entry Wall Mural, two artists submitted proposals, one from Erik Burke and the other from Jason Nessen. The City selected Jason Nessen for the Grand Entry Wall Mural. With Jason Nessen engaged in completing the Grand Entry Mural, the City desires to engage Erik Burke, a full-time professional artist that can work on the proposed mural full time until completed. Erik Burke lives in Reno, NV, and travels the world painting murals. <https://www.erikburke.com/> Budget \$15,000.

Debt Service Schedules- General Fund. The following is debt service obligations associated with the General Fund:

- **10-89-100 UTOPIA Debt Service.** Tremonton City pledges its Sales Tax as a repayment source associated with UTOPIA bonds, which were used to construct a fiber network for member cities. For FY 2021, the City will pay \$380,500 in debt service. The City's UTOPIA debt service obligations continue to grow with UTOPIA at a rate of 2% each year until its maturity in 2040.

What follows is a short summary of the progress of UIA and UTOPIA. As of May 2019, UIA and UTOPIA are both performing well financially with the network having service available to over 90,000 addresses with approximately 24,000 active subscribers. The system is rapidly being built out at a pace of about 1500 homes per month, with about 500 new subscribers coming on per month. UIA and UTOPIA are making significant progress toward the complete buildout of all original cities and expect to complete this by the end of 2022. Additionally, UIA and UTOPIA recently completed the buildout of the first new city partnership with Woodland Hills City. We have also entered into a contract to build out Morgan City this year and to do an expedited buildout of Payson.

Fund Balance & Transfers. There are several transfers of funds associated with FY 2021, which are as follows:

- **10-90-950 Transfer to the Capital Projects Fund.** The FY 2021 Budget does not include any projects for road reconstruction or chip seal of roads because of the ongoing construction of secondary water within the roadways. In the meantime, the City needs to reserve money for future roadwork by transferring what it would have spent in FY 2021 to Fund 40 and having the City Council specify the dollar amount of the transfer that is "assigned" to road projects. Thereafter City staff can create an assignment in the Fund 40's balance sheet when the transfer is recorded; City staff will release the assignment when the funds are appropriated and spent in future fiscal years. There is a corresponding line item in *40-39-900 Transfer in from General Fund*. Budget \$300,000
- **10-90-954 Transfer to Recreation Fund.** A transferred from the General Fund to the Recreation Fund is needed to bridge an operational shortfall in the Recreation Fund. Please note that the recreation participant fees are paying for the direct expense of programs. However, the participant fees are not covering the indirect costs, such as salaries and benefits of administrative City staff, utilities, etc. Budget \$179,100.

Emerging Issues- Additional Police Officer. One of the emerging issues that have been discussed over the years is additional officers for the Police Department. Utah's ratio is one officer for every 571 citizens with the national ratio of one officer for every 588 people. Tremonton City serves more population per officer than any other department in Box Elder County, which includes the following:

- Mantua—1 officer per 411 citizens
- Willard—1 officer per 620 citizens
- Box Elder County – 1 officer per 640 citizens
- Perry—1 officer per 710 citizens
- Brigham City—1 officer per 661 citizens
- Tremonton—1 officer per 784 citizens
- Combined (Tremonton-Garland) Department—1 officer per 796 citizens

To reach the county staffing average, the police department would need one more officer. The Tremonton Garland combined Police Department lowered calls per officer significantly by increasing our staffing (even with the added Garland calls), but Tremonton City still takes a significantly higher call volume, per officer, than Brigham City or the County, as shown in the chart below.

Year	Tremonton	Brigham City	Box Elder County
2015	536	352	173
2016	580	387	199
2017	557	373	200
2018	610	388	225
2019 (combined)	488	360	216

Chief Furtig has been working on a grant to hire a new officer. If the grant is successful, the grant will cover 75% of the pay and benefits for a new officer for the first three years. In addition to keeping up with appropriate police officers to

citizens, hiring an extra officer would also help in continuing to reduce the number of hours that officers must work alone. The annual cost of employing (salary and benefits) for an entry-level police officer is \$88,006.

21- Special Revenue Fund- Food Pantry Fund.

Revenues & Expenses. Revenue line items *21-38-120 Private Donations* and *21-33-101 Reimbursement of Sales Tax*, which comprise the majority of revenue associated with the Food Pantry Fund, is directly dependent upon the generosity of the community. The revenue from Private Donations remained high in FY 2020 and is projected to do the same for FY 2021. Without residents, donating food, the Food Pantry cannot receive sales tax reimbursement from the State of Utah. Additionally, when food donations are down, the Food Pantry has less food to distribute to those in need. In the past, the General Fund has made transfers at the end of the year to Fund 21 even though it was not needed to eliminate a budgetary, operational shortfall. These past transfers, coupled with the fact that actual revenues have typically exceeded expenses in this Fund, have allowed Fund 21 to build up a modest fund balance. The FY 2021 Budget estimates revenues and expenses to require \$16,000 to be appropriated from the Food Pantry Fund's fund balance to overcome the operational shortfall estimated in the budget. It has been common in the budgeting process to appropriate fund balance to balance the budget; however, actual revenues have always exceeded expenses in this Fund. Cathy Newman, Food Pantry Director, does a great job in managing the financial resources in this Fund.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- *None*

25- Special Revenue Fund- Recreation Fund.

Revenues & Expenses. FY 2021 estimates revenues and expenses require \$179,100 to be transferred in from the General Fund's fund balance to bridge an operational shortfall in the Recreation Fund. Please note that the recreation participant fees are paying for the direct expense of programs. However, the participant fees are not covering the indirect costs such as salaries and benefits of administrative City staff, administrative supplies, utilities, etc. which is contained in the *25-40 Non-Department Expense* of this Fund's budget which totals \$166,900.

26- Special Revenue Fund- Parks.

Revenues. This Fund is used to account for park-related impact fees and to fund other park-related projects that add capacity to the City's park and trail system. The primary revenue associated with this fund is impact fees collected for parks-related projects.

FY 2021 Budget estimates a net of \$91,000 of impact fees will be collected. Past programmed projects of the basketball court and Holmgren Nature Trail and Preserve have essentially taken the fund balance down to zero. Therefore, there is not sufficient money available in this Fund for other capital projects without a loan from another fund. For this reason, it is proposed that there be an interloan fund of \$38,000 from the Fund 73- RDA #3 Moderate Income Housing (West Liberty Foods).

Notable Expenses Funded. Notable expenses in this Fund include:

- *26-62-291 Capital Project (Fit Court).* Tremonton City Council committed to budget funds for a Fit Court on January 21, 2020. More specifically, Tremonton City committed to accept a \$30,000 National Grant Award as part of the 2020 Fit Cities Campaign – an initiative to install and activate Fitness Courts® in 200 cities and schools across the country. With the acceptance of the \$30,000 grant the City's committed to the following: Providing a local funding match for up to \$47,000; Construction and launch of the outdoor Fitness Court®, at Jeanie Stevens Park, by the end of the 2021 fiscal year; and Securing supplemental funding as needed through community sponsorships, which will be made available and allocated to this program. Budget \$50,000.
- *26-62-292 Trailhead Landscaping and Amenities (Trailhead at the Holmgren Nature Preserve and Trail).* There remain landscaping improvements and amenities that need to be completed at the trailhead for the *Holmgren Nature Preserve and Trail*, such as benches, garbage cans, hard surface improvements, playground, etc. This entire project (100%) is impact fee-eligible. Budgeted \$65,000.
- *26-62-512 Impact Fee Updates.* The City Council adopted Ordinance No. 14-01 approving an impact fee facilities plan (IFFP) and Ordinance No. 14-02 approving impact fee analysis (IFA) in January 2014. It is time that the City evaluates and modifies the IFFP and IFA based upon the past five years and future projects. The City Council adopted Resolution No. 19-55 and Resolution No. 19-56, which approved professional services agreement with Zion Bank

Public Finance and Jones and Associates to update the impact fee documents which are occurring now. The estimated cost to update the impact fee documents is \$8,000. This project is an impact fee eligible. Budget \$8,000.

28- Special Revenue Fund- Fire Department.

Revenues. The FY 2021 Budget estimates revenues associated with Ambulance Fees (GL# 28-35-596 Ambulance Mileage and GL# 28-35-598 Ambulance Fees) to increase to \$1,420,000 (which is the average of the last two fiscal years of revenue); however, there are two contra revenue line items that are also anticipated to increase, namely 28-35-586 Bad Debt (fees for services that the City cannot collect) and 28-35-591 Ambulance Write-Off (the amount the City writes off as a result of accepting Medicare and Medicaid). The aforementioned contra revenue line items reduce this Fund's primary revenue source of 28-35-598 *Ambulance Fees*. History has shown that 28-35-598 *Ambulance Write-Off* is typically 30% of Ambulance Fees, and 28-35-586 *Bad Debt* is typically 12% of Ambulance Fees. FY 2021 estimates that revenues and expenses require \$201,300 appropriation of fund balance to balance this budget.

In FY 2018, the budget separated revenues and expenses for fire and ambulance into departmental accounts. Expenses that are common for the fire and ambulance are accounted for in the Non-Departmental Expense Account. The clear division of revenue and expenses will allow the City Council to see more directly the financial impact of fire and ambulance services.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- *26-62-512 Impact Fee Updates and 10-54-512 Impact Fee Updates (Police Department).* The City Council adopted Ordinance No. 14-01 approving an impact fee facilities plan (IFFP) and Ordinance No. 14-02 approving impact fee analysis (IFA) in January 2014. It is time that the City evaluates and modifies the IFFP and IFA based upon the past five years and future projects. The City Council adopted Resolution No. 19-55 and Resolution No. 19-56, which approved professional services agreement with Zion Bank Public Finance and Jones and Associates to update the impact fee documents which are occurring now. The estimated amount of updating public safety impact fees is \$6,000, with 50% being split with the Police Department, 10-54-512. This project is an impact fee eligible. Budget amount \$3,000 and \$3,000, respectively. Budget \$3,000.
- *28-51-706 Fire Equipment Greater than \$5K.* Necessary equipment in the Fire Department includes Self Contained Breathing Apparatus (SCBA), which consists of facepieces and air-packs. The City purchases approximately 40 face pieces for each firefighter for sanitary purposes, and each mask needs to be fit tested to a firefighter's face annually (OSHA). The City typically purchases 29 air packs, one pack per each seat in fire fighting apparatus fleet. The air-packs need to be replaced because they are at the end of life, as they are 15 years and have been hydro-tested three times. Budget \$200,000.
- *28-52-710 Ambulance Purchase.* The City has been purchasing an ambulance once every two years due to the amount of mileage driven on the ambulance each year. As such, an ambulance is scheduled to be replaced this year. The current fleet of ambulances are as follows:
 - o Ambulance 31- 2019 Chevy with 8,625 miles
 - o Ambulance 32- 2013 Chevy with 84,178 miles
 - o Ambulance 33- 2008 Chevy with 131,995 miles
 - o Ambulance 34- 2016 Chevy with 21,294 miles
 - o Ambulance 35- 1996 Ford with 79,635 miles

The budget anticipates that a new ambulance would cost approximately \$175,000. Budget \$175,000.

Debt Service Schedules- Fire Department Fund. The following is debt service obligations associated with the Fire Department Fund:

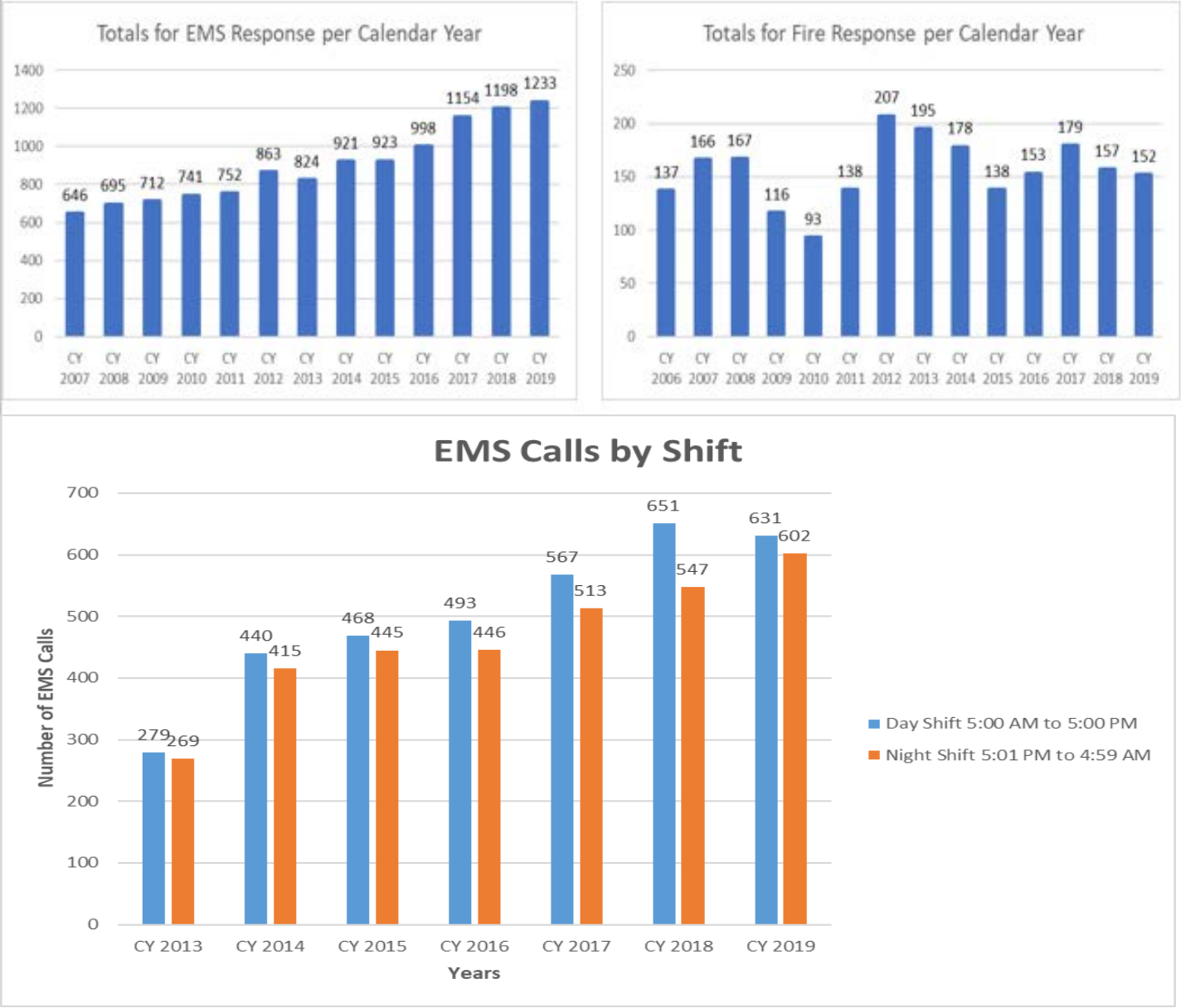
- *Debt Service Payment.* On October 17, 2017, the City Council adopted Resolution No. 17-51, a lease-purchase agreement with Zions Bank for the purchase of a Rosenbauer Fire Truck and Zoll Defibrillators. Under a lease-purchase agreement, Zions Bank provides the cash to purchase the fire truck and defibrillators upfront, and thereafter the City makes annual payments to Zions Bank to lease the fire truck and defibrillators. By the end of the lease, the City purchases the fire truck and defibrillators. The City paid approximately \$266,000, from Fund 41 Capital Vehicle and Equipment Replacement Fund, for the fire truck chassis upon arrival at the apparatus plant to receive \$10,000 discount on the purchase price of the truck.

The principal amount borrowed for the lease-purchase agreement is \$477,645 (\$129,904 for the defibrillators and \$347,740 for the fire truck) with \$45,641 in interest paid for a total amount to be repaid to Zions Bank being \$523,641.

The maturity date of the lease-purchase agreement is November 2023; however, there is no penalty for the early payoff of the lease-purchase agreement. As noted above, the principal debt amount attributed to the defibrillators is \$129,904 or 27% and to the fire truck \$347,740 or 73%. As such, the principal and interest amount are allocated to the respective fire departmental and ems departmental accounts as follows for FY 2021:

28-51-802 Debt Principal Payment (FIRE)	\$ 58,025.55	INPUTTED 3/2/2020	\$ 5,469.35	(FIRE) 28-51-851 Debt Interest Payment
28-52-802 Debt Principal Payment (EMS)	\$ 21,676.40	INPUTTED 3/2/2020	\$ 2,043.17	(EMS) 28-52-851 Debt Interest Payment
	\$ 79,701.95		\$ 7,512.52	

Emerging Issues- Full-Time EMT for Day Coverage. In the past several years of budgeting, the City Council has discussed the emerging issue of added coverage for the Fire Department. More specifically, ambulance calls continue to increase. At some point, the City will need to consider hiring EMT/Firefighters to be staged at the Fire Station to respond during the day when most department employees are outside of the City limits. Below are charts that show the increasing medical calls.



To understand the emerging issue of additional EMT/Firefighter staffing, the City Council engaged Brian Potts to perform a staffing analysis regarding the fire department on April 16, 2019. The primary elements of this analysis were to evaluate the current labor model for meeting the growing demand for emergency calls. After months of work, Brian Potts presented his findings and recommendation to the City Council on March 3, 2020. The process for analyzing the current labor model meeting the growing demand for emergency calls was extensive and included meeting with the Fire

Department employees on four different occasions and gathering thoughts and opinions from fire department employees through a survey. Essentially, the process revealed that the current fire department labor model is straining paid-on-call employees to meet the growing call demands. Changing the labor model for public safety is expensive and would likely require a property tax increase to be implemented.

In addition to the increasing call for service, the average age of the Fire Department Employees is increasing. With the average age being 49 years old. The average age of the top three Fire Department Employees with the most worked hours is 58, and 57% of the hours worked in the Fire Department are worked by employees in their 50's or 60's. This is significant as the Fire Department has not been able to attract new employees into the department to succeed as Fire Department employees start to retire.

% of hours worked	Age Category	% of Departmental Work Force	
2.2%	20's	3%	
19.4%	30's	22%	
20.5%	40's	25%	
42.5%	50's	36%	
15.0%	60's	11%	
0.5%	70's	3%	

The recommendation from Brian Potts at the end of the staffing analysis was to hire at a minimum to perform a staffing analysis regarding the fire department on April 16, 2019.

Shift Staffing Model

- Full-time Fire Department Chief/Administrator
- 1 Full-time Fire Captain (48/96 hr shift)
- 2 Full-time Fire staff (48/96 hr shift)
- 1 Part-time Fire staff [on-duty vs on-call] (12 or 24 hr shifts)
- Reserve Part-Time Fire program (2nd calls, all calls, the additional crew on 1st calls, etc.)
- Law Enforcement on-duty officers certified EMTs (Quick Response Units)

City staff is awaiting guidance from the City Council regarding the shift staffing model if any, to include in FY 2021.

40- Capital Projects Fund.

Revenues. The revenues associated with the Capital Projects Fund are realized from past transfers from the General Fund and grant revenues. This year there is \$0.00 being proposed for appropriation, as the City is not proposing undertaking any projects or have any expense in this Fund.

The FY 2021 Budget does not include any projects for road reconstruction or chip seal of roads until after the roads have been cut and the construction of secondary water has been completed. It is proposed that the City reserve money for future roadwork by transferring what it would have spent in FY 2021 from the General Fund to Fund 40 and having the City Council specify the dollar amount of the transfer that is "assigned" to road projects. So far, the City Council has assigned or will assign the following amounts on Fund 40's balance sheet:

- FY 2019- \$325,000
- FY 2020- \$325,000
- FY 2021- \$300,000

City staff will release the assignment when the funds are appropriated and spent in future fiscal years on road projects. The transfer is made through line item 40-39-900 *Transfer in From General Fund*, with the amount being \$325,000. There is a corresponding line item in 10-90-950 *Transfer to the Capital Projects Fund*.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- None

41- Vehicles Equipment Capital Projects Fund.

Revenues. Fund 41 Vehicle Equipment Capital Projects Fund was established for the accumulation of financial resources to undertake to ensure the timely replacement of vehicles and equipment for departments primarily contained in the General Fund and Special Revenue Funds. The replacement of vehicles and equipment for the utility departments are realized from financial resources from their respective enterprise fund. The revenues associated with the Vehicle Equipment Capital Projects Fund are obtained from past transfers from the General Fund. This year there is \$0.00 being proposed for appropriation, as the City is not proposing to make any purchases or have any expense in this Fund.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- None

42- Transportation Capacity Capital Projects Fund.

The revenues associated with the Transportation Capacity Capital Projects Fund are realized from past transfers from the General Fund and grant funds awarded from the Box Elder County Transportation Corridor Fund associated with the acquisition of right-of-way. This year the budget is only proposing undertaking the acquisition of right-of-way if the City was able to secure funding from the Box Elder County Corridor Preservation Fund. The Box Elder County Corridor Preservation Fund provides reimbursement of expenses like engineering, surveying, and appraisals. This year the budget is anticipating \$121,500 in grant funds from the Corridor Fund and \$20,000 that is being proposed for appropriation from the fund balance for the impact fee study.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- *42-51-320 Engineering; 42-51-330 Legal; and 42-51-370 Other Professional & Technical.* The Box Elder County Corridor Preservation Fund provides reimbursement funds, including professional and technical services, and requires some expenses to occur before applying for the funds, like engineering, surveying, and appraisals. Cumulatively for all three line items budget \$21,500
- *42-51-512 Impact Fee Update.* The City has engaged Horrocks Engineering and Zions Bank Public Financing to prepare a preliminary impact fee facilities plan to assist Tremonton City in determining the feasibility of Tremonton City enacting a transportation impact fee. This preliminary impact fee facilities plan will cost approximately \$10,000 and will provide some indication regarding if an impact fee for transportation is feasible, based upon projected spending for transportation facilities and anticipated growth. To carry the complete impact fee facilities plan for transportation is somewhere between \$15,000 to \$20,000. Budget \$20,000.
- *42-51-550 Acquisition of ROW.* The City is working to acquire right-of-way according to the City's transportation plan. In some cases, the City can apply to the County and use the Corridor Preservation Fund. However, if the landowner is not a willing seller of the property that is needed for the right-of-way (ROW) the City will have to pay for the property from this Fund's reserves. As noted above, the City anticipates that it will be able to receive Box Elder County Corridor Funds. There is no specific acquisition of ROW project identified at the adoption of the budget; however, City staff would look to Resolution No. 20-02, which is a project priority list submitted for the Box Elder County Local Transportation Corridor Preservation Fund and determine the highest priority at the time of application and which property owners are willing sellers. Budget \$100,000.

51- Water Utility Fund.

Revenues & Expenses. The FY 2021 Budget estimates revenues and expenses to require \$687,300 to be appropriated from reserves, which are attributed to significant capital expenses that are detailed further in the Notable expenses described below.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- *51-70-204 BRWCD (Culinary Water).* It is anticipated that Tremonton City will need to purchase more water from the Bear River Water Conservancy District to assist the City during the outdoor irrigation season. Budget \$100,000.
- *51-70- 512 Impact Fee Updates (Culinary Water) & 51-80-512 Impact Fee Updates (Secondary Water).* The City Council adopted an impact fee facilities plan (IFFP) and impact fee analysis (IFA) in January 2014. It is time that the City evaluates and modifies the IFFP and IFA based upon the past four years and future projects. The City Council

adopted Resolution No. 19-55 and Resolution No. 19-56, which approved professional services agreement with Zion Bank Public Finance and Jones and Associates to update the impact fee documents which are occurring now. The estimated cost to update the impact fee documents is \$10,500. This project is impact fee eligible. Budget \$5,250 and \$5,250, respectively.

- *51-70-570 Water Meter Replacement (Culinary Water).* There has been \$200,000 appropriated for the City's ongoing effort to replace water meters and now to change out meters for the base meters. This project is not impact fee eligible. Budget \$200,000.
- *51-80-170 Water Meter Purchases (Secondary Water).* As you know, the secondary water system will be constructed with water meters. It is estimated that with the partial buildout of Phases 1 & 2 and the complete buildout of Phase 3 will require the purchase of 900 water meters at the cost of \$300 per meter. This acquisition of water meters started in FY 20, and to date, the City has acquired 400 meters with another 400 meters on backorder since December 2019. The FY 21 Budget anticipates that the City will receive the 400 backorder water meters in FY 20; otherwise, the FY 21 Budget will need to be amended. The \$50,000 budgeted in FY 21 is the radio portion of the meters used to transmit the water readings to the fixed base station. Budget \$50,000.
- *51-80-560 Secondary Depreciation (Secondary Water).* The expansion of the secondary water system includes an increase in depreciation to replace these assets in the future. The City has spent approximately \$2,918,092 for the construction of Service Area 3, and as such, there is a corresponding increase in the amount to budget for depreciation. Budget \$96,000.
- *51-80-715 Acquisition of Water Shares (Secondary Water).* With the development of the secondary water system, the City will need to have water shares within the Bear River Canal Company. It is proposed that the City purchase water shares going forward. This project is not an impact fee eligible. Budget \$100,000.
- *51-80-750 Secondary Water Construction (Secondary Water).* The Bear River Canal Company requires Tremonton City to construct a secondary water equalization system, which includes a large holding basin adjacent to the Central Canal with an automated gate to release secondary water back into the canal associated with the City's pumping activities on the Central Canal. More specifically the automated gate will communicate with all, the City's current and future, secondary pumping stations on the Central Canal and as the variable speed pumps increased or decreased in extraction rate on the Central Canal, the equalization basin would release the same amount of secondary water back to the canal system, thus eliminating the variable demand of the City's secondary system on the Central Canal. The Bear River Canal Company has given the City until April 15, 2022, to complete the basin, and City staff would like to start the process of acquiring land, designing, and constructing the equalization basin. Budget \$350,000.

Debt Service Schedules- Water Fund. The following is debt service obligations associated with the Water Fund:

- *Debt Service Payment.* On March 19, 2020, the Tremonton City Council adopted Resolution No. 19-12, which adopted the Parameters Resolution for water revenue bond. Based upon these parameters in this resolution, the City Council decision to borrow \$3.4 million in principle with \$765,441.01 being paid in interest for a total amount to be repaid to being \$4,165,441.01. The maturity date of the revenue bonds is June 15, 2034. The principal debt amount attributed to the construction of a secondary water pump station and distribution system for Service Area 3. The principal and interest to be paid for FY 2021 are \$205,000 in principle and \$85,748 in interest.

52- Treatment Plant Fund.

Revenues. The FY 2021 Budget estimates there are more revenues and expenses, and as such, the budget anticipates adding \$425,900 to reserves.

It is also worth noting that since there is no construction date known regarding Garland City's Wastewater Treatment Plant, this budget includes the full revenue attributed to Garland User Fees for FY 2021 Budget, which amounts to \$242,000.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- *52-72-270 Utilities.* With the Wastewater Treatment Plant upgrades comes new equipment that will consume power. The previous budget amounts associated with was \$149,500, and it is anticipated that the utility line item will be approximately \$170,000. Budget \$170,000.
- *52-72-600 Treatment Plant Depreciation.* With the Wastewater Treatment Plant upgrades comes new equipment that needs to be considered in the depreciation calculation. Specifically, this new and additional equipment includes pumps, dewatering screw, screen & generator-electrical-SCADA, basins, and yard piping. The previous depreciation amount was \$200,000, and the new depreciation amount is \$352,000. Budget \$352,000.
- *52-72-706 Equipment > \$5,000.* The existing influent screen was installed in 2003 and has only received maintenance and minor repairs. The City has a depreciation schedule for the screen of 10 years, which this piece

of equipment has exceeded the expected life. This budget proposes rebuilding the influent screen. Budget \$50,000.

- *WWTP Composting 52-73-100 Salaries.* On November 19, 2019, the City Council adopted Resolution No. 19-51, approving a management policy for the acceptance and processing of green waste at the Tremonton City Compost Facility. One element of this policy had a part-time Tremonton City employee will be present during the hours of operation to oversee the operation of depositing green waste, which may include but is not limited to verify the residency status of authorized users and to verify the green waste deposited is acceptable for the composting operations. Budget increase of \$11,700 per year.
- *52-73-460 Plant Sludge Removal.* In the recent past, the City has annually had to hire a contractor to grind all the wood that has been deposited at the City's compost facility. This year there is no wood to grind, but the City will need to rent a screen to screen all the compost. There is a reduction in this line item from \$80,000 to \$20,000. Budget \$20,000.
- *52-73-540 Equipment Purchase.* Annually, the City trades in its skid-loader and purchases a new skid-loader. The skid-loader is used at the public works complex to load compost into pickup trucks for paying customers. The amount to purchase a new skid-loader is \$9,000. Budget \$9,000.
- *52-73-802 End Loader.* The City entered into a 4-year lease agreement for a frontend loader for the City's compost operations for turning piles at the compost facility. The annual lease payment is \$16,200. Budget \$16,200.

54- Sewer Fund.

Revenues & Expenses. The FY 2021 Budget estimates revenues and expenses equal without any appropriation from reserves.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- *54-71-513 Update Impact Fees.* The City Council adopted Ordinance No. 14-01 approving an impact fee facilities plan (IFFP) and Ordinance No. 14-02 approving impact fee analysis (IFA) in January 2014. It is time that the City evaluates and modifies the IFFP and IFA based upon the past five years and future projects. The City Council adopted Resolution No. 19-55 and Resolution No. 19-56, which approved professional services agreement with Zion Bank Public Finance and Jones and Associates to update the impact fee documents which are occurring now. The estimated cost to update the impact fee documents is \$8,500. This project is an impact fee eligible. Budget \$8,500.
- *55-40-750 Sewer Construction.* There is no particular project identified for storm drain projects, but it would be well to have some funds appropriated to address issues that arise during this Fiscal Year. Budget \$82,200

55- Storm Drain Fund.

Revenues & Expenses. The FY 2021 Budget estimates revenues and expenses require \$104,900 to balance.

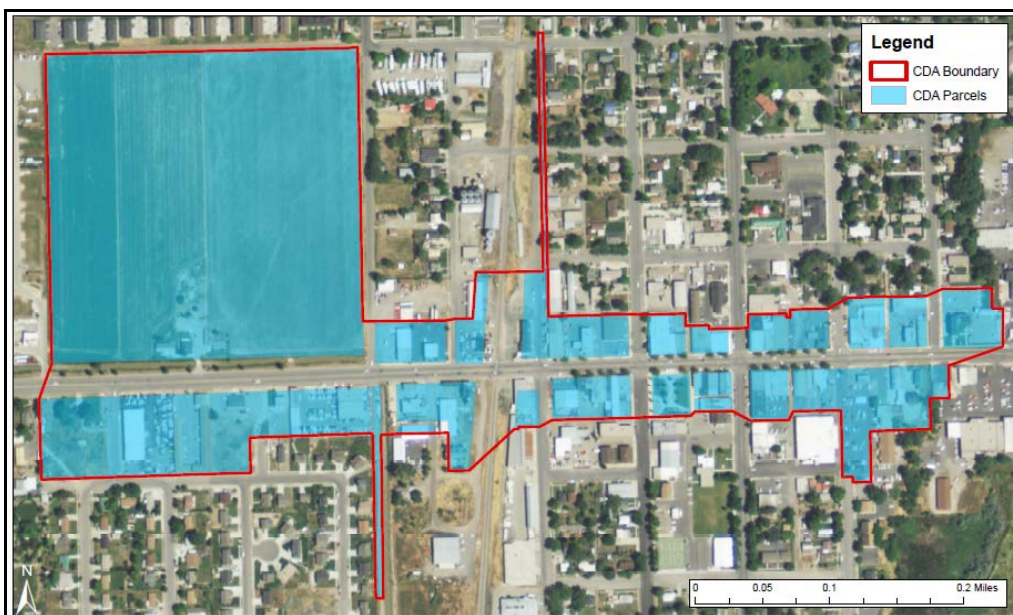
Notable Expenses Funded. Notable expenses in this Fund are as follows:

- *55-40-502 Impact Fee Updates.* The City Council adopted Ordinance No. 14-01 approving an impact fee facilities plan (IFFP) and Ordinance No. 14-02 approving impact fee analysis (IFA) in January 2014. It is time that the City evaluates and modifies the IFFP and IFA based upon the past five years and future projects. The City Council adopted Resolution No. 19-55 and Resolution No. 19-56, which approved professional services agreement with Zion Bank Public Finance and Jones and Associates to update the impact fee documents which are occurring now. The estimated cost to update the impact fee documents is \$9,000. This project is an impact fee eligible. Budget \$9,000.
- *55-40-750 Storm Drain Construction.* There is no particular project identified for storm drain projects, but it would be well to have some funds appropriated to address issues that arise during this Fiscal Year. Budget \$22,100.
- *55-40-715 Acquisition of water shares.* It is proposed that the City Storm Drain Fund acquire Bear River Canal Company water shares if they become available. Budget \$100,000.
-

71- RDA District #2 Fund- Downtown.

Revenues. As you know, the RDA and taxing entities have adopted interlocal agreements, which allow the Tremonton City RDA to receive 75% of the new increment in the Tremont Center Community Development Area for 15 years or up to a maximum of \$4.3 million, whichever occurs. The tax increment will be used for improvements to Main Street and onsite

improvements to the Tremont Center Site. The Tremont Center Community Development Project Area is located along Main Street from approximately 730 West to approximately 200 East, covers 73.7 total acres, and includes 109 parcels that account for 60.3 acres of the total 73.7 acres, with the remaining acreage belonging to roads, rail, and alleyways. The Tremont Center is more specifically shown on the map below.



The Tremont Center is an expanding development, and the County Assessor determines the taxable values as of January 1st of each year. Taxable values include buildings that are partially constructed. The RDA is anticipating that the maximum tax increment received by the RDA will be \$250,000 for the upcoming Budget. According to Resolution Number RDA 19-03, the tax increment received by the Tremont Center Community Development Project Area will be used to reimburse the developer in the near future.

In the meantime, if the RDA wants to undertake projects, it may do so but will need to receive either contributions or grants. Specifically, on September 6, 2016, the City Council discussed the possibilities of providing financial resources to the Agency either: 1) by interfund loan, which would be a formal loan, of interest charged to the Agency or 2) by capital contribution, an informal loan of funds where ultimately no interest is calculated or charged. On September 20, 2016, the City Council adopted Resolution No. 16-46, which authorized from time to time through the budget process to provide the Agency with capital contributions so that the Agency may approve the commencement of improvement projects ahead of the Agency having available Tax Increment. In Resolution No. 16-46, the City Council requests reimbursement of the capital contributions, starting from Fiscal Year 2016, without interest by the Agency if there is sufficient Tax Increment to reimburse said capital contributions. On September 20, 2016, the Agency adopted Resolution No. RDA 16-11 accepting capital contributions into Fund 71- RDA District #2 Fund- Downtown to facilitate improvement projects, within the Tremont Center Community Development Project Area's boundary. The Agency also declared their intent to reimburse, without interest, the City for capital contributions and that it would disclose such capital contributions in this annual report. This budget proposes the appropriation of \$15,000 from fund balance to undertake some public realm enhancements.

This year it is proposed that the City appropriate \$15,000 in Fund Balance to undertake these projects.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- **71-81-622 Public Realm Enhancement.** This expense line item would allow expenses such as pedestrian amenities, public art, streetscape improvements, etc. Budget \$15,000.
- **71-81-625 Tremont Center Primary Improvements.** On April 16, 2019, the RDA adopted Resolution RDA 19-03, a property tax increment reimbursement agreement between the RDA and Tremont Center, LLC, for infrastructure improvements. The reimbursement agreement essentially grants 100% of the increment to Tremont Center, LLC, for what this Agreement identifies as Developer Primary Improvement up to a maximum amount of \$1,884,000 or actual costs of the Primary Improvements, whichever is less. Thereafter, the reimbursement agreement grants 50% of the tax increment in a given year to Tremont Center LLC for what this Agreement identifies as Developer Secondary Improvements up to a maximum amount of \$234,000 or for the actual costs of the Secondary Improvements, whichever is less. Budget \$250,000.

73- RDA District #3- West Liberty.

Tremonton City Redevelopment Agency's obligation to reimburse West Liberty Foods and Millard Refrigeration are completed with its last payment in the spring of 2018. The only revenue that will be realized in this Fund into the future is the appropriation of Fund Balance to undertake moderate-income housing projects, interest from the Fund's 73 reserves, and possible grants associated with moderate-income housing projects. This year it is proposed that the City appropriate \$238,000 in Fund Balance to undertake these projects.

Notable Expenses Funded. Notable expenses in this Fund are as follows:

- *73-84-710 Purchase of Property for Moderate Income Housing.* The RDA is working with a property owner on 600 South near the canal to purchase two lots that are zoned for a 4-plex for affordable housing. Budget \$100,000.
- *73-84-710 Income Housing Project.* There is no particular project identified for moderate-income housing in FY 2021. However, money is being appropriated to undertake moderate-income housing projects as the opportunity arises. Budget \$100,000.
- *73-90-110 Interloan Fund.* FY 2021 proposes an Interloan fund to Fund 26, if necessary, to complete the Holmgren Trail and Nature Park project. If the loan is actually made, the RDA Board will need to adopt a Resolution with the following findings: 1) that the money in Fund 73 is not expected to be needed (no project planned) for the life of the loan, and 2) that the purpose of doing an interloan fund is to increase interest earnings in Fund 73 (higher interest rate than the PTIF), and that if the money is needed for a project that the loan is callable. Budget \$38,000.

Attachments: Detail of Computer Replacement Expenses by Fiscal Year, Detail of Vehicle and Equipment Expense by Fiscal Year, budget document

Computer Replacement Expenses by Fiscal Year						
Fiscal Year	Date	Vendor	GL	Description	Quantity	Price
FY 14	1/11/2014	DynaQuest	10-54-313	3 Dell Optiplex	3	\$ 4,948.45
FY 14	2/4/2014	Zions	10-54-313	IPAD	1	\$ 799.00
FY 14	2/24/2014	DynaQuest	10-75-313	3 Dell Computers	3	\$ 2,265.60
FY 14	3/11/2014	CDW	51-70-313	Surface Pro 2	1	\$ 1,068.80
FY 14	3/11/2014	CDW	10-60-313	Surface Pro 2	1	\$ 1,068.80
FY 14	3/11/2014	CDW	10-41-313	Surface Pro 2	?	\$ 7,481.60
FY 14	3/21/2014	DynaQuest	10-75-313	2 All-in-one computers	2	\$ 1,518.10
FY 14	4/2/2014	Zions	51-70-180	Surface Pro 2	1	\$ 1,318.93
FY 14	4/18/2014	DynaQuest	10-46-313	Lora Computer	1	\$ 911.10
FY 14	4/18/2014	DynaQuest	10-54-313	Dell Optiplex 3020	1	\$ 715.00
FY 14	4/23/2014	DynaQuest	10-42-313	Court Computer	1	\$ 854.00
FY 14	4/23/2014	DynaQuest	10-46-313	Cash Receipt Computer	1	\$ 854.00
FY 14	4/23/2014	DynaQuest	10-47-313	Norene, Darlene, Linsey Computer	3	\$ 2,562.00
FY 14	4/23/2014	DynaQuest	10-47-313	Laptop	1	\$ 1,452.74
FY 14	4/23/2014	DynaQuest	10-51-313	City Chamber's Computer	1	\$ 854.00
FY 14	4/23/2014	DynaQuest	21-40-313	Food Pantry	1	\$ 854.00
FY 14	4/23/2014	DynaQuest	10-72-313	Lynn Green Computer	1	\$ 854.00
FY 14	4/23/2014	Dell	10-54-313	Laptop	1	\$ 1,813.59
FY 14	5/1/2014	DynaQuest	10-46-313	Sharri's Computer	1	\$ 704.00
FY 15	7/19/2014	DynaQuest	10-51-313	EOC Computer	1	\$ 661.25
FY 15	7/22/2014	CDW	28-40-313	HP Probook & Dock Station	1	\$ 1,202.82
FY 15	9/30/2014	DynaQuest	25-40-313	Brooke's Computer	0.5	\$ 355.60
FY 15	9/30/2014	DynaQuest	10-46-313	Brooke's Computer	0.5	\$ 355.60
FY 15	10/22/2014	CDW	51-70-313	Surface Pro 3	1	\$ 708.48
FY 15	1/9/2015	DynaQuest	10-61-313	Shop Computer	0.5	\$ 270.28
FY 15	1/9/2015	DynaQuest	51-70-313	Shop Computer	0.5	\$ 270.28
FY 15	1/9/2015	DynaQuest	52-72-313	WWTP Computer	1	\$ 540.56
FY 15	3/3/2015	Dell	10-54-313	3 Dell Laptops	3	\$ 4,491.33
FY 15	3/24/2015	DynaQuest	10-75-440	2 Dell Desktops	2	\$ 1,576.90
FY 15	5/4/2015	Zions	10-75-440	IPAD Library	1	\$ 539.00
FY 15	5/8/2015	DynaQuest	25-40-313	Front Desk Recreation Computer	1	\$ 681.00
FY 16	10/13/2015	Dell	10-54-520	Laptop	0.5	\$ 1,426.28
FY 16	10/13/2015	Dell	10-54-702	Laptop	0.5	\$ 226.42
FY 16	11/3/2015	Zions	52-72-180	IPAD	0.33	\$ 269.68
FY 16	11/3/2015	Zions	52-73-180	IPAD	0.33	\$ 269.68
FY 16	11/3/2015	Zions	51-70-180	IPAD	0.33	\$ 269.68
FY 16	1/11/2016	Dell	10-54-313	3 Dell Laptops	3	\$ 4,131.63
FY 16	1/22/2016	CDW	28-40-313	2 HP Probook	1	\$ 1,252.54
FY 16	3/28/2016	DynaQuest	10-75-440	2 Desktop Computes	2	\$ 1,196.00
FY 16	5/23/2016	Dell	10-54-313	Computer for Video	1	\$ 1,911.00
FY 17	7/31/2016	Zions	10-54-313	IPAD Pro, Shield, Case	1	\$ 1,033.95
FY 17	7/31/2016	Zions	28-40-313	Rugged Notebook	1	\$ 1,410.06
FY 17	8/12/2016	DynaQuest	25-40-313	Recreation	1	\$ 752.00
FY 17	12/13/2016	Dell	10-54-520	4 Dell Laptops	4	\$ 4,377.93
FY 17	12/13/2016	Dell	10-54-313	Replacements, Docking Station	?	\$ 2,870.23
FY 17	1/31/2017	Zions	28-40-313	Notebook	1	\$ 1,872.00
FY 17	2/22/2017	DynaQuest	10-75-313	5 Computers for Library	5	\$ 2,945.00
FY 17	2/28/2017	DynaQuest	10-54-313	2 Dell Desktops	2	\$ 2,666.00
FY 17	2/28/2017	Zions	10-54-313	Laptop	1	\$ 1,639.54
FY 17	2/28/2017	Zions	28-40-313	Laptop	1	\$ 455.62
FY 17	3/9/2017	DynaQuest	25-40-313	Front Office	1	\$ 610.00
FY 17	4/21/2017	DynaQuest	10-75-313	Computer	1	\$ 602.99
FY 17	4/21/2017	DynaQuest	10-75-440	Computer Monitor & Disp.	1	\$ 721.99
FY 17	4/25/2017	DynaQuest	51-70-313	Computer	1	\$ 1,199.00
FY 18	8/26/2017	DynaQuest	10-72-313	Marc's Desktop	1	\$ 864.00
FY 18	8/31/2017	Zions	51-70-313	Laptop	1	\$ 749.00
FY 18	10/31/2017	Zions	10-72-267	Computer Monitor for Christmas Light f	1	\$ 604.96
FY 18	11/6/2017	DynaQuest	25-40-313	Zach's Desktop	1	\$ 864.00
FY 18	11/6/2017	DynaQuest	10-45-313	Desktop	1	\$ 1,319.50
FY 18	11/6/2017	DynaQuest	10-45-313	Laptop	1	\$ 1,832.00
FY 18	12/31/2017	Zions	10-42-313	Tara Computer	1	\$ 968.80
FY 18	12/31/2017	Zions	10-51-313	Courtroom Computer	1	\$ 671.00
FY 18	2/8/2018	DynaQuest	10-54-313	4 Dell Optiplex	4	\$ 5,332.00
FY 18	4/30/2018	DynaQuest	10-75-313	7 Computers	7	\$ 6,503.95
FY 18	4/30/2018	Zions	52-72-313	Dell Computer	1	\$ 1,242.00
FY 18	4/30/2018	Zions	10-54-313	Patrol Desktop	1	\$ 1,294.00
FY 18	5/31/2018	DynaQuest	10-72-313	Desktop	1	\$ 739.00
FY 18	5/31/2018	Zions	25-40-313	Lynn's Desktop	1	\$ 895.00
FY 18	5/31/2018	Zions	28-50-313	2 HP Laptops	2	\$ 1,000.00
FY 19	8/18/2018	Dell	10-54-313	Dell Laptop	2	\$ 1,640.32
FY 19	8/31/2018	Zions	51-70-180	IPAD & Headphones	1	\$ 947.88
FY 19	1/31/2019	Zions	10-54-313	IPAD Pro	1	\$ 1,913.47
FY 19	2/11/2019	Dell	10-54-313	3 Dell Laptops	3	\$ 4,920.96
FY 19	4/30/2019	Zions	10-46-313	4 Computers - Cash Receipting	4	\$ 3,801.50
FY 19	5/31/2019	Zions	51-70-313	Surface Pro 6	1	\$ 1,693.00
FY 19	5/31/2019	Zions	51-70-313	Surface Pro	1	\$ 1,693.00
FY 20	8/31/2019	DynaQuest	10-75-313	2 Computers	2	\$ 1,650.00
FY 20	8/31/2019	Zions	52-72-313	Computer	1	\$ 1,019.00
FY 20	10/31/2019	Zions	28-50-280	IPAD Air	1	\$ 660.07
FY 20	11/25/2019	Dell	10-54-313	5 Laptops	5	\$ 9,006.78
FY 20	11/30/2019	Zions	52-72-180	IPAD Pro	1	\$ 1,533.83
FY 20	2/29/2020	DynaQuest	10-75-313	2 Dell Computers	2	\$ 1,598.00
FY 20	2/29/2020	Zions	10-47-313	Shared Laptop	1	\$ 1,095.00
FY 20	3/31/2020	Zions	10-47-313	Computer	1	\$ 1,092.11
FY 20	2/7/2020	Dell	10-54-313	4 Dell Laptops	4	\$ 7,106.88

Vehicle and Equipment Expense by Fiscal Year							
Fiscal Year	Type	Date	Vehicle	Department	Vendor	Amount	Fiscal Year Totals
FY 21	Equipment		Defibrillators- Lease	Fire Department		\$ 23,719.57	
FY 21	Equipment		Self Contained Breathing Apparatus (SCBA)	Fire Department		\$ 200,000.00	
FY 21	Heavy Vehicle		Ambulance	Fire Department		\$ 175,000.00	\$ 398,719.57
FY 20	Equipment		Defibrillators- Lease	Fire Department		\$ 23,719.57	
FY 20	Equipment	1/3/2020	Wheel Loader Upgrade (4 yr lease)	Public Works - WWTP	John Deere Financial	\$ 11,150.10	
FY 20	Equipment	3/19/2020	Backhoe Exchange	Public Works	Honnen Equipment	\$ 20,000.00	
FY 20	Equipment	10/31/2019	Front End Loader Upgrade (every 2 years)	Public Works - Water	Deere Credit, Inc.	\$ 16,278.33	
FY 20	Equipment	7/29/2019	Skidsteer Upgrade (yearly)	Public Works - WWTP	Century Equipment	\$ 9,100.00	
FY 20	Light Vehicle	7/17/2019	2019 Silverado	Parks	Crump Reese	\$ 38,619.00	
FY 20	Light Vehicle	7/8/2019	2019 Silverado	Public Works	Crump Reese	\$ 35,140.00	
FY 20	Light Vehicle	7/8/2019	2019 Silverado	Police	Crump Reese	\$ 34,969.96	
FY 20	Light Vehicle	7/8/2019	2019 Silverado	Police	Crump Reese	\$ 34,969.97	
FY 20	Light Vehicle	7/8/2019	2019 Silverado	Police	Crump Reese	\$ 34,969.97	
FY 20	Heavy Vehicle		Rosenbauer Fire Truck- Lease Payment	Fire Department	Rosenbauer Minnesota, LLC	\$ 63,494.90	\$ 322,411.80
FY 19	Equipment		Defibrillators- Lease	Fire Department		\$ 23,719.57	
FY 19	Equipment	1/18/2019	Kawasaki Mule & Plow	Parks	RMT Equipment	\$ 18,532.00	
FY 19	Equipment	1/3/2019	Backhoe Exchange	Public Works	Honnen Equipment	\$ 22,250.00	
FY 19	Equipment	8/15/2018	Front End Loader Upgrade (every 2 years)	Public Works - Streets	Deere Credit, Inc.	\$ 11,769.82	
FY 19	Equipment	7/11/2018	Skidsteer Upgrade (yearly)	Public Works - WWTP	Century Equipment	\$ 8,000.00	
FY 19	Light Vehicle	9/2/2018	2018 Silverado	Police	Crump Reese	\$ 35,167.90	
FY 19	Heavy Vehicle		Rosenbauer Fire Truck- Lease Payment	Fire Department	Rosenbauer Minnesota, LLC	\$ 63,494.90	
FY 19	Heavy Vehicle	11/28/2018	Rocky Mountain Ambulance	Fire Department	Ambulance	\$ 166,700.00	\$ 349,634.19
FY 18	Equipment		Defibrillators- Lease	Fire Department		\$ 13,836.41	
FY 19	Equipment	7/9/2018	Backhoe Exchange	Public Works	Honnen Equipment	\$ 19,750.00	
FY 18	Equipment	8/15/2017	Front End Loader Upgrade (every 2 years)	Public Works - Water	Deere Credit, Inc.	\$ 11,842.29	
FY 18	Equipment	7/17/2017	Skidsteer Upgrade (yearly)	Public Works - WWTP	Century Equipment	\$ 8,000.00	
FY 18	Light Vehicle	7/1/2017	2017 Silverado	Police	Crump Reese	\$ 34,627.43	
FY 18	Light Vehicle	7/1/2017	2017 Ford F150	Police	Heritage	\$ 34,322.56	
FY 18	Heavy Vehicle	1/31/2018	2018 International Dump Truck	Public Works	Rush Truck Center	\$ 123,641.17	
FY 18	Heavy Vehicle		Rosenbauer Fire Truck- Lease Payment	Fire Department	Rosenbauer Minnesota, LLC	\$ 37,038.00	
FY 18	Heavy Vehicle	12/18/2017	Rosenbauer Fire Truck- Down Payment	Fire Department	Rosenbauer Minnesota, LLC	\$ 347,740.00	\$ 630,797.86
FY 17	Equipment	10/24/2016	47 Boomer New Holland	Parks	Buttars Tractor, Inc.	\$ 31,000.00	
FY 17	Equipment	11/1/2006	Backhoe Exchange	Public Works	Honnen Equipment	\$ 20,000.00	
FY 17	Equipment	8/5/2016	Dump Trailer	Parks	Christensen Auto LLC	\$ 7,958.00	
FY 17	Equipment	8/15/2016	Front End Loader Upgrade (every 2 years)	Public Works - Streets	Deere Credit, Inc.	\$ 11,902.42	
FY 17	Equipment	7/26/2016	Skidsteer Upgrade (yearly)	Public Works - WWTP	Century Equipment	\$ 8,000.00	
FY 17	Light Vehicle	5/17/2017	2017 Dodge Ram	Public Works	Heritage	\$ 26,805.00	
FY 17	Light Vehicle	5/17/2017	2017 Dodge Ram	Public Works	Heritage	\$ 26,805.00	
FY 17	Light Vehicle	7/8/2016	2016 Silverado	Police	Crump Reese	\$ 33,974.36	
FY 17	Light Vehicle	7/8/2016	2016 Silverado	Police	Crump Reese	\$ 33,974.36	
FY 17	Heavy Vehicle	11/29/2016	2016 Chevy Ambulance	Fire Department	Rocky Mountain Ambulance	\$ 159,757.00	
FY 17	Heavy Vehicle	2/1/2017	Ladder Truck- Lease	Fire Department		\$ 89,467.63	\$ 449,643.77
FY 16	Equipment	5/2/2016	Toro Aerator Pro Core	Parks	Turf Equipment & Irrigation	\$ 26,748.11	
FY 16	Equipment	8/15/2015	Front End Loader Upgrade (every 2 years)	Public Works - Water	Deere Credit, Inc.	\$ 11,990.78	
FY 16	Equipment	7/1/2015	Skidsteer Upgrade (yearly)	Public Works - WWTP	Century Equipment	\$ 8,000.00	
FY 16	Equipment	11/5/2015	Backhoe Exchange	Public Works	Honnen Equipment	\$ 24,000.00	
FY 16	Light Vehicle	3/16/2016	2017 Ford Escape	Senior Center	Heritage	\$ 23,305.92	
FY 16	Light Vehicle	3/16/2016	2017 Ford Escape	Senior Center	Heritage	\$ 23,305.92	
FY 16	Light Vehicle	3/16/2016	2017 Ford Escape	Senior Center	Heritage	\$ 23,305.92	
FY 16	Light Vehicle	7/1/2015	2015 Silverado	Police	Crump Reese	\$ 33,370.00	
FY 16	Light Vehicle	7/1/2015	2016 Ford Utility Explorer	Police	Heritage	\$ 28,325.00	
FY 16	Heavy Vehicle		Ambulance- Lease	Fire Department		\$ 14,980.75	
FY 16	Heavy Vehicle	2/1/2016	Ladder Truck- Lease	Fire Department		\$ 89,467.63	
FY 16	Heavy Vehicle	6/16/2016	Aquatech Vacuum/Jetter	Public Works	Cate Rental & Sales	\$ 339,022.00	\$ 645,822.03
FY 15	Equipment	9/6/2014	Front End Loader Upgrade (every 2 years)	Public Works - Streets	Deere Credit, Inc.	\$ 11,051.19	
FY 15	Equipment	4/2/2015	Yearly Lease - 2008 Mini Excavator	Public Works	Deere Credit, Inc.	\$ 9,978.47	
FY 15	Equipment	10/7/2014	Backhoe Exchange	Public Works	Honnen Equipment	\$ 24,931.00	
FY 15	Light Vehicle	6/4/2015	2015 Silverado	Building Inspector	Crump Reese	\$ 33,370.00	
FY 15	Light Vehicle	7/1/2014	2014 Chevy Impala	Police	Crump Reese	\$ 21,324.95	
FY 15	Light Vehicle	7/1/2014	2014 Ford F150	Police	Heritage	\$ 29,246.08	
FY 15	Heavy Vehicle	2/1/2015	Ladder Truck- Lease	Fire Department		\$ 89,467.63	
FY 15	Heavy Vehicle		Ambulance- Lease	Fire Department		\$ 30,016.10	
FY 15	Heavy Vehicle	12/8/2014	Dump Truck with Plow	Public Works	Rush Truck Center	\$ 152,275.56	\$ 401,660.98

TREMONTON CITY
CITY COUNCIL MEETING
JUNE 2, 2020

TITLE:	Discussion and consideration of adopting Ordinance No. 20-07 approving business licensing fees including licensing fees on businesses that causes disproportionate costs on municipal services provided by Tremonton City
FISCAL IMPACT:	The study determines the maximum business license fee that the City Council can adopt. Based upon some fee decreases (charging less than the maximum fee for Gas & Convenience Stores, Hotels/Motels, and Medical/Hospitals) the gross business license fees would generate \$36,687.23 as compared to the current fees generating \$19,440.
PRESENTER:	Shawn Warnke, City Manager

Who, What & Why:

On August 6, 2019, the City Council adopted Resolution No. 19-40, approving a professional services agreement between the City and Zions Public Finance, Inc. to perform a business license fee study. A draft of the business license study has been completed and is ready for the City Council's review. Until now, the City has never had a business license fee study completed, which identifies the basic costs associated with processing a business license application and renewal and also disproportionate costs for various business classes on City services such as fire inspections, police, and fire. The State Code requires that business license fees are based upon such an analysis (akin to the studies required for impact fees), and this analysis documents the highest fee that the City could charge for business licenses. State Code also requires that business license fees be adopted by an ordinance.

The City Council should know that this ordinance proposes that the City charge \$575.09 for disproportionate fees for fire and police calls for some businesses, rather than the maximum disproportionate fee allowed by law which is as follows for the businesses listed below:

- \$6,584.67 related to police calls for services to Gas & Convenience Stores
- \$1,684.48 related to police calls for services to Hotels/Motels
- \$23,376.61 related to police calls for services to Medical/Hospitals

This ordinance recognizes that some businesses have experienced economic hardship associated with the effects of the Coronavirus and the governmental and health guidelines related to reducing the spread of the Coronavirus. To mitigate the impacts of any change in adopting business license fees, the ordinance proposes delaying the effective date of these new fees until December 1, 2020.

Attachments: Draft ordinance and Business License Fee Study

ORDINANCE NO. 20-07

AN ORDINANCE APPROVING BUSINESS LICENSING FEES INCLUDING LICENSING FEES FOR BUSINESSES THAT CAUSE DISPRPRIONTE COST ON MUNICIPAL SERVICES PROVIDED BY TREMONTON CITY

WHEREAS, Utah Code 10-8-84 allows the governing body of a municipality to pass all ordinances and rules, and make all regulations, necessary for carrying into effect or discharging all powers and duties conferred as are necessary and proper to provide for the safety and preserve the health, and promote prosperity, improve the morals, peace and good order, comfort, and convenience of the City and its inhabitants, and for the protection of property in the City; and

WHEREAS, consistent with Utah Code 10-8-84, regulating businesses provides safety; preserves health; promotes prosperity; improves morals, peace, good order, comfort, and convenience for the City and its inhabitants; and

WHEREAS, Utah Code 10-1-203 (2) allows the governing body of a municipality to license for the purpose of regulating any business within the limits of the municipality, regulate that business by ordinance, and impose fees on businesses to recover the municipality's costs of regulation; and

WHEREAS, Utah Code 10-1-203 (5) (c) allows the governing body to imposes a license fee on a business that causes disproportionate costs for municipal services, and the Tremonton City Council shall adopt an ordinance that defines: the costs that constitute disproportionate costs and the amounts that are reasonably related to the costs of the municipal services provided by the municipality; and

WHEREAS, to determine the cost to regulate a business and the cost of disproportionate municipal services of a business, the Tremonton City Council adopted Resolution No. 19-40 approving a professional service agreement to preform a business license fee study with Zions Public Finance, Inc. (ZPFI) to determine the costs to regulate, the cost of dispropriate municipal services; and

WHEREAS, ZPFI completed the Tremonton City Business License Study, which includes all of the requirements contained in Utah Code 10-1-203 (5) (c), including the cost for regulating business, the disproportionate cost for regulating businesses, and disproportionate costs on municipal services provided by Tremonton; and

WHEREAS, the Tremonton City Business License Study also calculates the maximum business license fees allowable in Tremonton under current State law; and

WHEREAS, the Tremonton City Business License Study identified several businesses that had significant disproportionate cost in Tremonton City providing police and fire services to those businesses which included the following:

- \$6,584.67 related to police calls for services to Gas & Convenience Stores
- \$1,684.48 related to police calls for services to Hotels/Motels
- \$23,376.61 related to police calls for services to Medical/Hospitals

WHEREAS, the City Council may choose a lower business license fee, and factors that the City Council may want to consider as it establishes new business license fees includes, but is not limited to, the recognition of other revenues generated by some business types (such as sales tax, real property tax, personal property tax, municipal energy tax, transient room tax, etc.); and

WHEREAS, notwithstanding the significant disproportionate costs of Tremonton City providing police services to Gas & Convenience Stores, Hotels/Motels, and Medical/Hospitals the City recognizes the convenience, comfort, health, and economic benefit that these businesses provide to the citizens and visitors of Tremonton City, and therefore elects not to adopt the maximum business license fees allowable in Tremonton under current State law and as identified in Exhibit “A” Tremonton City Business License Study; and

WHEREAS, Gas & Convenience Stores have a significant economic impact as documented in *Tremonton Economic and Market Analysis Plan 2019*, in the section regarding Sales Gap Analysis, which section is used to estimate the amount and type of purchases being made in Tremonton (for the methodology of the analysis, please, see Exhibit “B”); and

WHEREAS, Table 4, which an excerpt is shown below, in the *Tremonton Economic and Market Analysis Plan 2019*, Sales Gap Analysis identifies that Tremonton City is a regional provider of goods and services, which are shown with positive numbers in the Leakage column and Capture Rate column that is higher than 100 percent; and

Table 4: NAICS Code Categories	Leakage	Capture Rate
Food and Beverage Stores	\$15,589,239	238%
Gasoline Stations	\$4,500,672	257%

WHEREAS, Hotels/Motels have a significant economic impact through remitting the City’s imposed municipal transient room tax on hotel and motel rooms, typically providing the City with approximately \$30,000 in tax revenue annually, which has significant economic impact; and

WHEREAS, Hospitals provide convenience, comfort, and health by providing health care services to the community at large; and

WHEREAS, the Tremonton City Council recognizes that businesses have experienced economic hardship associated with the effects of the Coronavirus and the governmental and health guidelines related to reducing the spread of the Coronavirus; and

WHEREAS, the Tremonton City Council desires to mitigate the impacts of any change in adopting business license fees by delaying the date these regulations would commence.

NOW THEREFORE BE IT ORDAINED, the Tremonton City Council declares that the purpose of imposing fees on businesses is to recover Tremonton City's costs to regulate businesses, any disproportionate cost for regulating businesses, and disproportionate costs on municipal services provided by Tremonton.

FURTHER BE IT ORDAINED, that the Tremonton City Business License Fee Study, prepared by Zions Public Finance, Inc. which is contained in Exhibit "A" is adopted by ordinance consistent with the requirements of Utah Code 10-1-203 (5) (c), which requires Tremonton City to define the costs that constitute disproportionate costs; and the amounts that are reasonably related to the costs of the municipal services provided by the municipality.

FINALLY, BE IT ORDAINED, that the Tremonton City Council adopts the business license fee schedule as contained in Exhibit "C."

Adopted and passed by the City Council this 2nd day of June 2020. This ordinance to become effective on December 1, 2020.

TREMONTON CITY
A Utah Municipal Corporation

Roger Fridal, Mayor

ATTEST:

Linsey Nessen, City Recorder

(city seal)

EXHIBIT “A”



Tremonton City Business License Fee Study



Zions Public Finance, Inc.
February 2020

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Executive Summary

Zions Public Finance, Inc. ("ZPFI") was retained by Tremonton City ("Tremonton" or the "City") to complete an analysis of business licensing costs to meet the requirements of Utah law as established by Utah Code Annotated §10-1-203. Utah law allows municipalities to license businesses for the purpose of regulation and revenue but places a maximum on the business license fees charged equal to the cost of services provided by the City.

This study calculates the maximum business license fees allowable in Tremonton under current State law. The City Council may choose a fee lower than the maximum fee. If less than the maximum allowable fees are charged, the difference between the fee and the cost to the City is covered through other revenue sources.

Factors the City may want to consider as it establishes new business license fees include:

- Percentage change to current fees;
- Dollar amount of change in fees;
- Correlation between proposed fees and the actual cost of services contained in this study;
- Recognition of other revenues generated by some business types (such as sales tax, real property tax, personal property tax, municipal energy tax, transient room tax, etc.); and
- The comparative/competitive fees in neighboring cities.

Business Licensing Costs

This study considers the following three categories of business licensing which, when added together, equal the maximum amount the City may charge for business licenses:



Base Administrative Costs

Base administrative costs include the common costs incurred by all types of businesses to register, oversee, maintain records and regulate licensed businesses within the City such as application, registration, issuance, etc. The base administrative costs are shown in Table 1.

TABLE 1: BASE ADMINISTRATIVE CURRENT FEES AND BASE COST OF SERVICE

Business Licenses	Current Fee	Base Cost of Service
New Business Licenses	\$10.00	\$35.95
Renewed Business License		\$17.60
Replacement of Business Licenses	\$5.00	\$6.60
Home Occupation - Zoning Approval		\$46.25*
Business Licenses Late Financial Penalty	50% of fee	\$13.50
Beer License		
Initial Application Fee	\$50.00	\$17.60
On-Premise	\$125.00	\$284.60
Off-Premise	\$125.00	\$284.60
Cabaret	\$150.00	\$284.60
Annual Renewal Fee		
On-Premise	\$125.00	\$17.60
Off-Premise	\$125.00	\$17.60
Cabaret	\$150.00	\$17.60
Residential Solicitation (Transient/Peddlers/Itinerant Merchants Licenses)	\$50.00	\$36.48

*Can only be charged a business license fee if the combined offsite impact of the home-based business and the primary residential use materially exceeds the offsite impact of the primary residential use alone. Also, the City may require a business license (without a fee) for home occupation businesses and can charge a fee to home occupations that request a license when they otherwise would not be required to obtain one.

Based on legislation passed in 2017, license fees for home occupation businesses may only be charged when the “combined offsite impact of the home-based business and the primary residential use materially exceeds the offsite impact of the primary residential use alone.”¹ This means that most home occupation businesses cannot be charged a license fee. However, the City may require a business license (without a fee) for home occupation businesses and can charge a fee to home occupations that request a license when they otherwise would not be required to obtain one.²

Disproportionate Service Costs

There are two types of disproportionate service costs: disproportionate regulatory costs and disproportionate service call costs.

Disproportionate Regulatory Service Costs

Three types of businesses in Tremonton currently incur **additional** regulatory costs (beyond than the base costs) for inspections: education/day cares, firework stands, and businesses with a beer license. These costs are in addition to the base administrative costs shown in the table above.

¹ Utah Code §10-1-203(7)

² SB-158, effective May 8, 2018

TABLE 2: DISPROPORTIONATE REGULATORY SERVICE COSTS

Business Category	Disproportionate Regulatory Cost
Education/Day Care	\$28.50
Firework Stands	\$28.50
Beer License	\$45.60

Disproportionate Service Call Costs

Disproportionate service call costs include the cost of services for police and fire calls above the base level of service multiplied by the cost per call. The base level of service is defined as the annual average³ level of service provided to single-family⁴ owner-occupied residences.⁵ Disproportionate service call costs are in addition to the base administrative and disproportionate regulatory costs for each business class.

The base level of services is calculated by taking calls for service for owner-occupied residences for the past two years, averaging them, and dividing by the total number of residential units during that time period.

TABLE 3: BASE LEVEL OF SERVICE CALL COSTS

	Police	Fire
Calls for Service – 2 years	2,233	10
Residential Units	1,913	1,913
Base Calls per Residential Unit	0.58364	0.00261

Police costs per call were determined by taking the police FY2019 budget line items that are specific to providing calls for service, estimating the percentage of a police officer's time spent on responding to calls for service and dividing that portion of the budget by all calls for service (traffic calls included).

TABLE 4: POLICE COST PER CALL FOR SERVICE

	Amount
Police Calls (all calls, including traffic calls)	5,882
Police Budget (budget lines regarding calls for service)	\$1,314,780.57
Estimated Percentage of Time Spent on Responding to Police Calls	50%
Police Costs for Calls for Service	\$657,390.29
Cost per Police Call	\$111.76

Fire costs per call were determined by taking the fire FY2019 budget line items that are specific to providing calls for service, estimating the percentage of a time spent on responding to calls for service and dividing that portion of the budget by all calls for service.

³ Police and fire call data was averaged over a two-year period for fiscal years 2017 and 2018.

⁴ Includes single-family detached homes and single-family attached homes such as condominiums and townhomes.

⁵ Owner-occupied residences are identified in the Assessor's database as those units having the same mailing and physical address.

TABLE 5: FIRE COST PER CALL FOR SERVICE

	Amount
Fire Calls	115
Fire Budget	\$224,473.25
Estimated Percentage of Time Spent on Fire Calls	90%
Fire Costs for Calls for Service	\$202,025.93
Cost per Fire Call	\$1,764.42

Table 6 summarizes the disproportionate police service call costs for businesses in Tremont.

TABLE 6: DISPROPORTIONATE POLICE AND FIRE CALLS FOR SERVICE

Business Class	Police Calls per Business	Fire Calls per Business	Disproportionate Police Calls	Disproportionate Fire Calls	Disproportionate Cost per Business
AGRI-BUSINESS	0.00	0.00	0.00	0.00	\$0.00
ANIMAL/PET SERVICES	0.38	0.00	0.00	0.00	\$0.00
ASSISTED LIVING	4.00	0.00	3.42	0.00	\$381.82
AUTO PARTS/ACCESSORIES	2.00	0.00	1.42	0.00	\$158.30
AUTO REPAIR/BODY SHOP	1.00	0.00	0.42	0.00	\$46.53
AUTO SALES/USED CAR SALES	0.92	0.00	0.33	0.00	\$37.22
BANK/CREDIT UNION	1.50	0.00	0.92	0.00	\$102.42
CONSTRUCTION/LANDSCAPING	0.36	0.07	0.00	0.07	\$121.42
DENTAL SERVICES	0.00	0.00	0.00	0.00	\$0.00
ELECTRICAL SERVICES	0.00	0.00	0.00	0.00	\$0.00
ENTERTAINMENT	1.50	0.00	0.92	0.00	\$102.42
FARM IMPLEMENTS	1.88	0.00	1.29	0.00	\$144.33
FINANCIAL SERVICES& PROFESSIONAL OFFICES	0.13	0.00	0.00	0.00	\$0.00
FIREWORK STANDS	0.00	0.00	0.00	0.00	\$0.00
FUEL DISPENSING/AUTOBODY	4.50	0.00	3.92	0.00	\$437.70
FUEL DISPENSING/WHOLESALE OIL	2.50	0.00	1.92	0.00	\$214.18
GAS & CONVENIENCE STORES	59.50	0.00	58.92	0.00	\$6,584.67
GYM	0.17	0.00	0.00	0.00	\$0.00
HOME OCC	0.99	0.01	0.40	0.01	\$65.04
HOTEL/MOTEL	11.75	0.25	11.17	0.25	\$1,684.48
LAW OFFICES	0.00	0.00	0.00	0.00	\$0.00
MANUFACTURED HOMES-SALES/SERVICE	0.00	0.00	0.00	0.00	\$0.00
MANUFACTURING	4.64	0.07	4.06	0.07	\$575.09
MEDICAL/HOSPITAL	194.00	1.00	193.42	1.00	\$23,376.61
MEDICAL CLINICS	0.33	0.00	0.00	0.00	\$0.00
METAL FABRICATION	0.50	0.00	0.00	0.00	\$0.00
MISC	0.21	0.00	0.00	0.00	\$0.00
PHOTOGRAPHY SERVICES	0.00	0.00	0.00	0.00	\$0.00

Business Class	Police Calls per Business	Fire Calls per Business	Disproportionate Police Calls	Disproportionate Fire Calls	Disproportionate Cost per Business
PLUMBING	0.17	0.00	0.00	0.00	\$0.00
PRESCHOOL/DAYCARE	0.38	0.00	0.00	0.00	\$0.00
REAL ESTATE SERVICES	0.00	0.00	0.00	0.00	\$0.00
RESTAURANT/FAST FOOD	2.63	0.00	2.05	0.00	\$229.08
RETAIL A (All other retail not included elsewhere in this Chart)	1.00	0.00	0.42	0.00	\$46.53
RETAIL B (Drug Store; Convenience Store without Gas; Furniture & Appliance, Sales & Service; Home Furnishings; Lumber & Hardware; Retail Merchandise; Clothing Store)	1.56	0.00	0.98	0.00	\$109.40
RETAIL C (Grocery Stores)	4.75	0.00	4.17	0.00	\$465.65
SALON SERVICES	0.06	0.00	0.00	0.00	\$0.00
STORAGE BUILDINGS	0.42	0.00	0.00	0.00	\$0.00
TATTOO PARLORS	0.00	0.00	0.00	0.00	\$0.00
TITLE COMPANIES	2.00	0.00	1.42	0.00	\$158.30
TOWING/AUTO REPAIR	0.08	0.00	0.00	0.00	\$0.00
TRUCKING/HAULING	3.17	0.08	2.58	0.08	\$431.11
UTILITY COMPANIES	0.17	0.00	0.00	0.00	\$0.00
WHOLESALE OIL	0.00	0.00	0.00	0.00	\$0.00

Enhanced Service Costs

Enhanced service levels reflect a higher level of service provided by the City for a specific portion of the business community, whether it is a business class, business location, etc. Examples of enhanced service levels include more landscaping, hanging baskets, more or higher quality signage, increased police patrols (i.e., visible police presence), more frequent snow removal, etc. Generally, these types of services are increased in a particular geographic section of the City, such as downtown or the town center of a resort community, but they may also be specific to a particular type of business class, the number of employees in a company, etc.

While Tremontont does provide some modest enhanced services to the business community associated with landscaping and snow removal in its downtown (Main Street from 300 East to 400 West) the City has elected not to include these enhanced services in this business license fee study as a means to recover costs.

Total Licensing Costs

The total annual cost for a business license in Tremontont includes the base administrative and disproportionate review and service call costs. The total business license cost identified in this business license fee study is the *maximum amount* the City may charge for a business license. The disproportionate service call costs for police and fire are the same regardless of whether the license is a renewal or a new application and may be charged annual. The base fees for new applications, however, are higher in order

to account for the additional costs of paperwork and inspections and may be charged only with the originally application, thereafter only a renewed business license fee may be charged.

DRAFT

Background

Zions Public Finance, Inc. ("ZPFI") was retained by Tremonton to complete an analysis of business licensing costs to meet the requirements of Utah law as established by Utah Code Annotated §10-1-203. The law states that "...the legislative body of a municipality may license for the purpose of regulation and revenue any business within the limits of the municipality and may regulate that business by ordinance."⁶ Additionally, the law states that "the amount of a fee shall be reasonably related to the costs of the municipal services provided by the municipality."⁷ In other words, business licensing fees charged may not exceed the amount necessary to reasonably regulate business activity, including the costs of disproportionate and enhanced levels of municipal services required by some business classes, geographic locations, number of business employees, etc.

Based on legislation passed in 2017, license fees for home occupation businesses may only be charged when the "combined offsite impact of the home-based business and the primary residential use materially exceeds the offsite impact of the primary residential use alone."⁸ This generally means that most home occupation businesses cannot be charged a license fee. The Legislature further amended the code in 2018 to allow municipalities to charge a business license fee to home occupations that request a license when they otherwise would not be required to obtain one.⁹

While this study calculates the maximum business license fees allowable under current State law, the City Council may choose a lesser fee. If less than the maximum allowable fees are charged, the difference between the fee and the cost to the City is made up through other revenue sources.

Utah legislation allows cities wide latitude in defining the business classes and groupings which are most appropriate for each locality. Based on discussions with Tremonton, *type of business class* has been chosen as the most accurate means of calculating the true costs associated with various businesses. Therefore, businesses in this analysis are grouped into business classes based on *type of business class*. Furthermore, Utah law states that "all license fees and taxes shall be uniform in respect to the class upon which they are imposed." This means that all businesses in the same business "class" must be charged the same fee.

Business Licensing Costs

Tremonton currently requires all commercial businesses to obtain a business license. This study considers the three categories of business licensing which, when added together, equal the maximum amount the City may charge for business licenses. Specifically, these three categories include Base Administrative Costs, Disproportionate Costs (regulatory costs and services call costs); and Enhanced Service Costs all of these categories will be explained in greater detail below.

⁶ Utah Code Annotated §10-1-203(2)

⁷ Utah Code Annotated §10-1-203(5)(c)(ii)

⁸ Utah Code §10-1-203(7)

⁹ SB-158, effective May 8, 2018

Base Administrative Costs

Base administrative costs include the following standard labor costs: (i) business license application and registration process; (ii) issuance of license; (iii) collection of fees; (iv) maintenance of records; and (v) preparation of business reports and required verifications.

In order to estimate the base administrative costs of a business license, ZPFI's source of information has been the City. Costs have been evaluated based on time spent by employees, wages and benefits for these employees, and department overhead such as supplies, computers, etc.. Based on discussions with the City, with the exception of the proportionate share of building costs of the Tremonton City Hall (Civic Center), indirect costs have not been included in this analysis. Indirect costs include administration, human resources, legal, etc.

The *base administrative costs* associated with licensing a business is determined by analyzing both employee costs and the time spent by each employee on business licensing procedures. Considering these two factors, a cost for each step in obtaining a business license can be determined. Added together, these costs equal the *base administrative costs* to the City for issuing a new application and renewal business license.

Employee Costs for Business Licensing

Direct business licensing costs include labor (wages & benefits) and department overhead (supplies, computers, etc.) costs for all personnel involved in issuing and overseeing business licenses.

The following Tremonton employee positions are directly involved in business licensing:

- Billing Clerk
- Treasurer
- Building Official
- City Manager
- Recorder
- City Council Members
- Mayor

A direct cost per minute was calculated for each employee involved in the business licensing process using the following method:

TABLE 7: DIRECT COST PER MINUTE CALCULATION

Per Minute Cost	Calculation
Employee Labor Cost per Minute	$(Salary + benefits) / \text{employee total annual minutes worked}$
Department Overhead Cost per Minute (e.g., supplies, computers, etc.)	$\text{Department operations costs} / \text{total annual minutes worked}$
Direct Business License Cost per Minute	$\text{Employee labor cost per minute} + \text{department operations cost per minute}$

Table 8 shows the direct labor cost per minute for all employees involved in business licensing. All figures used in calculating direct costs were provided by the City.

TABLE 8: DIRECT LABOR COST PER MINUTE

Employees by Department	Direct Cost per Hour	Direct Cost per Minute
Billing Clerk	\$20.91	\$0.35
Treasurer	\$45.89	\$0.76
Building Official	\$50.42	\$0.84
City Manager	\$89.43	\$1.49
Recorder	\$34.76	\$0.58
City Council (Avg.)	\$8.05	\$0.17
Mayor	\$9.90	\$0.14

Department Overhead Costs (Meetings and Training)

There are additional costs within each department associated with business licenses. These additional costs include a portion of staff time spent in staff meetings and trainings which benefit the business license process. These additional costs needed to be combined with the direct labor and supply costs described above. A breakdown of this cost per minute for city employees who participate in trainings or meetings directly associated with business licensing is given below.

TABLE 9: ADDITIONAL COST PER MINUTE BY DEPARTMENT – MEETINGS/TRAINING

Summary by Position	Billing Clerk	Treasurer	Building Official
Team Meetings/Training as % of Total Time	5%	5%	10%
Cost Allocation from Meetings/Training	\$1,522.59	\$4,772.80	\$14,173.94
Cost Allocation per Minute	\$0.01	\$0.04	\$0.11

Building Costs

The Business License Department also needs to cover its fair share of City Hall (Civic Center) building costs related to business license fees. Average costs for the Civic Center for the past three fiscal years are as follows:

TABLE 10: AVERAGE CIVIC CENTER EXPENSES

Year	Civic Center Expenses
FY2017	\$26,377
FY2018	\$32,305
FY2019	\$25,594
Actual Average	\$28,092

Based on interviews with the City, it appears that \$1,872.80 of that building cost can be attributed to the business licensing department. The actual operations and maintenance costs for the City Hall (Civic Center) for the past three years averaged out to be costs of \$28,092 (see chart above). The front office staff estimated business licensing use of the City Hall to be 6% of the overall use (the estimated volume of phone calls and walk-in traffic attributed to business license) of the City Hall. The actual average cost of the City Hall for the past three years was divided by 6% to determine that there is approximately \$1,872.80 of building cost expense associated with business licensing in a given year. This cost can be spread among the total minutes worked on fee-related services by the three employees directly associated with the Business License Department.

TABLE 11: DIRECT BUSINESS LICENSE MINUTES WORKED

Total Costs per Minute	Billing Clerk	Treasurer	Building Official	City Council Member and Mayor	City Manager	Recorder	Total
Annual Minutes Spent on Business Licenses	27,715	3,850	3,065	135	810	270	36,520

The Civic Center expenses of \$1,872.80 are then divided by the annual minutes worked that are directly related to business licensing (36,520 minutes) to arrive at an additional cost per minute of \$0.05.

Study Costs

The cost to conduct this business license fee study can also be included in the business licensing costs. Assuming the business license costs are updated every five years, the annual cost is \$1,000. This cost of \$1,000 is then divided by the annual minutes worked that are directly related to business licensing (33,820 minutes) to arrive at an additional cost per minute of \$0.03.

Summary of Direct Costs per Minute

TABLE 12: SUMMARY OF TOTAL COSTS PER MINUTE

Total Costs per Minute	Billing Clerk	Treasurer	Building Official	City Council Member (Avg.)	Mayor	City Manager	Recorder
Direct Cost per Minute	\$0.35	\$0.76	\$0.84	\$0.14	\$0.17	\$1.49	\$0.58
Training Time Allocation	\$0.01	\$0.04	\$0.11	\$0.00	\$0.00	\$0.00	\$0.00
Building Costs	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Study Cost	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
Total	\$0.44	\$0.88	\$1.03	\$0.23	\$0.25	\$1.57	\$0.66

Employee Time for Business Licensing

Each employee has a different role when reviewing business license applications, and their involvement may vary based on the application type of business class. The following table summarizes each person's involvement based on the type of business class per minute.

TABLE 13: EMPLOYEE TIME PER LICENSE

Business Licenses	Billing Clerk	Treasurer	Police	Building Official	City Council (Each Member) and Mayor	City Manager	Recorder
Annual Business Licenses							
New Business Licenses	60	5	0	5	0	0	0
Renewed Business License	30	5	0	0	0	0	0
Replacement of Business Licenses	5	5	0	0	0	0	0
Business Licenses Late Financial Penalty	30	0	0	0	0	0	0
Home Occupation - Zoning Approval	60	5	0	15	0	0	0
Live Entertainment Application Fee	60	5	0	0	0	0	0
Beer License							
Initial Application Fee	30	5	0	0	0	0	0
On-Premise	30	50	0	45	15	90	30
Off-Premise	30	50	0	45	15	90	30

Business Licenses	Billing Clerk	Treasurer	Police	Building Official	City Council (Each Member) and Mayor	City Manager	Recorder
Cabaret	30	50	0	45	15	90	30
Annual Renewal Fee							
On-Premise	30	5	0	0	0	0	0
Off-Premise	30	5	0	0	0	0	0
Cabaret	30	5	0	0	0	0	0
Fireworks Sales Permit/total yearly fee per stand	30	5	0	0	0	0	0
Residential Solicitation	60	5	5	0	0	0	0

Base Administrative Costs

The following tables outline the total time and cost associated with each base administrative license.

TABLE 14: BASE ADMINISTRATIVE COSTS

Business Licenses	Maximum Fee
New Business Licenses	\$35.95
Renewed Business License	\$17.60
Replacement of Business Licenses	\$6.60
Home Occupation - Zoning Approval	\$46.25*
Business Licenses Late Financial Penalty	\$13.50
Beer License	
Initial Application Fee	\$17.60
On-Premise	\$284.60
Off-Premise	\$284.60
Cabaret	\$284.60
Annual Renewal Fee	
On-Premise	\$17.60
Off-Premise	\$17.60
Cabaret	\$17.60
Residential Solicitation	\$36.48

*Can only be charged a business license fee if the combined offsite impact of the home-based business and the primary residential use materially exceeds the offsite impact of the primary residential use alone. Also, the City may require a business license (without a fee) for home occupation businesses and can charge a fee to home occupations that request a license when they otherwise would not be required to obtain one.

Disproportionate Costs

Disproportionate service costs include the additional costs which some businesses incur because of additional regulatory services required and additional municipal services provided such as police and fire, service calls compared to the base level of service. There are two types of disproportionate service costs – (1) disproportionate regulatory service costs; and (2) disproportionate service call costs.

Disproportionate regulatory service costs include the cost of services for business-related paperwork, administrative oversight, special regulations, and inspections that are in addition to the services common

to all businesses included in the base administrative cost. For example, additional regulatory services are required by some classes of businesses such as day-cares, assisted living, and other special care facilities.

Disproportionate service call costs include the cost of services for police and fire service calls above the base level of service provided by these departments. In order to identify disproportionate service levels, ZPFI has interviewed City officials and service providers and has obtained data regarding 911 calls for service from the City.

According to Utah Code Annotated §10-1-203(5)(c)(i), “Before the governing body of a municipality imposes a license fee on a business that causes disproportionate costs of municipal services under Subsection (5)(a)(i)(C)(I), the legislative body of the municipality shall adopt an ordinance defining for purposes of the [fee] tax under Subsection (5)(a)(i)(C)(I) the costs that constitute disproportionate costs and the amounts that are reasonably related to the costs of the municipal services provided by the municipality.”

Cities are allowed under Utah Code to collect disproportionate business licensing fees for the following municipal services:

- Police
- Fire/EMS
- Storm Water Runoff
- Traffic Control
- Parking
- Transportation
- Beautification
- Snow Removal

Tremonton has chosen to only consider disproportionate police and fire municipal services in this study. Therefore, disproportionate services rendered may include police, fire, and 911 calls for service and business-related paperwork, administrative oversight, special regulations, fire inspections, calls for service, and other services performed for specific types of businesses. To calculate disproportionate costs, the *base level* of service for police and fire must first be established. There are two types of disproportionate costs appropriate to this study – disproportionate regulatory costs and disproportionate 911 police and fire call costs.

Disproportionate Regulatory Costs

In addition to the base administrative costs for business licenses, there are two business categories that require extra time from the building official: education/day care and firework stands. These additional costs are summarized as follows:

TABLE 15: ADDITIONAL BUILDING INSPECTION COSTS

Summary of Development Review and Inspection Costs	Minutes Spent	Cost per Minute	Additional Cost
Education/Day Care	30	\$0.95	\$28.50
Firework Stands	30	\$0.95	\$28.50

Businesses with a beer license are inspected quarterly by the police. These inspections are short and result in about 40 minutes per year per business with a beer license.

TABLE 16: BEER LICENSE ADDITIONAL INSPECTION COSTS

Summary of Development Review and Inspection Costs	Minutes Spent	Cost per Minute	Additional Cost
Beer Licenses	40	\$1.14	\$45.60

Disproportionate Service Call Costs

Disproportionate service call costs include the cost of services for police and fire calls above the base level of service provided by police and fire.¹⁰ The *base level* of service is the average level of 911 service calls to owner-occupied residences.¹¹ Calls for police and fire services were obtained from the police department and fire department for the 2-year period from July 2017 to June 2019. The call data was then mapped and analyzed to calculate the number of calls to owner-occupied residential units. The number of calls to owner-occupied single-family residential units was averaged over the two-year period.¹² The average annual number of calls to owner-occupied single-family residential units was divided by the total number of owner-occupied single-family residential units to determine the *base level* of service calls for police and fire. This per unit base level of service is referred to as the *base level service call ratio*. The disproportionate service call costs are calculated by multiplying the average level of police and fire service calls for each commercial business and residential rental type above the base level service call ratios by the cost per call for police and fire services.

The annual *base level service call ratio* of service for police calls was determined to be an average of 0.58364 calls per owner-occupied single-family residence per year. The annual *base level service call ratio* of service calls in Tremonton for fire service calls is approximately 0.00261 per owner-occupied residence per year.

TABLE 17: RESIDENTIAL CALL DATA – BASE LEVEL OF SERVICE CALL RATIO FOR POLICE AND FIRE

	Police	Fire
Calls for Service – 2 years	2,233	10
Residential Units	1,913	1,913
Base Calls per Unit	0.58364	0.00261

The annual average police and fire service call ratio per business¹³ in each business class was calculated by dividing the average annual number of calls in each business class by the total number of businesses in the business class. Service call ratios for commercial businesses that are higher than the *base level* of service call ratio are considered disproportionate. To calculate the disproportionate service call ratio, the base level of service ratio was subtracted from the average calls per commercial business class.

Within a business class, there may be a few businesses with a much higher number of service calls compared to the majority of business establishments in that particular business class. These businesses excessively skew the average service call per business and are referred to as statistical outliers and were

¹⁰ This study does not include any traffic-related calls. Only calls where police and fire were dispatched to the site are included in the study.

¹¹ Calls are matched to the address where the incident took place, not the address of call origination.

¹² A two-year average minimizes the effect of a call volume spike that could occur over a one-year period.

¹³ Service calls to businesses located in strip malls where calls for service could not be attributed to a specific business were removed from the analysis contained in this study.

omitted from this study. There were only a few statistical outliers identified as part of this study, and they were removed from the calculations.

Police costs per call were determined by taking the police budget, estimating the percentage of time spent on responding to calls for service and dividing that portion of the budget by all calls for service (traffic calls included).

TABLE 18: POLICE COST PER CALL FOR SERVICE

	Amount
Police Calls (all calls, including traffic calls)	5,882
Police Budget	\$1,314,780.57
Estimated Percentage of Time Spent on Police Calls	50%
Police Costs for Calls for Service	\$657,390.29
Cost per Police Call	\$111.76

Fire costs per call were determined by taking the fire budget, estimating the percent of time spent on responding to calls for service and dividing that portion of the budget by all calls for service.

TABLE 19: FIRE COST PER CALL FOR SERVICE

	Amount
Fire Calls	115
Fire Budget	\$224,473.25
Estimated Percentage of Time Spent on Fire Calls	90%
Fire Costs for Calls for Service	\$202,025.93
Cost per Fire Call	\$1,764.42

Table 20 summarizes the disproportionate police and fire service call costs for by business class in Tremont.

TABLE 20: DISPROPORTIONATE POLICE AND FIRE CALLS FOR SERVICE

Business Class	Police Calls per Business	Fire Calls per Business	Disproportionate Police Calls	Disproportionate Fire Calls	Disproportionate Cost per Business
AGRI-BUSINESS	0.00	0.00	0.00	0.00	\$0.00
ANIMAL/PET SERVICES	0.38	0.00	0.00	0.00	\$0.00
ASSISTED LIVING	4.00	0.00	3.42	0.00	\$381.82
AUTO PARTS/ACCESSORIES	2.00	0.00	1.42	0.00	\$158.30
AUTO REPAIR/BODY SHOP	1.00	0.00	0.42	0.00	\$46.53
AUTO SALES/USED CAR SALES	0.92	0.00	0.33	0.00	\$37.22
BANK/CREDIT UNION	1.50	0.00	0.92	0.00	\$102.42
CONSTRUCTION/LANDSCAPING	0.36	0.07	0.00	0.07	\$121.42
DENTAL SERVICES	0.00	0.00	0.00	0.00	\$0.00
ELECTRICAL SERVICES	0.00	0.00	0.00	0.00	\$0.00
ENTERTAINMENT	1.50	0.00	0.92	0.00	\$102.42

Business Class	Police Calls per Business	Fire Calls per Business	Disproportionate Police Calls	Disproportionate Fire Calls	Disproportionate Cost per Business
FARM IMPLEMENTS	1.88	0.00	1.29	0.00	\$144.33
FINANCIAL SERVICES& PROFESSIONAL OFFICES	0.13	0.00	0.00	0.00	\$0.00
FIREWORK STANDS	0.00	0.00	0.00	0.00	\$0.00
FUEL DISPENSING/AUTOBODY	4.50	0.00	3.92	0.00	\$437.70
FUEL DISPENSING/WHOLESALE OIL	2.50	0.00	1.92	0.00	\$214.18
GAS & CONVENIENCE STORES	59.50	0.00	58.92	0.00	\$6,584.67
GYM	0.17	0.00	0.00	0.00	\$0.00
HOME OCC	0.99	0.01	0.40	0.01	\$65.04
HOTEL/MOTEL	11.75	0.25	11.17	0.25	\$1,684.48
LAW OFFICES	0.00	0.00	0.00	0.00	\$0.00
MANUFACTURED HOMES- SALES/SERVICE	0.00	0.00	0.00	0.00	\$0.00
MANUFACTURING	4.64	0.07	4.06	0.07	\$575.09
MEDICAL/HOSPITAL	194.00	1.00	193.42	1.00	\$23,376.61
MEDICAL CLINICS	0.33	0.00	0.00	0.00	\$0.00
METAL FABRICATION	0.50	0.00	0.00	0.00	\$0.00
MISC	0.21	0.00	0.00	0.00	\$0.00
PHOTOGRAPHY SERVICES	0.00	0.00	0.00	0.00	\$0.00
PLUMBING	0.17	0.00	0.00	0.00	\$0.00
PRESCHOOL/DAYCARE	0.38	0.00	0.00	0.00	\$0.00
REAL ESTATE SERVICES	0.00	0.00	0.00	0.00	\$0.00
RESTAURANT/FAST FOOD	2.63	0.00	2.05	0.00	\$229.08
RETAIL A (All other retail not included elsewhere in this Chart)	1.00	0.00	0.42	0.00	\$46.53
RETAIL B (Drug Store; Convenience Store without Gas; Furniture & Appliance, Sales & Service; Home Furnishings; Lumber & Hardware; Retail Merchandise; Clothing Store)	1.56	0.00	0.98	0.00	\$109.40
RETAIL C (Grocery Stores)	4.75	0.00	4.17	0.00	\$465.65
SALON SERVICES	0.06	0.00	0.00	0.00	\$0.00
STORAGE BUILDINGS	0.42	0.00	0.00	0.00	\$0.00
TATTOO PARLORS	0.00	0.00	0.00	0.00	\$0.00
TITLE COMPANIES	2.00	0.00	1.42	0.00	\$158.30
TOWING/AUTO REPAIR	0.08	0.00	0.00	0.00	\$0.00
TRUCKING/HAULING	3.17	0.08	2.58	0.08	\$431.11
UTILITY COMPANIES	0.17	0.00	0.00	0.00	\$0.00
WHOLESALE OIL	0.00	0.00	0.00	0.00	\$0.00

The table above shows the maximum disproportionate fee for service class that the City could impose based on the disproportionate cost associated with each business class. The City may choose not to impose the maximum fee for disproportionate police and fire service calls shown in Table 20. Contained in Appendix A is a chart that shows a percentage of the maximum fee for police and fire service calls.

Enhanced Service Costs

Enhanced service levels reflect a higher level of service for a specific portion of the business community, whether it is a business class, business location, etc. Examples of enhanced service levels include more landscaping, hanging baskets, more or higher quality signage, increased police patrols (i.e., visible police presence), more frequent snow removal, etc. Generally, these types of services are increased in a particular geographic section of the City, such as downtown or the town center of a resort community, but they may also be specific to a particular type of business class, the number of employees in a company, etc.

While Tremonton does provide some modest enhanced services associated with landscaping and snow removal in its downtown (Main Street from 300 East to 400 West) the City has elected not to include these enhanced services in this business license fee study as a means to recover costs.

Total Licensing Costs

The total annual cost for a business license in Tremonton includes the base administrative and disproportionate review and service call costs. The total business license cost identified in this business license fee study is the *maximum amount* the City may charge for a business license. The disproportionate service call costs for police and fire are the same regardless of whether the license is a renewal or a new application and may be charged annual. The base fees for new applications, however, are higher in order to account for the additional costs of paperwork and inspections and may be charged only with the originally application, thereafter only a renewed business license fee may be charged.

Appendix A: Percentage of the Maximum Fee for Disproportionate Police and Fire Service Calls

APPENDIX A: DISPROPORTIONATE POLICE AND FIRE CALLS FOR SERVICE BY COLLECTION PERCENTAGE

Summary	20%	40%	60%	80%	100%
AGRI-BUSINESS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ANIMAL/PET SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ASSISTED LIVING	\$76.36	\$152.73	\$229.09	\$305.46	\$381.82
AUTO PARTS/ACCESSORIES	\$31.66	\$63.32	\$94.98	\$126.64	\$158.30
AUTO REPAIR/BODY SHOP	\$9.31	\$18.61	\$27.92	\$37.23	\$46.53
AUTO SALES/USED CAR SALES	\$7.44	\$14.89	\$22.33	\$29.78	\$37.22
BANK/CREDIT UNION	\$20.48	\$40.97	\$61.45	\$81.93	\$102.42
CONSTRUCTION/LANDSCAPING	\$24.28	\$48.57	\$72.85	\$97.13	\$121.42
DENTAL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ELECTRICAL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ENTERTAINMENT	\$20.48	\$40.97	\$61.45	\$81.93	\$102.42
FARM IMPLEMENTS	\$28.87	\$57.73	\$86.60	\$115.46	\$144.33
FINANCIAL SERVICES B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FIREWORK STANDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUEL DISPENSING/AUTOBODY	\$87.54	\$175.08	\$262.62	\$350.16	\$437.70
FUEL DISPENSING/WHOLESALE OIL	\$42.84	\$85.67	\$128.51	\$171.34	\$214.18
GAS & CONVENIENCE STORES	\$1,316.93	\$2,633.87	\$3,950.80	\$5,267.74	\$6,584.67
GYM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HOME OCC	\$13.01	\$26.01	\$39.02	\$52.03	\$65.04
HOTEL/MOTEL	\$336.90	\$673.79	\$1,010.69	\$1,347.58	\$1,684.48
LAW OFFICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MANUFACTURED HOMES-SALES/SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MANUFACTURING	\$115.02	\$230.04	\$345.05	\$460.07	\$575.09
MEDICAL/HOSPITAL	\$4,675.32	\$9,350.64	\$14,025.97	\$18,701.29	\$23,376.61
MEDICAL CLINICS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
METAL FABRICATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MISC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PHOTOGRAPHY SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PLUMBING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PRESCHOOL/DAYCARE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REAL ESTATE SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RESTAURANT/FAST FOOD	\$45.82	\$91.63	\$137.45	\$183.26	\$229.08
RETAIL A (All other retail not included elsewhere in this Chart)	\$9.31	\$18.61	\$27.92	\$37.23	\$46.53

Summary	20%	40%	60%	80%	100%
RETAIL B (Drug Store; Convenience Store without Gas; Furniture & Appliance, Sales & Service; Home Furnishings; Lumber & Hardware; Retail Merchandise; Clothing Store)	\$21.88	\$43.76	\$65.64	\$87.52	\$109.40
RETAIL C (Grocery Stores)	\$93.13	\$186.26	\$279.39	\$372.52	\$465.65
SALON SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STORAGE BUILDINGS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TATTOO PARLORS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TITLE COMPANIES	\$31.66	\$63.32	\$94.98	\$126.64	\$158.30
TOWING/AUTO REPAIR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TRUCKING/HAULING	\$86.22	\$172.44	\$258.67	\$344.89	\$431.11
UTILITY COMPANIES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WHOLESALE OIL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Appendix B: Comparable Rates

APPENDIX B: COMPARABLE RATES IN OTHER CITIES

Summary	Tremont	Harrisville	Ogden	South Ogden	Washington	Roy	Riverdale
ANNUAL BUSINESS LICENSES							
NEW	\$35.95		\$83.00			\$75.00	
RENEWED	\$17.60						
REPLACEMENT	\$6.60						
LATE FEE	\$13.20						
HOME OCCUPATION ZONING APPROVAL	\$46.25						
LIVE ENTERTAINMENT APPLICATION FEE	\$30.80						
BEER LICENSE							
INITIAL	\$17.60						
ON-PREMISE	\$284.60						
OFF-PREMISE	\$284.60						
CABARET	\$284.60						
ANNUAL RENEWAL FEE							
ON-PREMISE	\$17.60						
OFF-PREMISE	\$17.60						
CABARET	\$17.60						
FIREWORKS PERMIT	\$17.60		\$105.00			\$263-\$315	
RESIDENTIAL SOLICITATION	\$36.48	\$82.00	\$105.00	\$25.00		\$50.00	
AGRI-BUSINESS	\$0.00						
ANIMAL/PET SERVICES	\$0.00				\$164.00		
ASSISTED LIVING	\$381.82			\$4,700.00			
AUTO PARTS/ACCESSORIES	\$158.30	\$137.00	\$301.00	\$190.00	\$174.00		
AUTO REPAIR/BODY SHOP	\$46.53	\$137.00	\$301.00	\$190.00	\$174.00		
AUTO SALES/USED CAR SALES	\$37.22	\$137.00	\$301.00				
BANK/CREDIT UNION	\$102.42						
CONSTRUCTION/LANDSCAPING	\$121.42	\$126.00			\$140.00		
DENTAL SERVICES	\$0.00				\$104.00		
ELECTRICAL SERVICES	\$0.00						
ENTERTAINMENT	\$102.42	\$1,011.00	\$105.00		\$301.00		
FARM IMPLEMENTS	\$144.33						
FINANCIAL SERVICES B	\$0.00	\$84.00	\$216.00	\$280.00	\$104.00		
FIREWORK STANDS	\$0.00						
FUEL DISPENSING/AUTOBODY	\$437.70						
FUEL DISPENSING/WHOLESALE OIL	\$214.18						
GAS & CONVENIENCE STORES	\$6,584.67	\$701.00		\$575.00	\$1,213.00		

Summary	Tremonton	Harrisville	Ogden	South Ogden	Washington	Roy	Riverdale
GYM	\$0.00						
HOTEL/MOTEL	\$1,684.48	\$498.00	\$105.00				
LAW OFFICES	\$0.00						\$55.00
MANUFACTURED HOMES-SALES/SERVICE	\$0.00						
MANUFACTURING	\$575.09	\$126.00					
MEDICAL/HOSPITAL	\$23,376.61						
MEDICAL CLINICS	\$0.00			\$2,200.00			
METAL FABRICATION	\$0.00						
MISC	\$0.00						
PHOTOGRAPHY SERVICES	\$0.00				\$104.00		
PLUMBING	\$0.00						
PRESCHOOL/DAYCARE	\$0.00		\$91.00	\$130.00			
REAL ESTATE SERVICES	\$0.00				\$104.00		
RESTAURANT/FAST FOOD	\$229.08	\$403.00	\$83.00		\$108.00		
RETAIL A	\$46.53			\$130.00	\$108.00	\$68 per 5,000 sq ft (after 5,000)	
RETAIL B	\$109.40			\$130.00	\$108.00	\$68 per 5,000 sq ft (after 5,000)	
RETAIL C	\$465.65			\$130.00	\$108.00	\$68 per 5,000 sq ft (after 5,000)	
SALON SERVICES	\$0.00			\$116.00	\$104.00		
STORAGE BUILDINGS	\$0.00	\$105.00		\$116.00	\$164.00		\$50.00
TATTOO PARLORS	\$0.00						
TITLE COMPANIES	\$158.30						
TOWING/AUTO REPAIR	\$0.00						
TRUCKING/HAULING	\$431.11						
UTILITY COMPANIES	\$0.00						
WHOLESALE OIL	\$0.00						

EXHIBIT “B”

Retail Analysis

Sales Gap Analysis

A sales gap analysis is conducted to estimate the amount and type of purchases being made by Tremonton residents outside of Tremonton. Hence, the term "leakage" reflects sales that are lost to other communities. The analysis consists of first calculating the "average" expenditures made, per capita or per household, in the State of Utah in various retail categories using the North American Industry Classification System Codes (NAICS codes) as recorded by the Utah State Tax Commission. Total sales in Tremonton, by NAICS code category, are then divided by the total population and compared to average per capita sales in the State of Utah. Where Tremonton residents show higher purchases in NAICS code categories, it is assumed that Tremonton captures additional consumers from passerby traffic from Interstate 15 and Interstate 84 and/or the larger regional area for these types of purchases. Where purchases per capita are lower in Tremonton than in the State of Utah in purchases in NAICS code categories, it is assumed that Tremonton residents are leaving the community to make these types of purchases elsewhere.

Therefore, Table 4 identifies, areas of strength (i.e., where Tremonton is a regional provider of goods and services) which are shown with positive numbers in the Leakage column and Capture Rate column that is higher than 100 percent. Where Tremonton residents are leaving the community to make their purchases elsewhere, the estimated amount of lost purchases in the Leakage column ("leakage") is shown as a negative number and with a capture rate that is less than 100 percent within the Capture Rate column.

Table 4: Tremonton 2016 Sales Tax Leakage

NAICS Code Categories	Leakage	Capture Rate
Motor Vehicle and Parts Dealers	\$20,663,621	228%
Food and Beverage Stores	\$15,589,239	238%
Gasoline Stations	\$4,500,672	257%
Repair and Maintenance	\$1,222,122	140%
Food Services and Drinking Places	\$982,443	108%
Sporting Goods, Hobby, Book, and Music Stores	\$382,706	114%
Personal and Laundry Services	\$204,741	131%
Museums, Historical Sites, and Similar Institutions	(\$96,188)	0%
Amusement, Gambling, and Recreation Industries	(\$305,611)	81%
Performing Arts, Spectator Sports, and Related Industries	(\$325,733)	5%
Nonstore Retailers	(\$384,910)	77%
Health and Personal Care Stores	(\$435,278)	69%
Accommodation	(\$1,434,649)	67%
Furniture and Home Furnishings Stores	(\$1,902,896)	24%
Electronics and Appliance Stores	(\$2,171,491)	9%
Miscellaneous Store Retailers	(\$2,983,442)	28%
Clothing and Clothing Accessories Stores	(\$4,091,609)	11%
Building Material and Garden Equipment and Supplies Dealers	(\$4,676,091)	38%
General Merchandise Stores	(\$10,848,723)	34%
TOTAL	\$13,888,923	115%

Source: Utah State Tax Commission, ZPFI

Overall, Tremonton reflects an aggregate capture rate of 115 percent of resident sales, indicating that the City is able to attract customers from outside the area. Additionally, this suggests that traveling public on the Interstates is stopping to make purchases in Tremonton. These areas of strength include sales in the following retail categories (as delineated by retail tax code/groupings by the Utah State Tax Commission):

- Motor Vehicles
- Food and Beverage
- Gasoline
- Repair and Maintenance
- Food Services and Drinking Places
- Sporting Goods, Hobby, Book and Music Stores*
- Personal and Laundry Services

**The category of Sporting Goods, Hobby, Book and Music Stores is noted to be largely influenced by Tremonton Hardware. This entity files under the NAICS code that is related to Sporting Goods. If it were to be removed, leakage would be shown near 30 percent, indicating a need for more uses in Tremonton in this category. Additionally, if it was to be added to the Building Materials code, that category would increase from leakage of roughly 38 percent to near 76 percent.*

Conversely, the City has not captured its share of sales in the following retail categories, which are areas of opportunity for future retail development within the City:

- Amusement, and Entertainment
- Health and Personal Care Stores
- Furniture and Home Furnishings
- Electronics and Appliance Stores
- Clothing Stores
- Building Material and Garden
- General Merchandise

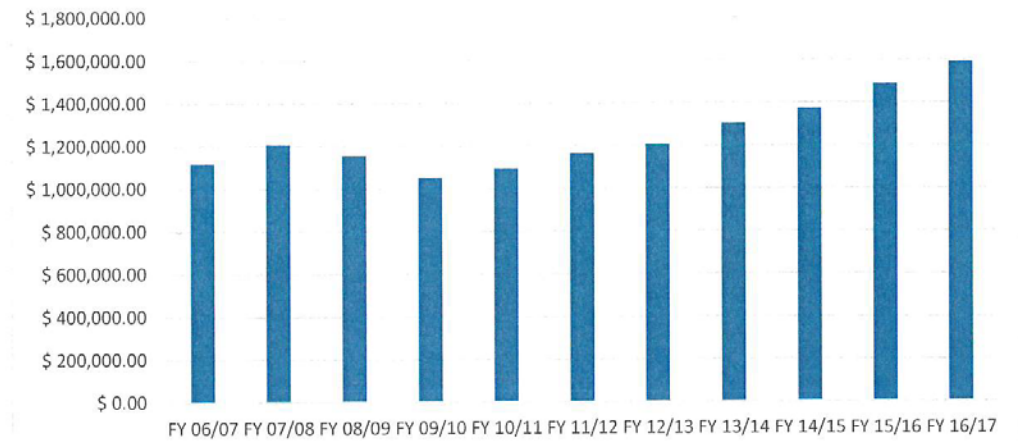
Some of the above retail categories may have limited opportunities due to growth of online shopping. Clothing stores and furniture stores have continued to struggle in most markets, despite general overall economic health. Food services may present options in Tremonton, considering the amount of traffic volumes on Interstate 15 and Interstate 84. There also appear to be opportunities for building material and garden stores, considering that this use type has historically fared well in Utah.

Opportunities exist in areas of strength to further increase the retail draw and to continue to attract new consumers from forecasted population growth, as well as increase the capture rate of existing goods and services as evidenced by the retail areas showing leakage of sales outside of the community.

Overall, the capture rate has stayed relatively consistent between 2013 and 2016 – with a slight increase from 108 percent to 115 percent. A table comparing 2013 and 2016 sales leakage is shown in Appendix B. As indicated previously, the capture rate is an important benchmark to follow in examining retail health. The recent trend appears to be a positive sign for Tremonton, suggesting that both local and tourist dollars are being “captured” and retained in the city.

A sales gap analysis was prepared by Buxton and EDC Utah for Tremonton City and while actual leakage amounts vary between the two reports, they do show the same trends in terms of stronger and weaker retail categories. A table showing comparing the ZPFI and Buxton Report is shown in Appendix B.

Tremonton City Sales Tax Revenue



Source: Utah State Tax Commission, ZPFI

The map below highlights the addresses of all registered businesses in Tremonton. The intended purpose is to show where businesses are currently located, and where opportunities may exist for new development and potential clustering. As shown on the map, nearly all commercial businesses (shown by the red dots) are focused around Main Street, while home occupations (reflected with yellow dots) are scattered throughout the city.

EXHIBIT “C”

Exhibit C.1 Base Administrative Fees for Business Licenses. The following fees and charges are approved and shall be assessed and collected by the Business License Officer or the City Treasurer for Base Administrative Fees for Business Licenses:

Base Administrative Fees for Business Licenses

Business Licenses	Base Cost of Service
General Business License Fees ^{Note 1}	
Initial Business Licenses Application Fee	\$35.95
Annual Renewal Business License Fee	\$17.60
Late Financial Penalty for Annual Renewal Business Licenses	\$13.50
Replacement of Business Licenses	\$6.60
Home Occupation Business License Fees ^{Note 1, 2}	
Initial Home Occupation Business License Application Fee/Zoning Approval	No Charge
Annual Renewal Home Occupation Business License Fee	No Charge
Late Financial Penalty for Home Occupation Business Licenses	No Charge
Replacement of Business Licenses	No Charge
Beer License Fees	
Initial Beer License Application Fee	\$17.60
On-Premise	\$284.60
Off-Premise	\$284.60
Cabaret	\$284.60
Annual Renewal Beer License Fee	
On-Premise	\$17.60
Off-Premise	\$17.60
Cabaret	\$17.60
Residential Solicitation	
Transient/Peddlers/Itinerant Merchants License	\$36.48

Note 1: Per Utah Code Annotated 10-1-203 (9), the Business License Officer shall transmit the information from each approved business license application to the county assessor within 60 days following the approval of the initial business license application.

Note 2: Tremonton City requires Home Occupations to be licensed but shall not charge a fee associated with base administrative costs for issuing a business licenses as contemplated and consistent with Utah Code 10-1-203 (7) and (8).

Exhibit C.2 Disproportionate Regulatory Service Costs for Business Licenses. The following fees and charges are approved and shall be assessed and collected by the Business License Officer or the City Treasurer annually for Disproportionate Regulatory Service Costs for Business Licenses:

Disproportionate Regulatory Service Costs

Business Category	Disproportionate Regulatory Cost ^{Note 1}
Education/Day Care	\$28.50
Firework Stands	\$28.50
Beer License	\$45.60

Note 1: Disproportionate Regulatory Service Costs shall be assessed annually with the Annual Renewal Business License Fee.

Exhibit C.3 Disproportionate Police and Fire Calls for Services for Business Licenses. The following fees and charges are approved and shall be assessed and collected by the Business License Officer or the City Treasurer annually for Disproportionate Police, and Fire Calls for Services for Business Licenses:

Disproportionate Police and Fire Calls for Service

Business Class	Police Calls per Business	Fire Calls per Business	Disproportionate Police Calls	Disproportionate Fire Calls	Disproportionate Cost per Business ^{Note 1}
AGRI-BUSINESS	0.00	0.00	0.00	0.00	\$0.00
ANIMAL/PET SERVICES	0.38	0.00	0.00	0.00	\$0.00
ASSISTED LIVING	4.00	0.00	3.42	0.00	\$381.82
AUTO PARTS/ACCESSORIES	2.00	0.00	1.42	0.00	\$158.30
AUTO REPAIR/BODY SHOP	1.00	0.00	0.42	0.00	\$46.53
AUTO SALES/USED CAR SALES	0.92	0.00	0.33	0.00	\$37.22
BANK/CREDIT UNION	1.50	0.00	0.92	0.00	\$102.42
CONSTRUCTION/LANDSCAPING	0.36	0.07	0.00	0.07	\$121.42
DENTAL SERVICES	0.00	0.00	0.00	0.00	\$0.00
ELECTRICAL SERVICES	0.00	0.00	0.00	0.00	\$0.00
ENTERTAINMENT	1.50	0.00	0.92	0.00	\$102.42
FARM IMPLEMENTS	1.88	0.00	1.29	0.00	\$144.33
FINANCIAL SERVICES& PROFESSIONAL OFFICES	0.13	0.00	0.00	0.00	\$0.00
FIREWORK STANDS	0.00	0.00	0.00	0.00	\$0.00
FUEL DISPENSING/AUTOBODY	4.50	0.00	3.92	0.00	\$437.70
FUEL DISPENSING/WHOLESALE OIL	2.50	0.00	1.92	0.00	\$214.18

Business Class	Police Calls per Business	Fire Calls per Business	Disproportionate Police Calls	Disproportionate Fire Calls	Disproportionate Cost per Business Note 1
GAS & CONVENIENCE STORES	59.50	0.00	58.92	0.00	\$575.09\$6,584. 67
GYM	0.17	0.00	0.00	0.00	\$0.00
HOME OCC	0.99	0.01	0.40	0.01	\$65.04
HOTEL/MOTEL	11.75	0.25	11.17	0.25	\$575.09\$1,684. 48
LAW OFFICES	0.00	0.00	0.00	0.00	\$0.00
MANUFACTURED HOMES- SALES/SERVICE	0.00	0.00	0.00	0.00	\$0.00
MANUFACTURING	4.64	0.07	4.06	0.07	\$575.09
MEDICAL/HOSPITAL	194.00	1.00	193.42	1.00	\$575.09\$23,37 6.61
MEDICAL CLINICS	0.33	0.00	0.00	0.00	\$0.00
METAL FABRICATION	0.50	0.00	0.00	0.00	\$0.00
MISC	0.21	0.00	0.00	0.00	\$0.00
PHOTOGRAPHY SERVICES	0.00	0.00	0.00	0.00	\$0.00
PLUMBING	0.17	0.00	0.00	0.00	\$0.00
PRESCHOOL/DAYCARE	0.38	0.00	0.00	0.00	\$0.00
REAL ESTATE SERVICES	0.00	0.00	0.00	0.00	\$0.00
RESTAURANT/FAST FOOD	2.63	0.00	2.05	0.00	\$229.08
RETAIL A (All other retail not included elsewhere in this Chart)	1.00	0.00	0.42	0.00	\$46.53
RETAIL B (Drug Store; Convenience Store without Gas; Furniture & Appliance, Sales & Service; Home Furnishings; Lumber & Hardware; Retail Merchandise; Clothing Store)	1.56	0.00	0.98	0.00	\$109.40
RETAIL C (Grocery Stores)	4.75	0.00	4.17	0.00	\$465.65
SALON SERVICES	0.06	0.00	0.00	0.00	\$0.00
STORAGE BUILDINGS	0.42	0.00	0.00	0.00	\$0.00
TATTOO PARLORS	0.00	0.00	0.00	0.00	\$0.00
TITLE COMPANIES	2.00	0.00	1.42	0.00	\$158.30
TOWING/AUTO REPAIR	0.08	0.00	0.00	0.00	\$0.00
TRUCKING/HAULING	3.17	0.08	2.58	0.08	\$431.11
UTILITY COMPANIES	0.17	0.00	0.00	0.00	\$0.00
WHOLESALE OIL	0.00	0.00	0.00	0.00	\$0.00
Note 1: Disproportionate Police and Fire Calls for Services for Business Licenses shall be accessed annually with the Annual Renewal Business License Fee.					

TREMONTON CITY
CITY COUNCIL MEETING
JUNE 2, 2020

TITLE:	Discussion and consideration of adopting Resolution No. 20-19 deleting from the Tremonton City Personnel Policies and Procedures Manual the phrase "Part-time employees receiving Utah Retirement System (URS) as part of their employment..."
FISCAL IMPACT:	None
PRESENTER:	Shawn Warnke, City Manager

Who, What & Why:

Years ago, Tremonton City offered Utah Retirement System (URS) benefits to at least one Part-time employee. This instance of providing benefits to this one Part-time employee, without continuing to offer Part-time employees URS benefits was formalized in the Tremonton City Personnel Policies and Procedures Manual with the phrase "Part-time employees receiving Utah Retirement System (URS) as part of their employment..." to recognize the that City had offered and was currently providing URS benefits to a Part-time employee.

This Part-time employee that received the URS benefits during the term of their employment has recently retired from their position with the City. The phrase "Part-time employees receiving Utah Retirement System (URS) as part of their employment..." is no longer applicable to any existing employee, and it is not the desire of the Tremonton City Council to provide URS benefits to any future Part-time employee. For the administrative ease of making this amendment, it is recommended that the City Recorder's Office be authorized to delete all references that specifically state or are similar to the phrase "Part-time employees receiving Utah Retirement System (URS) as part of their employment" from the Tremonton City Personnel Policies and Procedures Manual.

Attachments: Draft Resolution

RESOLUTION NO. 20-19

**A RESOLUTION OF TREMONTON CITY CORPORATION APPROVING
AMENDMENTS TO THE TREMONTON CITY PERSONNEL POLICIES AND
PROCEDURES MANUAL DELETING THE PHRASE “PART-TIME EMPLOYEES
RECEIVING UTAH RETIREMENT SYSTEM (URS) AS PART OF THEIR
EMPLOYMENT...”**

WHEREAS, years ago Tremonton City offered Utah Retirement System (URS) benefits to at least one Part-time employee; and

WHEREAS, Tremonton City continue to provide this one Part-time employee URS benefits during the term of their employment; and

WHEREAS, this instance of providing benefits to this one Part-time employee, without continuing to offer Part-time employees URS benefits was formalized in the Tremonton City Personnel Policies and Procedures Manual; and

WHEREAS, the phrase “Part-time employees receiving Utah Retirement System (URS) as part of their employment...” was used to recognize the that City had offered and was currently providing URS benefits to a Part-time employee; and

WHEREAS, this Part-time employee that received URS benefits during the term of their employment has recently retired from their position with the City; and

WHEREAS, the phrase “Part-time employees receiving Utah Retirement System (URS) as part of their employment...” is no longer applicable to any existing employee and it is not the desire of the Tremonton City Council to provide URS benefits to any future Part-time employee; and

WHEREAS, the phrased of “Part-time employees receiving Utah Retirement System (URS) as part of their employment...” is used frequently throughout the Tremonton City Personnel Policies and Procedures Manual being too numerous to list all the references within this Resolution; and

WHEREAS, for the administrative ease in making this amendment it is recommended that the City Recorder’s Office be authorized to delete all references that specifically state or are similar to the phrase “Part-time employees receiving Utah Retirement System (URS) as part of their employment...” from the Tremonton City Personnel Policies and Procedures Manual.

NOW, THEREFORE, BE IT RESOLVED that the Tremonton City Council hereby authorizes the City Recorder’s Office to delete all references that specifically state or are similar to the phrase “Part-time employees receiving Utah Retirement System (URS) as part of their employment...” from the Tremonton City Personnel Policies and Procedures Manual and to republish the said Manual.

ADOPTED AND PASSED by the City Council of Tremonton, Utah, this 2nd day of June 2020. This Resolution shall become effective upon adoption and passage by the City Council.

TREMONTON CITY
A Utah Municipal Corporation

Roger Fridal, Mayor

ATTEST:

Linsey Nessen, City Recorder

TREMONTON CITY
CITY COUNCIL MEETING
JUNE 2, 2020

TITLE:	Discussion and consideration of adopting Resolution No. 20-20 approving a land acquisition agreement between Tremonton City and Bar M Land & Livestock LLC for Tremonton City's purchase of land for the future expansion of 1650 West Collector Road
FISCAL IMPACT:	The total purchase price of \$2,776.95, \$1,960.20 paid by Box Elder County Corridor Preservation Fund and \$816.75 paid by Tremonton City
PRESENTER:	Shawn Warnke, City Manager

Who, What & Why:

There currently exists 1650 West collector road on the north side of Main Street, and the City has identified a need to extend the 1650 West collector road on the south side of Main Street. The City has been able to work cooperatively with Intermountain Farmers Association, Arizona Machinery Co., and Contemporary Homes, LLC, and has acquired the property for the extension of 1650 West collector road. Additional land is required on the north side of 1650 West to accommodate an expanded segment of the intersection, and the City has approached Randy Moulding of Bar M Land & Livestock LLC regarding the City's desire to acquire property for the extension of the 1650 West collector road. Bar M Land & Livestock LLC is willing to cooperate with the City by selling a portion of real property to the City for the expansion of the intersection at 1650 West collector road, which is formalized in the attached agreement.

Attachments: Draft Resolution and Agreement

RESOLUTION NO. 20-20

A RESOLUTION OF TREMONTON CITY CORPORATION APPROVING A LAND ACQUISITION AGREEMENT BETWEEN TREMONTON CITY AND BAR M LAND & LIVESTOCK LLC FOR TREMONTON CITY'S PURCHASE OF LAND FOR THE FUTURE EXPANSION OF 1650 WEST COLLECTOR ROAD

WHEREAS, Tremonton City (hereinafter referred to as the “City”) has developed a Transportation Plan as an element of the General Plan as required by Utah Code Annotated (“UCA”) § 10-9a-403 (d); and

WHEREAS, the City’s Transportation Plan identifies corridors that need to be preserved for the future collector and arterial roads; and

WHEREAS, there currently exists 1650 West collector road on the north side of Main Street, and the City has identified a need to extend the 1650 West collector road on the south side of Main Street; and

WHEREAS, the City has been able to work cooperatively with Intermountain Farmers Association, Arizona Machinery Co., and Contemporary Homes, LLC, and has acquired the property for the extension of 1650 West collector road. Also, the City has caused the 1650 West Subdivision Plat to be recorded in the Box Elder County Records Office on May 8, 2020; and

WHEREAS, additional land is required on the north side of 1650 West to accommodate an expanded segment of the intersection, and the City has approached Randy Moulding of Bar M Land & Livestock LLC regarding the City’s desire to acquire property for the extension of the 1650 West collector road; and

WHEREAS, Bar M Land & Livestock LLC is willing to cooperate with the City by selling a portion of real property to the City for the expansion of the intersection at 1650 West collector road; and

WHEREAS, on October 16, 2019, the Box Elder County Commission approved the City’s application for financial assistance from their Corridor Preservation Fund to pay in part for the land acquisition costs for 1650 West payable to Bar M Land & Livestock LLC; and

WHEREAS, Bar M Land & Livestock LLC, and the City have cooperatively worked together to expand 1650 West and now desire to enter into a Land Acquisition Agreement to formalize specific cooperative commitments and covenants for the expansion of 1650 West collector road.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Tremonton, Utah does hereby adopt the Land Acquisition Agreement between Tremonton City and of Bar M Land & Livestock LLC for the City’s purchasing of land for the future development of 1650 West

collector road as attached in Exhibit “A.”

Adopted and passed by the governing body of Tremonton City Corporation this 2nd day of June 2020.

TREMONTON CITY
A Utah Municipal Corporation

By _____
Roger Fridal, Mayor

ATTEST:

Linsey Nessen, City Recorder

EXHIBIT “A”

**A LAND ACQUISITION AGREEMENT BETWEEN TREMONTON CITY AND BAR M
LAND & LIVESTOCK LLC. FOR THE CITY'S PURCHASE OF LAND FOR THE
FUTURE EXPANSION OF 1650 WEST COLLECTOR ROAD**

THIS LAND ACQUISITION AGREEMENT (hereinafter "Agreement") is made and entered into as of the 2nd day of June 2020, by and between Tremonton City, a body corporate and politic of the State of Utah (hereinafter referred to as the "City") and of Bar M Land & Livestock LLC, a Limited Liability Company (hereinafter referred to as "Bar M Land"). Tremonton and Bar M Land are sometimes referred to herein individually as a "Party" and collectively as the "Parties." Bar M Land is sometimes referred to herein individually as "Seller." Tremonton City is sometimes referred to herein individually as "Buyer."

RECITALS:

WHEREAS, Tremonton City (hereinafter referred to as the "City") has developed a Transportation Plan as an element of the General Plan as required by Utah Code Annotated ("UCA") § 10-9a-403 (d); and

WHEREAS, the City's Transportation Plan identifies corridors that need to be preserved for the future collector and arterial roads; and

WHEREAS, there currently exists 1650 West collector road on the north side of Main Street, and the City has identified a need to extend the 1650 West collector road on the south side of Main Street; and

WHEREAS, the City has been able to work cooperatively with Intermountain Farmers Association, Arizona Machinery Co., and Contemporary Homes, LLC, and has acquired the property for the extension of 1650 West collector road. Also, the City has caused the 1650 West Subdivision Plat to be recorded in the Box Elder County Records Office on May 8, 2020 (see Exhibit "A"); and

WHEREAS, additional land is required on the northside of 1650 West to accommodate an expanded segment of the intersection, and the City has approached Randy Moulding of Bar M Land & Livestock LLC regarding the City's desire to acquire property for the extension of the 1650 West collector road; and

WHEREAS, Bar M Land & Livestock LLC is willing to cooperate with the City by selling a portion of real property to the City for the expansion of the intersection at 1650 West collector road; and

WHEREAS, on October 16, 2019, the Box Elder County Commission approved the City's application for financial assistance from their Corridor Preservation Fund to pay in part for the land acquisition costs for 1650 West payable to Bar M Land & Livestock LLC; and

WHEREAS, Bar M Land & Livestock LLC, and the City have cooperatively worked together to expand 1650 West and now desire to enter into a Land Acquisition Agreement to

formalize specific cooperative commitments and covenants for the expansion of 1650 West collector road.

NOW, THEREFORE, in consideration of the above promises, the mutual covenants and consideration hereinafter set forth, and other good and valuable consideration, the City and Bar M Land agree as follows:

SECTION 1- PROPERTY SURVEY AND SUBDIVISION

1.1 Survey. Bar M Land consented to the City contracting with Roger C. Slade, a licensed surveyor with Hansen & Associates, to perform a property survey of the portion of the parcel to be purchased. The completed property survey is contained in Exhibit “B,” and contains the legal description to be used to prepare a warranty deed, and the official square footages of the purchase parcel (hereafter “Purchase Parcel.”) Previous square footages of the Purchase Parcel provided to Bar M Land as contained in the appraisal reports were an estimate with the square footages determined by the licensed surveyor as contained in Exhibit “B” being the official square footages. The City paid the professional fees of the licensed surveyor to prepare the property survey.

SECTION 2- APPRASIALS & PROPERTY VALUES

2.1 Appraisals Reports. Bar M Land consented to the City contracting with David P. Holtby, a licensed appraiser with the DH Group to determine the appraised value of the Purchase Parcel legally described in Exhibit “B” through an administrative cost estimate (ACE), which is an accepted approach to determining the value of property when the property to be purchased is anticipated to be less than \$20,000. The date of all the inspections for the appraisals was in or around August 2019. The appraisal report is attached as Exhibit “C” to this Agreement.

2.2 Purchase Price for a portion of Parcel 05-171-0010. The Parties agree that the purchase price of \$2,776.95 will be paid to Bar M Land for 0.015 acres or 653.4 square feet of parcel 05-171-0010, which is legally described in Exhibit “B,” for Bar M Land conveying to Tremonton City clear title for the Purchase Parcel.

The surveyor determined the square footage value as further detailed in Section 1.1 of this Agreement for the Purchase Parcel, which has been multiplied by \$4.25 per square foot. The total purchase price per square foot to be paid to Bar M Land for the Purchase Parcel is further explained below:

\$1,960.20	Calculated by multiplying \$3.00 per square, which was determined to be the market value of parcel 05-171-0010 by 653.4 square feet being the size of the Purchase Parcel
\$816.75	Calculated by multiplying \$1.25 per square foot, which was the amount negotiated by Bar M Land as an inducement to enter into this Agreement by 653.4 square feet being the size of the Purchase Parcel

\$2,776.95 *Grand Total to be paid to Bar M Land for conveying clear title of the Purchase Parcel to Tremonton City*

The City is using \$1,960.20 of funds from the Box Elder County Local Transportation Corridor Preservation Fund to pay the amount determined to be the market value of the Purchase Parcel being 653.4 square feet. Tremonton City will pay \$816.75, which is the amount negotiated by Bar M Land as an inducement to enter into this Agreement due to the relatively small square footage that the City is acquiring.

SECTION 3- PROPERTY ACQUISITIONS

3.1 Title and Closing. The Purchase Parcel associated with this Agreement will be conveyed by Warranty Deed, prepared by American Secure Title, in Tremonton, UT. The closing date will be a date mutually agreeable to the Parties, but shall not be greater than one hundred and twenty (120) days after execution of this Agreement.

3.1.1 Contact Information for Escrow Officer. Coordination of the closing can be done by contacting Jenny Goring, Escrow Officer. Jenny Goring's contact information is provided below.

Jenny Goring, Escrow Officer
American Secure Title Insurance Agency
781 East Main, Suite B., Tremonton, UT 84337
435-257-5176
jgoring@americansecure.com

3.1.2 Title Review for Title Exceptions. Prior to Closing, if there are title exceptions, the Buyer shall have until Closing to perform due diligence. If prior to Closing, the Buyer desires to cancel the transaction based on a legitimate title exception, it may elect to do so. Such an election shall terminate the Agreement in whole without any recourse.

3.1.3 Cost of Title Insurance. The Buyer shall be responsible for the payment of Title Insurance for the Purchase Parcel.

3.2 Box Elder County Local Transportation Corridor Preservation Fund Requirements. The Utah State Legislature authorized, and Box Elder County adopted, the Local Option Transportation Corridor Preservation Fee of up to ten dollars (\$10.00) on each motor vehicle registration within Box Elder County for the advance acquisition of right-of-way for future transportation corridors. The City is using funds from the Box Elder County Local Transportation Corridor Preservation Fund to acquire property from Bar M Land for a portion of 1650 West collector road. The Parties agree to comply with Box Elder County's process in Exhibit "D," for the City's purchase of the Purchase Parcel.

3.3 Real Property Purchase between Bar M Land (Seller) and the City (Buyer). Bar M Land hereby agrees to sell, transfer and convey by Warranty Deed to the City, free and clear of any lien or encumbrance, and the City hereby agrees to acquire the Purchase Parcel being 0.015

acres or 653.4 square feet in size as depicted and more specifically and legally described in Exhibit “B”, which is hereby attached and incorporated hereto.

Subject to the terms and conditions of this Agreement, and in exchange for Bar M Land selling and conveying the Purchase Parcel to the City, together with the covenants and warranties provided by Bar M Land herein, the City agrees to pay Bar M Land the sum of \$2,776.95 which is comprised of an amount detailed in Section 2.2 of this Agreement.

SECTION 4 – FUTURE DEVELOPMENT OF PARCEL 05-171-0010

4.1 Further Development of Parcel 05-171-0010. Further development or subdivision of parcel 05-171-0010 by Bar M Lands or its successor shall require the developer and sub-divider of property to comply with all the requirements of the City’s Land Use Code, including the installation of public improvements unless expressly stated to the contrary in this Agreement.

4.2 Landscape Buffers. The City Land Use Code requires certain landscape buffers to mitigate adjoining land uses. Specifically, a fifteen (15) foot landscape buffer is required adjacent to Interstate 15 and also along the frontage of 1650 West. As allowed by 1.18.035 of the City Land Use Code, landscape buffer widths may be reduced when property owners dedicate rights-of-way above the minimum to accommodate intersection improvements, travel lanes, and or pedestrian improvements. The City finds that the further development of parcel 05-171-0010 is eligible for landscape buffer reduction for the western landscape buffer, if necessary, to accommodate development, within reason, and determined by the Tremonton City Development Review Committee.

SECTION 5 - EXPANSION OF 1650 WEST COLLECTOR ROAD

5.1 City Construction of Improvements to 1650 West. The City will bear the cost for constructing and relocating the curb, gutter, and expanding the asphalt section from the existing asphalt to the location to the new location of the gutter.

5.2 Fire Hydrant. The City will bear the cost for the installation of a fire hydrant at the northside of 1650 West and Main Street intersection. As shown in Exhibit “E,” there existed a fire hydrant at the northeast corner of 1650 West before a storm drain construction project on Main Street around May of 2018, and because of utility conflicts between the existing fire hydrant and the new storm drain line the fire hydrant was removed. The new fire hydrant will be relocated on Bar M Land’s property or in close proximity to Bar M Land’s property. If an easement is needed to locate a fire hydrant on Parcel 05-171-0010, Bar M Land or its successor in interest agrees to provide said easement.

5.3 Timing of Construction. The City’s obligation to construct improvements within Section 5 of this Agreement, shall occur either concurrently with or before the development of Parcel 05-171-0010. Before the City finalizes any construction plans for the aforementioned improvements, the City shall give notice to Bar M Land.

5.4 Seller Construction of Improvements. At the time of this Agreement there are no water or sewer laterals stubbed to the property or sidewalk located on the Seller's property. Tremonton City Development Code requires that the developer of property install at least a 6' sidewalk on the frontage of 1650 West and curb, gutter, and at least an 8' sidewalk on Main Street frontage.

SECTION 6 - COMMON OBLIGATIONS, REPRESENTATIONS, AND WARRANTIES OF THE SELLER

As an inducement to the Buyer to enter into this Agreement, the Seller of Purchase Parcel hereby make the following representations, warranties, and covenants, all of which shall survive the execution of the Agreement:

6.1 Authority of the Seller. The Seller hereby represents to the Buyer that the Seller has full authority to comply and fulfill their obligations covenanted herein.

6.2 Authorization of the Seller. The Seller has full power and authority to enter into and to perform their obligations under this Agreement. The Seller has duly and validly authorized the execution and delivery of this Agreement by the Seller and the performance of the transactions contemplated hereby, and this Agreement is binding upon and enforceable against the Seller in accordance with its terms.

6.3 No Conflict. The execution and delivery of this Agreement by the Seller, and the performance of their obligations hereunder, (a) are not in violation or breach of, and will not conflict with or constitute a default under, any of the terms of governing documents of the Seller or any note, debt instrument, security instrument or other contract, agreement or commitment binding upon the Seller or their assets; (b) will not result in the creation or imposition of any lien, encumbrance, equity or restriction in favor of any third party; and (c) will not conflict with or violate any applicable rule, law, regulation, judgment, order or decree of any government, governmental instrumentality or court having jurisdiction over the Seller or their assets.

6.4 Exclusive Ownership of Purchase Parcel and Absence of Liens. The Seller of the Purchase Parcel has exclusive ownership to all of the property being sold, free and clear of any liens, encumbrances, mortgages, lease equities, claims, covenants, and restrictions.

6.5 Compliance with Laws. To the respective Seller's knowledge, after due inquiry, the Seller has not, in the past, utilized the property that is being sold in violation of any law, ordinance, or regulation of any governmental agency or entity.

6.6 No Violation. The execution of this Agreement and compliance with its terms by the Seller will not result in any breach or violation of any contract, agreement, judgment, order, or regulation to which the Seller or property that is being sold may be subject.

6.7 No Adverse Proceedings. There are no legal, administrative, or other proceedings involving the properties being sold or to which the property being sold may be subject.

6.8 Liabilities Not Assumed by Buyer. The Buyer associated with this Agreement does not, nor shall it be construed as them having assumed any liability or obligation of any Seller, including, but not limited to, taxes or other charges applicable, imposed upon or arising out of the transfer of the properties subject to this Agreement.

6.9 Environmental Representation. The Seller specifically represents that to the best of its knowledge all property sold in this Agreement is in compliance with all environmental protection and anti-pollution laws, rules, regulations, orders or requirements, including solid waste requirements, as defined by the US Environmental Protection Agency Regulations at 40 CFR Part 261, and that such property, is in compliance with all such requirements pertaining to the disposal or existence in or on such property of any hazardous substances, pollutants or contaminants, as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and regulations promulgated thereunder. The Seller, for itself and its successor(s) in interest, do hereby indemnify and hold harmless the Buyer from any liability whatsoever that may be imposed upon the Buyer by any governmental authority or any third Party, pertaining to the disposal of hazardous substances, pollutants or contaminants, and cleanup necessitated by leaking underground storage tanks, excavation and/or backfill of hazardous substances, pollutants or contaminants, or environmental cleanup responsibilities of any nature whatsoever on, of, or related to any property sold to the Buyer in connection with this Agreement, provided that such damages or liability are not caused by circumstances arising entirely after the date of closing by the Buyer, except to the extent that such circumstances are the result of the acts or omissions of the Seller.

SECTION 7 - ADDITIONAL RIGHTS AND OBLIGATIONS OF BUYER

7.1 Right to Assign Agreement. The Buyer of the Purchase Parcel shall have the right, exercised in writing, to assign its rights under this Agreement to a corporation, limited liability company, governmental entity, or other business entity. Upon such assignment, the assignee shall have all of Buyer's rights hereunder and shall thereby assume all of Buyer's obligations hereunder.

SECTION 8 - INDEMNIFICATION

8.1 Indemnification of Buyer by Seller. The Buyer and all Seller agree that the Buyer assumes no liabilities, of whatsoever nature, of any Seller. In this respect, the Seller agrees to indemnify and hold all Buyer harmless from and against all claims, causes of action and damages (including attorney's fees and costs) relating to any acts or omissions of Seller, their employees and/or agents or relating to or arising from the purchased parcels before the execution of the Agreement. All Seller also agrees to indemnify and hold all Buyer harmless from and against all damage or loss (including attorney's fees and costs) incurred by all Buyer as a result of all Seller's breaches of any one or more of the covenants, representations or warranties set forth herein.

8.2 Indemnification of all Seller by all Buyer. The Buyer agrees to indemnify and hold all Seller harmless from and against all claims, causes of action and damages (including attorney's fees and costs) relating to any acts or omissions of all Buyer, their employees and/or agents or relating to or arising from the purchased parcels from and after the execution of the Agreement.

SECTION 9 - MISCELLANEOUS TERMS

9.1 Non-Fiduciary Relationship. The Parties hereto expressly disclaim and disavow any partnership, joint venture, or fiduciary status or relationship between them and expressly affirm that they have entered into this Agreement as independent contractors and that the same is in all respects an “arms-length” transaction.

9.2 Attorney’s Fees. In the event that any Party hereto shall be in default or breach of this Agreement, said Party shall be liable to pay all reasonable attorney’s fees, court costs, and other related collection costs and expenses incurred by the non-defaulting or non-breaching party in prosecuting its rights hereunder.

9.3 Further Instruments. The Parties hereto agree that they will execute any and all other documents or legal instruments that may be necessary or required to carry out and effectuate all of the provisions hereof.

9.4 Waiver. A waiver by any Party of any provision hereof, whether in writing or by course of conduct or otherwise, shall be valid only in the instance for which it is given, and shall not be deemed a continuing waiver of the said provision, nor shall it be construed as a waiver of any other provision hereof.

9.5 Amendments. This Agreement may be amended at any time upon unanimous agreement of the Parties hereto, which amendment(s) must be reduced to writing and signed by all parties in order to become effective.

9.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their heirs, personal representatives, successors and assigns.

9.7 Preparation of Agreement. All Parties hereto acknowledge that they have both participated in the preparation of this Agreement and, in the event that any question arises regarding its interpretation, no presumption shall be drawn in favor of or against any Party hereto with respect to the drafting hereof.

9.8 Separate Counterparts. This Agreement may be executed in several identical counterparts, each one of which shall be considered an original and all of which when taken together shall constitute but one instrument.

9.9 Incorporation of Recitals and Exhibits. The above Recitals and all Exhibits attached hereto are incorporated herein by this reference and expressly made a part of this Agreement.

9.10 Complete Agreement. This Agreement together with any addenda and attached exhibits constitutes the entire Agreement between the Parties and supersedes and replaces any and all prior negotiations, representations, warranties, understandings, contracts, or agreements between the Parties. This Agreement cannot be changed except by the express written agreement of all Parties.

9.11 Survival of Terms. Any term in the Agreement that is intended by its nature to survive the execution date of the Agreement, shall so survive.

9.12 Severability. Any term or provision of the Agreement that is stricken or voided by a Court of competent jurisdiction shall be severed from the remainder of the Agreement. All terms and provisions not specifically stricken or voided by a Court of competent jurisdiction shall remain in full force and effect.

9.13 Interpretation, Jurisdiction, and Venue. The Agreement shall be interpreted by the laws of the State of Utah. Any claim or cause of action arising herefrom shall have exclusive jurisdiction and venue in the First District Court of the State of Utah, in and for Box Elder County.

9.14 Closing. Closing shall take place no later than sixty (60) days after the execution of the Agreement by all Parties.

9.15 Property Taxes. The Parties shall be responsible for the pro-rata share of the property taxes for the calendar year of 2020. The Seller shall be responsible for the pro-rata share of the property taxes until the date of Closing, with the Buyer being responsible for the pro-rata share of the property taxes from the date of Closing moving forward.

9.16 Notice. Any notice required by this Agreement shall be sent to each Party at the following address:

If to the City:

Tremonton City
Attention: City Manager
102 South Tremonton
Tremonton, Utah 84337

If to Bar M Land & Livestock LLC:

Bar M Land & Livestock LLC
Attention: Randy Moulding
10485 W 900 S
Ogden, UT 84404

9.17 “Seller” Defined. The terms “Seller” and/or “Sellers” shall refer to the Party or Parties that hold title interest in Purchase Parcel that is subject to the Agreement on the date of execution of the Agreement.

**THE REMAINDER OF THE PAGE IS INTENTIONALLY LEFT BLANK;
SIGNATURES ON THE FOLLOWING PAGES**

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the day and year first above written.

TREMONTON CITY

A body Corporate and Politic of the State of Utah

By: _____

Roger Fridal, Mayor

ATTEST:

By: _____

Linsey Nessen, City Recorder

ACKNOWLEDGEMENT

STATE OF UTAH)

:ss.

County of Box Elder)

On the ____ day of _____, 2020, personally appeared before me Roger Fridal the signer of the above instrument, who duly acknowledged to me that he executed the same.

By: _____

Notary Public

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the day and year first above written.

BAR M LAND & LIVESTOCK LLC

By: _____

Randy Moulding, Registered Agent

ACKNOWLEDGEMENT

STATE OF UTAH)

:SS.

County of)

On the ____ day of _____, 2020, personally appeared before me Randy Moulding the signer of the above instrument, who duly acknowledged to me that he executed the same.

By: _____

Notary Public

[illegible]

EXHIBIT "B"

TURN LANE BOUNDARY DESCRIPTION PROPERTY TAX ID NO. 05-171-0010

A PART OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 11 NORTH, RANGE 3 WEST OF THE SALT LAKE BASE AND MERIDIAN.

BEGINNING AT A POINT ON THE SOUTH LINE OF BAR M LAND & LIVESTOCK LLC PROPERTY, TAX ID NO. 05-171-0010 ALSO BEING THE NORTH RIGHT-OF-WAY LINE OF STATE HIGHWAY 102 (MAIN STREET TREMONTON) AND ALSO BEING ON THE NEW WESTERLY RIGHT-OF-WAY LINE OF 1650 WEST STREET LOCATED 2761.82 FEET SOUTH 88° 44'32" WEST ALONG THE NORTH LINE OF SAID SECTION AND 65.00 FEET NORTH 01° 15'28" WEST FROM THE NORTHEAST CORNER OF SAID SECTION 9;

RUNNING THENCE ALONG SAID NEW WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: (1) NORTHEASTERLY ALONG A NON-TANGENT CURVE TO THE LEFT OF A 38.00 FOOT RADIUS CURVE, A DISTANCE OF 59.31 FEET, CHORD BEARS NORTH 44° 01'53" EAST 53.47 FEET, HAVING A CENTRAL ANGLE OF 89° 25'19"; (2) NORTH 00° 40'47" WEST 82.39 FEET; AND (3) NORTH 02° 59'46" EAST 38.91 FEET TO THE EAST LINE OF SAID BAR M LAND & LIVESTOCK LLC PROPERTY ALSO BEING THE WEST RIGHT-OF-WAY LINE OF 1650 WEST STREET PER THE OFFICIAL PLAT OF WOODFIELD PUD, RECORDED AS ENTRY NO. 132796 IN THE BOX ELDER COUNTY RECORDER'S OFFICE; THENCE SOUTH 00° 40'47" EAST 158.82 FEET ALONG SAID EAST LINE AND SAID WEST RIGHT-OF-WAY LINE TO THE SOUTHEAST CORNER OF SAID BAR M LAND & LIVESTOCK LLC PROPERTY BEING A POINT ON SAID NORTH RIGHT-OF-WAY LINE; THENCE SOUTH 88° 45'10" WEST 40.11 FEET ALONG SAID NORTH RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING. CONTAINING 651 SQUARE FEET OR 0.015 ACRES.

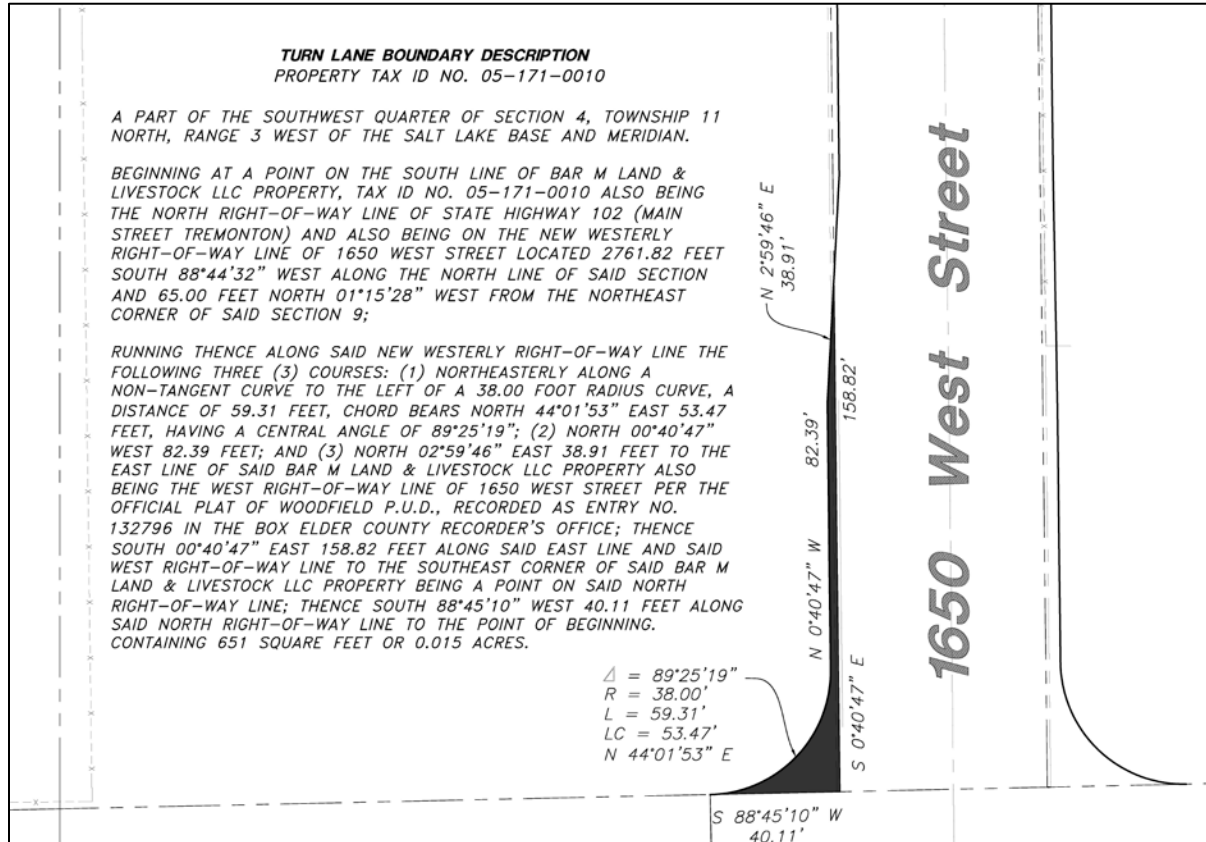
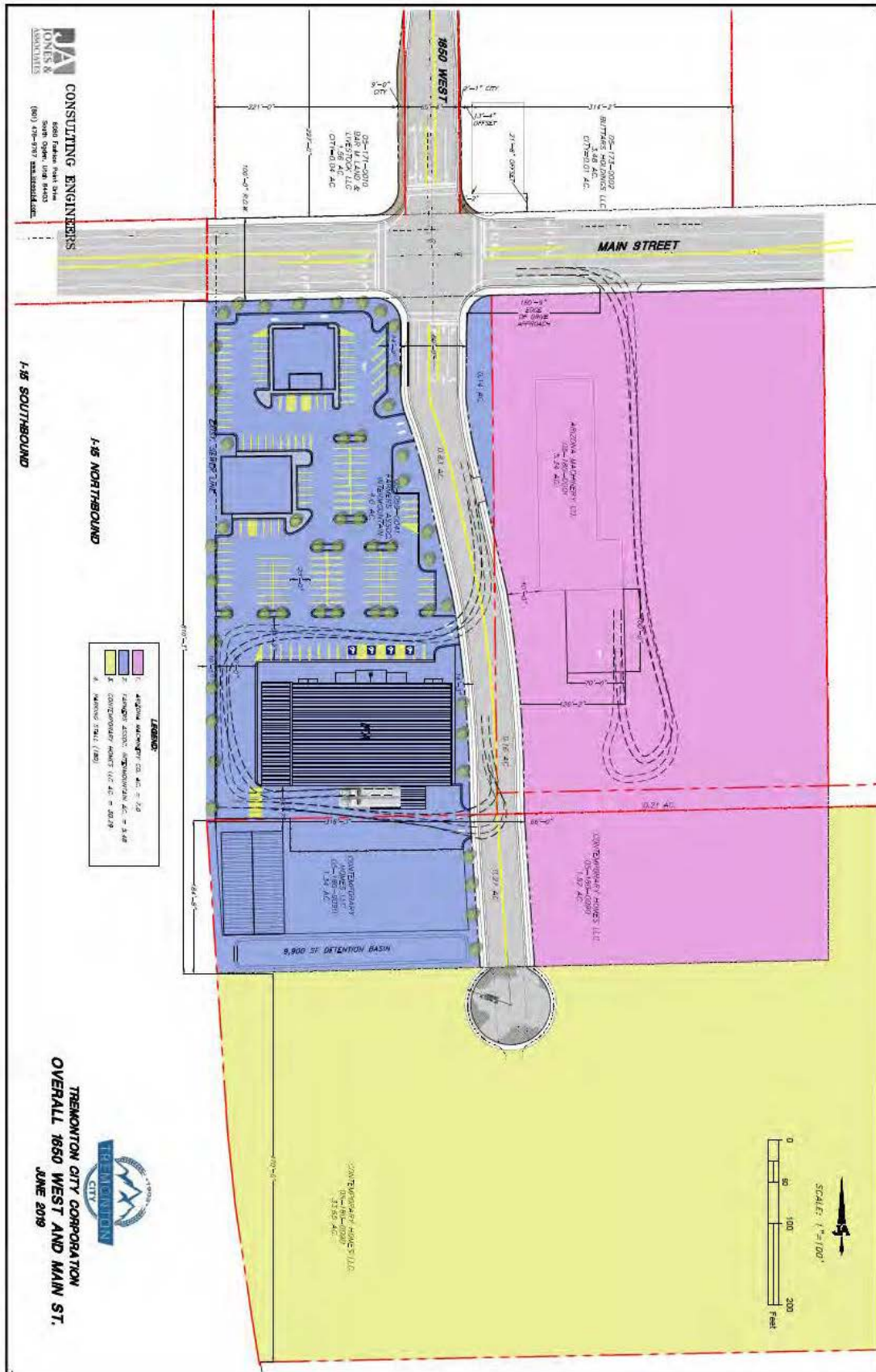


EXHIBIT "C"

		Tremonton City Shawn Wamke, City Manager Compensation Estimate				
Project No:	1650 West Extension	Parcel ID:	Bar M Land & Livestock LLC			
Job/Proj / Auth No.:	NA	County Parcel No.:	05-171-0010			
Project Location:	1650 West Street Extension Project					
County of Property:	Box Elder					
Property Address:	NWC of 1650 West and Main Street, Tremonton, Utah					
Owner / Grantor (s):	Bar M Land & Livestock LLC (Randy Moulding)					
Owners Address:	10485 West 900 South, Ogden, Utah					
Owners Home Phone:	801-725-2722	Owners Email:	randybam@icloud.com			
Parcel						
No.	Type	Size	Unit	Price Per Unit	Property Use	Parcel Jurisdiction
Bar M Land & Livestock L	Land	1,742	SQFT	\$3.00	Commercial	Tremonton
VALUE OF THE TAKING				%	Factor	
Bar M Land & Livestock LLC		1,742	SQFT	\$3.00	100%	x 1 = \$5,227.20
IMPROVEMENTS						
Bar M Land & Livestock L	Improvements lost					\$0.00
Bar M Land & Livestock L	Cost to Cure: Misc yard and site improvements					\$0.00
OTHER COSTS						
Bar M Land & Livestock L	Improvements					\$0.00
Bar M Land & Livestock L	Rounding					\$72.80
TOTAL COMPENSATION						\$5,300.00
Tremonton City declares that this offer is the amount that has been established by Tremonton City as just compensation and is in accordance with applicable State laws and requirements. Just compensation is defined as the fair market value of the property taken, plus damages, if any, to the remaining property, less any benefit which may accrue to said property by reason of the construction of the improvements of the project.						
Date: _____						
Signature: _____						
Name: Shawn Wamke						
Title: City Manager Manager						



Acres 1.57

Parcel Number 05-171-0010

Account Number R0025313

Tax District 130 - TREMONTON

HouseNumber

StreetName

Parcels

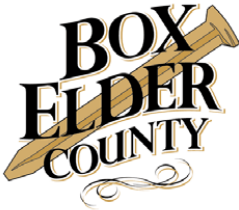
OwnerName BAR M LAND & LIVESTOCK LLC

Legal PART OF SW/4 OF SEC 04, T 11N, R 3W, SLM. BEG AT A POINT 65 FT NORTH & S 88°18'00" W 66 FT FROM SE CORNER OF SW/4 OF SEC 04, SD POINT BEING ON NORTH LINE OF ST HWY. S 88°13'00" W ALONG NORTH LINE 300 FT, NORTH 300 FT, N 88°13'00" E 300 FT TO A POINT DUE NORTH OF POB, SOUTH 300 FT M/L TO POB.

LESS: THAT DEEDED TO UDOT

EXHIBIT “D”

BOX ELDER COUNTY LOCAL TRANSPORTATION CORRIDOR PRESERVATION FUND PROCESS



PLANNING & ZONING OFFICE

Scott Lyons
Community Development Director

COUNTY OFFICIALS

Jeff Scott, COMMISSIONER
Stan Summers, COMMISSIONER
Jeff Hadfield, COMMISSIONER
Rodney D. Bennett, ASSESSOR
Stephen R. Hadfield, ATTORNEY
Tom Kotter, AUDITOR
Marla R. Young, CLERK
Kevin R. Christensen, JUSTICE COURT JUDGE
Chad Montgomery, RECORDER
Kevin Potter, SHERIFF
Shaun Thornley, TREASURER

October 23, 2019

To whom it may concern,

On behalf of the Box Elder County Commission, we write to inform you that your request for funding from the Box Elder County Local Transportation Corridor Preservation Fund for the acquisition/preservation of the following corridor has been granted:

- 1650 West \$200,000

At its meeting on October 16, 2019 the Box Elder County Commission granted approval for the funding.

Below you will find the steps to acquire the property and have the funding disbursed:

1. The agency representative or approved acquisition agent makes a written offer to the property owner. This should include the following documentation:
 - Offer to Purchase & Statement of Just Compensation
 - Advanced Acquisition Right-of-Way Contract
 - Voluntary Acquisition Acknowledgment
 - Copy of the property appraisal and review appraisal or Administrative Cost Estimate (ACE)

Acquisition Notes:

- An Administrative Cost Estimate (ACE) may be used when a value estimate based on relevant market data indicates an anticipated appraised value less than \$20,000.
 - Property purchases shall be closed using a title company.
 - The acquisition price cannot exceed the appraised value of the property, if the acquisition price is above the appraised value, the applicant may pay the difference.
 - The property owner is required to pay roll-back taxes unless applicant is willing to do so.
 - He/she must also provide the agency with an Owner's Policy of Title Insurance.
2. Acquisition information prepared by the title company must be approved by a city representative prior to closing. This review should include, but not limited to, looking for liens or extraordinary exceptions such as a clouded title. Title policy shall be reviewed by the City Attorney or designee.
 3. Once the property owner signs the acquisition paperwork, a payment request package is submitted to COG staff. This package should include:
 - The documents detailed in step one;
 - A Settlement Statement or HUD-1 prepared by the title company; and

• 01 South Main Street Suite 34, Brigham City, Utah 84302 • (435)734-2634 • www.boxeldercounty.org •

- An official letter requesting release of funds. If possible, this package should be submitted electronically as a single PDF, either through email attachments or using a storage device (disk or thumb drive).
4. After review by COG staff, the Box Elder County Commission will direct the County Auditor to release funds to the title company, acquisition agent, and/or city as necessary. Once the acquisition process has been completed, the title company sends recording information to the County.

Feel free to contact me with any questions as you move through this process. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott Lyons', with a stylized, cursive script.

Scott Lyons

1. The project is on a priority list. This list has been prepared and approved by the County body which levied the \$10 vehicle registration fee (hereafter called the COG).
2. The applicant identifies a particular parcel on the project that they would like to purchase.
3. The designated agency representative meets with the property owner to see if they are a willing seller. If the applicant desires to use an acquisition agent the agent must be listed on the current UDOT Consultant Services Right of Way Services and Local Government Pool: (<https://www.udot.utah.gov/public/ucon/uconowner.gf?n=4567801002288117>)
4. If the property owner agrees to sell, the applicant orders a property appraisal or an Administrative Cost Estimate (ACE). The appraiser must be listed on the current UDOT Consultant Services Right of Way Services and Local Government Pool: (<https://www.udot.utah.gov/public/ucon/uconowner.gf?n=4567801002288117>) .
5. The applicant submits the following to COG staff:
 - Local Transportation Corridor Preservation Fund Application
 - Administrative Cost Estimate (ACE)
6. The application is reviewed by a COG staff member. The reviewed application is presented to the COG Sub-Committee for recommendations to the COG. The COG then makes a recommendation to the County Commission.
7. The Box Elder County Commission approves/disapproves the application.
8. The agency representative or approved acquisition agent makes a written offer to the property owner. This should include the following documentation:
 - Offer to Purchase & Statement of Just Compensation
 - Advanced Acquisition Right-of-Way Contract
 - Voluntary Acquisition Acknowledgment
 - Copy of the property appraisal and review appraisal or Administrative Cost Estimate (ACE)

Acquisition Notes:

- An Administrative Cost Estimate (ACE) may be used when a value estimate based on relevant market data indicates an anticipated appraised value less than \$20,000.
- Property purchases shall be closed using a title company.
- The acquisition price cannot exceed the appraised value of the property, if the acquisition price is above the appraised value, the applicant may pay the difference.
- The property owner is required to pay roll-back taxes unless applicant is willing to do so.
- He/she must also provide the agency with an Owner's Policy of Title Insurance.

9. Acquisition information prepared by the title company must be approved by a city representative prior to closing. This review should include, but not limited to, looking for liens or extraordinary exceptions such as a clouded title. Title policy shall be reviewed by the City Attorney or designee.
10. Once the property owner signs the acquisition paperwork, a payment request package is submitted to COG staff. This package should include:
 1. The documents detailed in steps five and eight;
 2. A Settlement Statement or HUD-1 prepared by the title company; and
 3. An official letter requesting release of funds. If possible, this package should be submitted electronically as a single PDF, either through email attachments or using a storage device (disk or thumb drive).
11. After review by COG staff, the funds are released to the title company (from the Local Corridor Preservation Fund). Once the acquisition process has been completed, the title company sends recording information to the County.

Offer to Purchase and Statement of Just Compensation- Bar M Land & Livestock LLC

Project Name: Tremonton City 1650 West Collector Road
Tax ID(s): 05-171-0010
Project Location: 1650 West & Main Street (SR 102), Tremonton, UT 84337
Owner/Grantor Name: Bar M Land & Livestock LLC
Property Owner Address: 10485 W 900 S Ogden, UT 84404
Owner Phone: (801) 725-2722

Tremonton City hereby makes Bar M Land & Livestock LLC an offer to purchase a portion of parcel 05-171-0010 for \$2,776.95 more specifically described in Exhibit "B" of the Land Acquisition Agreement, as Just Compensation for Bar M Land & Livestock LLC.

Tremonton City declares this offer is the amount that has been established by David P. Holtby, DH Group Appraiser, as just compensation and is in accordance with applicable state laws and requirements. Just compensation is defined as the fair market value of the property taken plus damages, if any, to the remaining property, less any benefit which may accrue to said property by reason of the construction of the highway. This amount is based on the land, improvements, and any fixtures considered to be real property.

The public use for which the property or property right is being acquired herein, may include but is not limited to the following possible uses: the construction and improvement of a highway, which may include interchanges, entry and exit ramps, frontage roads, bridges, overpasses, rest areas, buildings, signs, and traffic control devices, placement of utilities, clear zones, maintenance facilities, detention or retention ponds, environmental mitigation, maintenance stations, material storage, biofuel production, slope projections, drainage appurtenance, noise abatement, landscaping, and other related transportation uses.

By: _____ Date: _____
Randy Moulding, Bar M Land & Livestock, LLC Registered Agent

By: _____ Date: _____
Shawn Warnke, Tremonton City Manager

Approved: _____ Date: _____
Roger Fridal, Tremonton City Mayor

Attested: _____ Date: _____
Linsey Nessen, Tremonton City Recorder

Grantor

Date

Tremonton City Right of Way Contract- - Bar M Land & Livestock LLC
Advanced Acquisition – Local Corridor Preservation Funds

Project Name: Tremonton City 1650 West Collector Road
Tax ID(s): 05-171-0010
Project Location: 1650 West & Main Street (SR 102), Tremonton, UT 84337
Owner/Grantor Name: Bar M Land & Livestock LLC
Property Owner Address: 10485 W 900 S Ogden, UT 84404
Owner Phone: (801) 725-2722

In consideration of the foregoing and other considerations hereinafter set forth, it is mutually agreed by the parties as follows: The Grantor hereby agrees to convey and sell by Warranty Deed portions of parcel 05-171-0010, more specifically described in Exhibit “B” of the Land Acquisition Agreement for transportation purposes.

1. Grantor will transfer property free of all liens and encumbrances except recorded easements
2. Grantor agrees to transfer property free of all debris and any hazardous materials (including paint or other household products.)
3. Grantor shall leave the property in the same condition as it was when this contract was signed. No work, improvement, or alteration will be done to the property other than what is provided for in this agreement. Grantor agrees to maintain the property until Tremonton City takes possession.
4. Grantor agrees to pay any and all taxes assessed against this property prior to the date of closing.
5. This is a voluntary sale to Tremonton City. It is not subject to condemnation.
6. As this is a voluntary sale, the Grantors waive any right they have to a “first right of refusal” on any surplus property not used for the proposed highway or other transportation projects.
7. Tremonton City shall pay in full to the Grantor for the real property in the deed referenced above.
8. Grantor shall indemnify and hold harmless Grantee from and against any and all claims, demands, and actions, including costs, from lien holders or lessees of the property.

Total Selling Price: \$2,776.95

By: _____ Date: _____
Randy Moulding, Bar M Land & Livestock, LLC Registered Agent

By: _____ Date: _____
Shawn Warnke, Tremonton City Manager

Approved: _____ Date: _____
Roger Fridal, Tremonton City Mayor

Attested: _____ Date: _____
Linsey Nessen, Tremonton City Recorder

Project Name:	Tremonton City 1650 West Collector Road
Tax ID(s):	05-171-0010
Project Location:	1650 West & Main Street (SR 102), Tremonton, UT 84337
Owner/Grantor Name:	Bar M Land & Livestock LLC
Property Owner Address:	10485 W 900 S Ogden, UT 84404
Owner Phone:	(801) 725-2722

I, Randy Moulding, Bar M Land & Livestock, LLC Registered Agent, do hereby acknowledge the selling of a portion of parcel 05-171-0010, more specifically described in Exhibit "B" of the Land Acquisition Agreement, to Tremonton City is a voluntary sale and is done of my own free will and choice without any duress and threat of condemnation from Tremonton City.

BAR M LAND & LIVESTOCK LLC

By: _____
Randy Moulding, Bar M Land & Livestock, LLC Registered Agent

ACKNOWLEDGEMENT

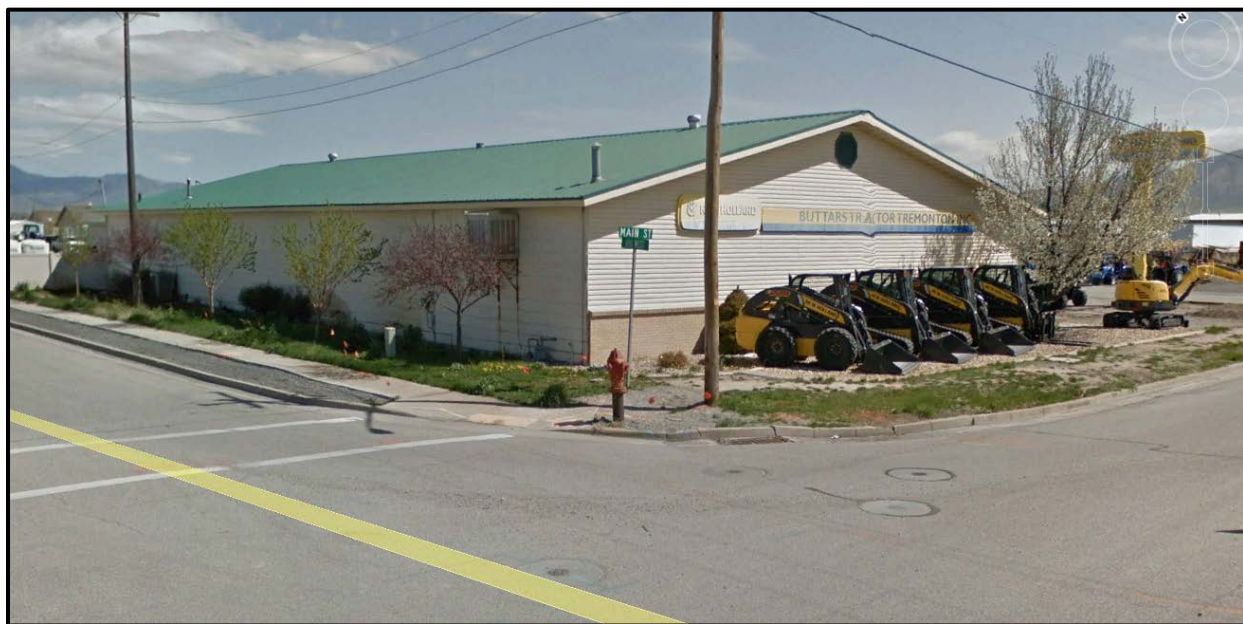
STATE OF UTAH)
)
) ss.)
County of)

On the ____ day of _____, 2020, personally appeared before me Randy Moulding, the signer of the above instrument, who duly acknowledged to me that he executed the same.

By: _____
Notary Public

EXHIBIT “E”

There existed a fire hydrant located at the northeast corner of 1650 West before a construction project that installed a storm drain line in Main Street around May of 2018, and because of utility conflicts between the existing fire hydrant and the new storm drain line the fire hydrant was removed. The new fire hydrant will be relocated on Bar M Land’s property or in close proximity to Bar M Land’s property.



Competitive Grant Application FY2021

Bureau of Emergency Medical Services and Preparedness

This form should be typed or computer generated. Deadline May 30, 2020

Agency Information:

Name of Agency: Tremonton City EMS Utah Ground Ambulance #: _____

Address: 102 South Tremont Street DUNS No. _____

City: Tremonton City County: Box Elder County Contact Person: Mark Thompson

Zip Code: 84337 Email: mthompson@tremontoncny.com

Agency Phone #: 435-279-7211 (Mark Thompson's cell phone number)

Level of Licensure:

☐

EMT

☒

AEMT

☐

Paramedic

CATEGORY REQUESTED: Personnel Grant Category 2

(Equipment or vehicle/ Staffing needs)

Vehicle or Equipment Justification FY2021 - Category 1

Bureau of Emergency Medical Services and Preparedness

This form should be typed or computer-generated.

Agency Information:

Name of Agency: _____ Utah Ground Ambulance #: _____

Address: _____ DUNS No. _____

City: _____ County: _____ Contact Person: _____

Zip Code: _____ Email: _____

Agency Phone #: _____

Utah Ground Ambulance #:

ITEM(s) REQUESTED: _____

JUSTIFICATION:

Please include in the justification how many vehicles you presently own, the type, and the age of each. Or justify your equipment (Refer to page 3 of the Guidelines.)

Personnel Grant Justification FY2021 - Category 2

Bureau of Emergency Medical Services and Preparedness

This form should be typed or computer-generated.

Agency Information:

Name of Agency: Tremonton City EMS Utah Ground Ambulance #: _____
Address: 102 South Tremont Street DUNS No. _____
City: Tremonton City County: Box Elder County Contact Person: Mark Thompson
Zip Code: 84337 Email: mthompson@tremontoncity.com
Agency Phone #: 435-279-7211 (Mark Thompson's cell phone number)

PERSONNEL REQUESTED: Tremonton City needs to hire nine full-time EMT employees working as a three-person EMT crew on a 48/96 hour shift and Chief/Administrator working 40 hours a week. This staffing level will provide a three-person EMT crew available at the station 24-hours a day, along with a full-time Chief/Administrator. This increased staffing level will cost Tremonton City an additional \$800,395.08 annually. Below is a table that summarizes the costs for each position. Tremonton City is requesting up to \$156,936.48, each year for three years to phase in the City's financial obligation for the increased staffing level. Tremonton City sincerely appreciates any consideration that the Bureau of Emergency Medical Services and Preparedness in granting funds for these positions.

Employee(s)	Starting Hourly Rate	Annual Salary	Salary Percentage	Annual Benefits	Benefits Percentage	Total Costs
EMTS/FIREFIGHTER	\$14.50	\$43,419.91	55%	\$35,048.33	45%	\$78,468.24
CHIEF/ADMINISTRATOR	\$26.79	\$57,506.04	60%	\$38,888.90	40%	\$96,394.95

A detailed explanation of the new staffing level and the justification for the increased EMS staffing is contained on the pages that follow. Please do not hesitate to contact Mark Thompson, EMS at 435-279-7211 or Shawn Warnke, Tremonton City Manager at 435-257-9504, for additional information regarding this personnel request.

Tremonton City's Personnel Grant Justification FY2021

Tremonton Volunteer Fire Department was organized in the fall of 1937. The Tremonton City EMS/Fire Department consists of approximately 35 paid-on-call employees, most of which are certified Emergency Medical Technicians (EMT) and certified firefighters. More specifically, paid-on-call EMT employees voluntarily respond to calls during daytime hours, if they are available, and at night time, these employees voluntarily sign up to provide service coverage.

For several years the Tremonton City Council has discussed the emerging issue of added full-time coverage for the EMS/Fire Department by hiring EMT/Firefighters to be staged at the fire station. To understand the emerging issue of considering full-time EMT/Firefighter staffing, the City engaged Brian Potts, with Potts & Associates to perform a staffing analysis for the EMS/Fire Department. The scope of the analysis was to evaluate the current paid-on-call staffing model meeting the demand for emergency response. The process for analyzing the current labor model meeting the growing demand for emergency calls was extensive. It included reviewing years of call data, meeting with the EMT/Fire Department employees on four different occasions for roundtable discussions, and gathering thoughts and opinions from the EMS/Fire Department through an employee survey.

After analyzing the current paid-on-call staffing, the City Council has made the decision to hire nine full-time EMT employees working as a three-person EMT crew on a 48/96 hour shift and Chief/Administrator working 40 hours a week. This staffing plan will provide a three-person EMT crew available at the station 24 hours a day along with a full-time Chief/Administrator and will cost Tremonton City \$800,395.08 annually. Tremonton City's implementation of this increased staffing level will occur starting July 1, 2020, which is the beginning of the City's 2021 Fiscal Year.

Employee(s)	Starting Hourly Rate	Annual Salary	Salary Percentage	Annual Benefits	Benefits Percentage	Total Costs
EMTS/FIREFIGHTER	\$14.50	\$43,419.91	55%	\$35,048.33	45%	\$78,468.24
CHIEF/ADMINISTRATOR	\$26.79	\$57,506.04	60%	\$38,888.90	40%	\$96,394.95

The need to implement this full-time staffing for EMTs is based upon the following factors: staff availability to respond & increasing call volume and aging EMT employee base & recruitment challenges.

Current EMT's Availability to Respond & Increasing Call Volume. As explained above, the current EMT employees are paid-on-call employees, which means that most of these individuals have full-time jobs with other employers. The EMT employees respond during the day when calls are dispatched and only if these EMTs are available. Many of the 35 paid-on-call EMTs are employed outside of Tremonton City limits or have other work or family obligations that prevent them from responding during the day. Night coverage is provided by EMT employees signing up on the calendar for a particular shift on a specific day. It has been increasingly difficult to have a full complement of night coverage due to the lack of EMT voluntarily signing up for shifts. Contained in Exhibit "A" is a graph that shows the number of calls that occur during the day shifts and night shifts, which are generally dispersed equally between the two shifts.

The increasing EMS call volume is another factor that is straining the current staff availability. From 2007 through 2019, there has been a 67% increase in EMS call volume. Attached as Exhibit "B" is a graph that shows the increases in calls from 2007 through 2019. During the calendar year 2019, there were 1,233 calls for EMS service, which equates to, on average, 3.46 calls per day. It is thought that a voluntary EMT response model is strained when EMS call volume averages exceed one call per day. Tremonton City EMS call volume well exceeds one call per day. Below is a graph that shows the total number of EMS calls during a calendar year and the average calls per day.

Total Calls and Average Calls per Day

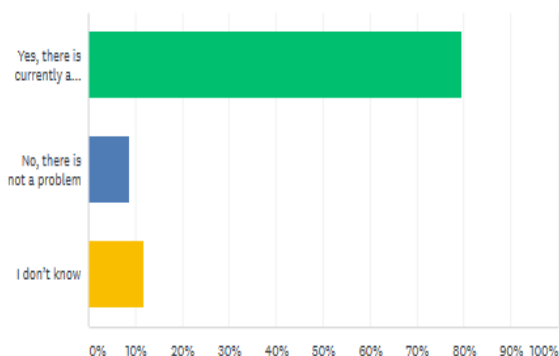
Year	Total Calls	Average Calls per Day
2007	646	1.77
2008	695	1.90
2009	217	1.95
2010	741	2.03
2011	752	2.06
2012	863	2.36
2013	824	2.26
2014	921	2.52
2015	923	2.53
2016	998	2.73
2017	1154	3.16
2018	1198	3.28
2019	1233	3.46

Besides the average calls per day, there are days in which the EMS call volumes exceed the averages, which is shown in Exhibit "C." In the calendar year 2019, there were 150 days in which EMS call volumes exceed the average of 3.46. A further challenge to current staffing availability occurs when there are simultaneous EMS calls for service. During the calendar year 2019, there were 139 times in which two or more incidents were occurring simultaneously.

In addition to these statistics, it is the prevailing opinion of the current EMT employees that additional staffing is needed to meet the increasing call volume. This opinion was revealed through an employee survey that was completed by the EMT/Fire Department employees. When asked if the EMTs believed that there was a problem with the existing staffing arrangement not always having sufficient personnel to respond to emergency calls, 79.41% of the respondents expressed that there was a problem. Additionally, during this same survey, 79.41% of the respondents defined their commitment level to the department as either giving all that they can or would like to give more but cannot. From the responses to these survey questions, it is the opinion of the current EMT employees that there is inadequate staffing to provide sufficient emergency responses.

In your opinion, do you believe that there is a problem with the Fire Department's existing staffing arrangement, in that there is not always sufficient personnel to respond to emergency calls?

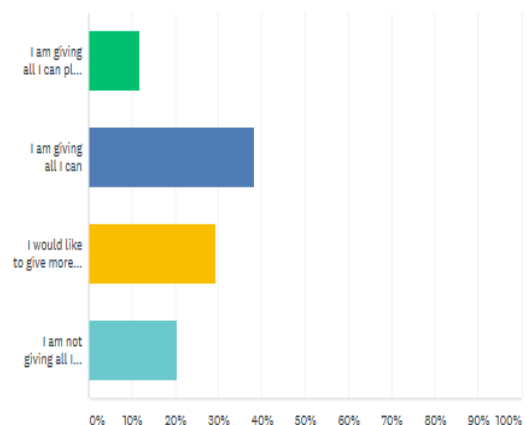
Answered: 34 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes, there is currently a problem	79.41% 27
No, there is not a problem	8.82% 3
I don't know	11.76% 4
TOTAL	34

How would you define your current level of commitment to the department?

Answered: 34 Skipped: 0



ANSWER CHOICES	RESPONSES
I am giving all I can plus more	11.76% 4
I am giving all I can	38.24% 13
I would like to give more, but cannot at present	29.41% 10
I am not giving all I can - I can commit to giving more	20.59% 7
TOTAL	34

Aging EMT Employee Base & Recruitment Challenges. In addition to the challenges of current EMT's availability to respond & increasing call for service, the current EMT employee base is aging. More specifically, the average age of the EMT/Fire Department employees is 49 years old. The average age of the three EMT employees with the most worked hours is 58, and 57% of the hours worked in the EMS/Fire Department is done by employees in their 50's or 60's as shown in the table below. During a roundtable discussion with the EMT/Fire Department employees, it was noted by several of the senior members of the department that they desire to respond less frequently to EMS calls. Additionally, information regarding the EMS/Fire Department employees' hours of work during the calendar year 2019 and the corresponding ages of these employees is contained in Exhibit "D".

% of hours worked	Age Category	% of Departmental Work Force
2.2%	20's	3%
19.4%	30's	22%
20.5%	40's	25%
42.5%	50's	36%
15.0%	60's	11%
0.5%	70's	3%

The aging base of EMT employees is significant as the EMS/Fire Department has been unsuccessful in recruiting, hiring, and certifying new EMT employees to support the EMTs that are nearing retirement age. Below is a chart that shows that from 2015 to 2019, there were 30 individuals interviewed for EMT positions, with 17 individuals being conditionally offered employment based upon their obtainment of the required EMT certifications. Today only nine of the 17 employees remain and are either being employed or working towards obtaining their EMT certifications, which equates to an employee retention rate of 52%.

Year	Interviewed	Hired	Still Employed
2015	8	3	2
2016	10	7	2
2017	4	2	1
2018	3	4	3
2019	6	1	1
Totals	30	17	9

For all these reasons, Tremonton City has concluded the need to hire nine full-time EMT employees working as a three-person crew and to hire a full-time EMS Department Chief/Administrator. Tremonton City sincerely appreciates any consideration that the Bureau of Emergency Medical Services and Preparedness provides in funding for two full-time EMT, up to \$156,936.48, each year for three years to phase in the City's financial obligation for the increased EMS staffing level.

Exhibit “A” EMS Calls by Shift

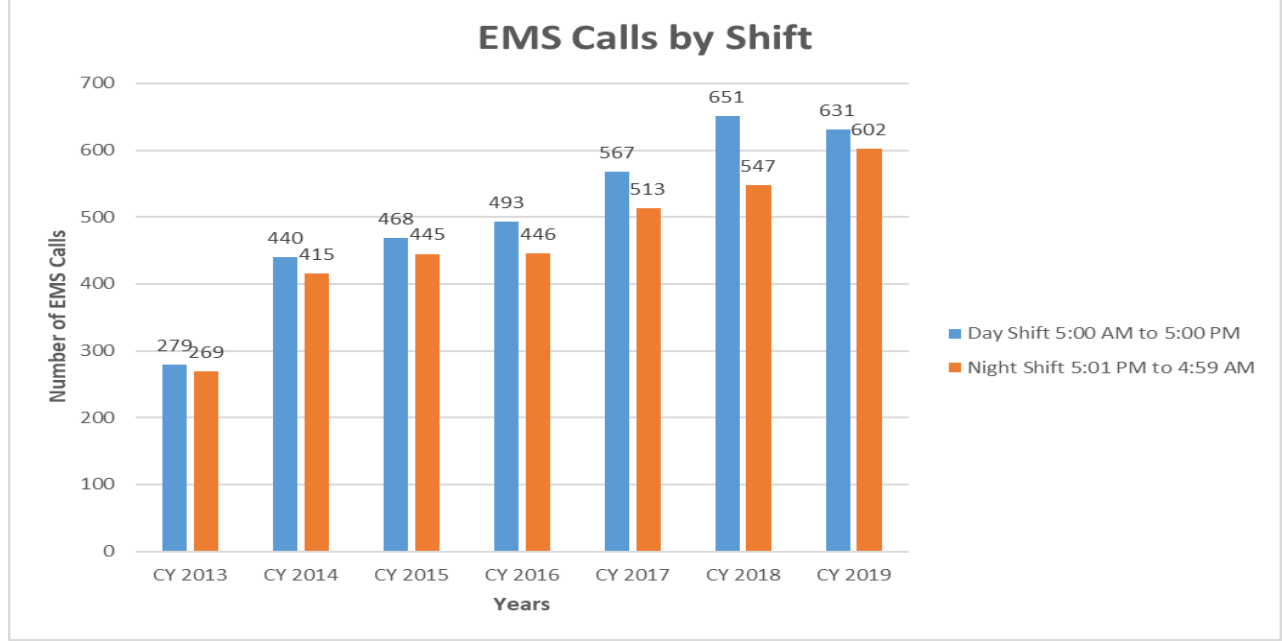


Exhibit “B” Totals for EMS Response per Calendar Year

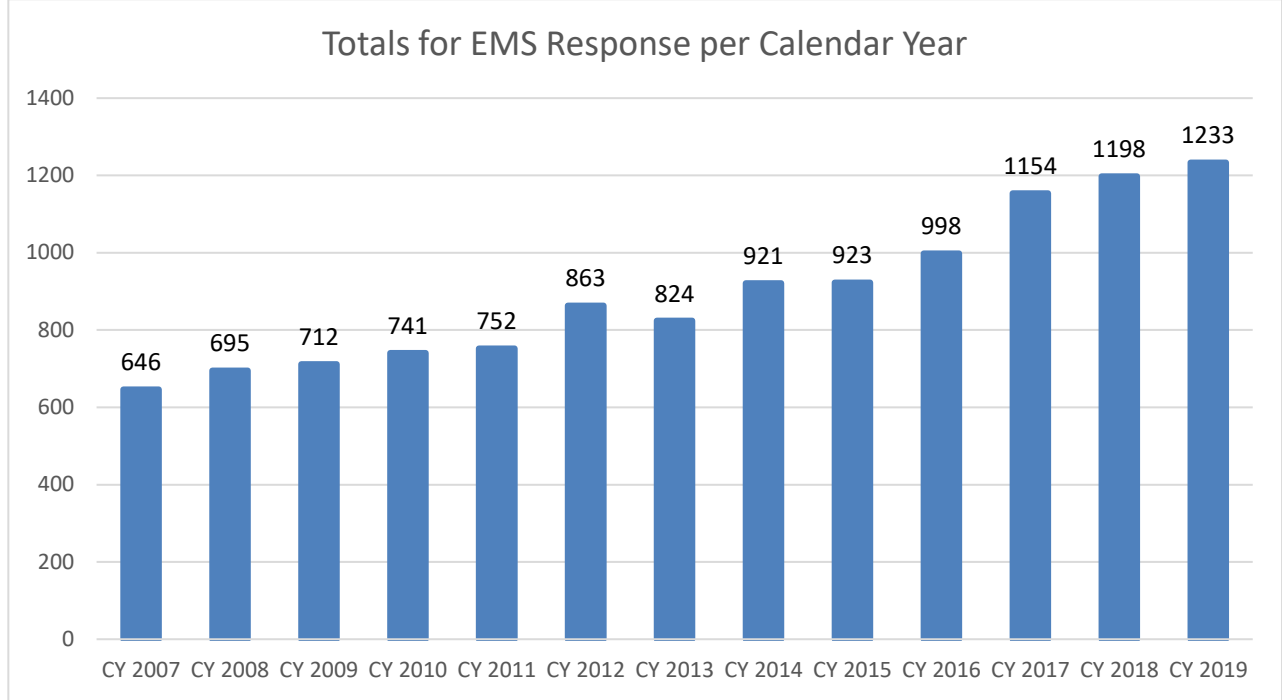


Exhibit “C” Frequency of Daily Incidents

Incidents in a Day	Frequency	
	2018	2019
0	50	18
1	68	57
2	65	70
3	63	70
4	56	53
5	33	42
6	17	28
7	9	10
8	3	10
9	1	3
10	0	2
12	0	2

Exhibit “D” 2019 Fire Department Hours & Age

