

Minutes of the Finance Committee

January 13, 2021

Conducting: Mike Taylor

Members Present:

Council Member David Pratt
Committee Chair Mike Taylor
Committee Member Newt Adams
Committee Member John Chamberlain
City Finance Director Chris Helvey

Topics:

1. Review and Approval of the October 28th, 2020 Minutes – Mike (attached)
Jon made motion to accept. Newt Seconded. Minutes accepted.
2. Review of our city's financial statements as just received from Chris – Chris
No review for the latest financials. December isn't done.
3. Setting a plan for producing our next fiscal year's budgeting process (Mike, Jon and Newt were assigned a city manager to obtain their thoughts)
Mike Taylor had discussions with Craig and Mayor Pray
Jon had conversations with Corbett
Newt had conversations with Jody

The process discussed was:

1. Get the previous budget from Chris
2. Look for things that were cut due to mitigation. Which things should be added back.
3. Review line items that need to be increased.
4. Review new line items requested by department heads.

Budget has to be presented by the mayor to the council by May. Finance committee will get the budget from all department heads by January 22.

Some items brought up

- Review employee benefits that have not been getting paid?
- Overtime is a serious issue. Jody and Corbett have been working a lot of overtime. Right now the city will run out of money in March to pay employees (in that budget category).
- Both Chris and Jody have the legal right (due to hours) to have health insurance. But the city has no budget for it.
- City equipment needs new places to be stored. Right now we have equipment out in the weather.

5. Review of our present mitigation budget and expenditures (Mike was to meet w/Ted Mickelson & Kari)

Mike met with Ted Mickelson and the mitigation project was over budget by \$7280. The entire project was a \$2 million dollar project so the committee felt like it was very well managed.

- Chris will look at the budget and come up with other budget items we can cut to handle the overage from mitigation.

6. Review of our water line project budget and expenditures and obtaining grant money for future phases

The finance committee started looking at phase 2. We need to start evaluating financing for this.

■ Mike Taylor will investigate with Ted Mickelson cost and finance options for phase 2.

7. Discussion on looking at special service districts for some city operations (Newt was going to investigate)

Newt has investigated. His neighbor is the city attorney for Spanish Fork and gave him a lot of really good ideas.

It is possible to do a SSD for Fire.

Newt's question is are we really just taxing people a different way. We would have to setup a whole board and everything just so we can move tax money around.

There may not be a real benefit. However, we need to communicate this to the citizens.

8. Discussion of our building inspection fees (Jon was going to investigate)

Jon investigated this. Nobody could actually give him a real answer to this. We are probably spending more for inspections than what we are bringing in. However, the state regulates how much the city can charge. If the city wants more we have to prove why which requires a lot more paperwork. Corbett doesn't feel it would be worth it.

■ City should make sure the re-inspection fee is the same as what we are being charged by Sunrise Engineering for the inspection.

9. Discussion on city camera bids (Jon was going to obtain a bid from Lakeview) (Mike was going ask Mike Reid for his opinion)

Jon has tested a Lakeview system. Their business model is different. Instead of buying the equipment the city would rent or pay a monthly fee to have the camera. Lakeview is willing to setup a demo system.

The advantage is they maintain the entire system. We don't have to replace equipment.

10. Used oil discussion (Jon was going to meet with Corbett and have him put together a proposal for us to entertain in February or March)

Jon feels like this is a good idea. It's not a super time sensitive item. It might save the city a little bit of money, Jon doesn't feel like it will save a whole bunch. It would take about 3 years before we would see savings.

11. Discussion on how the implementation has gone on our water rate increases

Jody says it has gone well so far. She is worried about the summer time rates.

Some of the vacant lot owners have expressed displeasure...but it isn't terrible.

12. Other items for discussion

Fire Department Budget Presentation

Craig Northup and Dorel Keniston presented.

10 year replacement plan on equipment in the fire department. If something is older then it starts to fail.

2020 Added a brand new brush truck. Purchased with capital improvement funds + bald mountain fire money.

Next need is to replace the Type 1 engine (residential engine). New configuration is a Type3/ Type1 engine. Cost estimate is \$500,000.

City has been saving \$50,000 per year towards fire truck replacement. 2020 did not have that line item due to mitigation.

- City needs to evaluate \$50,000 amount. At 10 years that just covers replacement of the main truck.
- City needs to look at impact fee for public safety.

Public Comment

None

Date of Next Meeting

Next meeting will be February 10, 2021 at 8:00pm

Adjourn

Jon made a motion to adjourn. Newt seconded. All were in favor.