

Heber City Corporation
City Council Meeting
04/17/2010

8:00 a.m.

SPECIAL BUDGET MEETING

The Council of Heber City, Wasatch County, Utah, met in **Special Budget Meeting** on April 17, 2010, in the City Council Chambers in Heber City, Utah.

Present:	Mayor	David R. Phillips
	Council Members	Eric Straddeck Nile Horner Robert Patterson Alan McDonald Benny Mergist

Also Present:	City Manager	Mark K. Anderson
	City Recorder	Paulette Thurber

Councilman Patterson asked Anderson to put a summary/comparison together on property tax increases.

Councilman McDonald wanted to know what was tagged onto property tax—was it police, fire, or what? Anderson said it was a revenue source to pay for the costs associated with the departments listed on page 7.

Mayor Phillips explained that part of Anderson's job description was to put together a budget for a starting place for the Council and the attached proposal was for discussion purposes to put together a balanced budget.

Councilman McDonald asked if these were 100% funded by property tax. Anderson talked about the revenue sources besides property tax.

Councilman McDonald discussed sales tax and it being a pure revenue because it did not cost the City anything and suggested the City relied too heavily on sales tax.

Mayor Phillips said that to Anderson's credit, he had proposed property tax increases several times--it had been before the Council and been voted down each time.

Councilman McDonald suggested it was unfair to compare Heber City to other cities because of the differences in the individual cities. Anderson said he agreed not all cities were created equal. Councilman Horner questioned what kind of businesses the City really wanted to support. Anderson suggested the population base was what had caused some businesses to come to town

and people were going to shop at the stores where they could afford the goods. Councilman Mergist suggested the tax base was being shifted from one business to another. Mayor Phillips discussed the sales tax leakage study that was performed a few years ago and that it had projected a huge amount of money being spent out of the valley. Anderson said once WalMart and the ancillary stores that would follow it go in, the City would see about a \$20,000 increase per month in sales tax. (estimate)

Councilman Patterson talked about a class he and Councilman Straddeck attended at the Utah League of Cities and Towns Convention. They learned it was not the popular decisions, but rather the tough decisions, that would be a long-term benefit to the City.

Discussion about the contributions the Council had obligated to. Councilman McDonald wanted to cut Cowboy Poetry in the future. It was fair to tell them now the City was cutting back in the future.

Anderson discussed the shortfalls projected on page 4. Councilman Mergist wanted to pass the increase in insurance to the employees. Councilman Horner agreed and said the City did not need to bear the costs of the increase. Councilman Mergist wanted to look deeper at insurance benefits and suggested the City pay 100% of the cost for the employee but nothing for the family members. Councilman McDonald suggested eliminating the HSA program, go to a straight plan, increased deductible and still pay for the family plans. Councilman Horner agreed to pass the additional expense to employees. Councilman McDonald wanted to move the deductible up and change plans. Councilman Straddeck said part of the reason for doing that was the same rationale as the HSA savings account to push more responsibility onto the users. Councilman Straddeck felt Councilman McDonald made a very good point and he, too, wanted to look into a higher deductible. Mayor Phillips asked if there was a feel to address this issue more because there was a time limit on this particular meeting. He did not feel it could be resolved in one meeting. It was suggested this issue be discussed at a future date after Anderson had additional information. That way a decision could be made based on data. Councilman McDonald indicated he had looked at the City's plans and felt it would be better to go to a traditional plan. He said the City could get better coverage on a regular plan with a high deductible.

It was determined there would be no pay raises for the employees this year.

Councilman Horner suggested revenues were unpredictable and there was no control over them. He said the last few years there had not been excess money coming in and the Council had to move money around from fund to fund. He suggested expenses the Council had total control over expenses and should therefore focus on what could be controlled.

Anderson had made a summary of what had been requested. He wanted to talk to Council about page 8 which was a summary of capital requests.

It was suggested that any monies realized from the Farmers Market be put back into the Farmers Market--keep putting back into its own fund. Anderson said he would keep track of profit and expenses.

Councilman Straddeck wanted to provide funds to the Children's Justice Center. Discussion about policies regarding the requests made for support. Anderson talked about the policy that was brought to the Council a few years ago and said he liked to see the requests upfront so everything could be compared and looked at all together. Discussion about policies from other cities. Mayor Phillips asked what the Council thought about a policy that required requests at a certain date. The Council liked that concept and talked about what other major companies did. The Council indicated they wanted a time frame and a designated amount in the future. The Council agreed to give the requested \$5,000 to the Children's Justice Center and \$600 to the Special Olympics.

Discussion about radios in the Public Works Department. Councilman Mergist suggested if the City went to radios, cell phones needed to be done away with except for the on-call person. He felt if the crew had a way to communicate with a radio, they didn't need phones. It was discussed how important it was to communicate with the County Public Works Department, the Sheriffs' Department, etc., during an emergency. Anderson said he would get the information from Chief Rhoades on this particular grant for the radios. Councilman Mergist indicated a radio was more reliable than a phone.

Anderson talked about the Police Department building, possibly bonding for that repair, and then the process of paying that back. Councilman Horner said he wanted to continue to look for a lease or rent building. Councilman Mergist suggested looking to the Boyer people to see if they could construct a building. Councilman Horner said there was a chance to rent the old library building from the County. Councilman McDonald had discussed that issue with Mike Davis and that was not a possibility right now. Councilman McDonald suggested there was a building in the Industrial Park that might be available. The Council did not want to have to put a lot of money into something, pay the costs and then have to leave it when a new building was built. Discussion that money should be put into repair to the current building, keep it, and not put money into a rental. Councilman Horner said right now a new building was out of the question. Councilman Mergist suggested the City needed an unbiased contractor that could go in there to keep the current building operational and safe. Anderson suggested the City's Building Department personnel could do some of the work.

Animal Control: The Council was okay with those items listed for the Animal Control Department.

Roads: Councilman Mergist and Councilman Horner indicated they wanted bids from CAT as well as John Deere and other dealers on a backhoe. They were okay with the exhaust fan, 5-ton car lift, and computer software/hardware.

Flood Control: It was discussed the City needed to get with Superintendent Shoemaker and Clause Hicken and discuss and/or work out the issues pertaining to a self-cleaning grate and determine the City's obligation on the lower Wasatch Canal at the high school.

Parks: The hanging baskets had been ordered in March and would be ready to hang soon. The Council was okay with those for this year.

Cemetery: The Council was okay on the skid steer tradeout.

Airport: The Council suggested lease rates for the hangars be \$2,500. Councilman McDonald wanted to discount a hangar and try and sell one of them to get some cash flow. Anderson said he had one guy that was interested. Councilman Mergist suggested that might affect the sale of the rest; however, he agreed on increasing the lease rate. Anderson said he would explore a buyer in the \$280,000 figure. He was told to send letters to everyone on the interested to buy list about taking offers in the \$280,000 range. Anderson said he would send letters to everyone on the list and call six or so to tell them the City was discounting the hangars. It was determined the lease rates would go up June 1 to \$2,500/month.

Anderson talked about the capital projects--storm drainage, parks/trails and streets were impact fee items. He said Mumford would give a summary on those to the Council during regular meeting. Councilman Mergist wanted a map as well.

Airport: This item on the list was the City's 5% match. Anderson said he had asked Karen Tozier to issue cards for the gates at the Airport and said he was handling the administration part of the duties. He indicated Devin Bagley would work with the electrical contractor, Mark Rounds would work on the mowing and the Public Works Department would be responsible for the snow removal. Councilman Mergist wanted to see what the cost would be for the City to do snow removal versus AbuHaidar doing the snow removal.

Transportation Tax: Anderson talked about these requests from Mumford—Street Striping, Storm Drainage Sump/Widening 100 West 300 South and Annual Crack Seal maintenance. He said we were getting a pretty good reserve in the Transportation Fund. Councilman McDonald said a preventive program was good.

Anderson said the Council needed to adopt a tentative budget by May 6 and he had to have something sooner for public review. He said he would follow the direction he had been given but there would be other decisions that would have to be made before the final budget was approved.

Water - page 10: Councilman Horner said he was against the John Deere 54 loader. He said the company was misrepresenting the program. He said the City had to buy the first year usage if the City didn't continue with the program the next year. Councilman Mergist indicated that as long as the City continued each year with the program, they got a new machine each year, but the City did pay for the machine. He said if the company didn't sell the old machine or the new machine went up in value, the City paid the difference. Councilman Horner suggested the City was outlaying the money and didn't get it back. Councilmen Horner and Mergist suggested if the City wanted to spend \$98,000, a new one should be purchased outright instead. Anderson said he would check into and verify the process before this moved forward. Councilman Straddeck agreed about purchasing, if what Councilman Horner and Councilman Mergist were saying was true.

Councilman Mergist said the Public Works department was using the Vactor more and more and the employees were not learning to use a backhoe properly. Discussion about what this truck could be used for. Councilman Straddeck questioned if this was needed if the City was not going

to increase the manpower. Further discussion about the need. It was determined the Vactor Sewer Jet Truck was needed.

The Council decided to meet again next Saturday, April 24, at 8:00 a.m.

Paulette Thurber, City Recorder