
Minutes of the **Strategic Planning Meeting** of the **Riverdale City Council** and **Riverdale Redevelopment Agency** held Saturday, **May 19, 2007** at 8:00 a.m. at the Riverdale Senior Center, 4433 S. 900 W., Riverdale, Utah.

Members Present: Bruce Burrows, Mayor
David Gibby, Councilor
Stacey Haws, Councilor
Shelly Jenkins, Councilor
Gary Griffiths, Councilor
Doug Peterson, Councilor

Others Present: Larry Hansen, Chief Administrative Officer; Steve Brooks, City Attorney; Randy Daily, Community Development Director; Lynn Moulding, Public Works Director; Doug Illum, Fire Chief; Dave Hansen, Police Chief; Lynn Fortie, Business Administrator; James Ebert, Police Lieutenant; and Marilyn Hansen, City Recorder.

Welcome & Opening Comments

Mayor Burrows welcomed all those present.

Quarterly Strategic Planning Focus & Context

Larry Hansen gave an overview of the budget process and the effects of SB-35. He distributed handouts regarding sales tax and general fund surplus transfers as well outlining spending by department over the last ten years. He stated that during the last 20 years, the City has used surplus funds to add facilities without impacting the residents of Riverdale. Mr. Hansen discussed the action plan, noting that there have been key changes in both personnel and cooperation between departments. He explained that the staffing authorization is a large piece of the action plan. Mr. Hansen distributed and reviewed FY 2008 budget worksession revenue and expenditure considerations. He stated that at the end of June, he would like to propose a one-time consideration of an incentive payment to the employees from the existing surplus. He feels that this would continue to build the organizational resolve for the action plan and do something for the employees. Mayor Burrows stated that the employees have taken some reductions in benefits while continuing to do a fantastic job and that he supports the incentive program.

TENTATIVE BUDGET REVIEW

General Fund Revenues

Larry Hansen distributed a handout with the 2006 property tax rates for the cities and towns in Weber County. He reported that Riverdale's property tax rate is in the middle when compared to the other cities and towns. Mr. Hansen distributed Riverdale's 10 year property tax rate history. Councilor Gibby asked if this information could be printed in the newsletter. Mayor Burrows stated it is his plan to write a newsletter article including this information. Mr. Hansen distributed a handout outlining Riverdale's taxes and utility fee information. He explained that this handout takes a composite look at property tax, base utility rates and franchise fees for selected cities and illustrates the cost of living in the city for a year. He noted that Riverdale's current costs are the lowest and even with a property tax and utility rate

increase, and implementing franchise fees, the cost of living in Riverdale is still a good deal. Mr. Hansen asked the Council if they want to pass this information on to the residents using the media or deal with the residents directly by holding a town meeting.

Police Chief Dave Hansen and Lt. James Ebert arrived at 9:00 a.m.

Mayor Burrows stated that he is in favor of holding a town meeting. Councilor Peterson feels that two public relations campaigns are needed. The first one is to the residents of Riverdale to help them understand the tax increases and the second is to the other cities to show them that we are in the same boat. Mr. Hansen stated that he will plan to prepare a newsletter article and would like to have the Council do an article and consider holding a town meeting to discuss this with the residents. **Mayor Burrows asked for consensus to hold a town meeting. Consensus was reached.** The town meeting was scheduled for June 13, 2007 at 7:00 p.m. at the Senior Center. Councilor Peterson reported that he has begun drafting a newsletter article and will distribute it to the other members of the Council for their comments.

Mr. Hansen asked the Council if they want to leave the property tax and franchise tax numbers as they are in the tentative budget and stated that these numbers can be amended at anytime between now and June 19th. Mayor Burrows stated that if the Council is considering a combination of a property tax increase and implementing franchise fees, he thinks that the property tax increase is the fairest way. Councilor Gibby stated the perception is that the residents get hit with the franchise fees whether the City charges it or not as it shows up on their bill and would like to see the City begin collecting it. He stated that he would like to keep the property tax increase at 50% but doesn't want to see it increase higher than that. Councilor Gibby stated that the franchise fees are charged on luxury items. Councilor Jenkins stated that energy isn't a luxury item. Councilor Haws stated that electricity and gas is where everyone is going to pay it. Councilor Peterson stated that commercial properties are paying on 100% of the property value versus a homeowner who pays 55% of the property value, but they both pay 100% for an energy franchise fee. He stated that the tax deduction is there on the property tax and the franchise fee is a tax that increases each year, whereas the property tax doesn't increase every year. Councilor Haws stated that the only problem he has with the proposed tax increase is that in looking through the tentative budget, raising property taxes and implementing franchise fees will gain roughly \$400,000 and there is a \$400,000 surplus in the budget. He stated that he understands the reasons for increasing taxes, but the problem is, we don't have to increase the taxes at all to have a balanced budget this year. Larry Hansen stated that the property tax increase will show the legislators that SB-35 has had an adverse effect on Riverdale and further our case for a base year adjustment which could mean an additional \$2 million dollars for Riverdale. He explained that another advantage is using the surplus to fund capital projects needs such as the water tanks and wells as those budgets are supplemented with surplus money. Councilor Haws stated that \$400,000 is budgeted for Ritter Drive and Riverdale will need to kick in a lot of money for that project. He stated that in previous meetings it was discussed that it wasn't fair to raise taxes on the entire community for Ritter Drive. Councilor Haws stated that he understands that they need to raise the taxes, if nothing else to show the state we are raising taxes in hopes to alleviate some of the effects of SB-35. He stated that we don't need to raise taxes to fund the current budget but if we don't raise the taxes we may lose the opportunity to get the state money. Councilor Peterson stated that he has the same dilemma. Councilor Jenkins asked if a 50% property tax increase was necessary in order to get the legislature's attention. Councilor Peterson stated that he would like to see the property tax increase less than 50%. Mayor Burrows stated that he agrees with putting money aside for several years toward Ritter Drive improvements so they are ready to go when Riverdale Road is widened. Councilor Jenkins stated that as a City we have benefited from all the big box stores and have not put a

penny aside for Ritter Drive and questions why they are now earmarking \$400,000 for the project as there is no guarantee that the money will go to Ritter Drive and could be used elsewhere. Mr. Hansen stated that would be a council decision. Councilor Gibby stated that the property tax increase would be a couple of mills above our high point and puts us in the middle of what the other cities are charging. He stated that he thinks it is something we need and if they wait until the point they are in a critical position there will be a greater outcry than there will be now. Councilor Jenkins stated that she would like to be on middle ground and asked what it will take to help move them forward on the legislative process.

Councilor Haws asked if Riverdale can afford to be the highest paying City in the state. He stated that it is our philosophy to reward our workers with salaries that are above average and implemented a salary survey in which we averaged the pay range added 10%. He asked if they can continue to afford adding the 10% and that they could reduce salaries by \$12,000 by taking off the 10%. He asked if they were willing to raise property taxes 50% and reward our employees with a 6.2% pay increase. He stated that they will probably need to increase property taxes over the next 7 to 10 years and he wouldn't be opposed to raising property taxes 10% each year for the next 10 years. Larry Hansen stated that it was a policy decision to pay employees an above average salary as opposed to the highest in the state. He discussed that the salary survey is statewide and they take an average high and low and then add 10% to the range. That 10% is then divided by 18 steps and on a year to year basis the cost is between \$12,000 to \$15,000. He stated that they have made considerable progress with morale and have achieved great results and this would be sending a bad message to the employees. Councilor Jenkins stated that there is a totally different climate that the business community deals with regarding salaries and benefits and asked when do they gradually start sharing the burden with the employees of the City. Mr. Hansen replied that the existing staff is experiencing reductions to their retirement and increased health insurance co-pays and deductibles as well as cut backs on staff.

The meeting recessed at 9:58 a.m.

The meeting re-convened at 10:12 a.m.

Larry Hansen discussed that the tentative budget can be amended today, June 5 or on June 19, 2007. He noted that there has been discussion on backing down on the property tax or some of the franchise fees or possibly changing the rate that would be charged. Mayor Burrows stated that the proposal is that property taxes be raised 50% and has heard several other proposals today. Some of the proposals were:

- increase property taxes 50% and implement the franchise fees
- combination of property taxes and franchise fees
- lower amount on property tax and no franchise fees
- lower amount on property taxes and implement only the telecom and comcast franchise fees.

Councilor Haws stated that he feels they have no idea what the revenues will be and would like to go through the rest of the budget and see if there are additional things that can be cut. **Mayor Burrows asked for consensus to go through the rest of the budget. Consensus was reached.**

Licensing and Permit revenue was discussed and a marked-up version of the Consolidated Fee Schedule including proposed increases was distributed. Mr. Hansen stated that rather than going through the Consolidated Fee Schedule in detail, he asked them to use it as reference point. Councilor Jenkins felt that the street cut fees shouldn't be reduced as developers are cutting into the streets and the City has the overall expense to repair the roads. Lynn Moulding stated that the Council could leave that fee alone, but feels that we are way high. He stated that charging \$3.10 is a fair amount, based on a couple of

studies that he has read which state that once 1/3 of a street is cut it will need an overlay. Mr. Moulding stated that the \$3.10 street cut fee covers that cost.

Councilor Haws stated that the Consolidated Fee Schedule proposes that the Community Center charge an individual non-resident a fee of \$2.50 per day versus \$1 for residents and felt that was high. He feels that \$1 a day for residents was a nominal thing and doesn't know if it generates much money. Mayor Burrows stated that charging \$2.00 for non-residents might make more sense than \$2.50. He stated that he has been in favor all along of having a different fee for non-residents. Mr. Hansen reported that the Consolidated Fee Schedule will be on the June 19, 2007 City Council agenda for consideration and asked the Council to go over the schedule between now and then. Councilor Peterson stated that he would like to have figures on how many non-residents use the Community Center. Mr. Hansen stated that he could get him that information.

General Fund Expenditures

Mayor and Council

Mr. Hansen stated that the election line item is the greatest change for this account. Marilyn Hansen reported that the Mayor and Council have three voting options for the 2007 municipal elections. They are 1) electronic voting; 2) optical scan ballots; and 3) paper ballots. She stated that Weber County has offered to allow municipalities to use their electronic voting equipment for free with the cities paying for the supplies and programming. She explained that the school voucher issue is now going to be placed on the 2007 municipal elections ballot and that the State should help off-set some of the costs. Ms. Hansen noted that an additional expense for this election is the need for election judges to run the early voting which needs to be conducted 4 days a week, at least 4 hours per day, 14 days in advance of the primary and general election. Councilor Haws stated that he would rather see the City use the electronic voting machines instead of going back and forth as he feels that is a disservice to the residents. Mayor Burrows stated that he agrees and the answer is to get other entities to help off-set our costs. **Mayor Burrows asked for consensus to use the electronic voting machines for the 2007 municipal elections. Consensus was reached.**

The Mayor and City Council salaries were discussed. Councilor Jenkins stated that she will stay at her current salary and give the increase back to the City like she did last year. **Mayor Burrows asked for consensus for the Mayor and Council salaries to remain the same as last year with no increase. Consensus was not reached. Mayor Burrows asked for consensus to go forward with the salary increase for the Mayor and Council. Consensus was reached.**

Legal Services

City Attorney, Steve Brooks stated that he tried to keep budget as close to what it was last year and did not replace a part-time clerk. Currently there are two full-time and two part-time employees in this department. Mr. Brooks explained that he changed the schedules of the two full-time employees to a four-ten work week to cut down on overtime. He stated that the training and travel budget was also reduced by having employees attend only local training. Councilor Haws stated that he felt the projected salaries for part-time employees was high at \$82,000. Mr. Fortie stated that he would look into that.

City Administration

Larry Hansen reported travel and training has generally been eliminated if it is out of state. The exception to that has been if the training is a requirement for a license certification or is in Wendover, NV. He stated that the Education Assistance has been reduced to 50-50 on tuition and books and for any

new enrollees the graduate programs are being eliminated. Mr. Fortie stated that there is a charge for the Chamber of Commerce in the City Administration budget as well as in the Mayor and Council's budget and should be eliminated from one of them. **Amendment #1 - Mayor Burrows asked for consensus to take the \$2,500 Chamber Dues out of the City Administration budget (10-43-4400). Consensus was reached.**

Business Administration

Lynn Fortie reported that the Special Department Expenses line item includes bank and credit card fees, which have increased. Councilor Jenkins inquired if Mr. Fortie shops for better credit card fee rates. Mr. Fortie replied that he hasn't, but just found out that there is a state contract on that and he will be looking into it. Councilor Jenkins inquired about the Bldg and Grounds Maintenance line item and asked if most of that is being handled through this department. Mr. Fortie stated that the wage portion is in public works, and anything that is to be repaired is charged to the building where the repair was done. Lynn Moulding stated that this line item would include things like furnace filters, lightbulbs and cleaning supplies. Councilor Peterson inquired why the part-time salary line item was so high. Mr. Fortie replied that the custodian wage went up quite a bit based on the salary survey.

Non Departmental

Lynn Fortie stated that line item 10-49-4810 Transfer to Other Funds, represents the projected surplus transfer. He noted that the Clarity software has been purchased, but that he will be spreading that cost out over a few years. He explained that he still needs to purchase the windows server and software. Mr. Hansen noted that the \$738,883 is the surplus projected for this year's general fund.

Community Services

Lynn Fortie reported that Travel and Training was slightly increased along with the Bldgs and Grounds Maint. which includes \$10,000 to crack seal the parking lot and repaint lines. He explained that they are going to refinish the gym floor, but that is reflected in the Capital Projects budget as the cost is so high. He stated that Public Communications was raised due to the postage rate increase and growing volume of communications. He stated that the increase in Capital Outlay is to replace a security system. Mayor Burrows reported that the architect who designed the Community Center has estimated the cost to install one shower stall in each restroom is \$55,000. He requested that the Council keep that in mind as they discuss the budget. Councilor Jenkins questioned why the Crafts and Skills line item had a \$3,000 budget as it doesn't seem to get spent. Mr. Hansen suggested that Mr. Fortie check on the Summer Fun program and see if it is budgeted under this line item. Councilor Peterson discussed the part-time wages line item. Councilor Haws questioned putting in \$140,000 for part-time wages when it looks like a \$50,000 cushion is being built into that budget. Councilor Peterson asked if the proposed fees from the Consolidated Fee Schedule had been factored into this budget. Mr. Fortie stated that those fees were not included in the tentative budget. Councilor Peterson stated that if those fees are approved, they may add up to a lot of revenue and they may want to factor those in.

The meeting recessed for lunch at 11:42 a.m.

The meeting re-convened at 12:17 p.m.

Community Development

Randy Daily reported that there is a reduction in the Salaries/Wages Full Time line item as he did not budget for a full-time Administrative Assistant because the part-time Administrative Assistant job share is working so well. He stated that he did not budget for a part-time Planner but increased the Professional Services line item to include consulting fees for any planning needs. Larry Hansen

explained that Mr. Daily will handle the day to day operations, with the building inspector taking on more and more of the inspections that Mr. Daily used to take care of. The consultant will be used when planning issues come up, similar to using a consultant like Jody Burnett for the City Attorney.

RDA

Larry Hansen reported that the RDA fund has been divided into six individual funds under the umbrella of the RDA General Fund. He stated that the Interest line item contains funds from the Riverdale Road and Weber River RDA budgets. He explained that the anticipated profit from the sale of the West Bench property is reflected in the Sundry Revenues line item. Mr. Hansen reported that the Increase in Reserve Accounts line item in the amount of \$878,400 becomes discretionary RDA funding, under state law, and can be used to negotiate with the Tax Entity Committee to possibly get a budget for the West Bench RDA area.

Riverdale Road RDA Fund

Mr. Hansen stated that he may need to amend the Riverdale Partners expenditure as he feels that obligation has been paid in full. Councilor Haws inquired if the \$25,000 in account 22-36-1000 should be shown under account 21-36-1000. Mr. Fortie stated that he wasn't sure and would check. Councilor Gibby inquired if there would be any state funding for the signalization of 550 West. Mr. Hansen explained that waiting for state funding would take too long and they could only fund a small portion.

1050 West RDA Fund

Mr. Hansen explained that this budget is dedicated for the Senior Center Bond repayment revenue stream.

Weber River RDA Fund

Mr. Hansen noted that the \$25,000 increment payments line item may need to be amended as he feels that the obligation to Home Depot has been completed. He reported that the Improvements line item for \$125,000 is the annual payment for the River Park Drive allocation, which is being held pending a satisfactory resolution of that dispute.

550 West RDA Fund

Mr. Hansen reported that tax increment payments probably won't be received until the end of 2008 because of the assessment process. He stated that they will continue to accrue actual expenses that will be repaid once the revenues begin coming in. Councilor Haws asked how is the signal was being paid for. Mr. Hansen replied that the signal expense is coming out of budgeted funds in the Riverdale Road RDA Fund.

West Bench RDA Fund

Mr. Hansen reported that they are hopeful that this area will soon get a budget.

Housing RDA Fund

Mr. Hansen reported that \$727,000 will be going into the housing program as an increase.

Senior Facility RDA Fund

Mr. Hansen reported that the Tax Increment – Transferred line item is from the 1050 W Project Area and collected rents. He stated that the Mgmt, Admin, Operations line item includes \$36,000 which represents \$3,000 per month back to the general fund for Bldgs & Grounds, Custodial Services. Councilor Haws inquired how that amount compared to contracting that service out versus reimbursing

the City. Mr. Hansen replied that they are liberal in the transfer to the general fund because it is both public works and custodial work. Councilor Haws stated that if it costs more to pay the City versus a private contractor, then maybe they should consider looking into having a contractor do it. Councilor Jenkins asked about having just the custodial portion subcontracted out. Mr. Hansen stated that he thinks it would cost more to subcontract out the custodial portion rather than having it done by a City employee and feels that a City employee would do better quality work.

Police

Chief Dave Hansen reported that in order to keep his budget costs down, they have decided not to replace an officer. He stated that there has been an increase in the Travel and Training line item as well as Overtime Wages. He explained that the Equipment Supply and Maintenance line item was increased as the fleet of patrol cars are no longer under warranty and the radios and tasers are old. Chief Hansen reported that two new line items have been added to the Police budget; 1) NAPP for \$1,393, which represents ½ the cost of installing a dedicated T-1 line; and 2) Drug Task Force for \$4,145 which is an assessment by the Strike Force. He indicated that the Animal Shelter line item also increased due to increased fees being charged by the shelter. Councilor Jenkins questioned whether \$50,000 was enough money being budgeted for fuel as these costs are continuing to rise. She also questioned if the \$10,000 budgeted for Building and Grounds was excessive. Chief Hansen stated that they began to carpet the hallways but held off on carpeting the offices and now they would like to carpet and paint the offices. He explained that as far as the fuel line item, it was increased it by \$5,000 and stated that it is hard to guess how high gas prices will go. Councilor Jenkins inquired if they would consider purchasing any hybrid cars. Chief Hansen stated that the Police Department is the department you would least want to look at having a hybrid car as you do not want to have the bad guys out perform the police in either weaponry or cars. He stated that the Charger that they are looking to purchase has an 8 cylinder engine but goes to 4 cylinders when not needed. He noted that this car will be compared with the Crown Victoria's that they currently are using. Chief Hansen reported that the Mustang that they want to purchase will get detectives into places that they would never get into while driving a Crown Victoria. He stated that he would also like to use the Mustang as a DUI and DARE car. Lynn Fortie stated that the Mustang is a car with a high resale value and ends up costing the City less to operate year to year. Councilor Haws inquired about the two trucks that the Police Department wants to purchase. Chief Hansen replied that they need these trucks for the investigators to facilitate recovering property. Currently, the officers have to borrow a truck from Public Works. He noted that the trucks also have a greater resale value. Councilor Peterson inquired about the overspending in the current year for the Miscellaneous line item. Chief Hansen reported that Miscellaneous expenses are things that are unique to the Police Department. He noted that even though Miscellaneous expenses went up the Special Department expenses went down. Councilor Haws inquired why only \$22.00 has been spent out of the Duty & Training Ammunition line item when \$3,000 was currently budgeted. Chief Hansen replied that they have tried to order ammunition but it is all back ordered because of the war in Iraq and that they are currently on a standby list. He explained that they have been training with the ammunition that they have, but they are getting low. Lt. Ebert stated that they do 6 shoots a year.

FIRE

Fire Chief, Doug Illum reported that 98% of the firefighters are now certified and don't need to be sent to training, which reduced the Travel and Training line item. He indicated that he is requesting a Brush Truck under the Motor Pool Payments line item. He stated that he did not put in the budget a request for \$8,700 to slurry seal their parking lot. He explained that because the City park also uses this parking lot he was hoping that the parks department or another department could help offset part of that cost.

Councilor Jenkins inquired if the Fire Department could go to the state to get a used brush truck. Chief Illum replied that they could but then there are increased maintenance costs. He explained that the brush truck is one that they will assemble themselves in order to save money. Chief Illum reported that one way to increase revenues in the City is to provide ambulance response. He stated that he is looking at proposing to do this later in the budget year and has applied for a \$30,000 grant for an ambulance. He explained that the projected revenue is between \$245,000 and \$250,000 with a projected costs of \$190,000. Councilor Jenkins inquired if those figures would be the same every year. Chief Illum replied that the cost would not be that high each year but they would need to purchase a new ambulance every five years. He stated that they would need additional employees to put two employees in the ambulance and two employees in the fire truck. Mayor Burrows reported that the County is looking to consolidate this service and we are fighting with the state legislature and this could be perceived by them as spending more money in areas that maybe aren't necessary. Larry Hansen stated that they could set up account 10-57-2600 for the \$8,700 to slurry seal the parking lot. **Amendment #2 - Mayor Burrows asked for consensus to refurbish the Fire Department parking lot and add line item 10-57-2600 Maintenance for \$8,700.**

Capital Projects

Lynn Fortie discussed the Capital Projects budget revenues. He noted that the FEMA grant application has been submitted and the CDBG grant will be applied for soon. The Capital Projects expenditures were discussed. Mayor Burrows discussed that current logo on the gym floor doesn't hold the surface well and recommended leaving the logo off when the floor is refinished. It was discussed that the logo could possibly be placed on the wall. **Mayor Burrows asked for consensus to leave the logo off the Community Center gym floor when it is refinished. Consensus was reached.** Larry Hansen discussed if \$25,000 was enough to fund the showers at the Community Center. Mayor Burrows stated that he would like at least \$40,000 budgeted for the showers. Councilor Haws stated that he would like to move \$25,000 from the Community Services budget into the Capital Projects budget for this item. Councilor Jenkins suggested moving some of the budgeted amount for the survey to fund the showers. Larry Hansen stated that he is looking to place the annual survey on the City's web-site and not mail it out in the future. He explained that they would need time to look at the Community Services budget to see what could be cut in order to pay for the showers out of that budget. Councilor Haws suggested using the additional fund balance in the Capital Projects fund balance since they don't know where to cut. Mayor Burrows stated that they could get costs estimates to see if the budgeted \$25,000 is enough to fund the project. Mr. Hansen asked if they want to hold this item in abeyance until they can see how to amend the existing Community Services budget and see how much money could be saved by doing the annual city survey on-line. He noted that for expedience, they could add \$15,000 to the Capital Projects budget for the Community Center showers. **Amendment #3 – Mayor Burrows asked for consensus to add \$15,000 to line item 45-47-7900 in the Capital Projects budget for the Community Center showers. Consensus was reached.**

Councilor Gibby inquired if anything has been budgeted for the trail through the new Unity project. Mr. Hansen replied that no money has been budgeted yet. Lynn Moulding stated that project would qualify for federal money but that a 5 - 10 year lead time is typical. He explained that some matching funds are available through the state, and has a year process from submitting the application to receiving the funds, but that could be done in conjunction with RAMP. Larry Hansen stated that the \$400,000 in line item 45-47-8000 is for future use on Ritter Drive. Councilor Jenkins asked if that is the best use of those funds. Councilor Griffiths stated that he would feel comfortable to reduce or set that amount back. Councilor Haws suggested reducing it to \$100,000 and getting rid of the franchise tax. Councilor Peterson stated that he wanted to reduce the \$400,000 for Ritter Drive to \$200,000 and is hoping to work

something out with the legislature for a solution for the southern Weber County dilemma. Councilor Gibby asked Councilor Peterson what kind of tax increase he felt was needed to demonstrate to the legislature that we are serious. Councilor Peterson replied that would be a question to discuss with Representative Dee. He stated that he thinks there are multiple reasons to implement a property tax increase, but would like to keep it around 30%. Councilor Gibby stated that he would rather see it go to 50% and not increase the property taxes for 6 to 7 years, if that showed the legislature we are serious and benefited us rather than raising property taxes 10% per year. Mayor Burrows stated that he doesn't want to raise taxes 10% for 5 years as he doesn't see the advantage of raising it incrementally. Councilor Jenkins reported that the only advantage is to the tax payer because if the County had increased the assessed property values yearly instead of all at once, the impact would have been less. Mayor Burrows proposed not going less than a 30% property tax increase. Councilor Gibby reported that by increasing the current property tax rate 30% that takes the rate back to the 1997 tax rate as they have been reducing the tax rate because of the increased sales tax revenue that they received. Mayor Burrows stated that they need to decide if they want to increase the property taxes and if so, by how much, and if they want a combination of property tax increase and implement franchise tax fees or just one or the other. Councilor Jenkins stated that she would like to remove the energy franchise fees from consideration. **Amendment #4 – Mayor Burrows asked for consensus to remove the Energy Sales/Use tax from this budget. Consensus was reached.** Mr. Hansen stated that they could increase the property tax by 30% and amend the \$600,000 to \$515,012 which approximately equates to the 1997 tax rate. **Amendment #5 - Mayor Burrows asked for consensus to increase the property tax rate by 30% and amend the \$600,000 to \$515,012 which approximately equates to the 1997 tax rate. Consensus was reached.** Councilor Gibby asked if they wanted to increase the franchise fees from 2% to 3%. Councilor Haws suggested that the Telecom and Comcast franchise fees not be implemented until January, 2008 which would allow collections for ½ year instead of ¾ of the year resulting in an approximate \$27,000 reduction. **Amendment #6 - Mayor Burrows asked for consensus to keep the Telecom and Comcast franchise fees at 2% and begin collections in January, 2008. Consensus was reached.**

Larry Hansen inquired as to what the Council wants done with the \$400,000 Ritter Drive line item. Councilor Gibby stated that they should reduce the \$400,000 to \$200,000. Councilor Jenkins suggested considering splitting it up and putting some money on parks and trails. Mr. Hansen stated that they don't have to spend the fund balance as the remaining balance will stay in the Capital Projects fund. Councilor Jenkins suggested putting \$100,000 on Ritter Drive and \$100,000 on trails. Mr. Hansen stated that there is \$400,000 in street infrastructure that could be amended by \$100,000 and moved to land acquisition and an additional \$100,000 moved to parks and trails or do we reduce the \$400,000 to \$200,000 and split the remaining \$200,000. Councilor Jenkins stated that she would like the money split into the two categories. **Amendment #7 – Mayor Burrows asked for consensus to reduce the \$400,000 transfer amount into Capital Projects account 45-47-8000 as per Amendments 4, 5 and 6. Consensus was reached.**

Public Works Department & Enterprise Funds

Streets

Lynn Moulding distributed a handout outlining the budget cutting efforts of his department. Mayor Burrows stated that there are no new water projects budgeted and asked how that would affect well #2. Mr. Moulding replied that there isn't anything budgeted for well #2. He stated that the Class C roads fund remains the same, but that means they are only doing ½ of what they have done in the past as prices have doubled. Councilor Jenkins stated that she would like the departments to look at their fuel

consumption as she feels that they have all budgeted insufficient amounts to cover the rising cost of fuel. She stated that she would rather be over on that budget than under.

Garbage

Mr. Moulding stated that he is looking to purchase 70 additional garbage cans because of new growth and can deterioration. Mr. Moulding stated that the contractor will be asking for a 3% to 3.5% increase, primarily due to the increased cost of fuel. A discussion was held regarding the price increase from the contractor and the City absorbing that increase. Larry Hansen noted that the proposed Consolidated Fee schedule is asking for a 10% increase in can fees. Mr. Moulding stated that the Garbage Enterprise fund could cover the increase to the contractor and keep our rates at the same or could include a slight increase. Councilor Haws suggested reducing the increase on the first can fee to \$9.00 and leaving the additional can fee increased 10%. **Amendment #8 - Mayor Burrows asked for consensus to leave the additional can at the 10% increase and reduce the first can fee to \$9.00. Consensus was reached.**

Parks

Mr. Moulding reported that there are cottonwood trees that are too big for our crews to take down and he is requesting that a professional drop the limbs and trees and then the public works department will chip them. He reported that there is a neighbor to Golden Spike Park that has put up and maintained a wooden fence for many years and has asked that the City replace the wooden fence with a chain link fence.

Water

Mr. Moulding discussed the Riverdale Road project and stated that the cost is \$1 million dollars or \$166 per foot for the water lines. He stated that if they are allowed to place these lines during the project, the cost should be less than that. Mr. Moulding discussed the steel water tanks and stated that he needs to talk to a consulting engineer regarding putting liners in the tank as he is not comfortable with this. He reported that there is a 2" water line by 500 West needs to be replaced and that the Public Works department will do that.

Sewer

Mr. Moulding stated that the major expenditure in this fund is \$450,000 for sewer line replacement during the Riverdale Road project and \$100,000 for South Weber Drive sewer repairs.

Storm Water

Mr. Moulding reported that the \$200,000 budgeted for the storm drain on 4400 South is the only unknown amount in this fund. He stated that an item that is not in the budget, but that the Council should be aware of, is the detention basin that we committed to UDOT to help build during the Riverdale Road widening project. He stated that they could use some of the Colton property for detention. He reported that UDOT agreed to do the pipe work to that property and we agreed to create the detention basin and provide the property, but that agreement wasn't reduced to writing.

Motor Pool

Mr. Moulding discussed the Motor Pool budget. Councilor Haws noted that the Special Department Expense line item has went up and down over the last three years. He suggested cleaning up this account by eliminating line items 61-40-2100, 61-40-2400, 61-40-2800 and 61-40-2900 as those line items are no longer needed in the Motor Pool budget. **Amendment #9 – Mayor Burrows asked for consensus to zero out line items 61-50-2100, 61-40-2400, 61-40-2800 and 61-40-2900 accounts. Consensus was reached.**

Information Technology

Lynn Fortie discussed the Information Technology budget. Councilor Peterson inquired if the \$3,000 for the Caselle Electronic Payment is a one time expense or does it have monthly maintenance payment. Mr. Fortie replied that it will affect the quarterly maintenance costs that Caselle charges.

City H R

Larry Hansen distributed a handout outlining the proposed Compensation and HR Benefits Summary, Effective July 1, 2007.

ADJOURN

The meeting adjourned at 4:05 p.m.

Attest:

Approved: June 5, 2007

Marilyn Hansen, City Recorder

Bruce Burrows, Mayor