



RIVERDALE CITY COUNCIL & RDA
 STRATEGIC PLANNING BUDGET WORK SESSION AGENDA
SENIOR CENTER – 4433 S. 900 W.
SATURDAY – MAY 21, 2011

Minutes of the **Strategic Planning Budget Work Session Meeting** of the **Riverdale City Council and Redevelopment Agency** held Saturday, **May 21, 2011** at 8:05 a.m. at the Riverdale Senior Center, 4433 S. 900 W. Riverdale Utah.

Members Present: Bruce Burrows, Mayor
 David Gibby, Councilor
 Don Hunt, Councilor
 Shelly Jenkins, Councilor
 Norm Searle, Councilor

Members Excused: Alan Arnold, Councilor

Others Present: Larry Hansen, Chief Administrative Officer; Steve Brooks, City Attorney; Shawn Douglas, Acting Public Works Director; Doug Illum, Fire Chief; Dave Hansen, Police Chief; Lynn Fortie, Business Administrator; and Ember Herrick, City Recorder

8:00 am Welcome & Opening Comments..... Mayor Burrows
 Mayor Burrows welcomed Council members and staff stating for the record that everyone is in attendance but Councilor Arnold. Mayor Burrows gave a brief flooding update and stated that he had received a letter from Weber Pathways offering their assistance with the trail restoration when the city is ready to reconstruct.

8:10 Process.....Larry Hansen
 City Administrator Larry Hansen said there have been several editorials written lately discussing budget issues for local municipalities. He referenced an editorial out of Provo stating that cities do too much for their citizens and a second editorial that claimed few of the services local governments provide for their citizens are “essential” citing arts and recreation as two that should be cut. Mr. Hansen quoted the Utah League of Cities and Towns Attorney Dave Church who has advised local municipalities to only provide core services to their citizens and to attempt to do for people only what they cannot do for themselves. Mr. Hansen said the different departments in Riverdale city have cut back their expenditures for an overall four percent decrease in fiscal year 2011-2012 over the previous year.

- Amendments Log & Consensus.....Ongoing to adoption
- FY 2010-2011 Amendments
 - FY 2011-2012 Amendments
 - Public Hearings.....Tues. June 7, 2011
 - Final Adoption.....Tues. June 21, 2011

Mr. Hansen reminded the Council that creating a log of amendments for the 2012 budget is the primary purpose of today’s strategic planning meeting so that a working budget can be adopted by the June 21, 2011 meeting.

8:15 Tentative Budget Review

- General Fund RevenuesLynn Fortie

Business Administrator Lynn Fortie said tax revenue is budgeted to be slightly higher over the previous year although sales tax revenue is expected to be down. Mr. Fortie said he anticipated license and permit fees to hold steady along with intergovernmental revenue coming from grants. He said that charges for services will be higher than the previous year by approximately \$20,000 because revenues and expenditures associated with Riverdale’s ambulance service are higher than expected. According to Mr. Fortie the revenue from fines and forfeitures is less than the previous year and so is the court’s revenue.

Mr. Fortie informed the Council that Class C road funds are restricted purpose General Fund revenue and are shown as revenue in order to balance the budget. He stated that April’s financial statements are a strong indication of how the city is doing to date for fiscal year 2011.

Councilor Searle asked the department heads for an explanation of the decreased revenue and Police Chief Hansen said his department has seen a decrease in manpower with one officer pregnant and on light duty and another taking an extended leave to care for his wife with a terminal illness. According to Chief Hansen, being short two officers has resulted in those on duty spending the majority of their time responding to calls with less time to work proactively to issue citations. Mayor Burrows pointed out that as a direct result of Ogden’s crack down on gangs, Riverdale’s police are being forced to deal with more gang-related crime as the problems spread to the outlying cities. Chief Hansen confirmed his officers have reported more gang problems following the Ogden court order and Councilor Jenkins asked if his department could begin tracking the increase by designating gang-related crime separately on the monthly report. City Attorney Steve Brooks said court revenues keep dropping annually because the state of Utah continues to take a larger portion of Riverdale’s court revenue each year without providing any additional support or services. He also confirmed Chief Hansen’s statement that fewer citations are being issued, but added that the court is one of the few departments offering services that makes a profit for the city.

- Mayor & CouncilLarry Hansen

Mr. Hansen said that general fund revenues are down four percent over the previous year. He said the primary budget increase is due to anticipated election expenses and that department expenses and training are all being cut to deal with the anticipated reduced revenue and the annual business golf tournament has also been cancelled in an effort to save the city money in 2012.

Mr. Hansen told the Council that they will need to decide where to make additional cuts to city services if the budget forecast doesn’t improve.

- City AdministrationLarry Hansen

Mr. Hansen said the city administration proposed budget for 2012 included some decreases in travel and training expenses and a change in budgeted salary for the city recorder as the two primary changes from the previous year.

Mayor Burrows said the drug prevention program that had previously been budgeted under partners in education had been moved to the police department’s budget as efforts to create a drug free community are a public safety issue. Mr. Fortie said that additional expense of \$500 would need to be designated as a line in the proposed budget. **Mayor Burrows asked for consensus to add the Bonneville High School Drug Free Activity of \$500 as a line item in the public safety budget. Consensus was reached with the Council voting unanimous in**

favor of the amendment. Mr. Fortie said that he will add this item as an amendment and it will be part of the budget in time for the public hearing on June 7, 2011.

- Legal Services Steve Brooks

Mr. Brooks said the legal budget showed a slight increase in his department's office supply budget and a \$3,000 budget decrease for warrant prosecution as the only significant changes to the previous year's budget.

- Business Administration & Non DepartmentalLynn Fortie

Mr. Fortie said the buildings and grounds budget was down because the furnaces were replaced in the civic center in 2011 and the Cassell Clarity software the city uses for billings and reports is paid for. Councilor Jenkins asked about the bank and credit card fee charges and Mr. Fortie confirmed that processing those payments costs the city approximately \$1,000 a month.

Mr. Hansen said the anticipated surplus for 2012 is \$313,000 but the city will plan to set aside \$700,000 again next year to compensate for the anticipated sales tax revenue shortfall expected in 2013. Mayor Burrows said a reporter from the Standard Examiner had interviewed him and Mr. Hansen for an article she is writing on Senate Bill 35 which he hopes will help educate the public about the city's plight and help them in their efforts next year to lobby the state legislature to allow Riverdale to keep their sales tax revenue.

- Community Development Randy Daily

Community Development Director Randy Daily said his department's budget remains basically unchanged with some reductions including the building inspector Jeff Woody joining the fire department's cell phone plan. Mr. Daily informed the Council that he plans to retire this year and so the city has budgeted a payout for his accrued sick and vacation leave, which will be a one time expense for the city. Mr. Fortie said after 33 years Mr. Daily has a considerable amount of leave accumulated and if he knows an employee plans to retire in advance he will budget for it. Councilor Jenkins asked why the cost of benefits for the department have also increased and Mr. Fortie said that is because Mr. Daily's retirement will also need to be paid out.

Councilor Searle asked why some departments show a 50 percent increase in fuel costs while others do not and Mr. Hansen said all of the departments are trying to constrain their fuel costs by using less.

Councilor Jenkins asked about the \$15,000 cost for professional engineering services in the Community Development department budget and Mr. Daily said this is an expense that he budgets for annually. According to Mr. Daily the city recoups most of the costs by passing the engineering fees on to the developers. Mr. Daily said his department's Utah Risk Management Mutual Association (URMMA) costs are also regularly recouped.

- Community Services.....Lynn Fortie

Mr. Fortie said the Community Services Department budgeted for a few new expenses to replace some exercise equipment at the recreation center. Councilor Jenkins expressed concern about the Youth City Council (YCC) funds being reduced by \$1,000 to \$3,000 from \$4,000 in 2012. Mr. Fortie said the number reflected the amount of funds the YCC spent in 2011 and Councilor Jenkins said that was because the Council had not participated in training last year. **Mayor Burrows asked for consensus to change the Youth City Council budget from \$3,000 to \$4,000 in 2012. Consensus was reached with the Council voting unanimously in favor of the change.**

Councilor Gibby said that he would like to see banners promoting shopping in Riverdale on the street poles. Councilor Jenkins said she would like to see the \$5,400 budgeted to pay for Christmas décor in 2011 spent on Christmas banners and the addition of some festive heavy-duty holiday commercial pieces and lighting to be placed in the roundabouts in Riverdale. She would also like to see hanging baskets with flowers on city poles during the summer. Mr. Hansen said the city had looked into the hanging basket proposal in the past and recommended to the Council that it not be done due to the expensive labor-related costs, including building a system to get the plants water regularly. Councilor Jenkins asked why the city couldn't just tap into the existing waterlines and Mr. Hansen said that was feasible for the roundabouts where the lines are in the ground but not for hanging baskets on street poles. Mr. Douglas confirmed vandals would break water lines above ground and it would be expensive for the city. Councilor Gibby said Clinton has a volunteer civic group responsible for watering their plants twice a day. He suggested the city ask for volunteer master gardeners willing to take turns as this would save the city money. Councilor Hunt asked if the roundabouts have access to electricity to allow for Christmas lighting and Mr. Douglas said two of them do, while the other two do not. Mayor Burrows reminded the Council that the line item being discussed deals only with Christmas décor. **Mayor Burrows asked for consensus to increase the budget for Christmas decorations from \$0 to \$5,400 in 2012. Consensus was reached with the Council voting unanimously in favor of the change.**

Councilor Searle asked why the public communications budget was 50 percent less in 2012 and Mr. Fortie said that is because the cost to mail out the bills and newsletter is shared. According to Mr. Fortie, the majority of the mailing costs are for utilities, not the newsletter, so while the expense has previously been split down the middle, beginning in 2012 the allocation will be proportionate with a decrease shown for public communications and a correlating increase in the utilities' budget. Mr. Hansen asked if there were any additional questions on this agenda item, none were noted.

- RDA FundsLarry Hansen

Mr. Hansen said that he has decreased administrative and professional service and attorney fees for the upcoming year and pointed out another 5 years of expected revenue on the tax increment flow from the Riverdale Road project area. According to Mr. Hansen, the housing fund receives revenue from home sales in RDA areas. He said as part of their land deal, In-N-Out Burger bought more property than they needed and was now trying to sell the former Toys R Us building. According to Mr. Hansen, they have a good long-term tenant who is interested in the building but because it is 22 years old, it is in need of some repair and improvements. He told the Council that In-N-Out may ask the RDA to help pay for the upgrades.

Mr. Daily confirmed that Noodles and Zuppas are ready for their TI inspection which means they are approximately 60 days away from opening.

Mr. Hansen suggested an amendment be made for \$350,000 to allow for the design and construction of a roundabout at 700 W. and 4400 S. using RDA funds instead of capital funds as the project borders an RDA area. According to Mr. Hansen, the Riverdale Road project area fund has approximately \$900,000 in it. His proposed budget amendment would allow the balance of the construction costs to come from the RDA fund so that bidding on the project could begin shortly. According to Mr. Hansen, the RDA paid for the River Park Drive roundabout and lighting and could do the same thing at 700 W. and 4400 S. Councilor Jenkins asked if the city would need to purchase additional property for the project and Mr. Hansen said he would like to use the land the city already owns with construction beginning shortly after the July holiday celebrations. **Mayor Burrows asked the Council for consensus to use RDA**

funds to build the proposed roundabout at 700 W. and 4400 S. Consensus was reached with the Council voting unanimously in favor of the change.

Councilor Gibby asked about the interest on the bond for the Senior Center and Mr. Hansen said it was currently at a variable rate for two percent with the loan down from 1.6 million to 1.1 million.

Mr. Hansen said that tax flow has ceased for the Weber River Project area behind Home Depot and Wal-Mart. He said the JC Penney's area on 550 West was in its third year of increment payments with 20 percent going into the housing fund in accordance with statute and five percent administrative costs going back into the general fund. According to Mr. Hansen the RDA also makes annual increment payments to the Boyer developer for the Riverdale Shopping Center. He stated that the road is ready to be paved by the Public Works department as soon as it is dry enough, which should make the 8 acres behind 550 W. easier to market. Mr. Hansen said potential commercial uses are now being discussed and the city's objective is to relocate those residents who still live in the area by offering a developer a \$50,000 incentive to help the remaining residents relocate. Councilor Gibby asked how much acreage is available and Mr. Daily said approximately 12 acres. Mr. Hansen said some developers have expressed interest, but the city is waiting for the economy to recover and the right developer to come in.

Councilor Jenkins said she is concerned about unkempt bank-owned homes and would like them to be cleaned up to help with code enforcement. She also asked about vacant homes in the area and the ability of the RDA to buy some of those properties that are eyesores. Mr. Hansen acknowledged that it is difficult to get properties without clear ownership that are in the process of liquidation maintained but said that it is a legal issue. He said that he and Mr. Brooks would look into the legality of using RDA funds to do lawn maintenance on uninhabited properties within the city.

Mr. Hansen said the West Bench area is an asset for the city that many developers have shown interest in. According to Mr. Hansen, the tax entity committee has eight members and needs six of those eight to approve a change. He said three votes come from school representatives and that the law allowing for negotiations with taxing entities needs to be looked at but is currently on the back burner. Mr. Hansen said that he is confident that development will occur in the city's vacant areas in time. According to Mr. Hansen the statutory housing fund has accumulated \$190,000 to help pay for the eight residential properties that need to be bought out to develop the area of 550 West commercially.

To date, Mr. Hansen said 29 RDA loans have now been paid in full with 31 active loans with work completed and five loans open with work still being done. According to Mr. Hansen he gets calls and requests daily for information on RDA loans and for every loan granted there are two applicants turned down because they don't qualify for the program. He said the perpetual loan fund replenishes itself and the city is sitting on some good assets for the future. Mr. Hansen said the housing fund recently purchased a couple of homes on the West Bench to move the Rocky Mountain power station and also bought and demolished a home on 550 West.

Councilor Jenkins asked if some of the city's legal budget should be funded through RDA money because there are attorney fee lines associated with almost every RDA item. Mr. Hansen explained that he was hired not just as the city administrator but also to start the RDA program because of his previous work experience as the chief lender of a major financial institution. He said that some city staff like the city attorney are used now that the program is up and running, but added that the RDA does not subsidize the general fund to pay for the wages of the staff that

participate in the RDA process. According to Mr. Hansen he is in a unique position because he underwrites the loans, fills out the paperwork and processes and closes on them and gets compensated with part of his salary coming from RDA funds. Councilor Jenkins said because the city is authorized to use up to five percent of the RDA funds to pay for administrative costs, she would like this money used to compensate staff rather than the money coming from the general fund, specifically to pay for attorney costs.

Mr. Hansen reported to the Council that the Senior Center receives revenue from tenants who rent apartments and the adjacent house next door to the north. He said the Senior Center has \$750,000 in a reserve fund that has accumulated over the last six years which can be used to replace things when they break or to buy new equipment as needed and to repair the property as it deteriorates. According to Mr. Hansen, the Senior Center is an asset worth between five and six million dollars in value and the apartments are in high demand with nearly 100 people on the waiting list. He said the housing business is not one of Riverdale's principal core services but he would recommend RDA expansion of the Senior Center as land around the facility becomes available for sale. Mr. Hansen said the center provides a valuable resource to the community by offering activities, clinics and meals for seniors and he recognized city employee Chris Stone for his excellent management of the facility. He informed the Council that the center's building loan is at a variable rate, which is low right now, so there is no immediate plan to pay off the bond.

- Police Dave Hansen

Police Chief Dave Hansen said his department currently has \$273,000 in their motor pool fund and plans to replace their whole fleet a year later than originally planned for a savings of \$73,000. He pointed out that the drawback will be that maintenance costs will increase for his fleet as their vehicles will no longer be under warranty. Chief Hansen said that the city will also pay higher drug task force costs because there is no Riverdale officer on the strike force team this year. He said the county will not receive the \$10,000 Swanson Foundation grant money this year so the cost to fund the strike force will increase from \$4,700 to \$14,700. According to Chief Hansen, that money also pays for the expensive cost of making the drug buys necessary to get a conviction. **Mayor Burrows asked the Council for consensus to add this new amount to increase the budget by \$10,000 for the drug task force as a line item. Consensus was reached with the Council voting unanimously in favor of the change.**

Chief Hansen said Riverdale doesn't qualify for a grant to help pay the salary of a new officer, so they won't be expanding their force at this time and they also won't fill a vacant administrative assistant position for a combined estimated annual savings of approx \$110,000. He said that his department will also cut their travel and training budget by \$1,000 in the coming year and has applied for \$15,000 in federal grants to help pay for various expenses. According to Chief Hansen, the cost to renew the warranty on the police force's vehicle camera system will also go up this year as the equipment is aging. He said the expense is necessary as the cameras exonerate his officers from legal prosecution in 90 percent of all complaint cases. Councilor Gibby complimented the police force on the professional manner in which they handled a drug bust at the bus stop in front of his floral shop last week.

Chief Hansen said the South Ogden animal shelter costs will increase in the coming fiscal year, but are still cheaper than when the city had a contract with the Weber County shelter. He said every time the city gets sued even when the officer or department is exonerated, they still must pay the legal fees for their defense. According to Chief Hansen the price of ammunition has also doubled.

Councilor Jenkins asked about the pay phone outside the police department and Chief Hansen said it was taken out because it was rarely used and was identified as another way for his department to save money. She also asked about the status of the proposed police department basement renovation and Chief Hansen said the plans had been delayed for 2012.

- Fire..... Doug Illum

Fire Chief Doug Illum said the biggest changes to his department's budget were a reduction in wages due to the reorganization of his department and an increase in ambulance fees collected. Councilor Jenkins asked why there was \$10,000 less in the fire department's motor pool payments fund and Chief Illum said that was because they had started paying for the city's new ambulance in the current year.

Councilor Jenkins said that she is concerned about the fire department's reorganization because full-time employees will cost more in the long-run as they will be entitled to retirement and benefits. She said she thinks the restructuring will only produce savings for the first year. Mr. Hansen reminded the Council that they had already voted unanimously to reorganize the fire department as a solution to stabilize the department's expenses which have been steadily rising annually over the last decade. He said that in order to successfully lobby state legislators to allow Riverdale to keep their sales tax revenue that is scheduled to disappear in 2013 and 2016, the city must demonstrate fiscal restraint in all departments. Mr. Hansen reminded the Council that they had voted in recent years to expand the fire department and to get into the ambulance service business and pointed out that it is impossible to expand services while simultaneously cutting budgets. According to Mr. Hansen, staffing is the largest cost to a service organization but a necessary expense to provide the services promised to the community in Riverdale's action plan. He said that he had worked closely with the business administrator and fire chief to create a solution that will provide the promised coverage and services to the community while stabilizing the fire department's expenses. According to Mr. Hansen, the fire department's trend line has been contained.

Chief Illum said the city's unique demographics with a large daytime population require his department to be staffed the way he has it structured now. He said he recognizes that adding full-time employees will raise his department's costs for pensions and benefits but added that he will save a considerable amount of money for training a rotating door of part-time staff that gets experience at Riverdale then move on to full-time positions in other cities. Chief Illum said he is confident that services to the city will be enhanced under this new staffing plan.

Councilor Hunt asked about the call volume overnight with the reduced staff and Chief Illum said although the numbers of calls has increased, his department has been able to handle it. According to Chief Illum, employing fewer fire fighters overnight had not presented any problems for his department in the two months since the restructuring. He said the greatest impact had been on some part-time employees who wanted more hours.

9:45 **Break**

10:00 *Tentative Budget Review Continued*

- Public Works Department & Enterprise Funds Shawn Douglas
 - Streets

Acting Public Works Director Shawn Douglas said his department's budget shows a decrease in Class C Road Funds as many projects have been put on hold during the recession and his department plans to only work on the projects previously approved where the money to pay for

the work is already in the enterprise fund. He also pointed out decreases in equipment costs, professional services, and special department services. Mr. Douglas said the only other major change to his department's budget over the previous year is an increase in motor pool expenses so that he can replace one truck and to cover increased fuel costs.

Councilor Gibby asked about the decreased engineering costs and Mr. Douglas attributed the savings to the fact that there are no projects in the pipeline for the coming fiscal year. Councilor Jenkins asked about new reflective signs scheduled to replace the city's existing road signs over the course of the next four years and Mr. Douglas said the old signs would be sold for aluminum scrap. He added that while the river is flooding the city is using their existing signs to mark the trail head closed because they are regularly stolen.

- Parks

According to Mr. Douglas the parks budget will decreased by an estimated \$30,000 in the coming year now that the public works department has a better idea of the cost to maintain the city's new Splash Pad. Councilor Searle asked if the city's tennis courts needed resurfacing and Mr. Douglas said for a park they are in good shape. Councilor Jenkins asked about the estimated \$5,000 budgeted for river repair and Mr. Douglas said that amount was determined before the flooding. Mr. Hansen said major restoration of the trail line would be paid for using money from the capital projects fund, not the public works budget, and added that the city may be able to get grants because of the emergency situation this year. Councilor Gibby asked about planting trees along the trail and offered to donate some and Mr. Douglas said the direction his department has been given by Weber County Pathways is to only plant native cottonwoods. Mr. Douglas said water lines to a sprinkling system to water vegetation along the trail had previously been installed but could be destroyed if the river flooding continues.

- Water, Sewer, Storm Water, Garbage

Mr. Fortie told the Council that in relation to the Enterprise Fund, interest rates are down and water rates fluctuate depending on the weather and how much water people are using. He said the city's water tanks need to be replaced along with a well located at the golf course and said that both projects had been budgeted for in the coming fiscal year. According to Mr. Fortie, the city's former Public Works Director Lynn Moulding had been in the process of securing a \$2.6 million grant for the city. Councilor Jenkins asked about the money and Mr. Hansen said it would be good if the city could qualify for this money, otherwise water rates would need to be increased to help pay for the upgrade. Councilor Jenkins asked if this department had received increases in revenue from fees and Mr. Hansen and Mr. Fortie both confirm that the city had not increased fees to residents.

Mr. Douglas said the upcoming sewer fee increases being passed on to consumers for the next two years were coming directly from Central Weber to help pay for their station upgrade. Mr. Fortie said that he was told there would be three increases of 25 percent each in the coming years. Mayor Burrows asked about impact fees and connection fees and if the current budget accounted for new business connection fees. Mr. Douglas and Mr. Daily both confirmed that the connection fee costs are absorbed by the new businesses. Mr. Fortie said sewer lines need to be replaced over time as they wear out and break down and that he calculates their depreciation based on what they cost initially, not what they will cost when the city actually needs to replace them. Mr. Hansen said an independent auditor evaluates the city's compliance with the different laws regarding how the general and enterprise funds are spent. Councilor Jenkins asked about the county inspection fees and Mayor Burrows said cities complained they didn't have the staff with the knowledge to do the inspections so the county took over this role, passing on the additional inspection costs to the cities.

Mr. Douglas said storm water revenue didn't change from the previous year and Councilor Jenkins asked if these funds could be used to repair some of the storm water damage from the current flooding and Mr. Hansen said that there could be some discretion in that area. Mr. Douglas said garbage revenue was expected to increase because of the implementation of curbside recycling and Councilor Gibby pointed out that the cost should be \$2.45 per can and Mr. Fortie noted the change. Councilor Searle said revenue could actually decrease if enough people turn in their second garbage cans and Mr. Douglas agreed that the city could realistically see a second can reduction of 30 percent, leading to reduced garbage revenue next year.

Councilor Jenkins asked about the cost of the cans and Mr. Douglas said he was preparing that information for the Council but wouldn't have an accurate final number until he knows how many residents plan to opt-out of the service. Councilor Gibby said that he had recently had a discussion with a resident about how recycling would save tipping fees that helped convince the citizen to give the program a try. He wants that point made to residents through the city's education campaign to get the word out about the potential cost-saving benefits of participation in the city's new recycling program. Mr. Hansen agreed that the public needed to be informed that their garbage rates could go up in the future if they decide to opt out of the recycling service. Councilor Searle suggested the title of the education campaign be: "Reduce tipping fees, recycle." Councilor Gibby said he thinks he will need his recycling can picked up every week and his garbage can only every other week.

Councilor Jenkins said she is concerned many residents will opt-out of the program because they cannot accommodate a second can in their trailer park or apartment complex. Mr. Daily and Mr. Douglas said those complexes already have their own trash collection services independent from the city.

- Internal Service FundsLynn Fortie
 - Motor Pool
 - Information Technology

Mr. Fortie said in the motor pool only two vehicles are scheduled to be replaced in the upcoming fiscal year, one for parks and one for water. He said that a copier is being purchased for the legal department and a water monitor for the water tanks and a new computer for the utility clerk. Councilor Jenkins asked about the equipment maintenance costs of \$60,000 and Mr. Fortie said that number was a keying error and should be just \$6,000. **Mayor Burrows asked the Council for consensus to change the motor pool equipment maintenance budget from \$60,000 to \$6,000. Consensus was reached with the Council voting unanimously in favor of the change.**

Councilor Jenkins asked about extending the police car rotations and Mr. Fortie said that in the past the department's trucks have had a better resale value than the cars but he believes the Dodge Chargers will sell better because they are black and have hemi engines in them. Chief Hansen said his department's vehicles have between 60 and 70,000 miles on them after 5 years but he added that they still have a high resale value because they are well maintained. Councilor Searle asked about the leasing budget revenue and Mr. Fortie said this is the same for all of the departments; they make a monthly "lease" payment into the motor pool fund until the vehicle is paid off. Mr. Hansen confirmed that once a city vehicle is paid off the department is no longer required to make payments on it. There were no additional questions on the motor pool budget or on informational technology revenue or expenses, so Council and staff adjourned for lunch.

12:00 noon Lunch

12:30 pm *Tentative Budget Review Continued*

- Capital ProjectsLynn Fortie, Larry Hansen

Mr. Fortie said in preparation of anticipated sales tax revenue cuts scheduled for 2013 and 2016, the city has been setting aside surplus capital projects revenue in the amount of nearly \$700,000 annually to try to help sustain operations. Councilor Gibby commended that staff for saving more than double the anticipated budgeted surplus of \$300,000 even during difficult economic times.

Mr. Hansen said on the expenditure side the curb, gutter and sidewalk along Parker Drive is planned to be completed at an estimated expense of \$125,000. He said that in 2012 several capital projects were being deferred until the city was sure the loss of sales tax revenue in 2013 could not be prevented by lobbying the state legislature.

Councilor Jenkins asked about Mr. Moulding’s capital projects’ schedule and Mr. Douglas said the costs were calculated for the time so some costs will have gone up over time and others will be lower depending on how fast it takes the local economy to recover. Mr. Hansen said the Enterprise Fund and Capital Facilities Plan had a budget for each project from storm water, to streets. He said the consolidated fee schedule updates would be part of the public hearing on June 7 for proposed adoption as part of the budget by the end of June. According to Mr. Hansen, construction of the roundabout on 4400 S. and 700 W. will be funded using RDA money as agreed on by the Council in an earlier consensus vote.

Councilor Jenkins said by delaying many of these projects now she is concerned that there will be a lot of expenses for the city in 2013, including replacing the police car fleet. Mr. Hansen said the motor pool fund has over a million dollars in it right now in anticipation of the upcoming expense. Mayor Burrows said public safety is a core need so the justification for a new fleet should be an easier argument to make to the state legislature in 2013 than some other expenses. He said he fully supports the city administrator’s plan to generate a surplus and keep capital project expenditures low for the next few years until the city can lobby the legislature to allow the city to keep its tax revenue.

Councilor Searle asked about the expansion of the Community Center and Mr. Hansen said if there is consensus to delay that expansion, the Council could make a motion on that today. Mr. Hansen suggested the 2012 phone system replacement and purchase of generators be deferred to 2014.

Mayor Burrows asked the Council for consensus to delay replacing the police fleet until 2014 and Mr. Fortie recommended it be left on the schedule for replacement in 2013 as the vehicles would need to be ordered in 2013 to arrive by July 2014 when they are needed. Mr. Fortie said the public has a right to see the expense in advance. The Council agreed to leave the expense on the 2013 budget.

Councilor Jenkins said that she would like the amended budget to show the changes highlighted so that they would be easy for the Council to identify. Mayor Burrows said a log of the six amendments would be on the agenda for consideration at the next Council meeting on June 7, 2011. Councilor Jenkins asked about the changes to the consolidated fee schedule to pay for the sewer renovations and Mr. Hansen said the amended fee schedule will reflect the Central Weber Sewer District increase over the next two years and will be presented to the public at a public hearing also on June 7, 2011.

12:55 Discretionary Items

None.

1:00 Adjourn

With no further business to come before the Council at this time the meeting adjourned at approximately 12:56 p.m.

Approved: June 21, 2011

Attest:

Bruce Burrows, Mayor

Ember Herrick, City Recorder