

Heber City Corporation
City Council Meeting
01/12/2010
6:00 p.m.

SPECIAL BUDGET MEETING

The Council of Heber City, Wasatch County, Utah, met in **Special Budget Meeting** on January 12, 2010, in the City Council Chambers in Heber City, Utah.

Present: Mayor David R. Phillips

Council Members Nile Horner
Robert Patterson
Alan McDonald
Benny Mergist

Excused: Eric Straddeck

Also Present: City Manager Mark K. Anderson
City Recorder Paulette Thurber
City Engineer Bart Mumford
Chief of Police Ed Rhoades
Police Sergeant Jason Bradley

Chief Rhoades made a presentation to the Council on the current condition of the Police Department building. He showed slides which depicted the roof, eaves, ceilings, bathrooms, floors, heating system, etc. He talked about the asbestos in the building, how long he felt the Department could remain in the building, and solutions to the existing problem. Mayor Phillips asked him to calculate the square footage needs of the Department so future sites could be looked at. Discussion about vacant buildings within the City and which might be appropriate for the City's need in this regard.

Mayor Phillips explained that usually, as part of the budget process, the Council would have a retreat held at the Homestead Resort. Last year the Retreat was held at the City Office Building. He continued that usually it was held on a Saturday starting at 7:00 a.m. and finished up at 2:00 or 3:00 p.m. It was explained that during the Retreat, department heads talked to the Council one-on-one. They talk to the Council about what the perceived needs were. Anderson then went through the finances and what he thought the City could afford. The Council then decided what would be funded and what would not be funded. It was pointed out the process itself took some time and was a "sifting process". As the discussions proceeded, the Council made decisions and, in the end, come up with something that was justifiable and something the Council could feel good about. Mayor Phillips said there were only five that would make the decisions and those five would want to feel good about the decisions they made.

There was general discussion about Chief Rhoades' presentation in relation to the current Police Department Building and its deteriorated state. It was discussed that the Council would need to get square footage needs from Chief Rhoades in order to look for a different building.

Mayor Phillips talked about the discussion that had been held in the past about maintaining the block where the City Office building was now located for a City Center with a small administrative building and police building behind the current County building. It was felt the Police building issue was more pressing than another Administrative building at this time. Councilman McDonald suggested an evaluation be done of the County Building so it could be determined, if it were to be purchased by the City, the City wouldn't get a lemon. Anderson explained that building was not yet available and may not be for a long period of time.

Anderson reviewed page 5, Combined Cash Investment, of the documents he had provided. He indicated that was every place the City maintained cash. He reviewed each cash allocation fund. Discussion about the property the City owned in the Industrial Park on 910 South between 300 West and 600 West. Councilman Mergist wanted reference on what the County was saying about waiving their impact fees.

Fund 45, 46, 48 – Anderson explained these funds were impact fee funds. Discussion about Fund 48, that being a voted-in tax by the residents and only allowed in cities that didn't have a transit system.

It was indicated the biggest expenditure the City had made recently from impact fees was the new sewer outfall line on Midway Lane and the hospital well house. It was indicated the updates to the Capital Facilities Plans had been budgeted for this year. Discussion about park impact fees and the expiration date they should be spent. Discussion on what those monies could be spent on.

Water/Sewer Funds – It was explained that approximately half of the monies seen in these funds were restricted for impact fee related projects. Anderson said typically the monthly rate collected was what it took to operate and maintain the system.

Discussion about where the monies came from to cover the airport hangar sales. Anderson suggested if the Council wanted, he could identify what funds to charge against and then charge interest back into those accounts until paid off. There was lengthy discussion about the Airport Hangar Fund. It was decided to re-do the financial statements so no funds showed a negative balance and then put monies back into those borrowed from including interest.

Anderson reviewed his memo in relation to Surplus Funds. Discussion that property taxes with the County were delinquent and consequently the City had not received as much property tax as anticipated.

Sales Tax - Anderson showed a chart which depicted the sales tax collection over the last seven years. He said the City would probably be short of budget by \$125,000 - \$200,000 this year on sales tax.

Franchise Tax - Questar rates are lower, people have insulated their homes, and consequently the City was collecting less franchise taxes than budgeted.

Building Permit Revenue - A bright spot as that particular budget could be exceeded by approximately \$76,000. Discussion about possible building in the future.

Fine Revenue – It was indicated the number of citations issued were up 500 from a year ago. However, collections were coming in slower.

Federal Grants - It was indicated the City had hoped to get a police officer funded through the stimulus grant program. That did not happen, so police expenses would be lower than budgeted to offset this revenue shortfall.

Legislative Discretionary –It was noted this budget would be overspent due to the \$50,000 payment to Wasatch County for the Recreation Center.

Christmas Bonus – It was felt if all departments were conservative, this might not require a budget amendment.

Center Street Project Anderson said there had been a lot of discussion between CIVCO and J. B. Gordon. He indicated that Gordon had never done a federal project before and did not realize the paper work involved. He said Gordon was hoping to break even on the project and had only bid on the job to keep his crew working. It was indicated Mumford had looked at the project to determine what impact fees could be used. Additional discussion about using impact fee monies on the project and transferring other promised monies from Red Ledges into the general fund. Discussion about future roads that would require road impact fees. It was indicated Senator Van Tassel and Representative Kraig Powell were on the Utah State Transportation Committee and the community needed to work with them to get the Daniels connector road built. Mayor Phillips suggested talking to Red Ledges about the possibility of transferring some of their \$1,000,000 payment to the general fund and use impact fees for the Center Street project. Councilman Horner did not like that idea. Councilman McDonald agreed that the Red Ledges monies should be used where it was agreed to. Anderson said his thinking was to use restricted impact fee monies on the Center Street project which had to be spent in a certain period of time.

Anderson suggested the Council might want to talk about an impact fee for public safety to pay for a portion of a new public safety building.

Corridor Preservation Monies – Anderson indicated the City paid \$182,000 for Sherman Giles property and another \$95,000 for a Sage Acres lot. It was his hope the County would reimburse the City from the Corridor Preservation Funds. It was suggested the City Council needed to meet with the County Council about this issue. The Council of Governments (COG) also had to meet to determine how to spend that money.

Justice Court - Judge Parkin had asked for an additional eight hours of staff time. Parkin felt this Court was as efficient as it could get at this point. It was indicated all the Justice Courts within the State were moving over to a new software system and Heber's move would take place in

April. The cost of wages for an additional eight hours would be approximately \$10,600. Mayor Phillips indicated Judge Parkin was doing a good job. Discussion about collections in the Justice Court via credit card after the move to the new software. It was indicated Judge Parkin would be making a presentation to the Council on February 18 at 6:00 p.m.

Airport – Discussion about the Airport Manager duties. It was indicated Ivie performed administration duties and ran the airport in an efficient way. Discussion about whether he was being treated fairly and whether his wages were commensurate with his duties. Ivie had also questioned the security of his position. Councilman McDonald said the feedback he had had was that the airport was now run more efficiently. However, he did not think the Council could guarantee anyone's employment in the future. Mayor Phillips suggested Ivie was "our man on the scene". Councilman Horner did not think the City needed both an FBO and an airport manager and suggested Councilman Mergist was saying the same thing. Councilman McDonald wanted to talk to the Airport Board, AbuHaidar, Smedley and a contract lawyer or consultant before making any decisions about the FBO lease and other airport issues to make sure all agreements were fair to all parties. Mayor Phillips said he wanted to see success for both AbuHaidar and the airport. Councilman Mergist wondered if the City could negotiate and have AbuHaidar take on more responsibility. Councilman McDonald said he needed to talk to both parties and make sure duties didn't overlap. However, he did not think they would. Councilman Mergist did not think Ivie was a legitimate employee and right now did not want to give him a wage increase especially if the Council was going to consider a wage decrease for everyone else. Councilman Mergist thought it would be ridiculous to renew the FBO lease in 15 years if an airport manager could do the same thing.

Councilman Horner asked about the \$38,000 we receive in lease fees and what did the City get out of it. Anderson said Ivie had facilitated the lease of the hangars, he was available to talk with people, he had eliminated safety hazards, he had been instrumental in writing grants, and things just functioned better out there now. Councilman Mergist asked Mayor Phillips and Anderson what they felt the community opinion was of the airport. Mayor Phillips said he had heard more negative over the years than positive. However, Mayor Phillips felt the Airport was an asset to the City if managed correctly. Councilman Mergist wondered how to go about changing public opinion about the airport. Discussion about airport revenue.

Anderson indicated the Public Works Department had been asking for a front end loader for some time. He reviewed a buyback program administered by the State of Utah in relation to a front-end loader. Councilman Horner said backhoes were more versatile than front-end loaders. Councilman Mergist said a front-end loader was a luxury, not a necessity. Anderson asked the Council to give some consideration to this request.

Councilman McDonald said he appreciated Anderson's time and explanation. If the Council had ideas he would like to see those. Mayor Phillips said there would be a lot of time to get and give input in relation to the budget for 2010-2011. Councilman Mergist said he would like to see wages and benefits broken down for each person. He said, too, he did not want to lay anyone off. However, when he personally was faced with a lesser wage versus a lay off, he took a reduction in wages.

Mayor Phillips discussed how a person came to the Council with a certain perception and then found out what really went on and how things really worked. He suggested new council members would find they came into office with some accurate facts and some not so accurate facts.

Anderson said he had a call from Ivory Homes yesterday requesting documents. He also had a call from Elizabeth Hokanson. He said there had been some talk about selling lots back to Ivory Homes in exchange for cash.

It was indicated Jeff Jones had been requesting copies of a lot of records. Anderson indicated he and Mumford received a car allowance and Jones wanted to know why that was not run through payroll. He indicated he would bring a policy before the Council about either an accountable or a non-accountable program. He expected some criticism from Jones about vehicle allowances. Councilman Mergist said, in his opinion, those kinds of things wouldn't be an issue at the end of this budget year anyway.

As the hour was late, the Council decided to discuss the rest of the agenda items at a later date.

Paulette Thurber, City Recorder