

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD AUGUST 5, 2010 AT THE CIVIC CENTER, 83 WEST MAIN, HYRUM, UTAH.

**CONVENED:** 6:30 p.m.

**CONDUCTING:** Mayor W. Dean Howard

**ROLL CALL:** Councilmembers Martin L. Felix, Paul C. James, Thomas C. LaBau, and Stephanie Miller present. Councilmember Craig Rasmussen joined meeting at 6:34 p.m.

**CALL TO ORDER:** There being four members present and four members representing a quorum, Mayor Howard called the meeting to order.

**OTHERS PRESENT:** City Administrator D. Brent Jensen, City Treasurer Todd Perkins, and 13 citizens. Deputy Recorder Keesha Rinderknecht recorded the minutes.

**WELCOME:** Mayor Howard welcomed everyone in attendance.

**PLEDGE OF ALLEGIANCE:** City Administrator D. Brent Jensen led the governing body and the citizens in the Pledge of Allegiance.

**INVOCATION:** Mayor W. Dean Howard

**APPROVAL OF MINUTES:**

**ACTION** Councilmember Miller made a motion to approve the minutes of July 15, 2010 as written. Councilmember LaBau seconded the motion and all four councilmembers voted aye.

**AGENDA ADOPTION:** A copy of the notice and agenda for this meeting was faxed to The Herald Journal, mailed to each member of the governing body, and posted at the Civic Center more than forty-eight hours before meeting time.

**ACTION** Councilmember James made a motion to approve the agenda as written. Councilmember Felix seconded the motion and all four councilmembers voted aye.

#### AGENDA

8. PUBLIC HEARING:
  - A. The adoption of Fiscal 2010-2011 Operating Budgets for the General Fund, the Capital Projects Fund, the Culinary Water Fund, the Sewer Fund, the Electric Fund, the Irrigation Water Fund, the Storm Water Fund, and the Library Trust Fund.
  - B. The proposed transfer of \$100,000 each from the Water Utility and Electric Utility to the General Fund.

- C. Increasing and setting the municipal tax rate for 2010-2011.
  - D. Setting salaries of elected and appointed officials and other municipal employees for the 2010-2011, and amending Section 2.12.010.
9. INTRODUCTION AND ADOPTION OF RESOLUTIONS AND ORDINANCE:
- A. Resolution 10-11 - A resolution establishing the Municipal Certified Tax Rate for Fiscal 2010-2011.
  - B. Resolution 10-12 - A resolution setting sewer service rates.
  - C. Resolution 10-13 - A resolution approving and adopting the Fiscal 2010-2011 Operating Budgets for Hyrum City's General Fund, Culinary Water Fund, Sewer Fund, Electric Fund, Irrigation Water Fund, Capital Projects Fund, and Library Trust Fund.
  - D. Ordinance 10-04 - An ordinance amending Chapter 2.12, Section 2.12.010 of the Hyrum City Municipal Code, to provide for adjustments in the salaries of officers and employees of Hyrum City.
10. OTHER BUSINESS:
- A. Consideration and award of bid for the Library Solar Photovoltaic Project.
  - B. Consideration and award of bid for the Two Million Gallon Culinary Water Reservoir.
  - C. Mayor and City Council reports.
11. ADJOURNMENT

*Councilmember Rasmussen joined meeting at 6:34 p.m.*

**PUBLIC HEARING:**

**THE ADOPTION OF FISCAL 2010-2011 OPERATING BUDGETS, FOR THE GENERAL FUND, THE CAPITAL PROJECTS FUND, THE CULINARY WATER FUND, THE SEWER FUND, THE ELECTRIC FUND, THE IRRIGATION WATER FUND, THE STORM WATER FUND, THE DEBT SERVICE FUND AND LIBRARY TRUST FUND. THE PROPOSED TRANSFER OF \$100,000 EACH FROM THE WATER UTILITY AND ELECTRIC UTILITY TO THE GENERAL FUND. INCREASING AND SETTING THE MUNICIPAL TAX RATE FOR 2010-2011. SETTING SALARIES OF ELECTED AND APPOINTED OFFICIALS AND OTHER MUNICIPAL EMPLOYEES FOR 2010-2011, AND AMENDING SECTION 2.12.010.**

Mayor Howard presented a power point presentation of the 2010-2011 Operating Budgets proposal. The presentation included pictures of the current fiscal year's projects and proposed projects for the coming year.

**ACTION** Councilmember James made a motion to open the public hearing at 7:18 p.m. Councilmember LaBau seconded the motion and all five councilmembers voted aye.

Mayor Howard asked for any public comment.

Allen Fox said the City Council has a lot of wants and not a lot of needs. Why doesn't Hyrum City understand how to eliminate things like everyone else has to in these hard economic times? The City Council said when the library was being built that it would be built all by contributions. Why is there still funding problems on the library? The sewer plant didn't plan ahead - they didn't plan for the expensive chemicals that have to be used. Now the residents are experiencing a sewer rate increase again.

Greg Stuart said he lives on the Blacksmith Fork Canyon Road where there is no secondary water and sewer service, yet he has the highest tax increase in the city. He doesn't think he could ever sell his house for close to the value he is being taxed on. It doesn't seem to be taken in to account with the 17 percent tax increase that most people's annual salaries have dropped. Has the Mayor or any other city employees salary decreased or any city projects been reduced. The city is doing exactly the opposite of what the economy is doing.

Kent Butler asked if any other increases are proposed other than the property tax increase.

Mayor Howard said there is also a proposed sewer rate increase of 13.5 percent increasing the residential rate from \$37.12 to \$42.13.

Councilmember Rasmussen said the cost for the alum used to treat the phosphorus at the sewer plant is a federal mandate. Unperceived by anyone those costs have increased drastically. The proposed water reuse system will allow the phosphorus to remain in the water and be used in the City's irrigation system. The previous sewer treatment plant was undersized for the growth of the community and didn't meet requirements. The City wasn't planning on bidding out the water reservoir for construction but with the economy right now contractors are very competitive which makes it an excellent time for the City to construct. Interest rates are also at a low which can save the City a significant amount of money. If projects are put off for example three to five years when we have to have the water protection for our citizens, it may cost the city possibly 30 to 40 percent more to build if building costs and interest rates increase. Our hydro electric power plant doesn't provide the city with as much power as needed, it is a small component of our power. Industry wide power rates continue to increase which is beyond our control.

Kent Butler said in the upcoming budget year is the city using reserve funds or by raising taxes does it eliminate using reserves.

Mayor Howard said that the city is trying to not dip into the reserve fund but that is not guaranteed without making some rate

adjustments. We can eliminate some of the city's expenses, but will the citizens be willing to have their services cut. It would mean waiting longer to have water repairs fixed, street plowed in the winter, longer power outages, etc.

Councilmember Miller said when budget requests were being put together Mayor Howard asked everyone to look at each department and cut them back by 15 percent from what was requested last year. We are trying to do whatever we can to cut back and eliminate anything that isn't necessary.

Councilmember James said that the reserves seem to be a lot of money, but for example if a transformer goes out or if we have a massive water leak those repairs have to be able to be taken out of the reserve account. Any major failure can deplete the reserve account very easily.

Tyler Dutson said he doesn't understand why money is being transferred from the water and electric fund to the general fund if there are needs for the electric and water departments.

Councilmember Miller said she has done some research and a good percentage of the power and water that we use goes to the JBS Swift Company. They are not inside our city limits and don't pay property taxes so they are charged a higher rate. The city is able to use the rate increase and put it into the general fund to make up for the property taxes for that company.

Tyler Dutson said it seems like once the money enters the general fund that it disappears without a lot of accountability.

Councilmember Rasmussen said the account is audited every year and the general fund is also budgeted to a department. Every bit of the general fund account is tracked and accounted for.

Tyler Dutson said on the budget report employee's salaries are listed but it doesn't show how many employees there are in each department. It would be nice to know how many employees salaries are budgeted for each department.

David Mann asked how much higher the proposed budget is than the previous year.

Mayor Howard said the proposed budget is about three percent higher than the previous year.

David Mann asked why isn't the proposed tax increase only three percent.

Councilmember Rasmussen said in the budget presentation it showed no property tax increases since 1983. The city has gone approximately 12 to 15 years without any increases things now are

in a catch up mode.

David Mann said right now is a terrible time for the city to be in a catch up mode. The government seems disconnected and he would like his local government to be connected. It seems that the city is looking for ways to spend money. He is finding ways to make cuts and eliminate his costs and he expects his local government to do the same.

Mayor Howard said the proposed general fund budget is down four percent from what it was the year before.

David Mann asked what the biggest proposed increase is.

Mayor Howard said the biggest proposed increase is in Capital Projects.

Councilmember Rasmussen said some of the department's increases in the capital projects are to take advantage of low construction costs and interest rates.

Mayor Howard asked for any further public comment, there being none he called for a motion to close the public hearing.

**ACTION** Councilmember Felix made a motion to close the public hearing at 7:45 p.m. Councilmember LaBau seconded the motion and all five councilmembers voted aye.

***INTRODUCTION AND ADOPTION OF RESOLUTIONS AND ORDINANCE:***

**RESOLUTION 10-11 - A RESOLUTION ESTABLISHING THE MUNICIPAL CERTIFIED TAX RATE FOR FISCAL 2010-2011.**

Councilmember Rasmussen said it is important that the citizens understand that the public hearing comes at the end of this process. The City holds workshops with the Mayor, Council and staff that the public is invited to attend establishing these changes.

**ACTION** Councilmember LaBau made a motion to adopt Resolution 10-11 to establish the municipal certified tax rate for fiscal 2010-2011. Councilmember Felix seconded the motion and all five councilmembers voted aye.

**RESOLUTION 10-12 - A RESOLUTION SETTING SEWER SERVICE RATES.**

**ACTION** Councilmember Rasmussen made a motion to adopt Resolution 10-12 setting sewer service rates. Councilmember Felix seconded the motion and all five councilmembers voted aye.

RESOLUTION 10-13 - A RESOLUTION APPROVING AND ADOPTING THE FISCAL 2010-2011 OPERATING BUDGETS FOR HYRUM CITY'S GENERAL FUND, CULINARY WATER FUND, SEWER FUND, ELECTRIC FUND, IRRIGATION WATER FUND, STORM WATER FUND, CAPITAL PROJECTS FUND, AND LIBRARY TRUST FUND.

ACTION Councilmember LaBau made a motion to adopt Resolution 10-13 approving and adopting the Fiscal 2010-2011 Operating Budgets for Hyrum City's General Fund, Culinary Water Fund, Sewer Fund, Electric Fund, Irrigation Water Fund, Storm Water Fund, Capital Projects Fund, and Library Trust Fund. Councilmember James seconded the motion and all five councilmembers voted aye.

ORDINANCE 10-04 - AN ORDINANCE AMENDING CHAPTER 2.12, SECTION 2.12.010 OF THE HYRUM CITY MUNICIPAL CODE, TO PROVIDE FOR ADJUSTMENTS IN THE SALARIES OF OFFICERS AND EMPLOYEES OF HYRUM CITY.

Councilmember Rasmussen said he appreciates the efforts and the time that the city staff provides. Every employee is watched closely and everyone is very efficient and needs to be recognized for their achievements.

Councilmember James said the City laid-off two employees this year that have not been replaced. Other employees have taken over their duties.

ACTION Councilmember Rasmussen made a motion to adopt Ordinance 10-04 amending Chapter 2.12, Section 2.12.010 of the Hyrum City Municipal Code, to provide for adjustments in the salaries of officers and employees of Hyrum City. Councilmember LaBau seconded the motion and all five councilmembers voted aye.

**OTHER BUSINESS:**

CONSIDERATION AND AWARD OF BID FOR THE LIBRARY SOLAR PHOTOVOLTAIC PROJECT.

Mayor Howard said Hyrum City received three bids for the Library Solar Photovoltaic Project.

<u>Contractor</u>	<u>Bid Amount</u>
Gardner Engineering	\$223,960
Pioneer Solar & Electric	\$239,015
Intermountain Wind & Solar	\$239,889

*City Engineer's Estimate*                      \$238,875

**ACTION**                      Councilmember James made a motion to award Gardner Engineering the bid for the Library Solar Photovoltaic Project in the amount of \$223,960. Councilmember LaBau seconded the motion and all five Councilmembers voted aye.

**CONSIDERATION AND AWARD OF BID FOR THE TWO MILLION GALLON CULINARY WATER RESERVOIR.**

Mayor Howard said Hyrum City received seven bids for the two million gallon culinary water reservoir.

<u>Contractor</u>	<u>Bid Amount</u>
Absolute Constructors	\$1,848,087
Build, Inc.	\$1,932,335
Jacobsen Construction	\$1,942,857
COP Construction	\$2,061,840
Brubaker Construction	\$2,174,390
Gerber Construction	\$2,285,645
Raymond Construction	\$2,399,846

*City Engineer's Estimate*                      \$2,200,000

Mayor Howard said the City Engineer recommends awarding Absolute Constructors the bid upon the City obtaining financing.

Councilmember LaBau asked if the City should wait to award the bid until after the city finds acceptable financing.

**ACTION**                      Councilmember James made a motion to award Absolute Constructors the bid for the Two Million Gallon Culinary Water Reservoir on contingency of obtaining financing. Councilmember Rasmussen seconded the motion.

Councilmember Rasmussen recommended amending Councilmember James' motion to award Absolute Constructors the bid for the Two Million Gallon Culinary Water Reservoir "only if the City finds acceptable financing." Councilmember LaBau seconded the motion and all five councilmembers voted aye.

**MAYOR AND CITY COUNCIL REPORTS.**

Councilmember James said the new city web-site is up and running. Accessing information and adding pages is a lot more user friendly. If anyone has any suggestions or anything that needs to be added let him know. The site was designed by students which

saved the city a great deal of money. Thanks to the staff and Council for all the help with the Night-Out Against Crime, it was a big success.

Councilmember Rasmussen said he is concerned about the irrigation water and wondering how the new water master is working out.

Councilmember Miller said she has been trying all summer to find someone to help with the fair booth for the Cache County Fair and hasn't had any luck. She has put together a list of committees that citizens can volunteer for to include in the next city newsletter and add to the web-site. She hopes that this will get people who are interested in volunteering involved. The Youth Council helped with the National Night-Out Against Crime and is helping with an upcoming luncheon at the Senior Center. The Cabin Restoration Committee is looking for ideas to restore the cabin to its original state. The American Legion gets money for doing graveside services and they are using those funds to help with the restoration costs. She is looking forward to preserving this piece of history in conjunction with the Sesquicentennial Celebration of Hyrum City.

Mayor Howard said at the recent UAMPS meeting he learned the Senator from Alaska is trying to eliminate FERC from having all the power to license small hydro electric plants. IPP3 refunds will be available in September. The City will use the refund towards future electric funds. The Hunter Project has upgraded a turban which is a 21 mega watt improvement.

**ADJOURNMENT:**

**ACTION**            **There being no further business before the City Council, the Council Meeting adjourned at 8:12 p.m.**

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W. Dean Howard  
Mayor

ATTEST:

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Stephanie Fricke  
City Recorder

Approved: August 19, 2010