

MINUTES OF HARRISVILLE CITY
CITY COUNCIL MEETING
Tuesday, July 10, 2012 – 6:00 p.m.
Council Chambers
363 West Independence Blvd
Harrisville, Utah 84404

Present: Mayor Richard Hendrix, Council Member Chad Allen, Council Member Paula Knighton, Council Member Bruce Richins, Council Member Michelle Tait, Council Member Grover Wilhelmsen.

Staff: Bill Morris, City Administrator, Jennie Knight, City Recorder, Pam Crosbie, Finance Clerk, Lynn Fortie, City Treasurer, Gene Bingham, Public Works Director, Max Jackson, Police Chief.

Visitors: Jeff Pearce, Ruth Pearce, David Stephenson, Fred Oates, Amber Weston, Patricia Young, Joan Brown, Kara VanBeekum, Jacob VanBeekum.

6:00 P.M. CITY COUNCIL MEETING

1. Call to Order.

Mayor Hendrix called the meeting to order and welcomed all visitors.

2. Opening Ceremony.

Mayor Hendrix led the Pledge of Allegiance and opening ceremony.

3. Closed Executive Session.

MOTION: Council Member Knighton motioned to open a closed executive session to discuss the character, professional competence, or physical or mental health of an individual and to discuss strategy regarding pending or reasonably imminent litigation. Council Member Tait seconded the motion. All Council Members voted aye. Motion passed.

Council Members convened into the executive session.

MOTION: Council Member Knighton motioned to close the executive session and move into the public meeting. Council Member Wilhelmsen seconded the motion. All Council Members voted aye. Motion passed.

4. Budget Work Session.

Bill Morris presented council with four options on a spreadsheet to foster a discussion on how to balance the budget. He also presented the tax notice that will be published in the newspaper advertising for the truth-in-taxation public hearing that is required by Weber County for the property tax increase that is included in the tentative budget worksheet. The third handout he presented included a property tax comparison showing where Harrisville falls with respect to other cities in Weber County. Bill Morris pointed out that Harrisville has one of the lowest property tax rates. Mayor Hendrix said the proposed increase would allow the city to continue providing the services that residents are accustomed too.

Mayor Hendrix also pointed out several other items for discussion listed on the options worksheet; such as, janitorial contracts, health insurance contribution by the city, and the 401K contribution provided by the city. He said the savings from the 401k contribution would allow funding for a wage adjustment for the employees. Council Member Wilhelmsen voiced concern about removing benefits that have brought employees to the city, and questioned whether that would just continue to add to the retention problem. Council Member Allen asked what the savings of 80/20 health benefit contribution would be. Mayor Hendrix said all the numbers being used in these scenarios are estimates. He said in option 3 a one-time bonus to employees instead of a wage adjustment would also be an estimated amount.

Because the council meeting in June was cancelled due to primary elections, Mayor Hendrix said the public works road projects have become time sensitive issues now. He said if they try putting off the road projects, they will pay more in the future for those services. He explained how maintenance schedules, when not maintained, cost more for the city because bids expire and contractor prices increase when the summer season ends. He urged council to consider these issues when voting on the bid proposals later in the council meeting.

Council Member Allen expressed concern with continuing with road projects and how that will look to the public when council is considering a property tax increase for residents. Lynn Fortie clarified there are two separate funds. He said employee salaries are paid through the General Fund. He said the property tax increase will not be funding anything in the Capital Projects fund because the revenue from the property tax goes directly to the General Fund. He further explained that the property tax increase is not only for an employee wage increase but also to balance the budget. He said the current budget, if the wage adjustment for employees is removed, would have a \$60,000 deficit. Council Member Allen wanted to make sure the increase is used properly and he asked for more clarification. Lynn Fortie explained that the city's tentative budget has a shortfall of \$140,000, including the wage adjustment for employees, regardless of the Capital Project fund balance. Council inquired to how much is currently in the capital projects fund. Lynn Fortie said the capital projects fund has a healthy balance of over \$900,000. [Council Member Richins arrived]

City Administrator Bill Morris used a visual to describe how funds are placed into each fund, and how each fund is run independently from the other. Council inquired as to whether the Capital Projects fund could be used to balance the budget. Lynn Fortie confirmed that this could be used to balance the budget, but that these funds are built up through the years of healthy revenues and would be difficult to build up again after depletion. Council Member Knighton asked for clarification on why the city has a \$140,000 deficit. Bill Morris explained there has been significant loss in revenue from building permits, and there was decrease in property taxes when the new fire district was established. Lynn Fortie clarified that the North View Fire District Tax was added to residents tax notices as a separate item and that eliminated the pass through account that the city was collecting for property taxes. That is technically not a decrease in revenue, because the money was simply paid in and then paid out. Council Member Tait stated the only item she feels council has any control over is property taxes. Council Member Knighton said the estimate was based on what they thought would be needed to balance the budget. Mayor Hendrix pointed out that some of the deficit amount was to build up the city's rainy day fund that has been depleted over the years of low revenue. Lynn Fortie explained that the city reserve cannot exceed 18% of the budget amount.

Mayor and council discussed the Weber County Sheriff proposal that includes a 7.5% wage increase across the board for all public safety employees. Mayor said the actual amount of funds needed to allow for a wage adjustment for employees would likely be lower than what was budgeted. He explained if they use a review system to allow for merit increases to be given, rather than a straight wage adjustment for all employees, the money needed would be significantly lower. He said the number used to create the tentative budget was just an estimate to create a scenario reflecting how much increase to propose for the property tax increase. Mayor suggested council discuss any other options they may have to balance the budget, including or not including a property tax increase. He said they have several options in front of them, but if they don't like those options, they can take the information to create new options. Mayor Hendrix restated that the Capital Projects Fund can be used to balance the budget. Council Member Wilhelmsen asked how much money is actually in the Capital Projects Fund. Lynn Fortie said he didn't have the exact number but it is somewhere over \$900,000. Council Member Wilhelmsen asked Gene Bingham how much money from the capital projects fund would be used for the current road projects. He said about \$45,000 based on the proposed bids he had to present later in the council meeting.

Council Member Wilhelmsen expressed his concern for using the Capital Projects Fund to balance the budget. He said if large chunks are used to balance the budget, the fund will quickly be depleted because of the demand to meet the city's needs.

Gene Bingham informed council that Class C funds can be used for roads but not for parking lots. He said there are certain classifications that must be met when using Class C funds and also the funds from impact fees. Council Member Wilhelmsen asked if putting money into the city's motor pool fund has saved the city money in the long term by avoiding costly maintenance fees. Lynn Fortie confirmed they city has saved money by having vehicles repaired under warranty. Council Member Knighton asked if there is a time frame assigned to using

money in the Capital Projects fund. Gene Bingham said projects such as the new city marquee, the cabin re-roofing, the police department downstairs, and new playground equipment at the city parks, have all been paid out of the Capital Projects fund. He said these funds have been used by public works, and also the entire city for improvement projects. Gene Bingham said when the city has a project done where they can not use Class C or impact fees, funds are drawn from the Capital Projects fund. Council Member Tait asked for clarification if the funds needed for the two proposed bid projects, scheduled for discussion/action later in the meeting, would come out of last year's budget if they had been approved in the council meeting in June that was cancelled. Gene Bingham replied that the contract schedules and 30-day bid guarantee need to be met, but that the funds will be used from the 2012-2013 budget year.

Mayor Hendrix pointed out revenue from building permit fees is way down. He said in 2006-2007 the total revenue from building permits was \$140,000 and the total from last year was \$40,000. He said sales tax revenue is down significantly as well. Council Member Wilhelmsen said it will take several years to re-coop that money. Mayor Hendrix suggested forecasting ahead to prepare for the needs of the city in the future. He recommended council combine several of the options listed if necessary to balance the budget. He encouraged council to consider if they decide to go with a partial tax increase, they may end up needing an additional increase next year. Mayor pointed out as tax-paying residents, council members are also affected by this decision. Council Member Wilhelmsen asked for more clarification about the fire district tax that was eliminated after the new fire district was created. Lynn Fortie explained the previous fire district tax was collected through city property tax and the city then passed on that revenue to the fire district. It was a pass through account; therefore, the property tax was eliminated when the fire district was voted upon and created as a separate line item on the county taxes. It was never considered as either revenue or expenditure because the same money collected was paid out.

Council Member Allen asked what the deficit would be if the wage adjustment was removed from the tentative budget. Lynn Fortie said if he removed the revenue received from a property tax increase and the expenditure of a wage adjustment, the city would have a \$60,000 deficit.

Public Works Director Gene Bingham said with some careful calculations he could eliminate some from his proposed budget. He said snow removal and fuel costs are unknown numbers, but other items listed in the tentative budget could be put on hold; such as the new shed and the purchase of a new generator.

Council Member Tait said this is the hardest issue she has faced since being on the council. Council Member Richins said he is leaning towards option 4. He said he does not think the council should do a property tax increase but rather employees should be grateful to have jobs. Council Member Wilhelmsen expressed his concern with reducing employee benefits, like the 90/10 health insurance contribution, and the effect this has on employee retention. One of the perks offered to the employees is to maintain their benefit packages.

Council Member Knighton said she struggles with the 100% tax increase, but realizes it amounts to approximately \$5 a month average for residents. She recognizes the moral and employee situation in the city is suffering and is trying to keep the city stable while balancing the services the city provides. She feels the cost of not doing the property tax increase is too hard to work with. Council Member Allen said he is not in the favor of any options.

Council Member Knighton asked for suggestions as to where cuts can be made if council is not going to raise taxes. She urged council to formulate a solution. Council Member Wilhelmsen suggested offering a year-end bonus to employees, if a wage adjustment is not available. Police Chief Max Jackson said if it comes down to a few tens of thousands difference, the departments could trim their own budgets to reduce the deficit. He said there are some things left to trim in the police budget.

Council Member Knighton expressed concern that the city will be facing these same issues next budget year. Council Member Wilhelmsen agreed this is not a long term solution. Mayor and Council discussed keeping the budget intact with no wage adjustment and stretching funds as far as possible to avoid a property tax increase. Mayor and Council discussed how some departments did not spend the allotted amounts in some of their budget line items. Pam Crosbie agreed some departments did not spend as much as was budgeted, but the revenue received was much less as well. Council Member Allen pointed out if a bonus is considered at the budget year end there is no obligation if the funds don't exist. Mayor and Council discussed the pros and cons of offering an employee bonus rather than a wage adjustment.

Council Member Tait said option 2, the Weber County Sheriff's Office contract proposal, has many emotions attached. When removing the emotions, it may seem like a logical choice. She suggested the contract could

provide the money that is needed for the budget. She stated none of the options appeal to her. She recognized how difficult it is for council to find needed money without a property tax increase and said that her mind is not made up as to how to address these issues. Council Member Wilhelmsen expressed his desire to maintain employee benefits. He said they may need to reach a solution for this year's budget and readdress all the other potential cuts and the property tax increase for the next budget year. He said in his opinion the city will see a decline in revenue until the recession is over.

Lynn Fortie pointed out there is a \$25,000 buffer in the tentative budget that includes the property tax increase. Council Member Allen said that increase will be depleted quickly. Mayor Hendrix suggested tabling this discussion until a later date and recommended another budget work session be set for Tuesday, July 17 at 7:00 p.m. Council Member Allen suggested combining the budget work session with a Heritage Days work session. Council Member Wilhelmsen will attend electronically as he will be out of state.

5. CONFLICT OF INTEREST - Discussion and/or possible action on determination of possible conflict of interest based on opinion letter from Harrisville City Attorney Mike Junk.

All Council Members gave a consent vote that Council Member Chad Allen continue to give input on future budget discussions as a resource and information. City Administrator Bill Morris advised council to contact him, or Mayor Hendrix if at any time they feel there is undue pressure from Council Member Allen. Council set a tentative vote on the proposed law enforcement contract with Weber County Sheriff's Department for July 31, 2012 and Council Member Allen will recuse himself from the contract information during that meeting. Mayor informed council the truth in taxation survey has not been used as regularly as predicted, with only 47 people participating. The survey is located on the city's website www.cityofharrisville.com.

6. CONSENT ITEMS

- a. Approve the minutes of June 12, 2012 as presented.

MOTION: Council Member Tait motioned to approve the minutes of June 12, 2012 as presented. Council Member Chad Allen seconded the motion. All Council Members voted aye. Motion passed.

- b. Review the June 2012 Check Register.

7. BUSINESS ITEMS

- a. Discussion and/or possible action to approve bid award for 2012 City Park – Parking Lot Overlay Project.

Gene Bingham recognized there has already been some discussion about this item earlier. He commented about the contract amount on the proposal and asked to award the bid for the parking lot overlay project to Advanced Paving and Construction in the amount of \$42,424.00. Council Member Tait asked for clarification that this bid will not affect the property tax increase. Bill Morris clarified that this will come out of the \$900,000 in the Capital Projects Fund. Gene Bingham clarified \$40,000 was carried over and nothing was spent from the Capital Projects fund last budget year. He said hopefully impact fees can be used to match with the capital projects to complete some projects in the future. Council Member Knighton asked about references on the construction company. Gene Bingham said he has worked with Advanced Paving in the past. He informed council if a bid is awarded to an unknown contractor, he asks for references from commercial businesses and other cities before allowing any work to be done. Council Member Tait asked what the increased cost of the project would be if this bid proposal is not awarded. Gene Bingham stated the proposed bid is only good for 30 days, which is coming to an end soon. He said the Main Harrisville Park parking lot hasn't been paved in twenty years. The Cabin parking lot was paved last season and just needs to be sealed. He explained that normally seal coats are applied within a few months to a year after paving, and then there is a period of about eight years before other maintenance is needed. Council Member Richins asked about the time line for the RAMP grant for parking lot improvement of the Main Park parking lot. Gene Bingham said it is scheduled for late winter or next spring. Council Member Richins asked if the season in which it is installed would compromise the new parking lot. Gene Bingham said work needs to be completed on road projects preferably during hot weather.

MOTION: Council Member Chad Allen motioned to award the bid to Advanced Paving and Construction

in the amount of \$42,424.00. Council Member Bruce Richins seconded the motion. All Council Members voted aye. Motion passed.

b. Discussion and/or possible action to approve bid award for 2012 Annual Paint Striping Project. Gene Bingham recommended awarding the parking lot overlay project to All Star Striping. He stated the paving of the parking lot was done by the same contractor and they already have the necessary layout. He informed council the bulk of this project will be paid for out of Class C funds. He said this is a healthy fund with about \$300,000.

MOTION: Council Member Bruce Richins motioned to award the parking lot overlay project to All Star Striping in the amount of \$6,563.00. Council Member Allen seconded the motion. All Council Member voted aye. Motion passed.

c. PUBLIC HEARING: Discussion and/or possible action of Harrisville City Ordinance 452, an ordinance vacating an abandoned utility easement.

Bill Morris informed council this easement is an unnecessary easement and is not needed. He said a new easement will be recorded with the plat in the new subdivision.

MOTION: Council Member Bruce Richins motioned to open a public hearing on Harrisville City Ordinance 452, and ordinance vacating an abandoned utility easement. Council Member Wilhelmsen seconded the motion. All Council Member voted aye. Motion passed.

Mayor Hendrix invited any individuals who were present to offer public to comment about the wildflower ordinance. No public comments were offered.

MOTION: Council Member Chad Allen motioned to close a public hearing on Harrisville City Ordinance 452. Council Member Wilhelmsen seconded the motion. All Council Member voted aye. Motion passed.

MOTION: Council Member Wilhelmsen motioned to approve Harrisville City Ordinance 452, an ordinance vacating an abandoned utility easement. Council Member Chad Allen seconded the motion.

A Roll Call vote was taken.

Council Member Wilhelmsen	Yes
Council Member Tait	Yes
Council Member Knighton	Yes
Council Member Richins	Yes
Council Member Allen	Yes

The motion passed 5-0.

d. Discussion/possible action of Harrisville City Ordinance 453, an ordinance amending Storm Water Utility Chapters 15.22;15.23;15.24;15.25, making technical changes to conform with new state permit requirements.

City Administrator Bill Morris explained Harrisville City Ordinance 453 makes technical changes needed to conform with phase 2 of the clean water act which needed to be updated. Jones and Associates made changes to update the ordinances. Most of these are already included. He explained that page 3 defines the common development plan, and when a subdivision is subject to the clean water act, the developer still maintains some involvement. On page 7 a new section was added 060, which breaks down how billing collection takes place through Bona Vista, defining a 90 day window for disputes. A new section is added on page 10, inserted as #4, regulated the maintenance of private storm water retention basins. Many of these retention basins have already been installed in the city creating an issue of enforcement. Private rights cannot be violated by the city to maintain enforcement of these retention basins. Some institutions have signed an agreement with the city allowing access. All new developments will sign an agreement allowing access for the city to check on the maintenance of retention basins. Council Member Richins asked if the city has run into any problems enforcing these types of issues with Wal-Mart. Bill Morris replied the city was having an issue with a rather large salt pile located in the parking lot of Wal-Mart that was released into the retention basin, creating a storm drain issue. Council Member Knighton asked if there is a "grandfather clause" in place for the existing basins. Bill Morris replied he will work with Gene Bingham to have agreements signed where there is a need. Bill Morris pointed out

the retention basins within the residential area are already maintained by the city. Definitions on new procedures are defined, such as written and verbal warnings. Straw bails being used for detention were removed because there is better material available now. Connection permits, rainfall hydrology patterns, storm drain pipe sizing, and how basins work with regard to public or private basins were all defined. How to discharge, slopes and other designs, permits and practices, street sweeping definitions were all included in the new requirements.

Bill Morris thanked Gene Bingham for his effort on this new storm drain ordinance and said that Harrisville City now has the model ordinance in the county for Storm Water Utility. Mayor Hendrix commended Gene Bingham on his work.

MOTION: Council Member Knighton motioned to approve Harrisville City Ordinance 453, amending Storm Water Utility Chapters 15:22, 15:23, 15:24, and 15:25, making technical changes to conform with new state permit requirements. Council Member Tait seconded the motion.

Roll Call vote was taken.

Council Member Wilhelmsen	Yes
Council Member Tait	Yes
Council Member Knighton	Yes
Council Member Richins	Yes
Council Member Allen	Yes

Motion passed 5-0.

e. Youth City Council Recognition

Council Member Bruce Richins announced that five of the youth city council members recently graduated creating vacancies for youth over the age of 14 to apply. He recognized former youth city council members Jacob VanBeekum and Kara VanBeekum who have both served on the council. Council Member Richins presented both members with certificates of recognition and Mayor Hendrix thanked them for their service to the city.

8. PUBLIC COMMENTS

Ruth Pearce, 295 E. 1150 N., indicated the property tax increase will be closer to \$9 or \$10 per month for their residence. She suggested council make a review of asset purchases including \$15,000 for a new public works shed. Asset purchases may need to be reviewed. She also suggested eliminating some police cars to cut down on expenses.

Fred Oates, 2459 No Rochester Ave., said he really appreciates that council is taking this budget discussion seriously. He said he is pleased to see council studying the options and trying to create efficiency within the budget. He said he disagrees with what they think they will find in the future. City council needs to tighten the belt of the city budget, create a balanced budget, and then stick to it. He said it is the little things that count. He suggested council assess whether city contracts are being paid fairly to make sure money is being spent wisely. He thanked council for the job they are doing and recognized they have a big decision to make.

9. MAYOR/COUNCIL FOLLOW-UP

Council Member Allen recognized the Harrisville Police department and their efforts with the recent closure of two smoke shops that were selling illegal spice in local stores. He thanked the police department for their hard work on these cases.

Council Member Richins asked about the commercial water rate increase and when it will be implemented. Mayor reported letters need to be sent notifying non-residential entities of the increase, and then the increase will be implemented.

Council Member Richins asked about a recent residential complaint where the western irrigation canal was overflowing into residential area (Approximately 1415 N. 100 E.). Gene Bingham said he met with the new canal president and suggested reducing the flow of water in the canal. He also met with the resident who experienced the water overflow, addressing the issue of a low spot on the property right where the walk out basement of the home sits. He said some of the water overflow may have been reduced by landscaping changes, but with the low walk out basement, they have committed to certain elevation limitations. Council Member Richins thanked Gene Bingham for responding to the complaint

10. ADJOURN

Mayor Hendrix moved to adjourn at 8:00 pm.

11. HERITAGE DAYS WORK SESSION

Mayor Hendrix turned the time over to Council Member Allen to conduct the Heritage Days Work Session. Council Member Allen presented a few items for discussion. He said orders for three banners were placed and one is already hanging on the west side of the city office building. He reported he and Pam Crosbie worked together to apply for the mass gathering permit. Jennie Knight reported she called the Ogden Clinic to set up the first aid booth. He ordered all the signs for the parade, which includes signs for each of the previous Harrisville Mayors. He reported local Harrisville resident Craig Stephens will be organizing the 5K. Jennie Knight agreed to create a signup sheet for the 5K. Mayor and Council agreed to offer a timed 5K with a t-shirt for \$15 and a fun run at no cost. Anyone may buy a 5K shirt for \$10. Jennie Knight asked if there is a food handler's permit requirement for the youth city council to serve cake and ice cream. Council discussed what had been done in the past for Mayor ice cream cones, and Jennie Knight agreed to inquire with the Health Department as to what is required. Council Member Tait and Council Member Knighton discussed left over supplies from years past. Mayor Hendrix informed council Weber County has generators for rent for \$15, which is significantly reduced from the rental price the city has paid in the past. He also reported Gene Bingham has secured the shield to provide shade for the evening events.

Mayor and Council discussed additional ways to advertise such as a notice in the newspaper, and more signs around the city. They agreed to make reusable signs with overlay dates for future use. Council Member Allen said the signs will be placed in all the same areas around the city where the breakfast signs were previously. He agreed to move forward with the signs and advertising.

Council Member Richins reported his assignments are covered. Council Member Knighton and Council Member Tait presented the vendor booth information. They decided to use the large tent, previously used for bingo, to stage all of the kids' free games. Mayor and Council offered their ideas on how to divide the large space into smaller areas to hold these kids games.

Council Member Wilhelmsen said the Harrisville's Got Talent program needs a screen for a staging area. Council Member Tait said they used the backside of the building for a staging area for Little Miss Harrisville. He also contacted Mary's Awards to price plaques for the Mayor's to be given at the History Program. He also reported the auditions for Harrisville's Got Talent will be held on July 11, 2012 at the Harrisville Cabin. He said they are planning to have judges and will be giving out a prize to the winner. He is looking to have a piano donated for use by the Piano Gallery in Riverdale.

Mayor and Council discussed details such as the "MC" and how to award prizes. They discussed having a 1962 car and photographer available for family pictures and how much to charge for those interested in pictures. Mayor Hendrix said he will get in contact with Russell Dental who has sponsored the 3 on 3 basketball event. Council Member Allen reminded council to submit their reimbursement forms to Pam Crosbie.

Mayor Hendrix moved to adjourn at 9:03 p.m.

RICHARD HENDRIX
Mayor

ATTEST:

JENNIE KNIGHT
City Recorder
Approved this 31st day of July, 2012