

SMITHFIELD CITY COUNCIL

JUNE 23, 2014

The Smithfield City Council met in a specially scheduled meeting at 96 South Main Street, Smithfield, Utah on Monday, June 23, 2014. The meeting began at 6:02 P.M. and Mayor Darrell Simmons was in the chair.

The following council members were in attendance: Dennis Watkins, Barbara Kent, Kris Monson, Jeff Barnes and Brent Buttars.

City Manager James Gass and City Recorder Justin Lewis were also in attendance.

VISITORS: Mava Pitcher

MAYOR'S REPORT

Mayor Simmons commented that the public hearing at the last council meeting bothered him. The Mayor was bothered by the way he handled it. Mayor Simmons apologized to the council for not handling the public hearing the way it should have been handled. Mayor Simmons stated there must be a better way to handle public hearings and keep the emotion out of them. The Mayor commented that sometimes the public hearings are very straight forward and this one was very emotional and could have been handled differently. The Mayor apologized to Jim and Brent for not interceding in the public hearing at certain points as he felt he should have. The Mayor stated that in the future he would like people that want to speak to the council need to sign up and state their name, position on the issue and why they support that position plus be reminded they have two to three minutes. The Mayor was embarrassed that he did not remember the names of all of those that wanted to speak at the public hearing. The Mayor stated that public hearing will be better controlled in the future.

CONSIDERATION OF THE CONSENT AGENDA

APPROVAL OF THE MINUTES OF THE JUNE 11, 2014 CITY COUNCIL MEETING

After consideration by the council, the Mayor declared the consent agenda for the June 11, 2014 city council meeting minutes as approved.

PUBLIC HEARING TO RECEIVE INPUT ON ADJUSTMENTS TO THE BUDGET FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2014 FOR ALL FUNDS.

Mayor Simmons asked Jim to give an update on the proposed changes to the budget before the public hearing.

Jim stated the year ended up pretty good and the city is in good shape. There is a proposed transfer of \$81,400 from the general fund to the capital improvement fund. Jim anticipated transferring more than that when all the actual transfers are complete but did not want to declare more than would be done. The budget is projected to not leave any departments short. Hopefully, the general fund can transfer over \$100,000 to the capital improvement fund as the

more money that is in the capital improvement fund the better position the city is in. Sales tax is up almost \$100,000 over last year and energy tax is up around \$63,000 for the year as well. Most of the energy tax was collected in the second half of the budget year. Property tax was up \$20,000 as well over what was projected.

Mayor Simmons asked if the city was getting more property tax than anticipated? Jim stated that was correct. Brent asked why more was collected? Jim stated that it is hard to project new growth. New homes and units would increase the property tax to the city on a yearly basis.

Increases to revenues from taxes totaled \$126,921 and were the biggest increase to revenue in the general fund.

Building permits were down approximately \$57,000 and the city has not experienced such a decline in one year in many years. Building permits are expected to be down in the new budget year as well.

Fines through the court are down as well and it appears to be a state wide trend. Richmond, North Logan and Cache County are all down in justice court fine revenue. Last year fine revenue was over \$200,000 and this year it is anticipated around \$123,000.

The main changes to charges for services are in sanitation. This number is hard to budget an exact amount for on a yearly basis as it is not known how many people will be utilizing the system on a yearly basis. This line item is adjusted on a yearly basis.

Cemetery plots and burial fees were up significantly. Between the two they were up over \$37,000.

There is a proposed decrease in contributions and transfers which was mainly due to a change in Class C Road funds. More revenue in Class C Road funds was received than expected and less was spent than anticipated.

Total adjustments to the general fund totaled approximately \$125,000 of which \$77,000 was due to change in contributions.

Unemployment benefits were up as the city is self-insured.

Barbara asked if the employees can obtain unemployment benefits even if they quit their employment at the city? Jim stated that a couple of employees left the city and took other jobs and then lost or quit those jobs and now the city paid unemployment benefits on them. Kris commented that did not seem right.

The proposed transfer to the recreation center was reduced from \$95,000 to \$72,000 as revenues were higher than anticipated and expenses were down. Jim stated that the actual transfer might even be in the \$60,000 range as the recreation fund is doing better each year.

Brent asked if the \$35,000 that the golf course pays to the city yearly could be used to pay the \$10,000 per year that is owed from the general fund to the water and sewer enterprise fund? Jim explained that the golf course provides about \$10,000 per year to the city general fund from sales tax. Sales tax is collected on pro shop sales as well as café purchases. For years the city allowed the golf course to keep the sales tax that was earned but about seven to eight years ago the general fund was strapped and started keeping those funds and it has not been changed back since. The \$10,000 per year could come from this; Jim stated.

Jeff asked if only a portion of the \$35,000 that is paid by the golf course is from sales tax? Jim stated that was correct and that the other \$25,000 is to help pay the wages and benefits for the city treasurer and city recorder. They help the golf course with their financials on a daily basis and the golf course in turn pays a portion of their wages.

Jim stated that in researching some other local golf courses that when the financials of Eagle Mountain in Brigham City are reviewed they are very positive and show a transfer from the golf course fund to the general fund each year. After reviewing the information in depth it was determined that the city general fund is paying the wages of all of the golf course employees and the golf course transfers some money to the general fund but not enough to cover all of the wages. Eagle Mountain is not doing as well as it shows on paper.

Mayor Simmons asked if Brigham City owned the clubhouse or the golf course owned it? Jim stated he was not sure.

Expenses in buildings had to be increased to cover a large repair to the heating and air conditioning unit in the city office as well as additional repairs to the youth center. One of the furnaces was changed out in the current budget year at the youth center and the other one will be changed out in the new budget year. Shane Demler will be doing some brick work as well on the youth center while he is doing the brick work on the city library expansion project. There has been \$5,000 allocated for brick work on the youth center in the new budget.

The parks department showed an increase due to mower repairs and an increase in gas and oil. This is the supervisor's first year overseeing their budget and they did a great job.

Brent asked how the fire department did for the year? Jim stated that they did okay. Increases are shown for ambulance personnel wages and benefits but the county pays for the ambulance wages. Full-time fire fighter wages are down \$3,000 as Scott Best did some military training and was not paid during that time period. The fire department has a safety assistance grant and the money is received after the city pays for the expense and then asks for a reimbursement request. Brent asked if the playground equipment at Sunset Park was paid for in the current budget year? Jim stated it was purchased and paid for last fall so it is part of the current budget year.

Changes to the recreation center budget show several adjustments as it is unknown which programs will be utilized from year to year. Aerobics and martial arts are up but soccer is down. Expenses have been increased \$6,600 and revenues increased \$29,000 so the general fund will have to transfer less than projected at the start of the year.

Park impact fees are down \$37,000 as less building means less impact fees paid. The impact fee per new unit is \$1,000.

Jim explained that there is one error in the proposed changes that needs to be corrected. The general fund shows a transfer of \$81,400 to the capital improvement fund but the capital improvement fund shows \$100,000 coming in from the general fund. The \$81,400 number is correct and this item will be updated on the official paperwork.

The water fund showed increases in utilities mainly from the pump having to run more last year due to it being a dry year. Water fund street repairs were increased as well as some jobs had to be completed where service line repairs were done. A patch job had been done in the past but to do it properly an overlay was done later. Some of the overlay projects were split between the streets department and the water department. The Birch Creek well renovation project was increased \$3,000 as the entire column was changed out not just portions of it as originally planned for. There will be a transfer of approximately \$103,000 to the water fund reserve account.

Sewer disposal was increased \$62,000 as the rate was increased and Hyde Park paid some of Smithfield's bill last year and in turn Smithfield had to pay some of Hyde Park's bill this year to get back to even. A tri-city sewer study was commissioned and the three communities split the cost 1/3 each.

Golf course wages were down and utilities were up due to having to run the well for an extended period of time as well as increases in gas costs. There was not a Cache Valley AM tournament and Men's Association costs were down and both have been accounted for. Equipment was decreased as the golf carts were not purchased as the course did not have the funds to purchase them in this budget year. Pro shop sales were on par but the cost of the merchandise was down so that was a positive. The interest rate on the clubhouse loan changes every five years and there was a significant decrease this year so interest expense has been decreased.

Mayor Simmons thanked Jim for explaining and preparing the budget over the last several months. The budget is just an estimate to start the fiscal year and is changed throughout the year as needed and actual numbers come in. The process is quite amazing and the amount of time needed is significant. Kris thanked Jim as well for keeping the council informed and doing an amazing job.

Jim stated he would correct the one error in the capital improvement fund transfer from the general fund but everything else is accurate.

****The public hearing opened at 6:43 P.M.****

Mava Pitcher stated she is on a fixed income and funds are especially tight as her husband has cancer. Mava wanted to know how the credit card fees are accounted for? Mayor Simmons stated the fees are budgeted for. Jim stated that the fees are included in the cost of the service as the majority of the fees collected at the golf course and recreation center are paid with credit and debit cards.

Mava asked if the monthly water and sewer rates were being changed? Mayor Simmons commented not in the new budget but in the future.

Mava wanted to know if the rate increase had anything to do with the golf course transfer discussion the previous month? Jim stated that the monthly sewer rate will go up around \$10 to \$12 per month and has nothing to do with the proposed transfer of funds to the golf course that was discussed at the last council meeting. The increase will be to help pay for the new \$115,000,000 plant that is being built in Logan. Barbara stated that the EPA and state have changed their requirements and all of the communities must comply.

Mava asked if the property owned by the city west of town would be used for a sewer plant in the future? Jim stated that recently a tri-city sewer study was done to see if it would be feasible for the three cities to have their own system. The cost is comparable in the monthly increase to the Logan system but there are two big factors on a tri-city project. Could the city obtain financing at a very low interest rate and would the state be willing to grant a new discharge point into the Bear River. The Smithfield property does not work elevation wise for Hyde Park and North Logan to join on.

Mava asked how long the city is obligated to stay with Logan? Jim stated through 2016 or 2017.

Mava asked the city to conserve when possible. Jim stated that most of the funds were transferring money into the reserve accounts and the city is being frugal. Mava stated that was good as the cost of gas is hurting everyone. Jim agreed.

The Mayor asked Mava for an update on her husband. Mava stated that Bruce has stage 4 cancer and is currently going through chemotherapy. A stint had to be installed and Bruce had not been able to sleep lying down for over three months. Bruce's blood pressure continues to drop and he is very weak and still has over four months of chemotherapy remaining. Originally, the doctors thought they could operate and remove the cancer but have determined they cannot. Jim asked if Bruce was being treated in Logan? Mava stated they were going to the Huntsman Center in Salt Lake. Barbara commented that advances in treatment are happening so fast that hopefully they could find something to help Bruce soon.

Mava stated that she was surprised nobody else came to the meeting.

****The public hearing closed at 6:50 P.M.****

DISCUSSION AND VOTE ON RESOLUTION 14-09, A RESOLUTION ADJUSTING THE BUDGET FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2014.

****A motion to adopt Resolution 14-09, a Resolution adjusting the budget for all funds for the period of July 1, 2013 through June 30, 2014 with the clerical correction of changing the transfer from the general fund to the capital improvement fund from \$100,000 to \$81,400 was made by Dennis, seconded by Kris and the vote was unanimous.****

Yes Vote: Watkins, Kent, Monson, Barnes, Buttars

No Vote: None

Barbara thanked Jim for his work on the budget and all of the time taken to prepare the budget and explain it to the council.

A motion to adjourn at 6:51 P.M. was made by Kris.

SMITHFIELD CITY CORPORATION

Darrell G. Simmons, Mayor

ATTEST:

Justin B. Lewis, Recorder

SMITHFIELD CITY CORPORATION

**96 South Main
Smithfield, Utah 84335
AGENDA**

Public Notice is given that the Smithfield City Council will meet in a specially scheduled meeting at 96 South Main, Smithfield, Utah on Monday, **June 23, 2014**. The meeting will begin at 6:00 P.M.

1. 6:00 P.M. Consideration of the Consent Agenda
Approval of meeting Minutes from the June 11, 2014 City Council Meeting
2. 6:03 P.M. Public hearing to receive input on adjustments to the budget for the period of July 1, 2013 through June 30, 2014 for all funds.
3. 6:13 P.M. Discussion and vote on Resolution 14-09, a Resolution adjusting the budget for the period of July 1, 2013 through June 30, 2014 for all funds.

Adjournment

Items on the agenda may be considered earlier than shown on the agenda.

In accordance with the Americans with Disabilities Act, individuals needed special accommodation for this meeting should contact the City Recorder at (435) 792-7990, at least (3) days before the date of this meeting.

Prepared, posted in the City Office and library, emailed to each Council Member, emailed to the Herald Journal, Smithfield Sun, and forwarded to be posted on the City Web Site on 06/20/14, and the Utah Public Meeting Notice website.