

**Tooele City Council and the
Redevelopment Agency of Tooele City
Work Session Meeting Minutes**

Date: Wednesday, August 7, 2019
Time: 5:00 p.m.
Place: Tooele City Hall, Large Conference Room
90 North Main St., Tooele, Utah

City Council Members Present:

Steve Pruden
Scott Wardle
Dave McCall
Brad Pratt
Melodi Gochis

City Employees Present:

Mayor Debbie Winn
Glenn Caldwell, Finance Director
Shannon Wimmer, Assistant Finance Director
Michelle Pitt, Recorder
Jim Bolser, Community Development Director
Steve Evans, Public Works Director
Paul Hansen, City Engineer
Darwin Cook, Parks and Recreation Director
Jami Carter, Library Director
Ron Kirby, Police Chief
Rick Harrison, Fire Chief

Minutes prepared by Michelle Pitt

1. Open Meeting

Chairman Pruden called the meeting to order at 5:00 p.m.

2. Roll Call

Steve Pruden, Present
Scott Wardle, Present
Brad Pratt, Present
Dave McCall, Present
Melodi Gochis, Present

3. Discussion:

- Disaster Scenario Off-Site Training/Council Availability Discussion

Mr. Bolser said he spoke with Bucky Whitehouse who would like to give the Council a tour of the Emergency Management building, and to conduct training there. September is emergency preparedness month, so the Council decided to meet at the Emergency Management building on September 18th at 4:00 p.m. for 30-60 minutes.

- Enterprise Fund Transfer
Presented by Glenn Caldwell

Mr. Caldwell stated that Tooele City has five utility funds: water, solid waste, storm water, and street lighting. They are business type funds in which businesses such as Rocky Mountain Power and Dominion Energy sell services to the City and the City charges them for support services. The profits from operations accrue to the utility fund. Mr. Caldwell said that in 2017 the State adopted legislation allowing the City to transfer funds from their utility funds to other non-utility funds for various governmental needs. The solid waste fund has slowly increased from \$450,000 in 2000, to \$2.4 million in 2019. The City would like to transfer \$2.3 million to the capital projects fund to be used for:

- \$500,000 to fund interior furnishings and equipment for the new police station;
- \$960,000 for 4 snow plow trucks;
- \$375,000 for breathing apparatuses for the fire department;
- \$18,250 for new police vehicles;
- \$97,000 for new carpet for the library;
- \$40,000 to provide a fence at the cemetery;
- \$300,000 to fund a structure to house the fire trucks at Station #1;
- \$9,750 to provide better security for office staff in finance.

Chief Harrison said that he was concerned about the temporary structure for the fire department. Chairman Pruden said that it would protect the fire trucks. Chief Harrison asked how temporary the structure would be, adding that the fire department would rather get something permanent. Council Member Wardle stated that the Council was trying to figure out a way to partner with the federal government to build a new station, but they're also worried about protecting the trucks until that could happen. Chief Harrison said that he has heard a lot of pushback from the fire department because they are worried that this temporary building will become a permanent structure. Chief Harrison asked if the building could be moved back as far as possible so that it could be used for storage in the future.

Council Member Pratt said that this building was never meant to be a replacement for a future building. It is just a way to protect the equipment. The Council will continue to look for financing for a future building.

The Council agreed to have more discussion with the fire department about this building.

Chairman Pruden advised that the Council move forward with the public hearing for the fund transfer, then hold on to the money until future discussions between the Council and the fire department could take place. The Mayor explained that the money needs to be moved now, but once moved, it could sit until everyone is ready.

- Resolution 2019-55 A Resolution of the Tooele City Council Approving Insurance Coverage for Insurance Period 2019-2020
Presented by Michelle Pitt

Ms. Pitt stated that in 2018, the City solicited insurance proposals for liability, automobile and property insurance. At that time the City received 3 bids from insurance brokers and providers. The City chose the Utah Local Governments Trust (the Trust) as the provider, at a savings of over \$43,000 from the next lowest bidder. The City also saved throughout the year because the new insurance provided a \$1,000 deductible for liability claims, compared to \$10,000 - \$15,000 deductibles paid in the past. The Trust committed to hold the rate of the liability premium for three years.

Due to the time consuming process of preparing for insurance bid proposals, the price offered by the Trust, and the service received this past year, Ms. Pitt recommended renewing the insurance coverage through the Trust.

- Ordinance 2019-19 An Ordinance of Tooele City Adopting an Updated Purchasing Policy and Procedure
Presented by Michelle Pitt

Mr. Pitt said that the City's current purchasing policy and procedure was adopted in 1993. It is so outdated that it discusses carbon copies and other processes that have not been used in a long time. The policy has been updated to match current practices and procedures. It has been reviewed numerous times by City staff, the finance department, and the Council. Ms. Pitt added that it meets current State laws and the Utah Procurement Code.

- Ordinance 2019-18 An Ordinance of the Tooele City Council Amending the Tooele City Zoning Map for Property in the Lexington Greens at Overlake Development Located Near 600 West 1200 North
Presented by Jim Bolser

Mr. Bolser stated that the application for a Zoning Map amendment had not changed since the Council last saw it. He added that it would be presented in the next meeting for a public hearing and vote.

- Resolution 2019-59 A Resolution of the Tooele City Council Approving a Contract with Impact Contractors Inc. for the Demolition of the Obsolete Waste Water Treatment Facility
Presented by Steve Evans

Mr. Evans stated that this contract is for the demolition of the old waste water treatment plant. Funding for this project will come from the sewer fund. Mr. Evans felt that this was a good bid for this project. He added that the City contracted with this company before, and they have already taken out Tank 2. Mr. Hansen said that the debris left there will be staying on the site, and that was the City's intent.

- Resolution 2019-60 A Resolution of the Tooele City Council Authorizing the Mayor to Sign a Contract with Broken Arrow Construction for the Droubay Road Storm Drain Project (Vine Street to Smelter Road)
Presented by Paul Hansen

Mr. Hansen said that storm water presently comes off the bluff and discharges through the PAR 4 Estates, and then the golf course. Because of the flooding potential there, and the City's storm drain management, the long term plan is to divert that water. This will be paid out of storm drain funds. This project went out for public bid, and three bids were received. Broken Arrow was the lowest responsible responsive bidder.

- Resolution 2019-58 A Resolution of the Tooele City Council Adopting the Certified Tax Rate for Fiscal Year 2019-2020
Presented by Glenn Caldwell

AND

- Resolution 2019-57 A Resolution of the Tooele City Council Adopting the Final Budget for Tooele City Fiscal Year 2019-2020

Mr. Caldwell said that the law states that if there is a change from the certified tax rate the City needs to do a public hearing.

Chairman Pruden said that the Mayor had recently sent them a proposal adjusting to a 6% increase, rather than the proposed 10% rate. Council Member Wardle explained that when the Council talked about holding the certified tax rate, they were stunned when it turned out to be a 10% increase. He added that property valuations went up so much that it created an outlier of what the expectations were. He said he was surprised at how high the amount was, and so were the citizens. He realized that the Council said they were going to hold the certified tax rate, but he assumed it would be an increase of 2-4%. He is now wondering if budget cuts can be made so that a 10% would not be needed.

Chairman Pruden said that the Mayor's original budget was with a 10% increase. The Mayor stated that the City's financial advisors have advised that the City needs to quit subsidizing the current budget. In August, when the tentative budget was adopted, the Council agreed that the City needed to maintain the certified tax rate. She added that the budget was based on keeping the current rate, and to add on the judgment levy at 8%. At that time, the Council said they didn't want to do the 8% for the judgment levy, but wanted to keep the certified tax rate for one more year and to continue to use the general fund for the judgment payment. She emphasized that the Council agreed to maintain the certified tax rate.

Mayor Winn said that the City received the tax rate from the County in June. Throughout the State of Utah there is a shortage of housing which has caused home prices to increase. If the value of homes would have stayed the same, and the City kept the certified tax rate, citizens would pay the same amount of tax. She explained that this tax rate is not technically a tax increase, because the City would be keeping the tax rate the same. She said that when the numbers came in, they weren't in a percentage, rather as a decimal number, so the 10.2% may have been a surprise. She said it was not a true 10% increase over what they paid last year. The Mayor added that if the Council doesn't continue to maintain the rate, the City will be headed towards a large increase next year.

The Mayor said that City staff only spent about 90% of their budgets last year which can be rolled in to this year's budget. If the Council wants to lower the tax rate, she suggested that the fund balance make up the difference. She cautioned that the City has to be careful with grant requirements and obligations, saying that those requirements can't be touched. An extra amount in a line item may actually be there because it's necessary for a contract or grant obligation or requirement. She recommended not trying to make budget cuts line item by line item. She said that the staff was not asking for more than what was needed, and that employees do all they can to save the citizens money.

Chairman Pruden said that he didn't want department heads or the Mayor to think that the Council is trying to undermine them. He explained that the Council wants to look to see if there is a way to meet the needs that have been proposed and that department heads deserve, and lessen the burden on the tax payers, especially after hitting them so hard last year. He said they are trying to separate personal feelings that someone is smarter than someone else, and come to a consensus. He felt that the Council was not ready to make a determination tonight, and suggested that the tax rate and budget be tabled.

Chairman Wardle said that the public hearings would still need to be held, and that they would like to hear from the public. He added that he hoped that department heads knew that the Council was asking questions just for information, and not to undermine them. He said he felt that the Council needed more time with the budget and to have questions answered.

Council Member Gochis expressed appreciation to the Mayor for answering her questions about lowering the certified tax rate. She understood that \$500,000 would have to be cut from the budget if the 10% was not adopted. She felt it would be a good option to table the items.

Mayor Winn said that she doesn't feel that the department heads felt that they were being attacked with the budget questions. She said that staff is busy and understaffed. She said that the staff and Council has the responsibility to take the time to go through this. There have been lengthy discussions in prior meetings. In June there weren't a lot of questions from the Council. She thought that the Council would be reconfirming tonight what happened in June, but because of the tax rate, the Council is now rethinking the budget. The frustration is that the budget process is too important to wait until the last minute. The Council must adopt the budget by August 30th. The Council needs to hold budget meetings as necessary so that this doesn't have to be postponed again.

The Mayor went on to say that to continue the services, and to be where we need to be, large cuts shouldn't be made. She recommended that budget meetings take place prior to the next council meeting so that this is not postponed again. She also suggested to start next year's budget early, and to not wait so long next time.

Council Member Pratt said that there was a big difference in the certified tax rate in conjunction with property value increases. As elected officials in the community, the Council needs to be financially responsible. They owe it to the citizens to go through the budget again to see if they can lessen the burden. The Council would like to re-examine the budget to see if the increase can be less than 10% and still provide services.

Council Member Wardle said that one of the concerns is balancing the budget, and not paying things out of the general fund. If there are savings, that money should go in to savings, or towards a one-time project. He would like to try to figure out a good balance.

The Mayor suggested that once an amount is determined this year, the City doesn't say that we're going to hold the certified tax rate. Council Member McCall agreed, saying that he was also concerned that this will just get pushed to the next administration. He said that the 10% was a surprise. When looking back at last year, there was a 110% increase proposed to get the City where we need to be, but that amount was reduced to 80%. The citizens were told that the City would do the 80% that year, with another increase this year to get the City back up to where it needs to be. The City is directed by the State on what needs to be paid. The auditors have told the City that it's headed down the wrong road by not raising taxes, and then the City hires another outside agency, and they say the same thing. Council Member McCall added that he wasn't saying the City needs to do 10%, but the citizens were told that we would hold the certified tax rate. The City needs some type of increase. Council Member McCall said that we owe it to the citizens to not go back to where we were before. It is the City's job to protect the citizens and the City. Staff is overworked and understaffed. The City shouldn't cut staff or equipment. Council Member McCall felt that City needs to be smarter about how we're doing things. Employees cannot be held accountable if they're not given the tools they need to do their jobs. He added that he was okay with the 6% because it gets things taken care of without affecting the staff.

Council Member Gochis thanked the staff for providing all information requested. She said that Steve Evans emailed her about the age of their trucks. She said that staff is doing a terrific job at making due with old equipment. She learned that some employees are turning back their annual leave, for the benefit of the City.

Council Member Pratt said that there were a couple of areas that he wanted to discuss, and he may want to add things back in that were taken out. He said that there was a line item in the budget for a grant writer that may be taken out. There were some other changes that may also be able to be made.

Chairman Pruden said the Council was in agreement that the budget had to be finalized in two weeks. The Mayor would like all requests to go to her, and then she will get the information

back to the Council. State law allows departments to move money within line items, as long as it's within that budget. He recommended that the Council ask the staff to cut their budgets, rather than the Council doing it. He agreed that the Council should hold more budget meetings, and to not wait until the Tuesday before the Council meeting.

Council Member Wardle said he felt that it was their job as a fiduciary of the budget, to review the budget line item by line item, to justify and verify. It is their job to be a check and balance, that's why they are asking the questions. The Mayor reminded the Council that they get a daily report, weekly report, and a monthly report that is their way to check to make sure that the money is getting spent appropriately. She said that the Council received the numbers in June. She added that the Council had every opportunity to meet in June and July to go over the budget line item by line item, but the Council didn't do it. Council Member Wardle responded by saying that the budget had been changed since they received it in June, and that they didn't see the final until Friday.

It was decided that the Council will meet on Wednesday, August 14th at 5:00 p.m. for a budget work meeting.

The Mayor asked that the Council direct questions through her.

Ms. Wimmer said that the public hearing was whether to adopt the rate causing the 10% increase. If the final decision was lower, it wouldn't require another public hearing.

Chairman Pruden recessed the meeting at 6:13 p.m.

The meeting reopened at 6:22 p.m.

The Mayor explained that Scott Miller found a snow plow 10-wheeler from Midvale City. He feels it is a good deal at \$69,000. The funding would come out of Road C funds, which is a restricted fund. The Mayor asked for approval for this purchase, which would be in addition to the four that would be purchased out of the enterprise fund. The Council agreed. Mr. Evans said that this used snow plow would replace the one that was totaled earlier this year.

Attorney Ted Barnes joined the meeting.

- Resolution 2019-56 A Resolution of the Tooele City Council Approving and Ratifying a Settlement Agreement and Mutual Release with Aposhian Sod Farms, Inc.
Presented by Attorney Ted Barnes

Attorney Ted Barnes stated that the Resolution recites the history of the sod Farm. The City decided in 2012 that it was receiving no rent, and no benefit from the water being used at the Aposhian Farm. The City decided to terminate the lease. The provision in the lease said that the agreement could be terminated "with or without cause." The City decided to terminate with cause, and to pay the farmer the market value of the sod at that time. Aposhians refused to leave, and filed a lawsuit over the value of the sod. The claim from Aposhian was that the City owed

them over \$3.2 million for the value of the sod. The jury came up with a very large judgment but because of misconduct on the other side, the Judge threw it out. The sod value was tried again, and ended up in a net judgment, not a money judgment against the City, but a judgment for the value of the sod. The judgment was for \$1,028,000 to pay over a 10 year period. The City made the first payment. Both sides appealed. The Court of Appeals asked both sides to mediate. The mediation on July 23rd included the Mayor, Council Member Wardle, and Mr. Barnes. Without admitting fault, the City agreed to pay \$841,000, which included the \$112,000 payment already made. This is below the amount initially declared by the court. That amount comes out to be close to the evidence that the second trial showed that the sod was worth. The agreement has been signed confirming that amount, pursuant to Council's approval. This Resolution ratifies that settlement.

Chairman Pruden added that everyone knows that this administration inherited two major lawsuits. It's Important to remember that just because you lose, it doesn't mean that you're wrong. The City wasn't wrong.

Mr. Barnes said that at the beginning the City asked what our obligation would be for the sod. He said this was not a loss, because it's a fourth of what their demand was at the time.

Council Member Pratt expressed appreciation for his work on this matter and to the Mayor and Council Member Wardle for the mediation efforts. He felt it fell in line with what was expected.

Council Member Wardle said that the Mayor brought great ideas to the mediation.

Mayor expressed appreciation to Mr. Barnes for his work in this lawsuit. She said she was proud especially of his professionalism.

4. Close Meeting to Discuss Litigation and Property Acquisition

Council Member Pratt moved to close the meeting. Council Member Gochis seconded the motion. The vote was as follows: Council Member McCall "Aye," Council Member Wardle "Aye," Council Member Pratt "Aye," Council Member Gochis "Aye," and Chairman Pruden "Aye".

The meeting closed at 6:34 p.m.

Those in attendance during the closed session: Mayor Winn, Paul Hansen, Michelle Pitt, Jim Bolser, Steve Evans, Glenn Caldwell, Darwin Cook, Kami Perkins, Shannon Wimmer, Jami Carter, Chief Kirby, Council Member Pratt, Council Member McCall, Council Member Wardle, Council Member Gochis, and Chairman Pruden.

No minutes were taken on the closed meetings.

5. Recess and Adjournment

Council Member Pratt moved to close the meeting. Council Member Wardle seconded the motion. The vote was as follows: Council Member McCall “Aye,” Council Member Wardle “Aye,” Council Member Pratt “Aye,” Council Member Gochis “Aye,” and Chairman Pruden “Aye.”

The meeting recessed at 6:48 p.m., and reconvened in a closed meeting to discuss personnel at 9:25 p.m.

Those in attendance at the closed personnel discussion was Mayor Winn, Council Member McCall, Council Member Wardle, Council Member Pratt, Council Member Gochis, and Chairman Pruden.

The meeting closed at 9:55 p.m.

The content of the minutes is not intended, nor are they submitted, as a verbatim transcription of the meeting. These minutes are a brief overview of what occurred at the meeting.

Approved this 21st day of August, 2019

Steven Pruden, Tooele City Council Chairman