

**ALPINE CITY COUNCIL MEETING
20 North Main Alpine, Utah
May 24, 2011**

I. REGULAR MEETING: The meeting was called to order at 7:00 pm by Mayor Hunt Willoughby. The following Council members were present and constituted a quorum:

A. Roll Call

Mayor Hunt Willoughby

Council Members: Jim Tracy, Bradley Reneer, Kent Hastings, Troy Stout.

Kimberly Bryant was excused.

Staff: Rich Nelson, Charmayne Warnock, David Church, Shane Sorensen, Annalisa Beck, Jay Healey, Chief Kip Botkin

Others: Marne' Reneer, Mazie Reneer, Alex Rainsdon, Ginny Rainsdon, Shellie Slade, Brooke Slade, Karren Hunsaker, Alexis Arnold, Diane Hansaker, Taryn Owen, Suzette A., Brianna Bracey, Sam Slighting, Natalie Barrett

B. Prayer

Kent Hastings

C. Pledge of Allegiance

Alex Rainsdon

II. PUBLIC COMMENT: None

III. CONSENT CALENDAR

A. Approve the minutes of May 10, 2011

MOTION: Kent Hastings moved to approve the Consent Calendar. Jim Tracy seconded. Ayes: 4 Nays: 0. Motion passed.

IV. REPORTS/PRESENTATIONS

A. Swearing in the Alpine Youth Council: Charmayne Warnock swore in the new members of the Alpine Youth Council.

V. PUBLIC HEARING -2011-2012 TENTATIVE BUDGET: There were no public comments on the 2011-2012 Tentative Budget and the hearing was closed.

VI. ACTION/DISCUSSION ITEMS

A. 2011-2012 Tentative Budget: Rich Nelson said there were five items to discuss relative to decreasing expenditures in the new budget.

Council Discretionary Fund. Rich Nelson said that last year they budgeted \$8,000 for the Council Discretionary Fund. This year the proposed budget was \$10,000. Rich Nelson said it had been suggested at the previous meeting that they consider eliminating the Christmas party. He had informally surveyed the staff and they indicated they were okay with not having a Christmas party. The cost of the party for the past two years had been \$3,854 and \$3,974. Annalisa Beck said the majority of that expense was the gift cards. Mayor Willoughby said he didn't want to eliminate the gift cards because that was the Christmas bonus.

Bradley Reneer suggested they have a potluck party at the park in the summer instead of the Christmas dinner. Kent Hastings suggested they have a potluck Christmas dinner at the Watkins barn. Mayor Willoughby said there was no cost to use the barn but they usually gave Don Watkins a gift certificate for letting them use it. Annalisa Beck said eliminating the dinner would save about \$1,400.

Other items were discussed. Bradley Reneer suggested eliminating the water and food in the discretionary fund. Annalisa Beck said it had already been eliminated except for business cards and miscellaneous items. The City used to provide snacks for the Council and Planning Commission meetings but they no longer did that. The water had been donated.

Rich Nelson cautioned the Council about cutting too drastically because there were often unforeseen expenses and they should have some kind of buffer in the discretionary fund.

The Council also questioned the expenditures for the road crew lunch and the Mayor's Breakfast. Annalisa Beck said it was to feed the public works department when they put up the tent for Alpine Days and when they chip sealed the roads. Shane Sorensen explained that the workers from the cities pooled together and helped chip seal each other's roads. The city they were working in that day typically provided lunch for the workers. Mayor Willoughby said the cost for the Mayor's Breakfast was rotated through the different cities.

Annalisa Beck pointed out that the overall budget for administration had gone down by \$30,000. Bradley Reneer said that reducing the Council Discretionary Fund was largely symbolic but he felt it sent a message to the citizens.

MOTION: Bradley Reneer moved to change the Council Discretionary Fund budget from \$10,000 to \$7,000. Jim Tracy seconded. Ayes: 2 Nays: 2 Bradley Reneer and Jim Tracy voted aye. Troy Stout and Kent Hastings voted nay. Mayor Willoughby broke the tie and voted nay. Motion failed.

In response to a question from Kent Hastings, Annalisa Beck said the City had spent \$8,600 on the discretionary fund in 2010. So far in 2011 they had spent \$8,000 which included Ted Stillman's retirement luncheon and the Christmas dinner.

MOTION: Jim Tracy moved to reduce the proposed Council Discretionary Fund from \$10,000 to \$8,000. Bradley Reneer seconded. Ayes: 4 Nays: 0. Motion passed unanimously.

Library Card Reimbursement: Rich Nelson said that approximately 300 residents sought reimbursement for their library cards. The bookmobile had 694 registered patrons. That didn't include the children at Alpine Elementary that used the bookmobile. It had been suggested that they discontinue the library card reimbursement, but keep the bookmobile.

Annalisa Beck said they had budgeted \$12,000 for reimbursement. However, if there were more requests for reimbursement funds than were budgeted, she didn't think they could tell some people there when no funds left when others had been reimbursed.

The Council discussed the bookmobile and reimbursement. Kent Hastings said the bookmobile director had told him they could get any book a patron wanted. Troy Stout said he thought the library reimbursement was a good half-step since they didn't have a library in Alpine. Bradley Reneer said he'd been told that the bookmobile had a better selection than the Highland library.

Troy Stout asked how much they needed to cut from the proposed budget to avoid a tax increase. Rich Nelson said they needed to cut \$365,000. Mr. Stout noted that eliminating the reimbursement would make a difference of pennies for homeowners, but would cut services.

Mayor Willoughby said Alpine provided minimal services to the citizens. There was no recreation program and no library. He noted that when they dropped participation in American Fork Rec program, he never heard a word from anyone saying they missed it.

Troy Stout said he didn't think the City could be accused of frivolous spending. If 300 households were using the library reimbursement, that was more than were involved in the AF Recreation program.

Kent Hastings asked if it was right for residents who didn't take advantage of the program to subsidize residents who did. Troy Stout said they could make that argument about a lot of things, parks for instance. He said he would put the library under the classification of education. The City didn't control education but they had some control over the library system.

MOTION: Jim Tracy moved to continue the library reimbursement program for \$12,000. Troy Stout seconded. Ayes: 4 Nays: 0. Motion passed unanimously.

Family First: Rich Nelson said they had \$3,000 budgeted for the Family First program but hadn't spent anything so far this year. Kent Hastings was asked if he had anything scheduled for this year. He said he didn't but he felt the same thing applied as in the Council Discretionary Fund. They didn't have to spend it all, even if it was budgeted. He said he felt it was a good program, and he'd gotten good feedback on it.

Jim Tracy suggested putting it under the Council Discretionary Fund, then if something came up it would be there.

MOTION: Kent Hastings moved to keep the funding for Family First at \$3000. Jim Tracy seconded. Ayes: 4 Nays: 0. Motion passed.

Elimination of per-meeting reimbursement: Rich Nelson said he was opposed to the per-meeting reimbursement and suggested they simply roll it in the salary by increasing everyone's salary to \$1000. By ordinance, they would have to hold a public hearing in order to put it in the budget, but it should be an overall wash. Some Council members would get slightly more, some less.

Bradley Reneer said he felt the reimbursement was a good motivator to have them show up at the extra meeting. It was a way to show accountability. Mayor Willoughby said the Council Communication portion of the agenda should serve the purpose of showing accountability. It was a time when Council members should be reporting on their particular assignments.

Kent Hastings recommended simply eliminating the extra-meeting reimbursement altogether.

Troy Stout said he hadn't been able to attend some of his meetings, but the stipend had no influence on it either way. He said that rolling it into the salary created more of an even-spread for Council members who were willing to serve more but couldn't because someone else was already in the position.

Bradley Reneer asked why the reimbursement was started in the first place. David Church said the Council enacted it years ago as a method to give the Council a raise and reflect the work done. To make a change in the reimbursement, the Council would need to amend the ordinance, which would require a public hearing. This item was put on hold

Telecommunication Franchise Fee Increase: Rich Nelson said the state allowed the cities to charge up to 3.5% for a franchise fee. Alpine had chosen, by ordinance, to charge 2.1%. To increase the franchise fee to 3.5% would increase their revenue by \$70,000. Mr. Nelson said they had three options: 1) leave the fee as it was; 2) change the ordinance to allow them to charge a higher percentage; 3) let the citizens vote on it in a general election.

Kent Hastings said that in his opinion it was nothing more than a shell game. The citizens would either pay more on property tax or franchise fees. Increasing the franchise fee was a tax increase and he was opposed to it.

The Council discussed it. David Church said the state gave the cities limited taxing authority. The only places they had the ability to increase taxes were on property taxes or franchise fees. Any other source of revenue for the city would be a fee for services, and that should not be used as revenue for funding police and fire.

Bradley Reneer said they hadn't decided to increase the budget as yet, but if it did come down to a tax increase, he would prefer to have an increase on cell phone use rather than property tax. He said he didn't want to vote on the issue until it was certain they had to raise taxes.

Jim Tracy said that if they increased the franchise fee it didn't hit the people on fixed incomes as much. He said he was in favor of increasing the franchise fee so they didn't have to increase the property tax so much. He felt the franchise fee provided a choice to the citizens because they could choose how many phones they wanted, whereas as a property tax did not.

Kent Hastings said it had come to his attention that the insurance premiums for the city had skyrocketed. Annalisa Beck said they went up two percent which was actually below the average. Mr. Hastings asked about employee benefits for streets, parks, planning and zoning. It appeared they had gone up. Annalisa Beck said most of the

increases were due to the new engineer and the way it was allocated in the different departments. She said the biggest increase was in retirement which went from 11 percent to 15 percent.

Rich Nelson said the retirement system lost a lot of money when the economy crashed. The state increased the rates of the all the cities to make up the difference. It would go up in increments for a few years before it would level off.

David Church explained that Alpine City had a defined benefit plan. The actuaries calculated what the rate had to be. The state system was fully funded but with the stock market crash, their assets went down. The benefits were set by statute. Alpine was in the noncontributory plan, which was chosen by Alpine when they joined the retirement system years ago. Once they joined, there was no backing out. It was a unified system.

Rich Nelson said the state had come up with a less costly two-tier plan which would apply to new employees. The employees would choose between two new programs.

Jim Tracy said that if they adopted the budget with the tax increase, the first thing the citizens would do was to go to website. He felt there should be some kind of explanation why taxes were going up. Rich Nelson said they would put a notice on the webpage and direct them to a link.

Jim Tracy said he would like to go through the budget page by page. Bradley Reneer commented that the budget had been put together very nicely. Rich Nelson and Annalisa Beck had done a good job and he appreciated the work that had gone into it.

Troy Stout had left the meeting briefly and when he came back, the Council reviewed the previous discussion on raising the franchise fee.

MOTION: Kent Hastings moved to not increase the franchise tax. Troy Stout seconded. Ayes: 3 Nays: 1. Kent Hastings, Troy Stout, Bradley Reneer voted aye. Jim Tracy voted nay. Motion passed.

Bradley Reneer asked if the issue could be revisited when they learned if there had to be a tax increase. David Church said it could. If they raised taxes, the final budget would not be done until August. The difference would be that it would be that if they approved an increased franchise fee now, they would begin receiving the increase in October. If they increased it in August, they wouldn't realize the increase until January.

The Council reviewed the budget page by page. Much of the discussion centered around the increase in Lone Peak PSD budget. Kent Hastings said he wanted to clarify the research on the ISO rating. He said some insurance companies did use it but from what he'd found, lowering Alpine's rating to a 3 would have little impact. The results of any rating from 1 to 6 were about the same. He said that State Farm, which insured about 20% of the homes, did not use ISO ratings. They had their own method for calculating premiums based on losses in an area. He said Alpine already had the best rating with American Family, and they were in the best bracket with most companies. He said he didn't think residents would see a cost savings by adding personnel to the fire station. He suggested they fund 2 EMTs in Cedar Hills, 4 in Highland and 2 in Alpine. He said that Highland would bear the brunt of the cost to add more personnel in Cedar Hills and Alpine. He said he talked to the fire chief about the possibility of converting fulltime personnel to part-time positions to lower the costs.

Bradley Reneer noted that a lower ISO rating indicated the community was safer whether it affected the premium or not. He asked what would happen if Alpine created its own fire and police departments, which might happen if Highland voted to withdraw. It was a balancing act to have the level of service they wanted and preserve the district.

Kent Hastings said that adding personnel was not the only way to lower the ISO rating. It could be improved by training, etc.

Bradley Reneer asked about having the possibility of having people pay a fee when the fire department responded to a call. David Church said the problem with that was that the department would still need the same number of employees, but if there was no fire, nobody paid a fee. And there was always the issue of collecting the fees. He said Herriman had a police fee that was included on the water bill instead of having a property tax increase.

The Council continued to discuss whether citizens would support a tax increase for additional police and fire personnel. No motion was made.

VII. STAFF REPORTS

Shane Sorensen said the sewer line on 800 South was basically done except for the paving. The waterline in Alpine Drive was in progress. One radar sign on 400 West was installed. The other signs would be there the next day. He said the sign they'd received was an upgraded unit for the same price. They could download the speed data with the date, time, etc. The manufacturers said to keep the sign, just provide them with the data.

In regard to flooding, Shane Sorensen showed the current snow levels at Snowbird and Timpanogos. They were way above the 30 years average. With the cool, wet spring, more snow was being added and it had yet to melt and come down. Jay Healey said the public works crew was in the process of building an attachment to fill sandbags automatically. The shop was proving bags and sand for residents, but so far there were no problems.

VIII. COUNCIL COMMUNICATIONS

Troy Stout asked if it was possible to crank down the flashing on the speed radar signs on 100 South. Shane Sorensen said they'd ask for a manual to regulate the signs because they did have the capability of being adjusted.

Jim Tracy asked if they were going to put up some temporary message boards saying the stop signs had been removed. Shane Sorensen said the estimate on the cost was \$130 per day per message board. They needed three, one for each direction. Rich Nelson said that when they found someone to do it, he would email the cost to the Council. They would put the message boards up for a week.

Jim Tracy said the grand opening of the park on 100 South had been the previous Saturday on May 21st. It was sunny but still cool. The kids still played in the water. They had 1000 hot dogs and 1500 drinks, and ran out at 1:40 pm.

Mayor Willoughby said the Council had received their complimentary Lagoon passes. Kimberly Bryant would be taking over the assignment of the Northpointe Solid Waste District. The Memorial Day program was next Monday. It started at 7 am but they should be there at 6 am to begin cooking the breakfast.

IX. EXECUTIVE SESSION: None held

MOTION: Kent Hastings moved to adjourn. Troy Stout seconded. Ayes: 4 Nays: 0. Motion passed.

The meeting was adjourned at 9:30 pm.