

SPECIAL FARMINGTON CITY COUNCIL MEETING

Wednesday, April 26, 2006 - 4:00 P.M.
130 North Main Street, Farmington, Utah

PRESENT: Mayor Scott C. Harbertson, Council Members Richard Dutson, David Hale, Larry W. Haugen, Paula A. Alder, Sidney C. Young, City Manager Max Forbush, City Finance Director Keith Johnson and City Recorder Margy Lomax.

The meeting was called to order at 4:15 p.m. by Mayor Harbertson who also offered an invocation to the meeting. He showed the Council a proposed design for Farmington's Commuter Rail Station which had been prepared by David Dixon under the direction of Lagoon.

AUTHORIZATION FOR CITY MANAGER TO APPLY FOR TRAILS GRANT

The City Manager explained that the City has the opportunity to apply for a grant for trails through Utah State Trails and Parkways. The grant has to be submitted to the State by May 1, 2006. He directed the Mayor and Council to a map showing the "Buffalo Ranches Trail" located in west Farmington. This grant would be for an extension of this trail system to the east. The grant request is for \$55,000 which will require a \$55,000 match by the City. It is anticipated the City would be able to spend \$40,000 in force account labor and equipment and then pay \$15,000 in cash to meet the match.

Rick Dutson moved to authorize the City Manager to apply for the Utah State Trails and Parkways Grant in the amount of \$55,000. The motion was seconded by **Paula Alder** and voted on unanimously in favor by all Council Members.

Work Session for Fiscal Year 2006-07 Budget

The City Manager expressed thanks to Keith Johnson, Finance Director, for the work he had done in preparing revenue estimates for the upcoming budget and making sure the numbers balanced. The City Manager, City Finance Director and Mayor had met with each department head, individually, to review their budget requests. After those meetings, the City Manager and Finance Director went through the numbers to see what available revenues there will be to balance the requested expenditures.

Keith Johnson then addressed the Council showing a chart of the General Fund Balance and the projections for closing out this fiscal year – June 30, 2006. It is projected that the City will end up with 6 ½% of its total budget in its reserve account with the State. State law mandates that at least 5% of the budget each year be in this account.

As part of the process of reviewing the FY 06-07 municipal budget, City department heads were invited to make budget presentations pertaining to their respective departments. The following appeared before the Governing Body to make their presentation: Walt Hokanson, Public Works

Director, Wayne Hansen, Police Chief, Larry Gregory, Fire Chief, and Keith Johnson, Finance Director and office manager. Max Forbush, City Manager, presented the Leisure Services budget request on behalf of Viola Kinney who was in Arizona attending to her ill father. Keith Johnson reviewed the Community Development Department budget for David Petersen who had family conflicts. Mayor Harbertson and members of the City Council asked questions pertaining to the various presentations.

Following this portion of the meeting, Keith Johnson and Max Forbush reviewed the General Fund balance sheet. The Governing Body discussed appropriate fund balances and the likelihood that the actual balances would come in higher when the fiscal year ends and the audit report is finished. They also reviewed General Fund revenues and expenditure estimates and responded to a number of questions raised by the Governing Body.

The last part of the meeting was spent discussing personnel policy issues. Keith and Max reviewed a suggested budget increase of 5% for employees. This amount included cost of living; step increases and a small amount for above-standard increases. Mandatory increase in police retirement was reviewed.

Significant discussion ensued over the 18% increase in health insurance premiums. Keith Johnson was asked to solicit bids from other providers. Fringe benefits comparables with other cities were reviewed. Keith Johnson reported that the State Retirement contributions for regular employees was also going up. Regular City employees (non-police) over the years have had the benefit of a supplementary 401a retirement that amounted to the difference between the percentage cost of the State Retirement contribution and 12.28%. This benefit keeps declining because of the constant increases in the contribution rate of the State Retirement. Keith Johnson suggested setting the supplemental rate at 3% independent of what is paid for the State Retirement contribution rate. Mayor Harbertson suggested that rate only be applied to Fair Labor Standards Act (FLSA) exempt employees because they don't receive overtime pay. There are only five employees that fit into this category. Council Member Haugen suggested that non-exempt employees also receive a portion of this benefit, but not all. Figures between 1-2 percent for non-exempt employees were discussed. One and one-half percent seemed to be acceptable to the Governing Body. Keith Johnson was directed to ask the City Attorney if setting a different rate for the supplementary retirement between FLSA exempt and non-exempt employees were possible.

The final discussion pertained to a review of the out-of-state training costs in the various departments.

The meeting adjourned at 10:00 p.m.

Margy L. Lomax, City Recorder

