

1 PROVIDENCE CITY COUNCIL BUDGET WORKSHOP

2 May 27, 2011

3 Providence City Office Building

4 15 South Main Providence, UT

5
6 Call to Order:

Mayor Liechty

7 Roll Call of City Council Members:

Mayor Liechty

8 Attendance:

D Astle, B Bagley, D Low, J Russell, D Calderwood

9 Excused:

10
11 **The Providence City Council will discuss the budget.**

12 S Bankhead told the Council about the different bank accounts. We have the general checking (BOU) and general savings
13 (PTIF) accounts where money can be spent wherever we would like. The other bank accounts are reserved. She explained
14 how the different bank accounts work. She talked about the impact fees and how the money has to be spent in each account.
15 She talked about the contract between River Heights City and Providence City for the Library. She explained how the 2001A
16 Series Water Bond Account and the B&C Road Funds is used. There is also money in US Bank for debt service and repair
17 and replace fund. She discussed the road reserve money. She talked about the water and sewer fund monies. She explained
18 the savings accounts for the bond payments. Our Zion's Bank savings account is for the Capital Projects Fund.

19 The Council talked about raising the sewer rates because of Logan City.

20 D Low said there has been a good stewardship of the money for the City.

21 R Liechty suggested talking about "Where the City is going now" or talk about the different fees.

22 J Russell wants to talk about the direction of the City.

23 R Liechty said some of the fees have not been raised for years. He just wants the Council to look at them.

24 J Russell said there are certain things that he thinks of when he thinks of Providence. We need to continue to solidify our
25 commercial area. He is worried about long term infrastructure. We need to make sure the water system and the sewer system
26 are quality systems.

27 The Council talked about where they would like to go from here.

28 D Astle said the State of Utah requires cities to put in all infrastructures when they put in a new road. We need to make sure
29 we don't have roads with potholes and trenches. We need to look at upgrading some of the roads in town.

30 The Council talked about different roads that need to be fixed.

31 D Low said to maintain the roads that are good and fix the roads that are bad. He would like to raise taxes a little bit every
32 year.

33 S Bankhead explained how property taxes work.

34 D Calderwood suggested raising the water rates for excess water usage in addition to the regular water rates.

35 D Astle feels like there should definitely be a reserve in the Water Department.

36 The Council discussed raising the water rates.

37 S Bankhead reminded the Council that when Rocky Mountain Power raises their rates that hits us.

38 S Bankhead talked about the impact fees and where they can be used.

39 S Bankhead told the Council that the sewer rate needs to be raised to be able to complete the sewer projects and pick up the
40 Logan City rates.

41 R Liechty said the City is providing an excellent service to the citizens and to maintain it we have to raise the rates a little bit.
42 It has been along time since the rates have been raised.

43 D Astle said there is no money to replace the water lines.

44 D Calderwood said he would like to have a project for the citizens to see if we ask to raise the rates.

45 R Liechty said we haven't had the money for along time to take care of our water system. He doesn't have a problem telling
46 citizens he likes to take a shower, flush his toilet and brush his teeth.

47 S Bankhead said the problem with having a project is the citizens want the rates lowered once the project is finished.

48 J Russell said we have to be prepared for any projects that come along to have the money to take care of them.

49 R Liechty thinks it will be better to raise taxes enough so that it doesn't have to be done every year.

50 D Astle suggested reading the meters in October and read again in March and charge the citizens all of the excess.

51 R Liechty said Smithfield City reads their water meters all year long.

52 The Council discussed reading the meters during the winter.

53 R Liechty reminded the Council that the turn on/off fee is a joke. The City needs to raise that fee.

54 B Munson said some cities charge \$25 for the warning letter and \$100 if the water is actually turned off.

55 The Council discussed the turn on/off fee. They agreed to \$100 fee.

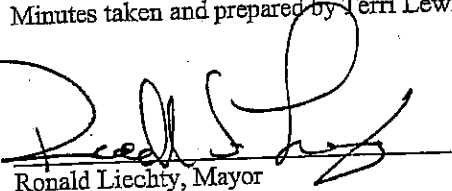
56 D Astle suggested increasing the base water rate.

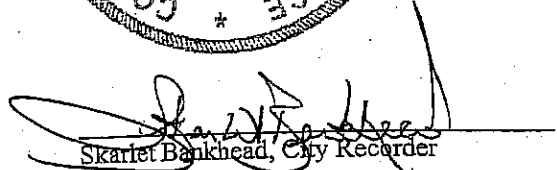
1 The Council discussed raising the base water rate.
2 D Low asked if it would be better to raise the rates a significant amount every 8 years or a little bit every year. Personally he
3 would rather have a little bit of an increase every year.
4 The Council discussed raising the rates and the property taxes this year.
5 The Council wants to raise the base water rate by \$3.00 a month and raise the excess water of 10,000 gallons to 75 cents and
6 more and 50,000 gallons and more is \$1.50.
7 The Council discussed the storm water rates.
8 The Council discussed the sewer rates. They want to raise the sewer rates by \$6.10 per month.
9 D Low said that \$100 a month is a lot of money but if we raised the rates by \$20 a year for the next several years it's easier
10 on people. Social Security didn't go up this year, but the fees and taxes are going up. People can't afford that.
11 D Calderwood doesn't feel like \$108 a year for sewer and water increases is that much. It's only \$9 a month.
12 The Council talked about whether or not to ask for a tax increase this year.
13 S Bankhead reminded the Council that street lights cost the City \$4,000 a month. Fuel has increased significantly.
14 D Low asked if it would be possible to cut services from the City to keep from raising property taxes.
15 D Astle said the City is being run quite efficient. He went over some numbers comparing Providence City to Nibley City and
16 Wellsville City. Comparing Providence City to these other two cities, we are running very lean. In order to get our revenue
17 up we need to raise our property taxes. Maybe it would be better to raise our fees and not the property tax. Take the excess
18 from the sewer fund and put it in the general fund.
19 The Council discussed where they could save more money with the budget.
20 S Bankhead said there has to be a balanced budget in the general fund. You shouldn't get more from the taxpayer than you
21 use, but there also has to be a cushion. There has to be a buffer for emergency situations. The taxpayers generally understand
22 that. One of the things that hasn't been touched on is we have very little in the way of emergency preparedness. This doesn't
23 mean water and sewer but everything else is up in the air. This takes money to send employees to training. We are doing
24 barely enough to keep us FEMA qualified. These things aren't worked into the budget.
25 J Russell asked if there were grants to help pay for these kinds of training.
26 S Bankhead said she doesn't know.
27 The Council discussed applying for grant money.
28 D Calderwood believes that the property on the west side of the City will bring in commercial eventually. We need to make
29 deals with commercial businesses to get them to come here.
30 The Council discussed different ways to bring commercial businesses to town.
31 D Calderwood reminded the Council that the lease will be up for Public Works offices shortly and the Council needs to
32 decide what they want to do about that.

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34 **Motion to adjourn: D Astle, B Bagley second**
35 **Vote: Yea: B Bagley, D Low, D Astle, J Russell, D Calderwood**
36 **Nay: None**
37 **Abstain: None**
38 **Excused: None**

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40 Meeting adjourned at 10:00 p.m.
41 Minutes taken and prepared by Terri Lewis



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Ronald Liechty, Mayor


Skarlet Bankhead, City Recorder