

Town of Leeds

Town Council Work Session Wednesday, March 27, 2024

Call To Order/Roll Call: 5:04pm

ROLL CALL:

	<u>Present</u>	<u>Absent</u>
MAYOR: BILL HOSTER	<u>X</u>	
COUNCILMEMBER: DANIELLE STIRLING		<u>X</u>
COUNCILMEMBER: RON CUNDICK	<u>X</u>	
COUNCILMEMBER: BRIAN HANSEN	<u>X</u>	
COUNCILMEMBER: KOHL FURLEY		<u>X</u>
COMMISSIONER: ALAN ROBERTS	<u>X</u>	
CITY MANAGER: ROGER CLARK	<u>X</u>	

1. Budget Review

Mayor Hoster provided the Council with a copy of the current budget as well as a copy of a manipulated format of the budget for comparison. All remarks refer to the manipulated format budget.

Mayor Hoster: Roger has joined us, we also have Aseneth, who can help us with any Quickbooks questions and I'm going to come clean about my efforts to try and change the budget. I come from a corporate background. I have a corporate finance degree. I'm used to P&L's and balance sheets and being able to assess the cash flow statement. Then I come in here and I look at what we have, and it is nowhere near that. Wayne, who has done a really good job, would take the balance sheet and kind of combine it with the amount and then that would end up being our budget, it wasn't a budget. We had all this money sitting in PTIF accounts. PTIF accounts, I learned, are government savings accounts that have different interest rates and so these are accounts where you've got cash you want it to get a better interest rate, you stick it in there. So we've got all those combined into the budget, saying we're getting that money and we're not getting that money. Those are monies that are sitting there from previous years. So with the help of Roger, for a lot of hours, we even had Steven from Hindenburg come in and tell us what we could and couldn't do. Where we can move things and so going forward, I want to make this budget very readable for the town council and whoever else wants to understand where we are spending our money. What can we spend our money on? And then I want us to be able to come back in and say, where do we want to spend this money in 2025? What are we going to do? I made a new spreadsheet that was sent out to everybody. It shows where the PTIF account funds are added in and how we're going to be able to hopefully facilitate these going forward. The dark green figures are the Income, and the red are the expenses. I didn't cut through any of the expenses, so you could see all the zeros that are lying in here. It's really long.

Income:

Cemetery Revenue: some increase is anticipated, but we will probably not see much in plot sales in 2025.

Curbside Recycling and Sanitation: We received a 3% increase from WCSW and that increase gets passed on directly to the users.

Donations/Grants: We did receive \$3000 in Cemetery Donations this year, and we probably will receive more with the renovations, but we do not budget for donations.

Fair Donations: There was \$2500 donated specifically for the Fair. This amount was deposited in Community Celebrations, and we do not have the Expenses yet. Councilmember Cundick has asked the Fair Committee to turn in their expenses by Friday, so he'll have a better understanding. We are not the Spotlight City next year, so we do not need to budget for the Fair. Conversation about the Princess Pageant will be reserved for that section of the budget. If we are going to have Royalty, we should budget some money for that.

General Fund: Wells Fargo Monument is no longer around and should be made Inactive.

Roger Clark: The \$4688.00 in General Fund-Other, if it is a previous fund balance, it should be renamed previous surplus funds or something like that, but only should be in the budget if you are planning on making an expenditure.

Mayor Hoster: I think this \$4688.00 was the Interest earned and put into General Fund.

3880 – Class "C" Road Funds & Class C Road Funds: What is the difference?

Aseneth Steed: The Class C Road Funds is where the Interest is deposited when I reconcile the PTIF accounts.

Roger Clark: You should make the account without any activity "INACTIVE" and if you receive funds in the future pertaining to Roads, you can rename it.

Impact Fees Income: (Roger Clark): Cannot be used to repair or replace existing services. Check the Impact Fees Plan to see what we could use the funds for. No restriction on RAP tax, as far as new growth, Impact Fees must be used for growth.

Mayor Hoster: I have been approached by several citizens about building a Pickleball court. We could use Park Impact fees to do that in an existing Empty Space, or to purchase new land to build more adult recreations.

This conversation is being tabled as the funds are not time sensitive and we need to move on.

Class C Road Funds: The Main Street Project funds are included in this \$337,451.00.

Councilmember Cundick referred to a document from 2015 (Town of Leeds Street Analysis 2015-2022) and said he'd like to see another analysis done for the next 5 to 10 years, so we aren't just guessing when it comes to road repairs and maintenance.

Aseneth Steed: The UDOT funds are indeed in the Class C Road Funds. The Town's portion is in the State Grants Account

Mayor Hoster: The funds she's referring to, \$225,000 is what we received from UDOT and it is not nearly enough. I have been in conversation with them and am now in conversation with our lawyers and their lawyers. I've advised UDOT that they need to fix the problem, or they could be open to a Class Action lawsuit.

Commissioner Roberts: When they want to flex their muscles, they will flex their muscles, with the town. When they don't want to take responsibility, they will encourage the Town to take a portion of their Right of Way and be responsible for it. Their Right of Way is the complete dedicated right of way. UDOT owns that and they have to own it and maintain it. UDOT created this interchange the way it is, so they're responsible for it.

Mayor Hoster: The new Interchange is more than 10 years out, and we need the problem fixed today.

Councilmember Cundick: So I'm clear on this. Is the reason they don't want to put use the 14 inch pipe because it won't do the job adequately? So even if it helped, that would be satisfactory now. So we're getting nothing instead? So, we get a lawsuit?

Mayor Hoster: We could use the 14 inch pipe for about \$100,000 cost. We could still do it, but they want us to accept all of the liability and the maintenance.

After further discussion, it was the consensus the Town would not touch the drainage to avoid liability issues. Moving forward, this Budgetary item should be approximately \$45,000, not \$337,451., that we are actually able to use on Leeds Town roads.

Roger Carter weighed in on why the PTIF balances are on the budget and how we could take them off and still remain transparent. The funds are all there. They were verified.

Mayor Hoster: I negotiated the road on Silver Reef going all the way up to Oak Grove. We got the whole thing done for free because the county covered it.

Commissioner Roberts: I applaud you and the county for your efforts, I caution this because it does not give a municipality and the citizens of that municipality a clear idea of what the responsibility is, financially, to take

care of this stuff. It's great, but it also gives a false understanding of what it takes to take care of the municipality.

Mayor Hoster: That could have easily been \$200,000. It was all free and, you're right, we're not getting it again. I've had people from Bonanza say, well you did that one, why don't you just come do our road? One of my concerns is that we have roads that are too narrow. We are going to have these expenses.

Conversation about the Road Master Plan

Roger Clark: Does the town have a current Master plan? So, I'm not talking about the impact fee capital facilities plan, unless of course it encompasses non impact fees. I'm talking about a 5 to 10 year road master plan. Your impact fee plan will be a part of that. But it'll be just a part of the overall master plan. A transportation chapter is required within the general plan, but sometimes they don't get to the detail you would like. They have the standard chapter in the general plan, but what you're talking about is probably a little bit more on width and certain life cycles. You can do it in house, and you can even do Impact fees in house, as towns, but you still have to have a rational basis. They're always nicer to have engineering firms do it because they know their stuff. You still just need to have some master plan put together and you're limited on funds and I would suggest you grab a map and start updating roads, where they'll go, widths as per your ordinance and even start putting that together, we can map it at 5 county and at least get that stuff updated.

Court Fines: This should be treated in the same way as donations

Federal Grants: \$51,660 is ARPA. This amount is included in the PTIF 1117

Aseneth Steed: The road mileage was updated in 2023 with UDOT. ARPA form needs to be completed by Dec 30, 2024 allocating what they will be spent on or they will be taken back. The reporting opens April 1st.

Mayor Hoster: Digitizing to OCR (about \$8000), Reconstructing Town Hall.

Commissioner Roberts: The step is not ADA compliant. It needs to be brought to one level or a ramp needs to be built.

Mayor Hoster: The Grant stipulates that the improvements need to be Covid related. Communications. The Zoom equipment, AV equipment, Digitizing records, laptops. We have \$51,000 to spend on these improvements. AI for Text to Type.

Councilmember Cundick: We should avoid any major renovations in a building this old. We can add more screens so everyone can see.

Transient Room Tax had to be adopted by the Town to receive it. It was adopted by Leeds in 2023.

Intergovernmental Revenue: The \$758,402.00 is misrepresentative in a Budget Review. We've only collect \$50,054.72. It should be about \$75,000 from all sources.

Licenses and Permits: They are what they are. It is anticipated with Grapevine, that they will ask for lot change lines to make 36 acres, 1 lot to build a resort. There are 10 cabins that are virtually invisible. This 4 seasons level with a high end restaurant. It is zoned residential and they would like to rezone as commercial.

Commissioner Roberts: Let's let the owners present it to town and keep an open mind.

Subdivision Applications: Anticipate this going up with Silver Point, as well as Grapevine.

Zone change Applications: We will see this go up as well.

Excavation permits: We are hoping to adopt an excavation permit. There will be costs associated with these permits and therefore a reasonable fee as well. Roger has been very helpful with our fee schedule.

A short break was taken and off the record conversations continued. 6:27pm – 6:34pm

Interest Earnings on Account: The Interest for each PTIF account is accounted for separately.

Roger Carter: The Impact Fees collected can be transferred to the PTIF Accounts, you just have to make sure the Interest is also reserved as Impact Interest for each of those accounts. It can't be used for anything else.

Rents & Concessions: 4th of July, Mayor Hoster says he's going to be asking for an increase for the fireworks based on prices going up.

Conversation was had about combining all of the celebrations into one GL instead of breaking out each celebration. Then the funds can be allocated at the time it is needed.

Mayor Hoster: I've had so many requested about Christmas along Main Street. We can't do anything religious on the Municipal property, but lights and wreaths don't necessarily connote religion.

The conversation continued and the GL codes will be combined in Community Celebrations GL on the budget.

Doris McNally: The Bloom Committee is self funded, and all extra funds are given back to the Town. I have been submitting all the receipts and running our meetings with minutes. I thought we were an extension of the town.

It was clarified by Mayor Hoster and Commissioner Roberts that Bloom is a Third Party and not an extension of the Municipality.

Commissioner Roberts: We need to fund that baseline. If the Bloom Committee comes in as a third party and gathers up donations for certain events and contributes to that. Even though the donation comes in for a specific event and is targeted, it says these donations are for Community Celebrations.

Tax Revenues: We've got TRT, RAP, General Sales, General Property, Fee-In-Lieu of Property tax (Vehicle registration) The name of the GL is misleading. The State would name this category General Taxes to avoid the confusion.

Aseneth was asked what the \$13,406.59 in Property and RAP Tax Revenues – Other was? She responded that the County changed the wording for the General Use on their checks. We were advised by Roger Clark to separate out those funds into the proper GLs to clean this up.

Franchise Taxes: These accounts need to be cleaned up, but ultimately these revenues are probably going to be about the same. I can get with Scott and identify what will be associated with Grapevine. They are planning on putting Utopia in over there.

Roger Carter: It depends on what Utopia is requiring of the town. We can get into that later.

We will get into Expenses in our next Work Session, we've started this process early enough that we should have plenty of time to get the Budget cleaned up for 2025.

14. **Adjournment:** 6:52pm

Approved this 10th Day of April, 2024.



Bill Hoster, Mayor

ATTEST:



Michelle Rutherford, Clerk/Recorder