The Lindon City Council held a **Budget Works Session on Monday, May 24, 2010,**
beginning at 7:00 a.m. in the Lindon City Center, City Council Chambers, 100 North
State Street, Lindon, Utah

Conducting: James A. Dain, Mayor
Pledge of Allegiance: James Dain
Invocation: Ott Dameron

**PRESENT**

James A. Dain, Mayor
Lindsey Bayless, Councilmember
Bret Frampton, Councilmember
Jerald I. Hatch, Councilmember
Mark L. Walker, Councilmember
Ott H. Dameron, City Administrator
Jamie Bennee, Finance Director
Debra Cullimore, City Recorder

**ABSENT**

Bruce Carpenter, Councilmember

**MINUTES** – No minutes were reviewed at this meeting.

**OPEN SESSION** – There was no public comment at this meeting.

**MAYOR’S COMMENTS/REPORT** – Mayor Dain gave no report at this meeting.

**CONSENT AGENDA** – No items.

**WORK SESSION** – The Mayor and City Council met in a Budget Work Session to
discuss issues for fiscal year 2010/2011.

City Engineer, David Thurgood, was present to discuss utility enterprise funds
with the Council. Mr. Thurgood reviewed revenues generated by culinary and secondary
water impact fees. He noted that fees collected by the secondary water fund fluctuate due
to periodic collection of fees paid in lieu of water shares. Mr. Dameron explained that
fees in lieu of water shares are used to help fund the City’s financial obligation for
Jordanelle water shares. Mr. Thurgood noted that the pressurized irrigation bond was
paid in full in 2007. He noted that the water fund generates stable revenue, and that the
fund balance is a combination of pressurized irrigation and culinary water funds. Mr.
Dameron observed that the annual CPI increase for water service implemented by the
Council several years ago has helped keep the fund healthy. Mr. Thurgood stated that a
2.2% CPI increase to water fees is being recommended for the coming fiscal year.

Mr. Thurgood went on to discuss pending debts associated with the sewer fund.
Upcoming expenditures include the sewer lift station project and the expansion of the
water reclamation facility. Mayor Dain suggested that the Council consider incremental
increases to sewer rates to fund the increased expenses over the coming years rather than
a larger increase in 2013 when the expense is realized by the City. Mr. Thurgood agreed
that a small increase above the proposed CPI increase would be a reasonable approach to prepare for the coming expenses.

Mr. Thurgood stated that in order to comply with federal regulations, it will be necessary to fill the vacant position in the storm water department this year. He explained that maintenance on the storm water system could fall behind if the position is left vacant for the coming year. Mayor Dain clarified that the Public Works Inspector position which will be vacated when Dorsey Hooley retires will be left vacant, and the storm water position will be filled in July.

The Council discussed overall utility rate increases, which are expected to total approximately $2 per month per household. The Council noted that proposed increases allow the City to keep pace with inflation without undue burden to residents.

Ms. Bennee then presented specific budget issues for discussion by the Council. Budget issues were discussed as follows:

- **Should the City continue to fund the 4.5% 401k contribution regardless of employee contributions?** Mayor Dain observed that during previous discussion regarding this budget issue, there was a perception that implementation of an employee match requirement would cause relatively little impact. Upon further review, it has become apparent that this action may adversely affect a number of employees. Mayor Dain noted that employees have had two years with no pay increases, and that this action may be seen as unfairly penalizing employees. Following further discussion, it was the general feeling of the Council that 401k contributions without an employee match should be continued for the coming year, with further review and discussion during the next budget cycle. A final decision will be made prior to adoption of the final budget.

- **Should the City fund health insurance/dental insurance benefits for City Council Members?** The Council discussed the budget impact of providing health insurance benefits for City Council members, as well as the merits of providing an attractive benefits package which may encourage citizens to become involved and run for office. Other Councilmembers felt that residents should not assume public office for the benefits, but should do so to serve the community. The Council also discussed other potential uses of revenue which is currently being used to fund health insurance benefits for City Council members. Following lengthy discussion, the Council did not come to a consensus regarding appropriate action on this matter. This issue will be discussed further during upcoming Budget Public Hearings.

**COUNCIL REPORTS** – The Council gave no reports at this meeting.

**ADMINISTRATOR’S REPORT** – Mr. Dameron gave no report at this meeting.

**ADJOURN** –

COUNCILMEMBER BAYLESS MOVED TO ADJOURN THE MEETING AT 8:10 A.M. COUNCILMEMBER FRAMPTON SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Approved – June 1, 2010
Debra Cullimore, City Recorder

James A. Dain, Mayor