

**Pleasant Grove City Council Meeting Minutes
City Budget and Planning Retreat
Friday, January 23, 2015 and Saturday, January 24, 2015**

PRESENT:

Mayor:

Michael W. Daniels

Council Members:

Dianna Andersen
Cindy Boyd
Cyd LeMone
Jay Meacham
Ben Stanley

Staff Present:

Scott Darrington, City Administrator
Dean Lundell, Finance Director
Tina Petersen, City Attorney
David Larson, Assistant to the City Administrator
Deon Giles, Parks and Recreation Director
Mike Smith, Police Chief
Dave Thomas, Fire Chief
Ken Young, Community Development Director
Lynn Walker, Public Works Director
Sheri Britsch, Library and Arts Director
Kathy Kresser, City Recorder
W. Brent Bullock, Judge

The City Council and staff met at the Fox Hollow Golf Course 1400 North 200 East, American Fork, Utah.

1) **CALL TO ORDER**

Mayor Daniels called the meeting to order at 9:25 a.m. Council Members Andersen, Boyd, LeMone, Meacham, and Stanley were present.

AGENDA FOR FRIDAY, JANUARY 23, 2015

9:00 a.m.
Budget Discussion

- a) Budgeting Principles.
- b) Introduction to FY 2015-16 Budget.

12:00 p.m.
Lunch
Year in Review

1:00 p.m.
Discussion on major items the public wants the City to pursue in 2015:

- a) Public Safety Building;
- b) Roads; and
- c) Other Items.

4:00 p.m.
Adjourn

2) **BUDGET DISCUSSION**

a) **Budgeting Principles.**

Finance Director, Dean Lundell, stated that the Comprehensive Annual Financial Report (CAFR) is a financial statement. He explained that government accounting has different rules than private sector accounting because the functions of government differ from the private sector. A great deal of revenue that the government receives is non-exchange revenue, which means that there is no direct exchange between money that they receive and the service provided. For example, you do not pay to go to the park and the police officers do not send a bill if they come to your home to provide assistance. These types of revenues include taxes, general fees, permits, or grants. These are fees that are not optional for the public to pay.

Director Lundell explained that there are also exchange revenues that are similar to a private company. The City charges user fees such things as the Water Fund or Sewer Fund. Other user fees are collected for things like the Rec Center that do not cover the full cost of operation. Another type of exchange revenue is an impact fee that effects new development in the City.

Director Lundell stated that the two main revenues that are greatly restricted are impact fees and grants. There is nothing the City can do to use impact fee monies for anything other than new infrastructure directly needed for new roads in the City. Impact fees can never be used for operation, rebuilding, or improving level of service and can only be used for infrastructure related to new growth. Grants are obtained for a specific purpose and can never be altered. One of the largest grants the City receives is Class C Road Funds.

Council Member Andersen asked if there were specific things the Class C Road Funds have to be used for. Director Lundell explained that they can be used for anything related to roads such as construction and snow removal. Director Lundell stated that the funds are applied as a grant even though they are allocated and not applied for. The City does not charge the Gas Tax, which comes from the State and has a specific formula. The formula mandates that the State take 70% with 30%

allocated to cities and counties. Of that 30%, half is distributed based on the road miles in each city. The other half is distributed based on population.

Director Lundell explained that the General Fund is related to non-exchange revenues and includes funds that primarily receive tax revenues and can be used for any purpose authorized by the City. The State Auditor requires Class C Road Funds to be part of the General Fund but they are accounted for separately. 22% of the funds come from property taxes and 32% comes from sales taxes. Despite the relatively small commercial base in the City, they still get most of their revenue from sales tax. Every City charges 1% and that money goes into a pool and is distributed by the State. Half of the funds come directly to the City based on point of sale. The other half is based on population. Property tax has a more complicated formula that is determined by the City. All of the revenue remains with the City. Other taxes account for 18% of City revenue.

Director Lundell explained that in the State of Utah property taxes are assessed each year and can fluctuate. Based on how much was budgeted the previous year in property taxes the State and County determine the Certified Tax Rate, which is what the City needs to charge in order to receive the same amount of money from the previous year plus the property tax for any new buildings constructed during the year. He reported that they generally receive the same amount each year even though individual taxpayer amounts can change each year. If the City desires to raise property taxes above the Certified Tax Rate they must hold a Truth in Taxation hearing. It was noted that most cities adopt the Certified Tax Rate. Director Lundell explained that the County assesses property taxes every year and they tend to assess them as conservatively as possible.

Director Lundell reported that the average property tax bill is roughly \$1,300. Of that, approximately \$700 goes to the school district, \$300 goes to the City, and \$150 goes to the County. The remainder goes to various other costs with the most significant portion going to schools. It was noted that the property taxes in Utah County are generally lower than Salt Lake County. The City, as well as any government or church, schools, private hospitals, and non-profit organizations does not pay property taxes.

Director Lundell explained that property taxes do not fluctuate much. "Other taxes" come from utility bills. A portion of the tax comes to the City and is typically referred to as a franchise fee. Charges for services, ambulance fees, grants, and miscellaneous items such as the sale of surplus property all falls under the "Other Taxes" category.

City Administrator, Scott Darrington, explained that they do not have a great deal of control as a City with respect to General Fund revenue. Property taxes are essentially the only mechanism for the City to take on large projects. Mayor Daniels invited questions from the public with respect to General Fund revenues. Eric Jensen asked how many times in the last 25 years property taxes have been raised. Director Lundell explained that the City took out a GO Bond for the swimming pool and the Rec Center, which is a bond that was voted on. He was not aware of a time in the last 20 years when the City adopted a tax rate higher than the Certified Tax Rate.

Molly Andrews asked if the City receives revenue from fees with regard to vehicles. Director Lundell stated they receive some revenue but it is also part of property taxes. The fee is invoked by the State and the City gets a portion of it.

Jennifer Baptista asked about food trucks, how they are taxed, and what kind of revenue the City gets from them. Director Lundell explained that the City receives property taxes on the vehicle and they are charged a business license fee as well as sales tax.

Mike Petersen asked in connection with the statement regarding the sales tax distribution formula if there could be more commercial development in the City that would change the City's revenue? In other words would we actually receive less money but have more retail development because of the formula for distribution? Council Member Meacham responded that the City would be paid proportionally. If the City had another \$1 million in sales tax revenue, Pleasant Grove would get \$500,000 of that directly with the rest distributed based on population. The City would need a great deal of retail before they would start losing out on the population formula. It was noted that American Fork generates more sales tax than the formula allows so some of their money is distributed to Pleasant Grove.

Director Lundell commented that he needed to review the CAFR with the elected officials and specifically review a few pages at this meeting. The revenues discussed were only General Fund, or governmental-type revenues. In a financial report everything is divided into either governmental activities or business-type activities. The business-type activities consist of enterprise funds such as utilities. Director Lundell identified the types of things the City spends governmental money on in terms of department operations. They include police, fire, parks, recreation, and community development or it could pay for debt service or capital. Fund accounting is a way to keep the funds separated and organized with an income statement and balance sheet.

Director Lundell explained that at the end of the year they hope to have more money than was budgeted and hopefully they spent less than was budgeted, which leaves a surplus. That surplus pays for the following year's capital projects. He remarked that it is typical to have a surplus of \$200,000 to \$350,000. Council Member Meacham reported that vehicle updates are a huge expense for the City. He asked if there is a plan or equation to account for it. Director Lundell explained that there is a specific amount they are allowed to have in reserves in the General Fund. If the City has a specific capital need and wants to transfer funds to the Capital Projects Fund and let it remain there, they are able to do that and there is no limit on the amount.

Director Lundell explained that the Special Revenue Fund has a dedicated revenue source and performs a specific function. Special Revenue Funds often do not cover the full cost of the service but are a dedicated revenue source. Transfers are often made from the General Fund to make up the difference. Four Special Revenue Funds the City has are the swimming pool, community center, E911, and the arts.

Director Lundell stated that the third type of fund is the Capital Projects Fund. He prefers to put as much as possible into that fund with the main revenue source being impact fees. Funds can be transferred out of the General Fund into the Capital Projects Fund, if necessary. Capital projects are large projects that are typically one-time only projects such as lining the swimming pool or purchasing vehicles. There are always more projects to be completed than can be funded. As a result, each year a prioritized list is created to help determine what projects should be completed during the year. Capital project money is distributed among various departments each year. Director Lundell explained that the specific property tax related to the Rec Center totals \$320,000 and is part of the Debt Service Fund.

Recreation accounts for 3% of the General Fund. Recreation is for City-wide recreation and activities and is different than the Rec Center. Parks account for 8% of the fund and the Library is 5% of the total General Fund expenditures. Class C comprises 6% and covers annual maintenance. The funds cannot transfer to debt service. The Streets Department makes up 5% of the budget and Fire is 17%. The Police Department is the largest at 29%. Engineering is 7%, which is higher than it has been in the past due to significant development occurring in the City. Community Development accounts for 6% and Facilities 4%. Courts require 3% and General Government and Administration covers 7%.

Council Member Stanley asked if the salaries of department heads come from those numbers. Director Lundell responded that they do. Diane Moss questioned why the City is leasing vehicles instead of purchasing more affordable ones since the budget is so limited. Mayor Daniels suggested going through the next section addressing different types of functions, which would help explain how decisions are made.

Jennifer Baptista requested clarification on why Class C Road Funds differ from Street Funds. Director Lundell explained that Street Funds are paid from the General Fund and Class C Road Funds are paid from the gas tax. Director Lundell described the distribution of the General Fund and reported that 38% goes to Personnel Wages and 19% goes to benefits such as retirement and health insurance. Those two items comprise 57% of the budget and the City spends a great deal of time ensuring that the numbers are correct and that the needs of employees are met. He explained that 20% of the budget goes to Operations and 6% goes to Debt Service. Money is transferred out of the General Fund for many reasons and sometimes involves a transfer to a specific fund to make up the difference. Most of the debt service relates to the Class C Bonds. Finally, 5% are transfers that go to Dispatch, the Rec Center, the swimming pool, and the arts.

Mike Petersen asked if the percentage of wages and benefits are similar to what other cities are paying. Director Lundell explained that the City is quite low comparatively. There are some cities with wages and benefits that comprise roughly 70% of the General Fund. He explained that cities have different needs and it is difficult to compare one to another, however, the average is roughly 65 to 75 percent.

Director Lundell clarified that when he talks about debt service it means both principal and interest payments. Operations do not account for depreciation in government accounting. Mayor Daniels requested that the question about leasing versus buying vehicles be addressed. Director Lundell was not convinced that the City would spend less if they bought significantly older vehicles. Governments have the opportunity to purchase vehicles at extremely low prices. The City can buy a car at a lower price than a dealership can buy or sell. The City purchases through Ken Garff who guarantees a buyback after three years. The City purchased new SUVs for \$21,000 and Ken Garff has guaranteed to buy the cars back for \$17,000. The State negotiates contracts with manufacturers and dealers. If the City buys a used vehicle they do not get a deal and will purchase it at market value.

Director Lundell commented that they did a great deal of research to determine if it would be most cost effective to buy a car and keep it for two, three, or five years. Originally the plan was to keep vehicles for five years until Ken Garff raised their buyback price. It is also difficult to know how much will go toward maintenance on a vehicle that is already five years old and has more miles.

Police Chief, Mike Smith, stated that when they have looked at purchasing SUVs or sedans, they have found that SUVs hold their value at a much higher rate than sedans. The buyback rate is different depending on the car. Chief Smith explained that some police officers prefer sedans but because the buyback was so low, the City determined that the SUV made more sense and is more affordable. Chief Smith commented that SUVs were roughly \$22,000 and the sedans were around \$20,000. The cost of the vehicles is similar so it is the end of the lease buyback price that makes the biggest difference. The least costly vehicle to lease right now is the Ford F150 pickup but it does not meet the need of the police officers.

Director Lundell clarified that the term lease for the City means that they are financing whatever the item is. The term lease is a legal term that means that at the end of the lease the City will own the vehicle. The legal structure is basically that the loan is timed so that the balance on the loan is the same as the buyback after three years. Administrator Darrington stated that with equipment, computers, and other items, it is structured so that after three years the City owns them.

Director Lundell presented the financial statement and explained that the government financial statement comprises all of the governmental and business activities and puts them into one statement. The one major Special Revenue Fund is the RDA, which covers the Hammons debt. The annual cost of running the Dispatch Center is nearly \$600,000 with \$209,569 coming from taxes. There is a State Tax that helps cover the cost but the majority comes from General Fund sources. The majority of the cost is personnel at 86%.

The City's swimming pool costs just under \$400,000 to maintain each year. Funds are gathered with 48% coming from admission fees, 7% from concessions, and 43% from a transfer out of the General Fund. The majority of the cost is personnel and utilities. The Recreation Center has 90% of the cost paid for by user fees with 10% from a General Fund transfer. The Arts Program includes the Children's Choir and Center Stage. These programs are 100% self-funded by the tuition students pay as well as from admission fees to concerts. The PG Players and Orchestra are funded by the City. This is a fairly small budget with 88% covered through user fees and roughly 1% from donations. The City transfers \$22,000 from the General Fund.

Director Lundell explained that the term "fund balance" refers to the equity portion of the balance sheet, or saved money. It can be referred to as the reserve account, or rainy day fund. The City has a certain amount of cash in the checking account at any given time and everything else is invested very conservatively with the State Investment Pool. It is very liquid with a very low interest rate. There are no fixed assets and no long-term debt in governmental funds.

Fund balances cannot all be used at any time. The City has roughly \$2.1 in unrestricted funds that can be used for any purpose. There is just under \$1.4 million in restricted funds. A large portion of that is set aside Class C funds. When there have been limited funds, the City has been able to complete more projects than just the \$200,000 the excess Class C money would allow. Another of the restricted funds is a large donation to the Library. The RDA currently has a deficit balance. There is \$436,000 for capital projects, \$115,000 for debt service, and \$88,000 for dispatch.

The City is required to use enterprise funds if they have debt that is backed by fees. All of the enterprise funds have associated user fees to help cover the cost. There are different accounting rules for enterprise funds than for government funds. Enterprise funds are similar to how a private business would account for their business and activities. They show depreciation and only the

interest cost of debt rather than the full debt service. Director Lundell explained that when he puts the budget together he budgets the enterprise funds similar to governmental funds in order to ensure that debt service is covered. There is very little interaction between enterprise funds and governmental funds other than the administration allocation. The four enterprise funds are water, sewer, storm drain and sanitation. User fees account for 84% of the enterprise funds and 16% comes from impact fees. Personnel costs are 8% and operations are 26%. This year there was a \$440,000 surplus, which will go toward capital projects.

Mayor Daniels asked what percentage of the total pays for debt in the Water Fund. Director Lundell reported that 29% covers the debt. Once the debt is retired, those funds can go toward projects. The debt will be paid off in 15 years, which will leave the City the option of determining how to use the funds. The money can be rolled into capital for future maintenance of the system. Long-term plans are in place but additional funding will allow the plans to be executed on a higher level. The Storm Drain Fund includes 75% in user fees and 11% in impact fees. Some reserve money can be used in the Storm Drain Fund. The Pipe Plant is not included in these totals because the City used bond money rather than existing money, however, it falls under the storm drain category.

The Sewer Fund pays a portion of the debt for Pleasant Grove Boulevard but it is very small. There is very low debt in the Sewer Fund. The technology to realign the sewer lines without cutting into roads has been a significant savings in this area. User fees cover 90% and the other 10% comes from impact fees. The biggest expense with the Sewer Fund is TSSD with nearly 55% of the fees paid by users going directly to TSSD.

Administrator Darrington explained that the City is responsible for maintaining and repairing the pipes and roads. That is referred to as the collections system. TSSD takes care of the treatment. On the residents' utility bills is a charge for collection with a base rate for sewer, water, and TSSD along with a TSSD usage rate. The Sanitation Fund refers to garbage and recycling. There is no impact fee for the Sanitation Fund. Everything comes through user fees with 60% going to Allied Waste and 24% to the transfer station. There is also an overhead allocation that covers administration and general sanitation and clean up throughout the City.

Director Lundell explained that they recently made a presentation to several rating agencies which resulted in the City's rating being upgraded to A+. A factor that helps obtain a rate upgrade is multi-period annual rate increases. The debt service coverage ratio also contributes to potential upgrades as well as having six months of cash available as a reserve in utility funds. S&P indicated that if the City's debt service coverage continued to improve over the next few years the rate could be raised again.

Council Member LeMone asked how much the City will save with the refinance. Administrator Darrington responded that it is an average of \$60,000 to \$70,000 per year. The goal is to take the excess funds and roll them into the Capital Fund. The 2008 bonds should also be refinanced in the next two years.

Director Lundell provided a list of every City debt, with majority being in bonds. He explained that the least expensive way to borrow money for large infrastructure projects is through the issuance of bonds. The City also has a few equipment loans and compensated absences related to unused vacation or sick time. The two largest bonds total over \$9 million each and were to put in the

secondary water system in 2006 and 2008. The majority of the other water bonds are loans through the State who offers low interest financing. All of the water bonds are related to the installation of water infrastructure and are paid through water user fees.

Storm Drain Fund debts are paid for by storm drain rates and were used to install storm drain systems. Most of the systems were put in fairly recently. One bond was issued to purchase the Pipe Plant, which will be used for storm drain retention. There is still some money left from the bonds to make improvements to the storm drain basins. The Class C bonds are being paid entirely through Class C monies and the road monies and will be paid off in 2018. The Community Center is a general obligation bond paid from a specific dedicated portion of property tax. Once the debt is paid off, that tax will go away automatically. The Pleasant Grove Boulevard debt is in four pieces and will be paid for using impact fees with 70% from road impact fees, 6% from storm drain, 12% from sewer, and 12% from water.

Mayor Daniels clarified that the total debt is \$62.3 million. He asked how much is General Fund debt. Director Lundell explained that Class C money is the only General Fund debt but no sales tax or property tax money is used to pay any debt other than capital leases. Bonds generally cannot be paid off early until 10 years have passed. Director Lundell explained that they always budget with a five-year forecast. Budgeting for the enterprise funds is formula driven. The General Fund is different in that a great deal is related to personnel costs. The first step in the budget process is to forecast major revenues and look at personnel costs, which are the largest portions of the budget. There are additional needs each year, many of which cannot be funded. There has not been a general infusion of funds into operations in a long time. If the City receives a one-time infusion of funds they will not hire a new employee or change the level of service because the funds will not have ongoing revenue.

Director Lundell reported that budget management guidelines are adopted with the budget each year and address projects they would like to do as a City such as investment policy, fund balances, debt portability, and utility fund budgets. A Budget Work Session was scheduled each month with the tentative budget needing to be adopted by May 5. There will be additional budget discussions after that date, but the draft has to be published at that time. The public hearing for the budget will be held on May 26 and likely one final discussion will be held on June 2 or 9 after which the final budget will be adopted by June 9 or 16. The budget must be adopted by law by June 22.

Director Lundell commented that a 9% increase has been forecasted for health insurance and they tried to plan for COLA/Merit increases. It was not known what the increase will be but typically they plan for 3%. Part-time employees will also receive increases. Preliminary retirement rates do not forecast an increase and they are generally reliable. Mayor Daniels commented that there have been issues with employees being lost to other cities due to compensation. They have had discussions in the past about market rates and what they should do about placing people within those rates. He asked when they will have that discussion before the budget is finalized. Administrator Darrington hoped to discuss the topic in early February.

Part of the completion of the audit involves communicating with those in charge of governance. The auditors are to ensure that the financial statements are accurate. They also address questions regarding State compliance. There were three findings in this year's audit. The first pertained to the Rec Center. In terms of expenditures for the Rec Center, the financial statement showed that the City spent more than budgeted in the Recreation Fund. This occurred previously because it is

difficult to determine exactly what was spent on the different programs throughout the year. This is not a major concern because they also brought in \$58,000 more revenue than budgeted.

There were also two findings related to the RDA. Nearly everything that doTERRA is doing with the CDA will be paid for upfront. As increment money comes in, the City will repay it. doTERRA installed a stop light for the property and paid for the work. The City will reimburse the doTERRA for that. There was more money spent on the contract than originally planned. The City will reimburse that over time with the tax increment money.

The other finding related to the fact that there is a negative fund balance in the RDA, which will be resolved by doTERRA. Director Lundell explained that this is an unqualified opinion, which means that the financial statements are accurate. The City will not know for sure what the sales tax distribution for doTERRA will be until they are fully operational.

3) YEAR IN REVIEW

Administrator Darrington asked that each department share something that was accomplished during the year or give an update on what is taking place in each department.

Community Development Director, Ken Young, reported that 2013 was a banner year for the City especially following the prior years of recession. There was a slight downturn this year, but they are better off than in 2007. 167 building permits were issued with a valuation of roughly \$91 million.

Police Chief, Mike Smith, stated that in 2014 Dispatch fielded just over 40,000 calls. There was a successful Citizens Academy and the Heroes Behind the Badge event was very well received. A great deal of money was raised from the event, which funded the upgrade of all portable radios to current digital standards. They were also able to install car radios in all of the patrol cars. The department did several Sub-for-Santa projects this year and other service projects including the Addi Project. Things were still going well with the School Walk Through program, which will continue through the next year. The Emergency Operations Plan was adopted in 2014.

There were some unfortunate events in the community that were handled very well by the agency. There was a homicide of seven infants in the community. The case went to the County Commissioners Office who was very impressed with the way the officers handled the case. It was reported that Pleasant Grove has the best homicide investigative unit in the County.

The Police Department was involved in the Major Crime Task Force and they have an officer assigned to the task force full time. This year in terms of drug seizures, under \$20 million was confiscated along with \$374,000 in cash. They are focused on drug cartels in the area and have made dents in eight of them. It was noted that it is a county-wide task force.

Council Member Meacham remarked that there has been a federal push for officers to have body cameras. He asked if there are any grants for them. Chief Smith commented that the State is looking into the matter and there will likely be a few bills in the legislature dealing with body cameras this year. Currently officers are equipped with body cameras but they would like to receive a grant to purchase higher quality cameras. The most significant issue is storage and how all of the

data collected from the cameras will be stored. The department purchased a new server to store the data.

City Attorney, Tina Petersen, reported that the City recently completed the process to go paperless. The department also converted to the DocuWare system. She receives *Governing Magazine* where Pleasant Grove was mentioned for participating in the Hope Program. Attorney Petersen reported that she would likely be losing her prosecutor to Orem City. She indicated that the upcoming case load is concerning because the Legislature is considering a bill that would push the drug possession charges down to a Class A Misdemeanor. If that occurs, the case load will increase dramatically and the City currently does not have the resources to take that on. She noted that they are fighting the bill. Chief Smith commented that this will greatly affect the Police Department as well. If the penalty for drug offenses is reduced, it will remove the fear of federal charges. Attorney Petersen encouraged the Council to share their concern with the Legislature.

Director Lundell reported that the City received a budget award from GFOA which was something they had been working toward for several years.

Public Works Director, Lynn Walker, reported that they had a great year. The sewer is still in great condition and in compliance with the master plan. It has been a tough year in terms of secondary water and there are potentially large projects that will be coming forward over the next few years to address that. He thanked the Council, staff, and citizens for their support. Overall things were moving in the right direction and they were adhering to the Master Plan. The Master Plan is typically updated significantly every five years. Storm drain and water was also in the process of being updated. Administrator Darrington reported that they try to review water, sewer, and storm drain every year. Director Walker reported that the snow pack Valley is at 43% of normal and there are wells that are going dry. Mayor Daniels stated that many have addressed how piping of the canal has eliminated nearly all of the seepage, which has created a problem for wells.

Parks and Recreation Director, Deon Giles, reported that they updated the City Cemetery Policy and Code over the past year to comply with some State statutes and implement some new things the City had been having problems with. Repairs were made to address safety issues in Memorial Garden. The Custodial Department invented a new outdoor cleaning program as well as a training and hiring program that has paid off since they are now starting to retain part-time employees. New dispensers have been installed in all of the restrooms at no cost to the City. A security area was installed for the storage of supplies and equipment. All water facilities have received power upgrades as part of the Rocky Mountain Power rebate program. There is a new roof on City Hall and the Police Department and grant funds were used to install playground equipment in a few parks.

Director Giles reported that the weight and exercise/fitness equipment have been replaced at the Rec Center through a lease program. There have been 15 cardio equipment items replaced. The outdoor carpet at the pool was replaced and a new PVC liner was installed. The liner should save the City money by making heating and chemicals more efficient. He reported that they are the Pickleball leaders among all cities along the Wasatch Front.

Fire Chief, Dave Thomas, reported that Marc Sanderson left the department the end of the year. The department ran just over 1,400 calls last year with three-quarters being medical calls and one-quarter were fire calls. There were a few major fires but no commercial fires. The department also

aided neighboring cities throughout the year. A shift is 48 hours and there was an average of over 10 calls per shift. He reported that the percentage of serious car accidents increased, particularly in December.

Chief Thomas commented that after working with City staff they created a plan to rebuild three of the older ambulances. They cost a great deal in terms of repairs. The new deal will allow them to remove the chassis and put the boxes on new ones. This will extend the life of the ambulances without the cost of a new one. The department purchased an old fire engine from Clark County in Las Vegas and is having it rebuilt. The engine should be in service in the next few weeks. If they had purchased the equipment new it would have cost well over \$1 million. However, by updating equipment in the way they did cost less than half. Mayor Daniels asked if the cost of transporting car accident victims is borne by the City or by insurance. Chief Thomas responded that insurance typically covers those costs and car insurance policies will often be involved in car accidents.

Assistant to the City Administrator, David Larson, felt lucky to have worked with employees from different departments on various committees. They refined their PROUD customer service training and completed two cycles last year. A major accomplishment this year was updating the City's website, particularly by increasing the security of the site. It is now dynamic and mobile-friendly and the software upgrade has benefitted the City. Some community showcase videos were completed and are on the website. There were nine ribbon cuttings for new businesses with the Chamber.

Library and Arts Director, Sheri Britsch, reported that they checked out 351,000 items in 2014 and over 2,000 new library cards were issued. More than 730 free programs were held with 26,000 people attending. She added that there is a lot of staff time and investment in all of the programs. There was a great deal of staff reorganization that made for smoother and more efficient use of the Library. The Literacy Center offers one-on-one tutoring with attendees ranging from age four to adult. 94 volunteers help run the program. Many were tutored in past years and are now helping tutor others. This year Zinio Magazines and Kindles were added a result of the \$30,000 in grant monies. Many departments in the City have helped the Department. Director Britsch thanked everyone for their contributions. Mayor Daniels reported that Director Britsch has been very innovative in her use of the limited funds available to her department. Director Britsch commented that Center Stage is doing well and selling out nearly every show. Their performances are impressive and professional. The PG Players, Children's Choir, and Orchestra were also doing well.

City Recorder, Kathy Kresser, stated that the Council heard 44 ordinances, 52 resolutions, and had 27 closed sessions in 2014. The department lost one full-time employee who was not replaced. City Hall is now doing the scheduling for the Lions Building.

Judge W. Brent Bullock reported that there has been an increase in domestic violence, drugs, retail theft, and DUIs. The City has a higher number of domestic violence cases than any other city in Utah according to the Administrative Office of the Court. A number of occurrences came from multi-housing developments. Utah only has two facilities for intensive treatment for drug addicted individuals. The first is the County Jail and the second is Foothill. Foothill only has 11 beds and has a long waiting list. Many are sentenced to jail until they can get into Foothill and complete their sentence. There is nowhere for the court to send people who are incompetent to be tried and sentenced in regular court. The Court's case load is up 7%, which is significant, and impacts both

the Police Department and the prosecutors. There is a training process for prosecutors and the City losing prosecutors at a high rate has been problematic.

Administrator Darrington reported that a leadership training was held at the beginning of the year for all department heads. One of his goals for the coming year is to meet with every full and part-time employee. He felt that the process the City went through in regard to the New Public Safety Building and how they engaged the citizens went better in 2014 than in 2013. He attended nearly every meeting stated that it was good to see the public working with the Council and City to reach a solution. A wide range of ages of citizens were involved and included both new and long-time residents. Some were in favor of the bonds and some were not, but it was a positive to see the community come together and engage in productive discussion. Administrator Darrington enjoyed the process and the opportunity to work with and get to know residents better.

Council Member Stanley enjoyed the process of learning the basics of being a Council Member. He was pleased to serve on the Library Board and with the Arts Department and many different committees. He agreed that the process of discussing the bond was positive and educational for all. Having an open government was important and he felt they were getting better at being open for the public and had made positive changes in their communication to the public. He expressed his respect for the men and women who work for the City.

Council Member Boyd was proud of staff and stated that the City has a great team. They have been through a great deal over the past few years and have learned together. Administrator Darrington had done a wonderful job spearheading difficult issues. At times during the year she observed that the City is divided on important issues. She felt, however, that they are moving in the right direction. She commented that staff and the Council spent a great deal of time addressing the health, safety, and welfare of Pleasant Grove citizens. Council Member Boyd believed they should also think about the health, safety, and welfare of staff.

Council Member Meacham echoed the sentiments of Council Members Stanley and Boyd. He felt it was a good year and he was looking forward to this year. He commented that the Council and City are moving in a refreshing direction. The Blue Energy Project kicked off this year and TSSD put \$2 million toward impact reduction and will begin an impact fee analysis, which should not affect sewer impact fees. He was excited to see what the next year holds.

Council Member Andersen enjoyed problem solving communication and stated that the different personalities and expertise have made it a wonderful process. She learned a great deal about the City and was looking forward to 2015.

Council Member LeMone enjoyed seeing citizen involvement increase. She liked getting input from citizens and working together to improve the City. She enjoys working with staff and added that her goal is to leave the City a better place because of her involvement on the Council. She was proud of the City's Suicide Prevention Mission and looked forward to seeing the community come together in that regard. She was excited about a Facebook page that resident, Amy Lindstrom, started and asked her to be part of.

Mayor Daniels commented that his was not a planned volunteer position on his part and he had not planned on becoming the Mayor again. His daughter passed away during the election process and many were aware of the struggles he experienced. As he witnessed the progress made by the

Council and staff with citizen participation and good communication, he hoped that transparency is starting to become more universal. There was a two-way dialogue with those who are interested in local government and those who are responsible to carry out those interests. He felt very different at this meeting than he did at the same meeting last year. He stated that significant progress had been made. The City still faces major challenges and needs to reach out to citizens and involve them in finding solutions. The bonding experience last year was a precursor to the kind of involvement and level of depth and analysis the City will experience going forward. He was impressed with the professionalism of staff and it was clear they are ready and willing to interact with the community.

Mayor Daniels characterized Administrator Darrington as an excellent administrator and commented that they have a very different relationship than he had with other administrators in the past. He was impressed by Administrator Darrington's leadership during the tumultuous times. The Mayor was impressed by his willingness to learn. He was pleased that Judge Bullock was present and stated that last year there was only one citizen present. There is interest in the community and he did not perceive any hostility but only questions and answers and a willingness to work together. He thanked those present for their involvement and looked forward to tackling the issues and challenges together.

4) **DISCUSSION ON MAJOR ITEMS THE PUBLIC WANTS THE CITY TO PURSUE IN 2015.**

a) **Public Safety Building.**

Mayor Daniels reported that the above item was continued from last year. The main question was what the City should do about public safety. He asked Administrator Darrington to present a recap. Administrator Darrington reported that at the 2013 Planning Retreat the main discussions pertained to roads and the Public Safety Building. At the time, the City Council wanted to pursue the Public Safety Building as the top priority with the understanding that the funding was in question. They also changed the franchise fee and increased it from 5% to 6%, which would generate an additional \$200,000 a year. The City also said at that time that they would apply the funds to roads. That amount of money will not solve all of the City's road problems but it was a step in the right direction.

The discussion at the time was to pursue a bond to build the Public Safety Building. In order to make the bond payments it was determined that the City would pursue a property tax increase. An Architect was hired to prepare rough space estimates and determine the cost of the building. The City paid for a certain level of information and it was determined that it would require a \$19 million bond. The City held an open house to obtain public input on the issue and 34 citizens were in attendance. At that time the City decided to go through the Truth in Taxation process.

The public hearing was held in August with around 450 people present. The meeting lasted nearly six hours with 90 people speaking. The City Council determined they should pursue a General Obligation bond which allowed the residents to vote on the issue. The GO bond was put on the November ballot. The City held a number of meetings to educate the public on the need for a new building and discussing the plans. The vote was held and roughly 70% of the City voted no with 30% voting yes.

At the 2014 Planning Retreat the new City Council also discussed whether they should continue to pursue the Public Safety Building. The elected officials determined that they should but recommended the process be modified and include more community involvement. They also decided to pursue a general obligation bond so the City could vote again. The City hired a consulting firm with experience with these types of buildings. A steering committee was created made up of staff, a Blue Ribbon Committee with the involvement of citizens, and a citizen committee consisting of roughly 30 people actively engaged in the issue. They also divided the City into small sections and provided additional informational and conducted educational meetings.

The cost of the building would be paid with reserve funds, the sale of property, and the \$12.7 million bond. The matter was on the ballot in 2014 and defeated with 53% voting no and 47% voting yes. Since then staff and the elected officials have discussed the topic very little. Mayor Daniels reported that the engineering firm that conducted the original seismic study on the current fire station in 1999 provided updated reports on the old Rec Center, the Fire Station, and the Beck home to determine the cost to perform a structural analysis and bring the facilities up to Code.

Administrator Darrington indicated that Dave Alter from Ensign Engineering conducted the original study. He was still employed by Ensign and was able to conduct the updated study as well. Mr. Alter's goal was to determine what needed to be done to bring the building to Code and make it seismically safe. Mr. Alter was asked to specify how much it would cost to study each building. After studying the issue they will submit cost estimates for each facility. At the conclusion of the initial walk through, the cost was determined to be \$8,900 for the Fire Station, \$6,500 for the Rec Center, and \$4,200 for the Beck Home. The City should determine if they want to pay just under \$20,000 to learn how to fix the three buildings. The usefulness of the information was pertinent if they plan to use the current facilities rather than construct a new facility. Mayor Daniels clarified that the numbers the engineering firm comes up with for each building will only bring them up to Code and would not include renovations or alterations.

Administrator Darrington explained that once the seismic study and analysis are done, the engineering firm has architects who can help determine the cost of repurposing each facility. At that point the City would need to engage an architect. Mr. Atler stated that typically when a City goes to the effort of bringing an old building up to Code and completely guts the inside and repurposes it, they generally do it to preserve the historic nature of the building. It is typically more cost effective to build a new facility than renovate an old one on a large scale.

Council Member Meacham asked if any of the three buildings are on the State Historical Record. Administrator Darrington explained that the Old Rec Center and the Beck Home both are. Council Member Meacham expressed concern about the City currently using buildings the engineer has indicated are unsafe. Administrator Darrington clarified that no official study was done, but in Mr. Atler's experience as a structural engineer, he felt there was work to be done on all three facilities. Administrator Darrington stated that regardless of what the City decides to do with the Public Safety Building, it needs to be studied. If the results show that the buildings are not safe, the City will need to retrofit the facilities to make them safe. The Old Rec Center in particular needs to be addressed.

Mayor Daniels stated that either the Council or a team of private citizens and members of the Council and staff will need to discuss the options. The City has existing facilities so the options and costs need to be discussed in depth. The process would involve starting over. Administrator

Darrington commented that they may feel that the Old Rec Center is not safe and should be torn down. Some citizens feel it is important to keep the building due to its historical significance. For that reason a structural engineer should verify that the building is unsafe or determine that it is not as bad as thought. The findings of the study will significantly change the direction of the discussions going forward.

Mayor Daniels clarified that a determination needs to be made as to the safety of the building and the cost to make it safe. A second question would be to determine the cost to change the use of the building, which would require a broader discussion. Administrator Darrington did not know the cost of the original study but stated that the cost to retrofit the Fire Station was roughly \$300,000 in 2000. Mayor Daniels commented that the Council has the option of deciding to pay for the study to determine the cost to only bring the buildings up to Code. If, however, they want to upgrade the study to also determine the cost of remodeling the buildings they will need to create a group to look comprehensively at the needs and potential uses of the buildings. The various departments such as Police or Courts need to determine existing deficiencies and what would be required to correct them.

Mayor Daniels thought it was clear at the end of the process in 2014 that all of the options had not been explored. Completing the proposed study would at least give the City and public something to compare the cost of new facilities to. The City obtained bids for new facilities and as a result, this seemed like something the City should explore. It could allow the public to make a more educated decision.

Administrator Darrington stated that in 2013 they looked into how much it would cost to remodel. VCBO gave a range of \$6 million to \$14 million and indicated that it would be difficult to estimate the cost of remodeling unless they perform an actual study, such as the one the City is currently discussing. They also asked MOCA the same question but were not given an estimate because they also said a study would be necessary to provide a fair number. Each year the issue has been brought up but the City never put the money into an actual study.

Council Member Meacham asked the Mayor what deficiencies he had asked the departments to provide. He felt that was a difficult question to quantify. Mayor Daniels asked Chief Thomas to look for national codes that exist for quarters in fire safety. He noted that the Fire Department was using port-a-potties last week because the sewer line was being worked on and there is only one bathroom in the Fire House. Council Member Meacham stated that the buildings that exist do not have space for Fire House quarters. He asked how they will quantify those needs.

Mayor Daniels commented that this is just a concept to get things moving and can be changed. He asked what they would do if it was determined that one of the buildings already in existence could be rehabilitated for a reasonable cost. He suggested that certain departments be moved to different buildings to rehabilitate more buildings and allow them to meet all of the needs. It was noted that the public has expressed an interest in exploring this option. Council Member Andersen reported that she recently toured the Old Seminary Building, which is 3,500 square feet in size. She stated that it may be a building worth considering for a department. She indicated that it may need to be included in the engineers' analysis.

Chief Thomas commented that the Old Rec Center and some other buildings were built in the late 1800s. It has been modified to the point that the building barely resembles the original one. That

being the case, he questioned whether it is truly historically important and whether the cost to keep the building was worthwhile. He felt that completing the study was a good idea.

Mayor Daniels commented that a claim was made over the last few years that the existing City facilities not being used could be updated at a reasonable cost. The proposed study would help determine if that was possible. The question before the Council was how strongly they feel about starting over and reengaging in analysis for public safety and to what degree are they willing to open the issue up. Council Member Stanley remarked that they have a great foundation and the only reason they should not perform the study is if they know for certain that there are buildings that will have to come down. He saw no point to looking into rehab since new construction will be less expensive. If that is not the case it seemed like a necessary step. He wanted to reach a solution and continue to pursue the public safety need.

Council Member Boyd stated that to satisfy the Council and the public, they have to conduct the study and continue moving forward. Council Member Meacham agreed that the study should be performed and hoped to discuss the process further. He felt there were areas they can improve on.

In response to a question raised by Council Member Andersen, Administrator Darrington stated that the \$20,000 would come out of the Capital Budget. Council Member Andersen felt that more information was always better. Council Member Meacham agreed that more information is always beneficial, but that it comes with cost. Council Member Andersen recommended they not move forward until they have specific information about the buildings and their level of safety. Council Member LeMone felt they should look into these options but did not think it should go on the ballot this year. She suggested they spend the year conducting research and determining how to resolve the issues.

Mayor Daniels asked if the three department heads were open to the concept of identifying and prioritizing the major areas of concern and estimating what might be involved in resolving those issues. Chief Thomas did not have the expertise to analyze everything that is needed and put a cost to them, however, he was open to working on a prioritized list. He agreed that they should spend this year preparing for next year with the thought of putting it on the 2016 ballot.

Chief Smith felt that for the last few years they have done a great job of identifying the needs and problems in the department. He stated that he is not qualified to put a price to fixes that were needed but was willing to go through the process and work with professionals. Mayor Daniels felt that the Chiefs had likely already done the majority of the groundwork but could perhaps prioritize the needs of each of their departments. Chief Smith agreed that there was no reason to rush the process and recommended they do the necessary legwork before putting the item on the ballot again.

Mayor Daniels stated that there are citizens who are very knowledgeable and credible and believe the buildings can be retrofitted for a reasonable price. He felt they owed it to the community to do their due diligence and research. One department that would possibly be displaced by the changes was Community Development. Director Young stated that there would be no issues with moving his department.

Council Member Meacham asked for a summary of what occurred last year after hiring MOCA. Administrator Darrington responded that they hired them in March and held the first public meeting

in April. Public meetings were conducted from May through early August. Council Member Meacham stated that the findings from the study would help determine the urgency of moving forward with the buildings if they are unsafe. Mayor Daniels stated that it will take time to go through the required process and determine if funds will be made available. Council Member LeMone suggested putting out a survey to see why people voted against the building. She felt that would help them know how they can improve as a City. She and the Mayor were interested to know why people voted against it.

Attorney Petersen asked if the Police and Fire Departments will prioritize the already existing list of issues and deficiencies or if they are being asked to calculate for future growth. Judge Bullock stated that he did not consider future needs in his analysis. Mayor Daniels thought it made sense to include what would be required for build out.

Assistant Larson commented that in the programming discussed last year, a great deal of the planning was for current needs with very little discussion about build out. Mayor Daniels explained that they are not starting from scratch but determining whether the needs will be met with existing facilities. He noted that the architect will need to determine how long the buildings will last if they are retrofitted. The estimated life of a new building was 50 years.

Mayor Daniels remarked that everyone seemed to be in favor of continuing to push toward the estimate to rehabilitate the existing buildings and move things around to make the existing buildings work. They also seemed to support changing the makeup of the teams that look into the project to include those with different ideas about what can and cannot be accomplished from an engineering or architectural standpoint.

Council Member LeMone felt there should be a balance of both elected officials and members of the public. Administrator Darrington said there would be one committee to start with and stressed that it is paramount to engage the public, especially those with knowledge of the topic. He felt that if they cannot get the group to agree it is not likely they will be able to get a bond to pass.

Mayor Daniels reiterated that he was not dictating a course of action to reach an end result. He was simply trying to determine what the openness of staff and the Council is currently to broaden their thinking and possibilities to include non-elected people in the process. Generally speaking it seemed that people were comfortable with the concept of making adjustments to make the existing facilities workable.

Council Member Boyd asked if they would need to bring in all new people for the committee. Mayor Daniels asked the Council to share their thoughts. Council Member Stanley thought it was a good idea to start fresh with new ideas, thoughts, and knowledge. Director Giles felt that the needs of the departments need to be addressed first. There were challenges in previous years where people who were not professionals who felt they had answers to topics they may not have been qualified to have. Mayor Daniels anticipated that whatever group is formed, a level of decorum and respect will be established to focus on solving the problems that exist.

Attorney Petersen recommended the committee include established members such as both Chiefs. It may also be beneficial to involve new community members. Judge Bullock commented that there will always be people who are unhappy and do not trust government. He thought it was imperative for the elected officials be careful not to let the citizens dictate the decisions made by the elected

officials. It was worthwhile to get input from citizens, but ultimately there are tough decisions that need to be made. For that reason there are elections. It is their responsibility to address the current needs of the City and the needs of future generations.

Assistant Larson remarked that there is value to bringing in additional insight that may have not existed before. He felt that over two years they have found people who really care and have an interest in the issue. It may be difficult to thank them and send them on their way. There has to be some kind of recognition for those who have put in a lot of time and energy. There have already been many opportunities for people to come forward and express interest in participating. Council Member Andersen wanted to have as much public input as possible but felt that the elected officials ultimately have to make the decision. She suggested that every Council Meeting include updates and asked that staff include regular updates on the City's website as well.

Council Member Stanley thought it may be possible after completion of the studies to determine that the cost to keep the existing buildings, make them safe, and remodel them to meet current and future needs would vindicate what many staff members felt was the case from the beginning. He stated that it could be more cost effective to build new buildings. He expected the public to be happy to see that the City completed an important piece of research that was not conducted previously. He considered this to be the right solution. They should perform the same level of research to repurpose facilities as to looking into new construction. Once the process is complete he felt they would have the vast majority of public support. Council Member Boyd stressed the importance of staff staying involved in the committee. She thought it would also be useful to look for citizens who have not been involved before.

Chief Smith commented that from the beginning he and Chief Sanderson were asked to conduct a needs analysis, which they did. They discussed in detail the needs of the department with insight into what they would need in the future. From that point professionals helped fill in the gaps and put a cost to all of the needs. Council Member Boyd suggested waiting to form the committee until results from the study come back. Council Member LeMone agreed. Administrator Darrington stated that the first step was to fund the study. The second was to analyze the results and determine how to proceed. That may be the appropriate time to form the committee. Mayor Daniels added that they need to know exactly what space the City has available and how it can be used. Everyone needs to be sure to have an open mind about the formation of a decision-making body.

Council Member Andersen asked that all information flow freely. She thought it was imperative that the Council know exactly what is going on at all times. Mayor Daniels agreed and liked the idea of providing updates at each City Council Meeting. He also thought it would be important to have people serve on the committee with starkly different opinions. Director Young remarked that it might be worth considering that in 2016 there will be presidential elections that will bring a much larger voting turnout than other years, which may result in a larger voting sample.

Mayor Daniels opened the meeting to public comment.

Mark Ryan recommended the City move forward with the buildings. He felt that in one large building there would be too much going on and it made more sense for each department to have their own. He commented that three or four years earlier BYU wanted to take on the project of the Rec Center and let the City know what needed to be done to make it structurally sound at no charge. He felt there should be more than one engineering firm involved. A firm that specializes in

historical building renovation should be hired to take on the updating of the Rec Center. He felt that because it is historical it should be saved.

Jennifer Baptista commented that she went through the entire process and was in favor of the bond. She later changed her mind and was opposed to it. She wanted the process to work but it did not. She changed her mind and felt that many other citizens did as well because questions were not getting answered because the data was just not there. The missing piece of the puzzle was what it would cost to retrofit the existing buildings and what would be involved in that process. She felt the citizens should know this important piece of information. She noted that the committees were created and meetings held. The residents began to feel that the elected officials were being controlling, micro managing the process, and had an agenda. There were no recordings of the committee meetings so there was no way for citizens to know what was going on. There was a lack of trust on the part of the residents toward the elected officials.

Council Member LeMone commented that the first year the residents were frustrated that there were no committees. As a result, the Council created citizen committees. She expressed confusion about Ms. Baptista being upset with both situations. Ms. Baptista stated that there were no minutes or information being shared from those meetings. She did not think that creating a closed committee was a good idea and thought all committee meetings should be open to the public.

Steve Swazy thought everyone was more worried about the process than the end result. The bottom line was that a group of people felt the City was not listening to them. They may be misinformed but people on both sides of the issue were not being listened to. He felt that until they find a way to create trust, the process will not move forward. He thought everyone could agree that something needs to be done with the facilities. The issue was finding the right process to accomplish that.

Amy Lindstrom was surprised by how different people feel about the same issue. She sat in on many meetings and thought the City handled it very well. After the citizens asked to be more involved, the City responded by creating committees and neighborhood meetings. The neighborhood meetings were open to the public and the engineers and staff were present and answered the questions raised. Ms. Lindstrom felt that the City had been extremely open and it was difficult to please so many people with such strong opinions. There had been a lot of misinformation put out by the opposition, which was very frustrating. The buildings were still necessary and there were a lot of variables. She was concerned about remodeling at a huge expense if the end result will not meet the City's long-term needs.

Molly Andrews commented that the needs of the Police Department need to be met. They put a great deal on the line for the City and its residents and deserve to be taken care of. She felt the committee should be selected by the entire Council. She was concerned about the idea of spending \$6 million to extend the life of a building by 15 years. She instead suggested they look into the future with a building that can last 50 years.

Lisa Liddiard remarked that few people vote, attend meetings, and get involved. She felt it was not a matter of people not being heard because the majority who actually voted were not at the meetings and just listened to the talk around the town. They simply do not want their taxes raised. She felt that vetting the less costly options was a good idea but did not object to a new building. She asked if there was a way to fund the project without taxing the residents. If it was not necessary to raise taxes the vote would pass.

Mike Petersen identified himself as a business owner and stated that when his employees come to him with a need it is not his job how to figure out how to do without that need. It is instead his responsibility to get them what they need. He felt it was imperative to figure out how to meet the needs of the departments. The residents may have opinions but they do not understand the intricacies of the various departments. The difficulty was when people only focus on the numbers and don't understand the intangible values such as having the Police and Fire Departments in the same building. Those intangible things have to be calculated. Function is the most important even if it costs more.

Jolee Huggard commented that there was a trust issue, particularly in the area of spending. She suggested finding another way to pay for the facilities.

Mr. Petersen commented that for liability's sake the City needs to perform the evaluation. They also need to determine if the buildings are structurally sound. Regardless of what is decided about public safety, the City needs to complete the research on the other buildings. He felt there should be a committee with resident involvement.

Mayor Daniels thought the budget discussion regarding how government funds are created, collected, dispersed, used, managed, and evaluated was excellent. The last discussion regarding the Public Safety Facility was also excellent. It pointed out that the healing process is not complete. He had seen a lot of pent up feelings and opinions that had not been expressed before today. He thought it was important for those feelings to be vocalized. Those present were not as volatile as at the initial public hearing, which was encouraging. It seemed that the Council, staff, and citizens all agreed that the City needs to address the problems and not repeat the issues from last year. It was understood that no one wants to divide the City.

Mayor Daniels reported that the Constitution of the United States was formed in a very similar manner. There were arguments, disagreements, differences of opinion, and negotiation but ultimately the desire to achieve independence and a resolution overcame those differences of opinion and there was compromise. Far too often people are unwilling to compromise. If the City and its residents cannot come together and discuss their differences and compromise, they will get nowhere.

Mayor Daniels thought they were on the right path but stated that there still needs to be some venting and healing. He agreed that the people who should be in the room having the discussion are the ones who are the most knowledgeable and passionate because they who will go into the community and influence the 6,000 people who will vote and make the decision. Hopefully together all 6,000 can get on one side.

Mayor Daniels reported that those present agreed that they should collect as much data as possible, analyze and prioritize the needs, and meet as a designated group with public involvement and come up with options. That same group can make a presentation to the Council and describe what they agreed on and why. Mayor Daniels did not know what the outcome should be and stated that it is up to the people to decide. He believed, however, that they can come to a consensus if they follow the process, are willing to compromise, and work together. He considered it vital for the City's Public Safety personnel and Judge to be part of the discussion because they know what the needs

are. It was also critical that the elected officials be part of the group as well as core groups that are for and against the issue.

b) Roads.

Mayor Daniels stated that roads would be addressed at the Saturday meeting.

5) ADJOURN

ACTION: At 4:40 p.m., Council Member LeMone moved to adjourn. Council Member Meacham seconded the motion. The motion passed with the unanimous consent of the Council.

**Pleasant Grove City Council Meeting Minutes
City Budget and Planning Retreat
Friday, January 23, 2015 and Saturday, January 24, 2015**

PRESENT:

Mayor:

Michael W. Daniels

Council Members:

Dianna Andersen
Cindy Boyd
Cyd LeMone
Jay Meacham
Ben Stanley

Staff Present:

Scott Darrington, City Administrator
Dean Lundell, Finance Director
Tina Petersen, City Attorney
Degen Lewis, City Engineer
David Larson, Assistant to the City Administrator
Deon Giles, Parks and Recreation Director
Mike Smith, Police Chief
Dave Thomas, Fire Chief
Ken Young, Community Development Director
Lynn Walker, Public Works Director
Sheri Britsch, Library and Arts Director
Kathy Kresser, City Recorder
John Goodman, Streets Superintendent

The City Council and staff met at the Fox Hollow Golf Course 1400 North 200 East, American Fork, Utah.

1) CALL TO ORDER

Mayor Daniels called the meeting to order at 9:10 a.m. Council Members Andersen, Boyd, LeMone, Meacham, and Stanley were present.

ACTION: Council Member Andersen moved to approve the agenda. Council Member Stanley seconded the motion. The motion carried with the unanimous consent of the Council.

AGENDA FOR SATURDAY, JANUARY 24, 2015

9:00 a.m.

Miscellaneous Issues

- a. Pipe Plant Property- Public Works;
- b. Accessory Apartments- Timeline;
- c. Contract with County for elections;
- d. Going Paperless;
- e. Engineering Services;
- f. Administration shuffle;
- g. 4000 North Sewer Line;
- h. Council Assignments to Departments; and
- i. Water Rates.
 1. Commercial and Residential the same.
 2. Lowering the base rate.

12:00 p.m.

Lunch

12:30 p.m.

Roads Presentation and Discussion (Marty Beaumont, JUB Engineering)

4:00 p.m.

Adjourn

2) MISCELLANEOUS ISSUES

a) **Pipe Plant Property – Public Works.**

City Administrator, Scott Darrington, reported that there was a long list of miscellaneous items to cover. If they get hung up on an item they may have to continue the discussion to a later time. The first topic was the Pipe Plant Property. It was noted that the City purchased the property 1 ½ years ago. At that time a group mapped a plan for the 40 acres with input from the department heads. The main use was storm drainage. The first step was to determine where on the property was the most appropriate for that. The second step was to determine the Cemetery needs and whether the property could help with those needs. The third step was to determine how to use the remaining and unaccounted for 10 acres. Several scenarios were explored and presented to the City Council. Among the proposed scenarios was the idea of expanding the cemetery to 20 acres, expand the area to include more sports fields, or move Public Works to the property in the future.

Administrator Darrington stated that there have been discussions but no final decision was made. There was some concern raised by the Council at the time regarding moving Public Works to the property. Since then, the City had the opportunity to potentially purchase property adjacent to the current Public Works Facility, which is located by Rocky Mountain Recycling. Initially the City was considering purchasing five acres, however, after Public Works conducted an analysis of how much space they needed, the figure was determined to be closer to 10 acres. Currently they have around three acres as well as three properties owned by the City where equipment and materials are stored. The City engaged with Rocky Mountain Recycling to purchase the five acres. Before a

final number was reached, Roads Superintendent, John Goodman, requested moving Public Works back to the Pipe Plant Property. There was a committee of Council Members and staff that met to discuss the pros and cons of the proposed move. The committee established basic numbers as well.

The current proposal was for the Council to consider moving Public Works to the Pipe Plant Property and give them the remaining 10 acres. They would proceed to build a new facility and sell the current three acres. This would likely take place over the next five to eight years. The intent was to find a way to build the facility at no cost to the City or public. Public Works is divided into five funding sources identified as culinary water, secondary water, sewer, storm drain, and streets. Whatever decision is made, the cost would be broken into five sections. Four sections are Enterprise Funds and Streets are in General Funds. They have the ability in the Enterprise Funds to set money aside to the extent that in five years they should have enough cash to complete the project. The Public Works Facility will be much less costly to develop than the Public Safety Building.

City Engineer, Degen Lewis, reported that the Public Works Facility can be completed in phases and expanded as funds become available. Part of the reason a decision needs to be made fairly soon is that the City has a decant facility that, according to storm drain federal regulations, should have already been up and running. They have not built the facility because they do not want to build it on one site and then build it again at a later time. If it is agreed that the future of Public Works will be at the Pipe Plant. It was expected to be built this summer since it is already funded.

Administrator Darrington stated that they need feedback from the elected officials regarding whether to proceed with the planning for the relocation of Public Works. Mayor Daniels asked about the pros and cons. Administrator Darrington reminded the group that it would still include Parks and the Cemetery. It is centrally located for the cemetery and will double the Parks Department and Cemetery. The pros include the central location and the convenience of having everything in one place. If they remain at the current site the City will have to address how to update or build a new facility.

The City can still pursue the Rocky Mountain Recycling property, but the department heads may feel there is not enough space on that particular property. They expressed a desire to have everything consolidated into one space rather than spread all over the City. Administrator Darrington reported that if the City buys the Rocky Mountain Recycling property and they are not willing to let them buy it over time, the City will have to come up with the cash up front. That could require them to borrow money. With the Pipe Plant Property they have time to save and pay cash.

Council Member Andersen asked if the City could sell the existing building. Administrator Darrington responded that they could sell the current facility and the property and put the money toward the cost of moving to the Pipe Plant. Mayor Daniels asked about the EPA and the requirements pertaining to certain types of equipment that have to be under a shelter. Public Works Director, Lynn Walker, stated that all equipment has to be under a shelter. It is specified in the Storm Drain Permit, which is becoming more difficult to obtain. The equipment has to be covered including the decant facility, which should have been completed two years ago. Superintendent Goodman stated that not only equipment has to be covered but anything that can erode and run off into the ground. Vehicles also have to be covered. There will likely be an inspection of the City within the next few years.

Mayor Daniels asked how much of the 10 acres is required to be under a roof. It was noted that there will be awnings to cover much of the equipment rather than one large facility. There will be one building with several outdoor storage areas. There will likely be two acres covered, but there are already some facilities on the site that can be used. Administrator Darrington commented that they have not gotten that far in the analysis to know exactly how much space will be covered.

Mayor Daniels stated that there are other potential uses for the site. There has been talk of consolidating other parcels that currently have equipment on them. He asked what would be coming to the new location. Director Walker stated that things like pipe, tools, gravel, and other equipment would be there. Council Member Andersen said there has been analysis on how much space is currently being used, which is approximately 12 acres. If they can consolidate that down they would reduce the amount of wasted space. The analysis only took Public Works space into account and not parks. If they move to the Pipe Plant Property Public Works, the cemetery, and parks will all be on the 10 acres.

The section of the property discussed was described as the south east corner near the RMP substation. Mayor Daniels asked what the City will do with the remainder of parcels once everything has been consolidated into one location. Superintendent Goodman stated that the 220 South location will become a detention basin. There is a parcel near Murdock and Grove Creek Drive that houses a number of pipes from the pipe project. There will be a road through that location. The property near the Senior Center has a number of pipes. Mayor Daniels commented that it sounds like some of the property will be turned into new facilities for other use. He asked what would be done with the rest of the properties that are not currently designated for a new use. Superintendent Goodman said there is a large quantity of dirt currently being stored in the Kiwanis parking lot that will be transported to one of those locations. Everything is or will be designated for some sort of future use.

Mayor Daniels commented that this is not a small decision. There could be other uses besides Public Works that could fit there. Without a complete understanding of the monies involved, they cannot know what will happen to other properties and detention basins and other uses, which makes it difficult to make a decision. He requested more information to help make a decision based on facts. Administrator Darrington commented that they have price estimates, but calculating a specific cost for a new facility would require them to hire an architect. They can create a ball park estimate of construction. Mayor Daniels asked that staff provide justification for moving Public Works to that location and determine whether funds can be freed up. Administrator Darrington responded that they have roughly 75% and will work on creating a more complete list.

Council Member LeMone wanted to see the Master Plan for the area as well as an estimate of what they would get if the Public Works property was sold today. She also requested that more details be provided. She felt it was important to make a final decision with Rocky Mountain Recycling soon.

Administrator Darrington stated that once the analysis is presented the Council will be able to decide how to proceed. Rocky Mountain Recycling has stated that they do not plan to sell the property to anyone else. If someone wants to lease it they will pursue that option, however. They were comfortable with the City waiting five years to make a decision.

Council Member Meacham stated that the DWPQ or EPA mandates that putting vehicles under storage is in the distant future because of the financial burden it places on citizens. Any city that

has been audited has been written up but no one has been fined as long as they are working toward it in their annual report. The decant is a solution but not a means to the end. The EPA is not requiring a decant but are requiring materials be properly disposed of. He did not want to rush into a decant or replace facilities that they are not sure about. When the City takes hazardous materials collected from sweepers or vac trucks or other materials that have been contaminated they must dispose of them properly. A decant is where the hazardous materials are disposed of. There are ways to address the proper disposal in the interim until the decant is built. Council Member Meacham did not see the need for a decant as a reason to rush an important decision.

Engineer Lewis added that it costs \$1,000 to dispose of materials from the sweeper truck at the landfill. They will soon find out how the EPA conducts audits. Saint George City had a contractor who was not following the rules and was reported to the EPA. As a result, Saint George was audited by the EPA and not the State.

Director Walker explained that the State has warned the City of a similar type of audit. If they do not get their needs in line and at least work toward completion they could have a problem. Council Member Andersen was initially excited about the Rocky Mountain property but after looking at the numbers, it seemed it involve too much out-of-pocket. The Pipe Plant Property made the most sense because the property is already purchased, has the necessary acreage, and is in a central location. With the sale of the current building they should be able to make progress on the property and develop it over time. She was not aware of a con for the Pipe Plant Property.

Council Member Boyd felt there was not enough information available to make a decision. The Council should know what the costs will be and what needs to be done. There was no question that something needs to be done but the unanswered questions need to be addressed. Council Member Stanley agreed and stated that the outstanding questions need to be answered. An analysis was also needed in addition to information regarding the possible sale of property. He stated previously that there had been some discussion that the noise from Public Works might not be compatible with the cemetery being in such close proximity. It may not be an issue but was worth considering. He hoped to make a decision sooner rather than later. Administrator Darrington stated that the majority of the analysis has already been completed and needs to be updated and compiled for the Council. Information should be made available to the Council within the next few weeks.

Mayor Daniels identified two parts of the issue. The first was the rationale for consolidating the Public Works property and building facilities on the 10-acre property. Second, they need to address what is wrong with what they have and how they can free up funds to develop the new facility to remain tax neutral. Administrator Darrington did not think that in the end it will be tax neutral. Mayor Daniels wanted to see a spreadsheet describing every option and the cost of each. Once that information is gathered, a decision can be made. Director Giles requested that he be part of the information gathering committee.

b) Accessory Apartments – Timeline.

Administrator Darrington reported that a neighborhood committee had been established and a few others had met to discuss the issue. A survey was sent out online and the results gathered. The intent was to have the committee present their findings to the Planning Commission, hold a public hearing, and bring a model ordinance to the City Council. After some discussion there were those who felt that the public hearings needed to be held first in order to get input before the model

ordinance is drafted. Feedback was requested from the Council regarding the preferred order. The model ordinance could be crafted now with the information available unless the Council preferred to conduct the public hearing first.

Council Member LeMone remarked that this has been a controversial topic. She wanted to be sure they move through the process properly. Community Development Director, Ken Young, stated that some neighborhood committee members did not want to be a part of the effort. Some appointments to the Accessory Apartment Committee were based on suggestions from committee members. He did not have the list of members in his possession. Council Member LeMone asked what the committee was charged with. Director Young stated that City Planner, Royce Davies, was the most involved in the meetings. They spoke generally about the issue, which led them to create the survey. They also discussed the ordinance prepared three years ago, made suggestions and changes, and conducted research on ordinances from various cities. Other cities' regulations range from no accessory apartments at all to accessory apartments without regulations.

City Attorney, Tina Petersen, stated that it seemed that the committee created an ordinance on a very controversial issue that was scheduled to be brought before the Planning Commission and City Council without involving the City Attorney. She had since received the draft but was concerned with citizens drafting a major ordinance for the City without legal counsel.

Council Member LeMone had similar concerns and thought the next step should be a public hearing. It was thought that feedback from the public hearing may encourage changes to the ordinance before it is presented to the Planning Commission. Based on the survey results, they recognize there is a desire in the community for accessory apartments. The matter should be fully vetted before bringing the matter to the Planning Commission and City Council. The residents will want to know who served on the committee and be provided with a summary of what was discussed.

Mayor Daniels asked if the public hearing would be held at the City Council or Planning Commission level. Administrator Darrington commented that it could also be in the format of an open house rather than an actual public hearing. Council Member LeMone thought it needed to be an official public hearing at a City Council Meeting. She was comfortable presenting to the public what the committee had come up with thus far and sharing the model ordinance.

Director Young stated that this has been an issue in the City for more than 10 years. There has been a lot of history, ordinance crafting, and research done. The currently crafted ordinance has some differences, but overall it is similar to the ordinance created five years ago. He suggested holding a public hearing but not specify that they have a model ordinance. They should instead discuss the issues and topics contained in the ordinance.

Council Member LeMone felt it was important to share some history with the community so that they understand where the City is coming from and how long they have been working on the issue. It was noted that the survey showed that 77% of citizens want accessory apartments. Council Member LeMone felt that the majority of the 77% are likely not aware of what is required to make a legal apartment and the financial burden involved. Once the knowledge is shared she suspected that number to decrease dramatically.

Director Young stated that there are several regulatory concerns that will require the involvement of a staff member in terms of enforcement and permitting. Council Member LeMone asked who created the definition of a legal apartment. Director Young responded that the City is in the process of creating the definition. Council Member LeMone felt they needed to present what other cities require. She did not understand the legal requirements. Director Young stated that the ordinance answers those questions. Without any kind of an ordinance to present to the community they will have an unguided discussion. Council Member LeMone felt strongly that the public should be heavily involved in determining the regulations imposed.

Director Young stated that they completed a survey but did not distribute anything with utility bills and did not ensure that every resident was aware of the survey. They announced it in the newsletter and it was on the website but was strictly in an online format. Administrator Darrington commented that it was not a scientific mandate and was simply an invitation for people who were interested participating. It was difficult to articulate specific issues and ramifications.

Mayor Daniels thought it was reasonable to not know what percentage of the City's 35,000 residents support accessory apartments. As in previous years, discussions on this topic have been heated. If it is messaged improperly and moved directly to an ordinance, at the public hearing they stand a chance of experiencing the same thing they did with the Public Safety Building. It was a difficult plight for staff but the information must also be gathered by citizens. He recognized the amount of work done by staff but felt it was important to engage the citizens on a deeper level. Administrator Darrington stated that staff did not yet know the will of the public. They could conduct a scientific survey and hire a company to ensure that a full sample is taken. The next step would be to conduct a public hearing.

Council Member LeMone thought it was important to send the survey out with the newsletter. At the very least it will inform citizens that the issue is being discussed. Administrator Darrington stated that if they plan to present survey results, if they are not scientifically significant there will be problems. Director Young agreed and stated that when the General Plan Survey was completed a few years ago 1,100 responses were received. If surveying everyone is important, a scientific survey must be conducted.

Council Member Boyd felt it was difficult to send out the survey without educating the public about what an accessory apartment is and the associated regulations and requirements. Council Member Stanley agreed with Director Young and his experience. He felt the public hearing should be discussed by topic rather than reviewing a model ordinance. Issues can be discussed that staff has identified and that would allow them to educate the public and work together.

Council Member Andersen reported that she completed the survey but did not feel she had had a chance as a member of the community to share how she feels about the issue. Administrator Darrington asked if it should come before the Council before going to the public. Council Member LeMone had little knowledge of the subject and thought it would be impossible for her to educate the public.

Police Chief, Mike Smith, stated that the fact that the City currently has an ordinance banning accessory apartments while there are numerous violations means that something must be done. The fact that there are apartments in use is an indication that the residents want to be allowed to have them. He agreed that the Council should be educated, but his priority was the health and safety of

citizens. Director Young stated that sometimes the Council and staff put all of the weight on what the public wants. Council Member LeMone felt that a balance could be achieved. She requested a summary of what has occurred over the last 10 years before getting input from the public and making a final decision.

Chief Smith commented that it is typical to only get responses from people who are passionate about an issue. Many will not be affected until an accessory apartment goes in next door to them. He doubted they would get a complete sampling from the public until it becomes an issue for more people.

Director Young reported that the City will have to hire a firm to conduct a scientific study. Administrator Darrington commented that the first step may be to revisit the issue at a City Council Meeting and review the research conducted over the past 15 years. They can then determine how to proceed. There are issues such as off-street parking that need to be revisited. The Council does not necessarily need to draw conclusions but needs to understand the issues that need to be resolved. If the City wants to use the survey as a tool to show the public that this is what the public wants, it must be scientific. If it is just for the use of the Council and staff to get a feel for what the public wants, they can include another survey in the newsletter. Chief Smith reiterated that the public may express a certain desire but as the City's policymakers they have the responsibility of sometimes going against what the public wants to preserve the health and safety of citizens. Mayor Daniels asked for input from the citizens present.

Molly Andrews was not familiar with the specifics of the ordinance but if she was surveyed, despite her involvement in the community, she would provide an uninformed response. She felt the public should be educated before any useful information could be gained.

Council Member Andersen commented that there is likely a large number of citizens who do not even know what an accessory apartment is. Attorney Petersen stated that if the City approves accessory apartments across the board they have to be equipped to say that instead of a single-family neighborhood they are now a double-family neighborhood. While there are illegal accessory apartments, many do not understand what they are. Having your mother-in-law or your children living in your basement does not constitute an accessory apartment. Having a separate family not related to you living in your basement is an accessory apartment.

Director Young remarked that if they expect to now be able to educate the public and survey them based on the notion that they are now educated, the Council and staff are fooling themselves. Only those who are passionate about the subject will take the time to get educated. Mayor Daniels asked what the motivation was behind the regulations. Attorney Petersen stated that health, safety, and welfare are the main concerns. There is also the potential for fire dangers, parking issues, and excessive noise. There are currently people living in basements with only a cook stove and no ventilation. If the City allows unregulated accessory apartments they have no idea what kind of unsafe conditions people will allow to occur.

Mayor Daniels suggested the Council remove relationships from the equation and look only at the list of issues. He asked if moving all of his children and their families into his basement would create an accessory apartment. The difference is the familial relationship. Attorney Petersen stated that they can craft the definition in the ordinance to make no distinction between related and

unrelated persons. Currently the land use definitions have no limit on the number of related people who can live in a residence.

Mayor Daniels felt that the elected officials who will ultimately make the decision do not fully understand the issues and the impact it can have on the Police, Fire, Streets, or Building Departments. There are many issues that have nothing to do with who is actually living in the apartment. He recommended the Council and staff have an in-depth discussion. Engineer Lewis commented that last time the matter was discussed the Council decided they did not want accessory apartments. Later on there was a request from residents to allow them. The current City Council had not had the opportunity to discuss the situation and determine whether to regulate them or not. He noted that there is also a cost involved in regulating accessory apartments.

Mayor Daniels indicated that as a result of numerous discussions over many years, he was not convinced that the arguments for or against are accurate. Neighborhoods who do not want accessory apartments because they question the caliber of people occupying them and the resulting impacts are often the same areas with numerous children still living at home and an overabundance of cars in the driveway. He felt they should use a different level of analysis and determine whether accessory apartments should be regulated and if so, the level of regulation.

Council Member Stanley stated that on a philosophical level they are regulating it but are not enforcing it. His desire was to eliminate unnecessary regulation but still have regulation on some level. Presently it is regulated to the extreme even though it is not enforced. He felt that the ban should be removed and include only the regulations necessary for health, safety, and welfare. He understood there would be a cost and recommended the Council determine what it will cost the Fire Department to regulate the apartments and charge a fee to cover it.

Mayor Daniels indicated that they will need to consider the associated legal issues, which could be significant. He requested that the matter be discussed further during a Council Meeting. Council Member Meacham agreed that they need to halt further action until the Council is fully educated. Mayor Daniels stated that they will be lobbied by home builders because homes with accessory apartments make more money. They will also be lobbied by people who are experiencing financial difficulty and want to rent out their home. They will also be lobbied by people who feel strongly about the quality of their neighborhood and have concern about it deteriorating. The Council should determine what they want to accomplish before take additional action.

Lisa Liddiard commented that if they are trying to get a pulse for what people are feeling they need to get at least 10,000 surveys back. A survey will ask general questions. If the Council wants to educate the public and conduct a proper survey they need to provide information in the survey and make the public more aware of the issue.

c) Contract with County for Elections.

City Recorder, Kathy Kresser, reported on the 2013 Election costs and stated that the printing company the City used for elections provided ballots, envelopes, precinct kits, and everything needed for both primary and final elections in addition to early voting. The total cost was \$5,860. The cost for the County to print the registers and hire poll workers and county clerks was \$8,814. The total cost including the cost of providing lunches to feed workers and the election night

gathering was \$16,795. The cost did not include Recorder Kresser's time training workers and extra work associated with the election.

Recorder Kresser stated that the City can contract with the County and use their electronic balloting. Some poll workers will still have to be hired but they will not need counting clerks. They are required to have three poll workers. There would be no cost for early voting. The total estimate from the County to do electronic voting is \$13,385. The grand total would include poll workers and a food budget for an approximate total of \$17,860. Not included was the time that will go into counting and processing paper ballots. In the event of a miscount, the County will rerun the ballots. There has been a recount nearly every election, which requires a great deal of manpower and time. The total cost difference of having County do electronic voting is \$2,000.

Mayor Daniels stated that financially it seemed like a good option. Electronic voting will reduce accuracy and bias issues the City has experienced in the past and eliminate other past problems such as the time necessary to count paper ballots. Mayor Daniels asked if there was anything that could affect candidates negatively by switching to electronic voting. There were no concerns or objections raised. The proposed change will be effective for the 2015 elections. Recorder Kresser reported that the State is moving toward vote by mail. Some states use it exclusively. There is an option for absentee voting in Pleasant Grove but the residents must request ballots online.

Council Member Andersen stated that paperless voting may be a generational concern and there may need to be poll workers prepared to help educate voters who are less comfortable with electronic voting of the process. Recorder Kresser stated that staff will be prepared to walk voters through the process and there will be provisional ballots for those who prefer to cast a paper ballot.

d) Going Paperless.

Council Member LeMone stated that the City is spending roughly \$46,000 per year to send out express bill pay letters, the City newsletter, and utility bills. Approximately one year ago she felt it was important to begin looking into going paperless. She pays all of her bills online but continues to get a significant amount of mail from the City. She felt this could be reduced. Recorder Kresser said that when residents sign up for Xpress Bill Pay there is an option for them to go totally paperless and receive all updates via email. Most people do not mark that box and may perhaps just need to be informed that it is an option.

Diane Moss suggested advertising how to get the newsletter electronically and electronic payments on the large marquee at the Old Rec Center. Administrator Darrington commented that they can also include that information in utility bills. Ms. Moss did not know she could still get a newsletter via email even though she pays her bills electronically. It was also suggested that a notice be posted on the board in the Library.

Mayor Daniels remarked that it seemed that most were in favor of getting the word out to residents about how to pay their City bills online and receive the newsletter electronically. He asked if everyone was comfortable moving in the direction of going totally paperless. The Council agreed some will prefer paper but in general they felt that moving to paperless was a good idea. Mayor Daniels directed staff moving toward paperless while being considerate of those who prefer paper. He noted that this change will save the City thousands of dollars.

Molly Andrews asked if it would be possible to sign up for paperless billing and register for Everbridge at the same time. Mayor Daniels indicated that the discussion did not only pertain utility bills and gives staff direction to begin thinking about how to make the City paperless. It is not something the Council needs to solve, but something staff can work toward and report back to the Council on.

e) Engineering Services.

Administrator Darrington reported that they have been looking at engineering costs because of the significant amount of building taking place in the City. The City pays \$100,000 per contractor they hire. The question for the Council was whether to consider another full-time engineering employee. This would save the City money over contracting it out. The advantages of contracting were identified such as the fact that professionals have specialized equipment that the City can utilize. Another advantage is that there is not a concern with paying a full-time employee when work decreases.

It was reported that the City pays nearly \$1 million for contract services each year. Contractors are paid a premium so staff has looked into the potential cost savings of hiring another full-time employee. To hire an engineer with at least five years' experience and full benefits, the cost is \$80,000 to \$100,000. The City must save at least that much each year to justify hiring someone. The disadvantage is the potential lack of work when development slows down. Administrator Darrington had discussed the issue many times with Engineer Lewis and sought input from the Council. The City currently asks a lot of Engineer Lewis and he often assists with duties that are not technically in his field.

Mayor Daniels commented that it is not as simple as just hiring someone and paying their salary. There is an expense associated with housing them and providing additional equipment. Administrator Darrington stated that that is a concern because they do not currently have space for an additional engineer. Mayor Daniels commented that a benefit to having an outside contractor is that the City also has access to a support structure with the company along with their expertise.

It seemed to Mayor Daniels that they are requesting to look at the work flow and take the low value work being done and accomplish it using a less costly resource. High value work requires an engineering background and is what they would continue to contract out. Council Member Meacham stated that for items requiring specialized knowledge, the City could hire a specialized engineer. For jobs that do not require specialized knowledge they would not want to pay the consultants extra when they can be handled in-house at a much lower cost.

Mayor Daniels asked if the Council was willing to accept the risk that in five years if there is a work slump the person hired may have to be laid off. Council Member Stanley suggested bringing them on on a contract basis where they know up front that the job is only guaranteed for three years. Mayor Daniels stated that as a City they can decide to keep a core engineer and staff and as building increases, impact fees will be imposed and other fees assessed to the developer to cover the direct cost of the excess work performed. During an economic downturn the demand for internal resources is reduced.

Council Member Meacham explained that when a City gets to a certain point they need support. Pleasant Grove is at the point that a full-time permanent employee can be justified. Director Young

stated that during the recession several contract employees were utilized. Some aspects could be done in-house. The Mayor questioned whether the City is at a point that they have so much work that they need another engineer. Engineer Lewis responded that they have enough work to keep one person busy. There is the engineering side of designing and preparing plans in addition to inspections and utility issues. He stated that there is a need for GIS support staff. Administrator Darrington asked Engineer Lewis what percentage of his work involves general tasks that are not engineering related. Engineer Lewis responded that most of what he does is management related. He reviews City plans and submits comments. He also interfaces with the public and attends City Council and Planning Commission Meetings.

Mayor Daniels asked staff if they felt the need for a second engineering employee followed by the need to justify that they are effectively using the City's resources and ensuring that there is enough ongoing work to justify a new employee. If not, they can continue to outsource. Council Member Meacham stated that the cost difference of in-house versus outsourcing is extreme and will save the City a great deal. Council Member Andersen reiterated the physical cost associated with hiring a new employee in terms of housing them and their equipment. Mayor Daniels agreed with Council Member Meacham but stated that if the decision is made to bring a new person into the department, he will want to see a corresponding decrease in the amount of money the City is spending to outsource. Council Member Meacham did not feel they would want an entry level engineer and should look to hire someone who can stand on their own and work with a contractor or another engineer. They will want someone who is confident and can jump right in.

Molly Andrews recognized that the City has used Horrocks Engineering for many years as their outside firm but asked if they had ever considered using anyone else. Mayor Daniels responded that they use both JUB and Horrocks depending on the expertise required. Engineer Lewis commented that it is important to work with more than one firm to keep prices competitive.

f) Administration Shuffle.

Administrator Darrington reported that they had a full-time employee leave last summer. At that time he began thinking about how to change things up and do things differently in the department. The intent was to be more efficient. There have been challenges with absorbing the duties among the remaining employees, particularly when someone is on vacation. They tried to function without replacing the employee but it has not worked out.

Administrator Darrington proposed replacing that person with a part-time employee to save money. They need additional help during heavy traffic times, vacations, breaks, and for customer service purposes. He stated that there is plenty of work to keep a new employee busy. A major change he would like to see is to pull Assistant to the City Administrator, David Larson, out of the Chamber and have him become the Human Resource Specialist. He also proposed physically rearranging the office and staff.

Mayor Daniels thought it would be inappropriate to go too far into a discussion regarding specific employees in a public setting and needs to be done in an executive session. He also felt that the request for another employee needs to be weighed with all of the requests and needs of the City and not just administration. He recommended they review similar requests from different departments to make sure they make the right decision.

Administrator Darrington indicated that they would likely have that information for a February meeting. There are a lot of moving parts associated with the proposed changes and he would have department heads submit all personnel requests. Mayor Daniels stated that there should be a personnel discussion as part of the budget process. That discussion can include employee wages. They can discuss new and additional resources. Administrator Darrington viewed the position as something that is desperately needed. Human Resources affects the entire City and there are things that are not getting done. Because there was already an employee with a salary for that specific position, he expected the funds to remain in the department. Mayor Daniels agreed with the strategy but stated that they have to look at the City as a whole. Council Member Boyd thought that making changes was still possible even if they decide not to hire a new employee.

Administrator Darrington suggested shuffling employees around to make better use of the space. No actual construction would be required. He stated that the problem is internal. They have discussed changing the administrative staff and rearranging cubicles but it is difficult to attach a dollar amount to it and the space is not easy to move around. Mayor Daniels did not think the Council needed to have input on changing the layout of the department. It was noted that Administrator Darrington can rearrange people as he sees fit. Mayor Daniels wanted to ensure that the Council understands the impact on the entire City when a new employee is hired or other major decisions are made to ensure that needs are being met and that resources are being used wisely.

Administrator Darrington felt that the funds already belonged to the Administration Department and making the proposed changes would be a fundamental change for the department, which is why he wanted input from the Council. He noted that there is a cost associated with moving employees around as well. Council Member Andersen commented that the Seminary Building has 3,000 square feet and is available. Some work is needed but the space could be useful. The Council agreed that they should add the Seminary Building to the list of facilities to be reviewed by an engineer to determine what is necessary to make it safe and usable.

g) 4000 North Sewer Line.

Administrator Darrington stated that the last direction staff was given was to put the issue on a City Council Agenda. Staff and the Council planned to visit with Cedar Hills to discuss the sewer lines. After several discussions, the City found that they do not agree with Cedar Hills' City Council on how the issue should be handled. Administrator Darrington stated that the Council needs to decide as a group what they would like to see happen and make sure they are all on the same page. Cedar Hills agreed to put the matter on their agenda and decide if they are comfortable allowing Pleasant Grove to buy into the line.

The initial offer was for the City to buy into the sewer line at \$125,000, which is about one-third of the cost of putting in a new sewer line. They would have to work out some billing records with Cedar Hills. Cedar Hills has always maintained that if Pleasant Grove's residents plan to connect to their sewer system they would have to boundary adjust into the Cedar Hills at some point. Cedar Hills' Council Members all seemed to have different opinions. The cost for the City to install a sewer is roughly \$350,000. Thus far, the Council had felt it was a deal breaker if Cedar Hills requires the boundary adjustment. It was noted that the matter had been discussed for the last 20 years. Council Member Boyd stated that the boundary will never be a straight line like Cedar Hills wants because Pleasant Grove has sewer in the area above the canal. The sewer runs out as far as 4800 North on 900 West.

Attorney Petersen reported that Cedar Hills did not ask to install the sewer line even though Pleasant Grove owns most of the road. At build out, 25 homes should be serviced by the sewer line. Mayor Daniels asked if \$350,000 is a reasonable cost for a sewer line that would serve 25 families. Administrator Darrington responded that if they were to put the line in they discussed creating a Special Improvement District and sharing some of the cost. The cost of the sewer line is not overpriced compared to sewer lines in other neighborhoods. Engineer Lewis stated that the redundancy would be the unfortunate aspect of Pleasant Grove putting in a line.

Mayor Daniels considered this no different than if they were developing elsewhere in the City. The issue was that there is already a sewer line that the City can connect to but the intangible cost of connecting to the sewer is imposed by Cedar Hills. Administrator Darrington stated that as things currently stand, if they allow residents to connect to the sewer they would eventually become residents of Cedar Hills. Mayor Daniels asked if they were any closer to a conclusion than when the matter was first brought up 20 years ago. Council Member Boyd was optimistic after the last meeting, but was not any longer since the Cedar Hills City Council was unwilling to meet publicly. She felt it was time to stop waiting for Cedar Hills to make a decision.

Mayor Daniels asked if staff could bring forth a proposal to the Council to provide information and cost details. Once they analyze the issue as a Council they can decide how to proceed and determine whether to put in a sewer line. Council Member Stanley asked if there was another mechanism the City could use to force Cedar Hills to take action. Cedar Hills built on Pleasant Grove's road without permission and he wondered if that might be a way to help encourage an agreement. Mayor Daniels said that this kind of discussion needs to occur in an actual City Council Meeting. The argument had been ongoing on for far too long and a decision needed to be made.

Attorney Petersen offered to conduct research to see if the City has a cause of action with Cedar Hills building on Pleasant Grove roads without permission. Mayor Daniels felt this was a separate issue. She agreed that there would be a lot of time and expense in litigation and a sewer line decision should be made first. Mayor Daniels proposed that the facts be brought forward in a Council Meeting after which the Council can look at the details and make a sound decision. The Council Members agreed.

h) Council Assignments to Departments.

Mayor Daniels reported they the above matter was been discussed previously and the Council needs to decide if individual Council Members should be assigned to specific departments or allowed to work with any or all of them as they desire. Council Member Andersen liked the idea of getting to know more than one department. Mayor Daniels asked Administrator Darrington to discuss the matter with staff privately and provide feedback along with the pros and cons.

Administrator Darrington stated that generally the department heads feel it is valuable to build relationships with the Council and give them an opportunity to experience how different departments function. It would be helpful to have a mechanism in place regardless of who they are assigned to to allow Council Members to attend department meetings or meet with a department head. The department heads requested that they be given notice if Council Members are planning to attend a meeting or would like to have a discussion. The only concern was if they have Council Members try to give direction to the departments that is out of their scope.

Mayor Daniels stated that according to the City's ordinance for organization they can assign a Council Member to be a department head. Attorney Petersen stated that legally a City of Pleasant Grove's size can assign Council Members to be department heads but the City has never chosen to do that but rather to have professionals run each department and have Council Members act as liaisons. Administrator Darrington did not think it mattered if a Council Member was assigned to a department or not. Any time a Council Member wants to visit a specific department they are welcome to do so.

Mayor Daniels commented that there was some concern expressed by department heads that in some cases the Council Members don't show up because they do not feel they have time to be that involved. The Council needs to decide if they want to continue the way they have been with specific assignments or if they prefer a roaming method. Council Member Stanley liked the assignments and had attended a few Police Department staff meetings. He enjoyed being an observer and did not anticipate problems if expectations are established. He spoke with Chief Smith and let him know that his schedule was full. Some months he would be more available than others. He liked the assignments because it allows Council Members to get to know specific departments. He did not support the idea of "free roaming".

Council Member Meacham liked the assignments but also roams at times. All of the Council Members felt they should keep the assignments. The only addition would be that they are free to visit departments in addition to their own as they desire. Mayor Daniels reminded the Council Members that they are observers in the departments and are to give input and bring input back to the Council. They are not there to manage. Council Member Andersen wanted freedom to visit more departments so she could get to know them better and be more educated when different topics arise in Council Meetings. Administrator Darrington commented that employees like when Council Members know who they are. That has been one of the biggest positives to having Council assignments.

i) Water Rates.

- (1) Commercial and Residential the Same.**
- (2) Lowering the Base Rate.**

Finance Director, Dean Lundell, stated that some residents have approached Council Members with questions about water rates. In this case, the discussion was not to raise or lower overall rates but to modify who pays what. Residents questioned why the higher volume commercial rates are lower than higher volume residential rates. They also asked that the base rate be reduced because it is based on 5,000-gallon usage and some residents do not use that much water. Director Lundell wanted input to determine the Council's goals for water rates. He stated that they could consider reducing the base gallonage from 5,000 to 3,000, increase the commercial rates slightly, and reduce residential rates slightly until they meet in the middle. The majority of those that pay the commercial rates live west of State Street, which means they do not have access to the secondary water system. As a result, they do not have any choice than to use culinary water for their landscaping. Rates on high gallonage usage is higher in an effort to get people to use water wisely. Some commercial users consume a lot of water as part of their business and are not wasteful.

Director Lundell preferred to leave things as they are but proposed another option that would lower residential rates slightly, increase commercial rates slightly, and meet in the middle. The goal was

to keep the revenue for the City the same. Mayor Daniels asked why they are trying to keep the revenue the same since by and large the City's costs are fixed. The debt service number doesn't change based on usage. The base rate is designed to cover pipes and infrastructure that provide water to residences.

Mayor Daniels asked if the base rate was adjusted if it would cover infrastructure costs. Director Lundell responded that it likely would. The base rate could be \$20 in addition to a certain amount based on gallon usage. Mayor Daniels thought it would be easier to justify to residents. He felt that cost could be used to encourage conservation. Council Member Stanley commented that if the cost mirrors the usage and infrastructure costs, there is a risk that conservation would not be encouraged. Mayor Daniels stated that in order to encourage conservation, the rate must be increased.

Director Lundell offered to explore different scenarios but stated that ultimately, if someone's rate is reduced and the City needs to stay revenue neutral, they will also have to increase someone else's rate. If rates are reduced people think it is fair, and if someone's rate is increased they consider it unfair. The other option was to leave things as they are with the understanding that commercial and residential are not the same. When questions are raised by the public, staff and the Council will need to be able to explain their reasoning.

Council Member Boyd felt like the system was working and does not need to be addressed. Council Member Stanley commented that this is an area where they are covering actual costs in a way that makes sense and is attractive to lenders. It could, however, be done in a manner that is perceived as more equitable by some residents. He liked the idea of more closely mirroring actual costs because it seems fairer to residents. He was comfortable with the new proposal, which lowers the base rate and reduces the gallonage. Council Member LeMone thought the City had just gotten adjusted to the new water rates and did not think it was worth making changes at this time especially since very few complaints are received.

Mayor Daniels commented that if everyone suddenly decided to become very conservative with their water usage, the base rate would not be sufficient to cover the City's infrastructure, which is why a change is necessary. He felt the base rate should reflect the infrastructure the City needs and the usage rates should vary with each resident.

Council Member Stanley expressed concern that residents are not going to like seeing a huge base rate with a very minor user rate and will be devastating to people on fixed incomes. Administrator Darrington stated that any changes made will always upset some people. If they are comfortable with where they are today and meeting their financial responsibilities and if the rating agencies are happy with the City, it does not seem that a change is needed now.

Mayor Daniels did not understand how anyone could complain about those who use more having to pay more. Attorney Petersen explained that the rates were set based on a rate study conducted by professionals to ensure that the financial needs of the system are met. When they adopted the rate with the help of professionals, the argument and discussion had to do with the base rate versus usage. She was concerned about discussing the idea of changing rates without the study in front of them and the specifics of the effects a rate change. These very same thoughts were discussed previously.

Mayor Daniels stated that each year the cost of maintaining the system changes and they must continually increase the water rates to cover the cost. Attorney Petersen explained that the study had a five-year plan built in. Director Lundell stated that if they want to make a major change they may need to perform another study. Mayor Daniels noted that the way the rates are set up covers the costs. Because very few are complaining, he felt the rate system was going to have to change for the future. The current rate system is not easy to explain to residents and does not make sense. There are, however, ways to make changes with the help of consultants so that at some point in the future the rates reflect a base rate that covers the infrastructure. This can be a longer term objective and is not something the City should avoid because they don't want to upset people.

Council Member Stanley felt they could explain and easily justify the current water rates. They reflect a professional compromise between two valid philosophies. There are good arguments for both sides. He preferred to reward people who use less water. Council Member LeMone commented that the City had a professional study done to back up the rates. The Council at the time voted to move in this direction. She thought the Council could explain the study to residents who have questions about the study and explain why the Council decided to make rates what they are.

Mayor Daniels explained that the issue is not just culinary water, but secondary water, sewer, storm drain, and every other utility. He asked if the Council wants to continue down a path that is politically easy or have the rate structure reflect reality. Council Member Meacham felt they would need to make changes in the future based on what is reflected in the wells and the water table, which is getting deeper. There is a cost associated with higher water usage. Water is limited and he felt that eventually the City will need to move in the direction of higher usage equaling higher cost.

Council Member Andersen agreed with the Mayor and thought it made the most sense both practically and morally to charge for usage. She understood the base rate and what it costs to get utilities to her. She recommended there be a meter for secondary water so users know how much they are using. Mayor Daniels explained that currently some residents are subsidizing other residents. He suggested that over time they transfer the responsibility to those who are using the water. He noted that this is not something that will happen all at once. Administrator Darrington agreed that this would be a possible change over time and stated that a small base rate increase can be made year over year. Mayor Daniels did not want to create problems for any of the elected officials but suggested they set a goal and meet it without causing an uproar.

Council Member LeMone asked how much it would cost to conduct another rate study. Director Lundell reported that a rate study is fairly expensive and would likely cost \$15,000 to \$20,000. When they are looking at rates each year they can prepare graphs showing costs and usage along with the debt service and capital costs and adjust the ratios as needed. Mayor Daniels stated that at some point they want the debt to go away. He reiterated that this is not a change that will take place in the near future but a way to structure the utility bills and get to a point that they are self-explanatory and do not create major changes for the public. Council Member Meacham wanted the base rate to be reduced and then pay on a per gallon basis. It will essentially cost the same but it will be easier to understand what the costs mean.

Mayor Daniels invited public input.

Diane Moss agreed with the Mayor and felt that metering secondary water would be very expensive. She asked if it would be possible to regulate it in another way. Mayor Daniels explained that in the long term it may be less costly to put the meters in place. If people are actually paying for what they use, it will serve as a natural deterrent. A meter would allow City employees to put their resources in areas other rather than regulation.

Bill West stated that Council Member Meacham and the Mayor are saying two different things. Council Member Meacham wants to pay for usage and the Mayor wants to get the base rate high enough to cover debt. The City has to collect the money to make the debt payment. Mayor Daniels explained that if the community as a whole is interested in conservation they can come up with financial methods to encourage it. Mr. West was concerned that they have to collect the debt and that residents on fixed income will struggle. Mayor Daniels asked if he felt the government should make decisions that force certain residents to subsidize someone else. Mr. West felt it was not ideal but practical. He did not feel a change should be made.

Lisa Liddiard did not want to subsidize other residents' usage. She felt that everyone should pay for what they use. Mayor Daniels asked that Director Lundell come up with ideas on how to implement the change over time so that the Council can discuss it in greater detail.

3) **ROADS PRESENTATION AND DISCUSSION. (Marty Beaumont, JUB Engineering).**

Administrator Darrington reported that they have worked with JUB Engineering over the last six months to establish what the cost would be to address the City's road issues. There have been many discussions to determine how much work the roads need. There are various issues involved such as level of service that need to be considered when preparing a cost estimate.

The City gave JUB direction and they proposed options on how to approach the issue. JUB provided a good idea of what the early responsibility will be. In the beginning the main objective will be to maintain the roads in their current condition. This involves the culmination of six months' worth of work on the part of JUB, staff, and the City Council to create ideas. The City hired JUB three years ago to prepare an index of all of roads. Every road was given a number representing the pavement condition from 0 to 100 with 100 being a new road. JUB Engineer, Marty Beaumont, explained that they have been working on the City's roads and have tried to gain an understanding of the current condition of the roads and the future outlook. They have determined what is needed as a community to address some of the needs. They are aware that the issue is extremely important to the citizens and have requested that the City address the road situation.

Mr. Beaumont explained that they went through the process of studying the condition of all City roads and graded them accordingly. Roads are a huge financial burden for cities and maintaining them adequately can create a great deal of difficulty in a community. The challenge is maintaining the roads as well as providing good roads in the future.

Mr. Beaumont stated that the only thing being discussed tonight is the City's pavement. They are not talking about expanding for future growth, curb and gutter, or any infrastructure and are only addressing paved surfaces and how to maintain what they currently have. Mr. Beaumont explained that if pavement is not used it tends to fall apart. Roads need to be driven on or they become rigid. Some of the general causes of road failure are plant material, inadequate base, or oxidation. The

majority of oxidation occurs in the first two to four years of original construction. This can be avoided if the process of preventing oxidation is done correctly. Most pavements will last 18 and 24 years but a lot plays into that such as traffic, sub base, water, and weather conditions.

Mr. Beaumont stated that one of the best ways to manage pavement is to take care of the oxidation first. The City has roughly six miles of arterial roads and 26 miles of collector roads. In 2012, JUB performed 775 inspections throughout the City. They did a great deal of research and included the information in a program that monitors the current condition of City roads. JUB created a map showing road conditions. Different types of treatments are needed depending on the current condition of any given road.

Mr. Beaumont reviewed various roads in the City and described their condition. A few roads were graded 85 or higher, which was considered excellent. He reviewed roads in the 25 to 55 range and stated that most have significant cracking. These types of roads could be milled and have an overlay on top. There are also roads in very poor condition that are full of potholes and cracks and are difficult to drive on. There is nothing that can be done other than mill the road down and reconstruct it since there are likely base problems.

Diane Moss asked if road base placed in a pothole is a way to repair it. Mr. Beaumont responded that that is about all they can do. He explained that road base is a temporary fix. There is a significant amount of work needed to maintain these types of roads and it may be better to mill the road down and reconstruct it. Maintaining pot holes can be a full-time job.

Mr. Beaumont explained that some roads in the City are in such poor condition that nothing can be done other than to reconstruct the road. In 2012, JUB looked at all of the roads in the City and established the percentage of roads in each grade. They aged the roads to account for the two years since the review. Roughly 18 miles or 17% are excellent, 23 miles are very good, and 20 miles are good. The main issue with Pleasant Grove are roads rated between 22 and 55 that are in fair to poor condition. There are 43 miles of these types of roads. When a road gets that bad, the correction becomes very costly.

Roads that are in fair to poor condition require either milling, an overlay, or a combination of the two. This can cost \$2 to \$3 per square foot, which can add up quickly with 43 miles to complete. The City needs to determine how to continue to maintain roads so that they do not continue to degrade and start to make progress to improve damaged roads. Diane Moss asked if any of the road materials are recycled. Mr. Beaumont explained that pulverizing asphalt is a process and most plants in the area use around 25% reconstituted asphalt in their mixes.

Preventative maintenance includes crack sealing, chip sealing, and high density mineral bonding. The City has done crack and chip sealing in the past but high density mineral bonding is a newer process that creates a thin coat on the top of the road to seal the surface. This process lasts five to seven years and costs roughly \$.27 per square foot assuming that the road has been crack sealed first. The high density mineral bonding does not oxidize. It prevents oxidization from occurring on the pavement and acts as a sun blocker. Mayor Daniels asked if it eventually seeps into the road. Mr. Beaumont stated that there are products that claim to seep into the top surface and rejuvenate it. They help prevent oxidization but it is recommended that a rejuvenator be applied every few years. This is good for areas with low speeds and low traffic such as residential streets.

Council Member Andersen asked if there are other materials that last longer than asphalt. Mr. Beaumont stated that the longest lasting material is concrete but it is twice as expensive. The City would need more money upfront and while there would be fewer problems in the beginning, it is more expensive to fix utility issues. People have higher expectations of what a good road is today because technology has gotten better than when the roads were initially installed.

Council Member Andersen wanted the public to be aware that Pleasant Grove does not own any of the equipment necessary to perform any of the treatments. As a result, the work is contracted out. Mr. Beaumont stated that overlays are successful in areas where there are potholes or alligator cracks. They pulverize the cracked area, recompact the base, and place an overlay on top of the hole. Mr. Beaumont reported that they put a great deal of time into looking at each block of road in the City and determining the best fix. The City's Roads Department determines what to fix, when to fix it, and how to fix it with the budget they are given.

Roger Green asked at what point in accordance with the grading system the City would have to replace the road base. Mr. Beaumont explained that generally base failure occurs when the road is essentially all pot holes and alligator cracks and the water has gotten into the base. The base was either never there or leached out over time. Those situations are repaired on a case-by-case basis. Full reconstruction would require removing the full base, but depends on what is beneath the road. Some roads are 30 or 40 years old and have no base whatsoever. It is possible to continue to maintain them, but once they dig down to correct the base it can be a much larger project. Before any major construction or overlay occurs, JUB will check the subsurface. Everything that has been evaluated thus far has all been on the surface.

In response to a question raised by Mayor Daniels, Mr. Beaumont confirmed that it is correct to assume that some of the roads in the City were built without a base. Council Member Meacham explained that when they did work on 1100 North last summer there was only about one inch of base material and two inches of asphalt. Standards have changed over time. Pleasant Grove has a terrible climate for roads because of the months of freezing and thawing over and over again. The freeze and thaw exacerbates cracking and road deterioration. It was recommended that effort be made to keep water out of roads.

Drew Armstrong reported that he served a mission in Korea where they do not place utilities under the road and instead put them under the sidewalks which are made of pavers. It is simple to work on utilities under the pavers and they are able to spend more on the actual roads. Korea cannot afford to ever shut their roads down, which is why they do it that way. While Mr. Armstrong was aware that the utility process cannot be changed now, it may be something to be considered in the future.

Mr. Beaumont explained that an important thing for the Council and City to understand is the value of properly managing pavement systems. JUB took one mile of road that was 40 feet wide and applied different management options with estimated costs over a 60-year period. They determined that if they took the approach of waiting until the road fails before fixing it, the City would likely have to reconstruct the road twice in 60 years. The average cost would be roughly \$46,000 per mile per year of road. The average PCI value over that time would be roughly 64, so they would have an average of a good road but around 25 years of a poor quality road.

Another concept would be an overlay base management system where the City would wait until they need to overlay the road. When an overlay is applied to a road that already has cracks, the overlay will not take the road back to 100%. The cracks will show on the surface again in a few years. After about 30 years the City would have to mill and overlay the road. The cost of this type of management system is roughly \$35,000 per mile per year and the average PCI would be good at around 75 to 80. There would be approximately 7 years of poor quality road. This option provides a 25% to 30% cost savings.

The next concept was preservation based management. With this option the City would apply a high density mineral bond or seal coat over the roads every few years as they degrade. Around year 30 the City would have to apply an overlay treatment and then continue with the bond. At year 50 they would need to do a mill and overlay to the surface. The cost of this option is about \$21,000 per year per mile with an average PCI value of 90 with no years of poor quality. While this is clearly the best option for a new road, the City was not starting out with high quality new roads.

It is very expensive to wait until the roads are in terrible shape before repairing them. Engineer Lewis stated that roads are difficult for residents to deal with because if a road is in good condition they do not want to pay for work to be done on it. It is not until roads are in disrepair that citizens feel good about paying for fixes. Preventative maintenance and the concept that better roads cost less is sometimes difficult to explain and for people to understand. He felt that was the reason that 30 years ago roads were not managed properly. He added that more and more cities are looking at the concept of preservation and the value it adds to the system.

Mr. Beaumont estimated that 50% of the City's roads could receive a less costly treatment which would benefit the system. The treatment cost is minor compared to the reconstructive cost but it is still money upfront for the City. He suggested that newer roads be handled with the idea of preventative maintenance. The roads that are graded between 58 and 78 are the ones that would need overlays. Some may also have to be milled. Roughly 62% of the City's roads would need either a seal coat or an overlay type application. The cost of an overlay is around \$2.00 per square foot, which gets very expensive. Seal coats are much more reasonable. About 35% of the City's roads are graded between 35 and 58. That equates to roughly 35 miles of road that would likely qualify for a mill and overlay treatment at \$3.00 per square foot. That is almost 18 times more expensive than doing a seal coat, which is why it is so important to take care of new roads. It is important to treat roads at the right time to maintain their value at a low cost.

To maintain the current condition of the roads, over the next 10 years, it would cost around \$3.6 million per year. That means the average of the roads would remain at 62. This does not mean that every road would be updated. There will still be some roads that are on a fast degradation curve and they will continue to decline if there is not more in the budget. If the City wants to stay above an average PCI of 62 it will cost close to \$4 million per year. There will still be around 43 miles of roads that need a mill and overlay, which would cost roughly \$23 million. The theory was that if the City begins to maintain the roads under a preservation concept, the maintenance cost would be cheaper, but there is a long way to go before that is possible. The roads need to be brought up to a higher standard where they can be maintained at the preservation level.

Mr. Beaumont stated that if the City spent \$2 million per year, in 10 years the roads would go from 18% excellent roads to 37% excellent. The very good roads would be in the 5% range. This amount of money would take care of the roads that are reasonably inexpensive to maintain. Over

30 or 40 years contributing closer to \$4 million per year would show an increase in overall road quality but not in the shorter term of 10 years. Mr. Beaumont's opinion was that a budget of \$3.6 million per year would make a significant change. In the long run there may have to be other ways to address the needs of the roads. JUB was asked to focus on a 10-year plan.

Mayor Daniels asked how far into the projection they have to go before the very poor, failed, fair, and poor roads are moved into the good, very good, or excellent categories. He felt that would be important information before a decision about budget and a work plan could be made. Council Member Andersen asked what the increase in cost percentage would be annually. Mr. Beaumont responded that the trend is roughly 5% per year on average. Administrator Darrington stated that a 20-year plan would look quite different from a 10-year plan as far as determining how to deal with the poorest roads.

Mayor Daniels stated that this study is a good start. He hoped to see what needs to happen and when to raise all of the roads above the fair to poor condition. Over time a \$4 million per year budget will increase the PCI value, which will begin to deal with poorer roads while the \$3 million per year budget would never allow them to catch up. The PCI would actually begin declining. Mayor Daniels asked for the model that shows over a period of time that they can get all roads above a certain point.

Director Young said that from a budget standpoint they will have to allow the roads to decline at some point until they do an overlay. There is no sense doing an overlay this year when in five years it will still qualify for an overlay but they can get more life out of the road.

Mr. Beaumont commented that there will likely be several ways to look at the situation with both budget needs and type of preservation. One budget will not deal with the 43% of roads that need to be worked on. In order to bring all of the roads up to at least a 70 a one-time treatment would cost \$42 million. If the City bonded for \$42 million they could have every road at a 70 and make a budget plan for the future. He added that 70 is the right balance that would keep residents happy with the quality of the roads and keep the Roads Department satisfied without having to pursue highly expensive treatments.

Engineer Lewis commented that it is actually more expensive for the City to let a road fall below 60. The citizens need to understand that it will cost more to drive on a lower level of road and they will also need an explanation of how long it is going to take and how much will cost to get it to the level the City wants. Council Member Stanley thought it was important to remember that with the \$3.6 million budget they are reducing the number of very poor and poor roads overall. Eventually the good roads will be very good and they can focus on the failing roads. This will put them ahead of the curve but they don't yet know how long it will take. He felt that the real solution will ultimately include putting money into rebuilding some of the worst roads and dramatically improving their maintenance and preventative methods.

Council Member Andersen stated that after talking to other cities she learned that a 20-year bond for roads must be used within three years. As a result, the City will be paying for the next 17 years for something that is deteriorating. Administrator Darrington remarked that it did make sense to bond for some of the work that needs to be done as quickly as possible but not bond for the entire project. Council Member LeMone was aware that some roads will require total reconstruction while others that are in poor shape will not. Steps can be taken now to improve them. Mr.

Beaumont stated that it would not be the best use of funds to approach it that way. There are many different treatments that are available, but when dealing with roads it is important to look at the long term. Administrator Darrington stated that the \$3.6 million per year estimate was in today's dollar so that number will have to be adjusted for inflation in the future.

Council Member Andersen thanked Public Works for maintaining the roads with such a small budget. She felt that there was enough information to make some decisions but was not ready to make one yet. Council Member Stanley agreed that they can make decisions about the ultimate goal with the current information but will not be able to nail down a specific solution. Administrator Darrington commented that JUB's goal was to determine how much it will cost for the City to maintain the roads based on their current condition. The estimate of \$3.6 million per year will accomplish that over 10 years. They need to determine if \$3.6 million over 20 years will keep them where they need to be and begin making improvements.

Council Member Andersen thought it would be difficult to be factual in terms of planning over that amount of time due to several variables. Mr. Beaumont agreed that they begin losing effectiveness in projecting where roads will be failing. He can, however, determine what it will take to get all of the failed roads into better condition over the next 20 years and what it will cost to do that. The goal in the beginning was to provide guidance to help the City determine how to move forward. He said it would not be a problem to create a 20-year projection.

Mayor Daniels thanked JUB for their excellent work and was interested in seeing the longer term projections. Attorney Petersen commented that the City already has a fairly specific and prioritized road plan for the next 10 years. Mayor Daniels asked if the 10-year road plan takes into account extra money or if it is built on the current budget. It was noted that the plan is based on what the City can currently afford. The City will pay off the current bond in five years, which will result in an additional \$700,000 per year to spend on roads. At that time some road reconstruction can be planned. None of the plan is set in stone and if priorities change the plan can be modified as well.

Superintendent Goodman stated that there is more to consider than just throwing a huge sum of money at the roads. If the City set aside \$42 million today to fix all of the roads they could not use it all because the water, sewer, and storm drain need to be repaired at the same time. The vibration of heavy equipment needed to build a new road damages the water and sewer lines. If they had \$40 million worth of road construction there would likely be \$20 million worth of infrastructure costs associated with the same roads.

Council Member Andersen stated that \$3.6 million is a great place to start and did not want to hinder progress because they want to spend too much time gathering information and can become overwhelmed with the process and cost. Administrator Darrington commented that it would not take longer than a few weeks to get the numbers the Mayor was asking for. It will not delay the process and will give them a better idea of what will be needed to bring all of the roads up to an acceptable standard. Mayor Daniels explained that they will need this information to answer questions the public has. Council Member Andersen felt they were running away from the problem because of the cost. Administrator Darrington indicated that they can accomplish both in the short term. They will need to be able to give the public short and long-term solutions and costs.

Council Member Meacham asked if they were willing to accept a lower index that would cost less to get across the board acceptance from the populace on. It will be difficult for residents to accept

having to wait 10 to 20 years for their road to be fixed. Mayor Daniels stated that it is a great strategy question that they will have to discuss. Council Member Boyd agreed that getting more information would be beneficial. She also agreed with Council Member Meacham's comment that residents may be upset if the road in front of their house is not addressed for 20 years even though they are being taxed to pay for road fixes.

Mr. Beaumont felt that the best concept for the public may be to say that the City will fix a percentage of failed roads over the next 10 years rather than get too specific about each road. It can be dangerous to get too specific because there are many variables that can arise. When they get into year-by-year specifics they may be able to tell residents exactly what roads are planned for the upcoming year. Council Member LeMone did not want to make residents wait 20 years for the roads to be fixed. Ideally they would reconstruct the failed roads, however, that is not possible. She stated that perhaps the best solution is the quickest. She recommended taking action sooner rather than later. Mayor Daniels preferred to bring the poor roads up to an acceptable level and let the acceptable roads wait.

Mayor Daniels identified another option that would involve getting a plan from JUB specifying what it would cost to bring all of the poor and failed roads up to the next category and then plan maintenance. Council Member Meacham commented that the concept would lower the standard slightly so the City can do surface maintenance and overlay and transfer the overlay plan to roads in worse condition, which would bring them all up to a better standard. Diane Moss agreed with Council Member LeMone and stated that everyone pays taxes and those with terrible roads deserve to have them worked on. She felt that lowering the overall standard may make more sense and is fair to everyone. Molly Andrews applauded the Council and staff for taking on the project on and supported them in whatever decision they make.

Drew Armstrong preferred to do it right the first time and felt that paying a little more money now was important. He did not want to push the problem off to his children. He noted that they are paying more right now because the roads were not done correctly in the past. Council Member LeMone agreed with doing things right the first time but stated that in the case of roads the weather conditions, the number of people, and past decisions all contributed to the current quality. Mr. Armstrong understood that the City is stretched thin and suggested they make some roads last another five years.

Lisa Liddiard felt they should consider each road category individually and set aside equal amounts of money for each. She thought it made no sense to ignore the middle and only focus on the top or bottom categories. Focusing equally on each would create the longest lasting and ideal results.

Debbie Haun recommended the Council be honest with the public and tell them the reality the City faces with roads and help them understand the costs involved.

Bill West was a realist on the issue and stated that the Council cannot go to the citizens and ask for money unless they believe the City has done all it can. Everyone knows the roads are in bad shape, but the City will have to show that they have gone through the budget and cut funds to show that they are making an effort. They will also need a good comprehensive plan.

Jolee Huggard commented that the roads and infrastructure are a top priority. The City may need to prioritize its needs and find a way to put roads first. Mayor Daniels indicated that it sounded like

many of the residents who have spoken want to consider cutting services in the City to fund other services they think are more important, such as roads.

Drew Armstrong referred to himself as a contrarian on the matter and stated that different communities are dealing with different expenses at different times. The City now has a full-time Fire Department which generates new costs. In addition, there are different levels of growth in the City. It was not possible for Pleasant Grove to compare itself to other cities. He did not think services should be cut and that roads and public safety facilities should generate new taxes.

Council Member Boyd had heard people talk about how much they subsidize in the City. She would like to define the word subsidize and know the total amount of subsidizing the City does. She did not think the City subsidizes that many programs. Most are run by user fees or enterprise funds. Council Member LeMone clarified that the purpose of tonight's meeting is not to make final decisions but to get information on the table so they can make the best possible decisions. Mayor Daniels added that the reality is that they have not yet discussed the areas of the City and what they are spending money on currently. That will be addressed in the near future. Council Member LeMone remarked that the City is cutting back in every department each year and has done so for many years and will continue to do so. It is imperative for residents to understand that the Council and staff are very aware of the budget and needs of the various departments and the importance of cutting back.

Mayor Daniels remarked that everyone has opinions and are entitled to them. As Mayor he wanted to be sure he has not been derogatory to anyone. He wanted to be sure that the good things discussed have a place and that they can build on what they have started. The Mayor commented that they began yesterday's meeting with a discussion of the City's finances versus finances in the real world. This gave them an idea of how money comes in, where it goes, and why it is so limited. There is room to discuss as a Council and staff how that money is being spent within the budget. That had not yet been discussed. They also discussed the fire and public safety facilities. They asked for prioritization of the needs within those facilities and what is needed and in what order. They requested an analysis be conducted by an engineering firm to evaluate the Old Rec Center, the existing Fire Station, the Beck Home, and the Seminary Building to determine what condition they are in and what it would cost to bring them up to current code. They can then determine if they can be repurposed at a reasonable cost. The Judge and Chiefs were open to any and all ideas.

They also discussed the process the City went through the previous year and what can be done to improve that process. Through public input they discovered that a great deal of healing that needed to take place has not happened. It was clear that many members of the public still need to express their feelings. Because of those discussions, the City resolved to proceed and create a different kind of team involving an equal number of people who are either elected or employed in the City along with those that are both for and against the Public Safety Facility as it was constituted over the last two years. All of the meetings will be public and recorded so anyone can participate. The current goal was to explore options that are available and examine the cost of each. Today there has been input suggesting that the funding of the facility should partially come from current operations and services provided in the City.

Today's meeting began with a miscellaneous list and detailed personnel issues. It was determined that discussion was needed at the same time as other personnel requests because there are other needs that need to be prioritized. The final discussion pertained to roads. Mayor Daniels stated that

everyone should now have a good understanding of one particular option. It shows ways the situation could be approached with an annual infusion of funds and what that would mean in terms of the condition of the roads over time. It shows that \$3.6 million keeps the average PCI above 62% and 70% is where it becomes cost effective.

There may be a desire among the Council to lower the standard so that those monies can be applied first to people that have been waiting for 20 or 30 years to get their roads fixed. Once those roads are addressed the City could begin looking at a plan to improve and maintain all of the roads in the City. More discussion was needed on this topic after gathering additional information. The Council and staff need to look to the future to determine if there is an end game where they reach the point that they have overcome the curve and all roads are being maintained at a higher than failed level. This topic needs to be vetted by the public.

Mayor Daniels remarked that there were various opinions but no fighting, which he did not think he had ever witnessed before. Typically when there are strong opinions with different viewpoints people tend to attack one another. Today there were polite comments and he felt that was wonderful and an example that the City and its citizens are making progress in their ability to communicate. The Mayor stated that there are some realities that need to be dealt with such as the fact that the budget is not going to increase tremendously. There are several changes that need to be made in addition to roads and the budget will need to be studied.

Rates on water, sewer, and garbage will continue to experience small incremental increases but the Council and staff will look at changing the formula for how those rates are calculated so that the core pieces of infrastructure are paid for on a base rate and the usage fees pay for the rest. Conservation will also be discussed as will the possibility of metering secondary water. Mayor Daniels did not know if they will be putting something before the public regarding public safety or roads this calendar year. The goal was to conduct all studies and research and then let the people decide. They will not rush to a deadline without all of the information. The Mayor thanked those present, particularly the citizens, for taking the time to attend and for their input. He thanked staff for all that they do.

4) **ADJOURN**

ACTION: Council Member Meacham moved to adjourn. Council Member Andersen seconded the motion. The motion passed with the unanimous consent of the Council.

The City Council Meeting adjourned at 4:50 p.m.

Minutes of the January 23, and January 24, 2014 budget and planning retreat were approved by the City Council on April 28, 2015.

Kathy T. Kresser, City Recorder

(Exhibits are in the City Council Minutes binders in the Recorder's office.)