Here’s a list of questions from last City Council Meeting. This is from my notes and Eric Jensen’s. Let me know if you have other questions that you’d like researched.

Some of the questions, I’ll give an answer to and others we’re still getting the information.

1. Fox Hollow
   1. What type of bond is it?
      1. We bonded off of our municipal energy revenues. Similar to a sales tax revenue bond, it doesn’t mean that we pay the bond using these monies, it just means that we pledge our municipal energy revenues. The bond is paid out of the general fund in a payment made yearly to Fox Hollow.
   2. Is it legal to get out of the bond? Would we save money to get out of our Fox Hollow agreement?
      1. Tina is working on a detailed explanation after reading our current agreements with Fox Hollow and the other two cities. The short answer is that we can’t pull out of the agreement and save money. We have pledged to pay both the bond payment and the operations and maintenance cost while the bond is outstanding regardless of whether we stay in as an owner or not. Bottom line: Figuring a way out of the Fox Hollow agreements is very problematic and could cost us more money (legal fees) than if we just stayed in the current agreement.
   3. What is the cost breakdown of our yearly payment to Fox Hollow?
      1. Up until two years ago, the City paid an annual payment which covered the bond, land payment to the State, and operations/maintenance. Fox Hollow asked us two years ago to give them a set amount each year ($240,000) so that it would cover those three items previously mentioned, capital items which currently weren’t being funded.
         1. Payment Breakdown in 2014
            1. Bond Payment $119,701
            2. Land Payment $ 13,900
            3. Operations/Maintenance/Capital $106,399
            4. Total Payment $240,000
      2. Each City has made the same $240,000 commitment. Once the funds are sent to Fox Hollow they are spent at the discretion of the Fox Hollow Board. That board is made up of three residents (appointed by Mayor and City Council) from each city. The overall 9 board members decide on how their yearly budget is spent. As a City we don’t have discretion on how that $240,000 is spent i.e. salaries, benefits, specifics of capital items or how the operations are run.
      3. The Land Payment has one more year left which should reduce our overall bill by $13,900 unless they ask the cities to maintain the $240,000 each year so they have more money to continue to invest back into the course.
      4. Fox Hollow recently asked the City to pay an additional $10,000 for some special projects they wanted to do. Both Lehi and American Fork have paid the $10,000. We sent them an email declining our participation for the extra $10,000.
   4. How much of an increase are the Fox Hollow employees getting each year?
      1. Dean is working on this to find out what that is. Just like I mentioned above, regardless of what the pay increases are, we as a City don’t have discretion over that. That is the decision of the Fox Hollow Board.
2. Sales Tax Generated in Pleasant Grove
   1. How much of additional sales tax to Pleasant Grove been from local business and how much from the state pool?
      1. Dean sent this number out on Tuesday night. So far in our current fiscal year the Pleasant Grove sales tax portion is up 17.11%. The State portion is up 5.38%. Our local economic development efforts are currently showing success in additional sales tax revenue.
3. TSSD Pay
   1. How much of a raise are TSSD employees getting?
      1. We’re still working on getting this number, but PG City doesn’t have control over what TSSD employees get. We are currently one vote out of 13 on that board. With that being said, I don’t know how our TSSD representative was voting on the pay raises for TSSD employees.
4. Roads
   1. What is the breakdown of how much we need yearly to eliminate very poor/failed roads in our city?
      1. I have attached the presentation we received from JUB. On the very last slide it shows how much money we would need to eliminate these roads.
         1. If the City paid $4M per year on roads we would have 4% of our roads in a very poor/failed condition after 20 years. These roads would be eliminated after 23 years.
         2. If the City paid $3M per year, we would never eliminated very poor/failed roads.
         3. If the City paid $5M per year it would take 15 years to eliminate very poor/failed road.
   2. How much have we spent on roads in the last 5 years?

|  |  |
| --- | --- |
| 2005 | 119,581 |
| 2006 | 373,904 |
| 2007 | 238,247 |
| 2008 | 473,283 |
| 2009 | 2,021,619 |
| 2010 | 1,458,071 |
| 2011 | 100,455 |
| 2012 | 9,790 |
| 2013 | 257,500 |
| 2014 | 551,882 |
| 2015 (ytd) | 290,553 |
| 2016(budg) | 740,000 |
|  |  |

* + 1. The 2009-2010 numbers are the spending of the bond proceeds that we’re currently paying off. The numbers fluctuate each year based on what specific projects are done.

* + 1. John Goodman is working on creating a list of the roads that this money has been used on the past 5 years.
  1. How much money do we have or could have for road funding?
     1. Current revenue sources for roads:
        1. Class C (Gas Tax from State) $ 950,000
        2. General Fund Contribution $ 200,000
     2. Potential future Road Revenues
        1. Increase in Gas Tax (Effective Jan. 1, 2016) $ 177,341
        2. Sales Tax Increase (Voted on by people) $ 374,122
     3. Total potential revenues $1,701,463
  2. Can we restructure our current road bond to free up money for the short term?
     1. We had a resident suggest that and Dean says that the bond isn’t callable which means we can’t refinance it. Plus we wouldn’t want to do that anyway because it will just add extra interest payments onto a bond that will be retired shortly.

1. Dispatch Costs vs. Contracting with the County
   1. We are approached each year by the County to join the County Dispatch. It is a special service district (similar to TSSD) in which if we join we will be one vote of many in order to affect policy.
   2. Every time they have showed us numbers it is very close to a wash on any cost savings. There are two main factors that keep us set on keeping our own dispatch:
      1. If the cost is roughly the same we prefer to keep our local control
      2. The County needs to build a new building and they want more cities to join in order to spread that cost out
   3. Our recommendation as staff has been to keep our own dispatch due to the two factors listed above.
2. Fire Department
   1. Do we need to fund the Fire Department with their current budget when they fight a limited number of structure fires a year?
      1. Chief Thomas and I are sitting down on Monday to get a more comprehensive view of all the services offered by our department. This will include a breakdown of how many calls we get and what they are for.
   2. Should we contract out our ambulance service?
      1. The ambulance service generates roughly $300,000 per year in revenue. It is a service we provide that actually has a revenue stream. Giving away the ambulance service would be giving away a consistent revenue stream that helps fund the overall fire department.
      2. Chief Thomas has more information on the pros and cons of contracting that service out. We’ll have more information on that after Monday.
      3. Ultimately, if we were to try to reduce major costs in the Fire Department, it would come down to changing our level of service i.e. going back to a volunteer department or not providing an ambulance service
3. Economic Development Director
   1. How much would it cost for us to have a full-time Economic Development Director?
      1. At a base salary of $100K a new person would add $150,107 to the budget when you include benefits.
      2. Personally, I don’t think this is needed. We have had success in the past few years with larger businesses (doTERRA, Wal-Mart, My Oil Business, Aroma Tools, St. Johns Properties) and smaller businesses (Jimmy Johns, Cravings Bistro and Cupcakes, Cocolitos, Firebird Pizza, Chubby’s relocation). Some might say that the City doesn’t have much to with these businesses coming, but that’s kind of the point. I’m not sure any of this is any different if we’re paying $150K for an Economic Development Director.