

MINUTES
CITY COUNCIL MEETING
FRUIT HEIGHTS CITY
910 South Mountain Road
May 19, 2015

CITY COUNCIL MEETING 00:02:46

The City Council Meeting was called to order by Mayor Don Carroll at 7:04 pm.

The Pledge of Allegiance was led by Scout Beau LaRose and Mayor Don Carroll gave a prayer for the opening ceremony.

COUNCIL MEMBERS PRESENT: Council Members Julia Busche, Scot Poole, Eileen Moss and Mayor Don Carroll were present. Council Members Craig Hill was excused.

STAFF PRESENT: City Manager Brandon Green, City Planner Jeff Oyler, and City Engineer Brandon.

VISITORS: Beau LaRose, Kari LaRose, Scott Frazier, Owen Murdock, Neo Stamper, Justin Richmond, Mike Pehrson, Preston Waddoups, Jeff Richmond, Kyle Charlesworth, Tye, Buckley.

AGENDA ITEM:

2. APPROVAL OF MINUTES FROM PREVIOUS MEETING

Council Member Scot Poole made a motion to approve the minutes of May 5, 2015 with corrections. Council Member Eileen Moss seconded the motion and it was approved unanimously.

3. SPECIAL PRESENTATIONS- Items from the Public

There were not any presentations from the public.

4. NEW BUSINESS 00:08:04

4.1 Review/Discuss/Approve/Deny implementation of a Street Utility Fee

Mayor Don Carroll reminded the City Council and told the visitors that this discussion would be a continuation of the Strategic Planning Meeting that took place in February. He reminded them that the City of Fruit Heights must take funds from the General Fund to maintain their streets so they are there to hear proposals of perhaps instituting a Utility Fee. City Engineer Brandon Jones defined what a transportation utility fee as something that local governments use to fund their local roads that is paid by property owners based on their use intensity. All single family units would be charged the same fee regardless of home size. With this fee we are treating the roads as a utility system that the residents use. Mayor Carroll brought up the fact that utilities are something that the City is required to provide for their residents, like water, sewer, electricity and so

forth, roads are also something that is required for the City to provide, thus making it a utility.

Council Member Diane Anderson arrived at the meeting.

City Engineer Jones explained the Institute of Transportation Studies research shows a recent rapid increase of cities that have or are in the process of implementing a transportation utility fee. He also included a video produced by Provo City as they are preparing to implement a transportation utility fee.

The City Council discussed funding. Fruit Heights City's current fund sources for roads are Class C road funds from the State at one hundred sixty thousand a year and the new fuel tax approved by the legislature this year. Fruit Heights City is estimated to receive twenty-nine thousand six hundred from that fuel tax. The City could receive money from sales tax to the amount of fifty thousand two-hundred and eleven but only if it is put on the ballot and is adopted and the maximum amount is charged. City Engineer Jones did not factor the Sales Tax in to his exhibits because that has not been adopted. The City has also used money from the General Fund if available from year to year.

City Engineer Brandon Jones reminded the Council of the differences between a tax and a fee. Fees are related to the benefit or a specific service provided. With fees there is theoretically the ability of the residents to not using the service and thereby avoid the charge and the third characteristic is that the funds collected by a fee are earmarked.

City Engineer Brandon Jones and the City Council weighed the pros and cons of raising funds through property tax as opposed to a utility fee. They disagreed on a utility fee being more equitable. There were some who believe there is not a clear nexus between a home size and the amount of trips people take. Council Member Eileen Moss disagreed and believes that the general trend is that people in larger homes make more trips and drive more vehicles on the City's roads than people in smaller homes.

The benefit of a utility fee is that every dollar raised will be used on roads and it is a guaranteed source of funding. The fact that it is a new and additional fee is the drawback. Raising property taxes is another option and the benefit is that they are already in place. Council Member Eileen Moss also mentioned that other benefits are that it requires truth in taxation and that property taxes are deductible. The drawback is that the money is not earmarked for roads and that it could be used for other things leaving the City with the same problems in the future that it is facing now.

The average Remaining Service Life or RSL of Fruit Heights City's streets is 6.67 years. City Brandon Engineer walked through the City street map. He mentioned that 32% of

the streets have a score of 6 or less and 80% have a RSL of 8 or less. It would take about six million dollars to move all of those streets up to above a 10 RSL. If current funding remains and no additional funding is put into place the average RSL will drop to 5.3 RSL in the next 10 years and the percentage of roads with a RSL of 0 or in other words no longer functional would rise to 63%. This shows that current funding is not adequate for the City's needs.

City Engineer Jones presented five scenarios. The first scenario is a bond for six million dollars. After 10 years the average RSL for Fruit Heights' roads would be 17. There would be a utility fee of \$30 per month. There would have to be a funding source. The benefits of this scenario are there would be an immediate, significant impact on entire road system.

Scenario number two is to not change anything. The City would do what it has been doing working just with the funding already in place. As mentioned in ten years 63% of roads in Fruit Heights will be at a 0 RSL with an average RSL of 5.3 years.

Scenario number three is a \$5 per month utility fee. The average RSL after ten years would increase to 7.2.

The City Council, Mayor Carroll and City Staff discussed that because the goal is to maintain the newer roads it will take a while to get all of the 0 RSL roads completely gone. Even at the higher utility fee the 0 RSL roads after 10 years will still be at 25%.

Council Member Eileen Moss questioned if City Engineer Jones had figured any scenarios including property tax rates. He had not but the scenarios numbers would remain the same. The City Staff and City Council discussed property tax rates in Fruit Heights. They also discussed raising the needed funds through raising property taxes or a utility fee. They discussed exceptions and the demographics of the community as well as the transparency of the fees or taxes. The Council discussed a compromise of both a utility fee and raising the rates in the property taxes.

Council Member Diane Anderson left the meeting.

The Council discussed costs of raising property taxes compared to the cost of setting up a new enterprise fund. They discussed ERU's. City Engineer Jones explained how the numbers were figured regarding the mobile home parks. Seasonal properties were charged only for the months they were open. Right now the figurers have the residents paying eighty percent as compared to twenty percent for commercial properties. They discussed duplexes, condominiums and townhomes.

City Engineer Jones recommended a 6 year plan of starting with a fee of ten dollars this year and raise it a dollar every year. There would be time exceptions for commercial properties to be able to change their prices or fees. The City Council discussed the

appraisal process and the problems associated with that in the previous years. They discussed the local sales tax option and the school bond being on the ballot and how they may effect raising the property taxes.

City Engineer Jones recommended a Public Hearing and introduce three choices of; all utility fee, all property tax or a combination of both. They discussed the effectiveness of Public Hearings, social media polls and how to get the resident's opinion. They agreed that maybe the fact that the City is finally working on the roads may be a motivating factor. The problem of educating the residents thoroughly and correctly was also discussed. Council Member Eileen Moss posted about this issue and there was one response and they were in favor of the utility fee.

City Recording Secretary Kelli Rollins arrived at the meeting.

The City Staff and City Council discussed the deterioration of the roads and the complaints of the residents of the City. They discussed the quality of the new roads including the base fill and the changing qualities of the asphalt.

City Planner Jeff Oyler brought up the local option sales tax which would be a quarter of a cent sales tax on everything but food. Fifty percent of that stays where it was sold and the other half is divided up. It would bring the City of Fruit Heights an additional fifty thousand dollars. Mayor Carroll mentioned a sample resolution sent by the League of Cities and Towns that the City Council could adopt showing support that the City would like to put it on the ballot. It is critical to our community to see that local option sales tax pass. City Manager Green agreed to put that resolution on the next agenda.

City Engineer Brandon Jones questioned the City Council what they needed from the City Staff to make progress on this transportation fund. The Staff will look at the property taxes but what amount does the City Council want to try to generate through any of the suggested methods. The City Council looked at ten dollars a month. That would generate four-hundred twenty-seven thousand per year. Council Member Eileen Moss questioned how much is the City allocating to roads from property taxes currently per year that could still be used for roads. City Manager Brandon Green and City Engineer Jones mentioned that it is difficult to say because one year the City spends eight hundred thousand and then for 4 years the City has nothing to spend on the roads.

Mayor Carroll asked the City Council that if a utility fee was implemented if they think the residents of Fruit Heights would rather have a ramp or a flat fee right up front. Council Member Scot Poole would recommend the increase little by little every year. Council Member Eileen Moss recommends a property tax increase and Council Member Julia Busche recommends a compromise. The Mayor mentioned the difficulty of educating the residents on a double increase for the same thing. Council Member Eileen Moss says even if it is difficult for them the Council still must do what they think is best for their constituents.

The Mayor and City Staff agreed that looking at the history of the water fund that starting with a higher number would be better. Since the numbers are not arbitrary and the fund would be earmarked only for roads it would only benefit the City and the residents to start with a higher number.

City Manager Brandon Green reported on the amounts received from B&C roads since 2007. He also reported that the most recent average of home values in Fruit Heights is two hundred and eighty thousand.

The City Staff and Council figured that around two-hundred and fifty thousand came out of property taxes to be used on roads over three years. The City Council and Staff estimated that there is one hundred thousand that can be counted on from the General Fund to be used for roads. That would lower the needed amount of four hundred twenty-seven thousand to three hundred twenty-seven thousand. Then it would be furthered lowered by the new tax which would mean the amount needed if raised all through property tax would be one hundred thirty-seven thousand. The City Council, Staff and Mayor discussed scenario 4 and 5. The more money the City has that means the more that can be put toward the lower RSL roads the better off the City would be because every year the City does nothing all those road lose another RSL year. The residents would see a difference within three years. There is not a reserve of extra funds.

City Engineer Jones mentioned that in figuring for this presentation he only took into account existing roads and taking care of them. It did not factor in capital projects like a Nicholls or Mountain Road. Those kinds of capital projects would still need to be funded from the general fund which means there would still need to be some funding there for those projects. This transportation fund would be more a repair and maintenance fund.

The City Staff was tasked to get more information on property taxes. The City Council gave them the amount of five hundred thousand and then subtracting out the B&C funds and the new tax. The City Staff will look at that number and give their recommendation.

4.2 Review and Discuss Municipal Energy Sales Use Tax

5. OLD BUSINESS 02:25:50

Mayor Carroll reported to the City Council about the UDOT meeting. The State Government felt that the safety issue of Highway 89 was of such importance that they gave the project two hundred and seventy five million dollars. The project will include everything from 84 to Cherry Hill and finish by 2021. In Fruit Heights they will close Raymond Road and Country Way permanently but the other streets will remain right on right off. The City Council discussed barriers, protected left turns, the frontage road and

timing of the projects. UDOT will also be installing preemptive lights for 400 North and perhaps Nicholls Road as well. The pedestrian tunnel will be part of a future discussion. They also discussed City water line projects and road projects that will be able to be scheduled or postponed now that here is more of a timeline.

6. UPCOMING CALENDAR EVENTS:

6.1 Patriotic Devotional June 28 DHS

6.2 Fruit Heights/Kaysville Idol June 30 & July 1 DHS at 7:00

6.3 Founders Day Celebration August 1st, 2015

6.4 Tour of Utah Bike Race: August 5-9, 2015

6.5 Election Caucus Meetings August 11, 2015 7:00 pm

6.6 Veteran's Day Program Davis High School on Nov. 7, 2015 at 11:00 am

7. DEPARTMENT AND CITY OFFICIAL REPORTS: 02:36:30

7.1 City Engineer's Report

There was not a report given.

7.2 City Planner's Report

There was not a report given.

7.3 City Manager's Report

There was not a report given.

7.4 City Council Member's Reports

Council Member Eileen Moss brought up the SWAT Team being sent to a resident on account of the red sign. She pointed out this is why the Sheriff's office should call someone from the City before deploying the SWAT team. If they would have called the City would have told them that they were running a drill. She also invited the City Council to the Emergency Preparedness Fair at the Davis County Fairgrounds.

7.5 Mayor's Report

There was not a report given.

8. CLOSED MEETING

A closed meeting was not held.

9. ELECTRONIC MEETING

An electronic meeting was not held.

10. ADJOURNMENT: 02:40:35

Council Member Eileen Moss made a motion to adjourn the meeting. Council Member Julia Busche seconded the motion. The meeting was adjourned at 9:42 pm.

I HEREBY CERTIFY that the foregoing is a true, accurate and complete record of the Fruit Heights City Council meeting held May 19, 2015.

Not approved until signed



Kelli Rollins, Fruit Heights Recording Secretary

Date approved by City Council: June 2, 2015