

**Heber City Corporation
City Council Meeting
April 26, 2014**

9:00 a.m.

SPECIAL BUDGET MEETING

The Council of Heber City, Wasatch County, Utah, met in Special Budget Meeting on April 26, 2014, in the City Council Chambers at 75 North Main Street, Heber City, Utah.

Present:	Mayor	Alan W. McDonald
	Council Members	Robert Patterson
		Jeffery Bradshaw
		Erik Rowland
		Heidi Franco
Excused:	Council Member	Kelleen Potter
Also Present:	City Manager	Mark K. Anderson
	City Recorder	Michelle Kellogg
	Chief of Police	David Booth
	Sr. Accountant	Wes Bingham

Mayor McDonald opened the meeting and excused Council Member Potter.

Fund Surplus: Anderson reviewed the City needed to transfer \$450,000 from the General Fund in order to stay within the allowable limits and suggested putting \$250,000 of this surplus into the Internal Service Fund. He also indicated there had been pressure to begin developing the airport industrial park. Many people had expressed interest in buying all or part of the land. Anderson noted there was also interest in two City-owned lots at approximately 400 West and 300 North. Council Member Bradshaw didn't see the need to retain the two lots. Anderson stated he would get those lots appraised in order to determine the fair market value. Council Member Franco asked if the Housing Authority would be interested in the lots. Council Member Bradshaw stated he would address that at the next Housing Authority meeting. Council Member Bradshaw preferred that the City maintain control of the 38 acre property. Anderson stated he would wait for Council Member Rowland's committee to report on their findings and then discuss this issue more. The majority of the Council agreed to allocate \$200,000 to the Industrial Park Fund and \$250,000 to the Internal Service Fund.

Manpower Requests: Anderson referred to the budget packet and proposed some changes to the original requests. He eliminated the proposed wage increases for the Cemetery/Parks Department employees, one Police Officer request and two Public Works employee requests. The IT contract services would increase by four hours per week. Anderson indicated he communicated with Ryan Starks about helping the City with public relations/social media needs. Council Member

Franco thought the City needed a content management system and Council Member Rowland noted there was also the infrastructure IT needs as well. Council Member Rowland felt a fulltime IT employee would have more ownership with the City than a reactionary entity. Council Member Franco stated now was the time to fund the position because the City was so far behind, technologically speaking. Council Members Rowland and Franco were in favor of hiring a consultant/implementation specialist to help the City determine its IT needs. This would be a one-time cost. Chief Booth suggested that when the IT consultation took place for the public safety building, that it could extend to the rest of the City as well. He estimated the consultation would take place this fall or winter.

Council Member Franco asked what services the City could provide online. It was noted the public could make court payments, find forms, applications, etc. The software provider was working to get business license renewals online as well. Council Member Franco knew updates would cost money, but indicated they would make staff more efficient. Anderson suggested building a budget for IT related items. Then as the City discovered needs, they could be filled. Council Member Franco suggested moving the \$200,000 proposed for the Industrial Park Fund to cover IT needs. Council Member Rowland stated for ongoing needs, the City should hire a fulltime person at a smaller salary, assuming a consultant had already laid the foundation. It was noted that with the IT improvements there would be fewer staffing needs because of the anticipated increase in efficiency and productivity. Council Member Bradshaw suggested doing an RFP to see what the cost would be for an IT consultant. Anderson suggested budgeting for the cost of the audit and then budgeting for the implementation. It was determined to appropriate \$25,000 for an IT audit and \$75,000 for implementation of the recommended needs from the General Fund and another \$20,000 for implementation of the recommended needs from the Water and Sewer Funds.

Anderson indicated the Code Enforcement position was increased from 20 hours per week to 25 hours per week, scheduling 30 hours a week during the summer and 20 hours a week during the winter. Anderson noted he added an Administrative Law Judge to the budget as well in order to address residents appealing parking citations. It was decided to hire the second fulltime Police Officer in September instead of waiting until January as proposed, and increasing the proposed Reserve Officer allocation by \$10,000.

In the Public Works Department, one position would be filled in the Technology Department and a promotion to Foreman in that department as well. Also, a promotion from Utility Worker to Mechanic was authorized. It was explained which funds the monies came from to fund these positions. Council Member Rowland asked if the employee increases were negating the revenue increases from the water rate increases. Anderson stated he and Bingham did an analysis and the City was ahead in revenues but behind in expenses. It was noted the infrastructure was so old that the depreciation expense that was covered could be inadequate. Anderson also added that local governments would be required to note the unfunded liability regarding retirement in their financial statements, as well as compensated absences for vacation and sick leave.

Council Member Rowland asked if revenues would be greater than anticipated if there was more growth in the City than anticipated. Anderson stated he would have to do more analysis, but he didn't think the City was making much headway, considering the need for more manpower, gas,

equipment, etc., and acknowledged the water system was the most demanding of the services the City provided. Bingham stated it would take 10 years with the Zions Bank plan of 7.5% yearly rate increases to recoup the depreciation.

Returning to the manpower requests, Anderson proposed increasing the two part-time office workers to an additional day a week, and adjusting four Public Works employees' wages to give them proper consideration for their prior experience.

Regarding the Building Department, Monica Echols would devote all her time to Building Department needs and Accounts Payable would be given to somebody else. He thought a hire for Accounts Payable might need to be a fulltime position.

Anderson spoke about the unappropriated surplus and noted that for a \$6 million budget, \$1.1 million in surplus would be 18%.

Capital Requests: Anderson stated \$54,000 of the City Council discretionary funds were already allocated. It was decided to use \$3,000 for Peoples Health Clinic. The Heber City logo development was put on hold until a visioning meeting was completed.

Council Member Rowland was in favor of having iPads for the Council members. Anderson spoke of other audio/visual updates for City Council chambers. Council Member Rowland was in favor of the wired access option with the updates so the room could accommodate whichever form of media device was brought into the meeting. It was noted \$20,000 was budgeted for the second floor expansion of the City Offices building.

Other requests were discussed as listed in the packet. Code Enforcement requested a budget to clean up nuisances and then charge the owners if they did not comply with orders to clean up their garbage. Anderson recommended telling the Planning staff that if the need was there, to go to the Council for approval on a case by case basis.

Anderson stated the new Eagle Park playground equipment would be funded out of the Capital Projects Fund. The Council discussed putting Christmas lights on the City Offices block and allocated \$2,500 for that purpose. Anderson noted the 500 South water maintenance project would be held off until next year in order to see if the City would receive a CDBG grant.

Anderson explained with regard to sewer problems that it was the common practice of other cities to make the owner responsible to fix problems in the lateral from the residence to the sewer main. Heber City's policy was the owner's responsibility was only to the property line. The Council favored maintaining the existing policy and having the City be responsible for problems in the lateral from the property line to the main since those occurrences were usually under the road. With that decided, the relevant equipment for that need was allocated.

Anderson noted that there was a Code Enforcement request for a vehicle. He wanted to allocate an old police SUV for that need. It was also noted the Police Department would get six new vehicles.

Anderson indicated he wanted to reinstitute the Internal Service Fund. The recommendation of allocating \$250,000 was a starting point to build up the fund.

Property Tax Increase: Anderson reviewed that the public hearing for the property tax increase could not be held until August, after the public had received their tax notices with the proposed increase and had a chance to review them.

Business License Fees: Council Member Rowland liked that the majority of the fees were decreasing. Only the problem businesses and non-revenue generating businesses would be increasing. Anderson stated the current budget had \$81,700 allocated in business license fee revenue. It was indicated that the expenses totaled \$146,490 and they would increase with COLAs and merit increases.

Anderson explained the items that would need to be disclosed in the public hearing, including all entities that would be given money by the City and salary ranges for elected and statutory employees. A new law stated that in a public hearing it would need to be disclosed that the City did not charge itself for water and sewer and also that Heber Light and Power did not charge the City for street lighting.

Consolidated Fee Schedule: Anderson indicated that Rounds submitted a proposal to increase the grave sales and perpetual care fees. In looking at other cities, some charged a flat fee and some charged by where the deceased lived at the time of passing. Council Member Franco suggested getting a study to assure that the Perpetual Care Fund was adequate. Council Member Rowland felt the cemetery was a benefit to the community. Before deciding on prices, Council Member Franco wanted to know the statistics of who was claiming resident status versus non-resident status for the past five years. Implementing a single rate was discussed. Council Members Rowland, Patterson and Bradshaw favored the figures highlighted in blue in the packet. Anderson stated the City would begin charging the fees in blue and then he would bring back information to the Council on who was purchasing the lots, residents versus non-residents, so the Council could adjust the figures based on that information if they so desired.

Chief Booth noted the different fees for Animal Services and Police. Council Member Franco asked if the water rate increase would be reflected in the Consolidated Fee Schedule. Anderson stated the current fees would remain until January, but the rate increase would need to be noted in the budget hearing. Also, business license fees would change effective next January. Anderson recommended a 7.8% increase for water rates beginning January. He also noted dental insurance premiums increased 7%, but that cost could be absorbed in the budget.

The tentative approval of the budget was scheduled for the May 1st City Council meeting. Other items could be discussed and altered, and the budget would not be finalized and approved until June and the proposed property tax increase hearing would be in August.

With no further business, the meeting was adjourned.

Michelle Kellogg, City Recorder