



MINUTES

Springville City Council Budget Planning Meeting - JANUARY 30, 2024

MINUTES OF THE BUDGET PLANNING MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON TUESDAY, JANUARY 30, 2024 AT 3:20 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN STREET, SPRINGVILLE, UTAH.

Presiding and Conducting: Mayor Matt Packard

Elected Officials in Attendance: Craig Jensen
Logan Millsap
Jake Smith
Mike Snelson
Mindi Wright

City Staff in Attendance: City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle, City Recorder Kim Crane, Community Development Director Josh Yost, Director of Administrative Services Patrick Monney, Library Director Dan Mickelson, Museum of Art Director Emily Larsen, Parks and Recreation Director Stacey Child, Public Works Director Brad Stapley, Public Safety Director Lance Haight, Power Superintendent Brandon Graham, Analyst Jack Urquhart, Assistant Public Works Director/Engineering Jeff Anderson, and Assistant Public Works Director Jake Nostrom.

WELCOME AND INTRODUCTION - Mayor Packard welcomed everyone and called the meeting to order at 3:22 p.m.

Troy welcomed the mayor and council to the meeting. He explained that the purpose of the meeting was to discuss policy questions and provide guidance for the creation of the city budget.

DASHBOARD AND SURVEY RESULTS - TROY FITZGERALD, CITY ADMINISTRATOR

Troy provided an overview of various topics discussed during the city council meeting: City survey results: Approximately 1,326 responses were received out of 4,000 addresses contacted, with a response rate of over 33.94%. The survey was available in Spanish and online for the first time. Quality of life and city services: The overall quality of life in Springville was rated as very good in 2023, with city services rated between good and very good. Further analysis is needed to determine the reasons behind this rating. City finances: A review of city property tax compared to surrounding cities was conducted, with the city's bond rating maintaining a healthy financial position due to prudent management. Crime statistics: Crime rates in Springville were reported to be dropping compared to the state, with citizens feeling positive about safety in the city. The transition to the new NIBRS statistic reporting system was discussed, highlighting the subjective nature of data and the potential impact of proactive policing on reported numbers. Police department wages: Troy explained that the city is examining police department wages and addressing potential pay imbalances, considering budget constraints and council priorities. The issue could involve over half a million dollars and is deemed significant. Power rates: Troy reviewed the city's power rates compared to neighboring cities, noting that commercial power rates are below the nationwide

average. Large commercial rates are average nationwide. Water rates were discussed during the meeting, with Brad mentioning that a consultant will be conducting a water rate study. Mayor Packard questioned the need for an outside consultant, given their knowledge of the city's needs. Brad reiterated that utilizing an outside consultant can help ensure that all bases are covered and provide confidence in the decision-making process. Mayor Packard suggested discussing with the Utility Board and coming up with a recommendation for the council to review.

Troy reported that the overall direction of the city was rated lower, although the reasons behind this rating were not addressed in the survey question. The meeting also included a review of high-density residential growth within the city.

The priority for additional funds was discussed based on survey results. The top three priorities identified were: Improving traffic flow, which received 42.8% of responses. Reducing traffic, with 30.2% of responses. Reducing crime, with 19.5% of responses. Additionally, it was noted that the two biggest increases in survey responses were for Additional transportation options and building more neighborhood parks.

A DISCUSSION ABOUT SERVICE LEVELS - TROY FITZGERALD, CITY ADMINISTRATOR

Troy reported on the cost versus performance factor and risk tolerance, highlighting the careful balance of budgets. Currently, the city has established service levels, including 5.0 acres of parks per 1000 residents. An average yearly indoor water demand of 62,800 gallons. Streets and intersections operate at a service level of D with 80% capacity. Additionally, internally established services include: All calls to the civic center are being answered by a live person. Ambulance response time is under eight minutes and the power system operates 99.99% of the time.

Get Healthy Utah was discussed in terms of performance versus cost. It was noted that simple decisions can have a significant impact on costs, and the city is currently at a point of balance where cost and performance are aligned. Any changes to service levels would require funding or reducing another service level to maintain this balance.

TEAM BUILDING ACTIVITY - RECREATION DEPARTMENT

Dinner Break: Time out 4:42 p.m. Time back 6:00 p.m.

COUNCIL AND MAYOR DISCUSSION AND JOINT INITIATIVES

Troy requested the Mayor and Council to brainstorm ideas regarding questions they may have regarding budget impacts throughout the city.

Mayor Packard:

- Plans for a City Maintenance Shop
- Sewer plant capacity
- West side fire and/or police station
- Expansion of the CRC

Cl. Craig Jensen:

- City uses of wide roads
- Annexation strategy
- Lakeside Landing infrastructure plan
- What is the ideal population for build-out?

Cl. Logan Millsap:

Working drinking fountains in parks

Will the city need more upgrades to the power system with electric vehicles becoming popular?

What happens to families when the city is built out?

Possibly a library or another civic center on the west

More available transit in the city

Cl. Jake Smith:

Plans for the Rodeo Grounds

Homeless warming shelters

Can we get a new city flag?

Cl. Mike Snelson:

Maintaining picnic tables in parks

Planning for city-owned canyon property

What is the plan for the sandbags at the golf course?

Who decides what color the police vehicles are painted?

Cl. Mindi Wright:

Consider leasing city property

Riverwalk trail

Infrastructure for the south of 1600 South

Are there enough cemetery plots for future growth?

The council was asked what they would do if money were not an issue.

Councilmember Smith responded with three priorities: public safety improvements, historic preservation, and establishing a youth summer camp.

Councilmember Jensen prioritized three initiatives: constructing a belt route around the city with no stop lights to Highway 6, developing a state-of-the-art sports complex, and exploring ideas for the wide streets in the city.

Councilmember Wright highlighted the need for a community relationship person, fast implementation of the reframing downtown plan, and the creation of diverse housing and commercial options.

Councilmember Snelson emphasized trail connectivity, exploring short-term rental options for canyon property, and funding active transportation initiatives.

Councilmember Millsap focused on establishing a citywide trail network, improving public transit, and implementing land use and parking reforms.

Mayor Packard's priorities included balancing police wages, enhancing trail connectivity, and exploring the use of community park property.

The council articulated its priorities during the meeting:

Councilmember Snelson emphasized the need for an active transportation plan and asked, "Where do we start?"

Councilmember Smith stated that public safety is a priority, with Councilmember Snelson and Wright in agreement.

Councilmember Wright reiterated the importance of active transportation and trails.

Councilmember Millsap expressed the need to discuss strategic planning for parking, particularly in downtown areas including 1600 South.

It was decided that departments should come back with a well-defined plan regarding these priorities.

Additionally, Mayor Packard highlighted the need to think through zoning for 1600 South, aiming to provide clear guidelines for developers. Councilmember Jensen and Wright expressed concerns about infrastructure, questioning whether to focus on building out or adopting a smaller-scale approach.

Troy suggested a work session to address a parking plan study and develop a comprehensive strategic plan for parking.

KEY POLICY POINTS

Inflationary Property Tax increase - Troy Fitzgerald, City Administrator

Troy reported that property tax on a home remains the same regardless of changes in home value unless the government changes the rate through truth-in-taxation or an election. He provided information on the inflationary effects of property tax increases. Troy explained the new budgeting method, which focuses on the mayor's bullseye and prioritizes tax-reliant departments to receive tax revenue increases. He asked whether the city should increase property taxes by the rate of inflation again this year.

During the discussion, Councilmember Jensen expressed concerns about the fairness and emotional impact of property taxes on citizens.

Mayor Packard emphasized the importance of balancing general fund expenses with revenues each year to avoid larger increases later.

Councilmember Jensen suggested implementing a tax on the city bill for public safety or incorporating it into property taxes.

Councilmember Snelson recommended focusing on the city portion of property taxes, noting that the average increase would be small each year.

Troy mentioned ongoing legislative discussions about the possibility of not allowing a fee for public safety.

Councilmember Wright raised concerns about the potential burden on businesses if taxes were raised year over year.

Mayor Packard then polled the council regarding raising property taxes. Councilmember Millsap and Wright were in favor of prior notification to citizens, Councilmember Jensen was against it, and Councilmember Snelson and Smith were in favor.

Inflationary Increases to Utilities - Bruce Riddle, Assistant City Administrator/Finance Director

Bruce explained utility rate inflationary increases and expressed a preference for small incremental increases similar to the property tax discussion to avoid a larger increase later while maintaining competitiveness in the market. He noted that capital expenses could also impact utility rates. Bruce then asked the council whether an inflationary increase should be considered for utility rates.

Councilmember Jensen advocated for prudence and cautioned against raising rates simply for the sake of doing so.

The Council reached a consensus agreeing to a modest increase, pending the provision of additional information.

Transportation Utility Fee - Troy Fitzgerald, City Administrator

Troy explained the transportation utility fee and how it has been debated by the legislature. He outlined what could be included as part of the fee and provided information on the revenue sources for roads and transportation.

Councilmember Jensen was in favor as opposed to the property tax increase.



Troy presented the council with three options: adopting a transportation utility fee, exploring shifting costs to other utilities, or taking no action.

Councilmember Millsap inquired about the fair assessment of the fee's impact and the goal of maximizing value.

Mayor Packard asked if the fee could be used, at least in part, for active transportation and emphasized the importance of having a specific plan in place.

Troy mentioned that some of the funds could be allocated toward sidewalks.

Mayor Packard stressed the need for specificity in how funds are dispersed.

Troy then asked the council if they would like to explore the option further and have more information provided in the future. The council agreed to conduct a study.

Cost Recovery Rates - John Penrod, Assistant City Administrator/City Attorney

John explained how fees were calculated based on principles of cost recovery and the benefit to the community versus the individual. He emphasized considering the long-term community quality of life and the feasibility of fee collection.

Mayor Packard inquired about the frequency of fee reviews, to which John responded that fees are reviewed annually.

Councilmember Snelson expressed a desire to see non-resident fees set at full recovery. Troy clarified for the record that the council instructed to create a deal for residents living up the canyon.

John then asked the council to advise staff if they would like to see any changes regarding fees.

Reserve Targets - Bruce Riddle, Assistant City Administrator/Finance Director

Bruce explained the reserve-level policy and discussed best practices. He mentioned that some reserves were utilized to complete the expansion of the Whitehead power plant. Bruce then asked the council if they were comfortable with the reserve policy, and the council expressed agreement.

Active Transportation Funding - John Penrod, Assistant City Administrator/City Attorney

John explained that active transportation includes human-powered modes such as walking or biking. He outlined the requirements for updating the Parks, Recreation, and Trails Master Plan by Parks and Recreation to include recommended trails from the Active Transportation Plan and updating the Standard Specification and Drawings by Public Works to incorporate the Active Transportation Component. John reported that there are 50 top-priority projects for the active transportation plan and asked the council if they believe the city is heading in the right direction and what expectations they have. He noted that many of the projects are expensive.

Councilmember Snelson noted that including active transportation in new development and road projects would aid in completing projects, to which John agreed.

Councilmember Snelson inquired about the Dry Creek plan and whether the studies were completed. John responded that the trail is one of the projects being worked on by the recreation department.

Councilmember Millsap expressed a desire to see funds set aside for connecting various portions of the city through active transportation.

Payroll Targets - Troy Fitzgerald, City Administrator

Troy reported that the payroll target is to be 2% ahead of the Utah county average market range, with efforts focused on ensuring that pay remains ahead of the market. He noted that benefits are competitive and expensive.



Operating Transfer Levels - Bruce Riddle, Assistant City Administrator/Finance Director

Bruce reported that transfers from the Enterprise Funds to the General Fund are distinct from administrative service transfers. He explained the transparency requirements associated with these transfers.

2% on the Arts - John Penrod, Assistant City Administrator/City Attorney

John explained the funding for the Arts in Springville. In 2020, Springville had an Arts Commission budget of \$25,000. Following the dissolution of the Arts Commission, the city implemented a 2% for the arts program, which generates approximately \$200,000 per year, along with PAR Tax, which generates approximately \$65,000. John then asked the council if the 2% for the arts program was heading in the right direction and if the percentage was appropriate.

Pension payments Tier II - Troy Fitzgerald, City Administrator

Troy reported that over 100 employees, nearly half of the city's full-time employees, are on the Tier II Pension Defined Benefit plan. This plan includes an employee component for the first time, requiring employees to contribute to be covered. Police and firefighters will be required to pay even more, while the city's portion is decreasing. Troy mentioned that under the current circumstances, the city cannot cover the employee portion. There was discussion about the legislature possibly changing the law. Troy then asked the council if they agreed to allocate \$150,000 towards covering the cost if the law changes.

Councilmember Wright asked if the employees had a choice in the tier.

Councilmember Smith agreed the city could cover the cost.

Councilmember Jensen disagreed with paying, stating the funds could be better spent elsewhere.

Troy explained that covering the cost would result in a 1% reduction in funds available for raises. Troy suggested waiting to see the outcome of the legislature's decision and discussing the matter further in April.

CONCLUSION AND NEXT STEPS

ADJOURN

Motion: Councilmember Snelson moved to adjourn the budget planning meeting at 9:08 p.m. **Councilmember Smith seconded** the motion. **Voting Yes:** Councilmember Jensen, Councilmember Millsap, Councilmember Smith, Councilmember Snelson, and Councilmember Wright. The motion **Passed Unanimously; 5-0**

This document constitutes the official minutes for the Springville City Council Budget Planning Meeting held on Tuesday, January 30, 2024.

I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true, accurate, and complete record of this meeting held on Tuesday, January 30, 2024.

DATE APPROVED: February 20, 2024



Kim Crane
City Recorder

