

MINUTES OF THE WORK/STUDY MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON TUESDAY, JUNE 11, 2024, AT 5:30 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN STREET, SPRINGVILLE, UTAH.

Presiding and Conducting: Mayor Matt Packard

Elected Officials in Attendance: Mike Snelson
Jake Smith
Mindi Wright

Excused: Craig Jensen, and Logan Millsap

City Staff in Attendance: City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney John Penrod, Deputy Recorder Jennifer Grigg, Administration Director Patrick Monney, Community Development Director Josh Yost, Director of Engineering and Internal Services Scott Sensanbaugher, Library Supervisor Brittanie Turner, Museum Director Emily Larsen, Parks and Recreation Director Stacey Child, Power Director Jason Miller, Public Safety Director Lance Haight, and Public Works Director Brad Stapley.

CALL TO ORDER

Mayor Packard welcomed everyone and called the meeting to order at 5:36 p.m.

COUNCIL BUSINESS

1. Calendar

- Jun 18 - Work Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.
- Jul 02 - Work Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.
- Jul 04 - Independence Day Observed (Civic Center Closed - Thursday)

2. DISCUSSIONS/PRESENTATIONS

a) Utility Board Update - Cl. Jensen/Cl. Millsap

Mayor Packard excused Councilmember Jensen and Millsap and asked for feedback on Art City Days. Director Haight reported response time was not affected by the carnival being set up on Center Street. Mayor Packard complimented Director Child on Art City Days. Director Haight reported the Fireman's Breakfast was successful. Councilmember Smith asked about the fire truck that failed during the parade. Director Haight said a starter cable failed.

b) Internal Services

Director Sensanbaugher started his presentation by explaining his department serves internal customers and maintains facilities. Currently, the facilities maintenance contract is out to bid. Councilmember Snelson asked about repairs. Director Sensanbaugher explained some repairs are in-house and others are contracted out. Councilmember Wright asked about facility staff. Director Sensanbaugher explained the positions. He continued by explaining his department also handles some capital projects. As a new director, he has identified areas that need improvement including documentation and asset management. Mayor Packard asked about acquired buildings. Director Sensanbaugher said more assets need more staff and each building acquired will need to be evaluated to plan for those needs before making budget requests. He will break down assets as granularly as he needs to—details like the number of doors and windows.

He reviewed his oversight of the Central Shop. This includes ensuring that all city vehicles are scheduled, repair work is done, and delivered back, downtime for the city department is minimized and the shop is running as efficiently as possible with the billed time. Councilmember Wright asked about tracking downtime. Director Sensanbaugher said he is not sure how accurate the tracking is right now.

He moved on to Internal Technologies (IT) stating it is a priority to keep the network/system dependable and secure. An IT staffer will make a future presentation. Councilmember Snelson asked about the IT department being part of a division of Engineering and Internal Services. Director Monney explained IT, Central Shop and Facilities were under Administration, Power, and Parks and Recreation respectively before the creation of this new department. Director Sensanbaugher explained the website, IT Help tickets and met-updates. Councilmember Snelson noted the email was down and Director Sensanbaugher said the county links were repaired. He moved on to explain working with Economic Development to improve the website. Mayor Packard asked how to make the website user-friendly. Director Sensanbaugher said metrics help him analyze the success of the website and he plans a survey to get feedback on the website and customer service. Mayor Packard asked Councilmember Wright for her input. She said the department seems like it is stretched in too many directions. Director Monney reported more statistics. Director Sensanbaugher moved on to explaining his department will do better at training and software implementation.

He explained Engineering and GIS involve planning and completing capital projects like repaving a city parking lot. His department is also conducting an environmental analysis, easement survey, parade map, and fire hydrant map which are part of the GIS and data management responsibilities. He explained success in his department shows in the right measures, like matching the budget and gauging customer service. The coming survey will establish a baseline on satisfaction levels. His department is creating a Capital Projects Plan including timeline charts and plans to communicate better with each department. A Facilities Management Plan as well as a Space Needs Analysis including updated policies are additional upcoming deliverables.

He has hired a facilities superintendent, a GIS administrator, and hopefully a new engineer this week. GIS capabilities have been improved as well as IT services. He is drafting new policies and his main idea is establishing a service mentality within his department. He will be presenting quarterly quantitative reports with goals and metrics on each area in the future to keep staff and elected officials up to date on capital projects. He concluded by asking the City Council and Mayor what else they needed. Mayor Packard said the City Council will feel free to contact him in the future.

c) Public Works

Director Stapley said Sunrise Ridge is the biggest Cul-de-Sac in Springville meaning it is an entire neighborhood with only one road in and out. Councilmember Wright said she used to live there and her neighbors use the Mapleton roads to exit the neighborhood to Highway 89. Director Stapley agreed and said those Mapleton roads benefit Springville residents. He plans to collect baseline data on the Mapleton roadway connections. If traffic increases Springville will create traffic calming devices. He asked the City Council if they had suggestions. Councilmember Snelson asked about feedback from residents. Director Stapley said a traffic count will collect the baseline data as well as a survey of phone calls concerning the traffic in the neighborhood. Administrator Fitzgerald said some proposed improvements involve possibly removing houses. When the subdivision went in and Mapleton built a city park, they agreed to include a street through the park. Mayor Packard asked about railroad crossings to connect to the neighborhood. Director Stapley said the crossings are there and with the consolidation, there will be only one set of tracks to bridge or cross at grade. Administrator Fitzgerald said there are existing crossings but some railroad crossings might be abandoned because they are within the county, not either municipality's city limits. Councilmember Wright asked when the baseline traffic count starts. Director Stapley said staff will collect data on different roads next week and concluded his presentation.

d) Power

Director Miller started the update on the Caterpillar GenSets upgrade by explaining the power markets spiked last week up to about \$100 per megawatt between the hours of 7:00 p.m. and midnight. The enterprise engines were activated for just that day possibly because of the heat dome in the South. A leak in the water manifold was discovered in one of the legacy engines which can produce between four and five megawatts per hour. All five Caterpillar GenSets will be online by June 28th giving the Whitehead Power Plant 20-megawatt per hour (MWH) capability. Purchasing power from the market prices have normalized down to the \$40-\$50 per megawatt range. The completion of this Caterpillar GenSets upgrade project will be within budget and staff will not be recommending issuing any additional bonds.

He reported that the Power Department also has the responsibility to provide backup power to the Wastewater Facility in case of an emergency. To fulfill this responsibility while the engines were shut down for this project, a generator was rented for a month until project completion.

He moved on to personnel developments by reporting that three of our six staff line workers have resigned because surrounding entities like Payson, Salem, and SESD (South Utah Valley Electric Service District) are hiring at higher hourly rates. With the legacy policy, former line workers were treated like union workers—all being paid the same. Now line workers' compensation will conform with the current merit-based pay policy.

He continued by reporting that a new consultant is completing an impact fee study using a different methodology. Mayor Packard posited that hundreds and thousands of dollars have been lost while the city waits for the completion of impact fee studies. Councilmember Snelson asked about the change in methodology. Director Miller explained the change in the study does not include a service level change just a change in what is included in the calculation and he anticipates commercial impact fees to change more than residential. The new impact fees will capture the new expense of payments toward a bond issued by SUVPS (Southern Utah Valley Power Systems) for capital projects upgrading their transmission system. The cost of generation has historically been paid through rates, including the CAT project and there is no projected change in that. The master plan and impact fee study will be completed in July.

He reported the target cost for producing power is \$70 MWH, based on UAMPS (Utah Associated Municipal Power Systems) reporting. Springville's cost for producing power is averaging below that at \$68 MWH. Councilmember Snelson referred to the 2022 spike when the fuel factor charge was adopted. Administrator Fitzgerald explained the difference between natural gas fuel prices to run generators and the cost of producing power. Director Miller explained Springville is an 18% participant at the Nebo Power Plant which provides 24 MWH and being so dependent on one source is a bit of a risk. He would like to discuss alternative sources of power to reduce that risk.

Director Miller said UAMPS has 50 members and is under-resourced and he plans to develop and present a strategy for marketing sizable output from our Whitehead plant. He explained that sometimes there is a glut of solar available during the day and it is sold at a negative price. Mayor Packard asked how to protect the city when the power system is overused and resources are low in 25 years. Director Miller said projections for growth in use in our city have not been as rapid as projections from the past. Mayor Packard asked about the whole market. Director Miller agreed the national grid is overloaded, under-sourced, and burdened by restrictions and taxes. Mayor Packard asked if buying more Caterpillar GenSets would protect the city in the future. Director Miller said two legacy engines already need to be replaced to take advantage of new technology. Councilmember Snelson asked how much the CAT engines produce. Director Miller answered 2.1MWH per hour, but we are limited by permitting, and space.

He suggested diversifying outside of UAMPS and adding more efficient sources than wind and solar to the mix. Mayor Packard said he would like to see a plan to protect our city's future. Director Miller said there are many options like buying more power from the market or hedging our future with capital

projects. Administrator Fitzgerald warned that technology could obsolete us like a future cheap battery solution and we could lose our market to private power companies.

Finally, Director Miller reported that 3600 AMI meters were changed out in the last quarter bringing the total up to 10,000 with 4,000 more to go. Councilmember Snelson clarified that these meters can be read from the Whitehead Power plant remotely without any driving by. Director Miller said these updated meters also added the capability of automatic disconnects and other functionality to integrate with the city software. This project was originally designed to be a 10-year build-out but will be completed by 2028. Administrator Fitzgerald's frequent flyers received new meters early so truck rolls are down 85%.

e) Impact Fee Discussion - Troy Fitzgerald

Administrator Fitzgerald said some of the delay in updating impact fees is on his desk. Change is part of Springville growing up and the methodology changed because the Power Department hired a new consultant. Previously he told the directors in a staff meeting that impact fee policy cannot change until he is convinced that superintendents know, understand, are conversant in, and prepared to implement the plans that are being brought forward. He agreed with the mayor that impact fee dollars are being lost and the total collected varies over the years based on the type and quantity of development. He showed a chart of the impact fees collected and the cost recovery percentage. Councilmember Snelson asked about activating pressurized irrigation infrastructure on the east side. Administrator Fitzgerald answered even though some of that infrastructure is in place, activating it is not in the current master plan.

He reported these impact fee policy drafts are ready and calendared for public hearings and he is here asking the City Council for guidance before they are presented for a vote. Councilmember Snelson suggested lowering the level of service would create a kickback and he believes our level of service is correct. Councilmember Wright asked for the details of the impact fee plan presentations. Administrator Fitzgerald said each director will present with lots of details and appendices including 100-150 pages of material in a work session. Usually after a week delay in regular session, there will be comments and the Home Builders Association uniformly shows up with questions. Before the vote, staff will inform the City Council of the maximum allowable impact fee as well as staff recommendations on cost recovery. The City Council will decide if they are inclined to keep costs low because of the housing shortage. He cited power generation as a specific example—stating that 25 years ago, generation was not included in the impact fee. Director Miller just presented the cost of adding an engine to the generation capacity which is significant and if included in impact fees, those would go up significantly. Currently, that cost has been covered by power rates, not impact fees. Should generation be included in the impact fee is a question that is also valid for stormwater, public safety, and parks. Lowering the percentage of recovery by keeping impact fees low means those costs come from the general fund.

Councilmember Wright asked what the state allows. Administrator Fitzgerald said the equation is— the total cost of new growth divided by new growth which equals 100% of the maximum allowable fees. Mayor Packard added there is no legislated maximum or minimum impact fee but the calculation is the maximum allowed. Councilmember Wright asked where the data on costs comes from. Administrator Fitzgerald said consultants collect that data and project ten years out. Councilmember Snelson asked about private enterprise and competition. Administrator Fitzgerald said Rocky Mountain Power charges a connection fee, not an impact fee. Attorney Penrod added extra high impact fees can lead to lawsuits and it is best to stay within the mix. Administrator Fitzgerald said a year ago Legislative President Adams called and complained that Springville impact fees were too high. Mayor Packard commented that Mr. Adams wrote the law.

Councilmember Wright asked and Administrator Fitzgerald clarified that there was an 80% drop in new home starts across the county between FY22 and FY23 because of inflation and rising interest rates and there was also a growth slowdown at the end of Fiscal Year 2024. Mayor Packard said he agrees with Councilmember Snelson that our level of service is correct, impact fees should be 100% but

be aware of the competition, and if there is a disparity have a plan to implement 100% impact fees over a year or two. Councilmember Snelson quoted Councilmember Jensen's comments about Springville wanting to embrace slow growth means Springville does not need to worry about the competition. Mayor Packard and Councilmember Wright reiterated the possibility of lawsuits like Attorney Penrod mentioned.

Mayor Packard asked for other thoughts and Councilmember Smith asked if there was a staff recommendation. Administrator Fitzgerald said there is concern with overemphasizing the level of service and staff is definitely risk averse when estimating future costs. Guessing what the costs will be in five or six years puts the city at risk. For instance, it is not a good thing if the city collects \$2 million in impact fees but the promised infrastructure costs \$5 million in the future. He said he likes the way Mayor Packard stated that Springville should be aware of what the competition is charging and it is a good gauge for why our impact fees are what they are. He concluded by stating it is painful, but 100% of the maximum allowable impact fees make sense because existing citizens have already paid their dues to live here-growth should not increase their taxes.

Administrator Fitzgerald described a scenario where staff knocks on the doors of each existing house in Springville and asks for \$200 to build a new house in the west fields for a new resident. If a neighbor refuses to pay, then that homeowner owes \$300—which will not go over very well. He said the governor, developers, and home builders will complain but our first obligation is to protect existing residents of Springville. He continued to postulate that from a policy standpoint, these costs could be moved to rates and fees instead of impact fees which are charged upfront. He said that Attorney Penrod suggested that special districts would be created and builders would be charged impact fees for their area where infill projects already have infrastructure. Administrator Fitzgerald concluded his presentation by stating that at this time, he recommends charging 100% of the maximum allowable fee to avoid kicking the can down the line to future councils. By the same token, he suggested staff should feel pressured to be efficient in the utilization of these dollars. Councilmember Wright clarified the calculation of these impact fees does not include revenue collected by PAR tax.

MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS

Director Miller and Mayor Packard asked for input on naming the new substation on the west side of town on Center Street.

ADJOURNMENT

Motion: Councilmember Snelson moved to adjourn the meeting at 6:59 p.m. **Councilmember Wright seconded** the motion. **Voting Yes:** Councilmember Mike Snelson, Councilmember Jake Smith, Councilmember Mindi Wright. The motion **Passed Unanimously; 3-0.**

CLOSED SESSION, IF NEEDED - TO BE ANNOUNCED IN MOTION

The Springville City Council may temporarily recess the work/study meeting and convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by UCA 52-4-205.

There was none.

*This document constitutes the official minutes for the Springville City Council Work/Study Meeting held on Tuesday, June 11, 2024
I, Jennifer Grigg, do hereby certify that I am the duly appointed, qualified, and acting Deputy 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, June 11, 2024.*

DATE APPROVED: July 02, 2024

Jennifer Grigg
Deputy Recorder