

AMERICAN FORK CITY
COUNCIL MEETING MINUTES
MAY 8, 2014

WORK SESSION

ATTACHMENT

The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.

The American Fork City Council met in a work session on Thursday, May 8, 2014, in the American Fork City Offices, 51 East Main Street, commencing at 3:30 p.m. Those present included Mayor James H. Hadfield and Councilmembers Carlton Bowen, Brad Frost, Rob Shelton, Jeff Shorter, and *Clark Taylor.

Staff present: Associate Planner Wendelin Knobloch
City Administrator Craig Whitehead
City Planner Adam Olsen
City Recorder Richard Colborn
Economic Development Director Debby Lauret
Finance Director Cathy Jensen
Fire Chief Kriss Garcia
Fire Marshal Doug Bateman
IT Specialist George Schade
Legal Counsel Tim Merrill
Library Director Sheena Parker
Parks & Recreation Director Derric Rykert
Police Chief Lance Call
Public Works Director Dale Goodman

Also present: Summer Intern Brittany Bailey

REVIEW OF THE FY 2015 TENTATIVE OPERATING BUDGETS – Cathy Jensen

Craig Whitehead thanked those members of staff for being in attendance. They have put a lot of time into the proposed budget.

Mayor Hadfield noted that on Tuesday they will also review the Building Authority Tentative Budget at 7:00 p.m. and the RDA Tentative Budget at 7:10 p.m. There was a public hearing on surplus property at 7:25 p.m.

Building Authority. Cathy Jensen provided a power point. It is included in these minutes as an **ATTACHMENT**. She explained that the Building Authority needed to have a license to operate each year from the State and do some notices that was pretty much the expenditures for \$200. (See **SLIDE 3**.)

RDA. Ms. Jensen explained that the RDA had a \$2.2 million budget. (See **SLIDE 5**).

The Mayor's philosophy of the RDA was "to accrue sufficient funds in the RDA until we can retire the RDA bonds. However, if a project arises within the project area(s), that is pressing, we will address those projects as they arise."

Ms. Jensen continued that the main obligation was the bond. (See SLIDE 7)

Councilman Shelton asked if they would be able to meet the call date.

Ms. Jensen answered that there was not enough money to meet the call date. New projects would also affect that.

Councilman Bowen asked what the interest rate was and what the principal amount would be at the call window.

Cathy Jensen stated that it would be the same.

Ms. Jensen reported on the current RDA Projects. (See SLIDE 8)

Ms. Jensen provided the RDA Step-Down Schedule. (See SLIDE 9)

Ms. Jensen reported on Personnel Matters – (See SLIDES 11-13)

Mr. Whitehead noted that with regard to health insurance, Tom Hunter has recommended that the City take a contingency option, where if things went really well, as the City has been trending, the City could get a rebate of up to 10%. The other side of that was that if things went bad, above the trend line that they were at now, then the City's costs would go up.

Councilman Shelton added that the renewal was in January.

New Positions –

- Full time Economic Development / Public Relations person

Mr. Whitehead explained that the City would be stepping up what we do now and place more effort on Economic Development and better public relations. The individual would help make the City more transparent, develop a new Strategic Plan and set goals and policies in terms of Economic Development. They could possibly do grant writing and get the City into video streaming of Council meetings.

Councilman Frost felt that they would be hiring the "face of the City."

- 6 New Fire Fighters
 - 3 in FYE 2014
 - 3 in FYE 2015

Ms. Jensen noted that 3 were in this year's budget but they were having trouble finding adequate hires.

Councilman Bowen stated that there was a Supreme Court Ruling that specifically said that the Federal Government can't direct local government employees. He asked the cost per firefighter.

Chief Garcia answered that for each firefighter it was about \$72,000 for wages and benefits. Being currently short-handed their full-time employees had to remain on the job and work overtime shifts. It took about 80,000 man-hours a year to run the fire department, either from full-time or part-time people. He had three part-time people quit last week to take full-time positions other places. They were currently recruiting. Last year the department was 23 percent full-time and this year they were at 50 percent full-time.

Craig Whitehead noted that a pure volunteer, someone who received no pay or standby pay could be exempt. They needed to follow the law. For a violation it was \$2,000 for every City employee.

Chief Garcia stated that American Fork with one station had more runs as Lehi with three stations.

Ms. Jensen reviewed the Committed Obligations for Capital Equipment and Projects. (See **SLIDE 14**)

Ms. Jensen reviewed and discussed the Budget Summary and General Fund Revenues. (See **SLIDES 15-17**) It was proposed that there be no property tax increase. She explained the City was doing pretty good. Some of the revenues were a little bit up. Sales tax was a little bit up. The departments were being very conservative in their expenditures. Final budget adjustments for this year had to be done prior to June 30.

Ms. Jensen reviewed and discussed the Certified Tax Rate History and Sales Tax. (See **SLIDES 19-20**) The Certified Tax Rate is the rate that was required to keep the tax revenue the same as the previous year plus adjusting for new growth. The City's buying power was just not the same.

Councilman Frost stated that there was no built-in mechanism for additional money. The way to get more money was the Truth in Taxation procedure.

Councilman Shelton noted that it was living on a 1986 salary with 2012 expenses.

Mr. Whitehead added that there was an increase for the value of new construction.

Ms. Jensen reviewed budgetary changes in departments. (See **SLIDES 21-32**) The increase in Planning was due to the full-time economic development director.

Mayor Hadfield commented that the stipend to the Senior Citizen directors had been the same for about 15 years.

Ms. Jensen noted that the Fire and Ambulance budgets had been blended together.

Councilman Bowen was concerned that a dump truck was coming out of B and C road funds.

Councilman Shelton asked what the dump truck would do for public works.

Dale Goodman answered that they would be replacing a 1992 dump truck that was well passed its useful life. The truck would be a complete package including snow plow and salt spreader. It would be used year-round.

Ms. Jensen explained that the City did not own the Boat Harbor. It was a lease with the State. They have made improvements to the area.

Councilman Bowen asked about the lease.

Derric Rykert responded that it was a 30-year lease with 16 years remaining. In the past the City has not done the standard of 8 percent of revenues toward improvements. They were working toward that.

Ms. Jensen continued that there was the grist mill that was going to be funded through donations. There was a decrease in the Celebration.

Councilman Frost explained that it was due to a downsizing of Steel Days including a reduction in the Car Show budget. It was geared toward family access and the fireworks show.

Councilman Bowen thought that the fireworks were awesome last year.

Ms. Jensen explained that the Broadband would increase due to a long term IRU lease that can be shown as a sale of fiber. Also included was a new web page development and software streaming.

Ms. Jensen reviewed and discussed Capital Equipment and Projects. (See SLIDES 33-36)

Councilman Bowen asked for the age of the vehicles that they were shooting for in the police fleet.

Mr. Whitehead answered that for patrol cars it was between 80,000 and 100,000 miles. It would probably be between three and four years.

Mayor Hadfield continued that it also depended on the downtime and maintenance costs on a vehicle.

Chief Call added that it was not only mileage but a lot of time idling. The patrol cars being replaced were now six years old and their useful life was past.

Chief Garcia stated that the requested conex container would be for supplies and equipment at the burn house at public works.

Ms. Jensen noted that the recreation grant would be for the redesign for the front desk and entry at the Fitness Center.

Councilman Frost asked what things people most griped about.

Mr. Rykert answered

1. Condition of the locker rooms; the aging tile
2. Parking
3. Condition of the plaster in the pools
4. Air flow circulation in the building

Mr. Rykert added that a new bubble would probably be needed in another eight years.

Councilman Frost was open to start phasing repairs to the locker rooms.

Mr. Rykert felt the locker rooms needed to be done all at once. Estimated cost was \$100,000 for each locker room.

Councilman Bowen expressed that if that was a priority, why not put money toward the locker rooms instead of the front entry.

Mr. Rykert responded that they needed to do something that could be completed.

*Councilman Taylor arrived.

Ms. Jensen reported that the Senior Citizens would like to have a Fitness Room.

Councilman Bowen noted that there was about \$2.2 to \$2.3 million in the Streets Capital Projects. He would like to see more but it was more than \$1 million.

Mr. Whitehead commented that the storm drain rate may go up for future needs to meet State requirements.

Mayor Hadfield added that EPA rules were now more stringent.

Councilman Taylor did not know how the City could absorb a 15.2 percent increase from TSSD.

Mayor Hadfield responded that it could not and also continue good maintenance on our system. He appreciated the sewer crew and the work they were doing because it kept the City from having insurance claims.

Councilman Shorter wanted to pass through every increase from TSSD.

Councilman Frost responded that the City would need to put a policy in place to accomplish that.

Mayor Hadfield asked if there were any other questions on the tentative budget as proposed.

Councilman Frost anticipated some really big developments coming to American Fork including Vintaro and the TOD area. They will need new infrastructure and those impact fees would help redo some of the old part of American Fork.

Mr. Goodman added that the 300 West 200 South capacity increase could be done with impact fees because of the new growth.

Councilman Frost asked where the line was as to what impact fees could be used for.

Mayor Hadfield answered that the City Attorney will answer that question specifically when that time arrives. Certain utilities could be upsized.

Councilman Frost wanted to figure a way to bring some of that revenue from growth into the Main Street area.

Mr. Merrill suggested that it could be a topic of discussion for a work session.

Mayor Hadfield reported that over the past 8 months, because of work at IHC and North Pointe Business Park and others, over \$660 million have been added to the property value in the community.

Mr. Whitehead explained that Tuesday night was the required adoption of the Tentative Budget. After that there were some open meeting dates, a public hearing, and final adoption scheduled for June 10.

Councilman Bowen appreciated the presentation but he would have liked to have had it sooner in the cycle. The Council has not had much input.

Mr. Whitehead commented that some broad goals were set in January.

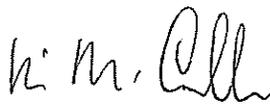
Councilman Shelton added that they now had over a month before it had to be adopted by June 22 during which time they could come back and make recommendations.

Councilman Frost felt that he was prepared and had enough information.

Mayor Hadfield noted that there were about 16 items on the agenda for Tuesday night.

ADJOURNMENT

The work session adjourned at 4:54 p.m.



Richard M. Colborn
City Recorder



American Fork City Tentative Budget

Period Ending June 30, 2015



American Fork City Building Authority Tentative Budget

Period Ending June 30, 2015

Building Authority

	Proposed Budget 6/30/2015	Approved Budget 6/30/2014	Variance Increase (Decrease)
Revenues			
Interest Earnings	\$ -	\$ -	\$ -
Transfer from General Fund	200	200	-
Beg. Fund Balance Appropriation	-	-	-
Total	\$ 200	\$ 200	\$ -
Expenditures			
Sundry	\$ 200	\$ 200	\$ -
Fund Surplus	-	-	-
Total	\$ 200	\$ 200	\$ -
Net Income (Loss)	\$ -	\$ -	\$ -



American Fork City RDA Tentative Budget

Period Ending June 30, 2015

RDA Tentative Budget

	PROPOSED BUDGET 6/30/2015	APPROVED BUDGET 6/30/2014	VARIANCE INCREASE (DECREASE)
REVENUES:			
Tax Increment	\$ 1,446,300	\$ 1,299,700	\$ 146,600
Interest	12,000	12,000	-
Fund Surplus	788,700	287,200	501,500
Total	\$ 2,247,000	\$ 1,598,900	\$ 648,100
EXPENDITURES:			
Transfers to Other Funds	\$ 572,000	\$ 636,000	\$ (64,000)
Egg Farm Development	300,000	176,400	123,600
Other	1,375,000	786,500	588,500
Fund Surplus	-	-	-
Total	\$ 2,247,000	\$ 1,598,900	\$ 648,100
NET INCOME (LOSS)	\$ -	\$ -	\$ -



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RDA Fund

The Mayor has identified his desire on the philosophy of the RDA: to accrue sufficient funds in the RDA until we can retire the RDA bonds. However, if a project arises within the project area(s), that is pressing, we will address those projects as they arise.



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RDA Remaining Obligations

Bond Obligation Retirement 3/1/2019

Call Date 3/1/2015

As of July 2, 2014, Financial Obligation in the RDA bond:

Principal: \$2,055,000

Interest through 3/1/2015: \$91,413

Interest through 9/1/2019: \$268,213



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RDA Projects

North Valley

- Quality Drive Road \$96,000
- 860 East Power \$400,000
- Sewer Line Rehabilitation \$300,000
- Pavement Repairs \$50,000

Egg Farm

- Developer Match on Projects \$263,000

West Side

- 130 North Pacific Road Paving \$150,000

***Dependant upon receipt of funds

East Side

- Relocation of Main Street Interesection \$100,000

\$1,359,000



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RDA Step-Down Schedule/Life

	North Business Park	West Side	East Side
2011	70%	70%	70%
2012	70%	60%	70%
2013	70%	60%	60%
2014	70%	60%	60%
2015	60%	60%	60%
2016	60%	-	60%
2017	60%	-	-
2018	60%	-	-
2019	-	-	-
2020	-	-	-



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American Fork City Operating Budget

FY Ending June 30, 2015

ATTACHMENT TO THE 05-08-14 CC WS MINUTES – PAGE 3 OF 10

Personnel Matters

- **Health Insurance**
 - Worst-case scenario Insurance rate increase-6%.
 - Employees pay 5%.
- **3% Merit wage rate increase.**



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Personnel Matters (cont.)

- **New Positions:**
 - FT Economic Development/Public Relations
 - 6 New Fire fighters
 - 3 FYE 2014
 - 3 FYE 2015



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Personnel Matters (cont.)

- **Positions Eliminated:**
 - PT Fire Fighter hours
 - 4380 Man-Hours
 - PT Economic Development



Committed Obligations For Capital Equipment/Projects

- Ambulance Lease (7/2014)
- Fire Truck Lease (12/2015)
- Police Vehicle Lease (2/2016)
- 1st Responder Lese (4/2017)
- Streets Loader Lease (annual)
- Bobcat Buy-Out (annual)
- Tri City Golf Course Land Purchase (10/2016)
- Tri City Golf Course Irrigation System (10/2027)



Budget Summary

	2014-15 Proposed	2013-14 Budget	Increase (Decrease)	Percent Change (approx.)
Total Budget (All Funds)	\$49,977,800	\$52,724,600	(\$2,746,800)	(5.21%)
General Fund	\$21,499,800	\$21,108,400	\$391,400	1.85%
Water/Sewer Fund	\$16,480,000	\$15,645,100	\$834,900	5.34%



General Fund Revenues FYE June 30, 2015

	Proposed Budget 6/30/2015	Approved Budget 6/30/2014	Variance Increase (Decrease)
Revenues			
Taxes	\$12,435,200	\$12,125,000	\$310,200
License and Permits	505,600	479,100	26,500
Intergovernmental Revenues	921,700	932,200	(10,500)
Charges for Services	3,724,000	3,545,600	178,400
Lease Payments & Other Fees	1,694,200	1,594,200	100,000
Cemetery Fees	115,900	108,000	7,900
Fines and Court Fees	355,400	362,800	(7,400)
Miscellaneous Revenues	119,000	157,000	(38,000)
Contributions & Transfers	1,628,800	1,804,500	(175,700)
Total	\$21,499,800	\$21,108,400	\$391,400



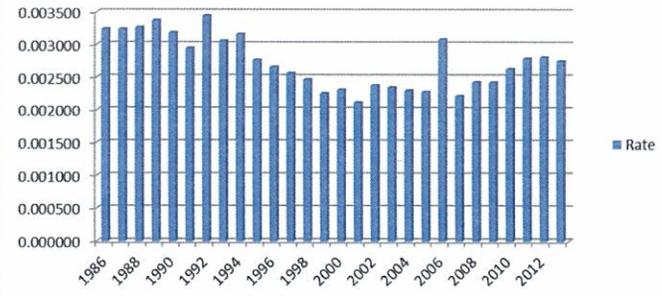
Selected Revenues

	2014-15 Proposed	2013-14 Budget	Increase (Decrease)	Percent Change (approx.)
Property Tax	\$3,600,000	\$3,600,000	\$0	0%
Sales Tax	\$6,200,000	\$6,000,000	\$200,000	4%
Energy Tax	\$1,564,200	\$1,450,000	\$114,200	8%
Licenses and Permits	\$505,600	\$479,100	\$26,500	6%



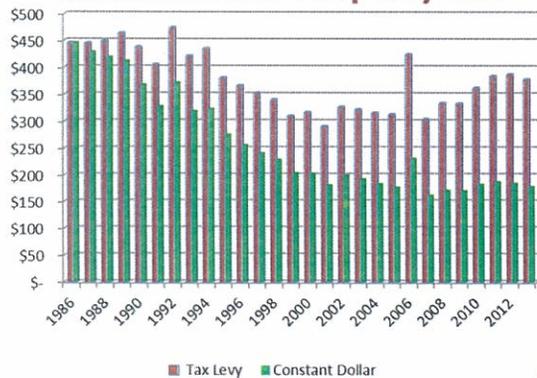
Certified Tax Rate History

Historical Certified Tax Rate



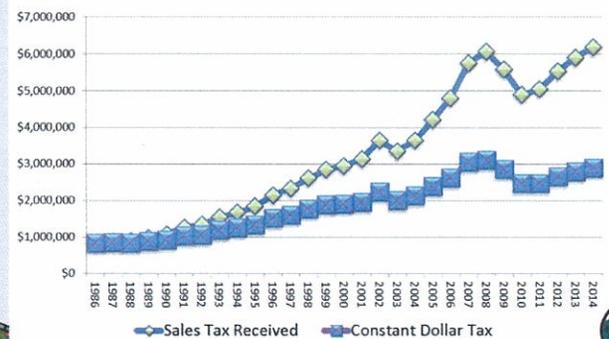
American Fork City

Constant Dollar Property Tax



American Fork City

Constant Dollar Sales Tax



Select Departments

	2014-15 Proposed	2013-14 Budget	Increase (Decrease)	Percent Change (approx.)
Administration	\$1,488,200	\$1,450,400	\$37,800	2.61%
Police	\$4,375,900*	\$4,574,600	(\$198,700)	(4.34%)
Fire/Ambulance	\$2,897,300	\$2,509,000	\$388,300	15.48%
Planning	\$340,000	\$253,900	\$86,100	33.91%
Sr. Citizens	\$30,000	\$21,500	\$8,500	39.53%

*Decrease in budget due largely to decrease in year-end payroll accrual and associated benefits.



Select Departments Budgetary Changes

- Fire/Ambulance
 - Increased Personnel
 - Blended Fire/Ambulance Fund
- Planning
 - Increased Personnel
- Senior Citizens
 - Increased Wages (increased stipend)



Public Works Divisions

	2014-15 Proposed	2013-14 Budget	Increase (Decrease)	Percent Change (approx.)
Public Works	\$236,100	\$234,300	\$1,800	.77%
Building & Grounds	\$815,700	\$747,800	\$67,900	9%
Streets	\$1,598,800	\$1,627,600	(\$28,800)	(1.77%)
Building Inspections	\$435,400	\$425,100	\$10,300	2.42%
Engineering	\$529,400	\$519,500	\$9,900	1.91%
Water	\$6,754,300	\$6,129,600	\$624,700	10.2%
Sewer	\$4,646,700	\$4,628,100	\$18,600	.4%
Storm Drain	\$973,900	\$925,000	\$48,900	5.3%
Secondary Irrigation	\$4,105,100	\$3,962,400	\$142,700	3.6%
Total	\$19,895,400	\$19,199,400	\$896,000	



Public Works Budgetary Changes

- Building Inspections
 - Plan Check Fees
- Building and Grounds
 - Asphalt Maintenance
- Water and Sewer Funds
 - Step-up in Water/Secondary Revenue
 - Increased Capital Projects



Parks and Recreation

	2014-15 Proposed	2013-14 Budget	Increase (Decrease)	Percent Change (approx.)
Recreation	\$600,300	\$568,000	\$32,300	5.7%
Cemetery	\$582,700	\$581,600	\$1,100	.19%
Boat Harbor	\$63,700	\$52,300	\$11,400	21.8%
Parks	\$899,400	\$861,900	\$37,500	4.4%
Fitness	<u>\$2,064,700</u>	<u>\$1,979,100</u>	<u>\$85,600</u>	<u>4.3%</u>
Total	\$4,210,800	\$4,042,900	\$167,900	



Parks and Recreation Budgetary Changes

- Boat Harbor
 - Improvements not Buildings anticipated in State Contract
- Personnel Costs



Other Budgets

	2014-15 Proposed	2013-14 Budget	Increase (Decrease)	Percent Change (approx.)
Legislative	\$150,500	\$150,300	\$200	.13%
Executive	\$94,700	\$121,300	(\$26,600)	(22%)
Legal	\$466,500	\$466,500	\$0	0%
Citizen Committees	\$66,100	\$56,600	\$9,500	17%
Celebration	\$145,900	\$150,600	(\$4,700)	(.03%)



Other Budgets Budgetary Changes

- Executive
 - Elimination of Economic Development
- Citizen Committees
 - Addition of Arts Council Grant
 - Historical Committee Log Cabin Project (donation funded)
- Celebration
 - Decreased Car Show budget per current year expenditures.



Broadband/Technology

	2014-15 Proposed	2013-14 Budget	Increase (Decrease)	Percent Change (approx.)
Broadband	\$1,392,500	\$986,600	\$405,900	41%
Data Processing	\$244,400	\$194,500	\$49,900	26%



Broadband/Technology Budgetary Changes

- **Broadband**
 - Sale of Capital Assets
- **Technology**
 - Web Page Development
 - Software Streaming



Library/Literacy

	2014-15 Proposed	2013-14 Budget	Increase (Decrease)	Percent Change (approx.)
Library	\$790,900	\$777,400	\$13,500	2%
Literacy	\$44,000	\$33,800	\$10,200	30%



Library/Literacy Budgetary Changes

- **Personnel Adjustments**
- **Literacy**
 - Operational Costs



Capital Equipment Vehicles

Department	Description	Cost
Building and Grounds	Van	\$45,000
Building Inspections	Truck (financed)	\$4,000
Parks	Truck	\$30,000
Police	(5) Vehicles	\$177,500
Water	Truck	\$35,000



Capital Equipment (cont.)

Department	Description	Cost
Fire	Connex Container-Impact Fees	\$10,000
Fire	Power to Training Bldg.-Impact Fees	\$12,000
Fitness	A/C Rooftop unit	\$11,000
Fitness	Bubble Door Replacement	\$15,000
Fitness	Cardio Equipment	\$20,000
Fitness	Competition Pool Re-Plaster	\$45,000
Parks	County Restaurant Tax Grant	\$15,600
Parks	Trail Overlay	\$8,000
Senior Citizens	Fitness Room-partial grant	\$24,000
Streets	Dump Truck Lease (B&C Funded)	\$40,000
Water	Emergency Well Generator	\$110,000



Capital Projects

Department	Project	Cost
Cemetery	Cemetery Improvements-Perpetual Care	\$500,000
Streets	300 W (Main to 200 South)	\$1,030,000
Streets	Sidewalk Funding	\$110,000
Streets	HA-5 Projects	\$170,000
Streets	100 North Overlay	\$250,000
Streets	Road Maintenance (B&C)	\$340,000
Streets	900 East/700 North	\$440,000



Water/Sewer Fund Capital Projects

Department	Description	Cost
Sewer	Sewer Line Rehab	\$472,500
Sewer	Sewer Projects (Impact Fees)	\$125,000
Storm Drain	Storm Drain Improvements	\$450,000
Pressurized Irrigation	Improvements	\$315,000
Water	CDBG Waterline Project	\$310,000
Water	Meter Replacement	\$100,000
Water	Water System Projects (Impact Fee)	\$125,600



