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PROVO MUNICIPAL COUNCIL

Work Meeting Minutes

11:30 AM, Tuesday, May 16, 2023

Council Chambers

Hybrid meeting: 445 W. Center Street, Provo, UT 84601 or

<https://www.youtube.com/provocitycouncil>

Agenda

Roll Call

The following elected officials participated:

Council Chair Katrice MacKay, conducting

Council Vice-chair Rachel Whipple

Councilor David Shipley

Councilor Bill Fillmore

Councilor Shannon Ellsworth, arrived 12:41 PM

Councilor George Handley, arrived 12:56 PM

Mayor Michelle Kaufusi, arrived 12:04 PM

Excused: Councilor Travis Hoban

Prayer

The prayer was given by Katrice MacKay.

Approval of Minutes

March 28, 2023 Work Session

April 18, 2023 Council Meeting

May 2, 2023 Council Meeting

Approved by unanimous consent.

Business

- 1. An ordinance amending Provo City General Plan Appendix C regarding annexation map and policies. Citywide application. (PLGPA20230063) ([0:28:45](#))**

Aaron Ardmore, Planning Supervisor, presented. This amendment will adjust descriptions on the annexation policy map in the General Plan. For areas 5 and 6 on the map, agricultural properties that are annexed into the City, these should remain as an agricultural zone. This amendment makes those changes to the area descriptions.

Councilor Rachel Whipple asked how they determine the intention for a property to remain in agricultural use. Mr. Ardmore illustrated that the Smith property, which is currently being

considered for annexation, as an example of this. The owners have used it as agricultural land and intend to continue doing so while they are the property owners. Brian Jones, City Attorney, shared some additional insight. Mr. Jones noted that the Council can interpret that provision as they deem fit; annexations are subject to approval by the Council. Mr. Jones noted that this policy change removes one of the hurdles for an agricultural property owner, so they do not have to make a request of the Council that goes directly against the policy. Mr. Jones shared some additional insight about the agricultural zones versus Open Space Parks and Recreation zones. ***Presentation only. This item was already scheduled for the Council Meeting on May 16, 2023.***

2. An ordinance amending the zone map class. of approx. 2 acres of property, located at 2075 W Center Street, from One-Family Residential (R1.8) to Mixed Use (MU) & authorizing and related development agreement. Provo Bay Neighborhood. (PLRZ20210271) (0:33:01)

Aaron Ardmore, Planning Supervisor, presented. He shared a brief overview of the property and its history. When applicants ask for recommendations about how they should rezone their property, staff generally offer the guidance of the General Plan as a suggestion. If an applicant wants to do something that does not comply with the General Plan, they communicate to the applicant that there may not be broad support for such a proposal. Mr. Ardmore highlighted some history of the subject property; staff and the Planning Commission have recommended denial of this proposal. They do, however, feel that one acre of mixed-use zone would comply with the General Plan. The plan for this property is to rezone the top two acres of the property as mixed-use.

Councilor David Shipley asked about the General Plan Southwest Area Future Land Use Map and how they can determine how much acreage is contemplated. Mr. Ardmore shared a detail section of the Southwest Area Future Land Use Map, which shows the top half of the property is contemplated as

Councilor Rachel Whipple shared comments about the nature of the Southwest Area Future Land Use Map. She said it seems that some of the shapes and areas on the map are somewhat nebulous. Mr. Ardmore shared additional comments and they would anticipate about 22 acres in that particular area to be mixed-use. In the case of this proposal, they are doubling the occupancy on the property (a 100% increase of the density contemplated).

Ms. Whipple did not feel the Southwest Area Future Land Use Map was very specific as to how it defined properties, since the shapes on it were more nebulous in nature. She thought it was problematic how it has been interpreted. Mr. Ardmore clarified staff's position on this proposal.

Councilor Katrice MacKay asked about some of the things she has been hearing which did not seem to be addressed in the documents sent to the Planning Commission, such as electric charging stations and bike lockers, which she did not see on the plans anywhere. She has also heard discrepancies about whether it would be apartments or condominiums. Mr. Ardmore said the concept plan before the Planning Commission did not include those details, so that is new information and that those aspects of the project could be brought in. Ms. MacKay asked about how rumors on social media have been saying this would be condos for rent and asked Mr. Ardmore to clarify what condos for rent means. Mr. Ardmore said that condos can still be rental

units. He said that whether they are condos or apartments, they could still be rented. Ms. McKay asked if there was anything else that could change within the rules of the zone. Mr. Ardmore said that there could be some changes.

Mr. Ardmore clarified the types of things that would be memorialized in the CCNRs for the property. Mr. Shipley asked about the future land use map again. He asked if they took the acreage to the left, would it give them another acre or half-acre to incorporate into the proposal. Ms. Whipple asked additional questions about the acreage. She asked how the 22 acres was calculated; Mr. Ardmore said it was calculated based on the development potential in the area. ***Presentation only. This item was already scheduled for the Council Meeting on May 16, 2023.***

3. An ordinance amending Provo City Code regarding development landscaping requirements. Citywide Application. (PLOT20230079) (0:48:10)

Hannah Salzl, Sustainability Coordinator, presented. The amendments in this chapter will:

- Standardize requirements and language
- Encourage more vegetative coverage in yards and parkstrips with xeric landscaping
- Encourage larger shade trees in parking lots
- Cleanup several existing items

Ms. Salzl summarized the proposed updates and shared the context for which various changes were being proposed. She clarified that the parking lots requirements only applied to parking lots with over six spaces. Councilor Bill Fillmore asked if this was a citywide change for new development; Ms. Salzl confirmed this. Councilor Rachel Whipple clarified whether this was only talking about a resident who wanted to use xeric landscaping. Ms. Salzl confirmed that this section is meant to address turf replacement; homeowners replacing or removing turf are usually venturing into some kind of xeric landscaping. Ms. Whipple asked if Provo was allowing more turf coverage than was permitted by the Central Utah Water Conservancy District. Ms. Salzl said this was the case. Ms. Whipple wanted to make sure she understood the differences between the two programs. Ms. Salzl said Provo's vegetative coverage of 40% includes turf but can include other types of plants.

Ms. Salzl continued and addressed the code section about artificial turf. This section was added in 2019; there has been a trend in the planning field to have some policy about artificial turf in order to regulate it when it is used; Provo's ordinance requires natural green coloring and they had tried to get ahead of any potential controversy. Artificial turf does contribute to the heat island effect, so it is not ideal, but they are open to the Council's direction on this. Staff thought it made sense to have some provisions for the elderly or disabled but from their internal discussions that is what they have discussed. Councilor Katrice MacKay thought artificial turf putting greens might be a consideration. Councilor Bill Fillmore asked if Planning wanted them to strike that section of code; Ms. Salzl said they saw the benefits of having that section of code.

Dave Decker, Public Works Director, said that Public Works staff recommend striking this section. The aquifer and natural environment are very important to the City. He thought it was important for the Council and public to understand the context for this. Public Works

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recommended removing this and allowing a committee of staff to produce recommended language about artificial turf.

Councilor Bill Fillmore asked Mr. Decker for an update on flooding. Mr. Decker gave an update on water runoff flows in various areas near and around Provo and its canyons. Mr. Fillmore asked additional questions about some of the flow amounts cited by Mr. Decker.

Motion: Ms. MacKay moved to remove the artificial turf from the proposal. Seconded by Bill Fillmore.

Vote: Approved 4:0 with George Handley, Shannon Ellsworth, and Travis Hoban excused.

Brian Jones said that the Planning Commission did not even talk about artificial turf. Bill Peperone said the Planning Commission did not talk about this. They will need to take this back to the Planning Commission to do that.

Motion was retracted.

A new amendment re: artificial turf will be addressed separately and go to the Planning Commission

4. An ordinance to amend the General Plan Appendix S: Downtown Master Plan to update the document policies, graphics, and data. (PLGPA20220362) ([1:15:02](#))

Javin Weaver, Planner, presented. Mr. Weaver explained that they are amending the Downtown Master Plan for this year. He said they will be adding a few appendices to the plan. He also explained that changes between PC and CC will not be a part of the ordinance. Council Chair Katrice MacKay asked why it would not be a part of the ordinance and Mr. Weaver said there needs to be more discussion on it before they add it to the ordinance.

They have brought these proposed updates as the Downtown area has experienced a lot of growth. They also wanted to make updates to reflect the new General Plan. Mr. Weaver shared some population and employment projections and statistics showing the changes happening in the downtown area. Mr. Weaver shared responses from the public outreach and surveying they did of residents in Provo.

Councilor Bill Fillmore asked how they see this playing into the momentum toward a pedestrian mall and redo of Center Street. Mr. Weaver said they are currently looking into that. This plan includes having more green space and outdoor dining.

Councilor Shannon Ellsworth asked how this plan interplays with the gateways that are being worked on. Mr. Weaver said that this only interfaces with the General Plan and the area of I-15 Center Street gateway is the only location that this plan would have intermixing with. Ms. Ellsworth asked if the gateways plan should be informing the downtown master plan. Mr. Weaver explained that the Gateways plan identifies many places in the city that they would take existing policies that effect each of the gateways and apply it to them. He also said that there needs to be a distinction between a gateway into the city and a gateway into downtown.

Councilor Dave Shipley asked if the areas on the map for rezone are already involved with projects that they know are coming. He is wondering if this plan was already influenced by areas that are already set for rezone anyways.

Mr. Weaver responded and said that the rezone map is a little different because the majority of downtown is zoned as DT1 and DT2 and that they have a lot of growth happening. Its one less step they need to do if they wanted to continue to develop there with such intensity. Mr. Shipley said that they are anticipating more density in the orange areas.

Councilor Rachel Whipple asked about the south area with mobile home parks. She said that she is against rezoning the mobile home parks because of the affordable housing nature and she does not want to upset that. She does not want to see that kind of affordable housing lost.

Presentation only. This item was already scheduled for the Council Meeting on May 16, 2023.

**5. A presentation regarding the Redevelopment Agency of Provo City Corporation.
(23-045) ([1:32:09](#))**

Brian Jones, City Attorney, shared some legal foundations on this presentation. The Council, as a legislative body, has the ability to create and dissolve community redevelopment agencies. He noted that right now, the Council is meeting as the Council and not as the Governing Board of the Redevelopment Agency. Any discussion items for the Governing Board would need to be deferred to one of their meetings. Mr. Jones shared several definitions from state law which define redevelopment agencies, project areas, and other related terms. Mr. Jones also outlined some of the duties and privileges of the redevelopment agency. One of the key distinctions is that the City cannot gift property, but the RDA has the ability to gift property. They are governed by the bylaws, which can be amended by the governing board. Councilor Katrice MacKay asked about the Mayor's role in the RDA board meetings. Mr. Jones indicated that her role is the same as when she is in a Council meeting; she does not vote in the governing board meetings but is permitted to be there.

Councilor David Shipley asked about how the RDA is funded and where that is established. Mr. Jones shared details on this but noted that generally their funding comes from the sale and purchase of property, as well as the tax increment financing. Bylaws do not have provisions over funding. There are specific provisions that are slightly different but not many.

Mr. Shipley asked if Provo has established any ongoing funding for the RDA.

Keith Morey, Development Services Assistant Director, explained that once the city sets up a RDA area with a sale of land or tax increment financing, those funds can still be used in the city but the money that came from it is intended to go back into the RDA projects. Those requirements are loose so the city could find beneficial use for the city with those funds. If funds are going to be used for other things in the city, there needs to be a correlation with the RDA projects. They do collect funds for the RDA projects that they set aside. Keith said they will have some discretionary funds from the sale of some property at market rate. He believes that they can transfer property to the RDA but may need to look at that to be sure.

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Dixon Holmes said that in the past, the city has given property to the RDA but in the text of that there is always consideration of why the city would do that. This was especially true for the Mountain Vista area due to liabilities that came with it.

Brian Jones read a portion of the bylaws for the RDA. Provides for the formation of an executive committee. The bylaws were recently amended for the executive committee to meet at least quarterly.

Keith Morey said the redevelopment has a set of tools created under state law that helps to facilitate economic development and eliminating blight.

Ms. MacKay asked him to explain the part about housing and Mr. Morey responded by saying basically a portion of any of these projects need to include a portion of affordable housing. Mr. Morey shared a list of all of the project redevelopment area, with details about each including the duration and starting versus current values.

Ms. MacKay asked if they do an RDA area does it automatically mean there is a tax increment financing portion to the developer. Mr. Morey said it does not have to, but there is not really a reason to create an RDA area unless you are planning to do that.

The Mountain Vista community development area expired in 2021 and Mr. Morey acknowledged the tremendous impact of this area on job creation and property tax in Provo. Mr. Morey shared maps of each of the other areas with highlights about various projects that have taken place. The Mix at River's Edge is another redevelopment area that has facilitated the development. Sometimes the success of a project really depends on the development partner who is involved, but they are seeing some improvements on this project and it has been turned around with a new development partner. Mr. Shipley asked when the RDA has a developer that its entered into an agreement with for increment and they have a list of things they want to do, what recourse does the RDA have to say when the developer does not follow through with commitments made. Mr. Morey said that in contracts, certain specifications are set. The developers have expressed concern to follow through on some things and the RDA believe they violated the contract. This means the RDA cannot continue with redevelopment. The contract also dictates when the RDA can exit the contract or rework it to help plans move forward.

Mr. Morey comments about many companies that have relocated outside of Provo, versus others that have expressed they want to stay in Provo. Mr. Shipley shared additional comments on this point. Mr. Shipley asked how the RDA governing board can evaluate proposals and how they can be more proactive about helping businesses that have been in Provo for many decades. Mr. Morey suggested they have the RDA set some money aside

Ms. MacKay asked if there needs to be a rubric and Mr. Shipley said it does not need to be that rigid. Ms. MacKay also asked about how some of the money from the tax increment goes back to the entity and if the rest of that percentage stays with the RDA. Mr. Morey explained that they get estimates from entities on how much they need for improvements to work around that. Ms. MacKay also asked if some of the tax increment money stays with the RDA and Mr. Morey says it comes down to property tax.

Councilor Bill Fillmore asked if Keith's department has a specific piece of land that they are looking at because of how little land Provo has left. Mr. Morey said they are not as far with that issue as they would like to. He said that things are going to change soon. He wants input from the council on areas that the RDA should look at. Mr. Fillmore said it is a necessity to start targeting areas so they don't miss out on opportunities.

Councilor Rachel Whipple liked the idea of building up a fund. She wondered about the ability to issue bonds against a future tax increment. Mr. Morey said they can do this if they can show a projected future revenue stream, that was bondable income. Mr. Holmes said they have bonded once before a number of years ago for the Duncan Aviation project.

George Handley asked if the bond strategy is something that could be used with the redevelopment of the former city center. He wondered if this made sense to consider. Mr. Morey said they needed to think about actual dollar amounts involved and if the capital investment and revenue increases make the debt worth it. Additionally, he said they need to consider if the increase in increment is significant enough to make this possible and advisable.

Councilors thanked Mr. Morey for his presentation and this discussion. Mr. Morey welcomed further input from the Council about this discussion.

Presentation only.

6. A presentation regarding an appropriation for a new golf cart storage building at Timpanogos Golf Club. (23-046) ([2:40:19](#))

Brett Watson, Golf Manager, presented. Mr. Watson shared the golf course revenue over the last four years. There has been a significant increase in revenue over the last four years. They need to address their golf cart storage. With some of the changes to the neighboring Noorda school property, they would like to make some upgrades to their cart storage as their parking will be reconfigured and combined with the Noorda school. They would like to move to an all-electric cart fleet, which would be a great benefit to more sustainable practices at the golf course. They would like to build a barn that will be the storage for the golf carts, as well as a cart wash area, breezeway for players, and other supporting functions. Everything will be internally funded through the Parks and Recreation Department internal revenues.

John Borget, Administrative Services Director, also presented. They are recommending doing an interfund loan over 7 years, paid back with a fixed principal payment and a variable interest rate, similar to how they have done other interfund loans. The loan would come from the Parks and Recreation CIP and the golf course would repay that loan. They initially thought five years, but they wanted to be a bit more conservative to ensure a viable repayment so they extended it to 7 years. ***Presentation only. This item will return to a future Council Meeting.***

7. A presentation regarding efforts addressing homelessness in Provo City- Food & Care Coalition. (23-018) ([2:45:37](#))

Brent Crane, Food and Care Coalition Executive Director, presented. They have a 501c3 and an operational entity that runs the coalition. He shared details about their facilities. Their facility is in East Bay Provo. The facility has 4.5 acres with 11 buildings. They also have 6 new apartment

complexes as well. They provide a number of different services, including meal service three times a day, seven days a week and sack lunches with food donations from the community. They also have different hygiene services such as dental cleanings and haircuts. They also have educational materials such as an onsite library. Candlelight Villas is their 1-bedroom apartment building with 72 units. They also have a community center with additional educational programming. Councilor Rachel Whipple asked if they can accept or hold mail for clients. Mr. Crane indicated they cannot do a mail forward on it through the post office, but they can receive mail there for clients.

Mr. Crane continued with the presentation and said they have many wonderful musical performers. They have had many Councilors and the Mayor give service there, as well as former Council members. Ms. Whipple asked about what happens if clients have drugs and Mr. Crane explained how this is addressed. Mr. Crane shared more about their hygiene services—many of their resources are donations from the community, which greatly expands their impact. They have several permanent partners located onsite, including Wasatch Behavioral Health and Mountainlands Community Health. They have many additional community partners who provide services and give service hours. Local law enforcement such as the Provo Police give a lot of service to their organization; law enforcement also frequently interacts with many of their clients out in the community. Their onsite medical facilities have allowed many clients to receive basic care, which diverts traffic from the emergency room.

Mr. Crane gave more information about their clients. Only 18% of their clients have a criminal background. One third of their residential stay clients obtain employment within 8 weeks. He shared data on their meal and housing trends. He noted that the nights housed has increased significant in 2023 due to their having 72 onsite apartment units. Their beds come with other support services that are essential to helping the unhoused population. Candlelight Villas is permanent supportive housing and has been very beneficial. He also shared a list of ways the community and volunteers can get involved.

Councilor David Shipley asked if they had finished the apartments project. He asked if the property allows for any kind of expansion. Mr. Crane said any expansion would have to come somewhere else in a different project. They have been operational since last June. Mr. Shipley thanked Mr. Crane for his leadership and for everything he has given. Councilor Bill Fillmore said he has had wonderful experiences volunteering at the Food and Care Coalition. He was very impressed by how extensive their services have become. Mr. Fillmore asked if they have attracted people from outside of Provo. Mr. Crane explained that they imposed some limitations on their facilities. He said that there are some scoring advantages to those trying to get into their housing for Utah County residents, so that is how they try to combat that impact. They will still provide services to others, but they want to prioritize people who are long-term residents of Utah County. Mr. Fillmore question I missed

Mr. Crane said there are some opportunities to do outreach with the local jails to help these populations to be in a better position when they are released so they can return to being contributing members of the community. He would advocate for another level of service for individuals with greater mental health impacts who have greater needs as a result. Councilor Katrice MacKay thanked Mr. Crane for his work. She agreed with his comments about mental health and referenced a recent meeting she had with Wasatch Mental Health. ***Presentation only.***

8. A presentation regarding the Quarterly Report for the 2nd Quarter of FY23. (23-020) (3:19:02)

John Borget, Administrative Services Director, presented. He received the quarterly report and its purpose, which was to give a summary of information about that quarter's revenues and expenditures. He wants to highlight things that are happening in the city's current fiscal year. He said the Quarterly Report gives an unaudited summary of information to the reader about the city's revenues and expenses for the fiscal year ending in December 2022. He wants to share the five year comparison as well.

Mr. Borget reviewed each section of the General Fund revenues and the other fund revenues as well.

Councilor David Shipley asked if 50% of property tax seems right for halfway through the year and wants to know if the city is on track or behind. Mr. Borget thought they were on track for where they expected to be halfway through the year. Mr. Shipley asked about the sales tax trajectory and if it sunk at all, he wondered if they could update the FY2024 budget to reflect that. Mr. Borget explained how they prepare the projections. Mr. Borget said these could definitely be adjusted if the Council wanted them to do that. *Presentation only.*

9. A presentation regarding the projected revenues for Fiscal Year 2023-2024. (23-008) (3:31:13)

John Borget, Administrative Services Director, presented. Mr. Borget illustrated where the revenues are coming from in the FY2024 budget—about 61% of the City's total revenues comes from the enterprise funds. The next highest fund for revenues is the General Fund. Of the General Fund revenues, about 42% comes from sales tax, with the rest coming from other fees, franchise fees, and property tax. Mr. Borget shared a breakdown of the enterprise funds, illustrating that Energy comprises 39% of the revenues, followed by the airport (due to large capital project budgets).

For the proposed budget in FY2024, revenues have decreased by about \$12 million. The enterprise funds are \$24 million less than the previous year, with the other funds each up from the last year. He planned to spend some time on this and explaining additional context for these changes. Mr. Borget shared a detailed breakdown of the increases to the General Fund revenues, which included some growth in sales tax and interest income. Some of the decreases are also on account of several positions that had been funded by ARPA funds in the last fiscal year, which will no longer be the case.

Mr. Borget shared details of their sales tax revenue comparison and he explained how they prepared the sales tax budget projections each year. Mr. Borget also displayed the sales tax percentage change, will showed a significant decrease during the recession in 2008-2009, with sales tax figures generally rising since then until the COVID pandemic. Mr. Borget shared a property tax revenue comparison. Councilor David Shipley asked if the property tax revenue comparison contemplated a possible property tax increase by the Council; Mr. Borget said the projections did not factor in any increases from a Truth-in-Taxation process. Mr. Borget shared several revenue category comparisons and budget figures. Councilor Katrice MacKay asked if

they would make the airport fees their own category at some point. Mr. Borget said that since the airport's public safety staffing still are being paid by Police and Fire, it is still combined but it would probably make sense to separate it out in the future. Mr. Borget continued and shared several other revenue comparisons. Mr. Shipley thanked Mr. Borget for his work on this.

Presentation only.

10. A presentation regarding the FY 23-24 Consolidated Fee Schedule. (23-008) (3:49:01)

Kelsey Zarbock, Budget Officer, presented. The proposed fees are built into the FY2024 revenue projections, so these have been fully incorporated into the proposed budget. Ms. Zarbock gave a high-level overview of the fee schedule, which she broke out by department. Ms. Zarbock reviewed some new fees which have been added and gave details of each, including a towing bond fee, accessory dwelling unit fees, ice skate sharpening, airport passenger facility charge, document review fee, and pretreatment compliance reinspection fee. Councilor David Shipley asked about the parking fee at the airport. Ms. Zarbock noted that was in a different section. Next she highlighted notable fee increases, for non-utility fees. Many Parks and Recreation fees are increasing in line with inflation to account for increased operating costs. For more detail about the actual price differences, Ms. Zarbock said page 148 of the budget book has a summary of all the fees listed out, as well as the annotated copy of the consolidated fee schedule. The airport parking fee is increasing from \$10 to \$12. Additionally, compost purchases will increase for residents from \$3 to \$5.

Ms. Zarbock outlined the major fee increases to utilities, noting that the budget and consolidated fee schedule contained all the information (as some fees differed for residential versus commercial customers). For some of the water and wastewater fees, these will go into effect in the fall, as Public Works recognizes that summertime can be a higher-use time of year, so they do not want to hit residents during that season with the higher fees. Ms. Zarbock also noted a couple of fees that were being reduced or eliminated. She said that Parks and Recreation is decreasing the cost of their photography class. The Library is reducing the cost for printing in color and the internet usage fee will be eliminated entirely. Ms. Zarbock reiterated where more detail was available and invited any questions from the Council. ***Presentation only.***

11. A presentation regarding transfers in the proposed tentative FY23-24 budget. (23-008) (3:57:38)

Dan Follett, Finance Division Director, presented. For transfers, state law requires they provide an annual disclosure of funds regarding transfers from utility funds to other funds. A notice has been sent to ratepayers and they are required to hold a public hearing, which will take place on June 6, 2023. There are six different transfers that take place:

- 10% of utility fund revenues (since Provo operates most of its own major utilities). This transfer helps keep other taxes low, particularly property taxes, and better spreads the costs of services throughout entities that utilize these services in the community (since Provo is home to many non-taxable property owners).
- 1% transfer of utility revenues to the General Fund for road maintenance

- Administrative Overhead for central services within the City organization such as facilities, finance, information systems, etc.
- Telecom Debt Service which provides the debt service payments on the telecom bonds (which will be paid off in FY2026).
- Provo360 for the City's software replacement project (which will be paid off in FY2025)
- Water (for water used by the wastewater fund)

Mr. Follett outlined each of these categories of transfers and details of each. He invited any questions from the Council. Councilor David Shipley asked where the 10% figure came from for the 10% transfer and whether there were any risks from the State government to eliminate transfers. Mr. Follett has been at the city for nearly 15 years and it has always been 10% during that time. He was not aware of any threat to this. From his perspective, the City takes on a certain level of risk and responsibility in providing these services and utilities; the City feels the 10% transfer is a reasonable return to the City for taking on this risk and management responsibility. Mr. Shipley thought this was a huge benefit to Provo. For a private utility, a portion of their earnings would be returned to their stockholders; for the City, these revenues are being returned to the City to continue to provide services. *Presentation only.*

12. A discussion regarding the General Fund (23-008) ([4:06:54](#))

Michael Sanders, Policy Analyst, presented. The City revenues come from three categories, including taxes, transfers in, and fees. The city has nine General Fund departments. Mr. Sanders said the city has \$85 million dollars in revenue from the General Fund. He explained that taxes are broken up into subsets that flow into the revenue for the General Fund. Mr. Sanders said that the total expenditures is also \$85 million.

Next, Mr. Sanders analyzed the fund ratios. The service obligation ratio shows that the city is spending a little more and so it needs a bit more from transfers in to balance the ratio out. The next fund ratio was the dependency ratio. It shows how much the city is relying on other governmental entities. The graph that Mr. Sanders displayed shows that the dependency ratio has gone down in recent years. The next ratio was the financing obligation. This shows how much of the General Fund is going towards Debt Services. This ratio has been going down in recent years. The next ratio was the leverage ratio which also has been going down.

Mr. Sanders showed a graph of which departments have the most expenses. Police require the most money from the General Fund.

He also showed a graph of how much money each departments are requesting for the Fiscal Year 2024 when compared to the Fiscal Year 2023.

Mr. Sanders explained that all departments had an increase except for General Services. Mr. Sanders reviewed each of these departments and divisions in more detail, highlighting the increases and what these increases were for. Councilor David Shipley asked about the 3 fire captains and Mr. Sanders said these are a gross expense but these are being repaid by the other department, which Mr. Sanders indicated was the case.

Mr. Sanders invited any questions or requests for additional research on the General Fund from the Council. Councilor Shannon Ellsworth thanked Mr. Sanders for doing this analysis. Mr. Shipley thought it was great that Provo had come in right in line with the required ratios.

Presentation only.

13. A presentation of the FY2024 Tentative Budget and Council Priorities (23-008)
(4:20:09)

Justin Harrison, Council Executive Director, presented. He shared a list of the Council's priorities and highlighted the funding status of these priorities. The long-range plans were identified as a high priority by the Council and Mr. Harrison gave a status update on these plans. The General Plan was updated earlier this year; the Council will be able to adopt the updated Downtown Master Plan at the Council Meeting that evening. Several additional plans are in progress with Development Services, including the Conservation and Resiliency Plan and the Gateways Plan. The Canyons and Hillsides Plan and River and Lakeshore Plan also both kicked off at the end of last year, and staff anticipate those will be brought to the Council later this year.

The next priority the Council included was a Provo-specific housing audit or study, which has been discussed extensively in Work Meetings. Staff are currently working on some internal efforts to identify relevant data points. Stan McShinsky, GIS Analyst, has been incredibly helpful in facilitating this process in order to help the Council realize some of their goals related to this.

The five-year staffing plan for Police and Fire is still being developed by the Administration. There are several positions that have been funded in the tentative budget and Mr. Harrison gave details about these. There are two additional patrol police officers that were unfunded in the budget but have been requested.

IS and Cybersecurity enhancements is another Council priority. Mr. Harrison provided details on a number of supplemental requests that were submitted for the budget and which have been addressed with funding in the tentative budget. The one critical unfunded ask was for a Cayenta software analyst.

For employee retention, the tentative budget includes a number of relevant items, including a 4% cost of living adjustment and other Human Resources initiatives related to the pay study and merit increases. For the priority of city debt reduction, Mr. Harrison gave updates on the City's debt. There is currently only one variable interest rate as part of the City's debt portfolio. Additionally, there could be opportunities to addressing this outstanding debt through CDBG allocations.

A Provo app is an ongoing project and a priority of the Mayor as well. Staff are doing internal cleanup and a redesign of the City website, which will make the process easier moving forward and a Provo app will be forthcoming in the future.

Several other priorities of the Council relate to some of the CIP items. The Rock Canyon Master Plan has partial funding in the proposed CIP budgets for fiscal year 2024. The Rock Canyon trailhead project costs roughly \$3 million. About \$2 million has been funded through grants, and \$500,000 will come from the City as a match to \$500,000 of community fundraising. In FY2025, a roundabout for the Rock Canyon trailhead parking lot entry has been funded in the CIP.

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Slate Canyon and the Slate Canyon Park Master Plan is another priority of the Council. Many portions of the project are funded in the CIP over the next five years. RAP tax and impact fees are contributing to this project. As additional design work and planning takes place on this project, Parks and Recreation will have a better sense of the final project budget. Parks and Recreation continues to seek outside funding and grants for this project as well.

The Peaks Ice Arena and Fieldhouse updates are another priority of the Council. They are receiving \$6 million from the State for upgrades to the facilities, which will be received in increments. Additional funds will continue to be released if Salt Lake secures an Olympic bid. The initial estimate of the fieldhouse expansion and ice ribbon is about \$6 to 8 million, which has not been funded at this time. Councilor Shannon Ellsworth said she did not recall talking about the ice ribbon at the Council's priority meeting. Mr. Harrison said this was just the estimate Parks and Recreation had received based on their rendering and their budget presentation. Ms. Ellsworth wanted to remain focused on the Council priorities specifically.

Sidewalk repair and replacement is another important priority to the Council. Mr. Harrison gave some details on items relating to sidewalk repair that are included in the FY2024 CIP. Areas that are not yet developed will be developed with sidewalks and curb and gutter when they are built in the future. The FY2024 budget includes \$500,000 for sidewalk replacement, however the CIP lists a number of additional projects that are unfunded. Councilor Rachel Whipple asked about the Shoreline Middle School temporary asphalt path and whether this project would be paid twice, when sidewalks are installed later. Mr. Harrison said this was one of the. She asked if the School-related sidewalk funding item was related to moving schools. If the City is having to pay more for essential and critical infrastructure to support School District decisions to move schools, she wants this to be clearly articulated as such. She also asked about the details of the unfunded item for new sidewalk, curb, and gutter. Mr. Harrison indicated there is a prioritization list for sidewalk repair and replacement, but he was not sure about the new sidewalk category and how this was prioritized. Ms. Whipple asked if not funding things like the school-related sidewalks, whether the main budget for sidewalk replacement ends up getting diverted to pay for those things. Mr. Harrison said that would require some additional follow-up with Public Works regarding their priorities if they only received the \$500,000 in the tentative budget. Councilor Katrice MacKay said they asked for an expansion of the soccer field so it would be helpful to have two numbers (one with the ice ribbon and one without) in order to compare those figures.

The next priority is traffic calming. Traffic calming measures on Slate Canyon Road are unfunded in the tentative budget. Mr. Harrison noted that the Police department shared some information about some data collection they did with speeds on Slate Canyon Drive, which was shared at a recent neighborhood district meeting.

Center Street improvements are another Council priority. There has been some partial funding allocated by the tentative budget; \$250,000 for Center Street improvements phase 1 and \$2.5 million in unfunded improvements.

A southeast grocery store has come up as a priority a number of times. The City continues to work with potential grocers and retailers about coming into the Provo market, however these

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retailers are highly dependent upon their own market research. Economic Development continues to work with these interested parties.

The last priority was open space preservation, which is another ongoing priority. The Conservation and Resiliency Plan is fully funded. Conservation easements and land acquisition funding have also been discussed by the Council. Moreover, there is no funding being put into these items presently but this could continue to be discussed by the Council. Provo City is made up of 28,000 acres; about 1400 acres are zoned as Open Space Parks and Recreation, so roughly 5% of the City. Councilor Katrice MacKay asked if this included parks. Mr. Harrison said this includes parks and conservation easements, and may include several other categories. Ms. MacKay said it would be helpful to know where Provo fell relative to other cities.

Mr. Harrison said they had intended this presentation to be helpful to the Council in identifying which of their priorities have been addressed and funded in the budget. Councilor George Handley commented on the open space preservation item. He did not know if comparing to other cities was the best data point; he referenced specific properties that might be desirable for the City to purchase. He did not know how to plan for that. Mr. Harrison said it could be appropriate to have discussions with the relevant departments to encourage them to bring opportunities and appropriations to the Council to address things like this. *Presentation only.*

Closed Meeting

The Municipal Council or the Governing Board of the Redevelopment Agency will consider a motion to close the meeting for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation, and/or to discuss the purchase, sale, exchange, or lease of real property, and/or the character, professional competence, or physical or mental health of an individual in conformance with 52-4-204 and 52-4-205 et. seq., Utah Code.

Adjournment

Adjourned by unanimous consent.